Annual Report Ballast Nedam 2024

Ballast Nedam

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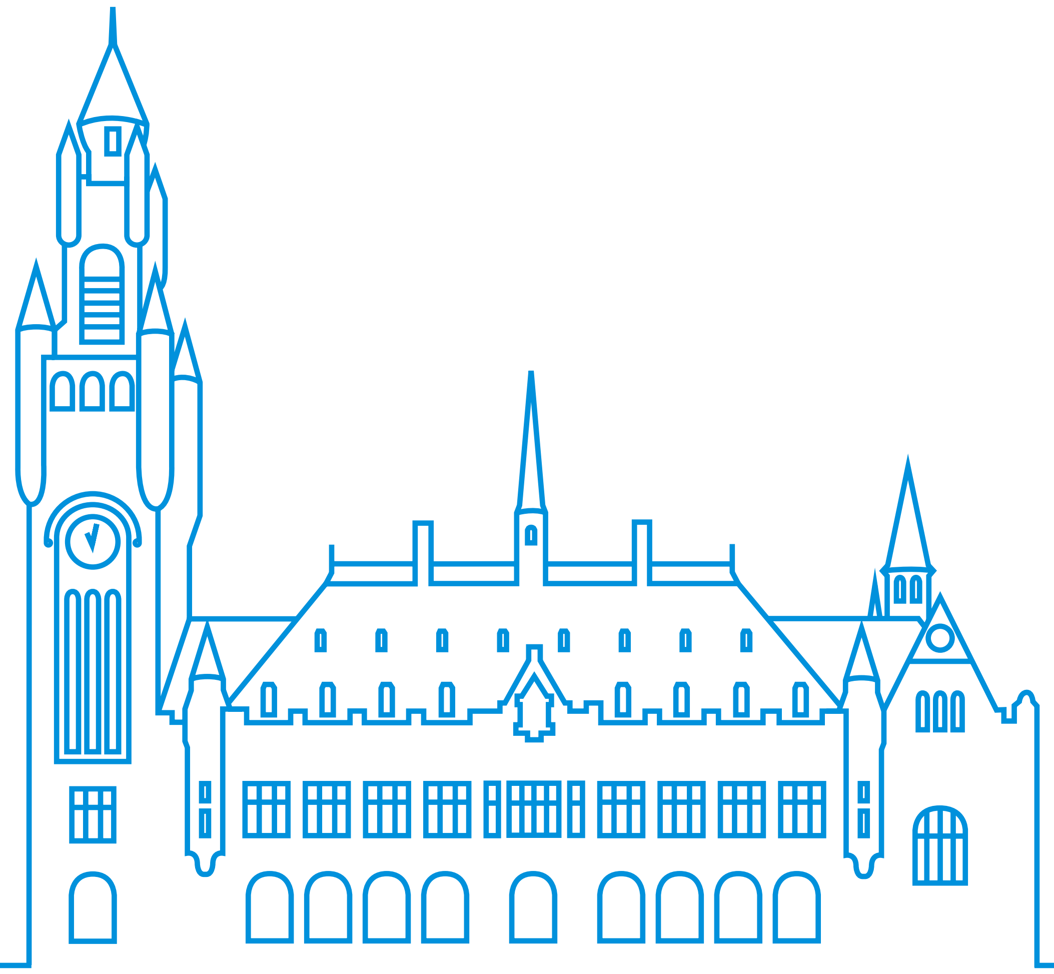


Chapter 1

CEO message

Driving change through partnerships and innovation

As we reflect on the year 2024, I am proud to share that Ballast Nedam has continued to build on its strong foundation, demonstrating adaptability and maintaining focus in the face of evolving challenges. This year, we achieved significant milestones in our commitment to sustainability, including a remarkable 51.5% reduction in CO_2 emissions for our Dutch activities in comparison to our baseline year 2019. This reduction was supported by the use of green electricity, our own solar and wind power production, zero-emission construction equipment, and innovative battery solutions. Our dedication to creating a safe and sustainable living environment, where health, comfort, and well-being are paramount, remains unwavering.

Our financial performance has been strong; we achieved a revenue of €1.2 billion with an EBITDA margin of 7.4%, a testament to our strong market presence and the firm trust of our clients. Our financial achievements this year are a direct result of our strategic initiatives, dedicated workforce, and innovative solutions. Our order book stands robust at €3.0 billion, ensuring a solid pipeline for sustainable future growth.

Focused approach and collaborative ecosystem

Our strategic focus on operational excellence, selective project acquisition and niche market approach has enabled us to successfully complete several groundbreaking projects, including wind and marine structures, modular building complexes, industrial transition projects and urban mobility and development initiatives. These projects not only enhance mobility and accessibility but also contribute to our goal of improving resilience against climate change.

Within our four growth areas — Construction, Infrastructure, Industry, and International — we create tailored product-market mixes. By serving as a platform for our diverse range of specialised companies, we help them grow in their core markets. This platform approach defines the sandbox for our companies and gives them freedom to act within it. By developing products for each market segment based on our clients' needs, we ensure that ownership and accountability stay close to the projects.

We view our operations as part of a larger ecosystem, where collaboration with our partners is essential. In this ecosystem everyone is interconnected, including our construction partners, design partners, clients, suppliers, subcontractors, as well as our own business units. We work closely together to nurture and sustain this ecosystem, knowing our success is intertwined with the success of our partners. Success is a collective effort, and no one can achieve it alone. Investing in relationships is essential for maintaining a healthy and well-functioning ecosystem.

We actively collaborate and support each other, in tenders and projects, strenghtening every member, ensuring the entire ecosystem thrives. By staying close to our clients and markets, we enhance our collective success.

Innovative adaptability

We offer comprehensive solutions to our clients' needs, resulting in a final product. This is why we always put people first. We work hard to enhance the entire client experience, knowing emotions often prevail long after the products are delivered.

Our focus on capabilities allows us to step outside traditional boundaries and explore new opportunities. By leveraging our strengths, such as our expertise in sustainable construction and advanced engineering techniques, we can seamlessly transition between marine and wind projects, or from designing energy-efficient residential buildings to developing sustainable industrial facilities. For instance, our work on the highly sustainable urban development project, Cartesius Utrecht, showcases our ability to adapt and innovate through its unique construction and assembly method. Understanding and utilising our capabilities is crucial to our success. This strategy will continue to drive our sustainable growth and innovation.

A strong year of growth and partnership

In 2024, we achieved strong financial performance, reflecting the positive outcomes of our strategic actions over the past few years. By focusing on improving our processes first, we have seen tangible results follow. Our commitment to operational excellence and ownership has been paramount. We consistently deliver on our promises and maintain transparency in our actions. This integrity has attracted more partners to join us and collaborate, further strengthening our market position. We are committed to continuous improvement, always eager to learn and adapt. This proactive approach ensures we never take our successes for granted or become complacent. We remain agile and responsive to industry changes, which is essential in the construction business. This mindset helps us navigate challenges and seize new opportunities with confidence.

Urban development and construction

The housing industry remains under pressure due to high regulatory demands and increasing labour and construction costs. Despite these challenges, we continue to lead in finding holistic, sustainable urban development solutions. Our regional construction activities range from small-scale land-based housing projects to large urban solutions for living, working, and leisure. Notably, we have increased the share of modular projects in our portfolio, such as the start of the largest modular construction project in the Netherlands, Waldorp Four, with 1,171 modular-built houses.

With the acquisition of Hurks Groep, effective from January 27, 2025, we expect to significantly strengthen our regional position in utility and residential construction, particularly in the southern and mid regions of the Netherlands. Strengthening our connections with local and regional customers and suppliers has been our primary motivation for this takeover, fully aligning with our strategic ambitions.

Infrastructure

In infrastructure, we are proud of the completion of the A24 Blankenburg project, a highly complex endeavour completed as part of the BAAK consortium.

The two-phase approach has proven successful, as seen in the A73 tunnel renovations (Roertunnel and Tunnel Swalmen). Using this same two-phase structure, we started the A27 motorway project from Everdingen to Hooipolder and will work hard in the coming years to make it a success.

With our renewed focus on renovating and maintaining existing infrastructure, we are dedicated to replacement, renovation, and maintenance within our portfolio and acquiring new projects in this area.

We are also putting more emphasis on wind and marine projects and investing in our resources in this area in order to offer broader solutions to our clients.

Industry

We continue to support our industrial clients in transforming towards more sustainable solutions. Industrial projects are complex and open to changes during construction, requiring a high level of stakeholder cooperation. We therefore focus on projects and clients where we can use partnership models and manage the risks together.

In 2024, we further solidified our position in the energy transition market by acquiring Ekinetix, a consultancy and engineering company specialising in the upscaling of hydrogen and CO_2 capture. This strategic decision aligns with our ambition to lead in sustainable solutions, enhancing our capabilities and providing significant synergy benefits. Ekinetix's expertise and project pipeline will help us better serve clients and open international growth opportunities.

International ambitions

Internationally, we continue to enhance our global reputation by undertaking large and complex construction projects. Our expertise in marine and water works, tunnelling, and utility buildings has positioned us as a leader in the international construction market. The challenging immersed tunnel project in Iraq, set for completion in 2025, showcases our tunnelling capabilities and commitment to delivering future-proof solutions. We also secured tunnelling projects in Germany where we support electricity distribution networks to grow further and prepare for the future.

With the integration of the international projects group of Rönesans Holding within Ballast Nedam in 2024, we started to see the added value in the combination of know-how and execution capability of teams in delivering international projects. This combination also increased our presence in international industrial projects.

Looking ahead, we remain at the leading edge of the energy transition, converting fossil fuel plants into sustainable alternatives and providing future-proof solutions on both national and international levels.

Navigating key transitions

In a world full of uncertainty and continuous variability, Ballast Nedam is at the forefront of driving change across key sectors such as energy, water, urban development, mobility, and industries. We embrace our responsibility to create sustainable solutions that positively impact both the planet and its inhabitants. At the same time, we recognise that these transitions bring opportunities for business growth and continuous improvement of our activities. Our vision inspires us to play a crucial role in these transitions, ensuring that every project we undertake contributes to a better and more sustainable future.

Digital and technological advancements are integral to our solutions and operations. We continuously test and apply advanced technologies and tools, from robots to AI and machine learning, across various projects and processes. These innovations enhance decision-making and boost efficiency, with the potential to be scaled across all units.

Ready for future milestones

Building on 2024's success, we aim to achieve even greater milestones in the coming years. Our focus will remain on enhancing our operational excellence, expanding our capabilities, and fostering strong partnerships.
I am confident that our dedicated team of over 3,000 professionals will continue to drive our success through their commitment, ownership, and entrepreneurial spirit.
Our future goals are ambitious. We aim to drive sustainable growth, innovate in our projects, and continue delivering exceptional value to our clients. With our strategic vision, innovative approach, and unwavering commitment to sustainability, Ballast Nedam will continue to thrive and positively impact the world around us.

Atilla Kemal Sağlam,
CEO Ballast Nedam

Chapter 2

History, purpose, vision and strategy

2.1 We are Ballast Nedam

At Ballast Nedam, we leverage nearly one and a half centuries of construction excellence to shape tomorrow's world. Since our founding in 1877, we have remained true to our Dutch heritage while embracing a global vision that transcends borders.

As a member of the Rönesans Holding group, we are the leading Dutch international construction company, bringing together time-tested expertise with innovative approaches to create sustainable living and working environments, landmark land and marine infrastructures, and industrial solutions. Our strength lies not just in our technical capabilities, but in our people-first philosophy that places human connections at the heart of every project.

We operate through a dynamic platform structure that empowers our teams to serve their local markets with the agility and understanding of a local builder, while leveraging the resources and expertise of a global organisation. This unique approach allows our people to forge deep connections with clients while delivering world-class results.

Our dual strategy of adapting international best practices to Dutch projects while exporting our distinctive Dutch engineering prowess globally creates a powerful synergy. This exchange of knowledge and experience enriches both our local and international operations, driven by the dedication and expertise of our diverse workforce.

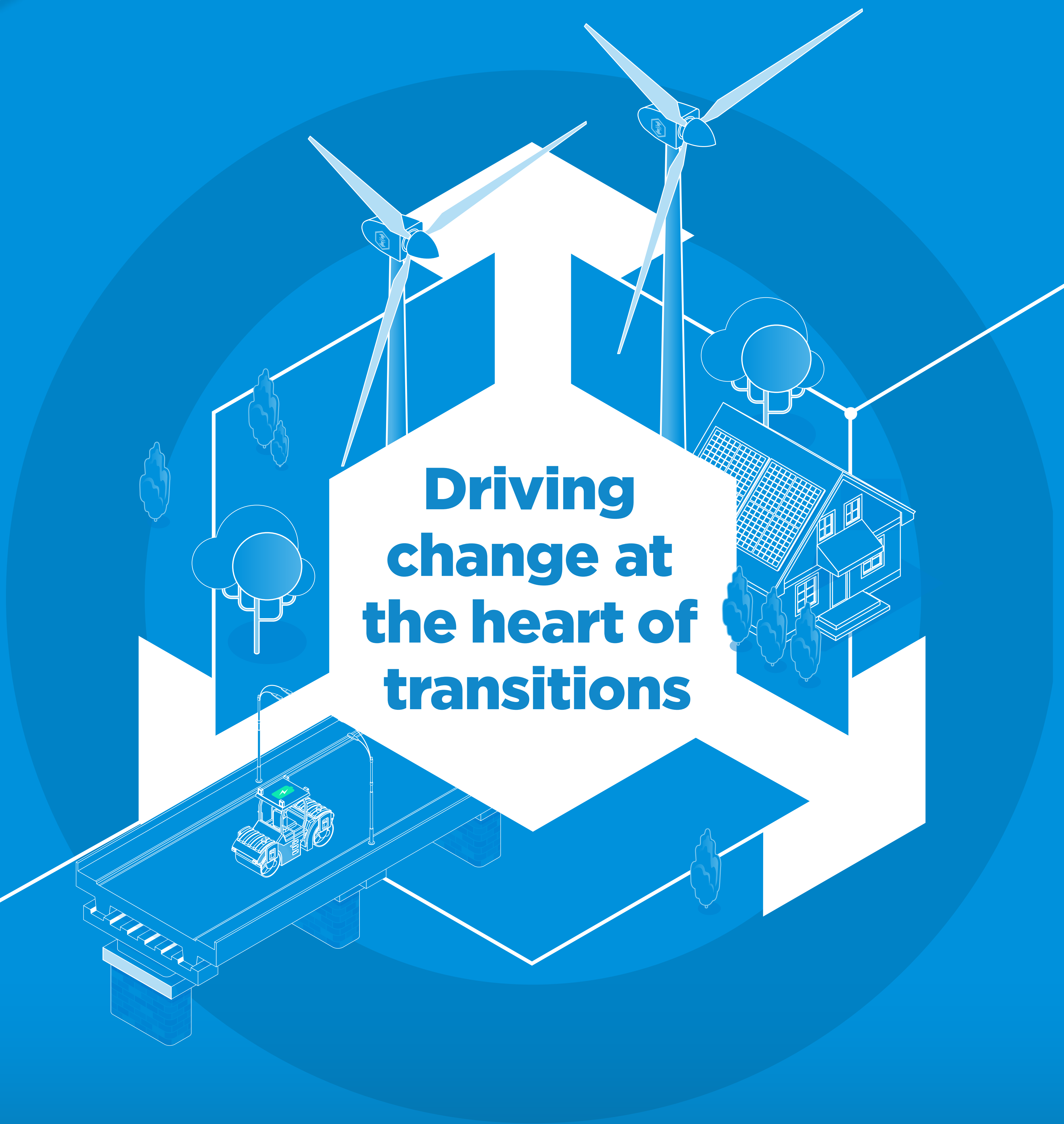
For 147 years, our pioneering spirit has propelled us forward, challenging conventions and pushing boundaries. Today, this legacy of innovation lives on through our people, whose entrepreneurial mindset and forward-thinking approach transform challenges into opportunities. Together, we're not just building structures: we're creating sustainable futures while nurturing the talent and potential of every team member who contributes to our shared success.

“As a well-established local company, we seamlessly blend our rich Dutch heritage with a forward-thinking global vision. Our commitment to innovation and sustainability, coupled with our people-first philosophy, makes us a trusted partner for clients both in the Netherlands and around the world."

- Atilla Kemal Sağlam, CEO Ballast Nedam

2.2 Purpose, vision and strategy

We are all about people



We are focused

We move internationally

Purpose

Building a sustainable living environment

At Ballast Nedam, we are driven by a commitment to sustainability and innovation. Our purpose is to empower our clients and partners to create a resilient and liveable world for today's and future generations. We achieve this through cutting-edge construction and development solutions. We believe in the power of collaboration within a connected network to achieve shared goals and build a sustainable future for all. Together, we build not just structures, but lasting legacies.

Vision

Driving change at the heart of transitions

We aim to be the premier partner for our clients and stakeholders, driving transformations in energy, water, urban development, mobility, and industries. By advancing cutting-edge technologies and innovative practices, we create sustainable solutions that positively impact our world. Our commitment is to inspire meaningful change and work together to build a better future.

Strategy

Enabling our clients to make change

Our strategy focuses on enabling our clients in making transitions happen in their field of work. Ballast Nedam is always looking for ways to accelerate these changes. Building on our long-standing history and robust position in the construction industry, our strategic direction will guide our efforts in the coming years.

Strategic pillars

Rooted in our purpose and vision, our strategy is built on three key pillars

We are all about people

At Ballast Nedam, we build on a foundation of knowledge and experience, driven by our dedicated team. We take pride in our people, recognising them as our most valuable asset. With ownership and entrepreneurship embedded in our DNA, we get things done.

In our ambition to be an employer of choice, Ballast Nedam invests in a safe, diverse, and inclusive working environment. Our 'Culture of Care' forms the solid cornerstone of our healthy organisation.

Whether with our co-workers, clients, or business partners, we believe that investing in solid collaboration drives change. To us, respectfulness, credibility, and modesty are key to building strong relationships and staying connected with our relevant stakeholders.

We move internationally

Ballast Nedam is *the* Dutch international construction company. With the added value and financial stability of our strong global parent organisation, Rönesans Holding, we merge our Dutch roots with a worldwide perspective.

By combining our unique local capabilities and agility with the strength of a large construction company, we ensure that every project benefits from global knowledge and local understanding.

This solid foundation provides us with continuous access to a robust workforce, enabling us to assemble expert teams for all (global) projects, and allows us to support our customers by structuring tailored financial solutions.

We are focused

We believe that excellence begins with expertise. That is why we consciously choose our markets and apply our skills where they matter most, ensuring precision and quality in every project.

We continuously improve our processes and systems to benefit clients, partners, employees, and the environment. At the same time we enhance our risk assessments, addressing and mitigating potential negative impacts across all levels of our business activities - from financial processes and tender selection to our CSR policy.

We balance efficiently carrying out our core activities with our responsibility to create a sustainable future. This journey requires many steps, and we are committed to progressing with the least possible negative impact and the best possible positive effect on our ESG perspectives.

What we do

Infrastructure
- Roads & highways
- Tunnels
- Bridges
- Harbours & quay walls
- Airports
- Wind energy

Buildings
- Superstructures
- Office buildings
- Commercial complexes
- Residential housing

Hospitals
- Hospital investments
- Facility management & consulting

Data & logistic centres
- EPC data & logistic centre development

Industrial
- LNG, oil & gas
- Refinery & petrochemical
- Power plants
- Nuclear power

Water
- Wastewater treatment
- Water & sea defense structures

Human capital
3,166 employees

Social capital
Rich Dutch heritage with a forward-thinking global vision

Intellectual capital
147 years of knowledge and experience

Natural capital
57,552 MWh energy consumption

Financial capital
Capacity to fund projects ourselves

Manufactured capital
Investments in electric construction site equipment

Driving change at the heart of transitions

Environmental
10.8 CO_2 intensity
20.8 Waste intensity

Social
2.0 IF International
3.1 IF Netherlands

Governance
Projects in 12 different countries

Financial
€1,232.6 mln turnover
€91.5 mln EBITDA

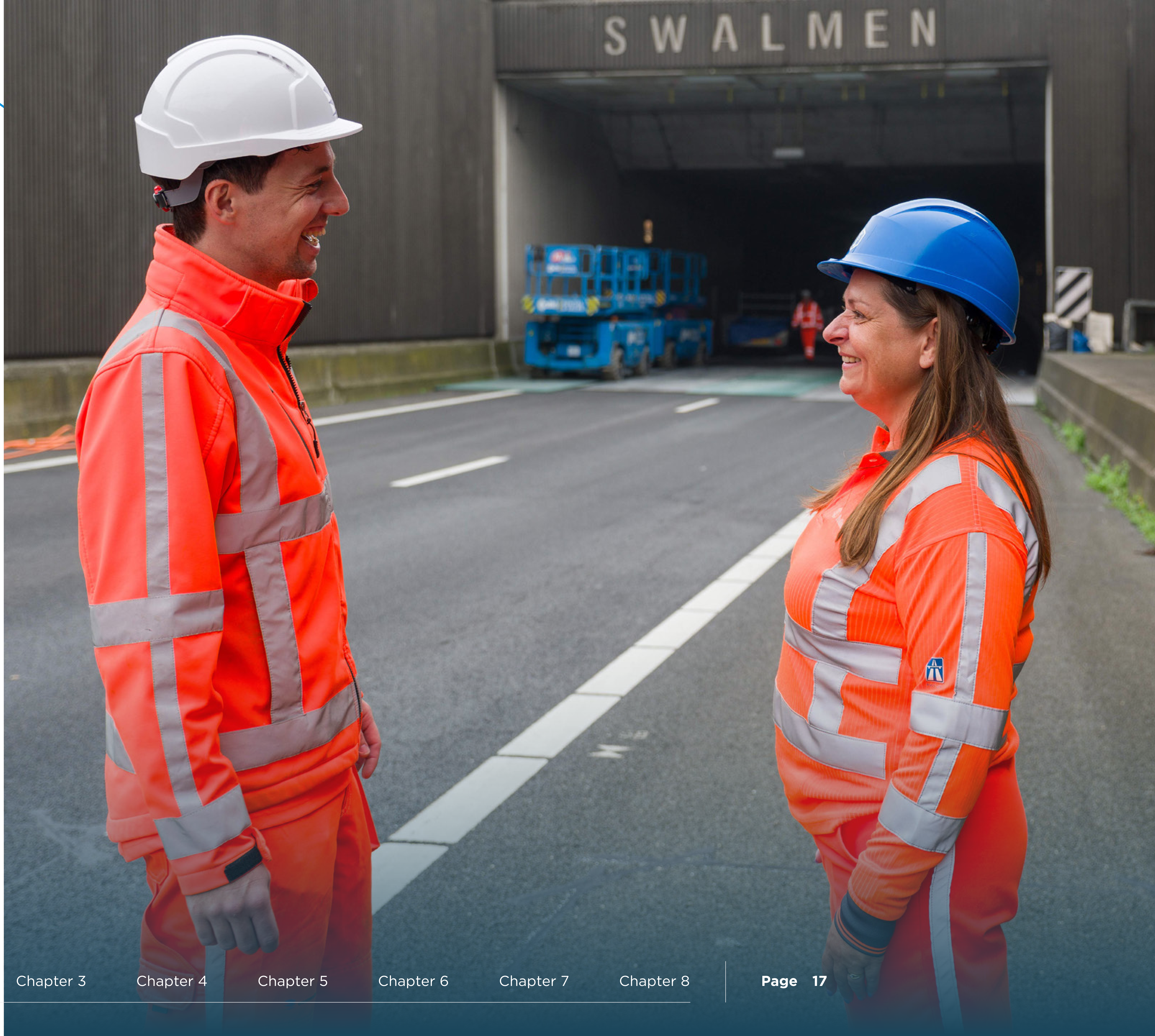
Contribution to SDGs
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

2.3 Organisational structure

Since 2015, Ballast Nedam has been a member of the Rönesans Group. Our immediate parent company is Renaissance Construction B.V., and the ultimate parent company is Rönesans Holding A.Ş., based in Türkiye. This partnership with a strong and internationally recognised organisation brings us stability, enhances our capabilities in specialised areas, and reinforces our global presence and international reputation. Rönesans Holding is a financial holding, whereas Ballast Nedam functions as a strategic holding, facilitating and supporting our operational business units.

