Implenia

Annual Report 2023

EXCELLENTLY POSITIONED

FOR SUSTAINABLY PROFITABLE GROWTH

Contents

IMPLENIA ANNUAL REPORT 2023

THE YEAR IN BRIEF

FINANCIAL YEAR 2023 – TARGETS ACHIEVED, ON TRACK FOR SUSTAINABLY PROFITABLE GROWTH

- With EBIT of CHF 122.6 million, currency-adjusted CHF 126.5 million, Implenia achieved the target; consolidated profit at record level of CHF 141.8 million
- The Group generated a free cash flow of CHF 87.3 million (excluding the price paid for Wincasa) and improved its equity ratio to 19.8%, currency-adjusted 20.0%
- All Divisions contributed to the strong Group result; the order book remained at a high a level
- Sustainability Report 2023: strong commitment to a more sustainable construction and real estate industry
- Implenia is aiming for EBIT of CHF ~130 million in 2024 and is confirming its medium-term financial targets
- Board of Directors will propose a dividend of CHF 0.60 per share to Annual General Meeting

This report includes alternative performance measures. These are defined on page 156.
This Annual Report is also available in German. The original German version is binding.

The year in brief

Order book
in CHF m

6,985

(2022: 7,221)

Group revenue
in CHF m

3,596

(2022: 3,538)

EBIT
in CHF m

122.6

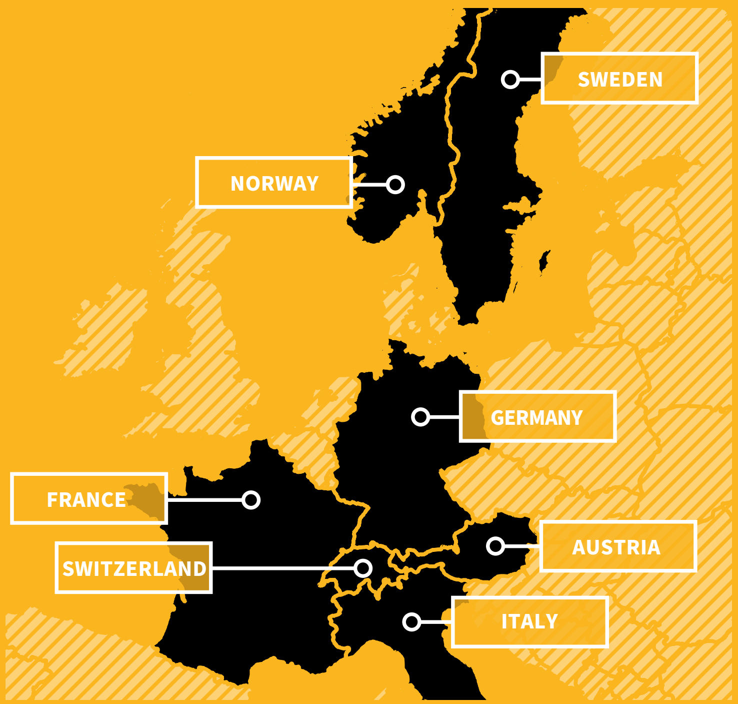
(2022: 138.9)

Employees (FTE)
as at 31.12.2023

9,056

(2022: 7,639)

Geographical presence
Implenia's relevant markets



1 TO OUR SHAREHOLDERS

DEAR SHAREHOLDERS

Implenia achieved its targets for 2023 and is on track for sustainably profitable growth – underlining that Implenia, with its strong team and comprehensive, integrated portfolio of services, is extremely well positioned in the market. The company's diversified services and extended value chain have paved the way for a strong set of Group results. All the Divisions – Real Estate, Buildings, Civil Engineering and Specialties – contributed to this pleasing outcome.

The order book remains at a high level. Based on its strategic focus and expertise in large, complex real estate and infrastructure projects, the Group was able to win a large number of relevant contracts in 2023. Strict application of Value Assurance, Implenia's risk management, ensures that the projects in the order book have a solid risk and margin profile.

There is still high and rising demand for large-scale real estate projects in attractive urban locations, as well as for complex infrastructure projects. This demand is being stimulated by the megatrends of population growth and urbanisation, the energy transition and investments in new or modernised transport and energy infrastructure. With its comprehensive, integrated portfolio of services along the entire value chain and its sector-oriented specialisations (healthcare, research, transport and energy infrastructure etc.), Implenia is excellently positioned in these areas.

Based on many years of experience, the Group has built up comprehensive capabilities for its differentiated and scalable range of services. Its portfolio mix of sought-after real estate and infrastructure services enables sustainably profitable growth. By combining organic and inorganic growth, backed by an asset-light strategy, the Group is also tapping into innovative, high-margin business areas.

Proven expertise in planning and building sustainable real estate and infrastructure is increasingly in demand from private and public clients, especially for large and complex projects. Implenia aims to shape the transformation towards a more sustainable construction and real estate industry. In 2023, the company's position as an industry leader in sustainability was confirmed by the relevant environmental, social and governance (ESG) ratings.

Implenia wants its shareholders to participate in the company's growing success, so the Board of Directors will propose a dividend of CHF 0.60 per share (previous year: CHF 0.40) to the AGM on 26 March 2024. The Board of Directors anticipates that Implenia will continue to distribute dividends in the future.

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

Hans Ulrich Meister
Chairman of the Board of Directors

IMPLENIA IS EXCELLENTLY POSITIONED FOR SUSTAINABLY PROFITABLE GROWTH

With EBIT of CHF 122.6 million, currency-adjusted CHF 126.5 million, Implenia achieved the target for 2023 in a challenging market environment. Consolidated profit stood at a record level of CHF 141.8 million. This underlines that Implenia, with its strong team and comprehensive, integrated portfolio of services, is excellently positioned in the market. Its diversified services and extended value chain enable sustainably profitable growth.

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

Interview

"Even in a challenging market environment, the megatrends of population growth and urbanisation, the energy transition and investments in new or modernised transport and energy infrastructure are stimulating demand."

Hans Ulrich Meister
Chairman of the Board of Directors

Implenia achieved its targets for 2023 in a challenging market environment. What do you think of the results?

André Wyss Implenia posted EBIT of CHF 122.6 million, or CHF 126.5 million after adjusting for currency effects. All Divisions contributed to this strong Group result. Revenue significantly exceeded the previous year's level in constant currency. The order book remained at a high level of CHF 7,293 million after adjusting for currency effects. Consolidated profit reached a record level of CHF 141.8 million. These results prove that our services are in demand in the market. Furthermore, strict application of Value Assurance – Implenia's risk management – ensures that our projects have a solid risk and margin profile.

Hans Ulrich Meister This success in a challenging market environment would not have been possible without the extraordinary commitment of employees at all levels and the outstanding performance of the management. On behalf of the Board of Directors, I would like to thank everyone for their efforts. Based on many years of experience and comprehensive expertise, Implenia has built up a differentiated and scalable portfolio of services. This, in tandem with an expanded value chain, is now paying dividends.

The equity position and cash situation are important metrics for the Implenia Group. How did these two key figures change in 2023?

André Wyss Equity increased by CHF 93.1 million to CHF 575.8 million in financial year 2023. The Group increased its equity ratio to 19.8% (2022: 17.5%), currency-adjusted 20.0% as of 31 December 2023. This further strengthens our financial stability. Free cash flow came to CHF −12.7 million (2022: CHF 124.0 million), or CHF 87.3 million excluding the CHF 100 million already paid for Wincasa.

The acquisition of Wincasa in spring 2023 expanded Implenia's value chain into real estate management in line with Group strategy. Is this already having a positive effect on the annual results?

André Wyss With EBIT of CHF 6.7 million after transaction and integration costs as well as PPA amortisation, Wincasa has already made a good contribution to earnings. The integration has been completed successfully and the synergy potential is being realised. Now Wincasa is part of the Group, Implenia can offer clients a unique, integrated range of services from a single source, including property management. We have also realised cost synergies, especially by combining Group functions and locations.

What developments were there on the Board of Directors in 2023?

Hans Ulrich Meister The Board of Directors, with all its professional and personal diversity, works excellently as a team and is very good at fulfilling its responsibilities as a supervisory body. Close cooperation with the Implenia Executive Committee was and remains crucial for the successful implementation of the "Fit for Growth" strategic phase. Raymond Cron was elected to the Board in 2023. With his many years of experience in management at real estate development and construction

Interview

companies, he brings comprehensive industry expertise and leadership skills to the Board.

Implenia publishes its Sustainability Report at the same time as the Annual Report this year, the first time it has done this. How important is sustainability to the Implenia Group?

André Wyss Proven expertise in planning and building sustainable real estate and infrastructure is increasingly in demand from private and public clients, especially for large and complex projects. Implenia aims to shape the transformation towards a more sustainable construction and real estate industry. The Group has published a Sustainability Report in accordance with the Global Reporting Initiative (GRI) since 2012. As one of Implenia's five corporate values, sustainability is put into practice by our employees on projects every day. The relevant ESG ratings, such as Sustainalytics (Industry Top Rated) and MSCI (AAA), once again confirmed Implenia's prime position as an industry leader in sustainability last year. EcoVadis awarded the Group gold status again in 2023.

With rising interest rates and building costs, the market environment for the construction and real estate industry presented a real challenge, which Implenia successfully mastered. How do you see the market developing in 2024? What about Implenia's position?

Hans Ulrich Meister There is still high and rising demand for large-scale real estate projects in attractive urban locations as well as for complex infrastructure projects. This demand is being stimulated by the megatrends of population growth and urbanisation, the energy transition and investments in new or modernised transport and energy infrastructure.

André Wyss With its comprehensive, integrated portfolio of services along the entire value chain and its sector-oriented specialisations in areas like healthcare, research, transport and energy infrastructure, Implenia is excellently positioned in these areas. Based on many years of experience, the Group has built up comprehensive capabilities for its differentiated and scalable range of services. Its portfolio mix of sought-after real estate and infrastructure services enables sustainably profitable growth. By combining organic and inorganic growth, backed by an asset-light strategy, the Group is also tapping into innovative, high-margin business areas.

What goals has Implenia set itself for 2024?

André Wyss Implenia expects EBIT of CHF ~130 million for financial year 2024 based on a strong operating business in a challenging market environment. As a mid-term target, the Group is aiming for an EBIT margin of >4.5% and an equity ratio of 25%.

Can shareholders expect another dividend in 2024?

Hans Ulrich Meister Implenia wants its shareholders to participate in the company's growing success. At the AGM on 26 March 2024 the Board of Directors will propose a dividend of CHF 0.60 per share (previous year: CHF 0.40). We anticipate that Implenia will continue to distribute dividends in the future.

> "Our diversified portfolio of highly sought-after real estate and infrastructure services, our expanded value chain and the successful implementation of our projects enable sustainably profitable growth."
>
> **André Wyss**
> CEO

SHARE AND FINANCING

Earnings per share, undiluted
in CHF

7.69

(2022: 5.68)

Market capitalisation
in CHF m

563

(2022: 703)

Cash dividend per share[1]
in CHF

0.60

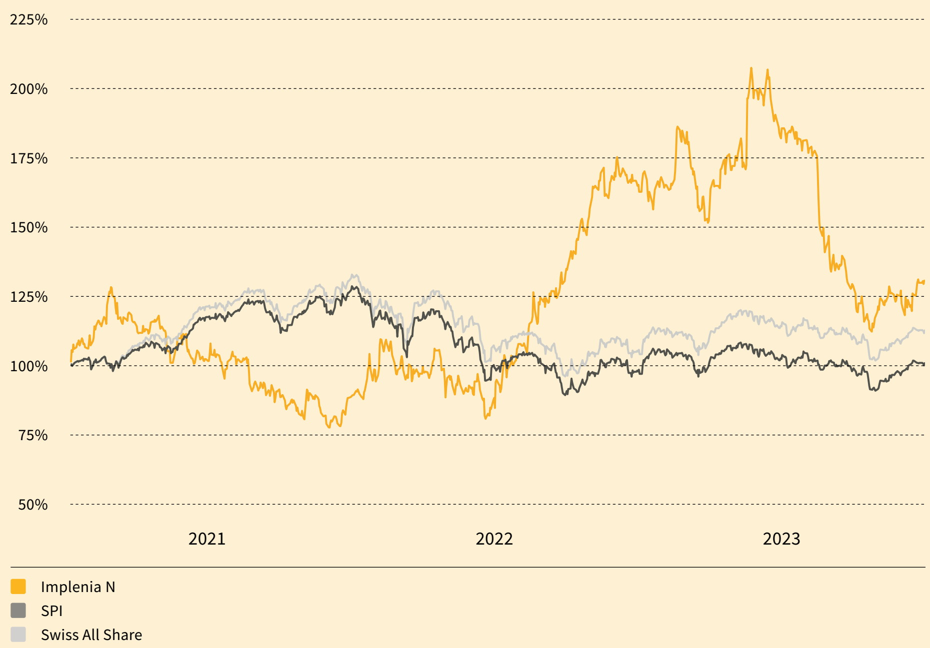
(2022: 0.40)

Daily trading volume
in CHF m

1.5

(2022: 1.2)

Share price since 1 January 2021 (indexed)
Total shareholder return +30.6%



Source: Bloomberg

1 Subject to approval by Annual General Meeting of Shareholders

Share and financing

INFORMATION ABOUT IMPLENIA'S SHARES

Review

The average number of shares traded each day rose slightly to around 41,700 in 2023, compared with 40,500 in the previous year. The average daily trading volume increased to CHF 1.5 million (from CHF 1.2 million in 2022). Implenia's closing price at the end of 2023 was CHF 30.50 (closing price 2022: CHF 38.05), a decline of 19.8%.

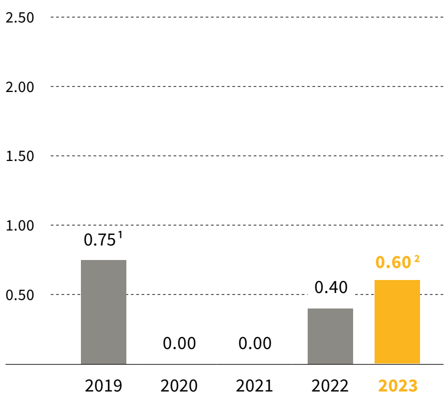
Share performance

	2023	2022	2021	2020	2019
High (in CHF per share)[1]	48.60	41.45	30.88	46.25	35.48
Low (in CHF per share)[1]	25.75	18.40	17.81	16.79	22.97
Price at 31.12. (in CHF per share)[1]	30.50	38.05	20.76	24.04	34.32
Annual performance in %	(19.8%)	83.3%	(13.6%)	30.0%	18.7%
Average number of shares traded per day	41,683	40,541	42,545	90,846	99,524
Market capitalisation as of 31.12. (In TCHF)[1]	563,396	702,860	383,479	444,067	633,959

Source: Bloomberg

1 Price before 2020 adjusted for Ina Invest spin-off

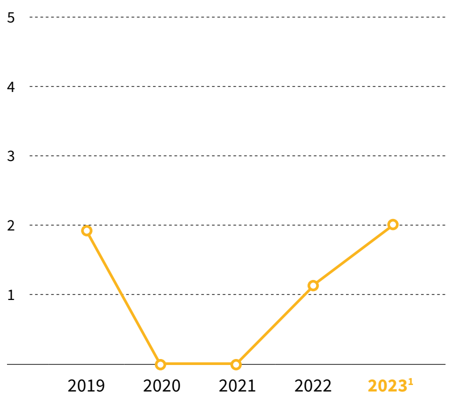
Cash dividend
in CHF per share



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

2 Subject to approval by Annual General Meeting of Shareholders

Dividend yield
in %



1 Subject to approval by Annual General Meeting of Shareholders

Share and financing

DIVIDEND POLICY AND RETURNS

Board of Directors will propose a dividend of CHF 0.60 per share to Annual General Meeting

Implenia wants its shareholders to participate in the company's growing success, so the Board of Directors will propose a dividend of **CHF 0.60** per share (previous year: CHF 0.40) to the Annual General Meeting of Shareholders on 26 March 2024. The Board of Directors anticipates that Implenia will continue to distribute dividends in the future.

KEY DATA

Symbol	IMPN
Valor	2 386 855
ISIN	CH002 386 8554

Index membership

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

Share capital

	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Share capital (in TCHF)	18,841	18,841	18,841	18,841	18,841
Number of registered shares issued	18,472,000	18,472,000	18,472,000	18,472,000	18,472,000
Of which treasury shares	264,172	64,954	63,854	29,404	13,851
Number of outstanding registered shares	18,207,828	18,407,046	18,408,146	18,442,596	18,458,149
Par value of each registered share (in CHF)	1.02	1.02	1.02	1.02	1.02
Conditional / Authorised capital (in TCHF)	3,768	3,768	3,768	3,768	3,768

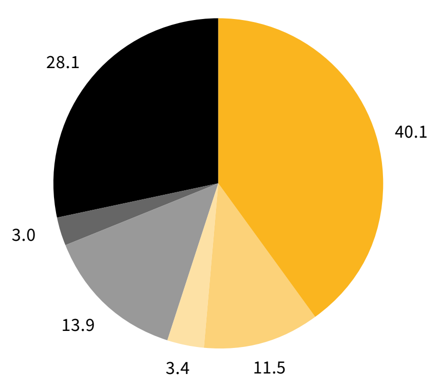
Key figures

	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Earnings per share (in CHF)	7.69	5.68	3.31	(7.30)	1.61
Price-earnings ratio[1]	4.0	6.7	6.0	(3.3)	21.3
Equity per share (in CHF)	31.17	26.13	18.73	16.40	30.48
Gross dividend[2] (in CHF)	0.60	0.40	–	–	0.75
Dividend yield	2.0%	1.1%	0.0%	0.0%	1.9%
Distribution ratio[3]	7.8%	5.2%	0.0%	0.0%	46.7%

1 Share price before 2020 adjusted for Ina Invest spin-off
2 2019: plus dividend in kind from the Ina Invest transaction of max. CHF 1.20 per share
2023: subject to approval by the Annual General Meeting
3 Based on number of outstanding shares at 31.12.

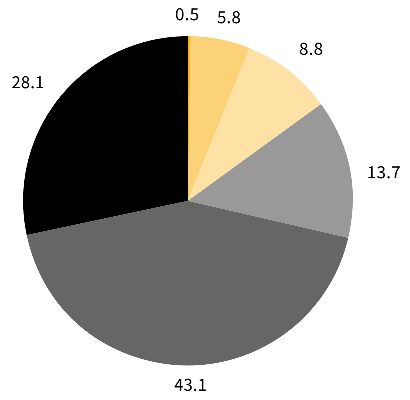
Share and financing

Share capital by type of shareholder
(shares with and without voting rights) in %
as at 31 December 2023



- Private individuals
- Legal entities
- Pension funds
- Investment funds / foundations/public bodies
- Banks / insurance companies
- Unregistered shares

Shareholders by size of shareholding
(shares with and without voting rights) in %
as at 31 December 2023



- 1,790 shareholders with 1-100 shares
- 2,859 shareholders with 101-1,000 shares
- 593 shareholders with 1,001-10,000 shares
- 80 shareholders with 10,001-100,000 shares
- 22 shareholders with more than 100,000 shares
- Unregistered shares

SHAREHOLDER STRUCTURE

Major shareholders/nominees owning more than 3% of share capital (as at 31 December 2023)

Name	Number of shares	Percentage of share capital
Max Rössler / Parmino Holding AG	3,048,970	16.5%
Rudolf Maag	1,000,000	5.4%
Fund Partners Solutions (Suisse) SA	557,362	3.0%
Dimensional Holdings Inc.	555,019	3.0%
Credit Suisse Funds AG	554,632	3.0%

ANALYST RECOMMENDATIONS

Coverage of Implenia's shares

Investment specialists continuously analyse Implenia's business performance, results and market situation. Five analysts regularly publish studies on Implenia shares.

Broker/bank	**Rating**
Kepler Cheuvreux	Buy
Research Partners	Hold
UBS	Buy
Vontobel	Hold
Zürcher Kantonalbank	Market weightings

As at 19 January 2024

Credit ratings

Implenia Ltd. has no official credit rating from a credit rating agency. The listed ratings are based on each bank's internal criteria. Please note that credit ratings can change at any time.

Rating agency/bank	**Rating**	**Outlook**
UBS	BB+	Stable
Zürcher Kantonalbank	BB+	Stable
Fedafin	Not disclosed	Not disclosed
Independent Credit View	Not disclosed	Not disclosed

As at 19 January 2024

DEBT FINANCING

Outstanding bonds

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

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

Outstanding promissory note loans

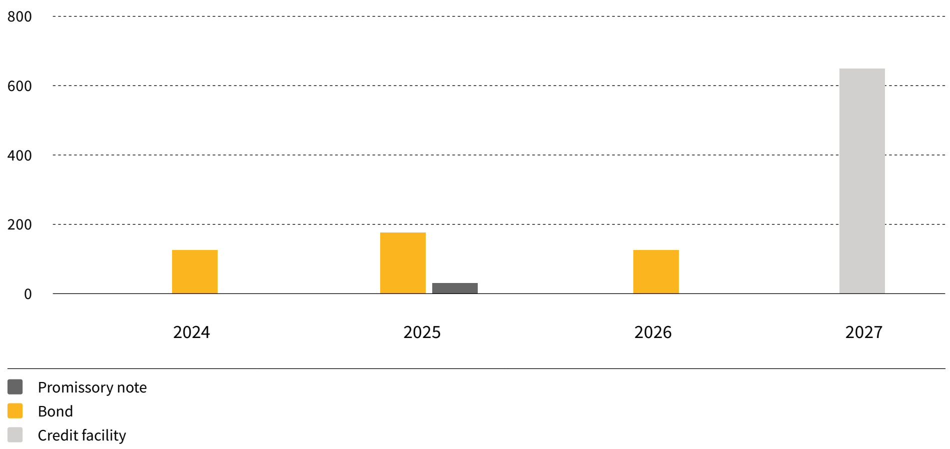
In June 2017, Implenia issued a promissory note loan (private placement) for a total amount of EUR 60 million. The three EUR-denominated tranches have fixed interest rates and maturities of four, six and eight years. The first tranche of EUR 10 million was repaid in 2021 and the second tranche of EUR 20 million in 2023.

Coupon	Term	Nominal	Due
Fixed	2017–2025	EUR 30 m	9.6.2025

Syndicated loan agreement

Implenia has a revolving syndicated loan agreement for CHF 650 million, which in November 2022 was extended to December 2027. This unsecured credit facility consists of a tranche of CHF 100 million (Facility A) as a revolving cash limit, a guarantee limit of CHF 450 million (Facility B), and a cash and / or guarantee limit of CHF 100 million (Facility C). As of the balance sheet date, no liquidity had been drawn down from the usable portion of the credit facility.

Maturity profile of debt financing instruments
as at 31.12.2023



Share and financing

OVERVIEW OF KEY FIGURES

Five-year Implenia Group overview

in TCHF	2023	2022	2021	2020	2019
Order book (as at 31.12.)	6,985,442	7,221,306	6,880,921	6,386,284	6,157,507
Income statement					
Production output	4,203,874	4,152,567	4,174,113	4,060,298	4,517,550
Consolidated revenue	3,595,909	3,538,344	3,764,670	3,988,946	4,430,833
EBIT	122,620	138,861	114,826	(146,757)	63,507
Consolidated profit	141,757	105,963	63,956	(132,052)	33,920
Cash flow statement					
Cash flow from operating activities	(30,371)	128,126	(69,246)	(161,533)	143,549
Cash flow from investment activities	17,712	(4,129)	51,752	(31,809)	(58,678)
Cash flow from financing activities	(99,079)	(294,335)	107,425	4,161	(79,732)
Free cash flow[1]	(12,659)	123,997	(17,494)	(193,342)	84,871
Investment activities					
Investments in real estate transactions	37,832	19,915	41,078	57,926	53,170
Real estate disposals	(31,163)	(26,655)	(28,351)	(116,510)	(48,951)
Investments in fixed assets	51,641	44,238	42,653	52,106	70,635

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

in TCHF	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Balance sheet					
Cash and cash equivalents and fixed short-term deposits	478,809	609,040	796,895	719,990	912,317
Real estate transactions	149,136	141,026	149,269	137,130	189,486
Other current assets	1,102,142	1,084,524	1,136,534	1,093,712	1,124,833
Non-current assets	1,175,454	918,836	905,138	992,379	856,627
Total assets	2,905,541	2,753,426	2,987,836	2,943,211	3,083,263
Financial liabilities	710,900	654,479	888,453	732,837	639,753
Other liabilities	1,618,866	1,616,277	1,753,465	1,907,347	1,853,041
Equity	575,775	482,670	345,918	303,027	590,469
Total equity and liabilities	2,905,541	2,753,426	2,987,836	2,943,211	3,083,263
Net cash position excl. lease liabilities	(49,897)	120,336	67,319	160,526	420,500
Capital structure					
Equity ratio in %	19.8%	17.5%	11.6%	10.3%	19.2%
Long-term liabilities in %	20.4%	24.4%	25.2%	24.6%	22.6%
Short-term liabilities in %	59.8%	58.1%	63.2%	65.1%	58.2%
Workforce (FTE; as at 31.12.)[1]	9,056	7,639	7,653	8,701	8,867

1 Excl. temporary staff

Share and financing

Five-year Implenia Group overview

in TCHF	2023	2022	2021	2020	2019
Key figures					
EBIT margin in %[1]	3.4%	3.9%	3.1%	(3.7%)	1.4%
Return on Invested Capital (ROIC) in %	24.0%	40.6%	48.7%	(82.0%)	32.5%

1 Basis: consolidated revenue IFRS

Overview of sustainability ratings and standards

Ratings	Score	Evaluation period	Rank
Sustainalytics	86 / 100	2022	2
Sustainalytics ESG Risk Rating	24.7 / 100	2022	19; 6th percentile; "Industry Top Rated"
MSCI	AAA / AAA	2022	1
EcoVadis	70 / 100	2022	5th percentile
Inrate	B / A+	2021	7

SUSTAINABLE INVESTMENT

Increasing value through sustainability

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

Certification and ratings

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

A raft of top ratings reflects the external recognition that Implenia's sustained commitment has received in recent years. MSCI ESG – one of the world's leading credit rating agencies – gave Implenia an AAA rating in 2023, for example. EcoVadis, the world's largest provider of sustainability ratings, confirmed Implenia's Gold status in 2023. This puts the Group in the top five percent of the more than 100,000 companies evaluated by EcoVadis. Implenia also received above-average sustainability scores from rating companies Sustainalytics and Inrate.

MSCI ESG RATINGS AAA
CCC | B | BB | BBB | A | AA | AAA

SUSTAINALYTICS ESG INDUSTRY TOP RATED 2023

GOLD 2023 ecovadis Sustainability Rating

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"Green" credit financing

In 2018 Implenia became the first industrial company in Switzerland to link its credit margin to its sustainability performance. This performance is determined annually by Sustainalytics, a leading international provider of ESG ratings. In 2023, Implenia consolidated its leading position (#2) – both overall and in the three individual areas – among a total of 61 companies in the "Construction & Engineering" sector, scoring 86 points. This was a one-point improvement on the previous year's rating. The Sustainalytics "ESG Risk Rating" also puts Implenia in the top six percent of companies. Thanks to its consistent high ratings, Implenia benefits from favourable conditions on the capital market.

Implenia published its new **Sustainability Report** on 28 February 2024. The Sustainability Report details all the sustainability objectives and activities in all three dimensions – environmental, financial and social.

COMMUNICATIONS, CONTACTS AND DATES

Communications

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

Interested parties can subscribe to all our important corporate communications, including ad hoc press releases, by clicking through to the “Media / News Service” page on the site. As in previous years, in 2023 the CEO, CFO and Investor Relations presented the company at roadshows, conferences and meetings. In 2023 Implenia held its two customary conferences on the financial results – half-year and full-year – for analysts and the media.

Contacts

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

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Key dates

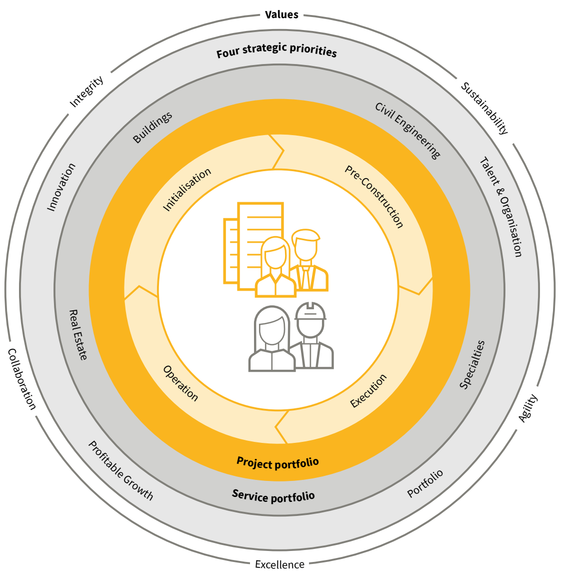
2024 Annual General Meeting	26.3.2024
Media and analysts’ conference on the 2024 first-half results	21.8.2024

2 THE YEAR 2023

STRATEGY – IMPLEMENTATION OF "FIT FOR GROWTH" PHASE

Implenia is a leading integrated construction and real estate service provider with clear strategic priorities, an experienced and highly specialised team and strong values. The Group aims to achieve sustainable and profitable growth.

Integrated business model with comprehensive services along the entire value chain creates added value for our clients



Implenia generates value for its clients at all stages of the value creation process – based on its strategic priorities and with a clear organisational structure. The company brings together the know-how of its highly skilled consultancy development, planning, execution and management units under a single roof.

With integrated services from a single source and cooperation across all four Divisions, the multinational construction and real estate services provider implements large real estate projects in urban centres as well as complex infrastructure for mobility and energy. Implenia supports customers throughout the entire lifecycle of their building / structure. Specialist experts from all four Divisions develop optimum end-to-end solutions to meet clients' challenges, tailored to their specific requirements. Close cooperation and the exploitation of synergies is one of the keys to Implenia's success.

If Implenia's experts can contribute their know-how at an early stage, ideally at the initiation of a project or in the pre-construction phase, quality, cost and time estimates are all improved. Insights are increasingly being gained during the operational phase of real estate and infrastructure, which are in turn fed back into the planning of new buildings and refurbishments. Analysis of building usage data contributes to better informed decisions.

Implenia aims for sustainable, profitable growth

Strategy implementation is guided by the four strategic priorities: Portfolio, Profitable Growth, innovation and Talent & Organisation. Implenia aims to become more profitable during the current "Fit for Growth" phase by improving and growing its existing business and by opening up new business areas, possibly through selective acquisitions.

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

Strategy

Strategic priorities in the implementation of the "Fit for Growth" phase

Fit for Growth
to further strengthen competitiveness

Portfolio

Development of high-margin business areas through organic and inorganic growth, sector-oriented specialisation and integration along the value chain

Adapted, future-oriented business portfolio

Optimised service portfolio:
- In real estate, we specialise in healthcare and research, data and logistics centres and mixed-use sites
- In infrastructure construction, we concentrate on tunnelling, energy and mobility

Refined market presence:
- Integrated offering in Switzerland and Germany
- Tunnelling and related infrastructure in other markets

Innovation

Industrialisation, digitalisation, BIM, sustainability

New technologies and scalable business models

Innovation strategy:
- **Innovation Hub:** initial projects ready for market
- **Open Innovation:** with start-ups, tech companies, universities and ETHZ / EPFL
- **Established culture of innovation:** in all divisions and functions

Focus: Innovation in BIM, Lean Construction and sustainability

Profitable Growth

Value Assurance, Operational Excellence, Process Optimisation

Project portfolio with improved risk and margin profile

Value Assurance:
- Improved forecasting / profitability
- Efficient tendering: hit-rate better than benchmarks
- Balanced risk and opportunity management
- Contract management

Operational Excellence: Increased efficiency through digitalisation, BIM and Lean Construction as well as through applications of artificial intelligence

Talent & Organisation

Collaboration and employee engagement, talent management, recruitment excellence

The right organisational structure with employees in appropriate roles

Talent management and leadership development:
- **Talents:** educational and career paths; e.g. construction management development programme
- **Leadership:** management development programmes, together with ETHZ and University of St. Gallen

Talent acquisition: Becoming the industry benchmark

Market development and Implenia Group's positioning

There is still high and rising demand for large-scale real estate projects in attractive urban locations, as well as for complex infrastructure projects. This demand is being stimulated by the megatrends of population growth and urbanisation, the energy transition and investments in new or modernised transport and energy infrastructure.

With its comprehensive, integrated portfolio of services along the entire value chain and its sector-oriented specialisations, Implenia is extremely well positioned in these areas. Based on many years of experience, the Group has built up comprehensive capabilities for its differentiated and scalable range of services. Its portfolio mix of sought-after real estate and infrastructure services enables sustainably profitable growth. By combining organic and inorganic growth, backed by an asset-light strategy, the Group is also tapping into innovative, high-margin business areas.

In the Swiss and German markets, Implenia offers its customers the integrated portfolio of services provided by Divisions Real Estate, Buildings, Civil Engineering and Specialties. The Group is also active in other markets with tunnelling and related infrastructure projects.

Implenia Executive Committee

The Implenia Executive Committee in 2023, from left to right:
German Grüniger (General Counsel), **Anita Eckardt** (Head Division Specialties), **Stefan Baumgärtner** (Chief Financial Officer), **André Wyss** (Chief Executive Officer), **Christian Späth** (Head Division Civil Engineering), **Claudia Bidwell** (Chief Human Resources Officer), **Jens Vollmar** (Head Division Buildings and Country President Switzerland), **Adrian Wyss** (Head Division Real Estate)

KEY FIGURES FOR THE GROUP

Order book
in CHF m

6,985

(2022: 7,221)

Order book at a high level and of good quality

Group revenue
in CHF m

3,596

(2022: 3,538)

Reported revenue at previous year's level, significantly improved after adjusting for currency effects

EBIT
in CHF m

122.6

(2022: 138.9)

2023 target achieved

Employees (FTE)
as at 31.12.2023

9,056

(2022: 7,639)

Increase due to Wincasa acquisition

Consolidated key figures

in TCHF	2023	2022	Δ	Δ like-for-like[1]
Consolidated revenue	3,595,909	3,538,344	1.6%	4.9%
EBIT	122,620	138,861		
in % of consolidated revenue	3.4%	3.9%		
Consolidated profit	141,757	105,963		
Free cash flow	(12,659)	123,997		
Net cash position excl. lease liabilities (as at 31.12.)	(49,897)	120,336	(141.5%)	(129.4%)
Net cash position (as at 31.12.)	(232,091)	(45,439)	(410.8%)	(398.3%)
Equity (as at 31.12.)	575,775	482,670	19.3%	24.9%
Order book (as at 31.12.)	6,985,442	7,221,306	(3.3%)	1.0%
Production output	4,203,874	4,152,567	1.2%	4.0%
Workforce (FTE; as at 31.12.)	9,056	7,639	18.5%	

1 Foreign currency adjusted

Key figures for the Group

With EBIT of CHF 122.6 million, currency-adjusted CHF 126.5 million, Implenia achieved the target; consolidated profit at record level of CHF 141.8 million

Implenia achieved EBIT of CHF 122.6 million (2022: CHF 138.9 million, including the above-average earnings of Division Real Estate), or CHF 126.5 million after adjusting for currency effects. Group revenue was CHF 3,596 million (2022: CHF 3,538 million), which was significantly higher than the previous year's level after adjusting for currency effects. The EBIT margin was 3.4% (2022: 3.9%). The order book remained at a high level of CHF 7,293 million after adjusting for currency effects, or CHF 6,985 million reported (2022: CHF 7,221 million). Strict application of Value Assurance, Implenia's risk management, ensures that the projects in the order book have a solid risk and margin profile. Consolidated profit stood at a record level of CHF 141.8 million (2022: CHF 106.0 million), thanks to a strong operating business and capitalisation of deferred tax assets on loss carry-forwards.