Our structure is organised into two divisions:
Ballast Nedam Construction and Ballast Nedam Development.
Ballast Nedam Construction consists of four business lines:
Building Netherlands, Infrastructure, Industry,
and International.

Ballast Nedam fosters autonomy and an entrepreneurial spirit within all our companies. Operating as separate entities at the regional level, they stay close to their markets, clients, and partners. This localised approach and strong sense of ownership have proven highly successful, leading to a deeper understanding of client needs and consistently delivering higher value.



Ballast Nedam Construction

Building Netherlands

This business line is dedicated to acquiring and executing integrated projects in residential, commercial, and utility construction. The associated business units are specialised in project development, (modular) construction, transformation, renovation, maintenance, and heritage restoration. This business line is active in the local, regional, and national markets. Additionally, it is responsible for the maintenance and servicing of selected projects within our portfolio, providing process direction, advisory support, and risk management.

Infrastructure

The Infrastructure business line consists of our business units operating in various areas of expertise: large, integrated, and complex infrastructure projects; tunnel renovations (including maintenance and servicing); wind energy and maritime solutions, including immersed tunnelling; and associated production capacities (e.g. asphalting, specialist excavation works, foundation techniques). This business line serves both the (regional) domestic market and the international market.

Industry

The Industry business line is specialised in civil engineering and mechanical installations, ranging from maintenance to large-scale new construction, for industrial clients in sectors such as petrochemicals, oil and gas, steel, food, and energy. This business line also offers its expertise in consultancy and engineering focused on the energy transition, particularly promoting the upscaling of hydrogen and CO_2 capture. Additionally, it covers the design and production of precast concrete solutions.

International

This business line specialises in large-scale and complex projects worldwide including ports, hospitals, highways, waterworks, and tunnel construction. It provides Engineering, Procurement, and Construction (EPC) services for industrial plant projects in sectors like oil & gas, petrochemical, fertiliser, power, and renewable energy. Additionally, it focuses on constructing cutting-edge technological structures such as data centres, EV battery factories, robotic warehouses, and biotechnology facilities.

Ballast Nedam Development

Ballast Nedam Development is dedicated to creating vibrant living and working environments in urban areas. This division delivers innovative, sustainable, creative, and high-profile solutions for residential spaces. Through strategic investments, effective management, and the development of both public and private projects, Ballast Nedam Development often exceeds legal sustainability requirements. By setting new market standards, it strives to create a level playing field for all stakeholders.

See figure 1 'Organisational structure' for an overview of our divisions, business lines, and business units.

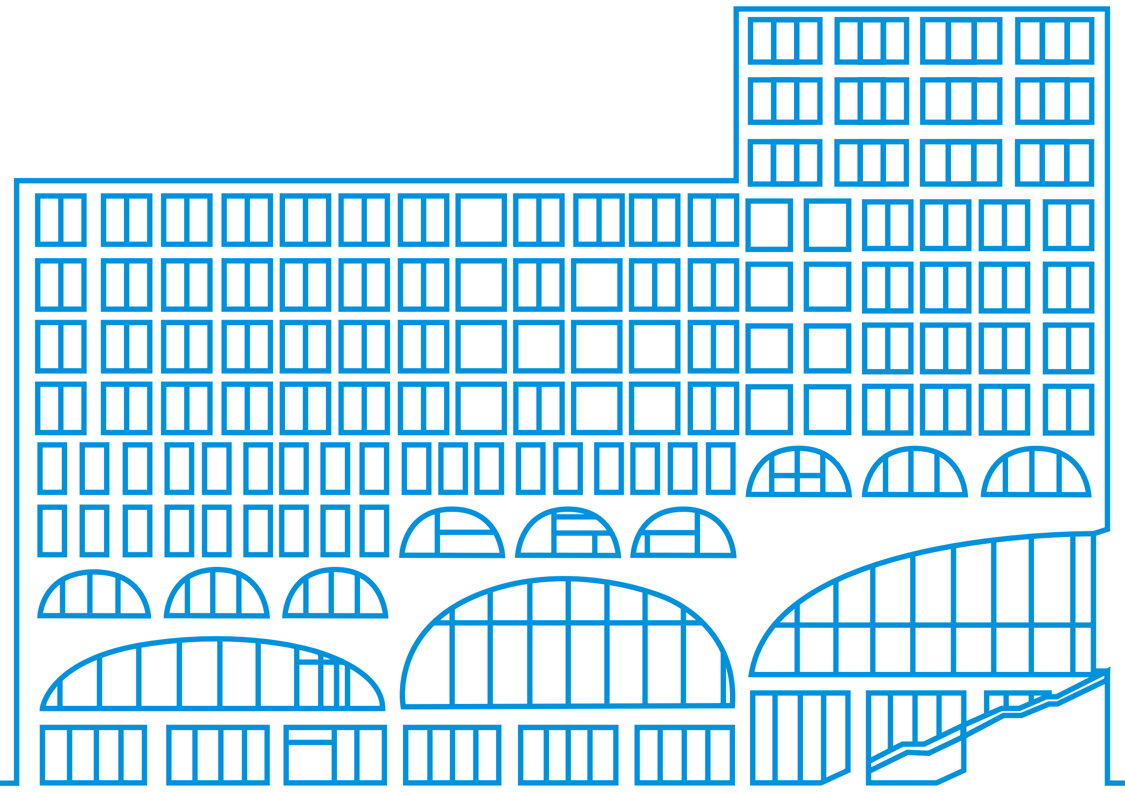


Figure 1 Organisational structure

- **Ballast Nedam Construction**
  - Building Netherlands
    - Heddes Bouw & Ontwikkeling
      - Ursem Modulaire Bouwsystemen
    - Ballast Nedam West
    - Laudy Group
      - Laudy Bouw & Ontwikkeling
      - Laudy Vastgoedontwikkeling
      - Willems Bouwbedrijf
    - Ballast Nedam Zuid
    - Hurks Group (acquired on 27.01.2025)
    - Ballast Nedam Asset Management
  - Infrastructure
    - Ballast Nedam Large Projects
    - Ballast Nedam Infra Technologies
    - Ballast Nedam Wind & Marine
    - Ballast Nedam Regional Infra
      - Ballast Nedam Road Specialties
      - Mouwrik Waardenburg
      - Ballast Nedam Foundation & Excavation Solutions
  - Industry
    - Ballast Nedam Industriebouw
    - Haitsma Beton
    - Ekinetix (acquired on 28.11.2024)
  - International
    - Ballast Nedam International
      - Industry
      - Technologic Structures
      - Regional
    - Ballast Nedam UK LTD
    - Heitkamp Construction Swiss
- **Ballast Nedam Development**

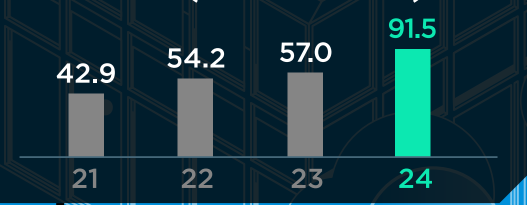
Chapter 3

Business review

Financial statements

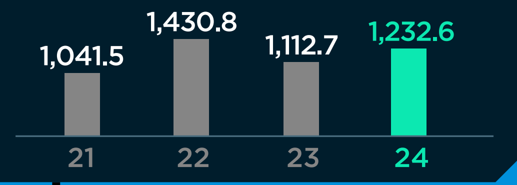
91.5 mln

EBITDA margin increases to 7.4% (2023: 5.1%)



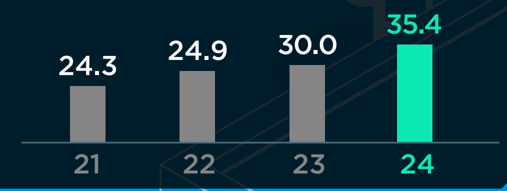
1,232.6 mln

Turnover aligns with strategic medium-term targets



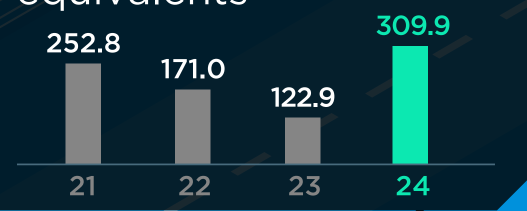
35.4%

Solvency exceeds the levels of our best years



309.9 mln

Cash and cash equivalents



2,953.0 mln

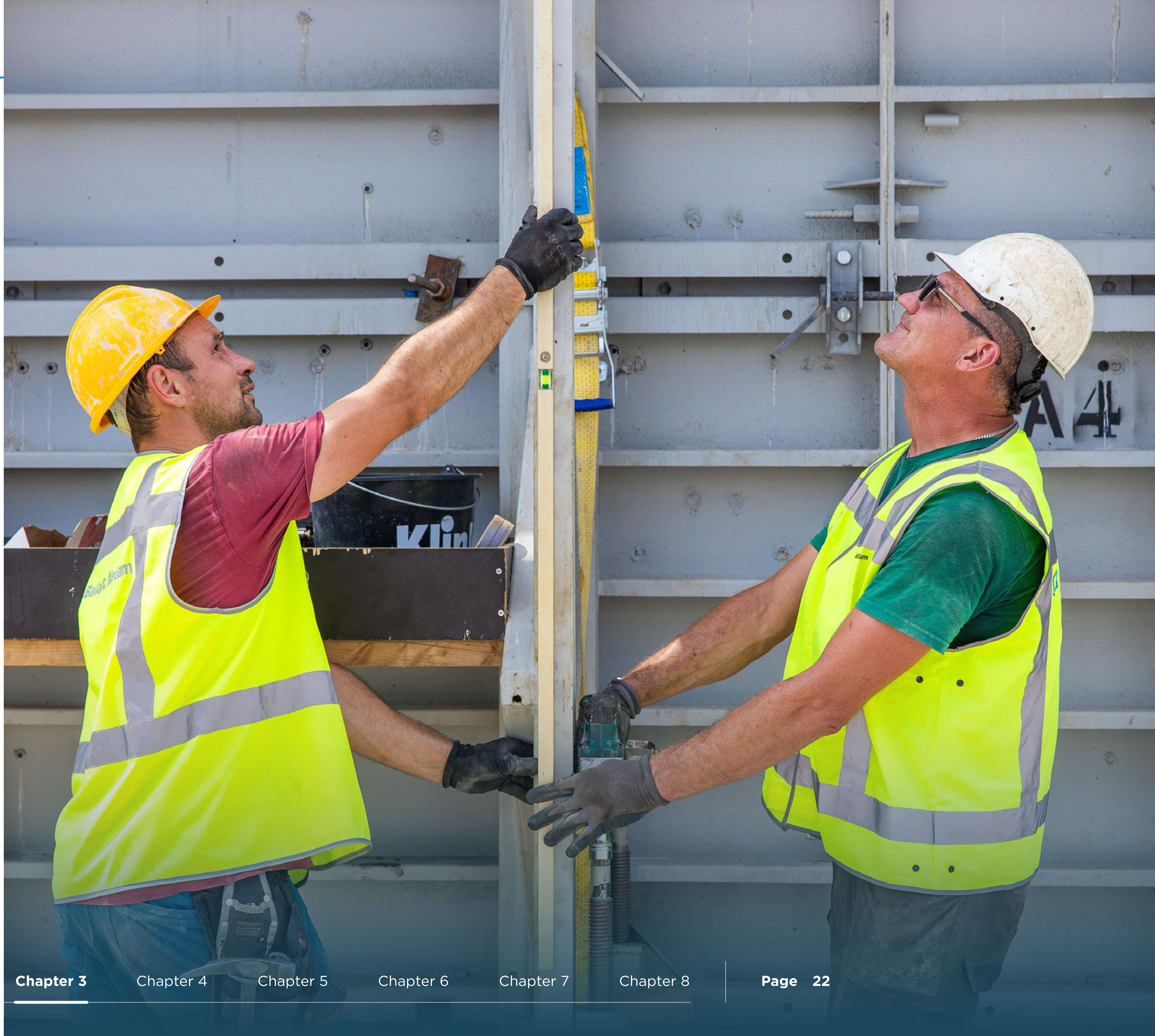
Order book secures stability and further growth opportunities

3.1 Financial results

3.1.1 Revenue

Our revenue increased in 2024 from €1,112.7 million to €1,232.6 million. This increase includes the reflection of our international growth. Revenue generated by joint ventures in 2024 amounted to €211.1 million (2023: €135.3 million). This is equivalent to €1,443.7 million (2023: €1,248.0 million) in total revenue for the company if all joint ventures were consolidated proportionally. The activities of Ballast Nedam are supported by the sustainable demand for new homes, infrastructure improvements and the energy transition.

Revenue from Dutch Construction activities – meaning Building Netherlands and Infrastructural works Netherlands – amounted to €463.9 million (2023: €507.2 million) and €254.4 million (2023: €302.2 million), respectively. Total revenue from Construction activities in the Netherlands was €718,3 million (2023: €809.3 million). The revenue of Ballast Nedam Development was €71.6 million (2023: €119.6 million). Ballast Nedam Industriebouw, with its extensive experience in specialised civil works and mechanical installations, generated a revenue of €88.2 million (2023: €126.1 million).



The revenue from services rendered of €10.2 million (2023: €13.7 million) is mainly related to maintenance services. The trading and other revenue of €44.9 million (2023: €33.6 million) relate to revenues from rentals of equipment, tender cooperation fees, buying and selling of construction materials and lease income from investment property. Ballast Nedam group ('Ballast Nedam N.V. and its subsidiaries') remains firmly focused on enhancing its project portfolio and healthy growth in the coming years (given ordinary market circumstances).

3.1.2 Results for the year

Ballast Nedam continued its strategy of running a healthy company by continuously striving for operational excellence. As a result, the company generated an income from operating activities in 2024 (including results from joint ventures) of €66.3 million (2023: €38.2 million). The company has a healthy EBITDA of €91.5 million (2023: €57.0 million) and the net result before tax was €57.2 (2023: €25.7 million). Ballast Nedam has a well-diversified project portfolio and the vast majority of the business units are positively contributing to the financial performance.

3.1.3 Order book

Ballast Nedam has a strong order book of €3.0 billion (2023: €1.3 billion). This results in an order book to revenue ratio of 2.4 (2023: 1.2). The order book contains multiple noteworthy new and existing projects. These range from small to large-sized, covering many of our expertise. Our international activities contribute positively to the growth in order book.

3.1.4 Shareholders' equity and cashflow

This year, shareholders' equity increased from €304.6 million to €491.8 million. This was mainly due to a capital contribution and our net profit for the year. This year's solvency ratio is higher than our best performance years, outflow based on the phases in a project and pre-financing positions of some large construction projects with a deteriorated result. Operational cashflow 2024 amounts to €186.5 million positive (2023: €101.3 million, negative). Net cashflow from investing activities was negative, at €54.0 million (2023: €8.8 million, negative) which includes the investments in property, plant and equipment and investment properties. The positive cashflow from financing activities totalling €54.6 million (2023: €61.9 million positive) is mainly the result of net cashflow from capital contributions of €100.1 million (2023: €35.0 million). This resulted in a positive cashflow for 2024 of €187.1 million, compared to the negative €48.2 million cashflow of 2023.

3.1.5 Assets and liabilities

Total assets amounted to €1,390.6 million (2023: €1,014.8 million). The total assets position includes cash position of €309.9 million (2023: €122.9 million), intangible assets €19.5 million (2023: €19.4 million) and deferred tax assets €50.8 million (2023: €31.8 million). The working capital ratio of Ballast Nedam is 1.4 (2023: 1.3).

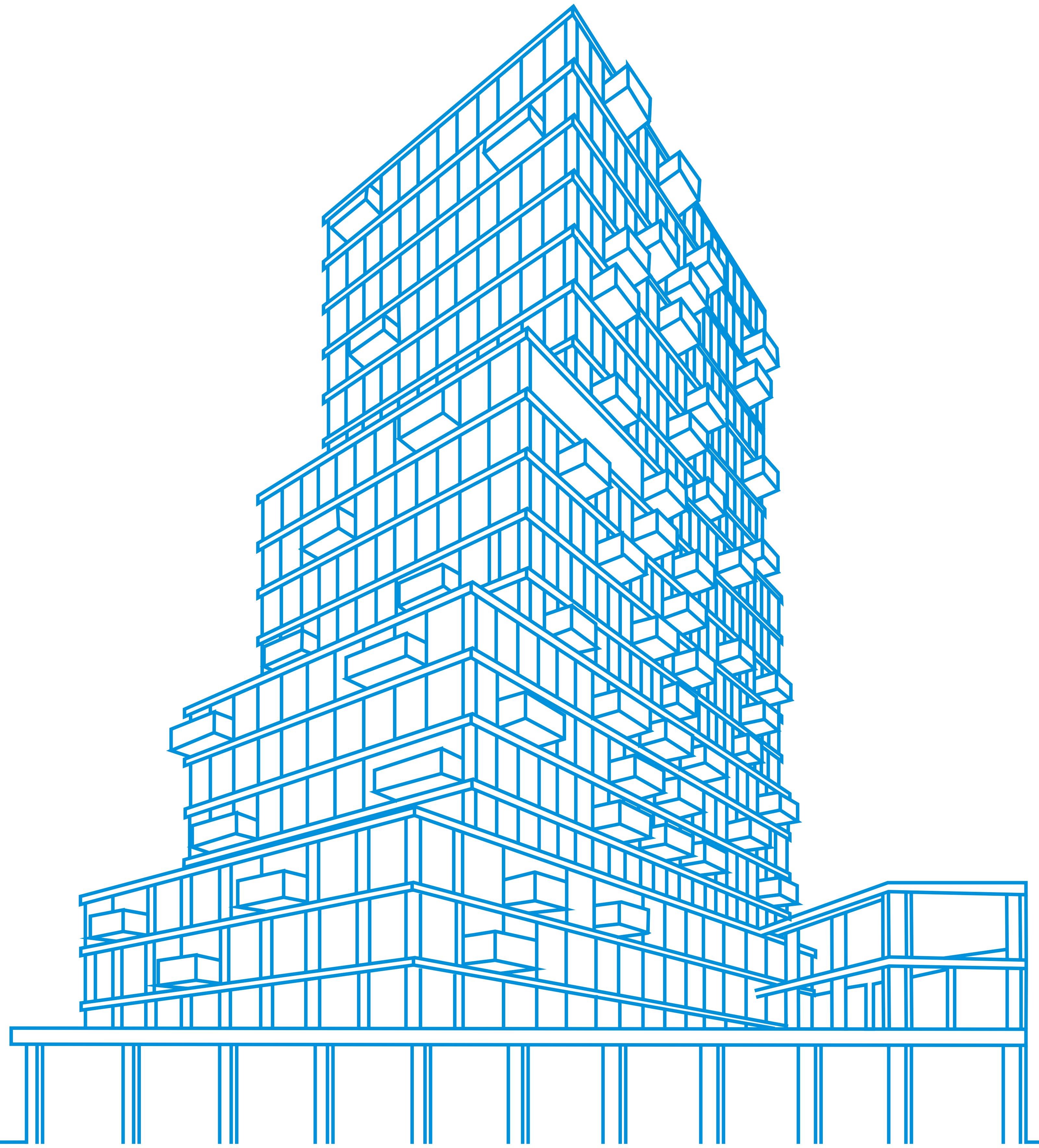
3.1.6 Structured financial solutions

Ballast Nedam combines its in-depth industry knowledge with financial expertise gained over many years. Leveraging our strong network consisting of national and international commercial banks and export credit agencies – such as Atradius Dutch State Business, the Triple A rated Dutch export credit agency, we offer to our clients tailored financial solutions to realise infrastructure and construction projects globally. In 2024 Ballast Nedam supported its clients to secure debt financing of about €200.0 million with the cover of Atradius Dutch State Business for two projects being executed outside of the Netherlands.