The Group generated a free cash flow of CHF 87.3 million (excluding the price paid for Wincasa) and improved its equity ratio to 19.8%, currency-adjusted 20.0%

Implenia's equity increased by CHF 93.1 million to CHF 575.8 million in financial year 2023 (2022: CHF 482.7 million). The Group increased its equity ratio to 19.8% (2022: 17.5%), currency-adjusted 20.0% as of 31 December 2023. This further strengthens its financial stability. Due to the acquisition of Wincasa, total assets increased to CHF 2,906 million (2022: CHF 2,753 million). Free cash flow came to CHF −12.7 million (2022: CHF 124.0 million), or CHF 87.3 million excluding the CHF 100 million already paid for Wincasa.

Implenia is aiming for EBIT of CHF ~130 million in 2024 and is confirming its medium-term financial targets

Implenia expects EBIT of CHF ~130 million for financial year 2024 based on a strong operating business in a challenging market environment. As a mid-term target, the Group is aiming for an EBIT margin of >4.5% and an equity ratio of 25%.

There is still high and rising demand for large-scale real estate projects in attractive urban locations as well as for complex infrastructure projects. This demand is being stimulated by the megatrends of population growth and urbanisation, the energy transition and investments in new or modernised transport and energy infrastructure.

With its comprehensive, integrated portfolio of services along the entire value chain and its sector-oriented specialisations (healthcare, research, transport and energy infrastructure, etc.), Implenia is excellently positioned in these areas. Based on many years of experience, the Group has built up comprehensive capabilities for its differentiated and scalable range of services. Its portfolio mix of sought-after real estate and infrastructure services enables sustainably profitable growth. By combining organic and inorganic growth, backed by an asset-light strategy, the Group is also tapping into innovative, high-margin business areas.

Key figures for the Group

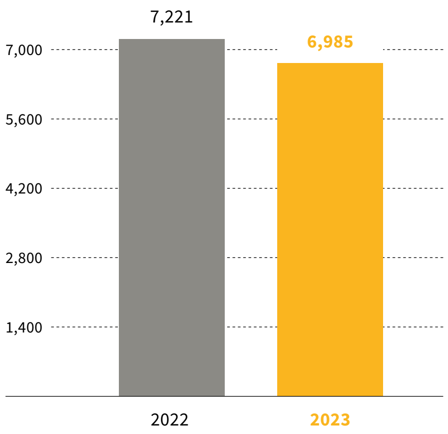
Key balance sheet figures

in TCHF	31.12.2023	31.12.2022	Δ
Cash and cash equivalents and fixed short-term deposits	478,809	609,040	(21.4%)
Real estate transactions	149,136	141,026	5.8%
Other current assets	1,102,142	1,084,524	1.6%
Non-current assets	1,175,454	918,836	27.9%
Total assets	2,905,541	2,753,426	5.5%
Financial liabilities	710,900	654,479	8.6%
Other liabilities	1,618,866	1,616,277	0.2%
Equity	575,775	482,670	19.3%
Total equity and liabilities	2,905,541	2,753,426	5.5%
Net cash position excl. lease liabilities (as at 31.12.)	(49,897)	120,336	(141.5%)
Investments in real estate transactions	37,832	19,915	90.0%
Investments in fixed assets	51,641	44,238	16.7%
Equity ratio	19.8%	17.5%	

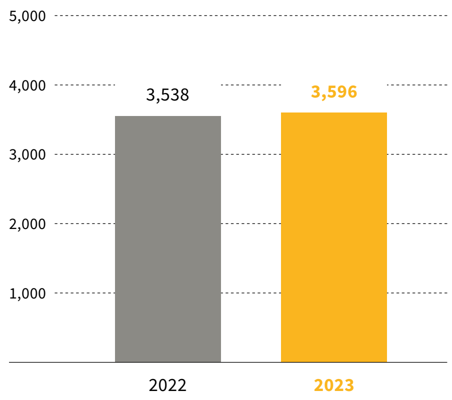
EBIT

in TCHF	2023	2022	Δ
Real Estate	40,473	81,069	(50.1%)
Buildings	42,819	35,372	21.1%
Civil Engineering	37,674	35,751	5.4%
Specialties	7,617	4,412	72.6%
Corporate and Other	(5,963)	(17,743)	66.4%
EBIT Total	122,620	138,861	(11.7%)

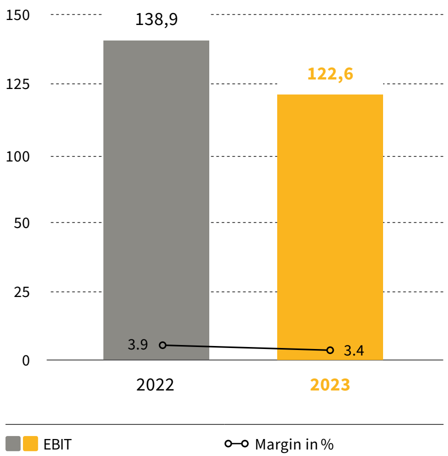
Order book
in CHF m



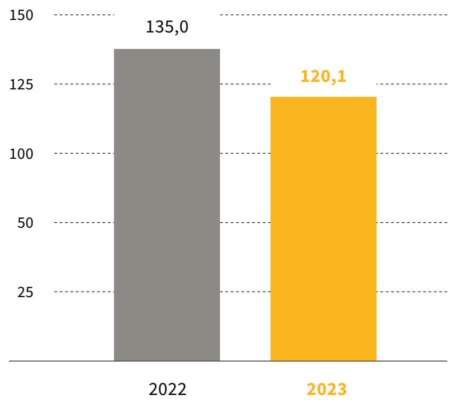
Group revenue
in CHF m



EBIT
in CHF m

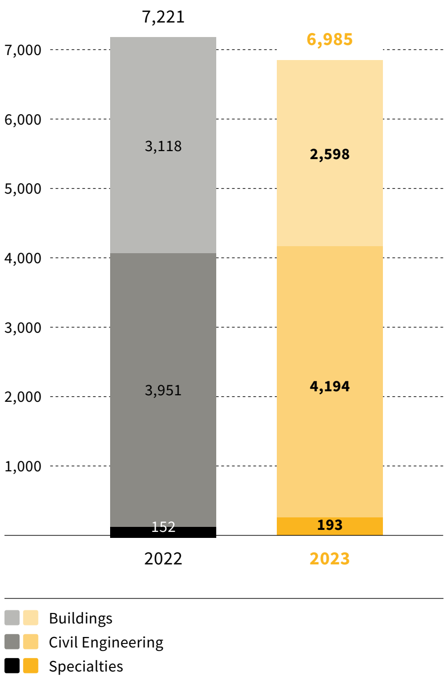


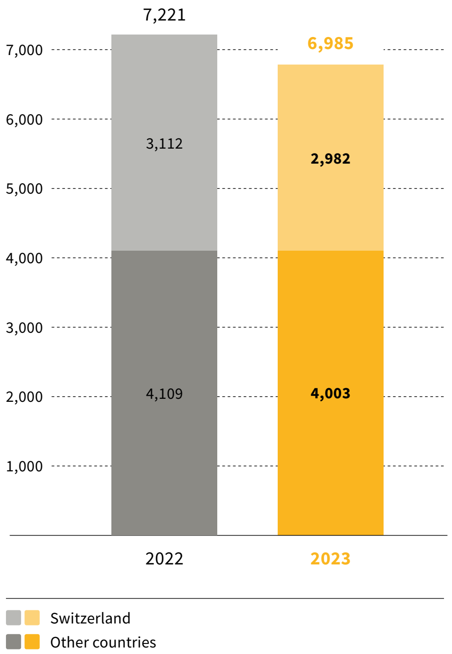
Operating performance
in CHF m



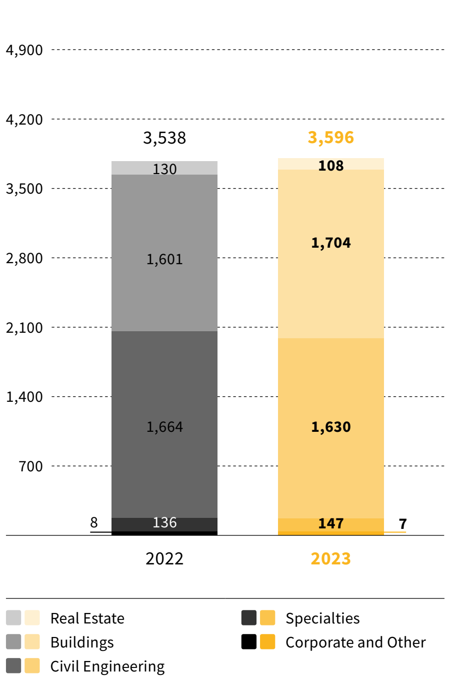
Key figures for the Group

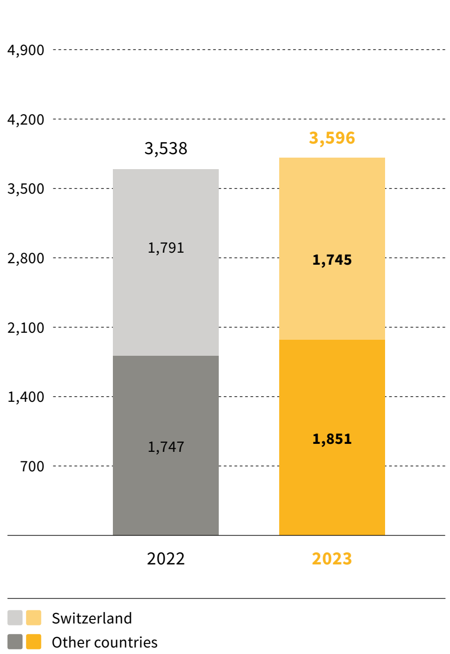
Order book
in CHF m





Group revenue, consolidated
in CHF m





Order book

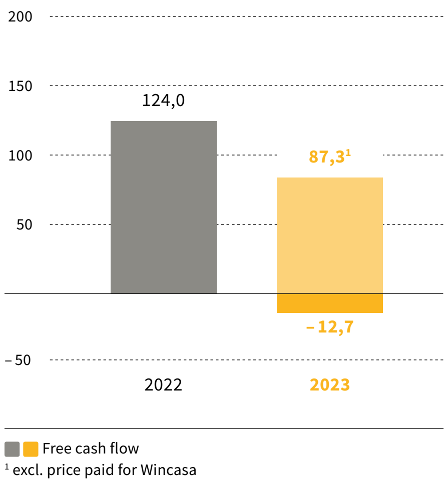
in TCHF	31.12.2023	31.12.2022	Δ
Buildings	2,598,423	3,118,421	(16.7%)
Civil Engineering	4,193,821	3,950,989	6.1%
Specialties	193,198	151,896	27.2%
Total order book	6,985,442	7,221,306	(3.3%)

Consolidated revenue

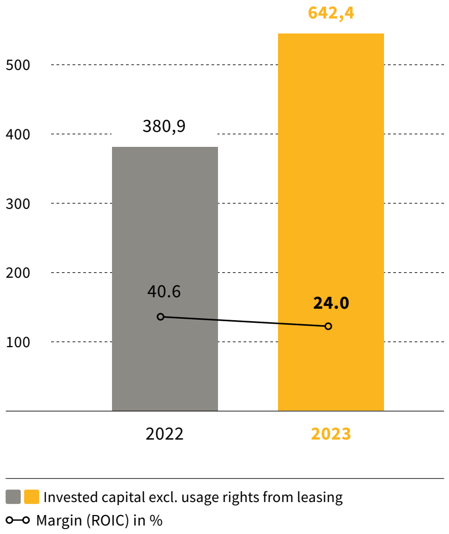
in TCHF	2023	2022	Δ
Real Estate	111,576	144,818	(23.0%)
Buildings	1,861,081	1,745,165	6.6%
Civil Engineering	1,846,491	1,894,966	(2.6%)
Specialties	156,802	163,005	(3.8%)
Corporate and Other / elimination of intra-Group services	(380,041)	(409,610)	7.2%
Total consolidated revenue	3,595,909	3,538,344	1.6%

Key figures for the Group

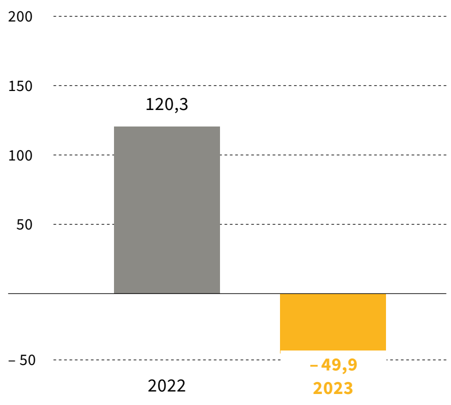
Free cash flow
in CHF m



Return on invested capital (ROIC)
in CHF m



Net cash position, excluding liabilities from leasing
in CHF m



Invested capital

in TCHF	31.12.2023	31.12.2022	Δ
Current assets (excl. cash and cash equivalents and fixed short-term deposits)	1,251,278	1,225,550	2.1%
Non-current assets (excl. pension assets and rights of use from leases)	1,001,071	761,735	31.4%
Debt capital (excl. financial and pension liabilities)	(1,609,910)	(1,606,374)	(0.2%)
Total invested capital excl. rights of use from leases	642,439	380,911	68.7%
Rights of use from leases	173,939	156,657	11.0%
Total invested capital[1]	816,378	537,568	51.9%

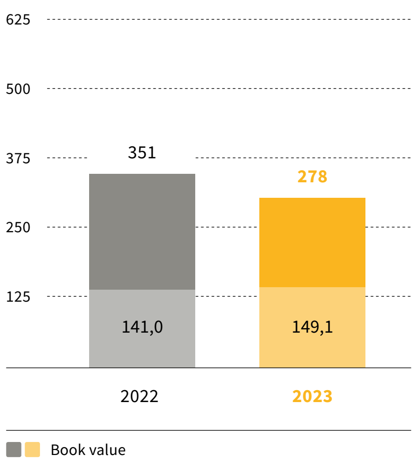
1 Debt capital (excl. financial and pension liabilities) excl. rights of use from leases includes provisions for onerous lease contracts that under IFRS 16 are reflected as impairment on the right of use asset (see note 18)

KEY FIGURES FOR DIVISION REAL ESTATE

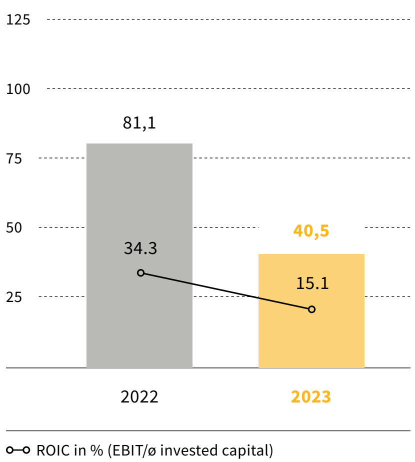
Division Real Estate achieved good EBIT of CHF 40.5 million (2022: CHF 81.1 million), despite a market-related valuation adjustment of CHF −4.2 million from the participation in Ina Invest.

Adrian Wyss
Head Division Real Estate

Market value of Real Estate portfolio
in CHF m



EBIT
in CHF m



Real Estate facts

15.1
Return on invested capital in %
(2022: 34.3)

1,267
Assets under management in CHF m
(2022: 1,189)

2,385
Assets under development in CHF m
(2022: 2,281)

123
Employees (FTE) as at 31.12.2023
(2022: 98)

The result is not comparable to the previous year's period due to above-average earnings from the sale of large real estate projects in the first half of 2022.

Following various divestments and some new investments at attractive locations in Switzerland, the book value of the real estate portfolio came to CHF 149 million as at 31.12.2023 (2022: CHF 141 million).

Division Real Estate projects

"Bredella", Pratteln: Over the next few years, a new and vibrant neighbourhood called "Bredella" will be coming to life on a former industrial site close to Pratteln railway station.

In response to a rapidly growing population, partners need to come together to develop and densify sites. Commissioned by Ina Invest, Division Real Estate is developing a lively new neighbourhood called "Bredella" directly next to the railway station in Pratteln near Basel. A crowded industrial estate is being turned into an open, attractive space for living, working and leisure.

The Division is continuing to develop partnership-based cooperation models with Ina Invest. At an apartment building project on Schaffhauserstrasse in Zurich, relations with planners and contractors are governed by a multi-party contract.

At the "Tivoli" project in Neuchâtel, Implenia is bringing new life to an old industrial site, paying great respect to the place, its history and its inhabitants, while focusing on sustainability, generous green space, varied architecture and multiple uses for different stakeholders. Suchard produced chocolate and Sugus chewy sweets here until the end of the 1980s.

"Tivoli", Neuchâtel: The site where chocolate and Sugus sweets were once produced is now an industrial wasteland. The "Tivoli" development is turning it into a lively new district right on Lake Neuchâtel.

Schaffhauserstrasse, Zurich: This apartment building project serves as a pilot for new partnership models that increase transparency and efficiency.

"In the current market environment, the success of a development project depends more than ever on location. It determines how attractive the place will be for future residents, and also what potential the project has for sustainability."

Jelena Radovic
Head Real Estate Marketing Switzerland, Division Real Estate

Diversity for liveable cities

UNTERFELD SÜD, BAAR Attractive, urban living, working and housing for future generations: In the Unterfeld Süd area of Baar (ZG), Implenia is developing a new mixed-use neighbourhood – including a spacious town square, numerous meeting places and a park-like outdoor space.

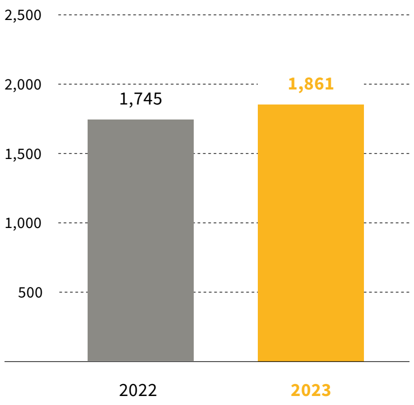
Link to video

KEY FIGURES FOR DIVISION BUILDINGS

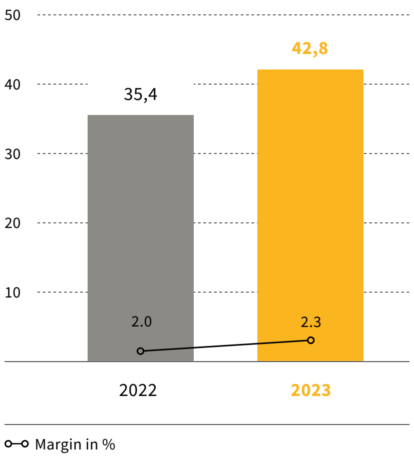
Division Buildings further increased its EBIT to CHF 42.8 million (2022: CHF 35.4 million). Both the Swiss and German markets contributed to this continuous improvement in performance.

Jens Vollmar
Head Division Buildings

Revenue, unconsolidated
in CHF m



EBIT
in CHF m



Buildings facts

2,598 Order book in CHF m (2022: 3,118)	**84.1**[1] Visibility in % (2022: 79.3)
1,879 Unconsolidated production output in CHF m (2022: 1,808)	**3,058** Employees (FTE) as at 31.12.2023 (2022: 1,832)

[1] excl. Wincasa

With EBIT of CHF 6.7 million after transaction and integrations costs as well as PPA amortisation, Wincasa has already made a good contribution to earnings.

The Division's revenue rose to CHF 1,861 million (2022: CHF 1,745 million). As expected, the order book was lower and came to CHF 2,598 million (2022: CHF 3,118 million).

The Division creates added value for its clients through early involvement in projects and partnership-based collaboration. The Division won new projects and expanded its capabilities in the growing areas of property for healthcare and research, as well as modernisation.

Division Buildings projects

“Green Village”, Geneva: Modern workplaces across nine floors of the energy-efficient “Kyoto” office building, which will be handed over to the client in 2024.

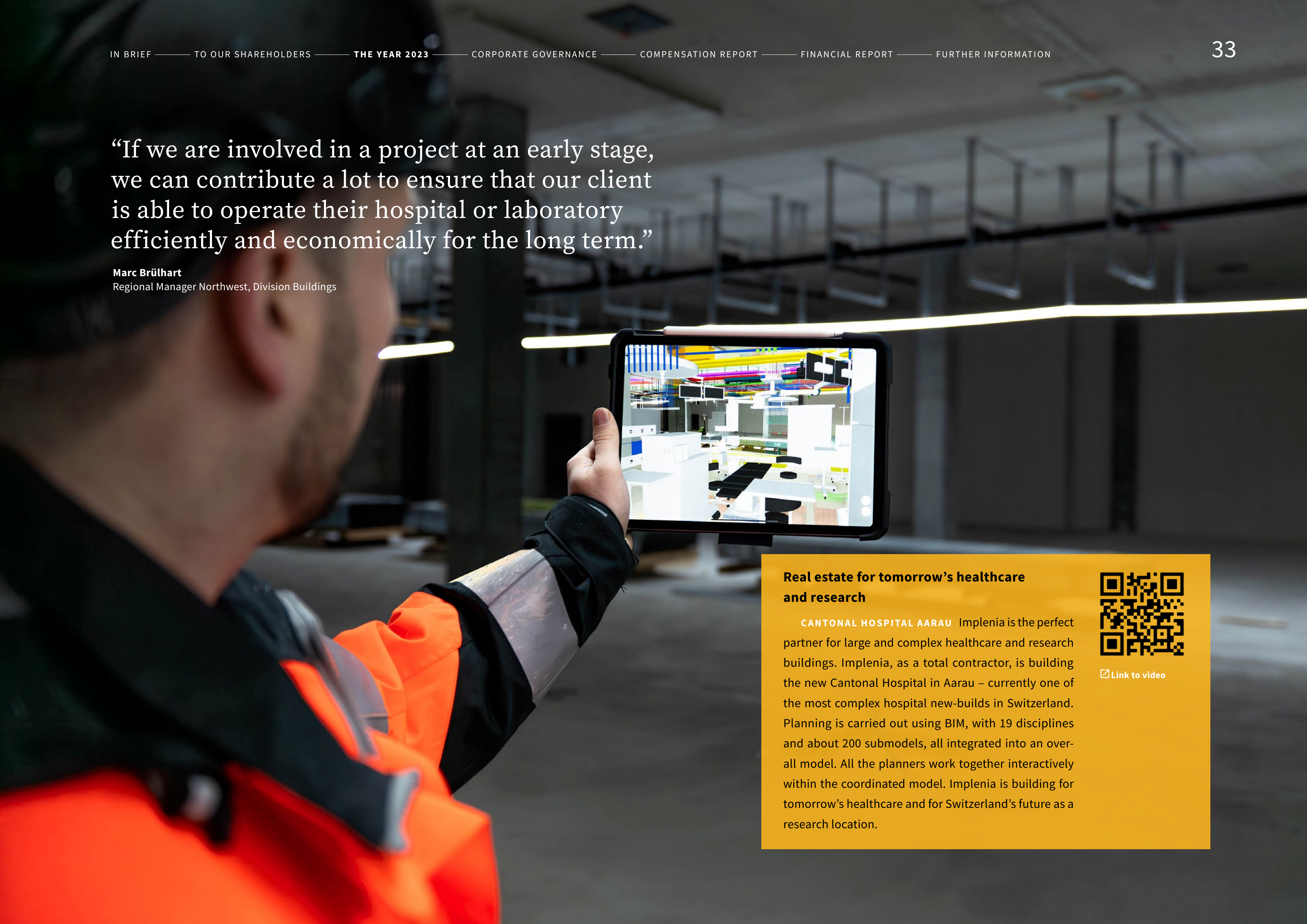
Paradeplatz 6, Zurich: In the heart of Zurich, Implenia is renovating this striking listed building, which will provide space for banking services, gastronomy and shopping.

In Germany and Switzerland, Division Buildings augmented its order book in 2023 with numerous exciting projects for a wide variety of uses. Implenia is building the “Grüne Mitte” community centre on the FRANKLIN site in Mannheim, for example. This will form the striking centrepiece of what is currently one of Germany’s largest site development projects.

In Zurich, the Group, acting as total contractor, is sustainably renovating the listed building at Paradeplatz 6 to create offices as well as public and commercial spaces.

In the Quarter des Nations in Geneva, Implenia has been developing and building the sustainable “Green Village” for the World Council of Churches since 2012. It is one of the first real estate developments to meet the One Planet Living® standard. All Green Village buildings are being supplied with 100 percent renewable energy from geothermal heat collectors, solar panels and networked energy (micro-grid), which will result in a zero CO_2 footprint. The “Kyoto” office building is scheduled for handover in 2024. Wincasa is also involved in the Green Village project, working further along the value chain on planning- and construction-related facility management.

“Grüne Mitte”, Mannheim: Over the next few years, Implenia is building a local retail centre, covered by a grassy hill and with additional office space, in the FRANKLIN district of Mannheim.



"If we are involved in a project at an early stage, we can contribute a lot to ensure that our client is able to operate their hospital or laboratory efficiently and economically for the long term."

Marc Brülhart
Regional Manager Northwest, Division Buildings

Real estate for tomorrow's healthcare and research

CANTONAL HOSPITAL AARAU Implenia is the perfect partner for large and complex healthcare and research buildings. Implenia, as a total contractor, is building the new Cantonal Hospital in Aarau – currently one of the most complex hospital new-builds in Switzerland. Planning is carried out using BIM, with 19 disciplines and about 200 submodels, all integrated into an overall model. All the planners work together interactively within the coordinated model. Implenia is building for tomorrow's healthcare and for Switzerland's future as a research location.

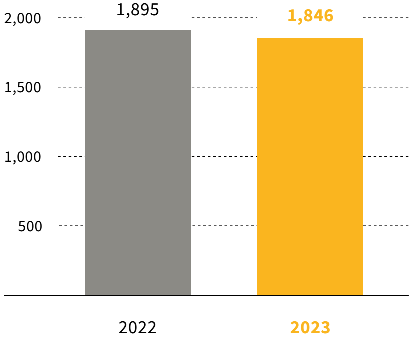
Link to video

KEY FIGURES FOR DIVISION CIVIL ENGINEERING

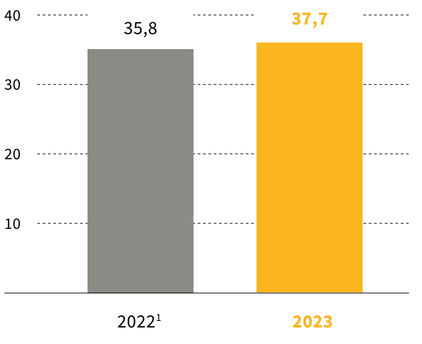
Division Civil Engineering achieved higher EBIT of CHF 37.7 million (2022: CHF 35.8 million), compared to the previous year. Revenue amounted to CHF 1,846 million (2022: CHF 1,895 million), or CHF 1,947 million after currency adjustments.

Christian Späth
Head Division Civil Engineering

Revenue, unconsolidated
in CHF m



EBIT incl. one-time effects
in CHF m



1 Excl. one-time effects: CHF 34.9 million (2022)

Civil Engineering facts

4,194 Order book in CHF m (2022: 3,951)	**69.4** Visibility in % (2022: 70.7)
2,062 Unconsolidated production output in CHF m (2022: 2,032)	**4,528** Employees (FTE) as at 31.12.2023 (2022: 4,452)

At CHF 4,194 million (2022: CHF 3,951 million) the order book was above the previous year's level, reflecting the strategic focus on profitable and complex infrastructure projects.

With its many years of experience and extensive expertise in major transport and energy infrastructure projects, the Division is a preferred partner for public-sector clients. In this way, the Division is contributing to the advancing energy transition and to future mobility networks in Europe.

Division Civil Engineering projects

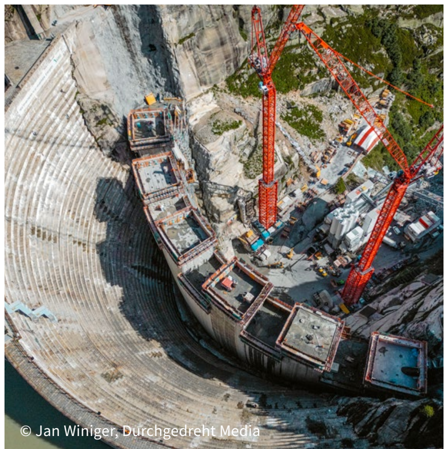
"Rader Hochbrücke", Rendsburg: The bridge is being built using a steel composite method under Implenia's technical lead. It will provide a key link for road traffic to and from Denmark and Scandinavia.

Thanks to its extensive expertise and many years of experience in tunnelling, Implenia is the only company to be working on all four current Alpine tunnel projects: "Gotthard", "Brenner", "Semmering" and "TELT" (Lyon-Turin). Division Civil Engineering is thus making a significant contribution to sustainable mobility in Europe.

In Germany, Implenia is also planning and building the new 1,500 m long, 42 m high "Rader Hochbrücke" motorway bridge over the Kiel Canal. This plays an important role in transport to and from Scandinavia.

In 2023, Implenia successfully completed its fifth season of construction work on the new, double-curved Spitallamm dam on Lake Grimsel, located 1,900 m above sea level in the Bernese Oberland. Around 90 percent of the wall is now in place. The dam will ensure continued sustainable production of hydroelectric power: Swiss energy infrastructure for the future.

Alpine tunnels connecting Europe: Implenia is involved in building the Lyon-Turin "TELT" link, as well as the "Brenner", "Semmering" and "Gotthard" tunnels.



"Spitallamm" dam on the Grimselsee, Bernese Oberland: Completed in 1932, the old dam (left) needs replacing. A new double-curve arch dam (right) is being built directly in front of the old dam wall.

"It's important to build efficiently, sustainably and with the lowest possible environmental impact, especially when it comes to inner-city transport infrastructure projects."

Henning Schrewe
Head Civil Germany, Division Civil Engineering

Mobility for urban centres

FORNEBUBANEN, OSLO Urban transport infrastructure projects in tight spaces present very particular challenges in terms of complexity and logistics. In 2023 Implenia was awarded the contract for another section of the Fornebubanen in Oslo – the largest underground railway tunnel project in Norway since the 1970s. Implenia has already completed one section, handing it over to the client in 2023. Implenia is enabling the mobility of the future.

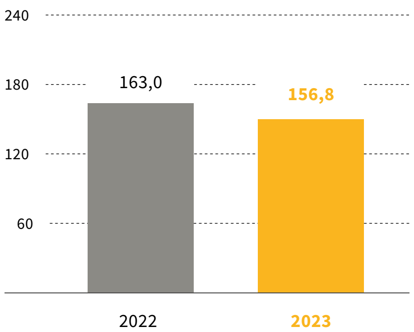
Link to video

KEY FIGURES FOR DIVISION SPECIALTIES

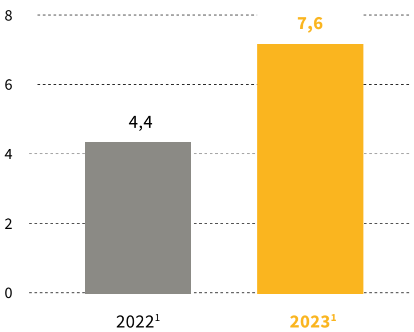
Division Specialties increased its EBIT including one-time effects to CHF 7.6 million (2022: CHF 4.4 million). Revenue stood at CHF 157 million (2022: CHF 163 million); adjusted for currency effects, it remained at the previous year's level despite adjustments to the Division's portfolio. The strategic business units grew profitably.

Anita Eckardt
Head Division Specialties

Revenue, unconsolidated
in CHF m



EBIT incl. one-time effects
in CHF m



1 Excl. one-time effects: CHF 2.6 million (2022); CHF 5.1 million (2023)

Specialties facts

193.2
Order book in CHF m
(2022: 151.9)

64.4
Visibility in %
(2022: 53.4)

147.6
Unconsolidated production output in CHF m
(2022: 153.4)

872
Employees (FTE) as at 31.12.2023
(2022: 816)

The order book rose to CHF 193 million (2022: CHF 152 million), which is significantly higher than the previous year.

The Division will continue to expand its planning and engineering capabilities by developing and scaling new, client-centric business models. It will also continue to adjust its portfolio and look for attractive acquisition opportunities. With its innovative services, the Division is contributing to the sustainable development of the construction and real estate industry.

Division Specialties projects

“Wäschefabrik”, Berlin: State-of-the-art offices are being built in an old clothing factory dating from the 1910s. Future users will benefit from proximity to the S-Bahn. BCL is responsible for the challenging construction logistics in this very tight urban space.


© a2b.graphics

In addition to timber construction, Division Specialties offers further specialist and sustainable services for the construction industry through BCL, BBV Systems, Planovita and Façade Technology. BBV Systems, for example, is supplying prestressing technology for the new 1,100-meter-long A14 motorway bridge over the Elbe near the German town of Wittenberge.

A new-build for the German Bundestag in Berlin is integrating “Kunst am Bau” art into large sections of the facade. Implenia Façade Technology is responsible for this demanding work.

A state-of-the-art workspace is being created in the 100-year-old “Wäschefabrik” by Wedding train station, also in central Berlin. BCL is handling the demanding construction logistics. At Lokstadt in Winterthur, Planovita is planning the building technology for Ina Invest’s refurbished “Draisine”, “Rapide” and “Habersack” halls.

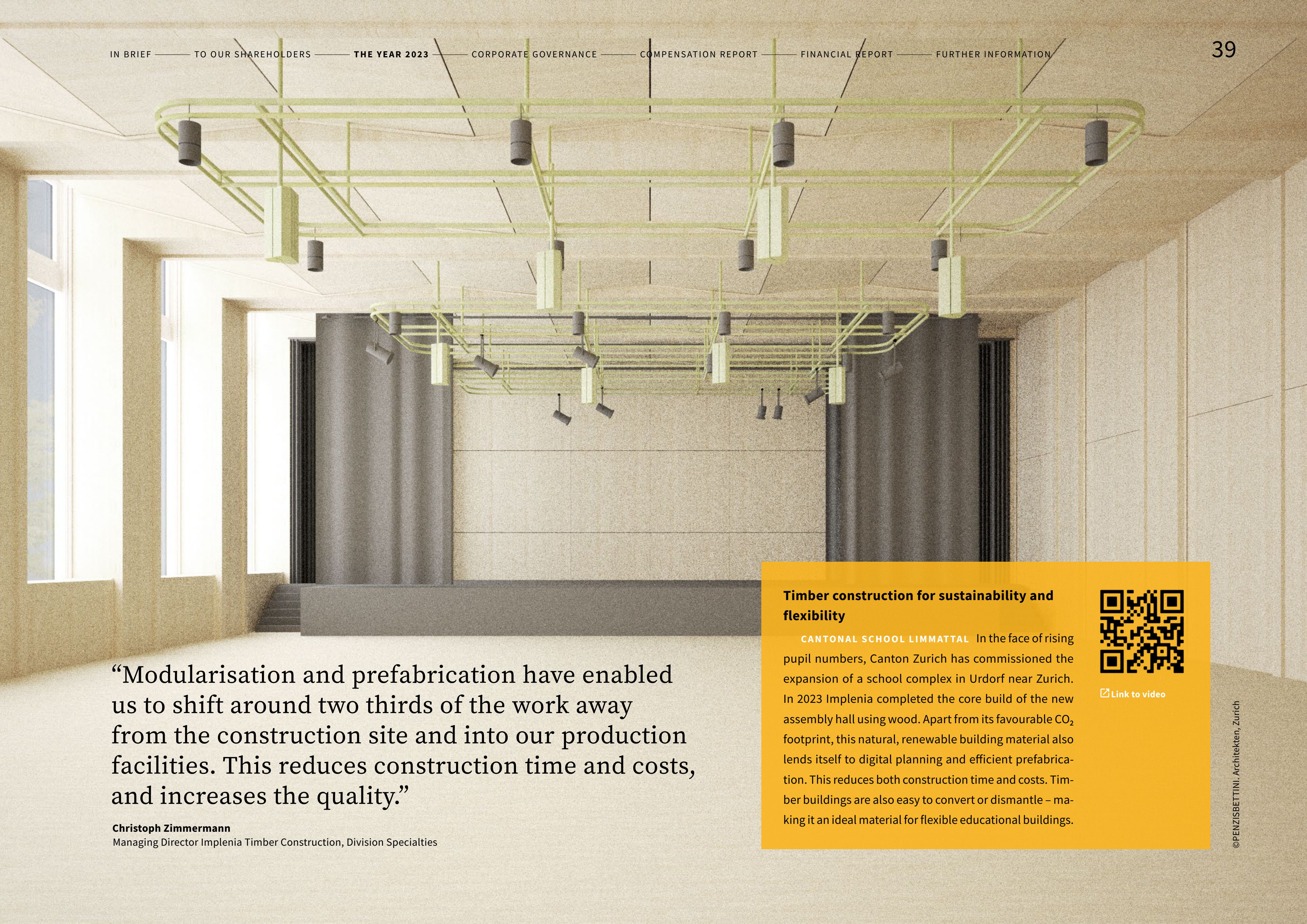
New-build for the German Bundestag on Schadowstrasse, Berlin: The building will house more than 300 offices. Implenia Façade Technology is planning, supplying and installing the complex facades, which will integrate “Kunst am Bau” art.


© CODE UNIQUE Architects, Dresden

“Lokstadt-Hallen”, Winterthur: The diverse range of services housed in the old production halls will soon be contributing to a high quality of life in the new Lokstadt neighbourhood. Planovita is responsible for the building technology in the halls.


© DEGES

A14 motorway bridge, Wittenberge: BBV Systems is providing the prestressing technology used in the elegant bridge structure. The project meets the highest standards in terms of environmental and landscape protection.



“Modularisation and prefabrication have enabled us to shift around two thirds of the work away from the construction site and into our production facilities. This reduces construction time and costs, and increases the quality.”

Christoph Zimmermann
Managing Director Implenia Timber Construction, Division Specialties

Timber construction for sustainability and flexibility

CANTONAL SCHOOL LIMMATTAL In the face of rising pupil numbers, Canton Zurich has commissioned the expansion of a school complex in Urdorf near Zurich. In 2023 Implenia completed the core build of the new assembly hall using wood. Apart from its favourable CO_2 footprint, this natural, renewable building material also lends itself to digital planning and efficient prefabrication. This reduces both construction time and costs. Timber buildings are also easy to convert or dismantle – making it an ideal material for flexible educational buildings.

Link to video

SUSTAINABILITY REPORT 2023

Implenia aims to shape the transformation towards a more sustainable construction and real estate industry. The Group moved another decisive step closer to this goal in 2023. The Sustainability Report 2023 provides information about sustainability indicators, ongoing measures and the current status of the sustainability goals 2025.

As one of Implenia's five corporate values, sustainability is firmly anchored in the Group's culture. The relevant ESG ratings, such as Sustainalytics (Industry Top Rated) and MSCI (AAA), once again confirmed Implenia's prime position as an industry leader in sustainability last year. EcoVadis awarded the Group gold status again in 2023.

Based on a broad portfolio study, Implenia defined a decarbonisation strategy for its own development projects in 2023, which is now being implemented. With a clear focus on sustainable real estate management, Wincasa can positively influence the operating phase, which is crucial for a building's CO_2 footprint.

Implenia has published a Sustainability Report in accordance with Global Reporting Initiative (GRI) guidelines since 2012. The **Sustainability Report** covering the financial year 2023 also meets the requirements of Art. 964 of the Code of Obligations and is published at the same time as this Annual Report.

The latest Sustainability Report, along with articles about the concrete implementation of Implenia's sustainability goals, is available at **sustainability.implenia.com**.

3 CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

As required by the SIX Swiss Exchange Ltd's Directive on Information relating to Corporate Governance of 19 June 2022, in force since 1 January 2023 (Directive Corporate Governance, DCG), this chapter describes the main structural and organisational principles of the Implenia Group, to the extent that they directly or indirectly concern the interests of the shareholders and other stakeholders. Unless specified otherwise, the information is provided as of the balance sheet date (31 December 2023).

The structure and numbering of the chapter correspond to those of the Annex to the DCG. The information about compensation, shareholdings and loans is summarised in the Compensation Report (see pages 59 et seqq.). The principles and rules of Implenia's corporate governance are expressed in its organisational regulations. The Code of Conduct for Employees establishes the guidelines for the applicable business practices and proper conduct, which are binding on all Implenia Group employees.

The Articles of Association of 28 March 2023, which were applicable as of the balance sheet date of the reporting year (hereinafter "Articles of Association"), the Organisational Regulations of 11 August 2023 applicable as of the balance sheet date of the reporting year (hereinafter "Implenia OR"), and the Code of Conduct are available on Implenia's website:

https://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

https://implenia.com/goto/corporategovernance/2023/en/or-implenia-20230811.pdf

https://implenia.com/goto/corporategovernance/2023/en/code-of-conduct-20231024.pdf

1 — GROUP STRUCTURE AND SHAREHOLDERS

1.1 — Group structure

The Implenia Group has only one listed entity, Implenia Ltd., with its registered office in Opfikon, in the Canton of Zurich. Implenia Ltd. has been listed on SIX Swiss Exchange Ltd since 6 March 2006 (security number: 2386855, ISIN: CH0023868554, security symbol: IMPN). It holds no shares in listed companies within its scope of consolidation. As of 31 December 2023, the market capitalisation of Implenia Ltd. amounted to CHF 563.4 million.

A list of the main unlisted entities within the scope of consolidation, along with their company names, registered office, share capital and the Group's equity interest in each, can be found on page 137 of the Notes of Implenia's consolidated financial statements.

Implenia's internal organisation is based on four divisions (Real Estate, Buildings, Civil Engineering and Specialties). The divisions are supported by the global functions (Finance/Procurement, HR, Legal & Compliance, Strategy, Group IT and Marketing/Communications). The Implenia Executive Committee (IEC), the Group Management Board of the Implenia Group, consists of eight members. They are, besides the CEO, the four Division Heads and the three Function Heads (CFO, Chief Human Resources Officer and General Counsel).

1.2 — Significant shareholders

According to the disclosure reports of SIX Swiss Exchange Ltd and the share register, the shareholders listed below held a shareholding of more than 3% of the share capital and voting rights of Implenia Ltd. on 31 December 2023.

Disclosed shareholdings

Shareholder's name	Investment
Max Rössler / Parmino Holding AG	16.51%
Rudolf Maag	5.41%
Fund Partner Solutions (Suisse) SA	3.017%
Credit Suisse Funds AG	3.005%
Dimensional Holdings Inc.	3.003%

All reports concerning the disclosure of shareholdings under Art. 120 FMIA, which were published in the reporting year and since 1 January 2024, are available at the following link of the Disclosure Office of SIX Swiss Exchange Ltd:

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

1.3 — Cross-shareholdings

There are no cross-shareholdings.

2 — CAPITAL STRUCTURE

2.1 — Capital

The share capital of Implenia Ltd. as of 31 December 2023 amounted to CHF 18,841,440, divided into 18,472,000 registered shares with a nominal value of CHF 1.02 each. In addition, as of the balance sheet date, Implenia Ltd. had conditional capital of CHF 3,768,288. Relying on the conditional capital, the share capital can be increased by a total of CHF 3,768,288 under the conditions established in Art. 3b of the Articles of Association.

2.2 — Capital band and conditional capital in particular

Capital band

The Company has no capital.

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

The conditional capital can amount to a maximum of CHF 3,768,288, accounting for 20% of the existing share capital. The increase from conditional capital would be made by issuing no more than 3,694,400 registered shares to be fully paid up with a par value of CHF 1.02 each, by exercising conversion and / or option rights granted in connection with bonds or other financial market instruments of Implenia Ltd. or any of its Group companies. During any issue of bonds or other financial market instruments connected with conversion and / or option rights, the shareholders' subscription rights shall be suspended. The existing holders of the respective conversion and / or option rights shall be entitled to subscribe for new shares. The terms and conditions of conversion and / or options shall be determined by the Board of Directors (Art. 3b(1) of the Articles of Association).

In the reporting year, no increase was performed from the conditional capital. For further information about conversion and / or option rights and the applicable terms and conditions, see Art. 3b of the Articles of Association.

https://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

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

The share capital remained unchanged from 2021 to 2023. The equity capital of Implenia Ltd. developed as follows in that period:

Changes in equity capital during the last three years

in TCHF	31 December 2023	31 December 2022	31 December 2021
Share capital	18,841	18,841	18,841
Statutory capital reserves – Reserves from capital contributions	77	77	77
Statutory retained earnings	16,185	16,185	16,185
Voluntary retained earnings	1,289	-	-
Balance sheet profit – Profit carried forward – Profit/(loss) for the year	 424,358 96,463	 400,007 31,692	 417,111 (17,104)
Treasury shares	(9,382)	(1,863)	(1,246)
Total equity	547,831	464,939	433,864

For further information about changes in share capital in the reporting years 2021 and 2022, see the respective annual reports.

https://implenia.com/en/investor-relations/annualreport/2022/

https://implenia.com/en/investor-relations/annualreport/2021/

2.4 — Shares, participation certificates, dividend-rights certificates

The share capital as of 31 December 2023 was divided into 18,472.000 fully paid-up registered shares with a nominal value of CHF 1.02 each. Subject to Art. 7 of the Articles of Association, each share shall carry the right to one vote. There are no multiple voting shares or other shares with preferential rights. All registered shares are entitled to dividends, except for the treasury shares held by Implenia Ltd.

https://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

Implenia Ltd. has not issued any participation certificates or dividend-rights certificates.

2.6 — Restrictions on transferability and nominee registrations

2.6.1 — Restrictions on transferability

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

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

https://implenia.com/goto/corporategovernance/2023/en/registration-regulations-20130204.pdf

https://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

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

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

Where these thresholds are exceeded, foreign shareholders shall be registered only where a ruling is issued by the authority responsible for such authorisations at the location of Implenia Ltd.'s registered office to the effect that Implenia Ltd. and its subsidiaries will not be considered under foreign control even after registration of the additional foreign shareholder. A foreign shareholder is considered to be any shareholder who is a person abroad within the meaning of Art. 5d in conjunction with Art. 6 of the Koller Act. Foreign shareholders within the meaning of that provision also include nominees (trustees) who have not disclosed the shareholders they represent.

2.6.2 — Granting of exceptions

No exceptions were granted in the reporting year.

2.6.3 — Admissibility of nominee registrations

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

https://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

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

https://implenia.com/goto/corporategovernance/2023/en/registration-regulations-20130204.pdf

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

https://implenia.com/goto/corporategovernance/2023/en/application-for-registration-nominees.pdf

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

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

2.7 — Convertible bonds and options

Implenia Ltd. has not issued any convertible bonds and/or options.

3 — BOARD OF DIRECTORS

3.1 — Members of the Board of Directors

The Board of Directors, which should have at least five members according to the Articles of Association, currently has seven members. Laurent Vulliet no longer put himself forward for re-election at the Annual General Meeting on 28 March 2023. Raymond Cron was newly elected to the Board of Directors. No member performs any operational management duties for Implenia Ltd. or for any of its Group companies. Nor has any member of the Board of Directors belonged to the Implenia Executive Committee of Implenia Ltd. or any of the Group companies thereof during the last three financial years preceding the reporting period. No member maintains significant business relationships with the Implenia Group. The members are therefore independent. The Board of Directors is composed of the following members as of 31 December 2023:

Name	Nationality	Position	Independent	In office since[1]
Hans Ulrich Meister	Switzerland	Chairman	Yes	2016
Henner Mahlstedt	Germany	Vice-Chairman	Yes	2015
Kyrre Olaf Johansen	Norway	Member	Yes	2016
Martin Fischer	Switzerland and USA	Member	Yes	2018
Barbara Lambert	Switzerland and Germany	Member	Yes	2019
Judith Bischof	Switzerland	Member	Yes	2022
Raymond Cron	Switzerland	Member	Yes	2023

1 Annual General Meeting in the designated year

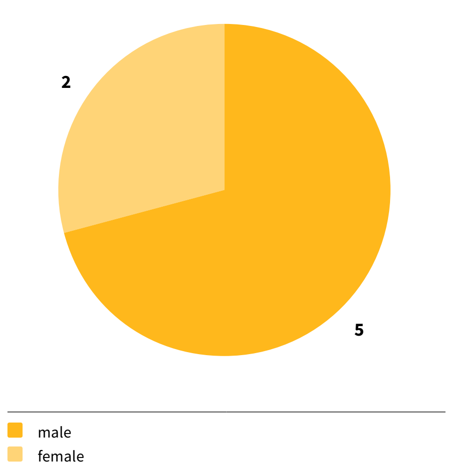
Each year, the Nomination and Compensation Committee conducts an assessment of the composition, organisation, culture, working procedures and performance of the Board of Directors. The results of the assessment and possible improvements are discussed in the plenary Board of Directors. The succession plan of the Board of Directors and Management Board are likewise a constant agenda item of the annual meeting of the Nomination and Compensation Committee, followed by reporting and discussion in the plenary BoD meeting.

The current composition of the Board of Directors covers a number of areas of competence. The members have many years of professional experience in a variety of industries. In the course of the annual assessment, the Board of Directors concluded that the size of the Board of Directors is in line with the size and complexity of the Company. An increase in the number of members is therefore not advisable. The graphs on the right illustrate the diversity of the Board of Directors.

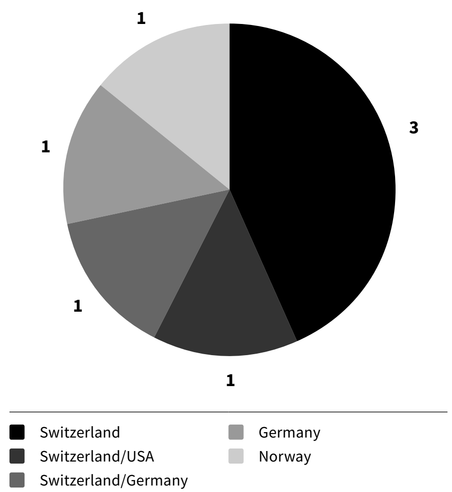
3.2 — Education, activities and vested interests

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

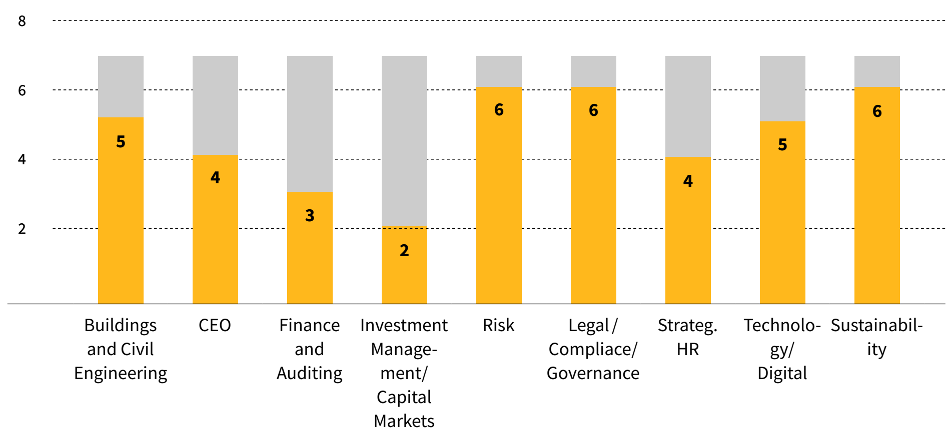
Composition of the Board of Directors
by gender (number)



Composition of the Board of Directors
by nationality (number)



Composition of the Board of Directors
Number of members by background, experience, know-how



HANS ULRICH MEISTER

Member[1] and Chairman of the Board of Directors

Born 1959
Swiss citizen

Non executive / independent

Education

Advanced Management Program, Harvard Business School

Advanced Management Program, Wharton School

Business degree, Zurich University of Applied Sciences

Professional Experience

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

Additional memberships on boards of directors

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

[1] Since March 2016

HENNER MAHLSTEDT

Member[2] and Vice-Chairman of the Board of Directors and Member of the Audit Committee

Born 1953
German citizen

Non executive / independent

Education

Civil engineering, Braunschweig Technical University

Professional Experience

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

Additional functions and offices

Member of the Advisory Board of Huesker Synthetic GmbH

Member of the Board of Trustees of Diakonie Kaiserswerth

[2] Since March 2015

KYRRE OLAF JOHANSEN

Member[3] of the Board of Directors and Chair of the Nomination and Compensation Committee

Born 1962
Norwegian citizen

Non executive / independent

Education

Business Candidate, BI Norwegian Business School

MSc Civil Engineer, NTNU Trondheim

Professional Experience

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

[3] Since March 2016

MARTIN FISCHER

Member[4] of the Board of Directors and Member of the Nomination and Compensation Committee

Born 1960
Swiss and United States citizen

Non-executive / independent

Education

Ph.D. in Civil Engineering, Stanford University

M.S. in Industrial Engineering, Stanford University

Degree in Civil Engineering, EPF Lausanne

Professional Experience

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

Additional memberships on boards of directors

sfirion AG (Chair of the Supervisory Board)

Cadwork Informatik CI AG (Member)

Control AG (Member)

[4] Since March 2018

BARBARA LAMBERT

Member[1] of the Board of Directors and Chair of the Audit Committee

Born 1962
Swiss and German citizen

Non executive / independent

Finance and Audit Expert

Education

Degree in Economics, University of Geneva

Certified Public Accountant

Banker

Professional experience

2008–2018 Member of the Management Committee and Group Chief Risk Officer at Banque Pictet & Cie SA

2002–2007 Partner at Ernst & Young, Head of Banking and Insurance Auditing

1987–2002 Partner at Arthur Andersen, Switzerland

Additional memberships on boards of directors

UBS Switzerland AG and Credit Suisse (Switzerland) Ltd. (Member of the Board of Directors, Member of the Audit Committee and Chair of the Risk Committee)

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

SYNLAB AG (Member of the Supervisory Board, Chair of the Audit and Risk Committee) (until 31.3.2024) – listed

Merck KGaA (Member of the Supervisory Board, Chair of the Audit Committee)

Additional functions and offices

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

[1] Since March 2019

JUDITH BISCHOF

Member[2] of the Board of Directors and Member of the Audit Committee

Born 1974
Swiss citizen

Non executive / independent

Education

Attorney-at-law

Dr. iur., University of Zurich

Executive MBA from the University of St. Gallen

Master of International Business and Law from the University of Sydney

Professional experience

SINCE 2022 General Counsel and member of the Executive Leadership Team of Clariant Ltd

2018–2022 General Counsel and member of the Executive Committee as well as Secretary to the Board of Directors of RUAG International Ltd

2011–2017 General Counsel and Member of the Executive Committee of Ascom Holding Ltd.

2005–2011 Attorney-at-law, Lenz & Staehelin Zurich

2002–2004 Court reporter, District Court Zurich

[2] Since March 2022

RAYMOND CRON

Member[3] of the Board of Directors and Member of the Nomination and Compensation Committee

Born 1959
Swiss citizen

Non executive/independent

Education

Degree in Civil Engineering from the Swiss Federal Institute of Technology (ETH) in Zurich

Postgraduate program in Technical Business Administration, ETH in Zurich, BWI (Institute for Industrial Management)

Professional experience

SINCE 2015 Managing Director and Owner of CMC Cron Management Consult AG

SINCE 2015 Managing Director, Switzerland Innovation Foundation

2013–2015 Head of Realisation and Member of Group Management, Allreal Generalunternehmung AG

2008–2013 COO and Member of Group Management, Orascom Development Holding Ltd

2004–2008 Director of the Federal Office of Civil Aviation

1989–2004 Divisional Head and Member of Group Management, BATIGROUP Holding AG

Additional memberships on boards of directors

St. Clara AG (Chair of the Board of Directors)

UZB Basel University Centre for Dentistry (Chair of the Board of Directors)

Basel-Mulhouse Airport (Vice-Chair of the Board of Directors)

Additional functions and offices

Albert Lück Foundation (Chair of the Board of Trustees)

[3] Since March 2023

3.3 — Number of permissible activities

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

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

https://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

Moreover, the NCC conducts an annual review of the external mandates held by individual members of both the Board of Directors and Management Board. Similarly, any new external mandates require prior approval from the Chairs of the Board of Directors and of the Nomination and Compensation Committee. The objective in both cases is to avoid overloading the BoD and Management Board members and prevent potential conflicts of interest.

3.4 — Election and term of office

The members of the Board of Directors have a one year term of office. It commences with the election and ends after the close of the next annual General Meeting, without prejudice to prior resignation or prior removal from office (Art. 18 (3) of the Articles of Association). The members of the Board of Directors shall be re-electable (Art. 18 (4) of the Articles of Association). Both the Chairman and the members of the Board of Directors as well as the Nomination and Compensation Committee members shall each be elected individually by the General Meeting (Art. 9 (b) and Art. 18 (2) of the Articles of Association). Similarly, the independent proxy is elected by the General Meeting (Art. 9 (b) of the Articles of Association). Moreover, the Board of Directors generally constitutes itself and, in particular, appoints its Vice-Chairman and secretary of the Board of Directors.

3.5 — Internal organisation

3.5.1 — Division of responsibilities on the Board of Directors

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

The duties, responsibilities and working procedures of the Board of Directors, as well as its conduct in case of conflicts of interest, are regulated by the Implenia OR and Table of Responsibilities of 11 August 2023 (hereinafter "Table of Responsibilities"). The Implenia OR (without the Table of Responsibilities) can be found on Implenia's website.

https://implenia.com/goto/corporategovernance/2023/en/or-implenia-20230811.pdf

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

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

The committees generally organise themselves. The Board of Directors shall enact appropriate regulations at request of the committees. The committees shall generally have an advisory function, with decision-making authority reserved for the plenary Board of Directors. The committees shall have decision-making authority only where so determined in the Table of Responsibilities or in a Committee's Regulation or by a special Board of Directors resolution. The committees are authorised to conduct or have investigations conducted on all matters within their area of responsibility. They may call upon the services of independent experts. The Board of Directors may appoint ad hoc committees for certain tasks and assign preparatory, supervisory and / or decision-making authority to such committees (sections 5.1.1 and 5.1.6 of the Implenia OR). No ad-hoc-committee was formed in the reporting year. The table below shows the committees existing in the reporting year and their members:

	Audit Committee (from 28 March 2023)	Nomination and Compensation Committee (from 28 March 2023)
Hans Ulrich Meister, Chairman	(standing guest)	(standing guest)
Judith Bischof	•	
Raymond Cron		•
Martin Fischer		•
Kyrre Olaf Johansen	•	• (Chair)
Barbara Lambert	• (Chair)	
Henner Mahlstedt	•	

3.5.2.1 — Audit Committee

The AC is independent and shall consist of at least two members of the Board of Directors designated by the Board of Directors. The AC is chaired by Barbara Lambert, a member of the Board of Directors with proven expertise in auditing and finance as well as ESG reporting. The AC shall perform all of the Board of Directors' duties relating to accounting oversight and organisation, financial controlling (including the internal control system), financial planning and risk management. Risk management shall include reporting on (current or impending) legal actions. In addition, the AC shall monitor and report on the Compliance Management System to the Board of Directors. The AC shall coordinate and define the internal and external auditing tasks and be responsible for regular communications with the internal and external auditors and formulate the internal and external audit engagements. It shall have the authority to order special audits (section 5.1.1 of the Implenia OR). For more information about the AC's tasks, also see the Implenia OR:

https://implenia.com/goto/corporategovernance/2023/en/or-implenia-20230811.pdf

3.5.2.2 — Nomination and Compensation Committee

The NCC shall be composed of two to four members of the Board of Directors who are elected individually by the General Meeting. The general principles of the duties and responsibilities of the NCC concerning compensation have been established by the General Meeting in Art. 21a of the Articles of Association and are described in greater detail in the Remuneration Report (pages 62 et seq.).

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

https://implenia.com/goto/corporategovernance/2023/en/or-implenia-20230811.pdf

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

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

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

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

The following tables give an overview of the physical and video meetings of the Board of Directors and of the AC and NCC in 2023:

	Board of Directors[1]	Audit Committee[3]	Nomination and Compensation Committee[4]
Number of meetings (incl. video and telephone conferences)	13	3	3[5]
Number of members	7	3	3
Duration (average in hours)	2:55[2]	4:10	1:10
Presence rate	97%	100%	89%

Hans Ulrich Meister, Chairman	12 of 13	standing guest	standing guest
Henner Mahlstedt, Vice-Chairman	13 of 13	3 of 3	–
Judith Bischof, Member	13 of 13	3 of 3	–
Raymond Cron, Member since 28.3.2023[6]	9 of 9	–	2 of 2
Martin Fischer, Member	13 of 13	–	3 of 3
Kyrre Olaf Johansen, Member	11 of 13	–	2 of 3
Barbara Lambert, Member	13 of 13	3 of 3	–
Laurent Vulliet, Member until 28.3.2023[7]	4 of 4		1 of 1

1 The IEC was usually present in the person of the CEO.
2 This is the effective duration of the session. Three Board meetings in 2023 (April, June and October) were held as two-day meetings carried out with site visits and meetings with the local management.
3 The Chairman of the Board of Directors, the CEO, the CFO and the General Counsel as well as the auditors attended all meetings.
4 The CEO, the Chief Human Resources Officer and the Head of Compensation & Benefits attended all meetings, the Chairman of the Board of Meetings took part in two meetings.
5 In addition, supplementary and preparatory meetings and telephone conferences were held. Some of these sessions took place in the full Board of Directors or involved third parties when deemed necessary.
6 Elected to the Board of Directors on 28 March 2023.
7 Resigned from the Board of Directors on 28 March 2023.

3.6 — Definition of areas of responsibility

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

- the acquisition or sale of holdings with an enterprise value of CHF 25 million or more;
- the purchase and sale of land / buildings / areas (commercial properties) worth more than CHF 30 million;
- the determination of target markets and the resolution to enter a market;
- the determination of the principles of the financial policy (debt-to-equity ratio and financial indicators);
- determination of the financing plan;
- procurement of outside capital of CHF 50 million or more (credit lines, bonds, private investments and other capital market transactions, finance leasing, hire-purchase activities, etc.);
- Fundamental issues and guidelines relating to the investment of financial resources;
- the granting of any kind of loan of CHF 5 million or more to third parties;
- the granting of group guarantees and sureties, other guarantees, bid, performance and payment bonds etc., other security interests and entering into contingent liabilities outside of the ordinary course of business of CHF 5 million or more; and
- the use of financial derivatives when not used strictly for hedging purposes.

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

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

The CEO shall be assisted with the conduct of business by members of the IEC and other Function Heads. They report directly to him. The CEO is responsible for reporting to the Chairman of the Board of Directors and/or to the Board of Directors (section 6.2.3 of the Implenia OR). For the details of the division of responsibilities among the Board of Directors, CEO and IEC, see the Implenia OR and Table of Responsibilities.

https://implenia.com/goto/corporategovernance/2023/en/or-implenia-20230811.pdf

3.7 — Information and control instruments with respect to the Management Board

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

Information and control tools

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

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

As part of the budget planning for the following year, the indicators, like those of the MIS, are determined based on the expected economic trend and specified together with the corporate objectives for each Division. The annual planning for the next three calendar years (three-year plan) is performed like the budget planning.

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

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

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

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

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

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

The Board of Directors has engaged a recognised audit firm to conduct the internal audit. The audit firm was replaced by a Head of Group Internal Audit as of 1 January 2024. He ensures the internal audit as part of a co-sourcing model. The AC determines the focal points of the internal audit based on a multi-year audit plan. The focal points in the reporting year were the topics of Western Switzerland, Cyber Security, Joint Ventures and a follow-up on past audits. The Internal Audit's audit plan is implemented in coordination with the CFO. Internal Audit created the audit plan according to the reports that the AC submitted together with the necessary comments and recommendations. Internal Audit reports directly to the AC. The reports of Internal Audit are transmitted to the external auditor without limitation. A regular exchange of information takes place between Internal and External audit.

3.8 — Environmental, Social and Governance (ESG) Management

Environmental, social and corporate governance actions form an integral part of Implenia's core values and are continuously monitored by the Board of Directors. The Sustainability Committee, which was set up in 2019, consists of representatives of all divisions and functions. The Sustainability Committee reports directly to the IEC, which in turn reports on regular basis to the Board of Directors. The sustainability strategy is finally approved by the Board of Directors. Given the size of the Board of Directors and the strategic importance of the topic, sustainability shall be discussed by the plenary Board of Directors. That is also why no separate Board of Directors committee has been formed. The 2023 Sustainability Report will be published at the same time as the Annual Report.

4 — IMPLENIA EXECUTIVE COMMITTEE

4.1 — Implenia Executive Committee members

The IEC continues to consist of eight members. The table below shows the composition of the IEC as of 31 December 2023:

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

4.2 — Education, activities and vested interests

The summary on the following pages contains basic information about the career paths and education of the individual IEC-members. It also discloses the mandates held by each member outside the Group as well as any further significant activities and permanent positions in significant interest groups.

ANDRÉ WYSS

Chief Executive Officer

Born 1967
Swiss citizen

Education

Various Executive Education Modules in Leadership Development at Harvard Business School

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

Trainee chemist at Sandoz (today Novartis)

Professional experience

SINCE 2018	CEO Implenia Group
2016–2018	President of Novartis Operations (global, responsible for, among other things, the entire production process, central group services such as real estate and infrastructure, IT, procurement, personnel, and accounting, as well as Corporate Affairs) and Country President of Novartis Switzerland
2014–2018	Member of Novartis Group Management
PREVIOUSLY	Various positions at Novartis, including President of Novartis USA, Executive for other Country and Regional Companies (Asia Pacific, Middle East & Africa, Group Emerging Markets, Greece), and Executive for Novartis Business Services, Head of Pharmaceutical Production in Europe, CFO for Research & Development

Memberships on Boards of Directors

Ina Invest Holding Ltd (Member) – listed

ADRIAN WYSS

Head Division Real Estate

Born 1975
Swiss citizen

Member of the Implenia Executive Committee

Education

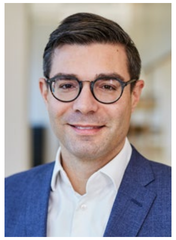
Architect, University of Applied Sciences

Postgraduate degree in Business Administration, Bern/University of Applied Sciences

Professional experience

SINCE 2019	Head Division Real Estate
2015–2019	Business Unit Head Modernisation & Development, Implenia
2013–2015	Head Modernisation, Implenia
2006–2013	Various functions within Implenia
2000–2006	Architect at Pfister Schiess Tropeano Architekten, Zurich

JENS VOLLMAR



Head Division Buildings Country President Switzerland

Born 1984
German citizen

Member of the Implenia Executive Committee

Education

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

Professional experience

SINCE 2019	Head Division Buildings and Country President Switzerland
2015–2018	Business Unit Head Buildings, Implenia
2014–2015	Head Business Development Buildings, Implenia
2013–2014	Head CEO Support, Implenia
2011–2013	Senior Consultant at the Institute for Finance, Financial Law, and Law & Economics, University of St. Gallen (HSG)

Additional functions and offices

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

Vice-Chairman of the Executive Board Development Switzerland

Member of the Board of Bauenschweiz

CHRISTIAN SPÄTH

Head Division Civil Engineering

Born 1968
German citizen

Member of the Implenia Executive Committee

Education

Diploma in Civil Engineering, Munich Technical University

Professional experience

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

ANITA ECKARDT

Head Division Specialties

Born 1973
Danish citizen

Member of the Implenia Executive Committee

Education

Master of International Business, Munich Business School

Executive Coach, Coaching Institute, Copenhagen

Professional experience

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

Memberships on Boards of Directors

Dansk Landbrugs Grovvareselskab a.m.b.a. (Member)

CKW AG (Member)

Hegias AG (Member)

Additional functions and offices

Vice-Chairperson of the SEED next generation living association

STEFAN BAUMGÄRTNER

Chief Financial Officer

Born 1971
Swiss citizen

Member of the Implenia Executive Committee

Education

Executive MBA, Postgraduate degree in Controlling, University of Applied Sciences Eastern Switzerland

Industrial Engineer, University of Liechtenstein

Professional experience

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

CLAUDIA BIDWELL

Chief Human Resources Officer

Born 1966
Swiss and German citizen

Member of the Implenia Executive Committee

Education

Bachelor of Science in Economics, University of London (UCL)

British Psychological Society, certified in “Work & Organisational Assessment”

Various Executive Education Modules in Leadership Development at Harvard Business School

Professional experience

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

GERMAN GRÜNIGER

General Counsel

Born 1969
Swiss citizen

Member of the Implenia Executive Committee

Education

Lic. iur., University of Freiburg

Dr. iur., University of Basel

LL.M., New York University

Attorney at Law

Stanford Executive Program (2019)

Professional experience

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

Memberships on Boards of Directors

MediData AG (Vice-Chairman)

Bürgenstock Hotels AG (Member)

Bürgenstock Bahn AG (Member)

Bergbahnen Beckenried-Emmetten AG (Vice-Chairman)

Additional functions and offices

Board of Trustees of the Stiftung Felsenweg am Bürgenstock (Vice-Chairman)

4.3 — Number of permissible activities

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

https://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

4.4 — Management contracts

There are no management contracts with third parties.

5 — COMPENSATION, SHAREHOLDINGS AND LOANS

Pages 65 to 79 of the Compensation Report explain the contents and procedure for determining compensation and the granting of shareholdings and loans to members of the Board of Directors and the IEC, as well as the rules of the Articles of Association on the principles governing remuneration and loans, credits and pension benefits. The Remuneration Report also contains the rules of the Articles of Association concerning the General Meeting's vote on remuneration.

https://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

6 — SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 — Limitation of voting rights and proxy voting

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

https://implenia.com/goto/corporategovernance/2023/en/registration-regulations-20130204.pdf

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

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

In addition, partnerships and legal persons can have themselves represented by authorised signatories or other authorised representatives, minors or wards by their legal representatives, and married persons by their spouse. The Chairperson of the General Meeting decides on the admissibility of a form of representation (Art. 13 (4) of the Articles of Association).

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

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

6.2 — Quorums under the Articles of Association

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

6.3 — Convening of the General Meeting

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

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

6.4 — Adding items to the agenda

The Board of Directors shall be responsible for adding items to the agenda. Any shareholders representing at least 0.5% of the issued share capital can move to add an item to the agenda (Art. 11 (2) of the Articles of Association). Such a request, specifying the agenda item and motions, shall be submitted in writing to the Board of Directors at least 45 days before the General Meeting.