3.1.7 Project highlights

A brief selection of our 2024 project highlights:

- Start of the highly sustainable urban development and construction project, Cartesius Utrecht.
- Winning the tender for Amsteloever Amsterdam for the redevelopment of 335 homes and the surrounding area.
- Construction of over 400 luxury apartments in Hyde Park, Hoofddorp.
- Transformation of an office into residential space in MIX Amsterdam, creating 528 homes and various commercial spaces.
- Progression of the Singelblok in Amsterdam with more than 400 rental homes in the social, mid-range, and free sector rental segments.
- Start of construction of Timbr, a modular project that includes 158 rental homes.
- Start of construction of Waldorp Four, the largest modular construction project in the Netherlands, with 1,171 modular-built houses.
- Completion of the highly innovative laundry facility for Nedlin Healthcare, built according to the sustainable BREEAM Outstanding standard.
- Repair and restoration of the collapsed retaining wall at Vief Köp, Maastricht.
- Realisation of a new distribution centre, Aviation Maastricht, of 13,000m^2.
- Completion of the extensive A24 Blankenburg project: a new motorway connecting the A20 near Vlaardingen with the A15 near Rozenburg.
- Renovation of the A73 tunnels (Roertunnel and Tunnel Swalmen): replacement & renovation and renewal of tunnel systems.
- Dyke reinforcement of Rijnkade Arnhem, using almost exclusively electric equipment.
- Start of execution of the A27 motorway project: improvement of 40 kilometres of motorway between Everdingen and Hooipolder.
- Opening of bicycle bridges in the Municipality of Almere, an important step in improving accessibility for its residents.
- Immersed tunnelling project Khor Al Zubair in Basrah, Iraq: installation of 10 tunnel elements.
- Opening of the completely renewed terminal of Princess Juliana International Airport on St Maarten, after its destruction by hurricane Irma.
- Start of construction of the hurricane-resistant Black Rocks Harbor on the island of Saba.
- Koole Tankstorage Botlek, Rotterdam: fabrication and installation of modular pipe bridges for a new tank terminal for storage of vegetable oils.



3.2 Outlook for 2025

At Ballast Nedam, we continue to challenge ourselves to improve and adapt to changing market conditions.

3.2.1 Markets and businesses

We believe in healthy, sustainable, and profitable growth that fits together with our business focus and capabilities. We do not want to become complacent and actively evaluate our own performance as part of our ongoing commitment to improve our business, add value for our clients, and protect the environment. We expect sustained but limited growth in the Dutch market in the short term. Therefore creating value for each and every project while organising with lean practices is of the utmost importance to prepare for the next phase of future growth. We maintain our focus on projects that are repetitive in terms of process building methods, to be able to reuse the knowledge and experience and manage risks in a controlled manner. We are also committed to improving the value created in projects by focusing on a quality order book through selective and strategic tendering, as well as through our refined processes and the ownership culture we embrace.

Even though urbanisation, easing of interest rates, better predictability of construction costs, and improved investor confidence are supporting the housing demand, we see that the market for housing construction is still under pressure due to legislation, labour shortages, and network congestion. Our building construction companies, as well as our development group, continue to find novel solutions and add positive contribution to the ambitions in the Dutch housing market.

In the Dutch infrastructure market, we see the new large projects market is stagnant and growth opportunities are limited. That is why we have reorganised our infra division into four distinct product market mixes and built in-depth expertise and focus on energy transition, climate adaptation projects, and transportation. We manage our risks by focusing on more selective tendering, two-phase contracts, and relatively low-risk profile replacement, renovation, and maintenance projects.

Our industrial group focuses on the Rotterdam and Antwerp areas where the market is poised for growth in 2025. We aim to achieve reduced energy costs, including hydrogen in the energy mix, and enhancing infrastructure connectivity. We also invested in an engineering company focused on hydrogen systems in order to support this pillar.

Ballast Nedam is the international Dutch contractor with many years of experience, and this is embedded in our company's DNA. We identify our product market mixes and seek specific projects where we can add value through our engineering and execution capabilities, as well as with our international know-how of financing structures. In this respect, the Caribbean and Africa have always been our focus areas and will continue to be so in 2025. We are also developing new markets in Eastern Europe and Asia for future growth opportunities.

3.2.2 Human capital

We expect our headcount requirements to grow steadily in line with our business plan, while keeping employee turnover at healthy levels. Our people remain key factors in our success by maintaining the right expertise and culture.

We want our people and teams to excel and continue to make sustainable contributions to the success of our clients and company, while enabling them by providing the freedom to achieve their ambitions. This, in return, boosts productivity and creates a great environment to work in.

In 2025, we will continue to invest in our approach to performance, development, and knowledge-sharing. We will focus on leadership and talent management, through succession planning to more consistently plan our human capital. By placing greater emphasis on succession planning, we expect to create more career opportunities, resulting in higher retention. We will continue to award excellence, while recognising every valuable contribution to our business. We continue to strive to meet the appropriate and ambitious diversity and inclusion targets as we recruit new, and promote existing, employees. We will continue to invest in social return and develop partnerships with parties like Refugee Talent Hub, among others, to meet our social responsibility. We will facilitate work-life balance, fair rewards, equal pay, and recognition as we believe these are key to an engaged and productive workforce. We have started with a new ARBO partnership to boost returning to work and prevention activities.

3.2.3 Financing

Ballast Nedam is financially healthy and prepared to grab future opportunities in the construction industry while navigating challenges when they arise. Ballast Nedam has relationships with a number of financiers who provide both project and corporate financing. These financial institutions, as a result of new environmental regulations, are increasingly focused on ESG responsible investments and show a more proactive interest in our ESG commitments. With our healthy financial structure and evolving ESG ambitions, we are confident in managing our financing arrangements effectively by maintaining long-term relationships with these financial institutions. More information regarding financing is included in chapter 6.

3.2.4 Investments

The solvency ratio of 35.4% provides Ballast Nedam with an excellent position to support future expansion and investments. In addition to organic growth, there are also opportunities for continued growth in national and/or international acquisitions of companies. Also, this could consist of investments in (real estate) development.

The emphasis on sustainability, risk reduction, and control has driven demand for digitalisation and technology. Solutions include Advanced Building Materials and Methods, Automation and Robotics, Advanced Project Management Tools, Data Analytics, and Electrification and Automation of Construction Equipment.

Chapter 4

Sustainability statements

4.1 Reporting approach

To deliver sustainable outcomes we need to thoroughly understand how our activities interact with the context we are working in and what topics are important for us. We determined the material Environmental, Social and Governance (ESG) topics for our company by updating our materiality assessment in 2023 and 2024. In this update, we have considered the requirements stemming from the Corporate Sustainability Reporting Directive from the EU (CSRD), added the 'outside-in' approach and aligned the analysis with the expansion of our international activities.

4.1.1 Double materiality assessment

We have an impact on our environment (inside-out) and the changing environment will influence our activities as well (outside-in). These two perspectives have been used to analyse a broad range of ESG topics. This 'double materiality assessment' (DMA) is based on requirements set by the CSRD.

In order to assess this impact and determine which ESG topics are material for us, it is essential to involve our internal and external stakeholders. Their knowledge and perspectives provide us with important additional knowledge and insights and enrich our assessment. Therefore, we conducted internal interviews and workshops with many knowledge holders from all levels of our organisation. In addition, we interviewed various external stakeholders, such as investors, NGOs and partners.

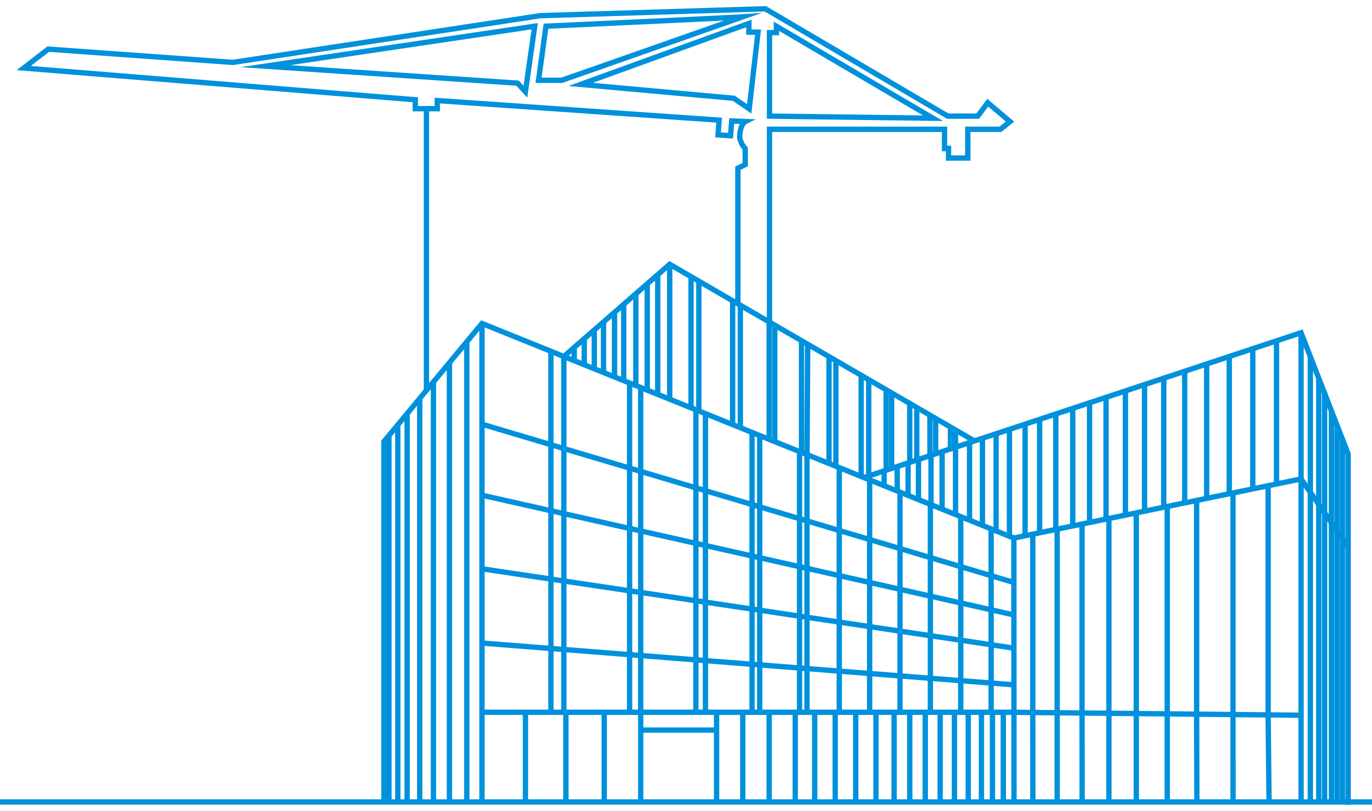
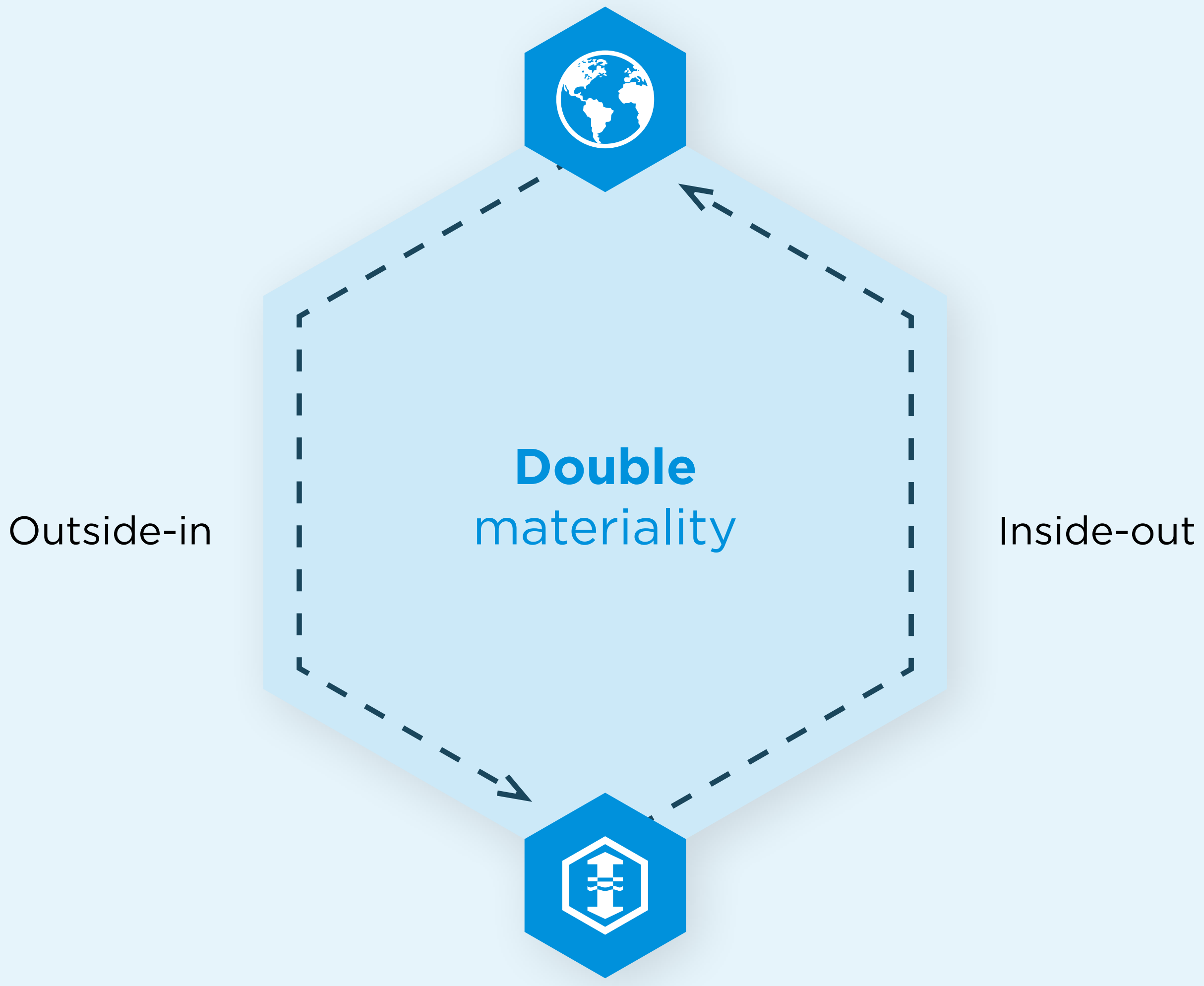


Figure 2 Outside-in and inside-out



4.1.2 Determination of topics

The material topics were determined in four steps. First a longlist of potential relevant ESG topics was drafted, based on the Corporate Social Responsibility (CSR) policy, competitor reports, ESG standards, and sector information. Second, this longlist was scored in dialogue with a broad range of stakeholders. In several conversations with internal CSR specialists and content owners, the longlist of topics was scored based on scale, scope, irremediability, and likelihood of each topic. Third, the scoring resulted in a shortlist that was presented to the CEO and CFO, who confirmed the list.

Finally, the shortlist became subject to an Impact, Risk and Opportunity (IRO) analysis, executed by the CSR team, and relevant department heads (topical experts). This analysis scored the impact and financial materiality of every topic from 1-5. The impact materiality was based on scale, scope, and irremediability. The financial impact score was based on the magnitude and likelihood of the impact.

By jointly scoring these topics, we engaged the involved colleagues, and their relevant knowledge. This resulted in a sense of responsibility among department heads to become content owners of their topics and to set our ambitions, KPIs and policy interventions.

Integration of RET

As from 2024 Ballast Nedam acquired 100% of the shares of the company Rönesans Endüstri Tesisleri İnşaat Sanayi ve Ticaret Anonim Şirketi (RET). This altered the scope of the previously executed DMA. RET had already performed a DMA with our parent company Rönesans Holding. The content owners of RET extracted the material topics and compared them with the DMA of Ballast Nedam. All the findings were discussed during multiple sessions with internal stakeholders from both organisations and processed in the IRO by adding explanatory texts and updating the scores. As a result, Responsible Business Conduct became a material topic. Due to an increase in international projects this topic became of higher importance.

Figure 3 Double materiality process

1. Longlist of topics

- Analysis of sustainable context and peers.
- Internal discussion with Business Units and staff.
- Comparing outcomes with what is discussed in the media.

2. Stakeholder dialogue

- Internal interviews and workshops with general foremen, project directors, new hires, staff, management and directors.
- External interviews with clients, investors, banks, assurance companies, NGO's, branch organizations and partners.

3. Final list of topics

- Analysis of outcomes of all interviews.
- Selection of material topics by Board of Management, Director CSR, Head of Reporting.

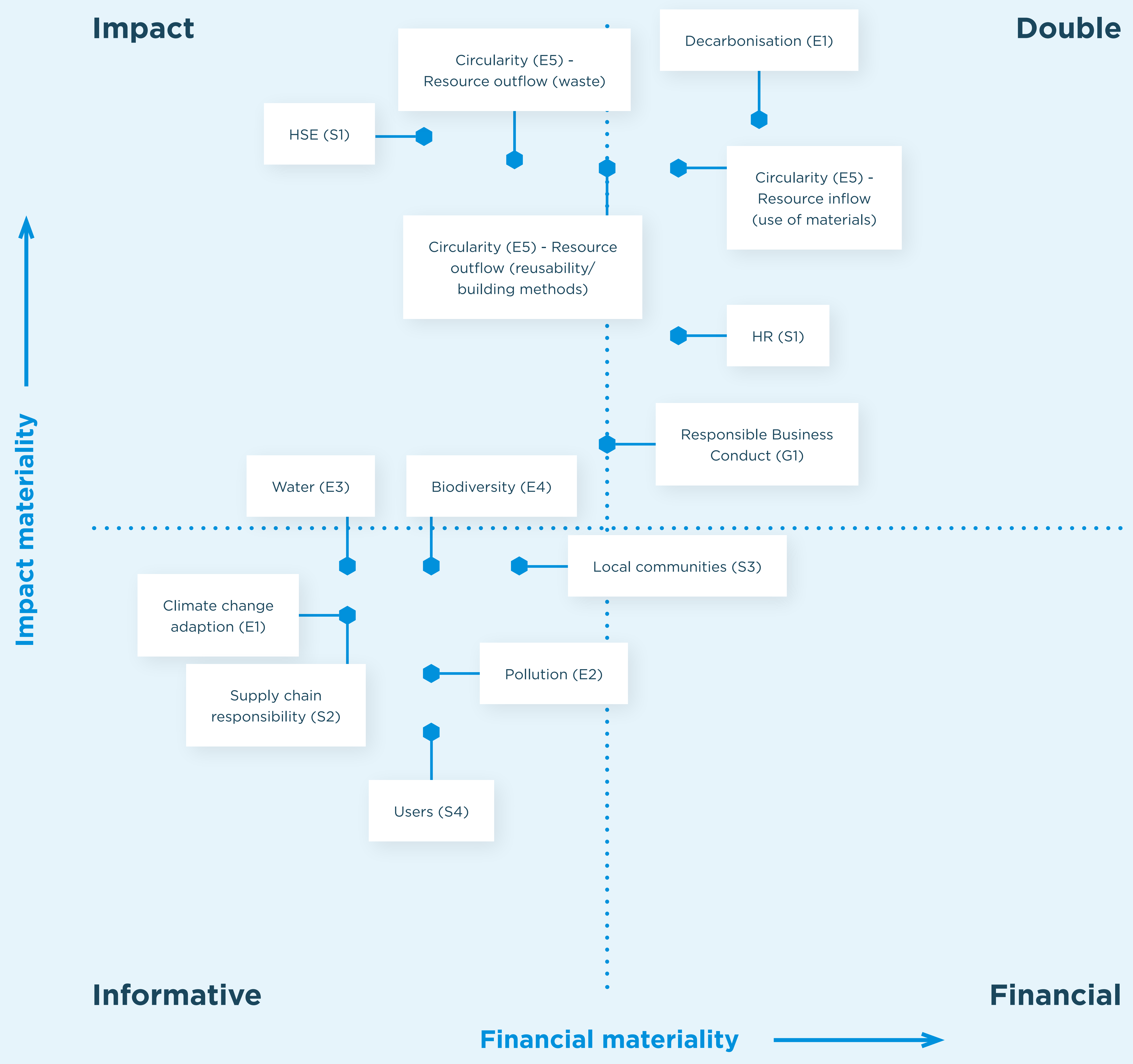
4. Analysis & action plan

- Impact, Risk & Opportunity analysis (IRO).
- Setting ambitions, objectives, targets, KPI's and approach & governance.

Material topics

The topics were plotted in a matrix with four quadrants. The threshold between the different boxes was set on a score of 2.5 out of 5. When we look at the plots below, we can see that several topics require mandatory action, monitoring and reporting. These are all the topics situated in the “Impact”, “Double” and “Financial” quadrants. We have identified five main material topics, which will form the next parts of this ESG chapter. We have included topic E1 as two separate topics in our shortlist: Climate Change Adaptation and Decarbonisation, of which Decarbonisation is classified as material. E5 has been divided into three sub-topics, which all turned out as material topics: use of materials, waste and reusability/building methods. Also, the S1 Own Workforce has been analysed in two different topics, which turned out to be both material: Health and Safety (HSE) and Human Resources (HR).

Figure 4 Matrix of material topics



E1 Decarbonisation (Chapter 4.3) – Material from a double perspective. In addition to our own emissions, the production and application of all materials that we use in our projects are accompanied by the emission of greenhouse gases. In addition, during the usage phase of the finished projects there will also be emission of greenhouse gases. Our cost prices will potentially increase with new regulations around climate change prevention. Since we construct on demand, we can mostly include these costs in the project price determination and agree with our clients, but not always or not always completely. To reduce our emissions, we are going to use more electrical equipment, which requires large investments from us. Despite the low emissions of renewable power, it is still important to reduce total energy use and thus reduce energy costs and availability risks.

E5 Circularity (Chapter 4.4) – There are three sub-topics within Circularity that are all material: resource inflow material use, resource outflow waste and resource outflow reusability / building methods. Our projects are material intensive (resource inflow), and the sourcing of these materials has an impact on our planet. When materials become scarce, delays in delivery are our risk and the additional costs of this cannot always be passed on to our clients. In comparison, the impact of our waste (resource outflow) is smaller, but because we have an influence on the quantity, degree of separation and processing method, it is an important factor for our sustainability performance. When we can influence the construction method, we have the chance to improve the reusability of materials at the end of the project's life (resource outflow).

S1-HSE (Chapter 4.5) – Material from an impact perspective. Construction comes with safety risks, which means that people can get injured or sick. Especially at our construction sites. When an accident occurs or when we do not work according to the guidelines, a project can be stopped by clients or regulators. This can have a financial impact but will be isolated to this single project. Therefore, the financial impact is not large.