6.5 — Registrations in the Share Register

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

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

https://implenia.com/goto/corporategovernance/2023/en/or-implenia-20230811.pdf

7 — CHANGE OF CONTROL AND DEFENSIVE MEASURES

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

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

8 — AUDITOR

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

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

8.2 — Audit fee

In the reporting year, the fee invoiced by the auditor amounted to a total of CHF 2,333,300 (2022: CHF 2,072,000.

8.3 — Additional fees

The total additional fees for the reporting year amounted to CHF 357,940 (2022: CHF 143,088). The additional fees were charged in connection with Due Diligence, taxes and ESG-services.

8.4 — Information instruments of the external audit

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

9 — INFORMATION POLICY

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

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

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

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

All press statements are released simultaneously on the website and in the media. In addition, all publications since 2006 are retrievable there.

https://implenia.com/en/investor-relations/
https://implenia.com/en/investor-relations/publications/financial-publications/
https://implenia.com/en/media/newsroom/
https://implenia.com/en/media/news-service/

10 — TRADING BLACKOUT PERIODS

Implenia has clear rules related to trading blackout periods. Fixed recurring trading blackout periods apply in connection with the preparation and publication of regular financial reports (annual and half-yearly reports). That applies to everyone entrusted with financial reporting. The information is provided by letter or by e-mail by the General Counsel. The fixed trading blackout periods shall begin when the relevant figures become available internally, or on the balance sheet date by the latest, with the proviso that 15 December is considered to be the latest possible date in the case of the annual financial report. Each fixed trading blackout period shall end no sooner than 24 hours after the relevant publication.
Moreover, variable trading blackout periods apply to specific important business projects (such as M&A transactions or restructuring, etc.). Everyone involved in the relevant project will be notified of such trading blackout periods in writing or by e-mail by the General Counsel. The variable trading blackout periods shall be applicable from notice of the project until the publication or express revocation.

Contact for shareholders, investors and analysts
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4 COMPENSATION REPORT

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

DEAR SHAREHOLDERS,

On behalf of our Nomination and Compensation Committee (NCC), I am pleased to present our Compensation Report for the financial year 2023.

One of the key responsibilities of the NCC is ensuring that Implenia's compensation strategy remains relevant to the company's external environment. As the priorities of shareholders change over time, so too must the criteria for assessing executive performance to safeguard the alignment of shareholder and executive interests.

The most significant of these in recent years is undoubtedly the importance of incentivising the progress towards the company's Environmental, Social and Governance (ESG) agenda. The NCC decided to formalise this through the addition of a dedicated ESG metric in the Implenia Executive Committee's (IEC) Short-Term Incentive plan (STI) starting from the 2023 performance year. Simultaneously, the relative importance of the STI was increased by changing the weighting to 50% of the IEC's (excluding CEO) annual base salary from 40% before. An external benchmark analysis of the executive pay mixes across the SPI showed that a higher weighting of LTI is primarily found in companies with high market capitalisations. As market capitalisations decrease, so too does variable compensation as a proportion of executive pay, as does the weighting of long-term components. Implenia's new pay mix is therefore both in line with what would be expected in a company with its current market capitalisation and the drive to more accountability on the IEC's strategic short-term objectives including ESG.

Despite the challenging business environment, Implenia was nevertheless able to meet its financial commitments towards the market. For the company's annual STI plan, this led to achievement levels corresponding to the targets set for each participant at the start of the year. For its three-year Long-Term Incentive (LTI) plan, vesting in April 2024, I am pleased that Implenia was able to surpass both the rTSR performance of the SPI Extra during the period, as well as the anticipated EPS results of both its internal strategic business plans and the expectations of external analysts. To lower the number of shares needing to be sold by participants to cover any outstanding tax and social security obligations resulting from this vest, the Board of Directors approved in February 2024 a cash-based component to the company's LTI plans starting with vesting of the LTIP 2021. Under this new mechanism, the height of the cash portion is related to the degree to which plans vest – with plans vesting at or below target settled fully in shares. This decision protects shareholders from short-term negative share price development as a result of share sales without changing the underlying philosophy of the plan.

Of particular note was the acquisition of Wincasa in the first half of 2023. This key transaction, which I am convinced will benefit the company's strategic positioning for years to come, was only possible due to the dedicated effort by employees across all levels of the company. As a token of appreciation towards those that played a pivotal role in getting this done, 13 employees received a one-off payment in cash or blocked shares, with four of those received by members of the IEC.

At the AGM 2022, our shareholders approved a maximum total compensation of CHF 13 million for the IEC for the financial year 2023. The total awarded compensation of the IEC does not exceed this approved amount. For the upcoming AGM, the Board of Directors will not propose an increase of the maximum total compensation for the IEC and for the Board of Directors. Consequently, this will remain at CHF 13 million and CHF 1.6 million.

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

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

Kyrre Olaf Johansen
Chair of the Nomination and Compensation Committee

COMPENSATION PHILOSOPHY AND GOVERNANCE

The Compensation Report provides an overview of Implenia's compensation principles and key components.

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

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

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

In addition, certain provisions on compensation are governed by the Articles of Association, which were last updated and approved by the General Meeting in March 2023. The following provisions on compensation, implemented in 2014, are included in the Articles of Association:

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

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

https://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

Compensation philosophy and governance

1 — COMPENSATION PRINCIPLES

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

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

2 — COMPENSATION GOVERNANCE

2.1 — Nomination and Compensation Committee

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

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

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

Compensation philosophy and governance

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

Approval and authority levels on compensation matters

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

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

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

The NCC meets as often as business requires but at least three times a year. During the financial year 2023, the NCC held three regular physical or video meetings. The NCC reports to the Board of Directors at the Board meeting following each NCC meeting, ensuring that the Board of Directors is kept informed in a timely and appropriate manner of all material matters within the NCC's areas of responsibility. In addition, all NCC documents (e.g. agenda, minutes, presentations, etc.) are available to the Board of Directors.

As a general rule, the Chairman of the Board of Directors, the CEO, and the Chief Human Resources Officer attend the NCC meetings. The NCC Chair may invite other executives or external advisors as appropriate. The NCC regularly holds private sessions (i.e. without the presence of members of the executive management, members of the HR department, or third parties). Furthermore, executives (and the Chairman of the Board of Directors) do not participate during the sections of the meetings where their own performance and/or compensation are discussed.

The following table shows the number and duration of the meetings held in 2023, and the participants:

Overview of NCC meetings

	Meetings[1, 2]
Total	3
Average duration (in hours)	1:10
Participation	
Kyrre Olaf Johansen, Chair	2
Raymond Cron, Member[3]	2
Martin Fischer, Member	3
Laurent Vulliet, Member[4]	1

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

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

3 Elected as member of the NCC on 28 March 2023.

4 Resigned from the Board of Directors on 28 March 2023.

Compensation philosophy and governance

2.2 — Shareholders' involvement

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

http://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

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

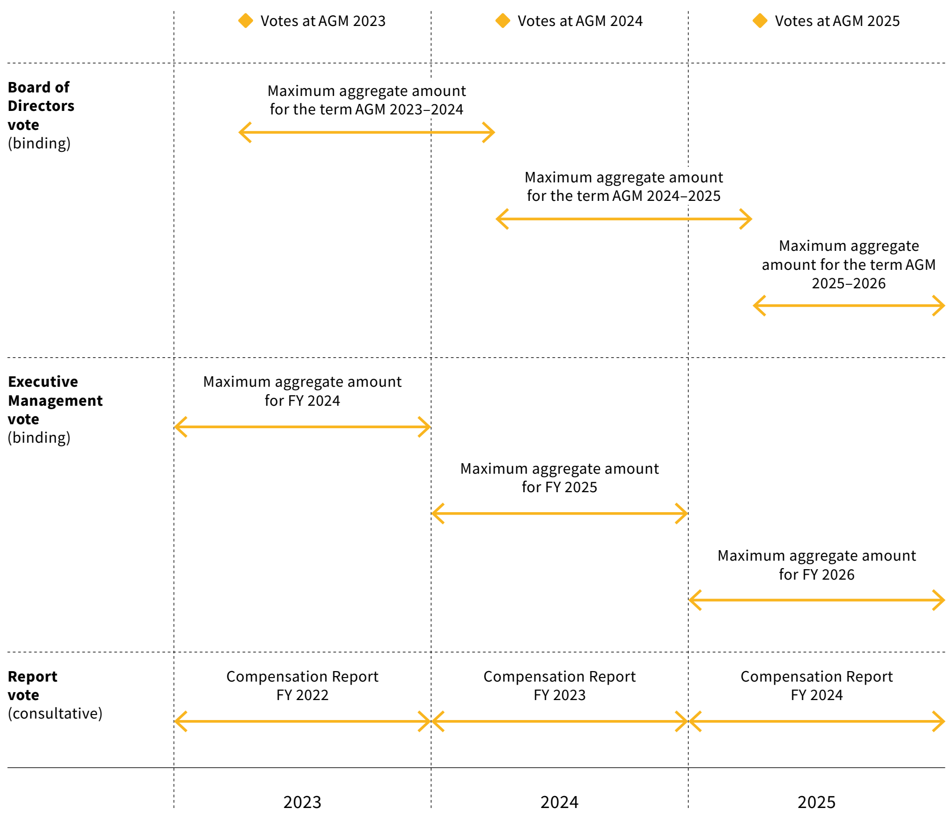
The maximum aggregate compensation amount for the Board of Directors comprises fixed compensation, paid in cash and in equity (blocked shares). The maximum compensation amount for the IEC (including the CEO) comprises fixed compensation components (fixed base salary, other compensation, social security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

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

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

Actual compensation amounts in 2022 and 2023 for the Board of Directors and the IEC as well as reconciliations with the total amounts approved are shown respectively in the chapters "Compensation of the Board of Directors" and "Compensation of the Implenia Executive Committee" of this report.

Votes at the AGM



COMPENSATION OF THE BOARD OF DIRECTORS

1 — STRUCTURE

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

https://implenia.com/goto/corporategovernance/2023/en/articles-of-association-20230328.pdf

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

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

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

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

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

The compensation structure and fee level for the members of the Board of Directors remained unchanged in the 2023 / 2024 term of office in comparison to the previous term.

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

Compensation structure and levels of the Board of Directors

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

Compensation of the Board of Directors

2 — BOARD OF DIRECTORS' COMPENSATION FOR 2023

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

Board compensation 2023

in TCHF	Total fee[1] 2023	Cash fee 2023	Number of shares[2,3] 2023	Share-based compensation[4] 2023	Social security contributions[5] 2023	Total 2023
Hans Ulrich Meister, Chairman of the Board of Directors	398	280	4,484	118	66	464
Henner Mahlstedt, Vice Chairman of the Board of Directors	142	100	1,601	42	16	158
Judith Bischof, Member	123	87	1,388	36	18	141
Raymond Cron, Member as of 28.3.2023	92	65	1,112	27	14	106
Martin Fischer, Member	123	87	1,388	36	18	141
Kyrre Olaf Johansen, Chair of the Nomination and Compensation Committee	142	100	1,601	42	21	163
Barbara Lambert, Chair of the Audit Committee	161	113	1,815	48	37	198
Laurent Vulliet, Member until 28.3.2023	31	22	276	9	5	36
Total 2023	1,212	854	13,665	358	195	**1,407**

1 The total fee is first shown and then the breakdown in cash fee and blocked shares.
2 Implenia Ltd. shares, valor number 2386855, par value CHF 1.02.
3 The calculation is based on the average share price for December. The shares were transferred on 3.1.2024. They were included as a component of the compensation for the year under review.
4 The value of the shares is calculated as follows: average share price in December minus tax discount (16.038%).
5 This refers to mandatory social security contributions (AHV / ALV) as well as pension fund contributions for two members.

Board compensation 2022

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

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

Compensation of the Board of Directors

The total compensation paid to the Board of Directors for the year 2023 was identical to that of the previous year as the compensation structure and fee level for the Board of Directors remained unchanged.

The shareholders approved:

- at the AGM 2023, a maximum aggregate compensation amount of CHF 1,600,000 for the term of office between the AGM 2023 and the AGM 2024;
- at the AGM 2022, a maximum aggregate compensation amount of CHF 1,600,000 for the term of office between the AGM 2022 and the AGM 2023.

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

Further details regarding the proposed total compensation of the Board of Directors for the period from the AGM 2024 to the AGM 2025 will be provided in the invitation to the AGM 2024.

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

	Compensation paid during financial year as reported (A)	Minus compensation earned from Jan to AGM of financial year (B)	Plus compensation accrued from Jan to AGM of year following financial year (C)	Total compensation earned from period AGM to AGM (A-B+C)	Amount approved by shareholders at respective AGM	Ratio between compensation earned for the period from AGM to AGM versus amount approved by shareholders
AGM 2023-AGM 2024	2023	1.1.2023 to 2023 AGM	1.1.2024 to 2024 AGM	2023 AGM to 2024 AGM	2023 AGM	2023 AGM
Total in TCHF	1,407	346	345	1,406	1,600	87.9%
AGM 2022-AGM 2023	2022	1.1.2022 to 2022 AGM	1.1.2023 to 2023 AGM	2022 AGM to 2023 AGM	2022 AGM	2022 AGM
Total in TCHF	1,412	353	346	1,405	1,600	87.8%

3 — EXTERNAL MANDATES

The table below shows the members of the Board of Directors with external mandates according to Article 734e Code of Obligations as at 31 December 2023:

	Mandates in listed companies	Mandates in non-listed companies
Hans Ulrich Meister, Chairman	▪ Member of the Board of Directors of Ina Invest Holding AG	—
Henner Mahlstedt, Vice-Chairman	—	▪ Managing Partner of Mahlstedt Consultants GbR ▪ Member of the Advisory Board of Hueker Synthetic GmbH
Kyrre Olaf Johansen, Member	—	▪ Chief Executive Officer of Norsk Mineral AS *
Martin Fischer, Member	—	▪ Chairman of the Supervisory Board of sfirion AG ▪ Member of the Board of Directors of Cadwork Informatik CI AG ▪ Member of the Board of Directors of Control AG
Barbara Lambert, Member	▪ Member of the Supervisory Board of Deutsche Börse AG ▪ Member of the Supervisory Board of SYNLAB AG (until 31.3.2024) ▪ Member of the Supervisory Board of Merck KGaA	▪ Member of the Board of Directors of UBS Switzerland AG and Member of the Board of Directors of Credit Suisse (Schweiz) AG (Group mandate) ▪ Member of the Advisory Board of the Geneva School of Economics and Management
Judith Bischof, Member	▪ General Counsel of Clariant Ltd *	—
Raymond Cron, Member	—	▪ Chairman of the Board of Directors of St. Clara AG ▪ Chairman of the Board of Directors of University Center for Dental Medicine Basel ▪ Vice-Chairman of the Board of Directors of Basel-Mulhouse Airport ▪ Chairman of the Board of Directors and Managing Director of CMC Cron Management Consult AG ▪ Chairman of the Foundation Board of Albert Lück Foundation ▪ Managing Director of Switzerland Innovation Foundation

* Various internal board mandates as part of the position within the company.

Compensation of the Board of Directors

4 — SHAREHOLDING AND LOANS

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

The NCC conducted its regular assessment of share ownership in relation to the shareholding guideline at year-end 2023. Using as a basis the average share price in 2023, five members of the Board of Directors met the guideline. One member who joined the Board of Directors in 2022 has until 2025 to fulfil the requirement; one member who joined in 2023 until 2026.

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

The following table shows the number of shares held by the individual members of the Board of Directors and persons linked to them as at 31 December 2023. In total, the members of the Board of Directors held 147,726 shares or 0.8% of the share capital (2022: 138,813 shares or 0.7%).

Board of Directors

		Number of shares, as at		Shares blocked until		
	Date of initial election to the Board	31.12.2023[1]	31.12.2022[2]	2024	2025	2026
Hans Ulrich Meister, Chairman	22.3.2016	100,885 (105,676)	93,324 (96,885)	6,077	7,268	3,561
Henner Mahlstedt, Vice Chairman	24.3.2015	18,052 (19,763)	15,280 (16,552)	2,170	2,596	1,272
Judith Bischof, Member	29.3.2022	2,102 (3,585)	1,000 (2,102)	–	–	1,102
Raymond Cron, Member	28.3.2023	1,500 (2,983)	n / a	–	–	–
Martin Fischer, Member	27.3.2018	7,650 (9,133)	6,548 (7,650)	1,881	2,249	1,102
Kyrre Olaf Johansen, Member	22.3.2016	9,585 (11,296)	8,313 (9,585)	1,881	2,249	1,272
Barbara Lambert, Member	26.3.2019	7,952 (9,891)	6,511 (7,952)	2,460	2,942	1,441
Laurent Vulliet, Member until 28.3.2023	22.3.2016	n / a	7,837 (8,939)	1,881	2,249	1,102
Total		147,726 (162,327)	138,813 (149,665)	16,350	19,553	10,852

1 The shares allocated for the 2023 / 24 year of office (see table under chapter 2, above) were transferred on 3.1.2024 (in parentheses including shares allocated on 3.1.2024).

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

COMPENSATION OF THE IMPLENIA EXECUTIVE COMMITTEE

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

The compensation mix for executive management has three key components: base salary, a Short-Term Incentive (STI) and a Long-Term Incentive plan (LTIP), consisting of Performance Share Units. The different compensation components are detailed in this chapter.

1 — COMPENSATION STRUCTURE

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

Executive management compensation at a glance

	Annual base salary	Short-Term Incentives (STI)	Long-Term Incentives (LTI)	Benefits and perquisites
Purpose	Rewards the scope of the function, the skills required to perform in the role, the experience of the incumbent and current market compensation levels.	Designed to reward financial performance and individual contributions.	Intended to anchor the company's strategy and focus on long-term value creation.	Reflects local market practices in terms of pension and insurance benefits as well as perquisites. Aims to protect against risk.
Performance measures	—	Annual financial and individual targets as follows: ▪ Division Heads EBIT Total (35%): of which Division (20%) and Group (15%) + Net Working Capital (35%): of which Division (20%) and Group (15%), Individual targets incl. ESG targets (30%) ▪ Other IEC members EBIT Group (35%), Net Working Capital Group (35%), individual targets incl. ESG targets (30%) ▪ Payout range: from 0% to 200%	Performance-related entitlement to receive shares after a performance period of three years. ▪ Subject to performance of two equally weighted vesting conditions: — Relative Total Shareholder Return — Earnings per Share ▪ Number of PSUs: from 0% to 200%	—
Link to compensation principle	Market competitiveness	Pay for performance, alignment with business goals	Pay for performance, alignment with shareholders' interests and strategic plans	Market competitiveness, compliance
Vehicle	Monthly cash	Annual cash	Performance Share Units with three-year cliff vesting	Pension and other benefits

Compensation of the Implenia Executive Committee

Compensation mix

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

The STI represents, at target, 50% of the CEO's annual base salary and the LTI around 92% of his base salary. For other members of the IEC, the STI at target is evenly weighted at 50% of the annual base salary and the target LTI at 50% of the annual base salary.

Process of determining compensation

Implenia periodically reviews the total compensation of executive management. The previous benchmarking was done in 2023 when Mercer, an independent consultant, was appointed to support the benchmarking exercise.

To recap, due to the lack of comparable listed companies in the construction sector in Switzerland, the focus has been on organisations with similar activities – undertaking mid- to long-term projects requiring engineering skills or/and with an industrial service orientation – and competing for the same talent pools within the industrial sector. As shown in the table below, the size of the comparator group consisted of 15 organisations for the CEO and 14 organisations for all other IEC members.

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

Implenia aims to be positioned around the median in terms of base salary and total direct compensation. For 2023, the NCC approved salary increases to those members of the IEC to align them closer to the market median of their respective positions. In particular where no prior salary increases were granted during their tenure.

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

Benchmarking

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

Base salary

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

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

Perquisites, pension and benefits

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

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

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

Compensation of the Implenia Executive Committee

STI

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

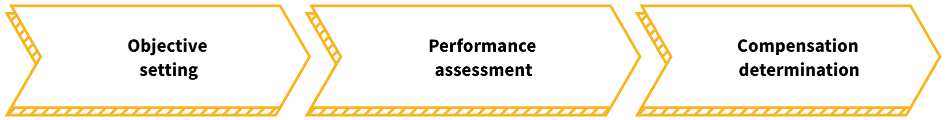
The STI is a cash incentive plan, paid annually. For IEC members, it is broken down into financial targets (70%) and individual objectives (30%).

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

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

The financial targets are determined annually and underpin the strategic priorities and the focus on profitable growth. For the financial year 2023, the Key Performance Indicators (KPIs) were EBIT and Net Working Capital, reflecting the Company's strategic priorities. Both are weighted evenly and both are deemed critical to the long-term success of the Company. EBIT has a strong focus on the holistic performance of the different business areas and incentivises both revenue growth and cost control. Net Working Capital supports the asset-light strategy followed by Implenia, drives free cash flow and rewards good management of current assets.

Individual objectives

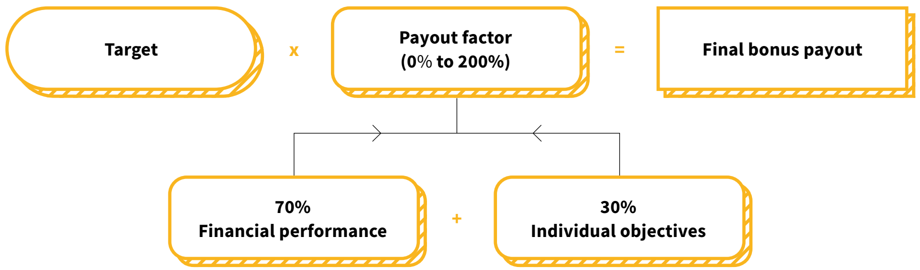


Objective setting: Definition of three individual performance objectives at the beginning of the year. The objectives of the CEO are approved by the Board, upon proposal of the Chairman and recommendation of the NCC. The objectives of other IEC members are proposed by the CEO to the NCC, which has final approval authority.

Performance assessment: Progress in line with the individual objectives for Divisions and Group Functions is reviewed throughout the year. At year-end, the performance of each IEC member is assessed by the CEO and recommendations are then made by the CEO to the NCC for final approval. For the CEO, a proposal is made by the Chairman to the NCC. The NCC makes a recommendation to the Board of Directors with which final approval rests.

Compensation determination: The individual objectives' achievements are added to the financial KPIs' achievements to calculate the final STI payout.

Payout calculation



Compensation of the Implenia Executive Committee

Design of the Short-Term Incentive 2023

Category	Weight	Metrics	Rationale		CEO and IEC members responsible for Global Functions	Divisions Heads
Financial performance targets	70%	EBIT	Measures Group and / or Divisional operational profitability	Group	35%	15%
				Division		20%
		Net Working Capital	Measures the capital required to run operations	Group	35%	15%
				Division		20%
Individual objectives	30%	Three objectives, equally weighted, broken down into milestones, deliverables, or measurable components	The objectives are structured around three dimensions: ▪ the implementation of strategic initiatives of the Division or Function, including operational excellence, achievements of key milestones, growth and innovation objectives ▪ operative business development targets; ▪ people, culture and values targets with a focus on health and safety, compliance and talent management (ESG targets)		30%	30%
				Total	100%	100%
Payout range					0% to 200% Capped at 200%	0% to 200% Capped at 200%

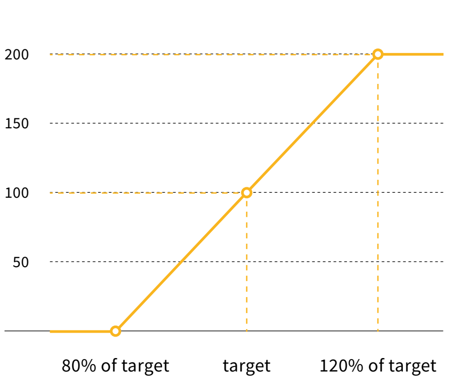
Compensation of the Implenia Executive Committee

Payout mechanism for financial targets

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

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

EBIT
in % achievement

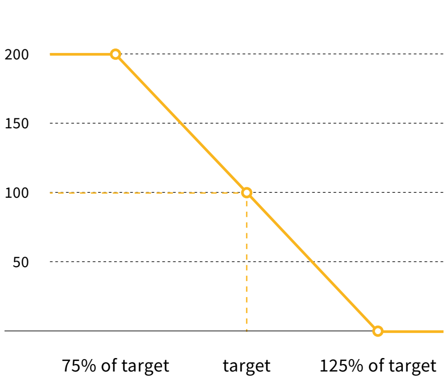


The payout is capped at 200% for performance that reaches or exceeds the performance level shown in the graph.

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

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

Net Working Capital
in % achievement



LTIP

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

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

The number of granted PSUs depends on the individual LTIP award in CHF, determined each year as a percentage of the annual base salary – around 92% for the CEO and 50% for the other IEC members.

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

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

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

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

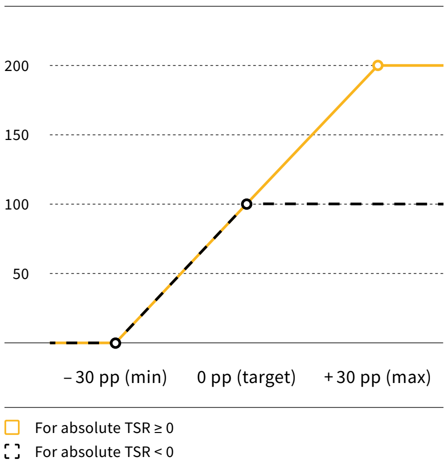
Targets for the LTIP are determined with each grant for a three-year performance period.

Compensation of the Implenia Executive Committee

TSR

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

Three-year relative TSR
in %



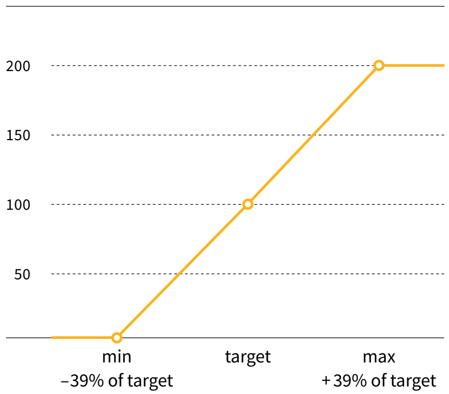
If Implenia Ltd.'s TSR equals the SPI EXTRA®, the vesting will be 100%. The threshold for a payout is at – 30 percentage points, while the cap for a 200% payout is at + 30 percentage points. As shown in the graph, vesting between threshold and maximum is defined on a straight line. However, in the event that Implenia Ltd.'s TSR is negative over the performance period but still outperforms the SPI EXTRA® Index, the vesting will be capped at 100%.

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

EPS

EPS are the fully diluted earnings per share as disclosed by Implenia Ltd., attributable to shareholders. The final vesting for the performance period is calculated by taking the simple average of Implenia's EPS for each of the financial years 2023, 2024 and 2025, measured against the targets. The payout curve is shown below.

Three-year average EPS
in %



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

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

Termination of employment under the LTIP

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

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

In the event of change of control, the number of PSUs granted will also be adjusted pro-rata. The vesting factor of the share-price-related performance indicator is calculated as if the vesting period terminates as of the date of the change of control while the other performance indicator shall be assumed to vest at 100%.

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

Compensation of the Implenia Executive Committee

Overview on 2021, 2022 and 2023 LTI Grants

2021 Grant vesting in spring 2024

The plan design of the 2021 grant remained essentially unchanged compared to the prior year's grant: both EPS and relative TSR as two equal KPIs with unchanged features were applied. However, to reward management efforts in terms of strategy implementation and driving the transformation forward, the Board of Directors decided to supplement the 2021 LTIP grant with an additional share matching scheme that would increase the vesting potential from 200% to 300%. The additional share matching is conditional on the achievement of an absolute TSR of 7% until the end of 2023. If the challenging TSR target is not met, no matching shares will vest.

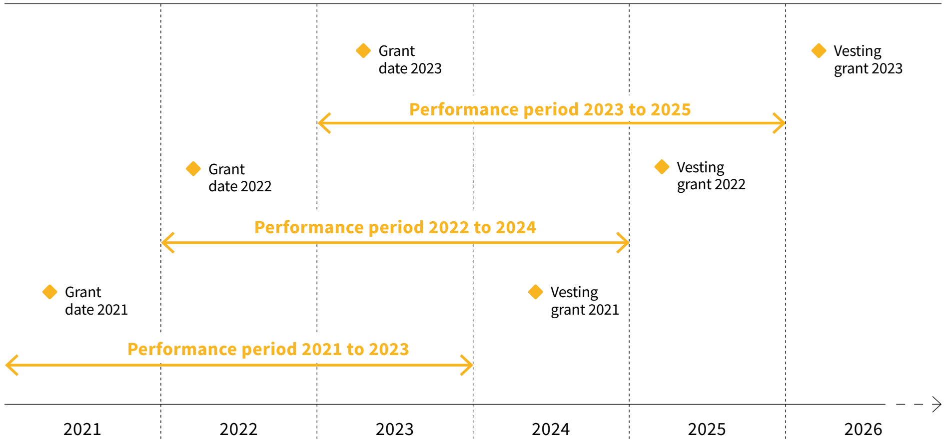
The LTI grant 2021 took place in April 2021. To determine the targets, different target options and their corresponding vesting curves were assessed. An external independent advisor supported the NCC in the target setting process, providing a thorough outside-in approach. The targets set were subject to the final approval of the Board of Directors, following a proposal by the NCC.

For the rTSR component, these targets are identical to those described in the section "TSR". The three-year average EPS target was CHF 2.80, with a minimum performance threshold of CHF 1.74 and maximum vesting achieved for an EPS result over CHF 3.86. The three-year average EPS result over the course of the performance period was CHF 5.22 (2020–2022: CHF 0.44); above the CHF 3.86 result required maximum vesting (200%). Over that same period, Implenia Ltd.'s TSR outperformed that of the SPI Extra by 27.97%, leading to a 193.25% vesting factor on this KPI.

The absolute CAGR of the Implenia share's Total Shareholder Return over the three-year period was 8.34%, meeting the 7% threshold for the vesting multiplier set by the Board of Directors in 2021.

The total vesting factor for the 2021 grant amounted to 196.63% of the target value, which is multiplied by a factor of 1.5 as a result of the vesting multiplier. The total vesting factor of the previous two grants were 0% (2019) and 55.27% (2020).

LTIP – performance periods and grant dates
The LTIP is granted each year.



2022 Grant vesting in spring 2025

The plan design of the 2022 grant was identical in design to the preceding LTI grants, without the share matching applied to the 2021 grant. Due to the finalisation of the company's transformation initiatives, no modifications were added to the vesting conditions of the plan.

2023 Grant vesting in spring 2026

The plan design of the 2023 grant was identical in design to the preceding LTI grants. Due to the finalization of the company's transformation initiatives, no modifications were added to the vesting conditions of the plan.

Contracts of employment

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

Employment contracts include non-compete clauses of up to 12 months, which cover the countries in which Implenia operates.

Compensation of the Implenia Executive Committee

2 — IMPLENIA EXECUTIVE COMMITTEE COMPENSATION

For the year under review, the IEC comprises eight members: the CEO, the four Division Heads and the Function Heads of Human Resources, Finance/Procurement, and Legal & Compliance. The CEO received the highest compensation.

The detailed disclosure of compensation of the IEC is as follows:

Compensation awarded in 2023
Implenia Executive Committee

	Annual Base Salary	Short-Term Incentive	Long-Term Incentive PSU 2023–2026 cycle[4]		Other 2023 compensation[5]	Social security expenses[6]	Total Compensation[7]
2023	TCHF	TCHF	Number of PSUs allocated	TCHF	TCHF	TCHF	TCHF
André Wyss, CEO[1]	1,200	735	27,350	1,100	–	517	3,552
Other members of the IEC[2]	2,670	1,577	33,196	1,335	194	1,437	7,213
Total IEC	3,870	2,312	60,546	2,435	194	1,954	10,765
Former members of the IEC [3]	–	–	–	–	–	–	–
Grand Total 2023	3,870	2,312	60,546	2,435	194	1,954	10,765

1 This is the highest compensation for an IEC member.
2 Stefan Baumgärtner, Claudia Bidwell, Anita Eckardt, German Grüniger, Christian Späth, Jens Vollmar, and Adrian Wyss were part of the IEC for the full year.
3 No compensation was paid to former members of the IEC in the 2023 financial year.
4 The number of PSUs is calculated by dividing the LTI award amount by the fair value per PSU. The fair value at time of grant was CHF 40.22.
5 Other compensation includes perquisites such as mobility allowance, car lease financed by the Company, child benefit or accumulated vacation paid to members of IEC leaving Implenia. In addition, four IEC members were allocated 2,010 shares of Implenia Ltd. in the total amount of CHF 80,000. These shares are blocked until 30.05.2025.
6 Social security expenses include mandatory employer social security expenses and pension contributions as per governmental requirements and market practice.
7 No additional fees or compensation were invoiced by members of the IEC for the year under review (2022: CHF 0).

Compensation of the Implenia Executive Committee

Compensation awarded in 2022
Implenia Executive Committee

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

1 This is the highest compensation for an IEC member.
2 Anita Eckardt, German Grüniger, Christian Späth, Jens Vollmar, Adrian Wyss, and Claudia Bidwell were part of the IEC for the full year.Marco Dirren left the IEC on 30 April 2022 and Matthias Jacob on 28 February 2022. Stefan Baumgärtner, CFO, became a member of the IEC on 1 May 2022 and his compensation is included pro-rata.
3 Included in this table are two former member of the IEC: Marco Dirren left the IEC on 30 April 2022 and his executive management employment contract expired on 30. September 2022. Matthias Jacob left the IEC on 28 February 2022. Their compensation are included pro-rata. Amounts in EUR for Matthias Jacob, Head Country Management, were converted at a rate of EUR 1 = CHF 1.08157 which is the average yearly exchange rate used in Implenia 2021 consolidated financial statements.
4 Short-term incentive for the performance year 2022, which is paid in the subsequent year.
5 Short-term incentives for former members of the IEC: The short-term incentive payment for Marco Dirren and Matthias Jacob are included pro-rata until the expiration of the respective executive management employment contracts, until 30. September 2022 respectively 28 February 2022.
6 The number of PSUs is calculated by dividing the LTI award amount by the fair value per PSU. The fair value at time of grant was CHF 29.06. The potential matching shares described in detail under the section “Overview on 2020, 2021 and 2022 LTI Grants” have been considered in this fair value. For Matthias Jacob, Head Country Management, the LTI award in EUR was converted at a rate of EUR 1 = CHF 1.1036 (the currency exchange rate on grant date).
7 Other compensation includes perquisites such as mobility allowance, car lease financed by the Company, child benefit or accumulated vacation paid to members of IEC leaving Implenia.
8 Social security expenses include mandatory employer social security expenses and pension contributions as per governmental requirements and market practice.
9 No additional fees or compensation were invoiced by members of the IEC for the year under review (2021: CHF 0).

At the AGM 2022, the shareholders approved a maximum compensation amount of CHF 13 million for the financial year 2023. In 2023, executive management total compensation amounted to CHF 10.8 million. The Company is therefore within the approved limits.

At the AGM 2023, the shareholders approved a maximum compensation amount of CHF 13 million for the financial year 2024. The Company expects to be within the approved limits.

Compensation of the Implenia Executive Committee

3 — EXTERNAL MANDATES

The table below shows the members of the IEC with external mandates according to Art. 734e Code of Obligations as of 31 December 2023:

	Mandates in listed companies	Mandates in non-listed companies
André Wyss, CEO	▪ Member of the Board of Directors of Ina Invest Holding AG	—
Anita Eckardt, Head Division Specialties	—	▪ Member of the Board of Directors of Dansk Landbrugs Grovvareselskab a.m.b.a. ▪ Member of the Board of Directors of CKW AG ▪ Member of the Board of Directors of Hegias AG ▪ Vice-Chair of the association SEED next generation living
Stefan Baumgärtner, CFO	—	▪ Member of the Foundation Board of Implenia Vorsorge
Claudia Bidwell, CHRO	—	▪ Member of the Foundation Board of Implenia Vorsorge
German Grüniger, General Counsel	—	▪ Vice-Chairman of the Board of Directors of MediData AG ▪ Member of the Board of Directors of Bürgenstock Hotels AG ▪ Member of the Board of Directors of Bürgenstock Bahn AG ▪ Vice-Chairman of the Board of Directors of Bergbahnen Beckenried-Emmetten AG ▪ Vice-Chairman of the Board of Trustees of Stiftung Felsenweg am Bürgenstock

4 — SHAREHOLDING AND LOANS

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

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

The following table shows the equity of the individual members of the IEC and persons closely linked to them. As of 31 December 2023, the members of the IEC held 213,124 shares or 1.15% of the share capital (2022: 165,728 shares or 0.9%).

Compensation of the Implenia Executive Committee

Implenia Executive Committee

		Number of shares as at		Number of PSUs as at	Shares blocked until		
	Date of joining or leaving executive management	31.12.2023	31.12.2022	31.12.2023	2024	2025	2026
André Wyss, CEO	as of 1.10.2018	123,919	102,448	94,220	–	–	–
Stefan Baumgärtner, CFO	as of 1.5.2022	7,251	5,000	8,888	–	251	–
Claudia Bidwell, Chief Human Resources Officer	as of 1.12.2020	9,202	6,951	15,109	5,076	251	–
Anita Eckardt, Division Head Specialties	as of 1.9.2019	9,556	4,458	16,394	4,198	–	–
German Grüniger, General Counsel	as of 1.3.2019	18,013	10,291	14,589	3,650	251	–
Christian Späth, Division Head Civil Engineering	as of 1.1.2020	16,115	9,679	19,812	4,598	–	–
Jens Vollmar, Division Head Buildings	as of 1.3.2019	13,317	11,248	22,258	5,657	1,257	–
Adrian Wyss, Division Head Real Estate	as of 1.3.2019	15,751	15,653	18,652	4,198	–	–
Total		213,124	165,728	209,922	27,377	2,010	–

All members of the IEC are in compliance with the requirements of the shareholding guidelines. At the end of December 2023, based on the average share price in 2023, all members of the IEC already meet the guidelines. One member who joined the IEC in 2022 has until 2027 to fulfil the requirements.

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

REPORT OF THE STATUTORY AUDITOR ON THE AUDIT OF THE COMPENSATION REPORT

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

Opinion

We have audited the compensation report of Implenia Ltd. (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO contained in the tables as well as the paragraphs related to shareholding and loans on pages 66 to 68 and pages 76 to 79 of the compensation report.
In our opinion, the information pursuant to article 734a-734f CO in the compensation report (pages as referenced above) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Other information

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

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

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

Board of Directors' responsibilities for the compensation report

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

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

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

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

Report of the statutory auditor on the audit of the compensation report

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Dr. Michael Abresch
Licensed audit expert
Auditor in charge

Astrit Mehmeti
Licensed audit expert

Zurich, 27 February 2024

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

5 FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT

in TCHF	Notes	1.1.–31.12.2023	1.1.–31.12.2022[1]
Group revenue[1]	6	3,595,909	3,538,344
Materials and third party services	7	(2,098,577)	(2,125,762)
Personnel expenses	8	(1,027,876)	(961,667)
Other operating expenses	10	(260,155)	(256,017)
Income from associates and joint ventures[1]		17,103	38,175
EBITDA		226,404	233,073
Depreciation and amortisation		(103,784)	(94,212)
EBIT	6	122,620	138,861
Financial expenses	11	(28,853)	(27,173)
Financial income	11	17,402	11,495
Result before tax		111,169	123,183
Tax	12	30,588	(17,220)
Consolidated result		141,757	105,963
Attributable to:			
Shareholders of Implenia Ltd.		140,958	104,751
Non-controlling interests		799	1,212
Earnings per share (CHF)			
Basic earnings per share	27	7.69	5.68
Diluted earnings per share	27	7.57	5.59

1 Restated. The share of results from joint ventures (equity method) is newly integrated in «income from associates and joint ventures» and disclosed separately in note 15. The prior year figures were adjusted accordingly.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in TCHF	Notes	1.1.–31.12.2023	1.1.–31.12.2022
Consolidated result		141,757	105,963
Remeasurement of post-employment benefits	24	(11,991)	(4,026)
Fair value adjustments on financial instruments		(1,248)	1,023
Fair value adjustments on property, plant and equipment with revaluation model	18	6,063	56,298
Income tax on items that will not be reclassified to income statement		2,155	(10,144)
Total items that will not be reclassified to income statement in the future		(5,021)	43,151
Changes from net investment hedges		2,152	2,207
Foreign exchange differences		(31,894)	(12,794)
Foreign exchange differences reclassified to the income statement		141	–
Total items that can be reclassified to income statement		(29,601)	(10,587)
Other comprehensive income		(34,622)	32,564
Attributable to:			
Shareholders of Implenia Ltd.		(34,833)	32,573
Non-controlling interests		211	(9)
Total comprehensive income		107,135	138,527
Attributable to:			
Shareholders of Implenia Ltd.		106,125	137,324
Non-controlling interests		1,010	1,203

CONSOLIDATED BALANCE SHEET

Assets

in TCHF	Notes	31.12.2023	31.12.2022
Cash and cash equivalents		478,809	608,775
Fixed short-term deposits		–	265
Trade receivables	13	577,354	568,329
Contract assets	14	326,372	313,482
Joint ventures (equity method)	15	43,467	30,964
Other current assets	16	77,060	85,944
Raw materials and supplies		77,835	82,808
Real estate transactions	17	149,136	141,026
Non-current Assets Held for Sale	18	54	2,997
Total current assets		1,730,087	1,834,590
Property, plant and equipment with revaluation model	18	82,174	75,695
Property, plant and equipment	18	185,586	178,815
Rights of use from leases	19	173,939	156,657
Investment property	5.8	3,634	5,323
Investments in associates	20	202,947	195,161
Other financial assets	5.8	19,434	15,027
Pension assets	24	444	444
Intangible assets	21	418,620	240,615
Deferred tax assets	25	88,676	51,099
Total non-current assets		1,175,454	918,836
Total assets		2,905,541	2,753,426

Equity and liabilities

in TCHF	Notes	31.12.2023	31.12.2022[1]
Financial liabilities	22	248,201	72,660
Trade payables[1]		744,957	695,681
Contract liabilities	14	409,968	454,392
Other current liabilities	16	113,959	134,393
Prepaid income and accrued expenses		122,715	126,674
Provisions	23	97,587	116,211
Total current liabilities		1,737,387	1,600,011
Financial liabilities	22	462,699	581,819
Deferred tax liabilities	25	82,859	54,036
Pension liabilities	24	8,956	9,903
Provisions	23	37,865	24,987
Total non-current liabilities		592,379	670,745
Share capital	26	18,841	18,841
Treasury shares	26	(9,382)	(1,863)
Reserves		417,876	354,469
Consolidated profit attributable to shareholders		140,958	104,751
Equity attributable to shareholders		568,293	476,198
Non-controlling interests		7,482	6,472
Total equity		575,775	482,670
Total equity and liabilities		2,905,541	2,753,426

1 Restated. Net liabilities towards joint ventures (equity method) are newly integrated in «trade payables» and disclosed separately in note 15. The prior year figures were adjusted accordingly.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

			Reserves						
in TCHF	Share capital	Treasury shares	Capital reserves	Foreign exchange differences	Revaluation reserve	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
Equity as at 1.1.2023	18,841	(1,863)	87,634	(67,991)	45,601	393,976	476,198	6,472	482,670
Consolidated result	–	–	–	–	–	140,958	140,958	799	141,757
Other comprehensive income	–	–	–	(29,766)	4,786	(9,853)	(34,833)	211	(34,622)
Total comprehensive income	–	–	–	(29,766)	4,786	131,105	106,125	1,010	107,135
Dividends	–	–	–	–	–	(7,341)	(7,341)	–	(7,341)
Purchase of treasury shares	–	(17,178)	373	–	–	–	(16,805)	–	(16,805)
Sale of treasury shares	–	7,103	404	–	–	–	7,507	–	7,507
Share-based payments	–	2,556	590	–	–	(537)	2,609	–	2,609
Total other changes in equity	–	(7,519)	1,367	–	–	(7,878)	(14,030)	–	(14,030)
Total equity as at 31.12.2023	18,841	(9,382)	89,001	(97,757)	50,387	517,203	568,293	7,482	575,775
Equity as at 1.1.2022	18,841	(1,246)	87,834	(56,542)	–	285,068	333,955	11,963	345,918
Consolidated result	–	–	–	–	–	104,751	104,751	1,212	105,963
Other comprehensive income	–	–	–	(10,577)	45,601	(2,451)	32,573	(9)	32,564
Total comprehensive income	–	–	–	(10,577)	45,601	102,300	137,324	1,203	138,527
Dividends	–	–	–	–	–	–	–	(100)	(100)
Purchase of treasury shares	–	(5,219)	(64)	–	–	–	(5,283)	–	(5,283)
Sale of treasury shares	–	4,602	(136)	–	–	–	4,466	–	4,466
Share-based payments	–	–	–	–	–	4,175	4,175	–	4,175
Change in scope of consolidation	–	–	–	(872)	–	2,433	1,561	(6,594)	(5,033)
Total other changes in equity	–	(617)	(200)	(872)	–	6,608	4,919	(6,694)	(1,775)
Total equity as at 31.12.2022	18,841	(1,863)	87,634	(67,991)	45,601	393,976	476,198	6,472	482,670

CONSOLIDATED CASH FLOW STATEMENT

in TCHF	Notes	1.1.–31.12.2023	1.1.–31.12.2022[1]
Consolidated result		**141,757**	105,963
Tax	12	(30,588)	17,220
Financial result	11	11,451	15,678
Depreciation and amortisation		103,784	94,212
Result from sales of non-current assets and subsidiaries		(19,048)	(17,725)
Income from associates and joint ventures[1]	15, 20	(17,103)	(38,175)
Distributions from associates and investments received	20	1,933	2,197
Change in provisions		(3,058)	(3,496)
Change in pension assets and liabilities		(16,025)	(5,310)
Change in net working capital			
Change in trade and other receivables		(15,126)	(51,146)
Change in contract assets and liabilities (net), raw materials and supplies		(22,648)	37,002
Change in real estate transactions		(8,795)	7,691
Change in trade payables and other liabilities		(118,696)	(56,330)
Change in accruals and joint ventures (equity method)[1]		(5,433)	45,604
Other expenses / income not affecting liquidity [2]		(8,864)	4,536
Other expenses / income affecting liquidity[2]		(4,583)	(3,958)
Interest paid		(17,073)	(18,199)
Interest received		2,516	1,714
Tax paid		(4,772)	(9,352)
Cash flow from operating activities		**(30,371)**	128,126

in TCHF	Notes	1.1.–31.12.2023	1.1.–31.12.2022
Investments in property, plant and equipment		(51,641)	(37,145)
Disposals of property, plant and equipment		22,262	20,039
Investments in other financial assets and associates		(10,419)	(4,123)
Disposals of other financial assets and associates		5,168	179,303
Investments in intangible assets		(8,127)	(1,570)
Proceeds from sale of intangible assets		8	50
Acquisition of subsidiaries, net of cash and cash equivalents acquired	3	60,461	–
Sale of subsidiaries		–	14,317
Cash flow from investing activities		**17,712**	170,871
Increase in financial liabilities	22	34,023	–
Repayment of financial liabilities	22	(116,463)	(291,518)
Purchase of treasury shares		(16,805)	(5,283)
Sale of treasury shares		7,507	4,466
Dividends		(7,341)	–
Cash flow with non-controlling interests		–	(2,000)
Cash flow from financing activities		**(99,079)**	(294,335)
Foreign exchange differences on cash and cash equivalents		(18,228)	(17,800)
Change in cash and cash equivalents		**(129,966)**	(13,138)
Cash and cash equivalents at the beginning of the period		608,775	621,913
Cash and cash equivalents at the end of the period		**478,809**	608,775

1 Restated. The share of results from joint ventures (equity method) is newly integrated in «income from associates and joint ventures» and disclosed separately in note 15. The prior year figures were adjusted accordingly.

2 Restated. Other expenses / income are split into cash and non-cash items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF IMPLENIA

1 — GENERAL INFORMATION

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

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

The consolidated financial statements as at 31 December 2023 were approved by the Board of Directors of Implenia Ltd. on 27 February 2024 for submission to the Annual General Meeting. In accordance with Art. 698 of the Swiss Code of Obligations, the Annual General Meeting must approve the consolidated financial reports. The consolidated financial statements were audited by the statutory auditor PricewaterhouseCoopers Ltd., Zurich.

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

The consolidated financial statements of Implenia Ltd. ("Implenia") have been prepared in accordance with IFRS® Accounting Standards as published by the International Accounting Standards Board (IASB) and comply with Swiss law. For consolidation purposes, the financial statements of the Group companies are prepared in accordance with uniform guidelines. The uniform reporting date for consolidation is 31 December.

The consolidated financial statements are based on historical costs with the exception of balance sheet items measured at fair value.

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

Implenia's business activities are described in note 6.

2 — CHANGE TO ACCOUNTING POLICIES

The following newly effective or amended standards and interpretations were applied for the first time as of 1 January 2023.

- IFRS 17: Insurance Contracts
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction
- Changes to IAS 12: International Tax Reform – Pillar Two Model Rules

These changes did not have any material impact on the 2023 consolidated financial statements.

Although the following new and revised standards and interpretations have been approved, they will only enter into effect at a later time and have not been applied early in these consolidated financial statements.

	Effective date	Impact	Planned first-time application
Amendments to IAS 1: Classification of liabilities as current or non-current and long-term debt with covenants	01.01.2024	1)	01.01.2024
Amendments to IFRS 16: Leasing liability in sale and leaseback transactions	01.01.2024	1)	01.01.2024
Amendments to IAS 7 and IFRS 7: Disclosures about supplier finance arrangements	01.01.2024	1)	01.01.2024
Amendments to IAS 21: Lack of exchangeability of currencies	01.01.2025	1)	01.01.2025
Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture	–	2)	–

1) Initial analysis shows no material impact; detailed assessment in progress.

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

Notes to the consolidated financial statements of Implenia

3 — MATERIAL EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

Completion of the takeover of Wincasa Ltd.

On 4 May 2023, Implenia acquired 100% of the shares in Wincasa Ltd., incorporated in Zurich (Switzerland), as well as its 100% subsidiary streamnow Ltd. (together "Wincasa"). Wincasa is the leading Swiss real estate service provider and looks after more than 250,000 properties for customers. Wincasa supports customers over the entire life cycle of their real estate. Its support includes the planning and design, construction and execution, operation and use as well as the regeneration and repositioning of its customers' real estate. The acquired company was fully consolidated from the date of acquisition. The purchase price amounted to CHF 171.6 million. The initial purchase price payment of CHF 100 million was transferred at the time of acquisition. A second purchase price payment of CHF 71.6 million was due in January 2024 and was paid on time. Based on the final purchase price allocation, the identifiable net assets amount to CHF 72.9 million. The transaction resulted in goodwill of CHF 98.7 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 4.7 million were recognised in the income statement under other operating expenses as well as in the amount of CHF 1.4 million under financial expenses. In addition, in connection with the acquisition, integration costs of CHF 1.4 million were also incurred, which were recognised in operating expenses.

For the period from 4 May to 31 December 2023, the acquired company contributed positively to the profit with EBIT of CHF 12.7 million (including effects from the purchase price allocation with impact on profit or loss) and revenue of CHF 121.9 million. If the acquisition had taken place on 1 January 2023, the acquired company would have contributed EBIT of CHF 16.4 million including effects from the purchase price allocation recognised in profit or loss) and revenue of CHF 181.0 million.

The following overview shows the definitive figures recognised for the fair values of the acquired assets, assumed liabilities as well as goodwill. The acquisition of Wincasa Ltd. is assigned to Division Buildings.

in TCHF	
Cash and cash equivalents	160,461
Trade receivables	11,660
Other current assets	26,062
Property, plant and equipment	2,622
Right of use Assets	22,599
Intangible assets	90,061
Deferred tax assets	985
Trade payables	(19,797)
Contract liabilities and other current liabilities	(181,897)
Financial liabilities non-current	(22,599)
Deferred tax liabilities	(12,050)
Pension liabilities	(5,240)
Fair value identifiable net assets	**72,867**
Goodwill	**98,733**
Purchase price	**171,600**
Cash and cash equivalents acquired	160,461
Deferred purchase price payment	71,600
Net cash inflow as at acquisition date	**60,461**

Yards

A yard, which was shown as at 31 December 2022 under the assets held for sale was reclassified to property, plant and equipment in 2023, as there is no intention to sell.

In accordance with the accounting policies applied, this yard was revalued with an expert opinion as at 30 June 2023 and the revaluation of CHF 5.0 million was recognised in other comprehensive income (revaluation reserve).

New expert opinions were requested in 2023 for a third of the yards revalued in financial year 2022. This cycle means all yards are revalued within three years.

In financial year 2023, there were no indications of significant changes in value. Thus a complete revaluation of all yards was not carried out in financial year 2023 and the previous cycle was maintained.

Joint ventures (equity method)

The presentation of joint ventures accounted for using the equity method was adjusted in comparison with the previous year. The profit share from these joint ventures in the amount of CHF 19.4 million (2022: CHF 24.9 million) will now be integrated in the item "Results from associated companies and joint ventures (equity method)" and are no longer shown as part of revenue.

At the same time, the surplus liabilities were also reclassified in relation to such joint ventures in the amount of CHF 55.2 million (2022: CHF 70.0 million) to the "trade payables". Surplus liabilities are incurred if Implenia's trade payables to the joint ventures exceed their carrying amount when the equity method is applied. These are not additional funding obligations if the liabilities of the joint ventures exceed the assets. The prior year figures were adapted accordingly.

These reclassifications do not have any significant impact on the revenue and do not affect key figures in the income statement and the balance sheet, such as EBITDA, EBIT and current liabilities.

4 — KEY MANAGEMENT DECISIONS AND ESTIMATES

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

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

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

4.1 — Revenue and cost recognition for projects

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

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

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

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

4.2 — Litigation cases involving projects

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

4.3 — Inclusion of joint ventures

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

4.4 — Goodwill impairment

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

4.5 — Capitalisation of tax losses carried forward

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

4.6 — Employee benefit schemes

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

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

4.7 — Leases

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

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

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

Notes to the consolidated financial statements of Implenia

5 — RISK ASSESSMENT

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

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

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

5.1 — Financial risk management

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

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

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

5.2 — Credit risk

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

5.2.1 — Trade receivables

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

The age structure of trade receivables is disclosed in note 13.

5.2.2 — Cash and cash equivalents and other financial assets

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

The three largest counterparty exposures under cash and cash equivalents total CHF 356.6 million (2022: CHF 383.6 million). This is the equivalent of 74.5% of the carrying amount of total cash and cash equivalents (2022: 63.0%).

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

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

in TCHF	Rating[1]	Balance
As at 31.12.2023		
Cash and other financial assets		**356,637**
Financial institution	A-	214,058
Financial institution	A-	83,773
Financial institution	A+	58,806
As at 31.12.2022		
Cash and other financial assets		**383,600**
Financial institution	A-	149,126
Financial institution	BBB+	134,463
Financial institution	A2	100,011

1 Standard & Poor's Rating

5.3 — Liquidity risk

The liquidity risk derives mainly from the eventuality that liabilities cannot be settled on the due date. Future liquidity forecast is based on a variety of rolling planning horizons. The Group aims to have sufficient lines of credit to cover its planned funding requirements at any time. As at 31 December 2023, the Group had cash and cash equivalents of CHF 478.8 million (2022: CHF 608.8 million) and unused credit lines of CHF 322.5 million (2022: CHF 319.7 million). The Group seeks to maintain appropriate minimum liquidity (consisting of cash and cash equivalents and confirmed unused credit lines).

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

	Short-term			Long-term	
in TCHF	not specified[1]	0–3 mo.	4–12 mo.	2–5 years	over 5 years
As at 31.12.2023					
Trade payables	(416,906)	(282,686)	(45,365)	–	–
Other liabilities	(18,315)	(61,589)	(34,055)	–	–
Bond issues	–	(1,695)	(129,747)	(304,771)	–
Promissory note loans	–	(127)	(382)	(28,097)	–
Liabilities to banks	–	(413)	(389)	–	–
Lease liabilities	–	(15,159)	(40,958)	(150,669)	(7,641)
Other financial liabilities	–	(72,670)	(1,469)	(46)	(378)
Total	(435,221)	(434,339)	(252,365)	(483,583)	(8,019)
As at 31.12.2022					
Trade payables[2]	(427,498)	(229,538)	(38,645)	–	–
Other liabilities	(1,729)	(90,046)	(20,242)	–	–
Bond issues	–	(1,695)	(5,086)	(436,214)	–
Promissory note loans	–	(196)	(20,244)	(30,466)	–
Liabilities to banks	–	(4,222)	(2,113)	–	–
Lease liabilities	–	(13,101)	(36,524)	(130,242)	(10,667)
Other financial liabilities	–	(2,602)	(4,265)	(7,485)	–
Total	(429,227)	(341,400)	(127,119)	(604,407)	(10,667)

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

2 Restated. Net liabilities towards joint ventures (equity method) are newly integrated in «trade payables» and disclosed separately in note 15. The prior year figures were adjusted accordingly.

various terms with Swiss and European banks and insurance companies totalling CHF 2,402.0 million (2022: CHF 2,552.3 million). Of this figure, CHF 1,519.0 million had been called as at 31 December 2023 (2022: CHF 1,617.1 million).

5.4 — Market risk / interest rate risk

The Group has very few non-current interest-bearing assets. Consequently, the Group's interest risk results from the structure and volume of its financing. Because the Group has primarily financed its operations with fixed-rate bond issues and promissory note loans, the risk associated with changes in interest rates is minimal. Interest rate increases generally have no negative impact on consolidated result.

The maturity structure of interest-bearing financial instruments as at 31 December 2023 is as follows:

in TCHF	Up to 1 year	2–5 years	Over 5 years	Total
Variable rate				
Cash and cash equivalents	478,809	–	–	478,809
Loans and other financial assets	2,082	–	–	2,082
Financial liabilities	(7,770)	(19,714)	(378)	(27,862)
Total	473,121	(19,714)	(378)	453,029
Fixed rate				
Loans and other financial assets	288	5,966	–	6,254
Financial liabilities	(240,433)	(437,867)	(4,738)	(683,038)
Total	(240,145)	(431,901)	(4,738)	(676,784)
Overall total	232,976	(451,615)	(5,116)	(223,755)

Maturity structure as at 31 December 2022:

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

If the interest rates on the average total assets in 2023 had been 0.5 percentage points higher or lower, the profit before tax, provided that all other variables remained constant, would have been CHF 1.6 million (2022: CHF 2.2 million) higher or lower for the year as a whole. This would be largely due to higher or lower interest income on cash and cash equivalents.

5.5 — Foreign currency risks

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

If the Swiss franc had been 15% stronger against the euro on 31 December 2023, this would have had a positive impact on profit before tax of CHF 22.6 million (2022: CHF 22.1 million positive). Equity would have been CHF 11.0 million lower (2022: CHF 11.2 million lower). This effect is largely attributable to net investments in foreign businesses.

5.6 — Hedge accounting

Major projects at Implenia may lead to foreign currency positions in the Group company performing the work, if a portion of the cash flows does not accrue in the functional currency of the respective company. Material risks are hedged using currency derivatives based on cash flow planning figures (cash flow hedges). Given Implenia's local business in the construction sector and its entrepreneurial coverage on location, the foreign currency risk with projects is limited.

As at the reporting date, there were no material hedges of cash flows in foreign currency.

In addition, part of the foreign currency risk on net investments in foreign businesses was hedged (net investment hedges). The promissory note loans totalling EUR 60.0 million placed in 2017 were used to hedge euro loans to subsidiaries. In the reporting period, an offsetting effect in the amount of CHF 2.2 million was recognised in other comprehensive income (2022: CHF 2.2 million). A repayment of EUR 20.0 million was made in 2023.

5.7 — Policy regarding capital structure/indebtedness

The Group targets an equity ratio in the order of > 20% . At the reporting date, the equity ratio amounted to 19.8% (as at 31 December 2022: 17.5%).

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

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

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

5.8 — Fair value measurement

Fair value hierarchy:

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

LEVEL 2 The measurement is based on inputs (other than the listed prices included in level 1) that are either directly or indirectly observable for the asset or liability. The fair values of currency derivatives (forward contracts) are determined on the basis of the difference between contractually fixed forward prices and the current forward prices applicable on the balance sheet date.

LEVEL 3 The inputs are not based on observable market data. They reflect the Group's best estimate of the criteria that market participants would use to determine the price of the asset or liability on the reporting date. Allowance is made for the inherent risks in the valuation procedure and the model inputs. Assets generally counted at this hierarchy level are securities not traded on active markets, investment property and property, plant and equipment including revaluation model (yards). Implenia owns a portfolio of unlisted domestic interests. Implenia's investment property as well as property, plant and equipment including revaluation property is also assigned to fair value level 3. The fair values of investment property are determined by an internal valuation team, those of yards (property, plant and equipment including revaluation model) by an external expert opinion.

Notes to the consolidated financial statements of Implenia

Disclosures pertaining to carrying amounts and fair values:

		Carrying amounts		Fair values	
in TCHF	Level	31.12.2023	31.12.2022	31.12.2023	31.12.2022
FINANCIAL ASSETS					
Fair value through profit or loss					
Currency derivatives	2	427	1,128	427	1,128
Marketable securities	1	55	561	55	561
Fair value through other comprehensive income					
Unlisted participations	3	9,434	9,251	9,434	9,251
At amortised cost					
Fixed short-term deposits	*	–	265	–	265
Trade receivables	*	577,354	568,329	577,354	568,329
Other receivables	*	40,939	58,638	40,939	58,638
Other financial assets	*	9,948	5,318	9,948	5,318
Investment property	3	3,634	5,323	3,634	5,323
PROPERTY, PLANT AND EQUIPMENT WITH REVALUATION MODEL	3	82,174	75,695	82,174	75,695

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

		Carrying amounts		Fair values	
in TCHF	Level	31.12.2023	31.12.2022	31.12.2023	31.12.2022
FINANCIAL LIABILITIES					
Currency derivatives	2	2,975	–	2,975	–
At amortised cost					
Trade payables[1]	*	744,957	695,681	744,957	695,681
Promissory note loans	2	27,843	49,429	26,841	47,357
Bonds	1	424,579	424,411	422,575	415,925
Other liabilities	*	96,845	112,016	96,845	112,016
Other financial liabilities[2]	*	76,284	14,864	76,284	14,864

1 Restated. Net liabilities towards joint ventures (equity method) are newly integrated in «trade payables» and disclosed separately in note 15. The prior year figures were adjusted accordingly.
2 Carrying amounts and fair values do not contain any liabilities from leases.
* The carrying amounts of these financial instruments roughly correspond to their fair value.

Fair value estimates for additional non-financial items are provided in note 18.

Notes to the consolidated financial statements of Implenia

6 — SEGMENT REPORTING

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

The Group consists of the following Divisions:

- Real Estate
- Buildings
- Civil Engineering
- Specialties

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

The segment reporting of the divisions is based on internal Group reporting in accordance with the Management Information System (MIS) to the Board of Directors as the chief operating decision maker. Cross-divisional transactions, such as external financing and transactions with pension institutions, are assigned to the "Corporate & Other" unit.

The activities of the divisions are as follows:

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 real estate investment vehicles, 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 provides 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. The range of services covers the entire value chain, from initial analysis and planning steps – often even before the contracts have been signed – to handover of the finished building. Following the acquisition of Wincasa, Implenia will now manage real estate as well. Implenia is a leading general and total contractor in the core markets of Germany and Switzerland.

Civil Engineering
Division Civil Engineering is engaged in 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, 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 the consolidated financial statements of Implenia

Segment reporting, as reported to the Board of Directors as at 31 December 2023:

in TCHF	Real Estate	Buildings	Civil Engineering	Specialties	Total of divisions	Corporate & Other[1]	Total
Revenue unconsolidated	111,576	1,861,081	1,846,491	156,802	3,975,950	39,758	4,015,708
Intra-Group revenue	(3,889)	(157,062)	(216,156)	(10,108)	(387,215)	(32,584)	(419,799)
Group revenue	107,687	1,704,019	1,630,335	146,694	3,588,735	7,174	3,595,909
EBIT excl. IFRS 16[2]	39,366	41,760	36,373	7,049	124,548	(6,794)	117,754
EBIT	40,473	42,819	37,674	7,617	128,583	(5,963)	122,620
Current assets (excl. cash and cash equivalents and fixed short-term deposits)	168,087	311,948	675,762	77,264	1,233,061	18,217	1,251,278
Non-current assets (excl. pension assets and rights of use from leases)	166,619	345,411	387,854	48,247	948,131	52,940	1,001,071
Debt capital (excl. financial and pension liabilities)	(43,247)	(697,805)	(760,908)	(44,391)	(1,546,351)	(63,558)	(1,609,909)
Total invested capital excl. rights of use from leases	291,459	(40,446)	302,708	81,120	634,841	7,599	642,440
Rights of use from leases	215	38,922	98,100	5,559	142,796	31,143	173,939
Total invested capital	291,674	(1,524)	400,808	86,679	777,637	38,742	816,379
Investments in property, plant and equipment and intangible assets	1,770	7,957	46,240	2,896	58,863	7,017	65,880

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

Notes to the consolidated financial statements of Implenia

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

in TCHF	Real Estate	Buildings	Civil Engineering	Specialties	Total of divisions	Corporate & Other[1]	Total
Revenue unconsolidated[4]	144,818	1,745,165	1,894,966	163,005	3,947,954	50,866	3,998,820
Intra-Group revenue	(14,850)	(144,384)	(230,922)	(27,048)	(417,204)	(43,272)	(460,476)
Group revenue[4]	129,968	1,600,781	1,664,044	135,957	3,530,750	7,594	3,538,344
EBIT excl. IFRS 16[2]	81,064	34,898	31,872	4,168	152,002	(19,335)	132,667
EBIT	81,069	35,372	35,751	4,412	156,604	(17,743)	138,861
Current assets (excl. cash and cash equivalents and fixed short-term deposits)	158,715	261,580	686,402	72,214	1,178,911	46,639	1,225,550
Non-current assets (excl. pension assets and rights of use from leases)	159,296	150,610	362,974	52,245	725,125	36,610	761,735
Debt capital (excl. financial and pension liabilities)[3]	(72,610)	(631,946)	(745,295)	(57,249)	(1,507,100)	(99,275)	(1,606,375)
Total invested capital excl. rights of use from leases	245,401	(219,756)	304,081	67,210	396,936	(16,026)	380,910
Rights of use from leases	760	27,798	80,864	6,772	116,194	40,463	156,657
Total invested capital[3]	246,161	(191,958)	384,945	73,982	513,130	24,437	537,567
Investments in property, plant and equipment and intangible assets	–	267	36,381	4,503	41,151	4,657	45,808

1 Including eliminations.
2 EBIT as reported to the chief operating decision maker (EBIT before adjustments due to the application of IFRS 16).
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.
4 Restated. The share of results from joint ventures (equity method) is newly integrated in «income from associates and joint ventures» and disclosed separately in note 15. The prior year figures were adjusted accordingly.

Notes

The reconciliation to invested capital is as follows:

in TCHF	31.12.2023	31.12.2022
Total assets	2,905,541	2,753,426
Minus cash and cash equivalents and fixed short-term deposits	(478,809)	(609,040)
Minus pension assets	(444)	(444)
Assets of invested capital	2,426,288	2,143,942
Total equity and liabilities	2,905,541	2,753,426
Minus equity	(575,775)	(482,670)
Minus financial liabilities	(710,900)	(654,478)
Minus pension liabilities	(8,956)	(9,903)
Liabilities of invested capital	1,609,910	1,606,375
Total invested capital	816,379	537,567

The acquisition of Wincasa is reflected in the development of the invested capital and is a significant influencing factor in the changes compared with the previous year.

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

in TCHF	31.12.2023	31.12.2022
Switzerland	555,922	335,836
Germany	202,516	202,869
Austria	9,545	12,597
Norway	64,675	67,414
Sweden	13,886	16,089
France	3,194	3,210
Other countries	14,215	19,090
Total as at reporting date	863,953	657,105

Notes to the consolidated financial statements of Implenia

Revenue from contracts with customers was distributed geographically as follows in the reporting period from 1 January 2023 to 31 December 2023:

in TCHF	Real Estate	Buildings	Civil Engineering	Specialties	Corporate & Other	Total
Switzerland	103,977	1,141,000	474,839	24,901	–	1,744,717
Germany	199	561,344	398,281	92,159	–	1,051,983
Austria	–	129	78,499	–	–	78,628
Norway	–	–	296,830	–	–	296,830
Sweden	–	–	269,300	–	–	269,300
France	59	–	89,854	–	–	89,913
Other countries	–	–	–	24,452	–	24,452
Revenue from contracts with customers	104,235	1,702,473	1,607,603	141,512	–	3,555,823
Other income	3,452	1,546	22,732	5,182	7,175	40,087
Group revenue	107,687	1,704,019	1,630,335	146,694	7,175	3,595,910

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

in TCHF	Real Estate	Buildings	Civil Engineering	Specialties	Corporate & Other	Total
Switzerland	126,057	1,066,960	577,148	17,291	3,931	1,791,387
Germany	47	530,440	361,763	87,600	2,050	981,900
Austria	–	2,017	65,246	19	59	67,341
Norway	–	–	274,274	–	–	274,274
Sweden	–	–	276,630	–	–	276,630
France	1,956	–	86,467	–	–	88,423
Other countries	–	–	–	25,882	1,253	27,135
Revenue from contracts with customers[1]	128,060	1,599,417	1,641,528	130,792	7,293	3,507,090
Other income	1,908	1,364	22,516	5,165	301	31,254
Group revenue	129,968	1,600,781	1,664,044	135,957	7,594	3,538,344

1 Restated. The share of results from joint ventures (equity method) is newly integrated in «income from associates and joint ventures» and disclosed separately in note 15. The prior year figures were adjusted accordingly.

Notes

Other income is largely the result of leasing income and income from the disposal of assets, including the sale of subsidiaries. Division Specialities sold its shares in Implenia Schalungsbau GmbH, Germany, in December 2022. This resulted in a gain on disposal of CHF 4.9 million.

Accounting policies

Revenue from contracts with customers contains all revenues from Implenia's various business activities, including total or general contractor services, construction works, development services for real estate projects as well as condominium and land sales. Depending on the type of service, revenue is recognised over a certain time or at a certain point in time. Subcontractors are usually commissioned to carry out construction projects. However, only Implenia has a relationship with the

Notes to the consolidated financial statements of Implenia

client. Therefore, only Implenia is exposed to any risk and can benefit from any opportunities from commissioning. Accordingly, Implenia recognises revenue for the fulfilment of the performance obligation to the client equal to the consideration expected.