S1-HR (Chapter 4.6) – Material from a double perspective. The success of our projects is highly dependent on our people. Attracting and retaining enough qualified people in our own workforce is crucial for our business continuity. Diversity, training and skills development are important for this. At the same time, we have an impact on the job satisfaction and therefore also the well-being of our employees to a large extent.

G1 Responsible Business Conduct (Chapter 4.7) – Material in between double and impact perspective. We have expanded our international activities and work in more countries than in previous years, which means that we have to comply with more and more diverse local regulations that differ per country. Our construction sites are also situated further away from the head office. It is therefore important that the guidelines and work instructions are clear to remote employees and that they apply them correctly (compliance) to minimise the risk of fines, projects being stopped, delays, or reputational risk. It is therefore important that the guidelines and work instructions are clear to remote employees and that they apply them correctly (compliance) to minimise the risk of corruption, bribery and violations of human or workers' rights. This helps prevent projects from being stopped and delayed and avoids fines or reputational risk.

Other ESG topics

The other topics in the "Informative" quadrant are not (yet) material for Ballast Nedam. Topics situated in the "informative" quadrant require monitoring, but do not require immediate strategic action. Two topics are close to becoming material: Biodiversity, and Local communities. We are also engaged in sector initiatives about the definitions of non-employees in our own workforce (S1) and workers in the value chain (S2). When employees of subcontractors who are working at our construction site are going to be considered as workers in the value chain, then S2 can become material for us as well.

Biodiversity - In the Netherlands the deposition of nitrogen has to be reduced to restore or maintain the biodiversity in nature sensitive areas. The effectiveness of initiatives from other sectors in reducing this deposition can affect us, making biodiversity and nitrogen a bigger issue for future projects in our construction sector. We see that some construction companies determine biodiversity as a material topic already, while this did not turn out to be a material topic for us after our assessment and interviews. We decided not to designate this topic material for now but will closely monitor this topic and assess annually if it becomes material.

Local Communities - The topic Local Communities falls in the informative quadrant but can become material for our international activities, which are affected by the acquisition of RET. Due to our expansion in international activities, we also have more impact on local populations in the countries we operate in. We will continue monitoring our impact and the way these communities impact our business and assess if this topic will become material in the future.

Sustainability matters

There are several matters within each material topic that concern us. With our DMA we considered not only the material topics, but also the underlaying matters. These matters are further explained in the relevant chapter.

Material topic	Sustainability matter(s)
Decarbonisation	GHG emissions
	Energy consumption
Circularity	Resource inflow - Use of materials
	Resource outflow - Waste
	Resource outflow - Reusability/building methods
Health and Safety	Safety on the construction site
HR	Attracting and retaining our people
	Diversity
	Training and skills development
Responsible Business Conduct	Corruption and Bribery, Human/workers rights

Managing our progress

Our CSR policy describes our material ESG topics, objectives, targets and the policies we have implemented for these. The ESG targets are passed on to each business unit and each quarter the progress is evaluated with the Board of Management. The CSR Director has a pre-meeting with the business unit Director to discuss the progress and to ensure that those responsible understand the current performance and take ownership.

Each material topic has a content owner on group level, who has knowledge about the subject, sets the direction and participates in external initiatives for improvements.

The CSR Director has a CSR team of sustainability professionals who contribute with knowledge about current sustainability legislation, principles and calculation methods. They help the business units with templates, gathering correct and complete data and sharing best practices. Together they cover all necessary aspects to improve our ESG performance.

4.2 Sustainability reporting principles

Ballast Nedam's aim to improve the ESG reporting in 2024 to align more closely with CSRD requirements, has resulted in this set of sustainability statements, which are part of the management information provided in this report.

Basis of preparation

The sustainability statements of Ballast Nedam N.V. for the 2024 financial year comprise the parent company Ballast Nedam N.V. and its subsidiaries ('Ballast Nedam' or the 'Group'). The scope of the financial statements is the same as the scope of our sustainability statements, with the exception of value chain information in the sustainability statements (scope 3) which includes, among others, our interest in associates and joint ventures. In the case of acquisitions or disposals of entities, the data of the acquired or disposed entity is included for the period that the entities are included in the consolidated financial statements of Ballast Nedam, unless disclosed otherwise. The context in which we carry out our Dutch and international activities differs. Therefore, in some cases, we choose to report separate targets and metrics. When we refer to 'Dutch activities' or 'NL', we mean our business lines Building Netherlands, Infrastructure, and Industry (all part of our Construction division), as well as our division Ballast Nedam Development, including the projects these business lines and division execute outside of the Netherlands. When we refer to 'international activities', we mean our business line International.

Ballast Nedam applies the GHG Protocol Corporate Accounting and Reporting Standard to define the organisational boundary for reporting sustainability information. Regarding emissions reporting, Ballast Nedam applies the 'share of equity' approach to account for sustainability information and data. With respect to reporting on safety, Ballast Nedam also has (parts of) the value chain in scope. Detailed definitions are included in the subsequent chapters with the reported numbers.

Sources of estimates and uncertainty

For part of the reported figures, we have used estimates and proxies to determine the reported figure, e.g. scope 3 carbon emissions and worked hours used for safety calculations. The figures reported are Ballast Nedam's best estimate. Given our ambition to increase our insights in the upcoming years or due to the expected increase in quality of third-party data used, the methodologies and quality are expected to improve in the future.

Forward-looking information

By their nature, forward-looking information, like plans and targets, involves risk and uncertainty because the information relates to future events and circumstances. There are many factors that could cause actual results and developments to differ materially from those expressed or implied.

Reporting errors and changes in preparation or presentation

Prior period errors are omissions from, and misstatements in, our sustainability statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- was available when financial statements for those periods were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

  Changes in estimates result from new information or modifications to the estimating techniques affecting the calculated figure.

When preparing the reported figures, Ballast Nedam assesses the consistency of methodology and data used compared to the prior period for the determination of the figures. Changes in the preparation and presentation of the sustainability information compared to the previous reporting period can occur. No material restatements have been included in the sustainability statements.

European Commission Omnibus Proposal

The European Commission announced the Omnibus Proposal on 26 February 2025, a new legislative measure aimed at simplifying corporate sustainability reporting. The proposal includes postponement of the reporting timelines by two years until 2028. Ballast Nedam will continue its preparations and monitor final scoping and reporting requirements.

Decarbonisation

4.3 Decarbonisation

4.3.1 Strategy and vision

Ballast Nedam is committed to keep the projected global warming below 1.5 degrees Celsius and underlines the need to reduce CO_2 emissions and the role that we play in this transition. With our CSR policy, of which our decarbonisation and climate transition plan is part, we manage our impact risks and opportunities (IRO) related to climate change mitigation. This policy and underlying plans are approved by the Board of Management and form a central part of our overall business strategy. The measures are included in our financial planning and are monitored on a quarterly basis during the business progress meetings.

4.3.2 Impacts, risk and opportunities management

The emission of greenhouse gases (GHG) into the atmosphere impacts climate change, and the building and construction industry is one of the largest emitters of greenhouse gases.[1] Ballast Nedam has influence on its emissions by using fossil fuels (scope 1), electricity and district heating (scope 2). There is also influence on more indirect emissions, in the way of embodied carbon of used materials and design of projects generated along the value chain (scope 3, upstream), and operational carbon during the lifetime of the finished projects (scope 3, downstream).

Climate change also has impact on Ballast Nedam in return. To analyse the risks and opportunities for Ballast Nedam, a resilience analysis has been conducted for the short and medium term. The Taskforce on climate related financial disclosure framework has been used to identify climate related risks and opportunities. There are physical risks, as well as transition risks identified in relation to climate change.

Extreme weather forms a physical risk that can lead to delays in project execution, fluctuating availability and prices of raw materials, higher liability, additional insurance premiums and the construction of facilities to counteract flooding and heat stress. Costs can mostly be passed on in the total price of the project, but not always or not always completely. This makes the impact less severe, but still present for our business. Also, our development projects and projects with long lead times can be negatively affected if costs increase. No significant assets have been identified that are at acute or chronic material physical risk. The asset base of Ballast Nedam consists mainly of machinery and equipment and buildings in the Netherlands.

[1] Global status report for buildings and construction, UN Environmental programme, 2024.

Considering advanced building methods in the Netherlands and limited extreme weather that would threaten the usability of these assets, the assets are considered to have low physical climate risks.

The transition risks involve our long-term investments needed for the electrification of our equipment which can only be earned back after multiple projects, while it is not certain that the electricity supply is sufficient at every project site. The availability of the correct equipment at the right time is also uncertain. Because we have been reducing our emissions for many years, the cost effects of legislation on pricing greenhouse gas (GHG) emissions will be moderate, and these additional costs can be included in the offer price. No significant assets have been identified that are at transition risk. The asset base consists largely of assets that are considered sustainable, for example electrified equipment or electric cars. In addition, it is not expected that in the short to medium term legislation will be introduced that prohibits the use of these assets. For our international projects, the assets are usually purchased for the duration of the project, which limits the transition risk. Currently there is no indication that liabilities from material transition risks are to be recognised in the financial statements.

Additionally, we see a risk that the value chain is not always fully aware of all regulatory changes and technological advances during the transition, while we depend on them to take the necessary steps quickly enough. This is why we participate in various sector initiatives and regularly discuss this with our important partners and suppliers.

The risks have been identified and assessed during the DMA process and the likelihood of these risks in the short term is considered medium to high. But in general, the business model of Ballast Nedam is considered to be resilient, and we are able to adapt to changing market conditions and regulations. By making the necessary investments in electrified equipment and having sufficient knowledge about developing building methods, Ballast Nedam will continue to deliver value for customers and the environment.

The transition to a carbon-free construction industry also brings many opportunities. With our electric equipment, we can outplay other competitors when clients and governments require sustainable construction sites. Additionally, there is an increasing demand by clients to use more sustainable materials and new buildings that need to become (Near) Zero Emission Buildings, which can potentially increase our turnover and possibilities to distinguish ourselves from other companies. With our international mindset and experience we can use our knowledge globally to help countries adapt to climate change.

Climate transition plan (E1-1, E1-2, E1-3)

A plan to reduce our GHG emissions has been implemented for our Dutch activities since 2012 and has been strongly focused on reducing our own direct CO_2 emissions (scopes 1 & 2). From 2019 to 2024, we achieved a 51.5% reduction of scope 1 and 2 emissions in our Dutch activities. In addition, Ballast Nedam is certified at level 5 of the CO_2 Performance Ladder (best performing). The 2024 verification of the scope 1 and 2 emissions was provided by external audit company DNV Business Assurance.

We have drawn up a specific reduction plan for our scope 1 and 2 emissions and set ambitious and realistic targets (see 4.3.3). In addition to moving away from fossil fuels, we also focus on reducing our total energy consumption. In this way we reduce the risk of rising energy prices and prevent grid congestion which makes the overall energy transition more feasible. The Climate transition plan is part of our CSR Policy 2024-2026 and has been implemented in the current operation. In 2024, we expanded our approach with a more extensive mapping of our indirect scope 3 emissions.

Scopes 1 and 2
To reduce our scope 1 and 2 emissions, we are improving our energy efficiency and switching from fossil fuels to (renewable) electricity. In the Netherlands we purchase renewable electricity from Dutch origin for all our activities. Additionally, we have set up a Virtual Power Plant (VPP) in which we generate renewable electricity with solar panels ourselves. We allocate this energy on a quarter-hour basis to our own energy consumption, ensuring that we truly generate our own renewable energy.

For our international activities we will purchase more green electricity in the future where this is available, especially in countries where the national grid average has high emissions.

Our reduction plan for scopes 1 and 2 is further based on four levers: construction sites, mobility, production sites, and offices. In the Netherlands, construction sites (diesel) and mobility (diesel and petrol) account for more than 85% of our scope 1 and 2 CO_2 emissions. We take the following actions to reduce these emissions:

Construction sites
Most equipment at our construction sites runs on diesel, which is the main part of this lever. The emissions of construction sites account for 67% of our CO_2 footprint. In the Netherlands we aim for fully CO_2 neutral construction sites by 2030. Therefore, we take actions in two fields:

1. *Zero emission equipment*

We will invest in zero emission equipment to electrify our equipment step by step:
- Small equipment (up to 56 kW) emission-free from 2025
- Medium heavy equipment (56-130 kW) emission-free from 2028
- Heavy equipment (130-560 kW) emission-free from 2030
- Very heavy equipment (>560 kW) emission-free from 2035

2. *Charging infrastructure*

With the electrification of our mobility and machines, charging will become more and more important. At the same time, there is grid congestion in the Netherlands, so new grid connections are not always easy to obtain or do not offer sufficient capacity. To address this problem, Ballast Nedam has invested in battery packs, among other things, and the possibilities for biogas and/or hydrogen generators are being investigated.

Mobility
In the Netherlands we use lease cars, of which a significant share still runs on fossil fuels. We consider our leased cars as scope 1 or 2, because we have considerable operational control over them. Mobility represents 26% of our CO_2 footprint. Only electric variants of passenger lease cars are currently being ordered, resulting in a fully electric car fleet at the latest by 2028. With regard to our commercial vehicle fleet, we aim for a fully electric fleet at the latest by 2030. In the interim, we encourage the use of HVO fuel (Hydrotreated Vegetable Oil). For international projects, mobility forms a much smaller part, because most workers stay on site for longer periods and do not use lease cars.

For our international activities we will investigate the possibilities for electric vehicles as well and use our Dutch experiences to accelerate the transition.

Production locations
Our production locations are running on gas and (renewable) electricity. Since 2019 we have achieved 65% CO_2 reduction by improved efficiency. They currently represent 3% of our CO_2 footprint. Our aim is that all locations will be gas-free and largely meet their own power needs by 2030.

Offices

In our offices we use gas or city heating for heating, cooling, and business operations. Offices account for 4% of our CO_2 footprint. We have made the commitment that all our own office buildings, as well as the office buildings under our control, will be Paris Proof by 2040. Where possible, all offices will be gas-free by 2030. For a few offices, such as the monumental Laudy office in Sittard, this will not be possible. For these offices, the most economically feasible technical application is being considered.

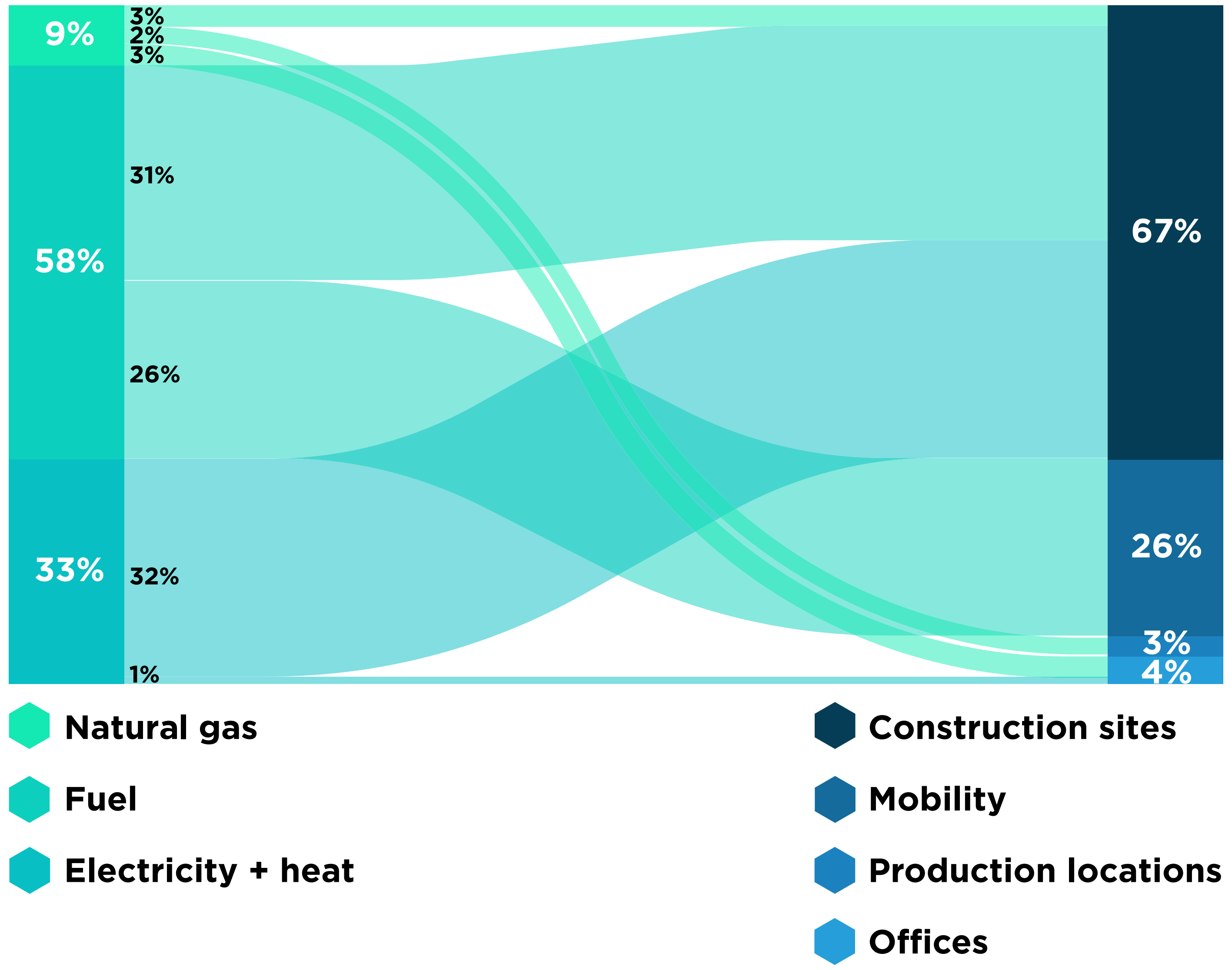
Scope 3

In 2024, we started mapping our scope 3 emissions according to the upstream and downstream categories of the GHG protocol. We also separated our scope 1 and 2 emissions into tank-to-wheel (TTW) and well-to-tank (WTT, scope 3). In 2025, we will further develop our scope 3 calculations for our Dutch activities and extend this detailed method for our international activities. Together with our supply chain partners we will establish a well-substantiated total baseline and set a target for our absolute scope 1, 2, and 3 emissions for 2030. We already see that our most important levers are our emissions of purchased goods for the upstream and energy consumption of our sold products for the downstream.

In anticipation of the 2025 baseline, we have started to draw up our scope 3 emissions according to the GHG protocol. In 2024, we only report the upstream categories. The scope 3 downstream emissions will be added from 2025 onwards.

Total CO_2 emissions scope 1 & 2

Energy carriers and levers



CO_2 intensity scope 1 & 2

Upstream

Upstream emissions arise from activities earlier in the value chain and are categorised in eight categories. For the Dutch activities we focus on the emissions of our purchased goods from both suppliers and subcontractors, including the transport of these goods (categories 1 and 4). We also take into account the emissions for the production of capital goods, as well as the well-to-tank emissions purchased and consumed by Ballast Nedam (categories 2 and 3). In addition, we are working with our partners on data for waste production (category 5) and we already report on business travel and commuting (categories 6 and 7). Category 8 (upstream leased assets) is not applicable for Ballast Nedam. From 2025 onwards, we aim for our own development projects to comply with the Paris Proof material-related CO_2 emission limit values (Embodied Carbon). This means that the CO_2 impact of the construction process and the use of materials for new constructions is taken into account.

Downstream

Downstream emissions arise mostly from the delivery of products and are divided into seven categories. We start with mapping the emissions for two categories: our sold products (category 11), and the emissions of our joint ventures and associates (Investments, category 15).

E1-4 Targets Total

ESRS ID	Indicator	Unit	Previous 2023	Actual 2024	Short term 2024	Short term 2025	Medium term 2030
E1-4_05a	CO_2 intensity scope 1 and 2 (Total)	tCO_2eq/mln€	-	10.8	-	27.9	16.9 (-45%)
E1-4_05b	CO_2 intensity scope 1 and 2 (NL)*	tCO_2eq/mln€	9.6	8.2	8.8	7.4	0 (-100%)
E1-4_03	Total gross GHG emissions (scope 1, 2 and 3)	%	-	-	-	Baseline	-25%

* Baseline year 2019: 16.9 tCO_2eq/mln€

4.3.3 Targets (E1-4)

Ballast Nedam has set two main targets. A target for scope 1 and 2 CO_2 intensity (divided in Total and Dutch activities) and one for the overall CO_2 emissions for all three scopes.

CO_2 intensity (scopes 1 and 2)

The CO_2 intensity expresses our GHG emissions per € million turnover. We have a direct impact on the improvement of this matter ourselves, but it is also crucial that low emission equipment becomes available for all purposes, and that the electricity network will be able to cope with the extra power use. The CO_2 intensity is calculated by dividing our annual direct scope 1 and 2 emissions by our annual turnover. We chose 2019 as the baseline year because this is a representative year for which we have solid data.

We have set out a vision and strategy in 2021 for our CO_2 intensity that leads to net zero CO_2 emissions in 2030 for both scopes 1 and 2 for all Dutch activities of Ballast Nedam. Where it is not possible to reach zero emissions, we will offset the remaining CO_2 emissions from 2030 onwards. This vision is widely adopted in the organisation and remains unchanged for the Dutch activities. Our intermediate target for 2025 is -56% compared to 2019: 7.4 tCO_2eq/mln€.

In the last two years we have significantly expanded our international activities. Because of the different dynamics, levels of maturity in energy transition and available resources in each country, it is not possible to work on the same net zero emission strategy for these activities. For Ballast Nedam as a whole, including international activities, we have set ourselves a reduction target for the CO_2 intensity scopes 1 and 2 of 45% in 2030 compared to 2019. Based on the available CO_2 data for international activities, we have calculated a provisional baseline year of 2023 for Ballast Nedam. Our CO_2 intensity for this baseline year is 30.7 $tCO2_2eq$/million€. Using the data from 2025, this provisional baseline year will be recalibrated.

Overall CO_2 emissions (scopes 1, 2 and 3)

The total greenhouse gas emission of our activities is in fact our real impact on climate change. It is expressed by our overall annual CO_2 emissions and is calculated by adding all emissions from scopes 1, 2 and 3.

We have been reporting our scope 1 and 2 emissions for many years. For scope 3, some categories are new. In 2024, we elaborated the calculation of our scope 3 emissions, and this will be further extended in 2025 to set an accurate baseline that will allow us to monitor our progress in the upcoming years.

In the current and upcoming years, we will reduce our total CO_2 emissions by improving our own operations. Actions taken in the value chain and increasing legislation regarding the energy use of buildings also contribute.

At the same time, we aim to expand our activities, which leads to an expansion of our total overall CO_2 emissions as well. Additionally, 2025 as a base year leaves little time until 2030 for further reductions. With these balancing factors in mind, we have set ourselves an overall reduction target for all scopes of -25% in 2030, compared to the baseline that we will set in 2025. This target is in line with our sector peers and contributes to the Paris agreement.

Findings and future actions

Ballast Nedam took significant steps in terms of investments and activities to curb scope 1 and 2 CO_2 emissions. Especially by purchasing green electricity and investing in electrical mobility and equipment, Ballast Nedam has already achieved a 51.5% reduction in scope 1 and 2 CO_2 intensity in our Dutch activities. This percentage is in line with our target/objective, and we are still on track to achieve our 2025 and 2030 targets with our Climate Transition Plan.

Our total gross GHG emissions target can be tracked from 2025 onwards, once we have set our baseline. Together with our supply chain partners we are going to define effective measures to reduce the overall GHG emissions.

4.3.4 Metrics

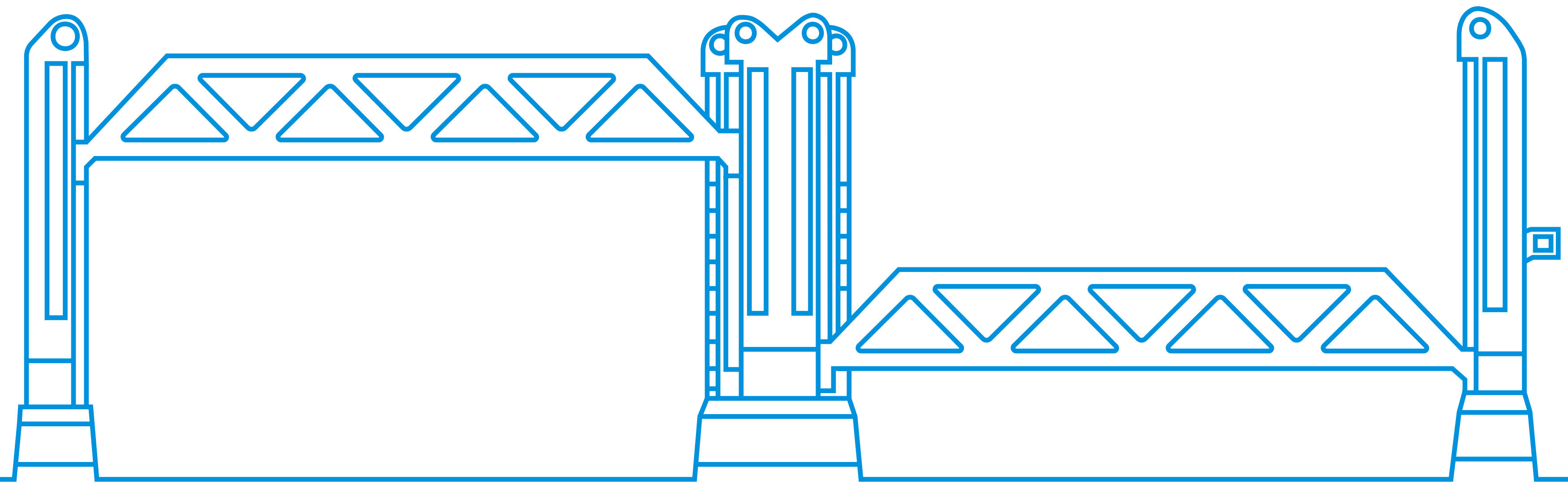
Energy consumption and mix (E1-5)

In addition to the focus on reduction of CO_2 emissions, our climate transition plan also focuses on reducing energy consumption. Compared to 2023, our total energy consumption is 5% lower, and our energy intensity dropped by 14% to 46.7 MWh/mln€. At the same time, the expansion of our international activities means that the use of natural gas and non-renewable electricity has increased. The share of renewable sources in total energy consumption decreased from 28% to 22%.

Due to the efforts and investments that Ballast Nedam has made in recent years, the renewable energy production in 2024 is 6,858MWh. The renewable energy production of our solar panels is allocated to our own consumption via our VPP. The (larger) part of our renewable energy production via our wind turbines is fed back into the grid and not yet directly allocated to our own energy consumption.

E1-5 Energy consumption and mix related to own operations

ESRS ID	Indicator	Unit	Actual 2024	Previous 2023
Total				
E1-5_01	Total energy consumption	MWh	57,552	60,342
E1-5_18	Energy intensity	MWh/mln€	46.7	54.2
Fossil				
E1-5_02	Total fossil energy consumption	MWh	44,673	43,202
E1-5_12	Fuel consumption from natural gas	MWh	5,666	3,870
E1-5_13	Fuel consumption from other fossil sources	MWh	28,769	36,116
E1-5_14	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	10,238	3,216
E1-5_15	Share of fossil sources in total energy consumption	%	78%	72%
Renewable				
E1-5_05	Total renewable energy consumption	MWh	12,880	17,140
E1-5_06	Fuel consumption from renewable sources	MWh	5,583	6,162
E1-5_07	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	5,637	9,424
E1-5_08	Consumption of self-generated non-fuel renewable energy	MWh	1,660	1,554
E1-5_09	Share of renewable sources in total energy consumption	%	22%	28%
E1-5_17	Renewable energy production	MWh	6,858	7,794



GHG emissions (E1-6)

Ballast Nedam's carbon emissions determination is based on the GHG protocol. We use conversion factors that convert gases like methane, nitrous oxide and refrigerants to CO_2 equivalents. In deviation from previous years, the tank-to-wheel (TTW) emissions are included in scope 1 and 2, and the well-to-tank (WTT) emissions have been included in scope 3 (category 3 fuels and energy-related activities). The base year and previous years have been recalculated in this way as well.

Scope 1 and 2

The scope 1 and 2 emissions have been calculated by multiplying the use of all fuel, gas, electricity, and heat from all projects, vehicles, production locations, and offices by the appropriate conversion factors from www.CO_2emissiefactoren.nl.

The electricity in the Netherlands is renewable energy from Dutch origin and purchased by contracts with bundled attributes. Therefore, we use the Dutch market-based green electricity conversion factor to calculate the GHG emissions of our electricity use in the Netherlands.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

ESRS ID	Indicator	Unit	Actual 2024	Previous 2023
Total				
E1-6_01	Total gross GHG emissions (scope 1, 2 and 3)	tCO_2eq	327,009	-
E1-6_30	CO_2 intensity (scope 1, 2 and 3)	tCO_2eq/mln€	265.3	-
Scope 1				
E1-6_07	Total gross scope 1 GHG emission	tCO_2eq	8,906	10,459
Scope 2				
E1-6_09/10	Total gross scope 2 GHG emission	tCO_2eq	4,428	172
Scope 3				
E1-6_11	Total gross scope 3 GHG emission	tCO_2eq	313,675	-
E1-6_11	Gross scope 3 GHG emission - Category 1, Purchased goods and services	tCO_2eq	288,581	-
E1-6_11	Gross scope 3 GHG emission - Category 2, Capital goods	tCO_2eq	2,312	-
E1-6_11	Gross scope 3 GHG emission - Category 3, Fuel- and energy-related activities	tCO_2eq	3,555	-
E1-6_11	Gross scope 3 GHG emission - Category 4, Transportation and distribution	tCO_2eq	14,443	-
E1-6_11	Gross scope 3 GHG emission - Category 5, Waste generated in operations	tCO_2eq	2,674	-
E1-6_11	Gross scope 3 GHG emission - Category 6, Business travel	tCO_2eq	1,193	-
E1-6_11	Gross scope 3 GHG emission - Category 7, Employee commuting	tCO_2eq	917	-

For the international activities, the exact electricity mix is unknown. We conservatively use the Dutch conversion factor for grey electricity for all electricity used for these activities. This will mitigate the risk of underreporting as best as possible.

District heating in the Netherlands is calculated as location-based. There is no district heating for international activities.

In 2024, the scope 1 footprint has decreased compared to last year by 15%, mainly due to a decrease in diesel consumption.

The scope 2 footprint increased compared to last year as a result of more grey electricity consumption at our international activities.

Scope 3
We started collecting scope 3 data on the upstream categories for most of the activities in 2024, based on the categories from the GHG protocol. Based on extrapolation, an estimate has been made of the other activities. Some categories take more time to analyse. The scope 3 downstream categories will be analysed in 2025 and are left out for 2024.

Upstream

Category 1 - Purchased goods and services
Calculated with the US EPA Supply Chain GHG Emissions factors with the spend-based data of Ballast Nedam. For joint operations the turnover share is used to calculate the spent volume. More accurate data will be used for housing and building-related projects with legally mandatory in 2025 MPG calculation with ECI (Environmental Cost Indicators). For the Infra projects we will measure the scope 3 emissions of purchased goods via the MKI calculation (MKI; Milieu Kosten Indicator).

Category 2 - Capital Goods
Calculated with the US EPA Supply Chain GHG Emissions Factors.

Category 3 - Fuel and energy-related activities
Calculated with the WTT emission factors of CO_2emissiefactoren.nl for all fuel and energy usage in scopes 1 and 2.

Category 4 - Upstream transportation and distribution
Transportation and distribution of purchased products are calculated with the US EPA Supply Chain GHG Emissions factors with the spend-based data of Ballast Nedam.

Category 5 - Waste generated in operation
Data provided by the waste processors, as shown in paragraph 4.4 Circularity.

Category 6 - Business travel
Calculated with data provided by the contracted travel organisation for flight movements and conversion factors. Cost declarations are used to calculate the emissions of private cars and public transport.

Category 7 - Employee commuting
Calculated with the paid home-to-work allowance and conversion factors.

Category 8 - Upstream leased assets
We consider our leased assets as scope 1 or 2, because we have considerable operational control over them.

Circularity

4.4 Circularity

4.4.1 Strategy and vision

Circularity centres on the principle that today's products are tomorrow's raw materials, and that there is no such thing as waste. We believe that working in a circular way, through sustainable sourcing and the use of renewable resources, helps to tackle further depletion of the earth's resources. In the future, we want to develop and realise projects in such a way that almost all materials and raw materials are reusable, and waste generation is prevented. We will be actively working towards achieving these circular operations in the upcoming years.

4.4.2 Impacts, risk and opportunities management

Ballast Nedam assessed its impact on material use by talking with stakeholders and analysing several scientific reports. The built environment has a significant impact on our planet's natural resources. Construction materials and products represent about 50% of all raw materials extracted from the earth's crust.[2] Furthermore, construction activities represent 38% of all waste generated in the European Union.[3] Ballast Nedam is not always in the position to influence the design and choices of materials, but our negative impact on resource availability is evident.

We have a direct impact on the advancement of circularity through the sourcing of materials and the way in which we manage our waste streams.

The limited availability of raw materials carries the risk that the prices of virgin raw materials will increase, or that limited availability may lead to project delays.

At the same time, the business case for using locally sourced, circular materials becomes more feasible. This brings the incentive to further stimulate the transition towards circular operations. Also, a more circular approach to materials makes us more resilient to these fluctuating market and geopolitical circumstances.

We aim to decrease our dependence on non-renewable virgin materials. First, by using low-impact materials, such as non-toxic, recycled, reused, and sustainably and locally sourced bio-based materials. Second, by enabling the reuse of materials through designs and building methods that make dismantling and adaptation possible. Third, by properly separating our waste and processing it in such a way that these materials are reused in a high-quality manner, closing the cycle.

In 2024, we started mapping the materials we use in a CSRD-compliant manner (resource inflow). This step is necessary for understanding our impact and determining our strategy for a circular operation. Collaboration with partners in the value chain is key to making progress in the long term, but it will take time and effort.

In the short term, we will work in parallel on circularity by reducing our waste and maintaining and improving our separation rate at the same time. Waste separation and reduction are more within our own sphere of influence, which allows us to take immediate steps and set realistic targets.

Policy measures (E5-1, E5-2)

Ballast Nedam actively participates in sector groups to develop circular solutions within our construction projects.[4] Also, our clients are gradually increasing the inclusion of circular alternatives in their tender requirements.

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[2] European Circular Economy Stakeholder Platform (2022). "What role do secondary materials play in new constructions and in buildings renovation?".

[3] Eurostat waste statistics (2022): https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Waste_statistics

[4] Such as the Dutch Green Building Council groups on Circularity.

We respond to this by proactively engaging stakeholders across the sector, e.g. clients, architects, and design engineers, and by pushing for circular alternatives whenever these are possible. In 2024, we initiated a pilot project, where we gathered several residual materials separately and returned them to the supplier.

In our policy, we take several measures regarding our resource inflow and resource outflow. The measures are included in our financial planning.

Resource inflow

- We prioritise using as many reusable materials as possible.
- In cases where that is not attainable, we preferably use bio-based materials.

Resource outflow, materials

- When we are in control of the design phase, we implement circular design methods that make adaptation and dismantling possible.
- We use circularity assessments to determine the degree of circularity of the finished project and to use the lessons of one project for the next.

Resource outflow, waste

- Ballast Nedam is working together with our value chain partners by initiating discussions with suppliers and waste processing partners.
- In 2030, we aim to achieve construction sites where as much of our waste as possible is diverted from disposal. This will be accomplished through responsible use, waste separation on the construction site, and finally, through processing and further sorting by our waste partners.
- Together with our value chain partners, we are working on returning waste directly to the suppliers and thus stimulating a continuous flow of similar materials which makes high-value reuse of materials possible and reduces waste sent to waste processors.

4.4.3 Targets (E5-3)

In 2024, we started a detailed mapping of our resource inflow for the different kinds of materials in most of our projects. We are working towards setting a target on resource inflow in the upcoming years.

In 2024, we also started gathering data on the resource outflow, such as the recyclability rate of our projects as well as the amounts of waste diverted from and directed to disposal. In the future, we will also set targets for these topics. However, we continue to actively work on waste prevention by first reducing the amount of waste, and second by improving the recycling and recovery by enhancing the separation rate.

E5-3 Targets

ESRS ID	Indicator	Unit	Previous 2023	Actual 2024	Short term 2024	Short term 2025	Medium term 2030
E5-3_06a	Waste intensity (Total)	tonnes/mln€	-	20.8	-	TBD	TBD
E5-3_06b	Waste intensity (NL)	tonnes/mln€	25.1	16.7	20.7	19.6	5.0
E5-3_06c	Waste separation rate construction site	%	76%	59%	75%	75%	75%

Our total waste includes all waste from the offices and construction waste combined. We define construction waste as all materials brought to and removed from the construction site, where processing is required to reuse these materials for the intended use. We do not include excavation waste such as soil and rocks in our definition, since these are often directly reused at the same or other projects.

In the near future, we aim to also add specific demolition waste that is in our own sphere of influence, such as road foundation, asphalt, and demolition waste generated by renovation projects. Together with our partners in the value chain, we are working on tooling to map these waste streams.

Ballast Nedam focuses on two main targets. A target for waste intensity (divided into Total and Dutch activities units) and one for the separation rate as a whole.

1. Waste intensity

The waste intensity is calculated by dividing our annual total amount of waste in tonnes by our annual turnover.

For our Dutch activities, we have set the waste intensity target for 2024 and 2025 at minus 5% and minus 10% respectively, compared to the average over the previous three years. We aim to achieve a waste intensity of 5 tonnes/mln€ by 2030.

The context and type of international activities differ from the Dutch activities. At the same time, we have significantly expanded our international activities during the last two years, which makes a comparison of the waste intensity with previous years unrealistic for these activities. In order to set a baseline and target for our international activities, we will further collect detailed waste data in 2025.

2. Separation rate

Separated waste is the total waste minus the sum of our mixed construction waste and domestic waste. Our separation rate is calculated by dividing the separated waste by the total amount of waste.

We want to maintain a constant separation rate of 75% at the construction site. With waste intensity decreasing in the coming years, keeping this factor constant is an ambitious goal.

Findings and future actions

In 2024 we reached a waste intensity for our Dutch activities of 16.7 tonnes/mln€, which meets our 2024 target and puts us on track to achieve our targets for the upcoming years.

The 2024 result for the separation rate at the construction site is 59% and therefore lower than our target of 75%. This is the result of our increased international activities where separation of waste is not so common yet.

4.4.4 Metrics

Resource inflow

Our primary approach to measuring the total weight of used materials as well as the weight of reused, recycled, and bio-based materials is through a circularity assessment.

For the Dutch activities, we use Circularity Assessment tools such as Madaster and the Building Circularity Index (BCI). These tools are scientifically based on proven measurement methods to determine the circular potential. Where possible, the Dutch business units have carried out a circularity assessment for one or more representative projects. Since we do not yet have calculations for every Dutch project, we have extrapolated the available information from these representative projects per business unit, based on revenue.

For now, the circularity assessments only give insight into our developed and/or constructed buildings, and not into industry and infrastructural works. In 2024, we started a pilot project to further develop an assessment method for our infrastructural works, that will also be used for our industrial projects. The results will be assessed in 2025.

For our international activities, there are no comparable tools available yet. In the coming years, Ballast Nedam will work together with international project teams to develop our own tool for calculating resource inflow.

Via extrapolation, we estimate the total weight of materials for our Dutch construction activities of buildings for 2024 is 174,870 tonnes, of which 4.5% is bio-based materials and 4.5% consists of recycled and reused materials.

Resource outflow

Materials

We consider all that we construct (our buildings and infrastructural works) as our products. The recyclable content in our buildings is something we can measure with Circularity Assessments. They provide us with a “future scenario” of the used materials, including the potential recyclability of the materials in our buildings. This is the weight of the recyclable materials used, divided by the total weight of all materials used. Similar to resource inflow, each Dutch business unit has determined the recyclability for one or more representative projects, and we have extrapolated this information, based on revenue. Ballast Nedam's rate of recyclable content for our Dutch construction activities of buildings for 2024 is 89%.

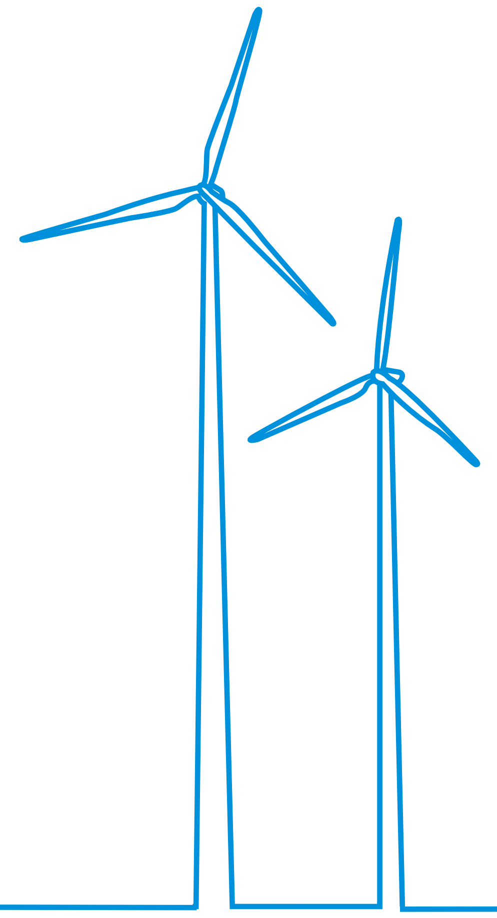
For our infrastructural, industry, and international activities, we seek comparable instruments that are appropriate for the type of project, or we will set up our own calculation method.

Waste

Together with our Dutch waste partners, we mapped in detail the different treatment methods of our waste. Our waste streams consist of both construction and office waste, but most of our waste comes from construction.

Most of our waste operators have disclosed the amount of waste diverted from disposal (by means of preparation for reuse, recycling, and other recovery operations, such as incineration for energy recovery), as well as waste directed to disposal (incineration, landfilling, other disposal operations). A few small waste operators that were unable to provide us with this information did have the weight per type of waste available (such as wood, plastic, rubble). We used the average treatment percentage of the other suppliers per type of waste to calculate the amount of waste diverted from/directed to disposal. In the upcoming year, all waste operators in the Netherlands are expected to be able to provide us with the required disaggregated data.

Together with our Dutch waste partners, we diverted 98% of our non-hazardous waste from disposal.



E5-4 Resource inflow

ESRS ID	Indicator	Unit	Current 2024	Previous 2023
E5-4_02	Overal total weight of products and technical and biological materials used during the reporting period	tonnes	174,870	-
E5-4_03	Percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services	%	4.5%	-
E5-4_04	The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	tonnes	7,861	-
E5-4_05	Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	%	4.5%	-

Resource inflow data only for business line Building Netherlands

E5-5 Resource outflow

ESRS ID	Indicator	Unit	Current 2024	Previous 2023
Materials in products				
E5-5_04	The rates of recyclable content in products (business line Building Netherlands)	%	89%	-
Waste				
E5-5_07	Total waste generated	tonnes	25,602	27,896
E5-5_10	Non-recycled waste (non-hazardous)	tonnes	6,634	-
E5-5_11	Percentage of non-recycled waste (non-hazardous)	%	27%	-
E5-5_15	Total amount of hazardous waste	tonnes	1,154	-
Diverted from disposal				
E5-5_08	Total amount of non-hazardous waste diverted from disposal	tonnes	17,813	-
	Non-hazardous waste diverted from disposal due to preparation for reuse	tonnes	1	-
	Non-hazardous waste diverted from disposal due to recycling	tonnes	14,767	-
	Non-hazardous waste diverted from disposel due to other recovery operations	tonnes	3,045	-
Directed to disposal				
E5-5_09	Total amount of non- hazardous waste directed to disposal	tonnes	6,634	-
	Non-hazardous waste directed to disposal by landfilling	tonnes	6,634	-

Health and safety

Injury frequency
IF

	International	NL
2024	2.0	3.1
2023	4.4	3.2

Total Recordable Incidents Frequency Rate
TRIFR

	International	NL
2024	0.9	1.2
2023	1.9	1.3

4.5 Health and safety

4.5.1 Strategy and vision

Safety is our promise. A promise to everyone who works for and with Ballast Nedam that we guarantee their safety at all times while working at Ballast Nedam. Safety is also a promise to their family and loved ones that we will get them home safely at the end of the day. It is our obligation to challenge and improve ourselves every day in achieving higher safety standards. After all, people are the most important part of our organisation and it is our main priority to keep them safe and engaged, allowing them to play their crucial part in securing future revenues, and ensuring business continuity.