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

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

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

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

For revenue recognition in Total and General Contracting and Construction Works (primarily the Divisions Buildings, Civil Engineering and Specialities), the work to be supplied equates in principle to a single performance obligation. This is fulfilled when the customer accepts the work. In general, revenue is recognised over the term of the construction activities. Both cost and performance-based methods are used to determine the stage of completion. The cost-based method is based on the order costs incurred compared with the estimated order costs contained in the final forecast. Cost overruns and still unused material are not taken into consideration in the calculation. With performance-based methods, the performance reached is compared with the total performance owed. For example, factors such as the amount of soil extracted in cubic metres or concrete poured are used to measure performance. The method is chosen on the basis of an analysis of which method reflects construction progress more accurately. The process is applied consistently for projects of the same type.

For joint venture contracts, only the service actually performed by Implenia in the joint venture is recognised as revenue. The revenue from joint ventures is determined in principle in accordance with the same criteria as for Implenia's own construction projects.

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

For the sale of land, revenue is recognised at the time it is transferred to the customer. This is usually the date on which title is transferred. The recognition of revenue for the project development depends on the structure of the contract. Usually revenue is recorded over the term in which this performance obligation is fulfilled. The actual construction work on land that has already been sold takes place in accordance with the specific explanations under "Revenue recognition in Total and General Contracting and Construction Works".

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

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

Notes to the consolidated financial statements of Implenia

7 — MATERIALS AND THIRD PARTY SERVICES

in TCHF	2023	2022
Material expenses	550,578	639,547
Third party services	1,547,999	1,486,215
Total	2,098,577	2,125,762

8 — STAFF COSTS

in TCHF	2023	2022
Wages, salaries and fees	769,053	700,881
Social security contributions	120,922	109,867
Expenses for defined benefit pension plans	21,924	25,661
Expenses for defined contribution pension plans	9,592	9,557
Expenses for the foundation for flexible retirement	8,804	8,882
Temporary staff	61,173	76,818
Other personnel expenses	36,408	30,001
Total	1,027,876	961,667

9 — EMPLOYEE PARTICIPATION PROGRAMME AND COMPENSATION

9.1 — Employee participation programme

Based on the regulations on the employee participation programme dated 1 April 2021, qualifying persons may subscribe for Implenia Ltd. shares annually from April to June, normally in the amount of one-half of the gross monthly salary. For the 2023 purchasing campaign, the difference between the market price of March 2023 of, on average, CHF 38.26 (2022: CHF 22.77) per share and the preferential price of CHF 26.78 (2022: CHF 15.94) per share was recognised as an expense.

in TCHF		2023	2022
Number of shares subscribed	Number	49,957	33,182
Amount recognised in the income statement	in TCHF	574	227

The shares cannot be traded for a period of at least three years. During this time, employees are entitled to dividends and may exercise their voting rights. Upon expiry of the retention period, the shares may be freely traded by employees. The Implenia Executive Committee and the Board of Directors are excluded from the employee participation programme.

9.2 — Share-based compensation for the Implenia Executive Committee

Since January 2019, the remuneration for the Implenia Executive Committee has been structured as a “Long-Term Incentive Plan (LTIP)”. The LTI plan corresponds to a fixed percentage of base salary per function level, which at the beginning of the performance period is translated into a specific number of future subscription rights in the form of Performance Share Units (PSUs). The PSUs are subject to a three-year vesting period. They are only paid out if the person achieves the performance indicators set at the time of allocation (relative total shareholder return and diluted earnings per share). Depending on the level of target achievement, the two performance conditions have an overall vesting range of 0% to 200% of the granted PSUs. At 100%, each PSU granted under the plan is settled with one Implenia share; at 200% each unit is settled with two shares. The fair value at the date the shares were granted was determined in each case by using a Monte Carlo simulation. Anticipated dividends are included in the model.
60,546 PSUs were granted in 2023. The estimated total expenditure for the LTI plans is spread over the three-year vesting period.

					Amount recognised in the income statement	
LTI plan	Grant-date fair value	Granted PSUs	Vested PSUs	Forfeited PSUs	**2023**	2022
	in CHF	Number	Number	Number	**in TCHF**	in TCHF
2020–2022	34.80	77,885	37,578	2,730	**–**	436
2021–2023	37.91	74,086	–	–	**(382)**	2,458
2022–2024	29.06	88,773	–	–	**1,107**	1,345
2023–2025	43.03	60,546	–	–	**786**	–
Total		301,290	37,578	2,730	**1,511**	4,238

9.3 — Share-based compensation for the Board of Directors

The annual fixed compensation for members of the Board of Directors is composed of two-thirds in cash and one-third in shares. The average price of the shares of Implenia Ltd. in the month of December of the year of office is decisive for calculating the number of shares. The expenditure is calculated from the average price in December less a tax deduction and is expensed on an accrual basis in the current financial year. The Group may either buy shares on the market or draw from its treasury shares.

For the financial year 2023, the shares were allocated at an average price of CHF 26.22 per share (2022: CHF 26.19 per share).

		2023	2022
Entitlement and allocated shares	Number	**13,665**	13,677
Amount recognised in the income statement	in TCHF	**358**	358

Notes to the consolidated financial statements of Implenia

9.4 — Compensation paid to management in key positions

Members of the Board of Directors of Implenia Ltd. receive annual compensation for their activities according to their function. The Group pays social security contributions on these compensations.

The remuneration of members of the Implenia Executive Committee consists of various parts: a fixed basic salary in cash, a variable performance-related salary in cash and a share-based payment. The Group pays social security contributions associated therewith as well as pension fund contributions. The following table shows the compensation paid to management in key positions recognised as expenditure in the reporting period since they were appointed to their current position.

in TCHF	2023	2022
Short-term benefits	7,088	7,661
Pension expenses	907	889
Share-based payments – LTIP	1,511	4,238
Share-based payments – Board of Directors	358	358
Total Implenia Executive Committee and Board of Directors	9,864	13,146
Former members of the Group Executive Board[1]	–	640
Total	9,864	13,786

1 This position includes annual base salary, short-term incentive, share-based payments, social security expenses and other compensation.

Accounting policies

The payments under share-based compensation are, together with a corresponding increase in equity (retained earnings), reported as staff costs over the period in which the performance conditions are fulfilled (vesting period). The cumulative expenses from the granting of PSUs reported on each reporting date reflect the portion of the vesting period that has already been earned and the number of shares that will be settled upon the end of the vesting period as per the Group's best estimate. The expenses for each LTI plan are recognised on a straight-line basis over the three-year vesting period.

The income or expenses recognised in the result for the period correspond to the development of the cumulative expenses recognised at the beginning and end of the reporting period. Non-market conditions are remeasured at each reporting date. Market conditions are already included in the fair value at the time they are granted and are not recalculated.

Notes to the consolidated financial statements of Implenia

10 — OTHER OPERATING EXPENSES

in TCHF	1.1.–31.12.2023	1.1.–31.12.2022
Rental expenses	110,856	105,929
Infrastructure expenses	25,689	28,780
Maintenance and repairs	31,769	32,574
Insurance	9,546	8,839
Administration and consultants	27,934	18,000
Office, IT and communication costs	42,841	36,410
Taxes and fees	5,274	9,853
Marketing, advertising and other administration expenses	6,246	15,632
Total	260,155	256,017

Notes

Rental expenses include:

in TCHF	2023	2022
Rental expense for short term leasings	80,768	73,573
Rental expense for low-value leasings	17,374	14,035
Expense for utilities and service costs	12,714	18,321
Total	110,856	105,929

11 — FINANCIAL EXPENSES AND INCOME

in TCHF	1.1.–31.12.2023	1.1.–31.12.2022
Financial expenses		
Interest expenses	10,612	15,252
Interest expenses from leases	5,390	4,149
Bank charges	1,262	1,501
Costs of financial guarantees	1,274	1,059
Other financial expenses	2,775	2,097
Foreign currency losses	7,540	3,115
Total	28,853	27,173
Financial income		
Interest income	2,512	1,719
Income from investments	–	217
Foreign currency gains	14,890	9,559
Total	17,402	11,495
Financial result	(11,451)	(15,678)

Notes to the consolidated financial statements of Implenia

12 — TAX

in TCHF	2023	2022
Profit before tax		
Switzerland	43,272	66,468
Abroad	67,897	56,715
Total profit before tax	111,169	123,183
Current and deferred tax		
Switzerland	8,079	(13,307)
Abroad	(237)	(1,654)
Total current tax	7,842	(14,961)
Switzerland	1,128	(323)
Abroad	21,618	(1,936)
Total deferred tax	22,746	(2,259)
Total tax	30,588	(17,220)

in TCHF	2023	2022
Profit before tax	111,169	123,183
Expected income tax rate in %	22.5	23.6
Tax at the expected income tax rate	(25,006)	(29,020)
Reconciliation to tax at the effective tax rate		
Effect of non-taxable items	–	322
Effect of non-deductible items	(1,709)	(430)
Effect of non-capitalised tax losses incurred in the year	(3,388)	(5,433)
Effect of changes in the applicable tax rates	321	–
Effect of the use of non-capitalised tax loss carryforwards	445	693
Subsequent capitalization of losses incurred in previous years	35,154	13,666
Prior years' taxes	22,907	(2,007)
Income components with different tax rates	2,657	5,278
Other effects	(793)	(289)
Tax at the effective income tax rate	30,588	(17,220)
Effective tax rate in %	(27.5)	14.0

Notes

The following elements explain in essence the differences between the expected Group tax rate and the effective tax rate.

The submission of rectified tax returns for 2021 in the calendar year 2023, the reduction of the tax rate to be applied in 2022 based on a reassessment as well as the detailed check of the tax items of the previous years led to a reversal of tax provisions. The subsequent capitalisation of losses carried forward from previous years mainly affects subsidiaries abroad for which use is now expected (see note 25).

Implenia has applied the amendments to IAS 12 with respect to International Tax Reform – Pillar Two Model Rules, which were published by the IASB in May 2023. These amendments give rise to a temporary exception to the requirements as regards how deferred tax relating to pillar two income tax are to be recorded and reported. Implenia has thus not reported any deferred tax relating to pillar two income tax and has not disclosed any information in this regard.

Implenia is analysing the impact of International Tax Reform –Pillar Two Model Rules on its asset, financial and income situation on an ongoing basis. Owing to the geographical distribution of its business activities and the relevant tax jurisdictions of the Group companies, Implenia is currently working on the assumption that the introduction of International Tax Reform – Pillar Two Model Rules will have no material impact on its asset, financial and income situation.

Accounting policies

Current tax assets and tax liabilities are measured in the amount of which a refund from the tax authority or to be paid to the tax authority can be expected. The calculation of this amount is based on the tax rates and tax legislation applicable on the reporting date in the countries in which the Group operates and generates taxable income. Current tax that relates to items recognised directly in equity is not recognised in the income statement, but rather in equity.

Income taxes also contain property gains tax. Several Swiss cantons levy a separate tax on the sale of land and real estate from business assets that is usually deductible from the ordinary cantonal taxes on profits. The taxable gains on the sale of property are calculated in accordance with the applicable cantonal laws. The applicable tax rate on the sale of property is dependent on the length of ownership and the amount of the taxable gain on the sale of the property. The immovable property gains tax is calculated as at the date of sale.

Taxes not dependent on income such as capital taxes are recognised in other operating expenses.

13 — TRADE RECEIVABLES

in TCHF	31.12.2023	31.12.2022
Third parties	515,546	525,224
Contract costs in relation to future services by suppliers and subcontractors	53,807	13,207
Joint ventures (equity method)	9,958	28,499
Associates	2,266	6,794
Related parties	65	1,459
Allowance for expected credit losses	(4,288)	(6,854)
Total	577,354	568,329

Notes

The allowance for expected credit losses has changed as follows:

in TCHF	31.12.2023	31.12.2022
As at 1.1.	6,854	4,738
Increase	1,129	3,063
Used	(1,810)	(137)
Reversed	(1,632)	(584)
Change in scope of consolidation	–	(24)
Foreign exchange differences	(253)	(202)
Total as at reporting date	4,288	6,854

Agreements with customers generally stipulate payment terms between 30 and 90 days. The total amount of due receivables amounted to CHF 258.9 million as at 31 December 2023 (2022: CHF 335.9 million). Of the allowance for expected credit losses, CHF 4.3 million is attributable to receivables outstanding for more than 90 days (2022: CHF 6.8 million). Credit losses related to trade receivables in the amount of CHF 0.4 million were recorded in the income statement (2022: CHF 3.1 million).

in TCHF	Total 31.12.2023	Due within: Not due	1–30 days	31–60 days	61–90 days	>90 days
Third parties	515,546	264,945	89,102	28,429	9,852	123,218
Contract costs in relation to future services by suppliers and subcontractors	53,807	53,807	–	–	–	–
Joint ventures (equity method)	9,958	2,964	1,839	1,810	1,411	1,934
Associates	2,266	956	886	183	175	66
Related parties	65	65	–	–	–	–
Sub-total	581,642	322,737	91,827	30,422	11,438	125,218
Allowance for expected credit losses	(4,288)					
Total	577,354					

in TCHF	Total 31.12.2022	Due within: Not due	1–30 days	31–60 days	61–90 days	>90 days
Third parties	525,224	207,828	53,770	19,053	22,397	222,176
Contract costs in relation to future services by suppliers and subcontractors	13,207	13,207	–	–	–	–
Joint ventures (equity method)	28,499	10,756	4,042	1,978	1,699	10,024
Associates	6,794	6,079	56	597	–	62
Related parties	1,459	1,457	–	–	–	2
Sub-total	575,183	239,327	57,868	21,628	24,096	232,264
Allowance for expected credit losses	(6,854)					
Total	568,329					

Accounting policies

Trade receivables are recognised if they represent unconditional claims to consideration from customers. “Unconditional” means that Implenia has a right to payment as soon as the payment period expires.

Trade receivables are recognised at the amounts invoiced less allowances for estimated shortfalls in receipts, e.g. due to rebates, refunds and discounts. They are subsequently measured at amortised cost.

For trade receivables, allowances are simply calculated in the amount of the expected credit losses over the entire term. Regarding this, Implenia periodically analyses the credit losses incurred in the past and also estimates expected credit losses based on economic conditions. In principle, due to the customer structure, provisions in the statutory mortgage of contractor and significant pre-financing for construction services, no material credit losses are expected.

14 — CONTRACT ASSETS AND LIABILITIES

in TCHF	31.12.2023	31.12.2022
Contract assets	326,372	313,482
Contract liabilities	(409,969)	(454,392)

Notes

As at 31 December 2023, the balance from advance payment plans reported under contract liabilities amounted to CHF 410.0 million (2022: CHF 454.4 million).

Accounting policies

Contract assets include conditional claims to consideration. “Conditional” means that Implenia has supplied services (total or general contractor services, construction works, development services) but these have not yet been invoiced. Invoicing is often dependent on achieving milestones, contractually agreed payment plans or the work being accepted by the client.

Contract liabilities mainly contain prepayments received from customers.

For contract assets, value adjustments are simply calculated in the amount of the expected credit losses over the entire term. Regarding this, Implenia periodically analyses the credit losses incurred in the past and also estimates expected credit losses based on economic conditions. In principle, due to the customer structure, relevant provisions in the statutory mortgage of contractor and significant pre-financing for construction services, no material credit losses are expected.

15 — JOINT VENTURES

There have been the following changes to joint ventures accounted for under the equity method:

in TCHF	31.12.2023	31.12.2022
As at 1.1.	(39,004)	(24,026)
Share of results	19,346	24,922
Additions (net)[1]	17,146	876
Deductions (net)[1]	(8,857)	(41,239)
Foreign exchange differences	(388)	463
Total as at reporting date	(11,757)	(39,004)
of which net asset	43,467	30,964
of which net liability[2]	(55,224)	(69,968)

1 Additions and deductions concern both joint ventures with net assets and net liabilities, depending on the respective project and its development. Accordingly, year by year and project by project, there may be more additions / deductions for joint ventures with net asset or net liabilities and the reported value may fluctuate.

2 Net liabilities towards joint ventures result when the trade payables towards a joint venture exceed the carrying amount of a joint venture determined with the equity method. They do not represent a commitment from Implenia in case the liabilities of the joint venture exceed the assets. Therefore, the net liabilities are disclosed as trade payables.

The carrying amount of total receivables (payables) from joint ventures accounted for under the equity method amounted to:

in TCHF	31.12.2023	31.12.2022[1]
Joint ventures, assets	43,467	30,964
Receivables from joint ventures (equity method)	9,958	28,499
Liabilities to joint ventures (equity method)[1]	(57,801)	(69,974)
Total	(4,376)	(10,511)

1 Restated. Net liabilities towards joint ventures (equity method) are newly integrated in “trade payables” and disclosed separately in note 15. The prior year figures were adjusted accordingly.

Implenia's shares of the balance sheets and income statements of the joint ventures valued using the equity method are as follows:

in TCHF	31.12.2023	31.12.2022
Total assets	269,550	229,985
Total liabilities	(281,307)	(268,989)
Net assets	**(11,757)**	(39,004)

in TCHF	2023	2022
Revenue	423,761	351,176
Expenses	(402,561)	(328,124)
EBIT	**21,200**	23,052

in TCHF	2023	2022
Net revenue	537,910	300,252
Expenses	(518,564)	(275,330)
Income from joint ventures	**19,346**	24,922

The proportionately and fully consolidated joint ventures have the following effect on the consolidated balance sheet and income statement:

in TCHF	31.12.2023	31.12.2022
Total assets	255,600	180,273
Total liabilities	(169,939)	(110,868)
Net assets	**85,661**	69,405

Notes

Services invoiced to joint ventures (included in Implenia's revenue) are disclosed in note 29.

There are no joint ventures accounted for under the equity method that on their own are material to the consolidated financial statements.

The non-controlling interests in equity are amended for completed fully consolidated joint ventures by CHF 0.8 million (2022: CHF 4.1 million).

Selected joint ventures recognised under the equity method, recognised proportionately and fully consolidated are listed in note 34.

Accounting policies

Joint ventures are established to implement short-term projects with other construction companies. Work is assumed when a joint agreement has been concluded with the contractual partners. Joint ventures are usually organised as simple partnerships; the partnership agreements govern the relationships between the individual parties.

Joint ventures that meet the criteria for control are fully consolidated like subsidiaries. Although shares of 50% are held in some joint ventures, these are fully consolidated because Implenia controls them. This is the case if Implenia is the lead manager and has the casting vote based on the contractual arrangements.

A joint venture with joint control is accounted for differently taking account of the actual rights and obligations in the respective country. Here, a distinction is made between joint operations and joint ventures. For joint operations, assets, liabilities, income and expenses are recognised in the consolidated financial statements proportionately to the share-ownership ratio. Joint operation is given if the parties have rights to the assets and obligations for the liabilities of the jointly managed activity. If the parties manage the joint venture jointly and, according to local legislation, only have rights to net assets, it is classified as a joint venture and recognised according to the equity method.

If Implenia exercises significant influence over the joint venture but has no control or joint control over it, the company is also accounted for under the equity method. Significant influence is presumed if Implenia directly or indirectly holds 20% or more of the voting rights in a joint venture or if Implenia is represented on the governing body (such as the building commission) of the joint venture.

Under the equity method, liquidity contributions and disbursements increase or reduce the carrying amount without effecting profit or loss. The receivables and payables of Implenia in respect of joint ventures are disclosed separately in the corresponding receivables and payables items. Income from joint ventures is reported as a component of EBIT as this represents an operating activity for the execution of customer orders and because the profit or loss of the joint venture excludes the results of the internal service charge.

If the joint ventures accounted for under the equity method are not already applying IFRS, their results are adjusted accordingly. If there is no current financial data available when Implenia's consolidated financial statements are prepared, the net profit and Implenia's share of the profit are based on estimates by management. Any deviations between the actual results and these estimates are corrected in the consolidated financial statements of the following year.

16 — OTHER CURRENT ASSETS AND OTHER CURRENT LIABILITIES

in TCHF	31.12.2023	31.12.2022
Derivative financial instruments	430	1,231
Income tax receivables	4,304	2,990
Other receivables	40,939	58,638
Accrued income and prepaid expenses	31,387	23,085
Total other current assets	77,060	85,944
Derivative financial instruments	2,975	0
Income tax liabilities	14,139	22,377
Other liabilities	96,845	112,016
Total other current liabilities	113,959	134,393

The decrease in other receivables during the reporting year relates, among other things, to the conversion of the dividend receivable from Ina Invest AG into a loan (see note 20).

Notes to the consolidated financial statements of Implenia

17 — REAL ESTATE TRANSACTIONS

in TCHF	31.12.2023	31.12.2022
Acquisition costs as at 1.1.	145,566	152,915
Additions	37,832	19,915
Disposals	(31,163)	(26,655)
Foreign exchange differences	(702)	(609)
Acquisition costs as at reporting date	151,533	145,566
Cumulative value adjustments as at 1.1.	(4,540)	(3,646)
Additions	–	(1,000)
Disposals	2,126	50
Foreign exchange differences	17	56
Cumulative value adjustments as at reporting date	(2,397)	(4,540)
Net carrying amount as at reporting date	149,136	141,026

Accounting policies

The real estate reported (real estate and land) are held for sale and are measured in accordance with IAS 2 "Inventories". Properties that have not yet been sold may temporarily generate rental income (other income); however, they are still reported under this item as they are held for sale.

These properties are measured separately. Each property is measured at the lower of cost, including work by the company, or the net realisable value.

Write-downs arising from impairments determined on the basis of the measurement principles mentioned are charged directly to the item real estate transactions. Sales proceeds from real estate transactions are reported as revenue. Changes to the portfolio and movements in write-downs on real estate transactions are recognised as expenses.

18 — PROPERTY, PLANT AND EQUIPMENT

in TCHF	Business premises	Property, plant and equipment with revaluation model	Production facilities	Machinery, furniture, IT	Assets under construction	Total
31.12.2023						
Acquisition costs as at 1.1.	42,540	63,368	66,100	221,180	14,701	407,889
Additions	2,743	(0)	541	39,111	9,246	51,641
Disposals	(7,227)	–	–	(35,224)	–	(42,451)
Reclassifications	10	–	–	3,348	(4,789)	(1,431)
Addition from Assets classified as held for sale	–	5,357	–	–	–	5,357
Change in scope of consolidation	–	–	–	2,622	–	2,622
Foreign exchange differences	(319)	–	(1,281)	(11,004)	(182)	(12,786)
Acquisition costs as at reporting date	37,747	68,725	65,360	220,033	18,976	410,841
Revaluation as at 1.1.		17,088				17,088
Revaluation (net method according to IAS 16.35b)[1]		2,026				2,026
Acquisition costs as at reporting date incl. revaluation model	37,747	87,839	65,360	220,033	18,976	429,955

1 Revaluation adjustments are recognized directly in equity through other comprehensive income.

Notes to the consolidated financial statements of Implenia

in TCHF	Business premises	Property, plant and equipment with revaluation model	Production facilities	Machinery, furniture, IT	Assets under construction	Total
31.12.2023						
Cumulative depreciations as at 1.1.	(23,480)	(43,690)	(38,297)	(103,929)	–	(209,396)
Additions	(1,709)	(1,422)	(2,993)	(36,836)	–	(42,960)
Disposals	6,155	–	(150)	35,254	–	41,259
Reclassifications	(10)	–	6	1,358	–	1,354
Addition from Assets classified as held for sale[2]	–	(3,568)	–	–	–	(3,568)
Foreign exchange differences	82	–	784	7,235	–	8,101
Cumulative depreciations as at reporting date	(18,962)	(48,680)	(40,650)	(96,918)	–	(205,210)
Cumulative depreciations as at 1.1. revaluation model		38,929				38,929
Revaluation (net method according to IAS 16.35b)[1]		4,086				4,086
Cumulative depreciations as at reporting date incl. revaluation model	(18,962)	(5,665)	(40,650)	(96,918)	–	(162,195)
Net carrying amount as at reporting date	18,785	20,045	24,710	123,115	18,976	205,631
Net carrying amount as at reporting date incl. revaluation model	18,785	82,174	24,710	123,115	18,976	267,760

1 Revaluation adjustments are recognized directly in equity through other comprehensive income.

in TCHF	Business premises	Property, plant and equipment with revaluation model	Production facilities	Machinery, furniture, IT	Assets under construction	Total
31.12.2022						
Acquisition costs as at 1.1.	47,270	74,757	63,878	259,069	9,438	454,412
Additions	1,990	–	5,997	24,727	11,524	44,238
Disposals	(6,513)	(142)	(603)	(44,338)	–	(51,596)
Reclassifications	–	–	–	5,934	(6,021)	(87)
Assets classified as held for sale	–	(11,247)	–			(11,247)
Change in scope of consolidation	–	–	(2,339)	(16,550)	–	(18,889)
Foreign exchange differences	(207)	–	(833)	(7,662)	(240)	(8,942)
Acquisition costs as at reporting date	42,540	63,368	66,100	221,180	14,701	407,889
Revaluation (increase / appreciation)		17,088				17,088
Acquisition costs as at reporting date incl. revaluation model	42,540	80,456	66,100	221,180	14,701	424,977

1 Revaluation adjustments are recognized directly in equity through other comprehensive income.

Notes to the consolidated financial statements of Implenia

in TCHF	Business premises	Property, plant and equipment with revaluation model	Production facilities	Machinery, furniture, IT	Assets under construction	Total
31.12.2022						
Cumulative depreciations as at 1.1.	(23,290)	(50,908)	(36,405)	(124,353)	–	(234,956)
Additions	(1,688)	(1,032)	(3,035)	(33,110)	–	(38,865)
Disposals	1,451	–	356	37,751	–	39,558
Assets classified as held for sale	–	8,250	–			8,250
Change in scope of consolidation	–	–	354	10,666	–	11,020
Foreign exchange differences	47	–	433	5,117	–	5,597
Cumulative depreciations as at reporting date	(23,480)	(43,690)	(38,297)	(103,929)	–	(209,396)
Additions revaluation model		(281)				(281)
Revaluation (net method according to IAS 16.35b)[1]		39,210				39,210
Cumulative depreciations as at reporting date incl. revaluation model	(23,480)	(4,761)	(38,297)	(103,929)	–	(170,467)
Net carrying amount as at reporting date	19,060	19,678	27,803	117,251	14,701	198,493
Net carrying amount as at reporting date incl. revaluation model	19,060	75,695	27,803	117,251	14,701	254,510

1 Revaluation adjustments are recognized directly in equity through other comprehensive income.

Valuation details of property, plant and equipment with revaluation model

Parameter	Bandwidths of the individual valuations	
Reference date valuations	30.06.2023	30.06.2022
Gross yield (real)	7%–13.8%	5.1%–23.8%
Net yield (real)	5%–7%	4.2%–22.2%
Discount rate, net (real)	3.9%–5.3%	3.7%–5.4%
Discount rate, net (nominal)	5.5%–7%	5.2%–7%
Inflation	1.5%	1.5%

Sensitivity of the material unobservable inputs of the valuations as of 30.6.2023

		Real sensitivity of the discount rate, net (real)		
	Change	+10 basis points	+/–	-10 basis points
Target rental income	(5.0%) 0.0% 5.0%	(9.5%) (1.6%) 6.2%	(7.9%) 0.0% 7.9%	(6.4%) 1.7% 9.7%
Vacancy rate	50% 0% (50%)	(3.3%) (1.6%) 0.0%	(1.7%) 0.0% 1.7%	(0.0%) 1.7% 3.4%
Restoration	5% 0% (5%)	(3.3%) (1.6%) 0.1%	(1.7%) 0.0% 1.7%	(0.0%) 1.7% 3.4%

Notes

The "property, plant and equipment including revaluation model" category, i.e. its own yards, were valued by the external independent expert Fahrländer Partner Ltd. for the first time on 30 June 2022. The revaluation takes place annually for one-third of the yards, so that all yards are revalued within three years. In the financial year 2023 no indications have been found which indicated significant changes in value. Thus a complete revaluation of all yards was not carried out in financial year 2023 and the previous cycle was maintained.

They were revalued solely under IFRS; accordingly, the relevant revaluation reserve is not available for distribution. They were valued on the basis of the "income / cost approach", where the market rental income, vacancies and maintenance are discounted to the reporting date using a DCF calculation. It is assumed that this valuation, based on the assets' actual condition, equates to the "highest and best use". The relevant material parameters that are not directly observable in the market and the sensitivity of the valuation are shown below.

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

Accounting policies

Property, plant and equipment are measured at cost and depreciated over their estimated useful life on a straight line basis, with the expense charged to the income statement:

- Business premises 25–50 years
- Production facilities 5–20 years
- Machinery and vehicles 6–15 years
- Furniture 5–10 years
- IT 3–5 years

If the economic useful life is outside the ranges shown, they shall not apply. In particular, project-related property, plant and equipment such as tunnel boring machines may have shorter useful lives. Costs, which extend economic useful lives, are capitalised separately. The value of property, plant and equipment is reviewed when events or changes in circumstances indicate that the carrying amount might be impaired.

Implenia uses the revaluation model to value its own yards in the "property, plant and equipment" category. This expects the relevant assets to be revalued at regular intervals. Implenia has each asset categorised as property, plant and equipment valued at least every three years (rolling valuation of all assets) by an external, independent valuation company using the revaluation model. Positive value adjustments are recognised in equity via the revaluation reserve (in other comprehensive income), unless they are reversals of previous impairments that have been recognised via the income statement. Negative value adjustments are first netted off against existing revaluation reserves (after deducting the deferred tax portions) and impairments are subsequently recognised via the income statement.

The revaluation is undertaken on a net basis, meaning that existing value adjustments are reversed and the acquisition costs are subsequently revalued. The revalued assets are still amortised through profit or loss over their underlying useful life (25–80 years). The revaluation reserves are not transferred into retained earnings until the asset is disposed of. This is to avoid the net result being distorted by any impairments to market value adjustments in the form of value impairments. Deferred tax effects are either recognised in the revaluation reserves in equity or in the income statement (as is the case for amortisation) in the same way as the underlying transaction.

19 — RIGHTS OF USE FROM LEASES

in TCHF	Business premises	Production facilities	Machinery, vehicles, furniture, IT	Total
31.12.2023				
Acquisition costs as at 1.1.	142,359	980	139,156	282,495
Additions	43,177	186	50,829	94,192
Disposals	(65,581)	–	(19,377)	(84,958)
Reclassifications	(723)	–	–	(723)
Change in scope of consolidation	22,599	–	–	22,599
Foreign exchange differences	(3,631)	(57)	(9,877)	(13,565)
Acquisition costs as at reporting date	138,200	1,109	160,731	300,040
Cumulative depreciations as at 1.1.	(62,930)	(761)	(62,147)	(125,838)
Additions	(23,360)	(202)	(28,337)	(51,899)
Disposals	31,416	–	14,065	45,481
Impairment	(205)	–		(205)
Foreign exchange differences	1,676	45	4,639	6,360
Cumulative depreciations as at reporting date	(53,403)	(918)	(71,780)	(126,101)
Net carrying amount as at reporting date	84,797	191	88,951	173,939

in TCHF	Business premises	Production facilities	Machinery, vehicles, furniture, IT	Total
31.12.2022				
Acquisition costs as at 1.1.	118,901	1,115	137,120	257,136
Additions	33,653	–	38,281	71,934
Disposals	(7,906)	–	(26,403)	(34,309)
Foreign exchange differences	(2,289)	(135)	(9,842)	(12,266)
Acquisition costs as at reporting date	142,359	980	139,156	282,495
Cumulative depreciations as at 1.1.	(47,997)	(619)	(59,591)	(108,207)
Additions	(20,126)	(231)	(28,482)	(48,839)
Disposals	5,342	–	21,348	26,690
Impairment	(1,213)	–	–	(1,213)
Foreign exchange differences	1,064	89	4,578	5,731
Cumulative depreciations as at reporting date	(62,930)	(761)	(62,147)	(125,838)
Net carrying amount as at reporting date	79,429	219	77,009	156,657

Notes

Implenia has material leases for real estate, large-scale equipment, vehicles and small machinery as well as site equipment. Leases are negotiated individually in most cases. The term may vary significantly. Vehicles are usually leased for three to five years. Small machinery and site equipment often have a term of less than one year and are therefore not posted on the balance sheet. An overview of the remaining rental expense is presented in note 10. Where there is insufficient certainty that options will be exercised, they are not recognised in the right of use and in the lease liability. This mainly relates to business premises. Accordingly, potential future cash outflows of CHF43.7 million (undiscounted) were not recognised at the balance sheet date (2022: CHF 49.6 million).

Contractual changes to existing leases resulted in a change in the right of use assets at the balance sheet date in the amount of CHF -3.1 million (2022: CHF 20.2 million) and the leasing liabilities in the amount of CHF -3.1 million (2022: CHF 20.2 million). The impairment of CHF 0.2 million results from existing leasing agreements for no longer used business premises in Switzerland. The outflow of cash and cash equivalents arising from leases totalled CHF 156.7 million in the reporting year (2022: CHF 142.2 million).

Information on liabilities arising from leases is presented in note 22.

Accounting policies

The Group recognises rights of use as of the provision date. Rights of use are valued at cost minus all cumulative depreciations and all cumulative impairment losses and adjusted for any revaluation of the leasing liabilities. The cost of right of use assets include the recognised lease liabilities, the initial direct costs incurred as well as the lease payments made on or before provision minus any received lease incentives. Rights of use are depreciated on a straight line basis over the lease term, or, if shorter, over their useful life. It there is sufficient certainty that a purchase option will be exercised, the useful life remaining after the lease will be added to the depreciation period.

Leases may include other costs in addition to the actual lease payments, such as insurance premiums or maintenance costs. Costs of this kind are deducted from the lease amount and posted separately in the income statement.

Lease payments for short term leases and leases of low value are recognised on a straight line basis over the term of the lease and posted in the income statement. Leases of low value mostly comprise office machinery, IT equipment, small machinery and site equipment.

20 — INVESTMENTS IN ASSOCIATES

in TCHF	31.12.2023	31.12.2022
As at 1.1.	195,161	194,699
Additions	15,223	1,493
Disposals	(5,567)	(3,213)
Share of results	271	12,453
Dividends received	(1,933)	(10,216)
Foreign exchange differences	(208)	(55)
Total as at reporting date	**202,947**	**195,161**

Notes

The investment in Ina Invest Ltd. of 42.5% is held as an investment in associates.

Ina Invest Ltd. is a Swiss public limited company incorporated in Zurich. The purpose of the company comprises developing and implementing real estate and construction projects of different kinds and uses, planning and constructing new buildings and conversions of properties held by Ina Invest, and holding, managing, letting and brokering properties. During 2022, Ina Invest Ltd. acquired subsidiaries, as a result of which it represents a sub-group.

In addition, Ina Invest Ltd. resolved a dividend of CHF 8.6 million to Implenia in 2022. This was converted into a loan on 1 January 2023 which was also increased by CHF 5.8 million and then recognised as equity. The classification as equity represents a significant portion of the change in additions.

There are no additional investments in associates that on their own are material to the consolidated financial statements.

Additional selected associates are listed in note 33.

Summarised financial information relating to Ina Invest Ltd. is shown hereafter.