4.5.2 Impacts, risk and opportunities management

Construction work comes with potential safety risks, especially at our construction sites. The designs, working methods, planning, engagement of co-makers, language barriers, and the overall culture have impact on these safety risks. Our stakeholders consider solid Health, Safety and Environmental (HSE) practices to be key to successful operations. They are a licence to operate. Since we have expanded our international activities, the challenge for us now is to ensure that the culture and approach we have implemented in the Netherlands are implemented everywhere.

Safety awareness also brings opportunities. When projects are focusing on safe working methods and creating a culture of speaking up, we see that this also improves our operational excellence. Moreover, we see that working on improving the safety culture simultaneously increases the involvement of our employees, which allows us to continue to retain talented employees and enable them to maximise their potential and skills.

Our safety approach is based on building a safety culture, supported by solid processes and systems. It applies to our entire workforce: our own employees as well as non-employees. Everyone who works for Ballast Nedam on our construction sites is covered by our health and safety management system.

Safety culture: Take Care

Since 2022, we have focused on our health and safety culture with our Take Care programme. This programme is a continuous learning and improvement process that constantly creates a safer, more open and healthier working environment. We have created support for this programme by involving our colleagues in the development of new initiatives, inspiring them, giving them insight, making them part of our safety movement and rewarding them for good safety behaviour and initiatives. It is our ambition that everyone has an intrinsic safety attitude, even when no one is looking. We aim for employees to be not only concerned with their own safety but to take care of their colleagues the same way they would take care for their families, with a real, effective, and practical approach. Work safely: return home safe and sound. Always. Everywhere. Everyone.

Processes and systems

In addition to our safety culture and safe working methods, we attach great importance to our system for safety risk inventory and evaluation at various levels. This includes general risk assessment and evaluation, project Health, Safety and Environmental (HSE) plans, Task Risk Assessments (TRA), and Last Minute Risk Assessments (LMRA). In this way, we create a safe starting point for our employees to work in.

Policy measures (S1-1, S1-2, S1-4)

In our policy, we take several measures:

- Rewarding positive behaviour with our quarterly Take Care Award.
- Visible commitment by management with our Safety Walk & Talks and our Incident Review Panel (IRP).
- Continuous awareness with the Take Care quarterly theme approach, trainings, internal observations and the annual Safety Awareness Day.
- Low-key involvement via toolbox meetings and our Take Care app for every employee, including our subcontractors.
- Structured incident investigation by the IRP of cases of safety incidents and high-potential incidents.

Engagement with workforce

Every quarter, the status and progress are measured and discussed by the Board of Management, the Executive Director and CSR Director with the responsible business unit directors involved. Furthermore, the HSE Director and the Health, Safety, Well-being, and Environmental committee of the works council reflect on our current status, ongoing improvement initiatives, development of new initiatives, incidents, and good practices every quarter.

Alignment with recognised instruments

Our policy is in accordance with ISO45001, SCC** (Safety, Health & Environment Checklist for Contractors), and the Safety in Construction Governance Code (GCVB). With this policy, we are ranked on the Safety Culture Ladder (SCL) at step 3 in general, and step 4 for a separate business unit. In addition to this, we share experiences and best practices in ENCORD (European Network of Construction Companies for Research & Development).

4.5.3 Targets (S1-5)

We aim to improve our performance continuously and measure our performance using two main targets: the Incidents Frequency (IF) and the Total Recordable Incidents Frequency Rate (TRIFR) score.

S1-5 Targets

ESRS ID	Indicator	Unit	Previous 2023	Actual 2024	2024	Short term 2025	Medium term 2030
S1-5.1_03a	Incidents Frequency, IF (International)	#	4.4	2.0	3.1	1.7	1.0
S1-5.1_03b	Incidents Frequency, IF (NL)	#	3.2	3.1	3.1	2.6	2.0
S1-5.1_04a	Total Recordable Incidents Frequency Rate, TRIFR (International)	#	1.9	0.9	1.3	0.8	0.4
S1-5.1_04b	Total Recordable Incidents Frequency Rate, TRIFR (NL)	#	1.3	1.2	1.3	1.1	0.8

Incidents Frequency (IF)

IF is calculated by dividing the number of lost-time incidents (LTI) by 1,000,000 worked hours at our construction sites. The definition of a LTI differs between the Dutch and international context. In the Dutch context every incident that leads to time off from work, or loss of productive work (absenteeism or delays) is seen as a lost-time incident. For our international activities an incident is only recorded as an LTI after a doctor's statement.

We have set two separate targets for Dutch and international activities, as an overall target would merely indicate the ratio of activities. By setting separate targets we can monitor and improve our performance on a sound basis.

Total Recordable Incidents Frequency Rate (TRIFR)

The TRIFR is used to measure an organisation's (past) safety performance. It reflects the number of fatalities, lost time injuries, restricted work cases (RWC), and incidents requiring medical treatment per 200,000 hours worked.

We have set the IF and TRIFR targets in consultation with several HSE officers, directors and the Board of Management. These targets are ambitious yet realistic when we look at the progress we have made in the previous years, the safety culture that has been strengthened, and our policies that are in place or being implemented.

Findings and future actions

Although there were multiple high-potential incidents that, under slightly different circumstances, could have led to an incident, our 2024 performance is better than expected for all targets.

With the increase in our international presence in different geographies, our challenges in providing a safe working environment for our people increased. With the management teams involved within Ballast Nedam International, we put additional efforts into reaching our goals and maintaining at least the same level of safety as we achieved in the Netherlands in 2024.

Our next step in further improvement is to take a more active approach in onboarding our employees, partners, and subcontractors. We will also train all workers about our main safety risks: lifting of building components and materials, collision hazards, hazardous substances, falls from heights, and the dangers of electricity. It is also our ambition to further professionalise our incident investigation approach and skills by selecting a standard investigation method and to focus on what made people make certain (unsafe) choices, instead of condemning them.

Additionally, we will further address mental health and well-being, recognising their crucial role in organisational resilience and employee satisfaction. We strive to create a workplace where psychological and physical safety is a shared commitment embraced by every member of our organisation. We initiated our mental health & well-being programme in 2024.

4.5.4 Metrics (S1-14)

Despite all our efforts in the field of health and safety, there was a fatal accident in 2024 on our project in Uzbekistan involving an employee of our subcontractor. We deeply regret this incident and are committed to taking concrete, tangible actions and to supporting the family of the employee. This tragic event underscores the critical importance of our mission: to ensure that every employee returns home safely to their loved ones. Always. Everywhere. Everyone.

In response to this fatality, we are rigorously reviewing our processes to integrate the lessons learned from this and other high-potential occurrences, with the ultimate goal of preventing serious injuries and fatalities in the future.

On a positive note, the rate of recordable work-related accidents for our own workforce (TRIFR) has decreased. However, the increase in the number of workdays lost, and with it, the severity of our incidents, highlights the urgent need to focus more closely on high-potential incidents. To effectively reduce these occurrences, we must standardise and reinforce our HSE protocols, emphasising our day-to-day operations on the projects. It is vital that our employees are actively included in this process, empowered to speak up, and encouraged to intervene and take care of one another in correcting unsafe conditions. By fostering a culture of care, we aim to enhance our safety standards.

S1-14 Health and Safety

ESRS ID	Indicator	Unit	Current 2024	Previous 2023
S1-14_01	The percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines	%	100	100
S1-14_02	Number of fatalities in own workforce as result of work-related injuries and work-related ill health	#	1	0
S1-14_03	Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	#	0	0
S1-14_04	Number of recordable work-related accidents for own workforce	#	82	74
S1-14_05	Rate of recordable work-related accidents for own workforce (TRIFR)*	#	5.16	6.86
S1-14_06	Number of cases of recordable work-related ill health of employees	#	0	0
S1-14_07	Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	#	600	551

** calculated per 1,000,000 hours worked and including subcontractors*

Human resources

Number of employees
Average number

Total employees
2,989

Female **13%** | Male **87%**

Diversity in top management

Female **12%** | Male **88%**

Employees per country

Countries with more than 50 employees (headcount)

Netherlands	1,515
Uzbekistan	1,107
Turkey	208
Turkmenistan	153
Kazakhstan	65

4.6 Human resources

4.6.1 Strategy and vision

Our people are the cornerstone of our success. They are our most valuable asset, driving the achievements and milestones we reach as a company. We are committed to being an employer of choice and are continuously working towards creating a diverse, healthy, and safe working environment. We encourage our employees to bring their authentic selves to work and to make the most of every day. This commitment not only fosters a supportive and inclusive culture but also empowers our teams to excel and innovate, ensuring that we remain at the forefront of our industry.

4.6.2 Impacts, risks and opportunities management (S1-1 – S1-4)

The challenging Dutch labour market, combined with a lower inflow of students into technical studies, brings the risk of not having a sufficiently qualified workforce for our projects. Maintaining a stable workforce in a tight labour market is challenging, but a reality we need to face. Our stakeholders consider job conditions, company culture, career planning, and personal and professional development key drivers for successful staff recruitment and project execution in the long run. Being an employer of choice is therefore more important than ever.

As an employer, we have a huge influence on the level of job satisfaction, and therefore the well-being of our employees every day. Actively focusing on equality, equity, and diversity in our workforce ensures that everyone has access to learning and development opportunities. Encouraging open communication and trust between people and teams is a key responsibility of every manager in our organisation to ensure happy and valued employees.

Our workforce is primarily composed of our own dedicated employees, supplemented by self-employed specialists and temporary workers. Although these individuals are not fully integrated into our HR policy, they are still impacted by it to some extent. On our construction sites, we also collaborate with subcontractors who we see as part of our own workforce, but as non-employees. Through our Health, Safety and Environment (HSE) policy, we are able to influence and enhance their safety standards.

In our Dutch operations, all employees are subject to a Collective Labour Agreement (CLA). This ensures consistent and fair working conditions for our entire workforce in the Netherlands. In our non-Dutch-based operations, we do not have CLAs applicable, but we ensure full compliance with the local labour laws of each country.

The contracts with subcontractors, self-employed workers, and other third parties are governed by country-specific laws. This approach guarantees that we maintain high standards of employment practices and legal compliance, regardless of the location or nature of the workforce involved.

The transition to a greener, climate-neutral economy creates new types of projects and jobs. Our finished projects will feature more installations and will become increasingly smarter with ICT monitoring and control systems. To achieve this, we collaborate closely with partners while simultaneously expanding our own expertise. This approach allows us to engage in meaningful dialogue on an equal footing and to independently manage the associated opportunities and risks.

Our HR Director leads our human resources policy, supported by a team of HR business partners who implement the policy and provide HR support across all business units. To ensure their HR support aligns with our business needs, HR business partners frequently meet with their functional and operational managers. Additionally, our quarterly business review serves as an invaluable tool for monitoring and discussing essential HR data points and practices, ensuring continuous improvement and alignment with our strategic goals.

Policy measures

Our HR policy not only ensures compliance with laws and regulations; with several policy measures we create a healthy, safe, and welcoming working environment for our people to attract, retain, and develop a sufficiently qualified workforce:

- The launch of our new employer brand and value proposition “Our challenge. Your playing field.” to attract the right people.
- 'Challenge2Connect' programme to stimulate our employees to make personal referrals so we can source talent from personal networks.
- Campus recruitment, where we focus on offering internships and retaining interns once they have completed their internship.
- A future learning management system will provide consistent and structural learning and development opportunities to our people.
- Periodic Occupational Health Examinations (voluntary) for all our employees to support them in living a healthy life.
- Company doctors are present at our different locations, to provide personal and tailored services.

- Special events and/or campaigns to create awareness and education about the importance of physical and mental well-being.
- Policies and procedures so people can raise their concerns in a safe and compliant manner without any risks of retaliation.

4.6.3 People focus areas

Personal and professional development

In 2024, we started the selection process for a Learning Management System (LMS) that will facilitate self-paced learning and offer a wide range of courses, resources, and interactive modules that are easily accessible to all employees, regardless of their location. The LMS will enable us to monitor our training efforts, ensuring that our workforce remains at the forefront of industry developments.

We also appointed a Learning and Development Manager who collaborates closely with our managers to identify skill gaps and to develop customised training plans that align with our business objectives. The designing and executing of our training strategies creates more targeted and impactful learning experiences.

Building Balance

We firmly believe that prevention is the most effective strategy for ensuring our employees remain fit for work over the long term. By closely monitoring the well-being of our staff and understanding their individual needs and ambitions, we can take timely and appropriate actions when necessary. This proactive approach not only helps in maintaining a healthy workforce but also fosters a supportive environment where our employees feel valued and cared for.

Together with a third-party specialist, we created and launched the 'Building Balance' survey in 2024 to gain insight into factors that affect the emotional, occupational, physical, and social well-being of our employees. With qualitative interviews to follow in 2025, this is a pivotal step forward for us to identify the specific inherent demands of the construction industry, characterised by high-pressure work, stringent project timelines, and financial considerations, and understand how they pose challenges to the mental health and well-being of our people.

Diversity

Our commitment to diversity encompasses embracing individuals of all races, genders, ages, ethnicities, national origins, disabilities, and sexual orientations. We take pride in our diverse workforce, which we view as a cornerstone of our success and a reflection of our commitment to social responsibility.

By fostering gender diversity, we benefit from a more dynamic, innovative, and successful work environment. Translating these business advantages into actionable targets is on our calendar for 2025.

Findings and future actions

Our current female/male ratio in top management is 12%/88%. Although this is an improvement over previous years, we see that additional effort is still needed. At the end of 2024, four employees took the initiative to form a focus group, which will work in 2025 on developing a clear list of actions and initiatives focused on increasing awareness of diversity in the broadest sense of the word within our company. We are also currently defining the right value proposition for a better-balanced workforce in terms of gender. Based on that value proposition and our business values, we are committed to implementing strategies that promote equal opportunities, growth, development, and an inclusive workplace culture.

4.6.3 Metrics

Characteristics of our (non-)employees (S1-6, S1-7)

The number of own employees is extracted from our HR systems and is expressed in headcount at the end of the calendar year. The average number of employees is calculated by taking the average of the number of employees at the end of each month. In countries like Turkey and Uzbekistan, people are working on active projects, and they leave the company when their project is finished. Because of this, we see quite a large turnover for Ballast Nedam as a whole.

The number of non-employees is expressed in FTE and is calculated by dividing the total hours that non-employees worked on our construction sites by the total number of working hours for a full-time employee in the country where they are active. The total hours worked for non-employees is estimated via the same ratios that we use to determine our safety figures.

Due to the expansion of our organisation the number of employees increased simultaneously between 2023 and 2024.

S1-6/S1-7 Characteristics of (non) employees

ESRS ID	Indicator	Unit	Actual 2024	Previous 2023
Total				
S1-6_02	Number of employees	headcount	3,166	1,814
S1-6_03	Average number of employees	headcount	2,989	1,794
	Female	headcount	378	269
	Male	headcount	2,611	1,525
Per country (≥50)				
S1-6_05	Number of employees Netherlands	headcount	1,515	1,696
	Number of employees Turkey	headcount	208	0
	Number of employees Turkmenistan	headcount	153	0
	Number of employees Uzbekistan	headcount	1,107	0
	Number of employees Kazakhstan	headcount	65	0
S1-6_06	Average number of employees Netherlands	headcount	1,601	1,671
	Average number of employee Turkey	headcount	300	0
	Average number of employee Turkmenistan	headcount	175	0
	Average number of employee Uzbekistan	headcount	760	0
	Average number of employee Kazakhstan	headcount	24	0
Per contract type				
S1-6_07	Permanent employees	headcount	3,024	1,726
	Female	headcount	335	250
	Male	headcount	2,689	1,476
	Temporary employees	headcount	142	88
	Female	headcount	29	19
	Male	headcount	113	69
	Non-guaranteed hours employees	headcount	0	0
Turnover				
S1-6_11	Employees who left	headcount	1,536	359
S1-6_12	Employees turnover	%	51%	20%
Non employees				
S1-7_01	Total non-employees	FTE	5,145	4,221

Diversity metrics

We keep track of our female representation in our Board of Management, business unit, and staff management. We aim to have at least 30% females in our senior management positions by 2030 and are committed to increasing both the inflow and promotion of women into management positions.

S1-9 Diversity metrics

ESRS ID	Indicator	Unit	Actual 2024	Previous 2023
Diversity in top management level				
S1-9_01	Top management level Male	headcount	74	45
S1-9_02		%	88%	90%
S1-9_01	Top management level Female	headcount	10	5
S1-9_02		%	12%	10%
Age distribution				
S1-9_03	Employees under 30 years old	headcount	705	189
		%	22%	10%
S1-9_04	Employees between 30 and 50 years old	headcount	1,678	826
		%	53%	46%
S1-9_05	Employees over 50 years old	headcount	783	799
		%	25%	44%

4.7 Responsible business conduct

4.7.1 Strategy and vision

At Ballast Nedam, we highly value our shared norms and values, and ethical behaviour. We build a strong corporate culture and strive to act with integrity, reliability, honesty, and transparency, both internally towards colleagues and externally towards our clients, suppliers, subcontractors, and other stakeholders.

4.7.2 Impacts, risks and opportunities management

The introduction of a broad range of ESG legislation and associated directives has imposed increased and specific requirements on an organisation's business conduct. Ballast Nedam often operates as the main contractor in the construction and infrastructure sector and is subject to specific laws and regulations, which are increasing. Guidance on how to interpret the new requirements is currently limited. Ballast Nedam, together with its sector peers, is in the process of clarifying how to secure compliance.

In addition, we have expanded our international activities. We are now active in more countries, each with different regulations and cultures, and the projects in these countries are more remote from the head office. This introduces additional risks of non-compliance, corruption, and bribery, which could ultimately damage our reputation or client relationships.

The Board of Management, ultimately responsible and accountable to the Supervisory Board, as well as business unit management, is committed to ensuring that our business operations contribute positively to society and the environment. They lead by example in sustainable and ethical practices, fostering long-term value for our stakeholders and the communities in which we operate. We have clear business conduct guidelines, and employees are aware of these guidelines and understand that they should consistently be applied at all levels of the organisation. In addition, we continuously strive to create a working environment where everyone feels supported to act in accordance with our business conduct guidelines and can speak up if there are incidents.

Policy measures

Policies on business conduct have been established and are accessible for every employee and non-employee via our intranet and website. Among these policies are the Anti-Bribery and Corruption Policy, prepared in accordance with internationally recognised standards, including the United Nations Convention against Corruption, as well as the Gifts and Invitations Policy, the Donations and Sponsorships Policy, and the Reporting (Whistleblowing) Policy. This commitment extends to our operations abroad, where we adhere to internationally recognised human rights as described in the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights, and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Ballast Nedam has endorsed theIFC standards of the World Bank Group.

Ballast Nedam continuously evaluates its corporate culture and the implementation of its policies through employee feedback, training, risk assessments, and ongoing review processes.

Policies like the Code of Conduct, Subcodes, Take Care, CSR, and training (workshops, Toolbox, e-learnings) help to create awareness on the following topics:

- Core values
- Human rights
- Occupational health and safety
- Corporate social responsibility
- Unacceptable behaviour
- Anti-corruption, anti-bribery and anti-money laundering
- Gifts and invitations
- Donations and sponsorships
- Conflicts of interest and related-party transactions
- Sanctions and export controls
- Whistleblowing
- Competitions
- Privacy

G1-1– Business conduct policies and corporate culture

The Compliance, Corporate Social Responsibility (CSR), Legal, Human Resources (HR), Health and Safety (HSE), Finance, Procurement, and Internal Control departments support the Board of Management in communicating and monitoring our corporate culture and safeguarding compliance with laws and regulations.

Policies, procedures, and training sessions are incorporated to ensure that all employees, including administrative, management, and supervisory body members, understand the company's zero-tolerance approach to unethical practices and mitigate the risks, particularly those in high-risk roles. Employees working for Ballast Nedam declare upon being employed that they have taken note of the code of conduct and subcodes.

Ballast Nedam encourages everyone to discuss and report any violations of laws or legislative policies within our organisation to the Board of Management, the Compliance Department, or via the whistleblowing hotline. Subsequently, appropriate measures are taken. Whistleblowers are protected under our whistleblower policy, and we have a zero-tolerance policy for violations of this policy.

Ballast Nedam ensures grievance channels are available by clearly communicating the existence and purpose of these channels during employee onboarding, ongoing reminders, and easy access to reporting tools like the whistleblowing hotline, email, or direct contact with the Compliance Department. Confidentiality and anti-retaliation guidelines foster a safe environment for reporting concerns.

Depending on the sensitivity of the matter, the Board of Management will decide whether an investigation will be started by the Compliance Department or an external specialist company.

G1-2 – Management of relationships with suppliers

We need the support and trust of our clients and all members in the supply chain to improve our business operations, achieve our sustainability goals, and create opportunities. Working together honestly, respectfully, and transparently, and with contractual agreements is essential. Therefore, we will intensify relationships and emphasise shared responsibility for sustainability matters in our supply chain in the upcoming years.

Before entering into a contract with (new) suppliers or contractors, Ballast Nedam conducts a third-party due diligence. This gives us insight into who we are entering into a contract with, whether a company is sanctioned, has adverse media, country risks (slavery or forced labour) or other non-compliance issues (corruption, bribery, or money laundering).

With the general terms and conditions, CSR policy, and a code of conduct for suppliers and sub-contractors, Ballast Nedam provides a clear framework for all transactions and interactions between the company and its supply chain, and encourages sustainable practices. The code of conduct for subcontractors and suppliers is part of the contractual agreement.

G1-3 – Prevention and detection of corruption and bribery

Prevention and detection of corruption and bribery start with knowing where the risks are within operational activities. Periodically, the Compliance Department updates the risks fraud framework, where all risks are identified and mitigating actions are implemented, and reports this update to the Board of Management.

Furthermore, it is important that everyone involved knows our policies and acts accordingly. With our Code of Conduct and Subcode "anti-corruption policy", training sessions (workshops, toolbox, e-learning), and speak-up line (reporting policy), we create awareness and possibilities to report any non-compliance issues related to corruption and bribery.

Mitigating controls for risks of corruption and bribery include third-party due diligence for prevention, as well as detection mechanisms, such as a confidential whistleblowing system, and responsive actions like thorough investigations and disciplinary measures.

Investigators are independent of the chain of business management involved in the matter, as the Compliance Department reports directly to the Board of Management and Supervisory Board. This department oversees investigations, ensuring that individuals with potential conflicts of interest are not involved in the process. This guarantees objectivity and impartiality during investigations related to allegations of corruption or bribery.

G1-4 – Incidents of corruption or bribery
In 2024 there were no convictions or fines for violation of anti-corruption and anti-bribery laws.

G1-5 Lobbying activities
Ballast Nedam does not engage in lobbying activities. In this scope, Ballast Nedam does not have any representatives responsible for overseeing political influence or lobbying activities, and has not made any financial or in-kind political contributions. Political contributions are prohibited in line with our compliance policies.

4.7.3 Metrics

S1-17 – Incidents, complaints and severe human rights impacts
In 2024 there were no severe human rights issues. There were seven complaints or notifications of grievance. All of them have been reviewed and resolved and have not led to any legal or financial consequences.

Chapter 5

Governance

5.1 Management and control structure

5.1.1 Introduction

Governance at Ballast Nedam is based on a limited structure regime. Ballast Nedam has a Supervisory Board and a Board of Management. The Board of Management requires Supervisory Board approval for certain important decisions.

The Board of Management also requires the approval of the General Meeting for, among other things, important changes in the identity or character of the company or the business. The remuneration of members of the Supervisory Board (if any) and the Board of Management is commensurate with their terms of office (see section 6.6.32 for further details). The remuneration of members of the Board of Management consists of a fixed salary component and a variable, discretionary bonus component, which also depends on key performance indicators (KPIs), some of which are related to ESG matters (see also section 4.1.2).

5.1.2 Managerial and legal structure

Ballast Nedam's managerial structure is composed of two divisions: Ballast Nedam Construction and Ballast Nedam Development. The Construction division comprises the business lines Building Netherlands, Infrastructure, Industry, and International. These business lines are each further divided into business units (see section 2.3 'Organisational structure'). In addition, Ballast Nedam's organisation includes several shared services that support the various business units, such as Health, Safety and Environment (HSE), Quality Assurance and Quality Control (QAQC), Human Resources (HR), Insurance, Legal, Finance, Corporate Social Responsibility (CSR), Digital Transformation & Innovation, and Compliance.

Ballast Nedam N.V. and each (intermediate) holding company within the Group has several direct and indirect subsidiaries, joint operations, associates and joint ventures. For more information about the direct and indirect subsidiaries, see section 6.6.32 for an overview of joint operations, joint ventures and associates. A full list of the subsidiaries included in the consolidation has been filed with the Trade Register at the offices of the Dutch Chamber of Commerce in Utrecht.

5.1.3 Board of Management

The Board of Management manages the company and is responsible for the Group's objectives, strategy and policy, as well as all results obtained. The Board considers the interests of the company and its stakeholders when adopting its resolutions, as well as the impact of its decisions on human, intellectual, social, natural, manufactured, and financial capital.

The General Meeting appoints members of the Board of Management, whether or not upon nomination by the Supervisory Board. Also, the General Meeting may suspend or dismiss members of the Board of Management. If it intends to remove a member of the Board of Management from office, the General Meeting will give the member the opportunity to account for him/herself to the General Meeting.

The Board of Management Regulations contain further rules on the allocation of tasks and working methods of the Board of Management and on its dealings with the Supervisory Board, the General Meeting, the Central Works Council and the independent auditor. These regulations can be found at our website.

The Board of Management consists of a group of six Board Members. The composition of the Board of Management is as follows:

Board of Management

A.K. Sağlam

Chief Executive Officer

Mr Atilla Kemal Sağlam was born in 1978. He is a Turkish national and resident of the Netherlands. Mr Sağlam was appointed Chief Executive Officer of Ballast Nedam's Construction division as of 1 September 2019 and Chief Executive Officer of Ballast Nedam N.V. as of 7 August 2020. He is responsible for the operations of all the business units within Construction, the organisation of departments, as well as the establishment of new markets in line with Ballast Nedam's strategy. Mr Sağlam joined Rönesans in 2008 and worked in various positions within Rönesans Holding in Türkiye and abroad. He is an electrical and electronics engineer, graduated from the Middle East Technical University in 1999 and completed his MBA degree in 2001. On 2 March 2020, the General Meeting appointed Mr Sağlam to the Board of Management for an indefinite term of office.

S.R. Lefevre

Mr Sander Lefevre was born in 1973. He is a Dutch national. As a member of the Board of Management, Mr Lefevre focuses primarily on infrastructure activities. He has held several management positions within Ballast Nedam since 2006, including Director of Ballast Nedam Infra Projects. After obtaining his master's degree in civil engineering at the Delft University of Technology, Mr Lefevre began his career in 1998 as a project manager at Royal Haskoning DHV. Mr Lefevre was first appointed to the Board of Management for a four-year term on 17 May 2016. On 19 March 2020, the term was converted into an indefinite term of office.

O.P. Padberg

Mr Olav Padberg was born in 1972. He is a Dutch national. Within the Board of Management, Mr Padberg is responsible for, among other things, compliance, insurance, and legal matters concerning Ballast Nedam as a whole. Mr Padberg started his career at Ballast Nedam in 2007. In 2011, he was appointed Legal Director of Ballast Nedam N.V and Compliance Officer of the Ballast Nedam Pension Fund. Mr Padberg received his master's degree in law from Erasmus University Rotterdam. In the General Meeting of 23 June 2017, Mr Padberg was appointed to the Board of Management for an indefinite term of office.

Board of Management

H. Koçak

Chief Financial Officer

Mr Hayrettin Koçak was born in 1981. He is both a Turkish and Dutch national and resident of the Netherlands. Mr Koçak was appointed Chief Financial Officer (CFO) as of 2 January 2017. He focuses on financial matters insofar as they relate to Ballast Nedam as a whole, with the financial control and financial services departments reporting to him.

Moreover, Mr Koçak has been CFO of the Construction division since 2016. Before joining Ballast Nedam, Mr Koçak was the CFO of Renaissance Construction in Russia. He received his degree in economics from the Middle East Technical University in Ankara in 2004. In the General Meeting of 23 June 2017, Mr Koçak was appointed to the Board of Management for an indefinite term of office.

E. van Zuthem

Mr Eric van Zuthem was born in 1968. He is a Dutch national. Within the Board of Management, Mr van Zuthem is responsible for the Ballast Nedam international business units. He completed his civil engineering degree at the University of New Hampshire, USA.

Before joining Ballast Nedam, Mr Van Zuthem was a management board member of Royal BAM Group and the CEO of BAM International. As of 10 January 2022, he was appointed to the Board of Management for an indefinite term of office.

N. Doodeman

Mr Niels Doodeman was born in 1968. He is a Dutch national. Within the Board of Management he is responsible for the (sub)division Building Netherlands, which consists of the regional businesses of Ballast Nedam. These include Ballast Nedam West, Ballast Nedam Zuid, Heddes Bouw & Ontwikkeling, Ursem Modulaire Bouwsystemen and Laudy Groep.

Mr Doodeman began his career in 1990 at the West Frisian construction company Heddes, where he further advanced and completed multiple business and financial education programmes. He held various positions within the company and became Managing Director in 2011. As of 1 October 2023, he was appointed to the Board of Management for an indefinite term of office.

5.1.4 Tender Committees

As explained in chapter 5.4, projects are discussed and approved by a Tender Committee based on the thresholds defined in the Ballast Nedam Authorisation Matrix (BN AM). The composition of the relevant Tender Committee differs and depends on the size and risk profile of the tender at hand. For larger projects or ones with a higher risk profile, the full Board of Management constitutes the Tender Committee (plus certain other individuals as further explained below), and matters may even be escalated to a tender committee within Rönesans Holding based on the procedure defined by Rönesans Holding. For smaller projects, i.e. ones with a lower risk profile, the Tender Committee consists of one or more members of the Board of Management as addressed in the BN AM. In addition to members of the Board of Management, members of the Tender & Operational Risk Management (with knowledge of the operational and financial aspects of projects) are also part of the Tender Committee and – depending on the topic at hand – other participants will be invited as well, such as legal counsel, contract managers, or insurance employees.

5.1.5 Supervisory Board

The Supervisory Board supervises the policy of the Board of Management and the affairs of the company and its business, and supports the Board of Management with advice. The Supervisory Board performs its tasks while keeping the interests of Ballast Nedam N.V. and the associated business in mind. The Board of Management informs the Supervisory Board in writing at least once a year about the main features of the strategic policy, as well as the general and financial risks and management and control systems of the company, which include strategy and policies in the field of CSR in practice. The Board of Management provides these updates during every meeting of the Supervisory Board, and also updates individual members of the Supervisory Board bilaterally outside of formal meetings.

The General Meeting determines the number of members on the Supervisory Board, which has a minimum of three seats. In principle, the General Meeting appoints the members upon nomination by the Supervisory Board. For one-third of the members, the Supervisory Board nominates a person recommended by the company's Central Works Council (representing the interests of the employees), unless the Supervisory Board objects to the recommendation because there are doubts regarding the person's ability to perform the duties of a Supervisory Board member or because, if the appointment is made as recommended, the Supervisory Board will not be duly composed. A member of the Supervisory Board cannot be (a) an employee of the company, (b) an employee of a dependent company, or (c) a Board Member or employee of a worker's organisation which is usually involved in determining the terms of employment of persons referred to under (a) and (b).

The Supervisory Board determines a profile for its size and composition, taking into account the nature of the enterprise of Ballast Nedam, its activities, and the desired expertise and background of the members of the Supervisory Board. Various factors are taken into account in the selection of potential new members of the Supervisory Board, including gender, knowledge of the Dutch and international construction sector, the Dutch political landscape, and financial experience and background.

As described elsewhere in this Annual Report, Ballast Nedam is a proud member of the Rönesans Holding group, a family-owned company. Currently, two out of three Supervisory Board members also hold management and supervisory positions with other related parties. Pursuant to Ballast Nedam's articles of association, a Supervisory Board member may not take part in a discussion and/or decision-making on a subject or transaction in relation to which that member has a direct or indirect personal interest that conflicts with the interest of the company and its business enterprise. If, in such event, a resolution cannot be adopted by the Supervisory Board, then it will be adopted by the General Meeting.

The General Meeting may abandon its confidence in the Supervisory Board after following the appropriate statutory procedure and the company's articles of association.

The Supervisory Board consists of three members (of which one-third is considered independent): Ms. İ. Ilıcak Kayaalp, Mr Ö. Canbaş and Mr P.R.H.M. van der Linden.

Supervisory Board

Ms İ. Ilıcak Kayaalp

Chairperson

Ms İpek Ilıcak Kayaalp was born in 1978. She is a Turkish national. After working in the private sector as a finance professional, she joined the family business to add her experience and knowledge in 2006 as the Head of Treasury. Since 2014, she has acted as Chairperson of the Board of Directors of Rönesans Holding A.Ş. She also is a member of the Executive Board of various subsidiaries of the Rönesans Group and a member of the Rönesans Education Foundation. She was first appointed to the Supervisory Board of Ballast Nedam in 2015 for a four-year term, which was extended in November 2019. In April 2021 she briefly left her role as Chairperson, to return again on 4 May 2022. She was appointed for a four-year term.

Mr Ö. Canbaş

Mr Özgür Canbaş was born in 1973. He is a Turkish national. Mr Canbaş joined Rönesans in 2009. He serves as a Board Member at Rönesans Holding A.Ş. and several other companies within the Rönesans Holding Group. Mr Canbaş was a member of the Board of Management of Ballast Nedam from 2017 until 4 May 2022. On that date, he resigned as member of the Board of Management and was appointed to the Supervisory Board for a four-year term. His current term of office ends on 4 May 2026. Mr Canbaş is the sole member of the Audit Committee.

Mr P.R.H.M. van der Linden

Mr René van der Linden was born in 1943. He is a Dutch national. Ballast Nedam's Central Works Council has used its statutory, strengthened right of recommendation to nominate Mr Van der Linden to the Supervisory Board. He has extensive political experience and was a member of the First Chamber of the Dutch Parliament (1999-2015) and its chairman (2009-2011). He is currently a member of the Supervisory Board of Eureko Sigorta and holds various other positions at for profit and non-profit organisations. Mr Van der Linden was appointed as independent member to the Supervisory Board of Ballast Nedam on 26 February 2018, initially for a two-year term, which was subsequently extended. His current term of office ends on 26 February 2026.

5.1.6 Audit Committee

The Supervisory Board, within its field of responsibilities, established an Audit Committee which prepares the Supervisory Board for decision-making and advises the Supervisory Board on certain topics.

5.1.7 General Meeting

Rönesans Holding A.Ş., via Renaissance Construction B.V. as direct shareholder, has control of and holds 100% of the shares in Ballast Nedam N.V.

5.1.8 The diversity policy with regard to the composition of the Board of Management and Supervisory Board, and senior management

Ballast Nedam's diversity policy is characterised by the pursuit of a broad representation of diverse employees at all levels of the company. This goes beyond the male-female division and also pertains to cultural diversity and personal profile. Diversity ensures balance in teams and decision-making, fosters entrepreneurship and thus contributes to the continuity of the company.

This idea forms the basis of the policy regarding the composition of the Board of Management and the Supervisory Board, as well as our complete top management. This policy is aimed at achieving an optimal composition and at meeting the applicable target figures with regard to the male-female ratio arising from the Act on Gender Diversity in boards and target figures.

The policy is taken into account when filling vacancies in the Supervisory Board, the Board of Management, and the top management within our company. If a vacancy arises, the relevant appointing body will assess what specific knowledge, experience and profile is required. All candidates who meet those specific characteristics will be included in the recruitment procedure. Within Ballast Nedam, we apply a target percentage of at least 30% women and at least 30% men for both the Supervisory Board and the Board of Management, insofar as these seats are divided among natural persons. This target figure (for female directors) was achieved for the Supervisory Board in 2024: one of the three members (33%) is female.

This was not achieved for the Board of Management, as currently all members in office are male (100%). In the case of vacancies – not being reappointments – the Board of Directors intends to strive for further diversity in both the experience and competences of Board Members and in the male-female ratio.

For the appointment of top management, Ballast Nedam applies a target percentage of 20% for the short-term for women, but the ultimate aim is for 30% of the top management to be women by 2030. At present, 12% of top management are women. The Board of Management intends to strive for further diversity in the male-female distribution when filling vacancies and will take this into account – in the case of equal suitability – not only when appointing directors and (senior) managers, but also when filling all vacancies within the company. The male-female ratio will only contribute to the desired diversity, advancement, and achievement of the target figures if the intake ratio of women is higher.

5.1.9 Annual report

The members of the Board of Management and the Supervisory Board are required by law to sign the company's annual accounts. They are also involved in reviewing the Annual Report – including the report's CSR and ESG disclosures – as the approval is scheduled in a Supervisory Board meeting attended by the external auditor. The Audit Committee discusses the Annual Report in more detail with the external auditor prior to and in preparation of the meeting of the Supervisory Board and shares its findings with the Supervisory Board.

Nieuwegein, 21 March 2025
Board of Management,

- A.K. Sağlam
- O.P. Padberg
- S.R. Lefevre
- E. van Zuthem
- H. Koçak
- N. Doodeman

5.2 Independent statutory auditor

The Audit Committee and the Supervisory Board were involved in the appointment of the 2024 statutory independent auditor. The General Meeting ratified and approved the engagement to PricewaterhouseCoopers Accountants N.V. to conduct an audit of the 2024 financial statements of the company. PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in Türkiye is auditor of Rönesans Holding A.Ş.'s 2024 annual financial statements.

The external independent auditor also attended the meetings of the Audit Committee and the Supervisory Board at which the annual figures were discussed, as well as several other meetings of the Audit Committee and the Supervisory Board. The external independent auditor reports to the Supervisory Board and the Board of Management and ultimately conveys his/her auditor's opinion to the General Meeting. PricewaterhouseCoopers Accountants N.V. attends the Annual General Meeting in which the 2024 financial statements are discussed.

The Board of Management and the Audit Committee thoroughly assess the performance of the external independent auditor in their various duties at least once every four years.

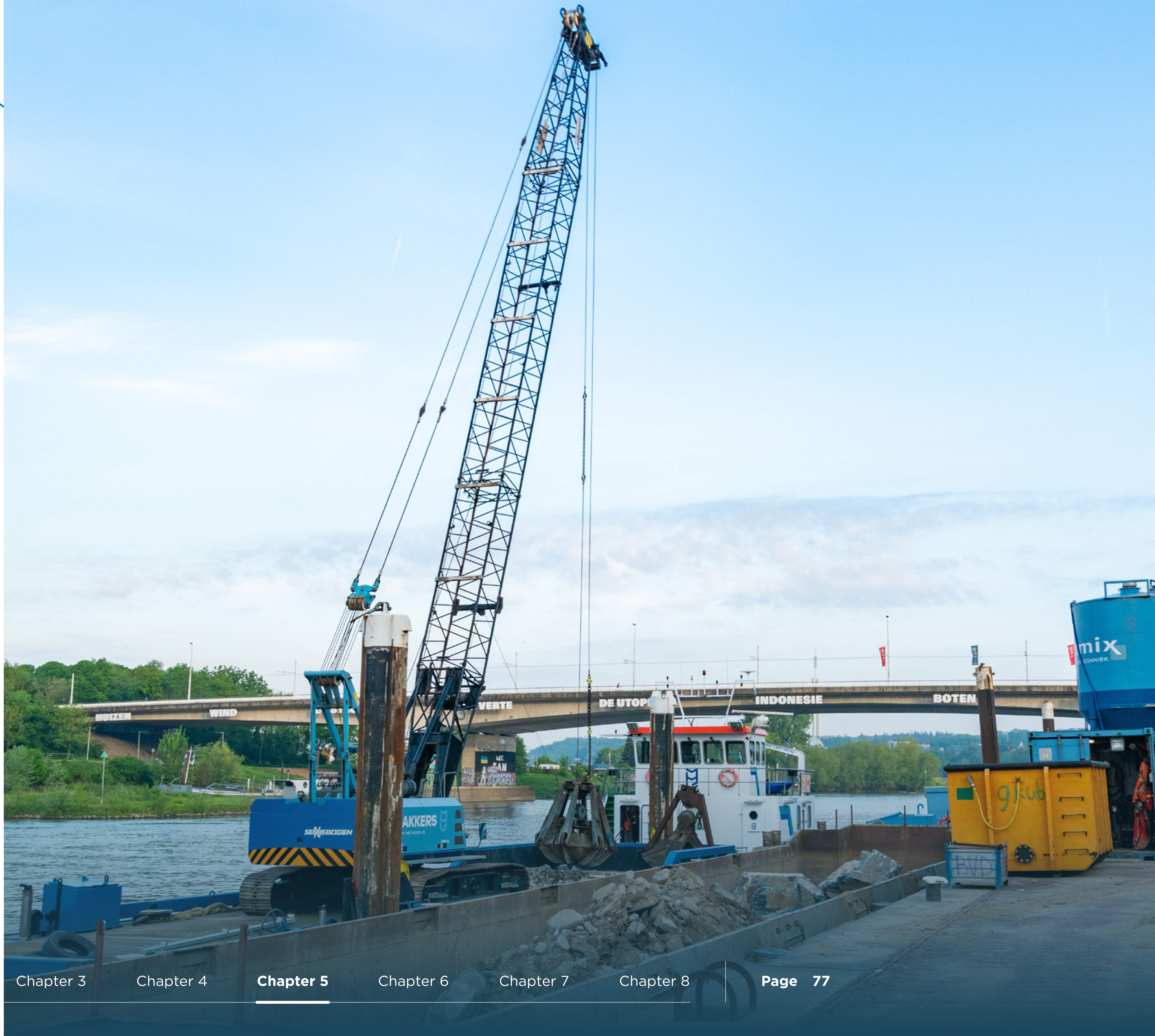
The General Meeting is informed of the main conclusions of this assessment for its own assessment of the proposal to appoint an external independent auditor.

5.3 Report of the Supervisory Board

5.3.1 Introduction

The Supervisory Board discussed financial developments during its meetings in 2024. It also reviewed operations within the Group and market trends, using the various management reports and other information as input. Memoranda from the Board of Management were also discussed at the meetings, as were Board of Management decisions requiring the Supervisory Board’s approval. Moreover, the Supervisory Board was also kept updated by email and granted approvals for matters in writing. Major subjects in which the Supervisory Board was frequently involved or which the Supervisory Board discussed include the development of financial figures compared to the business plan, compliance, the status of major ongoing and potential projects, claims and material CSR and ESG matters, which include the consequences or considerations of its decisions on safety, human capital, the environment and other matters.

As part of its supervisory duties, the Supervisory Board gives consideration to the achievement of the corporate objectives, the strategy and risks, the purpose and performance of internal risk control, financial reporting, and compliance with legislation and regulations.



Financial reporting was discussed at the Audit Committee meetings in 2024. The Audit Committee discussed internal control and financial reporting with the Chief Financial Officer. In addition, the Supervisory Board discussed interim financial figures, the annual financial statements and results of the statutory audit, matters on which the Audit Committee provided advice.

The Supervisory Board obtained regular updates on compliance and fraud assessment related matters from the Board of Management and the Chief Compliance Officer.

Supervisory Board members also met individually with members of the Board of Management and other officers and employees to discuss topics and get further updates.

5.3.2 The Audit Committee

Mr Canbaş is the sole member of the Audit Committee. The Audit Committee acquired relevant knowledge and experience of financial matters via various input prepared by, among others, the Board of Management, the Chief Financial Officer and the Chief Compliance Officer and the company's internal control and reporting functions. The Audit Committee held several meetings in 2024. The independent auditors were present at most of those meetings.

The subjects the Audit Committee discussed at its meetings include:

- the appointment of the independent auditor
- the half-yearly and annual financial information
- the Annual Report
- the reports and recommendations of the independent auditor
- compliance.

The Audit Committee and the Supervisory Board discussed the findings of the independent auditor, the interim observations for 2024 and the follow-up to the findings with the independent auditor.

5.3.3 Financial statements and recommendation to the General Meeting

The Supervisory Board submits the Annual Report for the 2024 financial year to the General Meeting, including the consolidated and company financial statements of Ballast Nedam N.V., as prepared by the Board of Management and approved by the Supervisory Board.

The financial statements have been audited by PricewaterhouseCoopers Accountants N.V.