The income statement of Ina Invest Ltd. is as follows:

in TCHF	2023	2022
Income	**3,872**	31,749
Other operating costs	(12,641)	(15,734)
EBITDA	**(8,769)**	16,015
Depreciation and amortisation	–	(47)
EBIT	**(8,769)**	15,968
Financial expenses	(7,802)	5,044
Profit before tax	**(16,571)**	21,012
Income tax	5,125	(2,253)
Profit	**(11,446)**	18,759
of which attributable to shareholders of Ina Invest Ltd.	(9,893)	16,045
of which attributable to minority interests	(1,553)	2,714
Share of 42.5% of shareholder’s profit of Ina Invest Ltd	**(4,205)**	6,819

Notes to the consolidated financial statements of Implenia

The balance sheet of Ina Invest Ltd. is as follows:

Assets

in TCHF	31.12.2023	31.12.2022
Cash and cash equivalents	8,120	12,181
Other current assets	49,190	39,825
Total current assets	**57,310**	52,006
Total non-current assets	**801,772**	811,249
Total assets	**859,082**	863,255

Equity and liabilities

in TCHF	31.12.2023	31.12.2022
Total current liabilities	**350,732**	353,292
Total non-current liabilities	**106,409**	130,353
Equity attributable to shareholders Ina Invest Ltd.	**366,946**	343,062
Minority interests	34,995	36,548
Total equity Ina Invest Ltd.	**401,941**	379,610
Total equity and liabilities	**859,082**	863,255

The reconciliation of the summarised financial information relating to Ina Invest Ltd. to the carrying amounts of investments in associates is as follows:

in TCHF	31.12.2023	31.12.2022
Share of 42.5% of shareholder's equity attributable to shareholders of Ina Invest Ltd	155,952	145,802
Total of carrying amount on Ina Invest Ltd	**155,952**	145,802

Accounting policies

Associates are companies over which the Group exercises significant influence but does not have control. As a rule, these are companies in which Implenia holds a stake of between 20% and 50%. These companies are accounted for under the equity method and are reported separately in the consolidated balance sheet. If associates are not already applying IFRS, their results are adjusted accordingly. If there is no current financial data available when Implenia's consolidated financial statements are prepared, the net profit and Implenia's share of the profit are based on estimates by management or on figures from previous periods respectively. Any deviations between the actual results and these estimates are corrected in the consolidated financial statements of the following year. In the case of an investment in a parent company, the share attributable to shareholders is considered, without taking into account non-controlling interests.

The current figures of Ina Invest Ltd. were available at the time Implenia's 2023 consolidated financial statements were prepared. Income from associates as well as gains and losses on the disposal of investments in associates are reported in a separate financial statement line item within EBIT as this represents an operating activity for the execution of customer orders.

Notes to the consolidated financial statements of Implenia

21 — INTANGIBLE ASSETS

in TCHF	Licenses, software and own work capitalized	Licenses, software and own work capitalized	Brands	Customer relationships and order book	Goodwill	Total
31.12.2023						
Acquisition costs as at 1.1.	29,554	–	–	3,557	266,580	299,691
Additions	7,036	1,159	–	–	–	8,195
Disposals	–	–	–	–	–	–
Reclassifications	437	(437)	–	–	–	–
Change in scope of consolidation	7,319	3,936	17,328	61,478	98,733	188,794
Foreign exchange differences	(404)	–	–	(441)	(13,153)	(13,998)
Acquisition costs as at reporting date	43,942	4,658	17,328	64,594	352,160	482,682
Cumulative amortisations as at 1.1.	(18,433)	–	–	(3,557)	(37,086)	(59,076)
Additions	(6,034)	(551)	–	(2,049)	–	(8,634)
Disposals	–	–	–	–	–	–
Foreign exchange differences	301	–	–	441	2,906	3,648
Cumulative amortisations as at reporting date	(24,166)	(551)	–	(5,165)	(34,180)	(64,062)
Net carrying amount as at reporting date	19,776	4,107	17,328	59,429	317,980	418,620
of which with indefinite useful life	–	–	17,328	–	317,980	335,308

in TCHF	Licences and software	Customer relationships and order book	Goodwill	Total
31.12.2022				
Acquisition costs as at 1.1.	28,520	3,904	277,921	310,345
Additions	1,657	–	–	1,657
Disposals	(238)	–	–	(238)
Change in scope of consolidation	(143)	–	(1,741)	(1,884)
Foreign exchange differences	(242)	(347)	(9,600)	(10,189)
Acquisition costs as at reporting date	29,554	3,557	266,580	299,691
Cumulative amortisations as at 1.1.	(13,820)	(3,904)	(39,277)	(57,001)
Additions	(4,921)	–	–	(4,921)
Disposals	71	–	–	71
Change in scope of consolidation	40	–	–	40
Foreign exchange differences	197	347	2,191	2,735
Cumulative amortisations as at reporting date	(18,433)	(3,557)	(37,086)	(59,076)
Net carrying amount as at reporting date	11,121	–	229,494	240,615
of which with indefinite useful life	–	–	229,494	229,494

Notes to the consolidated financial statements of Implenia

Notes

The carrying amount of the Wincasa brand of CHF 17.3 million was determined at the time of acquisition using the relief from royalty method. There are no indications that the carrying amount cannot be achieved at the reporting date. The useful life is unlimited, as it is expected that Implenia will generate cash flows for an unrestricted period with the Wincasa brand.

Goodwill is allocated to the Group's relevant groups of cash generating units (CGUs), which correspond to the business segments. The recoverable amount of a group of CGUs is determined by calculating its value in use by means of the discounted cash flow method. These calculations are based on projected cash flows derived from the business plan for three planning years approved by management. Cash flows after the period of the business plan will be extrapolated using the growth rates shown below.

The change in goodwill resulted from foreign exchange differences in all divisions. Only Division Buildings shows an increase in goodwill due to the acquisition of Wincasa (CHF 98.7 million).

Management has defined the EBIT for the planning years based on historical trends and expectations of future market development. The resulting EBIT margins are calculated on the basis of the IFRS revenue of the individual groups of CGUs.

The CGUs are treated as independent areas and intra-Group relationships are also taken into account accordingly. In 2022, the cost allocation process for Group costs to the CGUs was revised and the new concept was taken into account in the business plan.

Discount rates applied are before tax and reflect the specific risks faced by the CGUs concerned. The weighted average growth rates correspond to the International Monetary Fund's country-specific expectations regarding inflation. Goodwill is distributed between the groups of CGUs as follows:

in TCHF	31.12.2023	Change	31.12.2022
Buildings	234,045	93,048	140,997
Civil Engineering	67,605	(2,934)	70,539
Specialties	16,330	(1,628)	17,958
Total	317,980	88,486	229,494

Assumptions for the calculation of value in use:

in %	Buildings	Civil Engineering	Specialties
Test 2023			
Average EBIT margin in the planning years (excl. IFRS 16) in relation to production output	2.65	2.21	3.82
Average EBIT margin in the planning years (excl. IFRS 16) in relation to IFRS revenue	2.75	2.34	4.36
Discount rate, pre-tax	11.00	11.70	12.40
Post-business plan growth rate	1.10	1.40	1.30

in %	Buildings	Civil Engineering	Specialties
Test 2022			
Average EBIT margin in the planning years (excl. IFRS 16) in relation to production output	2.47	2.02	4.40
Average EBIT margin in the planning years (excl. IFRS 16) in relation to IFRS revenue	2.83	2.60	5.26
Discount rate, pre-tax	11.57	12.70	13.52
Post-business plan growth rate	1.37	1.37	1.35

The goodwill positions were verified by sensitivity analysis for possible changes in key assumptions which could lead to an impairment.

The recoverable amount of the Specialties CGU exceeds the present carrying amount by CHF 9.9 million (2022: CHF 1.3 million).

The sensitivity analysis showed that the recoverable amount of Division Specialities would equate to the carrying amount of the CGU if the discount rate before tax were 1.57 percentage points higher. For this Division, there are no further reasonably possible changes to key assumptions that would lead to the difference between the recoverable amount and the carrying amount of the Division being completely reduced.

The recoverable amount of the Division Civil Engineering exceeds the present carrying amount by CHF 74.3 million (2022: CHF 31.3 million).

The sensitivity analysis also showed that the recoverable amount of the Division Civil Engineering would equate to the carrying amount of the Division if the discount rate before tax were 2.15 percentage points higher. For this Division, there are no further reasonably possible changes to key assumptions that would lead to the difference between the recoverable amount and the carrying amount of the Division being completely reduced.

The sensitivity analysis of Division Buildings shows that no reasonably possible change to key assumptions would lead to the difference between the recoverable amount and the carrying amount of the Division being completely reduced.

When reviewing the value of goodwill and further intangible assets with an indefinite useful life (Wincasa brand) no impairment was established in the current financial year (previous year: no impairment).

Accounting policies

The goodwill is initially recognised at cost, which is valued as the excess of the sum of the transferred consideration, measured at fair value as at the acquisition date, the amount of non-controlling interests and previously held shares over the identifiable assets acquired and liabilities assumed by the Group. For each business combination, Implenia decides whether the non-controlling interests in the acquired company are assessed at fair value or at the proportionate share of the identifiable net assets of the acquired company. Costs incurred as part of the business combination are recognised as an expense.

The goodwill as well as further intangible assets with an indefinite useful life are not amortised but tested at least once a year for possible impairment. For intangible assets with an indefinite useful life, it is also evaluated at least once a year whether an indefinite useful life is appropriate.

When testing goodwill for impairment, the realisable value is computed on the basis of a group of CGUs to which the goodwill is allocated. Realisable value is the value in use. If the carrying amount exceeds the realisable value, the difference is recorded as an impairment. The estimates of future discounted cash flows, the corresponding discount rates and the growth rates are largely based on management estimates and assumptions. The actual cash flows and values generated may therefore deviate significantly from the expected future cash flows and the related amounts determined using discounting methodology.

Additions of licences, software and IT development costs are recognised at cost. All identifiable intangible assets, such as brands, order book and customer relationships, acquired in the course of a business combination are initially recognised at fair value. Intangible assets are amortised in equal instalments over their economic life from the initial date on which the Group can use them. Order book is reduced in line with progress on the acquired contracts. The estimated economic life of intangible assets is regularly reviewed.

Other intangible assets are measured at cost and amortised over their estimated useful life, with the expense charged to the income statement:

- Customer relationships 10–20 years
- Licences and software 3–5 years
- Own work capitalised 3–5 years
- Order book 2–5 years

Notes to the consolidated financial statements of Implenia

22 — CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

in TCHF	31.12.2023	31.12.2022
Bond issues	424,579	424,411
Promissory note loans	27,843	49,429
Liabilities to banks	802	6,335
Lease liabilities	182,194	165,775
Other financial liabilities[1]	75,482	8,529
Total as at reporting date	710,900	654,479
Maturity		
Less than 1 year	248,201	72,660
Between 2 and 5 years	457,582	576,712
Over 5 years	5,117	5,107
Total as at reporting date	710,900	654,479

1 Includes mainly the remaining part of the Wincasa AG purchase price

Bonds and promissory note loans comprise the following:

in TCHF	Term	Effective interest rate	31.12.2023	31.12.2022
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%	125,099	125,153
2,000% Bond issue CHF 175 million / CH114 509 6173	2021–2025	2.161%	174,480	174,258
Total as at reporting date			424,579	424,411
Promissory note loans				
Promissory note loan EUR 20 million	2017–2023	1.349%	–	19,782
Promissory note loan EUR 30 million	2017–2025	1.792%	27,843	29,647
Total as at reporting date			27,843	49,429

Notes to the consolidated financial statements of Implenia

There have been the following changes to financial liabilities:

		Affecting liquidity		Not affecting liquidity			
in TCHF	1.1.2023	Increase	Repayments	Foreign Exchange Differences	Unwinding of discount	Other changes	**31.12.2023**
Bond issues	424,411	–	–	–	168	–	**424,579**
Promissory note loans	49,429	–	(19,408)	(2,248)	70	–	**27,843**
Liabilities to banks [1]	6,335	34,023	(39,409)	(147)	–	–	**802**
Lease liabilities	165,775	–	(53,176)	(7,223)	5,390	71,428	**182,194**
Other financial liabilities[2]	8,529	–	(4,469)	(178)	–	71,600	**75,482**
Total	654,479	34,023	(116,462)	(9,796)	5,628	143,028	**710,900**

1 Including Loan acquired and repaid from / to Implenia Pension Fund
2 The other change not affecting liquidity relates to the deferred purchase price payment from the acquisition of Wincasa AG (see note 4)

		Affecting liquidity		Not affecting liquidity			
in TCHF	1.1.2022	Increase	Repayments	Foreign Exchange Differences	Unwinding of discount	Other changes	**31.12.2022**
Bond issues	597,714	–	(175,000)	–	1,697	–	**424,411**
Promissory note loans	51,610	–	–	(2,206)	25	–	**49,429**
Liabilities to banks	72,046	–	(65,267)	(444)	–	–	**6,335**
Lease liabilities	158,876	–	(50,404)	(6,452)	4,149	59,606	**165,775**
Other financial liabilities	8,207	–	(847)	(243)	–	1,412	**8,529**
Total	888,453	–	(291,518)	(9,345)	5,871	61,018	**654,479**

Notes

The convertible bond repaid on 30 June 2022 included a conversion premium of 32.5% and a conversion price of CHF 66.15. No conversion took place on repayment.

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

As previously, the syndicated loan agreement, which was renewed on 10 November 2022 and extended until 31 December 2027, comprises a tranche worth CHF 100 million (facility A) as a revolving cash line, a guarantee line of CHF 450 million (facility B) as well as a cash and/or guarantee line of CHF 100 million (facility C).

The provisions (including financing covenant) stipulated in the financing agreements were met in the reporting year.

While the cash credit line is used as backup liquidity if anything, the immediate availability of guarantee lines in order to assure contractual obligations is of high importance for the continuation of the operating business.

Implenia also has bilateral loan agreements with various banks for an amount of CHF 123.2 million (2022: CHF 126.0 million).

Accounting policies

Financial liabilities are initially recognised at fair value and subsequently assessed at amortised cost using the effective interest method. Any difference between the net proceeds received and the net amount repayable at maturity as well as transaction costs paid to capital providers (generally banks) are amortised over the term of the financial instrument and form an integral part of the effective interest rate. Amortisation using the effective interest method is recognised as a financial expense in the income statement.

At the provision date, Implenia recognises lease liabilities at the present value of the lease payments to be paid over the term of the lease. The lease payments include fixed payments minus any lease incentives to be received and variable lease payments linked to an index. The lease payments likewise include the exercise price of a purchase option if it is reasonably certain that the Group will actually exercise it. The implicit interest rates in the leases are used to discount the lease payments. If the interest rates cannot be determined, company-specific interest rates are used, which would be used when raising a loan to purchase the leased item. Calculation thereof depends on the currency and term of the lease.

Extension and cancellation options with respect to the lease period are taken into account if the exercise or non-exercise of such options is assessed as reasonably certain. The further in the future the assessment date for these options lies, the more uncertain their exercise will be. For most agreements, an assessment was made that an exercise of the options after five years can no longer be considered reasonably certain. Due to the counterparty's right of termination, the term of certain agreements is limited to the enforceable lease period.

Following the provision date, the amount of the lease liability is increased to take account of the interest expense and decreased to take account of the lease payments made. Furthermore, the carrying amount of the lease liabilities is remeasured in the event of changes to the lease, changes to the term of the lease, changes to the lease payments or a change in the assessment of a purchase option for the underlying asset.

Notes to the consolidated financial statements of Implenia

23 — CURRENT AND NON-CURRENT PROVISIONS

in TCHF	Service guarantees	Litigation	Restructuring	Ongoing projects	Others	Total
31.12.2023						
As at 1.1.	8,272	17,643	960	99,495	14,828	141,198
Increase	4,387	25,724	24	23,369	2,807	56,311
Used	(615)	(1,961)	–	(26,858)	(819)	(30,253)
Reversed	(2,200)	(2,446)	(456)	(18,610)	(1,683)	(25,395)
Reclassifications	(424)	–	(255)	–	(4)	(683)
Foreign exchange differences	(249)	(1,567)	(28)	(3,402)	(481)	(5,727)
Total as at reporting date	9,171	37,393	245	73,994	14,648	135,451
of which current	3,638	16,229	245	73,994	3,481	97,587
31.12.2022						
As at 1.1.	10,930	23,662	4,104	87,985	18,573	145,254
Increase	3,287	6,530	90	32,469	1,702	44,078
Used	–	(1,864)	(1,049)	(11,583)	(3,506)	(18,002)
Reversed	(5,759)	(9,411)	(2,083)	(8,221)	(1,503)	(26,977)
Change in scope of consolidation	–	–	–	–	(122)	(122)
Foreign exchange differences	(186)	(1,274)	(102)	(1,155)	(316)	(3,033)
Total as at reporting date	8,272	17,643	960	99,495	14,828	141,198
of which current	4,793	8,218	960	99,495	2,744	116,211

Notes

The provisions for service guarantees concern completed projects. Related costs tend to be payable within two to five years.

Provisions for litigation mainly relate to pending judicial rulings from completed projects.

The provisions for restructuring mainly relate to provisions associated with personnel expenses.

The provisions for current projects include provisions for impending losses arising from current projects and provisions for litigation associated with current projects. The provisions for current projects also include provisions for projects associated with the Ina Invest transaction of CHF 19.9 million (previous year: CHF 33.2 million).

Other provisions relate to contractual risks, personnel-related provisions and the rehabilitation costs of contaminated sites.

Accounting policies

Provisions are recognised if due to a past event a legal or constructive obligation exists that makes it probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.

Where there are a number of similar obligations, Implenia determines the probability that an outflow will be required by considering the class of obligations as a whole.

Possible obligations whose occurrence cannot be assessed on the balance sheet date or obligations whose amount cannot be reliably estimated are disclosed as contingent liabilities.

Where the effect of the time value of money is material, the present value of the expected expenditure is recognised.

24 — DEFINED BENEFIT PENSION PLAN

Swiss pension system

In Switzerland, the company insures its employees against the financial consequences of old age, disability and death with the independent Implenia Pension Fund. It also manages a Welfare Fund (employer-funded foundation). The board of trustees of the Implenia Pension Fund consists of an equal number of employer and employee representatives. Under IAS 19, the Pension Fund is classified as a defined benefit pension plan. The employer and employee contributions are defined as a percentage of the pensionable salary. The retirement pension is derived from the accrued retirement assets at the time of retirement, multiplied by the conversion rates applicable on the retirement date. Employees can also withdraw their retirement benefits as a one-off lump sum. Disability and surviving spouse's pensions are defined as a percentage of the projected retirement pension from the Implenia Pension Fund. The assets are managed by the Implenia Pension Fund itself.

The Implenia Pension Fund can change its financing system (contributions and future benefits). If the Pension Fund is underfunded and other measures do not achieve the desired purpose, the foundation can levy restructuring contributions from the employer.

The Implenia Pension Fund bears its own actuarial and investment risks. The board of trustees as the Pension Fund's governing body is responsible for the investment of the assets. The investment strategy has been defined to ensure that all benefits can be paid when they fall due.

German pension system

As a rule, as part of their pension plans, employees of the subsidiaries in Germany are entitled to payment of an annual contribution, which depends on their wage or salary group or individual contractual arrangements, to an individual pension account based on the company agreement applicable in each case. Interest is paid on the employee's respective credit balance each year depending on the return achieved on the plan assets. The company guarantees minimum interest of 2% per year in any case.

Depending on the amount of benefits to which the employee is entitled, benefits are paid as a single payment, as an annual instalment over a limited period or as a lifelong pension. Payment can occur as soon as the employee reaches their 60th or 62nd birthday (for employees who joined in 2012 or subsequently) and their employment relationship with the company ends. It may not be paid before this date. Employees' rights are partly secured against insolvency via a Contractual Trust Arrangement.

Notes to the consolidated financial statements of Implenia

in TCHF	Defined benefit obligations	Market value of plan assets	Adjustment to asset ceiling	Pension asset / (Pension liabilities)
As at 1.1.2023	(1,039,953)	1,500,057	(469,563)	(9,459)
Current service cost	(23,596)	–	–	(23,596)
Past service (cost) / gain	2,438	–	–	2,438
(Interest expense) / Interest income	(27,004)	38,285	(11,468)	(187)
Administration cost (excl. cost for managing plan assets)	(579)	–	–	(579)
Income / (expenses) recognised in the income statement	(48,741)	38,285	(11,468)	(21,924)
Return on plan assets (excl. interest income)	–	56,176	–	56,176
Gain / (loss) arising from changes in financial assumptions	(58,821)	–	–	(58,821)
Gain / (loss) arising from changes in demographical assumptions	15,055	–	–	15,055
Gain / (loss) arising from experience adjustments	(17,704)	–	–	(17,704)
Change in effect of asset ceiling	–	–	(6,697)	(6,697)
Income / (expenses) recognised in other comprehensive income	(61,470)	56,176	(6,697)	(11,991)
Employer contributions	–	37,949	–	37,949
Employee contributions	(32,647)	32,647	–	–
Benefits deposited / (paid)	103,557	(103,096)	–	461
Change in scope of consolidation	(278,446)	351,978	(77,618)	(4,086)
Foreign exchange differences	2,834	(2,296)	–	538
Contributions and other effects	(204,702)	317,182	(77,618)	34,862
As at 31.12.2023	(1,354,866)	1,911,700	(565,346)	(8,512)

in TCHF	Defined benefit obligations	Market value of plan assets	Adjustment to asset ceiling	Pension asset / (Pension liabilities)
As at 1.1.2022	(1,205,641)	1,660,375	(469,916)	(15,182)
Current service cost	(25,040)	–	–	(25,040)
Past service (cost) / gain	40	–	–	40
(Interest expense) / Interest income	(4,976)	6,771	(1,880)	(85)
Administration cost (excl. cost for managing plan assets)	(576)	–	–	(576)
Income / (expenses) recognised in the income statement	(30,552)	6,771	(1,880)	(25,661)
Return on plan assets (excl. interest income)	–	(138,098)	–	(138,098)
Gain / (loss) arising from changes in financial assumptions	140,546	–	–	140,546
Gain / (loss) arising from changes in demographical assumptions	–	–	–	–
Gain / (loss) arising from experience adjustments	(8,707)	–	–	(8,707)
Change in effect of asset ceiling	–	–	2,233	2,233
Income / (expenses) recognised in other comprehensive income	131,839	(138,098)	2,233	(4,026)
Employer contributions	–	30,971	–	30,971
Employee contributions	(27,804)	27,804	–	–
Benefits deposited / (paid)	92,040	(89,180)	–	2,860
Change in scope of consolidation	(2,175)	3,140	–	965
Foreign exchange differences	2,340	(1,726)	–	614
Contributions and other effects	64,401	(28,991)	–	35,410
As at 31.12.2022	(1,039,953)	1,500,057	(469,563)	(9,459)

Notes to the consolidated financial statements of Implenia

The change in pension assets and liabilities is mainly due to the acquisition of Wincasa in the financial year 2023.

Notes

Plan assets comprise the following:

	31.12.2023		31.12.2022	
	in TCHF	%	in TCHF	%
Quoted				
Cash and cash equivalents	154,184	8.1	45,860	3.1
Equity instruments	75,213	3.9	3,397	0.2
Debt instruments	636,053	33.3	639,250	42.6
Real estate	74,105	3.9	–	0.0
Investment funds	434,840	22.8	367,710	24.5
Other	78,580	4.1	47,396	3.2
Unquoted				
Cash and cash equivalents	5,448	0.3	1,056	0.1
Real estate	448,618	23.5	387,752	25.9
Other	4,659	0.2	7,636	0.5
Total	1,911,700	100.0	1,500,057	100.0
of which debt instruments of Implenia Ltd.	–	0.0	–	0.0
of which real estate used by Implenia	24,746	1.3	66,840	4.5

The pension liability was calculated on the basis of the following actuarial assumptions:

	Switzerland		Germany	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Discount rate	1.50%	2.20%	4.25%	3.55%
Expected salary increase	1.25%	1.25%	0,00%	0,00%
Future pension increase	0,00%	0,00%	2.00%	1.50%
Mortality table	BVG 2020-CMI	BVG 2020-CMI	Heubeck 2018	Heubeck 2018

The following sensitivity analyses were prepared for the key assumptions underlying the defined benefit obligations calculations. The discount factor and assumption regarding the expected salary increase were increased/reduced by fixed percentage points. The mortality sensitivity was calculated by reducing/increasing mortality by an all-in factor, so that life expectancy was increased/reduced by around one year for most age brackets.

The following table shows the effects of an increase or a reduction in the respective input parameter on the amount of the defined benefit obligation.

	Increase		Reduction	
in TCHF	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Discount rate (0.25% adjustment)	(32,447)	(23,235)	34,343	24,577
Salary progression (0.25% adjustment)	3,343	12,054	(3,397)	7,679
Life expectancy (1 year adjustment)	35,575	26,953	(36,346)	(27,640)

The actual gain on plan assets for the 2023 financial year was CHF 94.5 million (2022: loss of CHF 131.3 million). The employer contributions in 2024 are estimated at CHF 43.3 million (2023: CHF 32.5 million). The weighted average duration of the obligation is 10.2 years (2022: 9.6 years).

Swiss pension legislation forbids repayment of funds transferred to pension funds to the company. However, the company may benefit economically from any surplus by the reduction in future contributions. An economic benefit of this kind equates to the present value of the amount by which the future service cost exceeds the employer's anticipated contributions but at least to the employer contribution reserves paid in.

The asset ceiling disclosed relates to the Swiss pension fund and the economic benefit as at 31 December 2023 is limited to the amount of employer contribution reserves paid in of CHF 0.4 million (2022: CHF 0.4 million). In the reporting period, no employer contribution reserves were released (previous year: none).

Implenia's industrial staff covered by the collective employment agreement may voluntarily take early retirement from the age of 60. Bridging benefits are paid between the date of early retirement and normal retirement age by the Foundation for Flexible Retirement in the Construction Industry (FAR), which was established especially for this purpose. FAR, which was created by the SIB and Syna trade unions and also the Société Suisse des Entrepreneurs, is funded by contributions from employers and employees. FAR benefits are funded through a pay-as-you-go system, so do not qualify for treatment as a defined benefit plan under IAS 19. Consequently, FAR is treated as a multi-employer defined contribution scheme. FAR prepares its accounts in accordance with Swiss pension legislation. On this basis and the most recent reporting as at 31 December 2022, FAR had a funding ratio 71.0% (31 December 2021: 85.70%). In 2023, Implenia paid FAR contributions of CHF 8.0 million (2022: CHF 8.1 million).

Accounting policies

Pension arrangements are shown as defined contribution plans if the Group pays fixed contributions to a separate fund or external financial institution and has no legal or constructive obligations to make any further contributions. In the case of defined contribution pension plans, the employer contributions are recognised directly in profit and loss on an accrual basis. All other pension arrangements are treated as defined benefit plans, even if the Group's potential obligations are small or the probability of occurrence is low. Consequently, most pension arrangements in Switzerland and in Germany are classified as defined benefit plans, since there are corresponding legal or constructive obligations.

The obligation regarding pensions liabilities for defined benefit plans is calculated annually by independent actuaries using the projected unit credit method. They correspond to the present value of future expected payments arising from current and past periods of service. The plan assets are measured at fair value. The resulting net amounts are recognised in the balance sheet as pension assets or pension liabilities.

The total pension cost comprises the service cost, including the current service cost and past service cost as well as the gains and losses from plan curtailments and extraordinary plan settlements and the net interest expense or income (staff costs).

Revaluations, including actuarial gains and losses, the effects of the asset ceiling, excluding amounts included in the net interest on the net debt from defined benefit plans, and the return from plan assets, excluding amounts included in the net interest on the net debt from defined benefit plans, are recognised under other comprehensive income in the retained earnings.

25 — DEFERRED TAX ASSETS AND LIABILITIES

	31.12.2023		31.12.2022	
in TCHF	**Assets**	**Liabilities**	Assets	Liabilities
Receivables and contract assets / liabilities	–	(42,221)	–	(42,446)
Raw materials and supplies and real estate transactions	–	(835)	–	(2,473)
Property, plant and equipment	–	(4,118)	–	(1,481)
Property, plant and equipment with revaluation model	–	(11,849)	–	(10,697)
Intangible assets	–	(11,614)	215	–
Pension	1,542	–	2,878	–
Provisions	–	(8,053)	–	(9,016)
Other items	–	(47,366)	–	(47,966)
Tax loss carryforwards	130,331	–	108,049	–
Total	131,873	(126,056)	111,142	(114,079)
Mutually offsettable amounts	(43,197)	43,197	(60,043)	60,043
Deferred tax assets	88,676		51,099	
Deferred tax liabilities		(82,859)		(54,036)

	2023		2022	
in TCHF	**Assets**	**Liabilities**	Assets	Liabilities
Deferred tax as at 1.1.	111,142	(114,079)	103,282	(90,526)
Credited / (debited) to the income statement	25,664	(2,918)	13,454	(15,712)
Credited / (debited) directly to other comprehensive income	2,155	–	577	(10,721)
Change in scope of consolidation	985	(12,050)	(73)	113
Foreign exchange differences	(8,073)	2,991	(6,098)	2,767
Deferred tax as at 31.12	131,873	(126,056)	111,142	(114,079)

Notes

Temporary differences for which no deferred taxes have been recognised:

in TCHF	31.12.2023	31.12.2022
Investments	227,398	261,898
Goodwill	317,980	229,494

Unused tax loss carryforwards by maturity:

in TCHF	Not capitalised	Capitalised	Total 31.12.2023	Not capitalised[1]	Capitalised	Total 31.12.2022
1–5 years	16,877	78,926	95,803	28,342	72,148	100,490
6–10 years	3,128	42,634	45,762	8,776	20,000	28,776
Usable indefinitely	3,362	414,258	417,620	166,673	345,880	512,553
Total	23,367	535,818	559,185	203,791	438,028	641,819

In the reporting period, loss carryforwards were essentially capitalised in the amount of taxable temporary differences available at company level. As in the previous year, tax losses carried forward from companies where it is likely that they can be offset against future taxable profits and where there is no time limit to utilisation of losses carried forward were also capitalised. In the reporting year, tax losses carried forward and not yet capitalised from the previous years were mainly capitalised in France, Austria and Germany. In the previous year, tax loss carryforwards from companies with negative results in Germany were capitalised.

The assessment of the impairment of deferred tax assets is based on internal company forecasts on the future income situation of the respective Group company, whereby restrictions with regard to the minimum taxation rules to be observed must be taken into consideration. The recognition of deferred tax assets with regard to tax losses carried forward is supported with reference to the current order backlog, the expected incoming orders and the previous performance.

The remaining non-capitalised tax loss carryforwards mainly affect subsidiaries abroad for which use is not expected at present.

Accounting policies

Deferred tax is created by applying the liability method to existing temporary differences between the value of an asset or liability in the balance sheet and the tax balance sheet value on the reporting date. Deferred tax assets are recognised for all deductible temporary differences, as yet unused tax losses and unused tax credits to the extent that it is likely that taxable income will be available against which the deductible temporary differences and as yet unused tax losses and tax credits can be utilised. Tax loss carryforwards are capitalised if the company in question contains taxable temporary differences of at least the same extent or if, according to planning figures, it is likely to earn taxable profits in future. Deferred tax assets and liabilities are netted if these items relate to the same legal entity and are levied by the same tax authority.

26 — EQUITY

The Annual General Meeting of 2023 decided on a dividend in the amount of CHF 0.40 per share (2022: CHF 0).

During 2023, a total of 260,849 treasury shares with a carrying amount of CHF 9.5 million (2022: 192,499 shares with a carrying amount of CHF 4.9 million) were sold or used for employee participation programmes as well as for compensation for the Board of Directors. The profit resulting from these transactions in the amount of CHF 0.8 million (2022: losses of CHF 0.2 million) will be recognised directly in equity in the capital reserves.

	31.12.2021	Changes 2022	31.12.2022	Changes 2023	31.12.2023
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Total shares of Implenia Ltd.	18,472,000	–	18,472,000	–	18,472,000
Treasury shares	63,854	1,100	64,954	199,218	264,172
Total shares outstanding	18,408,146	(1,100)	18,407,046	(199,218)	18,207,828

All shares are subscribed and fully paid up. On 31 December 2023, all shares were entitled to vote and receive dividends, with the exception of 264,172 treasury shares (2022: 64,954 treasury shares). The par value of a share remains unchanged at CHF 1.02.

Notes to the consolidated financial statements of Implenia

	31.12.2021	Changes 2022	31.12.2022	Changes 2023	31.12.2023
Share capital	18,841	–	18,841	–	18,841
Treasury shares	(65)	(1)	(66)	(203)	(269)
Total share capital outstanding	18,776	(1)	18,775	(203)	18,572

Accounting policies

Share capital represents the nominal value of the issued shares of Implenia Ltd.

Treasury shares represent shares of Implenia Ltd. that have been reacquired on the market. They are deducted from equity at cost.

Equity comprises additional items, which are reflected in the statement of changes in equity.

The foreign exchange differences include exchange differences relating to net assets and to non-current intra-Group financing transactions in connection with net investments in foreign businesses. Exchange differences relating to financial liabilities are also recorded here, if they were raised in foreign currency and are designated as a net investment hedge in a foreign business. If these companies should cease to fall within the scope of consolidation, the corresponding share of the foreign exchange differences will be recycled through the income statement.

Retained earnings represent the accumulated profits of the Group, most of which are freely available.

Non-controlling interests represent the interests held by third-party shareholders in the equity of subsidiaries as well as the partner shares of fully consolidated joint ventures.

Dividends and par value repayments are reported in the consolidated financial statements in the periods in which they were agreed by the General Meeting of Shareholders.

27 — EARNINGS PER SHARE

in TCHF	2023	2022
Data for calculating earnings per share:		
Consolidated profit attributable to shareholders of Implenia Ltd.	140,958	104,751
Weighted average number of shares outstanding	18,326,552	18,437,385
Adjustment due to diluting effect of LTIP	288,202	286,264
Weighted average for calculating diluted earnings per share	18,614,754	18,723,649
Basic earnings per share in CHF	7.69	5.68
Diluted earnings per share in CHF	7.57	5.59

Notes

Only the LTIP has a diluting effect on the result per share.

Accounting policies

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 issued.

The net profit attributable to shareholders of Implenia Ltd. is not adjusted for the calculation of diluted earnings per share (EPS). This amount is divided by the number of diluting potential shares, whereby the LTIP is analysed and taken account as though the contingency period had ended at the reporting date.

28 — CONTINGENT LIABILITIES

Guarantees for projects

There are significant numbers of guarantees (tender guarantees, warranties and performance bonds) for projects in joint ventures and parent guarantees for ongoing projects.

The possibility of an outflow is dependent on future events which are not entirely under Implenia's control but are considered unlikely both in total and on an individual basis.

Contractual investment obligations

in CHF million	31.12.2023	31.12.2022
Real estate transactions	44.3	37.5
Total	**44.3**	37.5

Ongoing investigation in Austria

Government representatives contacted Implenia Baugesellschaft mbH in Vienna on 9 May 2017 in connection with an ongoing investigation in Austria being conducted by the public prosecutor against some 20 civil works companies and over 200 people. This concerned five projects dating from the time of Bilfinger Baugesellschaft mbH, which was integrated in the Implenia Group in 2015 (see press release of 11 May 2017). Implenia is cooperating with the authorities in Vienna and has promised its full support in the ongoing investigations. The investigation has since been discontinued in four of the altogether five investigated projects.

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

29 — RELATED PARTY DISCLOSURES

The following transactions took place between the Group and associates, joint ventures accounted for under the equity method, pension funds and other related parties:

in TCHF	2023	2022
Sales to related parties		
Joint ventures (equity method)	94,522	99,340
Associates	29,266	45,352
Other related parties	59,288	2,958
Purchases from related parties		
Joint ventures (equity method)	2,091	–
Associates	24,277	13,034
Other related parties	3,964	1,980

in TCHF	31.12.2023	31.12.2022[1]
Receivables / accruals from related parties		
Joint ventures (equity method)	9,958	28,499
Associates	2,266	13,425
Other related parties	65	1,459
Payables to related parties		
Joint ventures (equity method)[1]	57,801	69,974
Associates	3,917	545
Other related parties	39	2,930

1 Restated. Net liabilities towards joint ventures (equity method) are newly integrated in "trade payables" and disclosed separately in note 15. The prior year figures were adjusted accordingly.

Notes

Compensation paid to management in key positions is shown in note 9.4.

In the reporting year, revenue was mainly recognised with Ina Invest Ltd. (including its subsidiaries) in the amount of CHF 21.2 million (previous year: CHF 37.1 million). This is included in sales to associates.

In addition, a loan in the amount of CHF 34.0 million was granted by the Implenia pension fund to Implenia AG at normal market conductions during the financial year. This loan was paid back during the financial year.

A property of Implenia was also sold to the Implenia pension fund for CHF 57.7 million in the reporting year. The sale price was determined on the basis of independent valuation reports and took place at standard market conditions.

Accounting policies

Related parties include joint ventures accounted for under the equity method, associates and other related parties. Other related parties mainly comprise officers and directors of Implenia, members of the IEC (management in key positions), their related parties and the companies at which these persons exercise a senior management function as well as the Implenia Pension Fund.

30 — EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of Ina Invest Holding Ltd. will propose to the Annual General Meeting on 3 April 2024 to merge the subsidiary Ina Invest Ltd. with the listed Ina Invest Holding Ltd. (upstream merger). The merger will simplify Ina Invest's corporate structure, improving efficiency and reducing costs. Ina Invest's business model remains unchanged.

Following the merger, Implenia Ltd. and the public shareholders will hold all shares in the listed Ina Invest Holding Ltd. directly. This does not change the shareholdings. Implenia previously held a minority stake of 42.5% in the subsidiary Ina Invest Ltd. and is expected to hold a stake of around 40% in Ina Invest Holding Ltd. in the future.

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

Proposed dividend for the financial year

For the reporting year 2023, the Board of Directors will propose to the Annual General Meeting to be held on 26 March 2024 that a dividend of CHF 0.60 per share is paid (previous year: CHF 0.40).

31 — FOREIGN EXCHANGE RATES

		Average rate 1.1.–31.12.		Closing rate	
		2023	2022	31.12.2023	31.12.2022
European Union	1 EUR	CHF 0.97	CHF 1.00	CHF 0.93	CHF 0.99
Ivory Coast / Mali	100 XOF	CHF 0.15	CHF 0.15	CHF 0.14	CHF 0.15
Norway	100 NOK	CHF 8.51	CHF 9.89	CHF 8.26	CHF 9.43
Sweden	100 SEK	CHF 8.47	CHF 9.41	CHF 8.36	CHF 8.85

32 — SELECTED FULLY CONSOLIDATED COMPANIES

Name	Share-holding	Registered office	Country	Currency	Capital	Division	Held by
BBV Systems GmbH	100%	Bobenheim	DE	EUR	520,000	Specialties	Implenia Specialties GmbH
Building Construction Logistics GmbH	100%	Raunheim	DE	EUR	25,000	Specialties	Implenia Specialties GmbH
Implenia Constructii SRL	100%	Voluntari	RO	RON	4,750,100	Civil Engineering	Implenia Baugesellschaft mbH
Implenia Construction GmbH	100%	Raunheim	DE	EUR	10,100,000	Several Divisions	Implenia Holding GmbH
Implenia Fassadentechnik GmbH	93%	Hamburg	DE	EUR	750,000	Specialties	Implenia Specialties GmbH
Implenia France SA	100%	Archamps	FR	EUR	15,059,119	Civil Engineering	Implenia Switzerland Ltd.
Implenia Hochbau GmbH	100%	Raunheim	DE	EUR	20,025,000	Buildings	Zschokke Holding Deutschland GmbH
Implenia Holding GmbH	100%	Raunheim	DE	EUR	3,067,751	Corporate & Other	Implenia Switzerland Ltd.
Implenia Immobilien AG	100%	Dietlikon	CH	CHF	30,600,000	Real Estate	Implenia Ltd.
Implenia Immobilien Deutschland GmbH	100%	Raunheim	DE	EUR	300,000	Real Estate	Implenia Holding GmbH
Implenia Norge AS	100%	Oslo	NO	NOK	12,491,068	Civil Engineering	Implenia Switzerland Ltd.
Implenia Österreich GmbH	100%	Salzburg	AT	EUR	35,000	Civil Engineering	Implenia Ltd.
Implenia Real Estate GmbH	100%	Raunheim	DE	EUR	800,000	Buildings	Implenia Holding GmbH
Implenia Real Estate Services AG	100%	Opfikon	CH	CHF	100,000	Buildings	Implenia Switzerland Ltd.
Implenia Switzerland Ltd.	100%	Dietlikon	CH	CHF	40,000,000	Several Divisions	Implenia Ltd.
Implenia Specialties GmbH	100%	Raunheim	DE	EUR	25,000	Specialties	Implenia Holding GmbH
Implenia Spezialtiefbau GmbH	100%	Langen	DE	EUR	1,000,000	Civil Engineering	Implenia Construction GmbH
Implenia Sverige AB	100%	Stockholm	SE	SEK	10,000,000	Civil Engineering	Implenia Switzerland Ltd.
Implenia Tesch GmbH	100%	Essen	DE	EUR	255,646	Buildings	Implenia Hochbau GmbH
Reprojet AG	100%	Zurich	CH	CHF	100,000	Civil Engineering	Implenia Switzerland Ltd.
SAPA, Société Anonyme de Produits Asphaltiques	100%	Satigny	CH	CHF	500,000	Civil Engineering	Implenia Switzerland Ltd.
Sisag SA	100%	Abidjan	CI	XOF	492,000,000	Specialties	Implenia Ltd.
Socarco Mali Sàrl	100%	Bamako	ML	XOF	100,000,000	Specialties	Sisag SA
streamnow ag	100%	Zürich	CH	CHF	100,000	Buildings	Wincasa AG
Wincasa AG	100%	Winterthur	CH	CHF	1,500,000	Buildings	Implenia Switzerland Ltd.

Accounting policies

Fully consolidated companies are companies controlled by Implenia Ltd. Control is usually said to exist if Implenia Ltd. directly or indirectly controls more than 50% of the company's voting rights or of the potential voting rights that can be exercised at any given time and thereby controls the relevant activities. Consolidation starts from the date on which Implenia Ltd. obtains control over the company and it is deconsolidated at the date on which Implenia Ltd. loses control.

33 — SELECTED ASSOCIATES

Name	Share-holding	Registered office	Country	Currency	Capital
ARGE Deponie Schwanental (sp)	37,0%	Eglisau	CH	CHF	–
Argo Mineral AG	50,0%	Aarau	CH	CHF	300,000
Argobit AG	20,0%	Schafisheim	CH	CHF	1,200,000
BEWO Belagslieferwerk Oberwallis (sp)	25,0%	Niederges-teln	CH	CHF	–
GU Kies AG	33,3%	Schaffhausen	CH	CHF	450,000
Holcim Betondrance SA	46,0%	Martigny	CH	CHF	300,000
Ina Invest AG	42,5%	Zürich	CH	CHF	202,000
Miphalt AG	26,0%	Niederbipp	CH	CHF	1,758,000
MOAG Baustoffe Holding AG	10.0%	Mörschwil	CH	CHF	325,000
Mobival (sp)	26,0%	Massongex	CH	CHF	–
Prüflabor AG	20.0%	Mörschwil	CH	CHF	250,000
Reproad AG	33,3%	Bremgarten	CH	CHF	1,500,000
Société Coopérative Les Terrasses	45,1%	Versoix	CH	CHF	757,500
Tapidrance (sp)	60,0%	Martigny	CH	CHF	–
TIB Recycla SA	50,0%	Mezzovico-Vira	CH	CHF	1,000,000
Urner Belagszentrum (UBZ) (sp)	50,0%	Flüelen	CH	CHF	–
Valver (sp)	27,9%	Martigny	CH	CHF	–

(sp) simple partnership

Accounting policies

Associates are recognised according to the equity method (see note 20).

Although the stakes held in some companies are higher than 50%, these companies are accounted for as associates and the equity method is applied as Implenia does not control these companies. The composition of the executive boards of the companies named does not allow Implenia to control these companies. By contrast, some companies in which Implenia holds a stake of less than 20% are recognised as associates because Implenia exercises significant influence over them.

Notes to the consolidated financial statements of Implenia

34 — SELECTED JOINT VENTURES

Name	Shareholding	Country	Recognition in consolidated financial statements
ARGE A7 Tunnel Altona	35.0%	DE	EM
ARGE BBT – H 41 Sillschlucht – Pfons	30.0%	AT	EM
ARGE BBT – H 41 Sillschlucht – Pfons	20.0%	CH	EM
ARGE EHS	27.0%	CH	EM
ARGE FWZ Los 1 + 2	50,0%	CH	EM
ARGE GUBRI	40.0%	CH	EM
ARGE Mythenquai	50,0%	CH	FC
ARGE secondo tubo Los 241 – Gotthard Haupttunnel Nord	60.0%	CH	PC
ARGE Stammstrecke VE41 Marienhof	50.0%	DE	EM
ARGE STIBU	50,0%	CH	EM
ARGE Tunnel Fröschnitzgraben	50,0%	AT	PC
ARGE Tunnel Gloggnitz	40.0%	AT	EM
ARGE ZUGO	20,0%	CH	EM
CERN HiLumi LHC P5	60,0%	FR	PC
Consortium PIC	30,0%	CH	EM
Consorzio Dolomiti Webuild Implenia	49,0%	IT	EM
Consorzio Lotto 301	26,0%	CH	EM
Extension Métro Lyon	50,0%	FR	PC
Grand Paris Express (L11-GC01)	25,0%	FR	PC
Grand Paris Express (L17.1)	25,0%	FR	PC
Grand Paris Express (Lot 16.3)	33,0%	FR	PC
Grand Paris Express (Lot T2C)	25,0%	FR	PC
JV Hjulsta-S Handelsbolag	50,0%	SE	EM
Ligne de métro Toulouse Lot 3	50.0%	FR	PC
MossIA ANS	55,0%	NO	PC

FC = fully consolidated; PC = proportionately consolidated; EM = equity method

Accounting policies

Joint ventures are included in the consolidated financial statements in accordance with note 15.

Although shares of 50% are held in some joint ventures, these are fully consolidated because Implenia controls them. This is the case if Implenia is the lead manager and has the casting vote based on the contractual arrangements.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Opinion

We have audited the consolidated financial statements of Implenia Ltd. and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2023, the consolidated balance sheet as at 31 December 2023, the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and notes to the consolidated financial statements of Implenia including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 84–139) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our audit approach

Overview

Overall Group materiality: CHF 16,500,000

We concluded full scope audits at eleven Group companies in five countries. These Group companies contribute 88.0% of the Group's revenue. Additionally, specified audit procedures were concluded at one further Group company, which represented an additional 0.4% of the Group's revenue.

As key audit matters the following areas of focus have been identified:

- Recognition of revenue from construction projects, total contracting projects, general contracting projects and development projects
- Recoverability of goodwill

Report on the audit of the consolidated financial statements

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 16,500,000
Benchmark applied	Group revenue
Rationale for the materiality benchmark applied	We chose group revenue as the benchmark because, in our view, it is the benchmark against which the performance of the Group, among others, is measured, and it is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above CHF 825,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the audit of the consolidated financial statements

Recognition of revenue from construction projects, total contracting projects, general contracting projects and development projects

Key audit matter

According to IFRS 15 'Revenue from contracts with customers', revenue can be recognised either at a point in time or over time. Land sales are recognised at the point in time of the transfer of property. Revenue relating to the Group's main operations (construction projects, total contracting projects, general contracting projects and development projects) is recognised over a specific period of time.

We consider the revenue recognition over time from construction projects, total contracting projects, general contracting projects and development projects to be a key audit matter for the following reasons:

Revenue recognition and the appropriate valuation of projects depends significantly on the determination of the stage of completion, the future costs and the assessment of the recoverability of claims and order variations. Determining the stage of completion and the transaction price requires the use of estimates by project managers and Management. Depending on the contractual arrangements, input-based or output-based methods are used to determine the degree of a project's completion. Revenue recognition therefore involves significant Management judgement, which has a material impact on the recognised revenue from construction projects, total contracting projects, general contracting projects and development projects, the associated assets (contract assets of CHF 326 million and contract liabilities of CHF 410 million) and consolidated profit.

Please refer to notes 4.1 'Revenue and cost recognition for projects' (page 90), 6 'Segment reporting' (page 97) and 14 'Contract assets and liabilities' (page 110) in the notes to the consolidated financial statements.

How our audit addressed the key audit matter

We addressed the identified risks in relation to the recognition of revenue from construction projects, general contracting projects and development projects by performing in particular the following audit procedures:

We tested the design and effectiveness of the key controls over project valuation implemented by the company.

We performed inquiries and inspected evidence at Project Review Meetings and reviewed the internal reporting to Management and the Board of Directors. We analysed the accuracy of estimates in connection with project valuations. We discussed selected projects with Management and the Audit Committee.

For a sample of contracts, we assessed the accounting treatment applied by the company. We made a risk-based selection of projects for sample testing based on our defined criteria, including:

- Amount of and change in the revenue or contribution margin in the year under review.
- Material project-related accruals.
- Project size.
- Additional random selection.

For the selected projects, we performed the following audit procedures:

- We discussed and assessed with the project managers and finance managers the stage of completion of the work and the future costs and accruals until completion of the project.
- We analysed contracts in terms of their impact on project valuation and the related financial reporting.
- During discussions about the projects, we assessed the recoverability of claims and order variations recognised as assets. Further, we obtained confirmations of accounts receivable and lawyers' letters in connection with selected projects.
- The projects were assessed in terms of the appropriateness of the project valuation. Any resulting provisions were assessed critically and discussed with Management.

On the basis of our audit procedures, we consider the recognition of revenue from construction projects, general contracting projects and development projects to be appropriate.

Report on the audit of the consolidated financial statements

Recoverability of goodwill

Key audit matter	How our audit addressed the key audit matter
Recoverability of goodwill was deemed a key audit matter for the following reasons: Goodwill is recognised on the balance sheet in the amount of CHF 318 million, which is material. The addition of the fully consolidated company Wincasa Ltd. resulted in a goodwill addition of CHF 99 million. Impairment testing of goodwill depends on forecasts of future cash flows. Significant judgement is required to determine the assumptions relating to future business results and the discount rate applied to the forecasted cash flows. Please refer to notes 3 "Material events – and changes in the scope of consolidation – Completion of the takeover of Wincasa Ltd." (page 89) and 21 "Intangible assets" (page 121) in the notes to the consolidated financial statements.	We addressed the identified risks in relation to the impairment testing of goodwill by performing in particular the following audit procedures: We validated management's assumptions regarding the forecasted cash flows for the planning period (2024 to 2026) as well as its intentions and ability to implement the strategic initiatives. We compared the forecasted cash flows with relevant industry and economic forecasts. We focussed on the plausibility of the applied assumptions, such as development of the EBIT margin throughout the forecast years and the growth of cash flows after that period. We assessed, with the support of our internal valuation specialists the valuation model, the discount rates applied to future cash flows and the growth rates used to extrapolate beyond the business planning period by performing plausibility checks on market and industry-specific data. We assessed management's sensitivity analysis of the key assumptions, such as lower growth, higher discount rates and lower EBIT, to quantify potential negative changes in the assumptions that could lead to further impairment of goodwill. We assessed the valuations and their key assumptions for calculating the determination of goodwill addition resulting from the acquisition of Wincasa Ltd. On the basis of our audit procedures, we consider that the conclusions drawn by management regarding the recoverability of goodwill are reasonable.

Other information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Report on the audit of the consolidated financial statements

Auditor’s responsibilities for the audit of the consolidated financial statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse’s website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Dr. Michael Abresch
Licensed audit expert
Auditor in charge

Astrit Mehmeti
Licensed audit expert

Zurich, 27 February 2024

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zurich
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INCOME STATEMENT OF IMPLENIA LTD.

in TCHF	Notes	1.1.–31.12.2023	1.1.–31.12.2022
Income from investments	3	50,116	78,585
Income from sale of investments	3	1,450	82
Other operational income	3	22,130	10,797
Total operating income		73,696	89,464
Personnel expenses		(12,095)	(11,723)
Other operational costs		(8,375)	(13,394)
Depreciation and valuation adjustments on fixed asset items	3	45,257	(6,964)
Operating earnings before interest and taxes		98,483	57,383
Financial income		27,064	23,050
Financial expenses		(33,274)	(37,333)
Extraordinary, non-recurring or prior-period income	3	4,343	–
Extraordinary, non-recurring or prior-period costs	3	–	(11,415)
Operating earnings before taxes		96,616	31,685
Direct taxes		(153)	7
Profit for the year		96,463	31,692

BALANCE SHEET OF IMPLENIA LTD.

Assets

in TCHF	Notes	31.12.2023	31.12.2022
Cash and cash equivalents and current assets with a stock exchange price	3	8,381	144,717
Trade receivables from third parties		53	109
Trade receivables from Group companies	3	13,610	149,223
Other current receivables from third parties		80	371
Other current receivables from Group companies	3	242,961	126,698
Accrued income and prepaid expenses		4,277	1,816
Total current assets		269,362	422,934
Financial assets from third parties	3	1,560	2,291
Financial assets from Group companies	3	890,575	711,320
Financial assets from associates	3	14,417	–
Investments in Group companies	3	336,469	322,542
Investments in associates and other investments	3	70,108	70,109
Property, plant and equipment		–	8
Intangible assets		–	40
Total non-current assets		1,313,129	1,106,309
Total assets		1,582,491	1,529,243

Equity and Liabilities

in TCHF	Notes	31.12.2023	31.12.2022
Trade payables to third parties		154	411
Trade payables to Group companies	3	3,145	12,323
Current interest-bearing liabilities to third parties	5	125,000	19,786
Current interest-bearing liabilities to Group companies		165,732	223,874
Other current liabilities to third parties		5,059	1,966
Deferred income and accrued expenses		34,441	34,326
Current provision to related parties	3	5,197	–
Total current liabilities		338,729	292,686
Long-term interest-bearing liabilities to third parties	5	332,439	454,912
Long-term interest-bearing liabilities to Group companies		358,453	316,706
Non-current provisions to related parties	3	5,039	–
Total non-current liabilities		695,931	771,618
Share capital	3	18,841	18,841
Statutory capital reserves			
– Reserves from capital contributions		77	77
Statutory retained earnings		16,185	16,185
Voluntary retained earnings	3	1,289	–
Treasury shares	3	(9,382)	(1,863)
Profit carried forward		424,358	400,007
Profit for the year		96,463	31,692
Total equity		547,831	464,939
Total equity and liabilities		1,582,491	1,529,243

NOTES TO THE STATUTORY FINANCIAL STATEMENTS OF IMPLENIA LTD.

1 — GENERAL INFORMATION

Implenia Ltd. is a Swiss public limited company incorporated in Opfikon, Zurich. The average number of full-time employees employed by the company was less than 50 (previous year: less than 50).

2 — SIGNIFICANT ACCOUNTING POLICIES

The present annual financial statements have been prepared in accordance with the provisions covering commercial accounting in the Swiss Code of Obligations. The key valuation principles applied, which are not prescribed by law, are described below.

Trade receivables and other current receivables

Trade receivables and other current receivables are accounted for at their nominal values. Specific valuation allowances are applied on an individual basis. A flat rate valuation allowance is applied to the remainder.

Investments

Shares in the capital of another company held long-term are regarded as a stake in a Group company once more than 50% of the voting rights are held. Investments in associates are investments in which between 20% and 50% of the voting rights are held. They are initially recognised in the balance sheet at cost. If there are concrete indications that the stake is overvalued, an impairment loss will be recognised. Shareholdings are measured separately.

Current and non-current interest-bearing liabilities

Bonds and convertible bonds as well as promissory note loans are recognised under interest-bearing liabilities at their nominal value. Issuance costs are capitalised as prepaid income and accrued expenses and depreciated over the maturity. If the financial liability matures within a year, the item is reported as a current interest-bearing liability.

Liabilities from lease obligations

Lease and tenancy agreements are accounted for in accordance with legal ownership. Accordingly, expenses as lessee or tenant are recognised as expenditure on an accrual basis. However, the leased or rented items themselves are not accounted for on the balance sheet.

3 — BREAKDOWNS AND EXPLANATIONS

Income from investments

In the financial year, the item contains dividend income of CHF 50.1 million (2022: CHF 78.6 million) from investments in Group companies and associates.

Income from sale of investments

In the reporting year, the item contained CHF 1.5 million profit from the sale of the 90.9% shares of Gustav Stumpf Verwaltungs GmbH & Co and 100% of the shares of Gebr. Ulmer GmbhH to a subsidiary of Implenia Holding GmbH.

Other operating income

In essence, other operating income contains expenses charged to Group companies.

Depreciation and change of valuation adjustments on non-current assets

In the reporting year, this item contained the reversal of value adjustments on financial assets from Group companies in the amount of CHF 45.6 million.

In the previous year, the item contained value adjustments on a loan to a Group company of CHF 6.9 million.

Income / expenses relating to other periods

In the financial year, this item includes income of CHF 4.3 million attributable to the subsequent offsetting of allocations within the Group in 2022, which is classified as relating to other periods (2022: expense of CHF 11.4 million from allocations within the Group in 2021).

Cash and cash equivalents

Cash and cash equivalents solely comprise bank deposits at sight.

Receivables from and liabilities to Group companies

Receivables from and liabilities to Group companies and associates have all been included in the financial statements under the items for receivables from or liabilities to Group companies.

Other current receivables from Group companies

The item mainly contained cashpool receivables from Group companies in the amount of CHF 228.9 million (2022: 32.1 million) and short-term loans to Group companies in the amount of CHF 14.0 million (2022: CHF 15.3 million)

In the previous year, the item also contained dividend receivables from Implenia Switzerland Ltd., Implenia Immobilien AG & Ina Invest AG in the amount of CHF 79.3 million.

Notes to the Statutory Financial Statements of Implenia Ltd.

Financial assets

Securities without a stock exchange price that are held on a long-term basis of CHF 1.1 million (2022: CHF 1.2 million) and derivative financial instruments of CHF 0.4 million (2022: CHF 1.1 million) are reported in the balance sheet item for financial assets from third parties. They are currency derivatives which were concluded to hedge currency risks. The derivative financial instruments are measured at fair value through profit or loss on the balance sheet date. Financial assets from Group companies and financial assets from associates contain long-term loans.

Investments in Group companies and associates

The item for investments in associates includes an investment of 42.5% in Ina Invest Ltd.

Provisions for related parties

The items for "Short-term provisions for related parties" and "Non-current provisions to related parties" include the provisions from the share-based compensation for the Implenia Executive Committee. This was shown in the previous year under "Accrued expenses and deferred income" in the amount of CHF 8.8 million.

Liabilities from lease obligations

As in the previous year, there are no material liabilities from lease obligations.

Significant release of hidden reserves

There was a release of hidden reserves of CHF 45.6 million in the financial year (2022: none).

Share capital

As at 31 December 2023, Implenia Ltd.'s share capital amounts to CHF 18,841,440, divided into 18,472,000 registered shares with a par value of CHF 1.02 each. The share capital is fully paid up. As at the balance sheet date, Implenia Ltd. also has conditional capital of CHF 3,768,288. Based on this conditional capital, share capital can be increased in line with the criteria set out in Art. 3b of the Articles of Association by a total of CHF 3,768,288. At the balance sheet date, no shares have been issued from the conditional share capital.

The following shares were allocated in the reporting year:

	Shares definitely allocated		Amount recognised in the income statement	
	2023	2022	2023	2022
Board of Directors	15,000	13,677	438	358
Group Executive Board	43,305	–	101	–
Managers	75,556	36,097	2,323	791
	531		21	
Total	134,392	49,774	2,883	1,149

Treasury shares (as a minus position)

	31.12.2023		31.12.2022	
	Number	CHF 1000	Number	CHF 1000
As at 1.1	64,954	1,863	63,854	1,246
Purchase	460,067	17,049	193,599	5,476
Sale and use for employees and Board of Directors	(260,849)	(9,530)	(192,499)	(4,859)
Total as at reporting date	264,172	9,382	64,954	1,863

Treasury shares are recognised at their acquisition value upon purchase. Upon treasury shares being sold, the negative item is reduced by the amount of the corresponding acquisition value. The difference between the selling price and the acquisition value is recognised directly in equity in the voluntary retained earnings and amounts to CHF 1,186,736 in the current year (2022: CHF 0). In the previous year, the difference was recorded as income.

Notes to the Statutory Financial Statements of Implenia Ltd.

4 — CONTINGENT LIABILITIES

in TCHF	31.12.2023	31.12.2022
Guarantees and contingent liabilities	166,989	183,581
Security for joint liability regarding the levying of VAT for the Implenia-VAT-group	p.m.	p.m.

5 — FINANCIAL LIABILITIES

Implenia Ltd. placed the following three bonds:

- CHF 125 million bond, payment under subscription 15 October 2014, interest rate (affecting liquidity) 1.625%, term 2014–2024, issue price 101.063%, ISIN CH025 359 2767, effective interest rate 1.624%
- CHF 125 million bond, payment under subscription 21 March 2016, interest rate (affecting liquidity) 1.000%, term 2016–2026, issue price 100.739%, ISIN CH031 699 4661, effective interest rate 0.964%
- CHF 175 million bond, payment under subscription 26 November 2021, interest rate (affecting liquidity) 2.000%, term 2021–2025, issue price 100.000%, ISIN CH114 509 6172, effective interest rate 2.161%

On 9 June 2017, Implenia Ltd. placed three fixed-rate promissory note loans totalling EUR 60 million:

- EUR 10 million, due in 2021, effective interest rate 0.927%. This was repaid in the 2021 financial year.
- EUR 20 million, due in 2023, effective interest rate 1.349%. This was repaid in the 2023 financial year.
- EUR 30 million, due in 2025, effective interest rate 1.792%

6 — DIRECT SHAREHOLDINGS AND SIGNIFICANT INDIRECT SHAREHOLDINGS

In the reporting year, there were no changes in the significant investments (voting rights and shares) apart from the acquisition of Wincasa AG).

Name	Registered office	Shareholding	Holding	Currency	Capital
Implenia Construction GmbH	Raunheim (D)	100%	Indirect	EUR	10,100,000
Implenia Cyprus Ltd., in Liquidation	Nicosia (CY)	100%	Direct	EUR	3,001
Implenia Holding GmbH	Rümmingen (D)	100%	Indirect	EUR	3,067,751
Implenia Hochbau GmbH	Raunheim (D)	100%	Indirect	EUR	20,025,000
Implenia Norge AS	Oslo (N)	100%	Indirect	NOK	12,491,068
Implenia Österreich GmbH	Salzburg (A)	100%	Direct	EUR	35,000
Implenia Real Estate Ltd.	Dietlikon	100%	Direct	CHF	30,600,000
Implenia Spezialtiefbau GmbH	Langen (D)	100%	Indirect	EUR	1,000,000
Implenia Switzerland Ltd.	Dietlikon	100%	Direct	CHF	40,000,000
Implenia Tesch GmbH	Essen (D)	100%	Indirect	EUR	255,646
Reprojet AG	Zurich	100%	Indirect	CHF	100,000
SAPA, Société Anonyme de Produits Asphaltiques	Satigny	100%	Indirect	CHF	500,000
Sisag SA	Abidjan (CI)	100%	Direct	XOF	492,000,000
Swiss Overseas Engineering Company	Onex	100%	Direct	CHF	200,000
Wincasa Ltd.	Winterthur	100%	Indirect	CHF	1,500,000

Notes to the Statutory Financial Statements of Implenia Ltd.

7 — EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of Ina Invest Holding Ltd. will propose to the Annual General Meeting on 3 April 2024 to merge the subsidiary Ina Invest Ltd. with the listed Ina Invest Holding Ltd. (upstream merger). The merger will simplify Ina Invest's corporate structure, improving efficiency and reducing costs. Ina Invest's business model remains unchanged.

Following the merger, Implenia Ltd. and the public shareholders will hold all shares in the listed Ina Invest Holding Ltd. directly. This does not change the shareholdings. Implenia previously held a minority stake of 42.5% in the subsidiary Ina Invest Ltd. and is expected to hold a stake of around 40% in Ina Invest Holding Ltd. in the future.

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

Retained earnings carried forward

in TCHF	2023	2022
Retained earnings at the beginning of the period	431,699	400,007
Appropriations of retained earnings resolved by general meeting:		
– Distributed to shareholders	7,341	–
Profit for the year	96,463	31,692
Retained earnings available to the general meeting	520,821	431,699

Proposal of the Board of Directors regarding the appropriation of available earnings

in TCHF	2023	2022
Retained earnings available to the general meeting	520,821	431,699
The Board of Directors proposes to the General Meeting the following appropriation of available earnings:		
– Distribution of a dividend of	10,926	7,363
To be carried forward	509,895	424,336

Proposed cash dividend for the financial year

The Board of Directors will request approval from the Annual General Meeting on 26 March 2024 for an ordinary dividend payment of CHF 0.60 per share (2022: CHF 0.40). As at 31 December 2023, the total amount for the dividend would have been around CHF 10.9 million. The definitive total amount will be calculated by multiplying the dividend by the number of shares entitled to a dividend payment on the dividend record date (2 April 2024). The number of dividend-entitled shares may change prior to the dividend record date.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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

Opinion

We have audited the financial statements of Implenia Ltd. (the Company), which comprise the income statement for the year ended 31 December 2023, the balance sheet as at 31 December 2023 and notes to the statutory financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 145–150) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Our audit approach

Overview

Overall materiality: CHF 8,000,000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

- Recoverability of investments and financial assets (Group companies)

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 8,000,000
Benchmark applied	total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is an appropriate benchmark for materiality considerations relating to a holding company.

We agreed with the Audit Committee that we would report to them misstatements above CHF 400,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report of the statutory auditor on the financial statements of Implenia Ltd.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of investments and financial assets (Group companies)

Key audit matter	How our audit addressed the key audit matter
Recoverability of investments and financial assets (Group companies) was deemed a key audit matter for the following reasons: Investments and financial assets (Group companies) recognised on the balance sheet represent a significant portion of total assets, amounting to approximately CHF 336.5 million (21%) and CHF 890.6 million (56%), respectively. Investments and financial assets (Group companies) are valued individually at acquisition cost less any necessary impairment charges. The valuations of the Group companies are derived by Implenia on the basis of the value of the underlying assets or by using the discounted cash flow (DCF) method, which involves significant judgement in determining the parameters, such as discount rates. Please refer to note 3 “Breakdowns and explanations” (page 147) and note 6 “Direct shareholdings and significant indirect shareholdings” (page 149) in the notes to the statutory financial statements.	To identify any impairment of investments and financial assets (Group companies), we performed the following main audit procedures: We compared the book values of the investments in the year under review with their pro-rata share of the respective company’s equity. Where there was little or no excess of underlying assets over book values, valuations were prepared using the DCF method, which we tested as follows: ▪ We checked the plausibility of the assumptions used by Management of the holding company concerning revenue growth, costs, long-term growth rates and margins. ▪ We compared the discount rate with the cost of capital of the Group, taking into account any country-specific considerations. The results of our audit support the assumptions used by the company when assessing the recoverability of investments and financial assets (Group companies) as at 31 December 2023.

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Report of the statutory auditor on the financial statements of Implenia Ltd.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Dr. Michael Abresch
Licensed audit expert
Auditor in charge

Astrit Mehmeti
Licensed audit expert

Zurich, 27 February 2024

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6 FURTHER INFORMATION

ALTERNATIVE PERFORMANCE MEASURES

In addition to those prescribed by IFRS, Implenia uses alternative measures to help it manage its business. The following overview explains the alternative performance measures (APMs) used in this report. The aim is to clarify the reasons for using these measures and to improve transparency and comprehensibility.

Definitions of alternative performance measures

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

APM	Definition
Operating performance at EBIT level	Operating performance at EBIT level is a measure of Implenia's operating performance excluding the impact of one-off effects, such as special transactions, restructuring provisions and other non-recurring effects.
Performance measures excl. IFRS 16	Performance measures excl. IFRS 16 adjust for the impact of the IFRS 16 leasing standard. Performance reports made to the Implenia Executive Committee and Board of Directors contain figures that exclude the impact of IFRS 16.
Production output	Production output is calculated as IFRS revenue plus the proportionate revenue from joint ventures (JVs) valued using the equity method. Production output is a purely statistical measure that reflects the work actually done by the Group for its clients.
Return on invested capital (ROIC)	This measure is defined as the ratio between EBIT and average capital invested, excl. rights of use from leasing, during the period under review. It is a measure of profitability and capital efficiency.
Visibility	Visibility is calculated as the order book for the current year divided by planned production output for the next reporting period. Visibility is an indicator of future assured capacity utilisation.

Alternative performance measures

Reconciliations

The following reconciliation shows the derivation of the alternative performance measures “production output”, “EBIT” and “operating performance at EBIT level”:

in TCHF	APM	1.1.–31.12.2023	1.1.–31.12.2022
Production output	X	4,203,874	4,152,567
Proportional revenue and services invoiced to JVs		(607,965)	(614,223)
Consolidated revenue		3,595,909	3,538,344
EBIT		122,620	138,861
Other expenses from leases		(4,865)	(6,193)
EBIT excl. IFRS 16	X	117,755	132,668
EBIT		122,620	138,861
Disposals (share / asset deals)		–	(4,880)
Restructuring		–	(2,083)
Other effects		(2,527)	3,072
Underlying performance at EBIT level	X	120,093	134,970

1 Production output in unconsolidated amount

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

in TCHF	APM	31.12.2023	31.12.2022
Cash and cash equivalents and fixed short-term deposits		478,809	609,040
Financial liabilities		(710,900)	(654,479)
Net cash position	X	(232,091)	(45,439)
Lease liabilities		182,194	165,776
Net cash position excl. lease liabilities	X	(49,897)	120,336

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

in TCHF	APM	1.1.–31.12.2023	1.1.–31.12.2022
Cash flow from operating activities		(30,371)	128,126
Investments in non-current assets		(70,187)	(42,838)
Disposal of non-current assets		27,438	24,392
Acquisition of subsidiaries		60,461	–
Sale of subsidiaries		–	14,317
Free cash flow	X	(12,659)	123,997
Impact of IFRS 16 Leases		(58,567)	(54,552)
Free cash flow excl. IFRS 16	X	(71,226)	69,445

CONTACTS, DATES AND IMPRESSUM

You can find all of Implenia's latest figures and information in our online Annual Report, which also includes additional video content.

Implenia's Annual Report 2023 and the latest Sustainability Report can be accessed at
implenia.com

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KEY DATES

Media and analysts' conference on the 2024 first-half results
21 August 2024

IMPRESSUM

Published by
Implenia Ltd., Glattpark (Opfikon)

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

Photos
Daniel Hager, Zurich;
Alessandro Della Bella, Winterthur;
Virtual image of Green Village Kyoto (page 32, top left): imagina.ch;
Spitallamm dam on Lake Grimsel (page 35, centre below): Jan Winiger, Durchgedreht Media

Cover image
Alessandro Della Bella, Winterthur

Texts
Implenia Ltd., Glattpark (Opfikon)

English Translations
James Knight, Leamington Spa, UK;
Apostroph Luzern AG
Hieronymus AG