The Supervisory Board recommends adopting the financial statements and requests discharge be granted to the members of the Board of Management and of the Supervisory Board for their management and supervision respectively in 2024.

Nieuwegein, 21 March 2025
Supervisory Board,

- I. Ilıcak Kayaalp
- Ö. Canbaş
- P.R.H.M. van der Linden

5.4 Risk control process, risks and measures

We continuously strive to improve our ability to manage and control risk, and thereby maximise the value we create. By improving our operational excellence and implementing risk management policies, Ballast Nedam aims to reduce risk to an acceptable level while working to achieve the company's strategic objectives. A healthy balance between growth opportunities and their associated risks ensures long-term business continuity. The likelihood of these risks occurring and negatively affecting business continuity must be minimised.

5.4.1 Ballast Nedam's view on risks

The complex construction sector in which we operate requires effective risk management procedures. Based on the risks we identify, we determine our risk appetite, the potential impact, and the likelihood of these risks occurring. Indeed, we consider risk management to be a core competence that must be embedded in all of our projects: both in projects we carry out ourselves and those in partnership with others. Ballast Nedam applies various methodologies commonly used in the construction and infrastructure sectors, which also makes it possible to communicate about risk management and risk response with stakeholders in the value chain.

Our ambition is to maintain open and transparent relationships with clients and stakeholders that are founded on integrity and strong business ethics–relationships in which both parties comply with the laws and regulations that frame individual responsibilities.

5.4.2 Risk control process and risk mitigation

Individuals working within Ballast Nedam's value chain must be aware of the risks and opportunities that may arise during their business activities, and respond in accordance with the organisation's risk policy and risk appetite. This includes communicating with, and training of, the relevant individuals.

The main risk areas identified and assessed by Ballast Nedam are classified according to the management model developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). These are divided into the following categories: strategic, operational, financial and compliance. The risks are discussed in detail in section 5.3.3.

We employ the 'Three Lines of Defence' model as the basis for managing risk across our operations.

First line of defence

Project teams and support

This concerns Ballast Nedam's people, operating processes and decision-making committees. Project managers are responsible for managing risks and compliance matters related to their projects. They identify, quantify, analyse, prioritise and control these risks. To support the project manager in this task, risk managers are appointed within Ballast Nedam's projects.

Project teams are supported by various centralised and local support functions, such as lawyers and contract managers, in-house insurance specialists, compliance officers, the treasury department and ESG specialists. In addition to the support functions, Ballast Nedam uses various systems and instruments tailored to the specific requirements of operating companies, projects, and multiple risk domains. These systems and instruments include:

- Monitoring progress in the fields of finance, operations, and risk control. This involves preparing periodic management reports in accordance with established reporting and accounting instructions applicable to Ballast Nedam;

- Divisions and their business units monitoring liquidity requirements weekly via a central cash management system;
- Divisions and their business units reporting on financial and non-financial performance by using a central reporting system.

Tender committee
In accordance with the company's tender policy, projects are generally submitted to the Tender Committee for approval, depending on their size and risk profile. Projects that require submission for approval to the Tender Committee include: those with an increased risk profile, those whose contract value exceeds certain thresholds, international projects, those for which certain types of bank guarantees or other collateral are required, and those for which contract liabilities are not capped.

The Tender Committee has an extensive risk register, and its assessment covers matters such as the return risk ratio, capital requirement, ability of the proposed team to execute the project, health and safety aspects, sustainability, cash flow, legal aspects, foreign currency, tax, labour law requirements and political aspects.

Second line of defence

Board of Management and internal authorisations required
The Board of Management is involved in business operations. Ballast Nedam has adopted an internal authorisation matrix that requires submission of several items at different stages of a project: from tender to execution and for support functions. This allows the Board of Management to monitor important developments and influence transactions in Ballast Nedam's overall strategy and policy.

Business control and finance
The way Ballast Nedam conducts its financial reporting enables management to periodically monitor the achievement of strategic, CSR-related, and financial objectives, while also improving the predictability of costs and income. Risk is also covered by the reporting format, both at the project level and across the organisation. The departments responsible for business control and reporting compare and evaluate risk assessments across the financial reports of the various business units.

Operational risk department
The operational risk management department, based at Ballast Nedam's headquarters, is dedicated to supporting project teams in assessing and monitoring risk. Ballast Nedam devotes considerable attention to knowledge-sharing based on past learnings, and continues to invest in operational risk management by expansion of the department in 2023 and 2024.

Third line of defence

The Supervisory Board and the Audit Committee
The Audit Committee is responsible for the supervision of the Board of Management with respect to the operation of the internal risk management and control systems, including compliance. Ballast Nedam's risk profile and the internal risk management and control systems are discussed at meetings of the Supervisory Board and the Audit Committee. Ballast Nedam's financial state of affairs and audit findings are also discussed in these meetings.

The activities of the Supervisory Board and the Audit Committee are described in sections 5.1 and 5.2.

5.4.3 Relevant risks and measures

The table on the following page summarises Ballast Nedam's key risk areas, the respective risk appetite, and management's measures to bring the risk in line with the risk appetite.

Relevant risks and measures

Risk	Risk description	Mitigation actions
Strategic risks	**Risk appetite: Medium**	
Macroeconomic conditions in the market	The markets in which Ballast Nedam operates are subject to macroeconomic volatility and are affected by, among other factors, government plans and regulations, geopolitical events, and the impact of the desired energy transition accelerated by climate change. This can adversely impact Ballast Nedam's activities if not controlled properly.	Ballast Nedam strives to obtain the best and most relevant information to support the assessment of economic conditions in the market and inform the implementation of appropriate measures in response. This ultimately supports Ballast Nedam's strategy of preserving the health of its business, maintaining a robust order book, employing qualified people, and ensuring growth in revenue and operational excellence. Ballast Nedam's strong international character makes the company less vulnerable to local events. The projects within the chosen industries can be carried out in multiple geographical areas.
Market competitiveness	Over time, projects have become increasingly complex in terms of the breadth and diversity of knowledge and technology they demand. The construction market increasingly pursues integrated contract types in which a single supplier is responsible for design, construction, financing, maintenance, and management. In a highly competitive market, this can lead to an imbalanced risk and profit profile. Additional market competitiveness risks include the availability of qualified people with technical expertise in the supply chain, the pressure placed on some parts of the supply chain, and the availability of services and materials, including any related price risks.	Ballast Nedam stays in close contact with its clients and suppliers, including those in the public sector. Our tender gate procedures ensure that we identify the risks at an early stage and that we can discuss and assign them with the customer before the contract conditions are agreed. We have redefined responsibilities and updated risk allocation on more complex projects. Regarding supply chain risks, Ballast Nedam's procurement processes help guarantee economic value and quality when securing suppliers and subcontractors. They also act as a control mechanism to monitor cost efficiency and help prevent possible conflicts of interest.
Developments in sustainability landscape	Driven by the increased number of ESG-related legislation and government decisions in the Netherlands and globally, investors are becoming more focused on making sustainable investments. Failure to meet those expectations and legislative requirements could potentially disrupt Ballast Nedam's position in the market. Reducing greenhouse gases requires investments in emission-free equipment.	Ballast Nedam manages its strategic ESG risks via close monitoring of the legislative requirements that could impact our construction projects, and implementation of associated measures in construction methods. The overall Ballast Nedam strategy is governed through Ballast Nedam's governance structure (Board of Management and Supervisory Board).
Operational risks	**Risk appetite: Low**	
Project contracting and execution	With the most common type of project contract, the price is fixed. As a result, the contract price must account for virtually all operational risks, as well as cost risks associated with the procurement of materials and subcontractor services. When materials become scarce, delays in delivery are our risk, and the additional costs of this cannot always be passed on to our clients. Additionally, contracts may include milestones with associated penalties. Failing to address operational risks properly can lead to inconsistent project results. Ballast Nedam is also active in an increasing number of projects outside the Netherlands, which involves a different legislative environment and operating context.	The tender gate procedures, including risk profile assessment and involvement of management, improve decision making and negotiations. With our contract management procedures, we gain a better understanding and allocation of risks, for example clearly worded contracts and indexation clauses. With strengthened partnerships with partners and suppliers, back-to-back clauses, standardised procurement and ICT processes with a strict project monitoring system, we mitigate the execution risks down the value chain. Project contracting and execution is monitored closely for international projects by means of a thorough tender process (including the preparation of an ESIA assessment), specific attention to corruption and bribery risks in the execution of a project, and regular on-site presence.
Human Resources (HR)	Our people and company culture are critical to making a sustainable impact on the way people live, work, and commute. When well-being of our workforce is not guarded sufficiently, this can have an effect on employee turnover and sick-leave, which can lead to additional costs. An insufficiently qualified workforce can lead to a lower number of projects that can be executed or decreased operational excellence in the execution of our construction projects.	HR receives a great deal of attention at Ballast Nedam, all the way up to the Board of Management. Ballast Nedam continues to develop an employee value proposition and increase the awareness and willingness of the right people to engage with our company. We focus on our culture, encourage people to take initiative, and give each other feedback and recognition. We provide training and development opportunities for all types of employees. Further details can be found in Chapter 4, Sustainability statements.

Relevant risks and measures

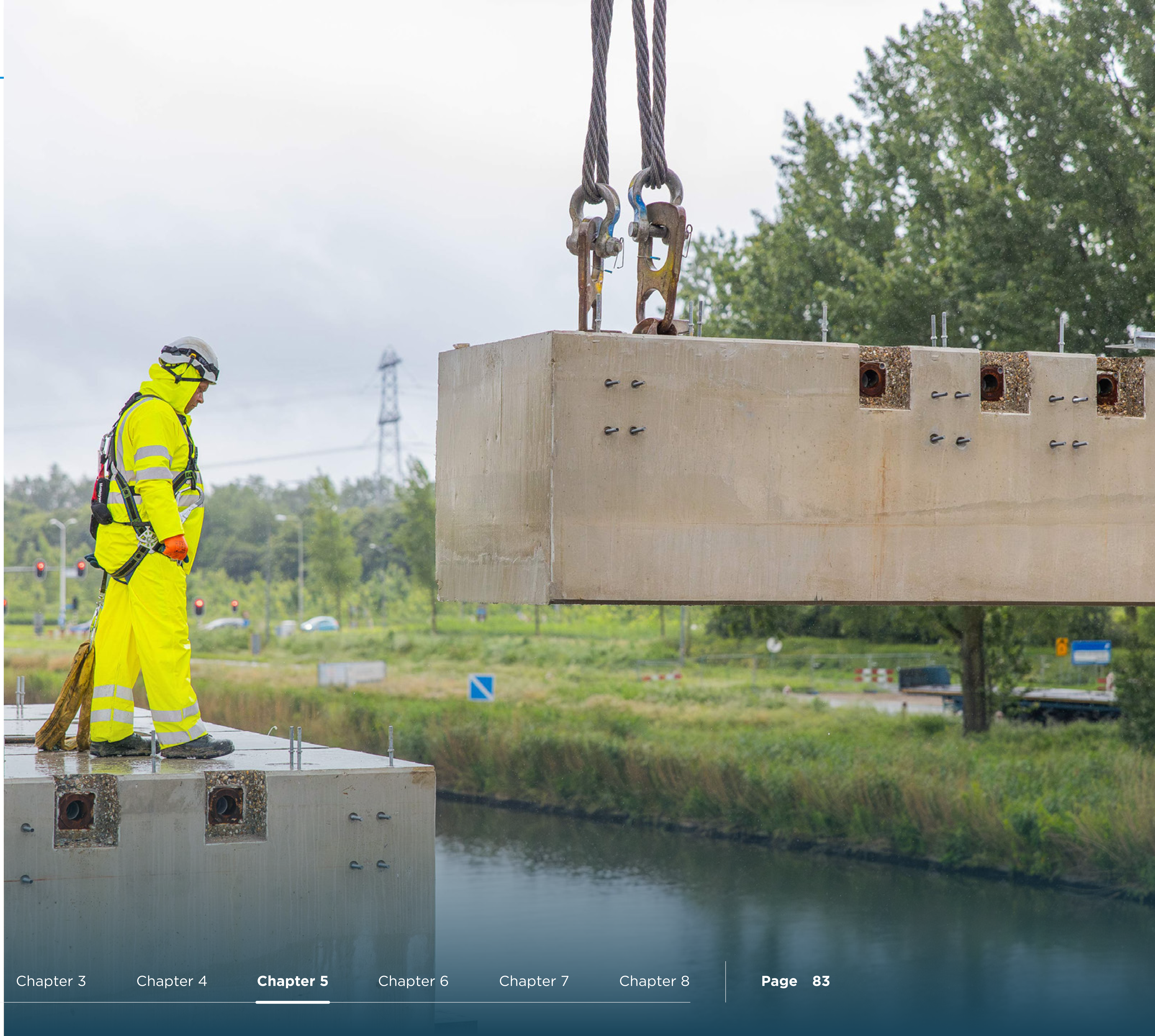
Risk	Risk description	Mitigation actions
Operational risks	**Risk appetite: Low**	
Health, Safety and Environment (HSE)	The construction industry is an industry in which occupational health and safety risks are apparent. Safety incidents may lead to injuries or fatalities of our own employees and other people working at our construction sites. In addition to all personal consequences, this can lead to lost time or additional costs due to disruptions of the construction project.	Within our culture programme Take Care, training is provided to ensure a high level of safety awareness. Managers are also trained to lead by example. Appointed HSE officers within the business and on specific projects execute safety audits. Incident reviews provide feedback to continuously improve our safety performance. Our HSE programme reinforces a commitment to mitigating safety risks. Further details can be found in Chapter 4, Sustainability statements.
ICT and cybersecurity	Viruses and attacks on large amounts of data can bring ICT infrastructure and information systems to a standstill, which can jeopardise the continuity of our company and projects.	Our policy is laid down in the Code of Conduct for ICT Facilities and ICT Information Security, and is periodically audited. There are also specific procedures and protection measures in place, such as the role-based access control procedure, change management procedure, ICT readiness for business continuity procedure, multi-factor authentication, firewall technology, patch management, and dual data centre design.
Financial risks	**Risk appetite: Low**	
Credit risks	Credit risk is the risk of financial loss to Ballast Nedam if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents, receivables from clients and related parties, and investments in debt securities.	Ballast Nedam's credit policy is designed to minimise credit risk. Creditworthiness assessments are carried out on all clients that require credit. Ballast Nedam uses prepayments, guarantees, and collateral (rights of retention) on projects already underway to limit credit risk on instalments and trade receivables. See also section 6.6.29 on financial risk management.
Liquidity and capital risks	Ballast Nedam aims to have sufficient cash flow generation to finance its operations. Besides the contractual agreements regarding payment terms both with our clients and our subcontractors, there is a risk of negative impact inherent to the construction industry, of claim discussions related to projects on (primarily operating) cash flow.	Ballast Nedam controls liquidity risk through periodic cash flow forecasts, followed by commensurate corrective measures and monitoring. Ballast Nedam also has long-term access to bank guarantees and bond facilities with various financial institutions and group companies. Periodic forecasts assess the continued availability of guarantee facilities based on both current tenders and possible discharge from current bank guarantees. Forecasts on access to guarantee facilities indicate Ballast Nedam's continued ability to issue guarantees in the ordinary course of business. To maintain or adjust the capital structure, Ballast Nedam may sell assets to reduce debt, obtain new loans to increase debt, and adjust the amount of return capital to shareholders.
Exchange risks	Foreign currency exchange risk most directly impacts Ballast Nedam through its impact on revenue, project operating costs, loans, and investments held in currencies other than Ballast Nedam's functional currency.	Forward exchange contracts with banks may be entered into to hedge transaction risk on cash flows generated by ordinary business activities.
Interest risks	Interest risk relates to limiting the impact of interest rate changes on Ballast Nedam's results.	Ballast Nedam has interest rate swap and interest rate cap agreements in place to limit exposure to interest rate risks. See also section 6.6.29 on financial risk management.
Compliance risks	**Risk appetite: Very low**	
Risks related to third parties abroad	Working abroad can mean working with external agents and consultancies, which can pose the risk of corruption. In addition, risks associated with specific countries or partners in countries can occur.	When working abroad, or in joint ventures or partner structures, project-based risk assessments ensure sufficient attention is paid to the local culture, laws, and potential risks in a specific country or with a particular partner. Ballast Nedam mitigates anti-bribery and corruption risks through an agent procedure (including a 'Know Your Customer' procedure) and agent agreements that clearly state what is expected from agents, in accordance with the Ballast Nedam Code of Conduct and with relevant laws and regulations.
Data safety and privacy	For execution of construction projects, more and more IT systems are used. When these are not safely designed and constructed, or when data is not safely stored, there is an increased risk of a data breach with impact on (personal) privacy and Ballast Nedam's reputation and exposure to fines.	We are committed to guaranteeing the privacy and safety of our stakeholders' data. We promote awareness of the importance of safeguarding privacy by distributing informational documents and organising training activities in data privacy, all of which are available on Ballast Nedam's intranet and website.

5.5 The year 2024 and outlook

In 2024, the main factors affecting the economic growth and overall situation in the construction market continued to exist: macroeconomic developments adversely impacting investors' decisions, such as increased interest rates, increased construction material prices, and uncertainties in the Dutch political and legislative context.

This primarily resulted in delays in signing new construction contracts, and a related delay in the execution of projects. The economic uncertainty has had an adverse effect on consumer confidence and the entrepreneurial climate. In addition to the economic headwinds, the shortages in the labour market continue as well.

The Board of Management aims to obtain the best and most relevant information to support the assessment of economic conditions in the market so that appropriate measures can be taken in response. We monitor the effects of our measures in our periodic review of the performance of our business units and individual projects. In the coming years, we will continue to improve our risk management protocol and expand our operational risk management department. This is the logical thing to do as it adds value for clients, while we continue to work to deliver a solid order book and maintain a healthy outlook for project opportunities.



Strategic risks: Macroeconomic uncertainty and increased interest rates

In the short term, it is expected that interest rates will remain at the levels of 2024, meaning that investors will recalibrate investment prospects. Together with our clients, we will continue to assess opportunities to execute projects, taking into account the continued shortage in the (Dutch housing) market and macroeconomic developments in the Netherlands and abroad.

Strategic risks: Climate-related matters and legislation

The Dutch government aims to build a significant number of houses in the short term, but the latest court ruling on the prevention of nitrogen deposition complicates and delays the granting of permits. The environmental performance requirements on energy and material use become stricter every year, which raises projects' costs as circular and/or biobased materials are currently still more expensive than conventional materials. We continue to monitor this closely with the respective stakeholders, prepare ourselves, and enhance our expertise regarding required nitrogen and MPG (Milieu Prestatie Gebouwen) calculations.

Markets require increases in carbon footprint reductions and increasingly call on business to incorporate ESG matters in the execution of construction projects. To lower our carbon footprint, we need to invest in electrical equipment, biofuels, and circular materials.

Strategic & operational risks: Supply chain and inflation

Since the geopolitical events in Eastern Europe in 2022, global market conditions have changed, which is primarily visible in higher construction prices. This is caused by factors beyond our control, such as volatility in the commodities markets and material prices, government-imposed trade barriers, and energy policies. Ballast Nedam actively addresses the pressure that is being exerted on parts of the supply chain, especially regarding the increasing risks associated with the price of services and materials, by identifying liabilities at an early stage in a project cycle and by agreeing on price compensation with clients where possible. Other measures include collaborating with preferred subcontractors and embedding the risk in the tender phase. However, excessive price increases and sector-wide pressure across the supply chain have the potential to impact individual projects.

Operational risks: Project contracting and execution

In 2024 we continued our focus on projects that are repetitive in terms of process building methods, where our expertise and methods can be (re)implemented, and risks can be better managed. We still carry out large projects, both in the Netherlands and predominantly abroad, as long as the repetitive nature allows us to pass on our knowledge and expertise.

Operational risks: Human resources

While the labour market remained challenging in 2024, the inflow of new employees was sufficient to compensate for the attrition level.

Based on the business outlook for next year, we expect headcount requirements to remain stable. However, in particular businesses, the need for growth can only be accounted for with an increase in new hires, and we also need to anticipate future growth demands. We will not refrain from actively influencing the awareness and interest of (latent) candidates in our company as a great place to work, as an actively maintained talent pool is a necessity for the future. In 2024, we will continue to invest in our approach to performance, development, and knowledge sharing. We will focus on leadership and talent management, including succession planning to more consistently plan our Human Capital, including development of a highly diverse work group.

Operational risks: Health, safety and environment

It is our obligation to provide a safe work environment for all employees working at Ballast Nedam. We aspire to be safe, which is why it is important to be aware of high-risk labour activities and to reduce or eliminate safety risks wherever possible. Throughout 2024, all incidents were thoroughly investigated by root cause analysis, after which measures were taken to prevent such accidents from happening again.

Actions planned for 2025 are to further professionalise the HSE community to support management in leading the IRP sessions by organising a follow-up moment in 2025. We will continue to follow up on high potential and lost-time incidents through an IRP and share the lessons learned. Additionally, we are developing a new HSE dashboard to provide real-time insight into our HSE performance, and our plan of action involves training workers in hazard recognition and intervention.

Financial risks: Cash flow management and liquidity

Looking forward, Ballast Nedam expects to generate positive operating cash flow with a positive contribution from our increased project portfolio from international activities.

In 2024, the Group continued to attract new financing opportunities and refinance existing agreements. See also section 6.6.29 on financial risk management. Ballast Nedam faces financial risks related to treasury, working capital management, accounting and reporting, for which the risk appetite is low.

Compliance risks: non-compliance with laws and regulations

In 2024, several individual investigations were dealt with and completed on an individual case-by-case basis. No legal action was taken concerning corruption, bribery or anti-competitive behaviour. None of these cases were considered as significant to the Group.

Ballast Nedam will continue to raise awareness about the importance of strong business ethics and individual integrity for all employees, suppliers, subcontractors and other stakeholders. We, along with our stakeholders, remain committed to mitigating all compliance risks and preventing situations of non-compliance by adhering to all laws and regulations.

Currently, Ballast Nedam has proactively started preparing for the Corporate Sustainability Reporting Directive (CSRD) legislation.

Chapter 6

Consolidated **financial statements**

6.1 Consolidated statement of financial position

Amounts expressed in thousands of euro (€)

Assets	Notes	2024	2023
Current assets		**1,064,832**	**775,030**
Cash and cash equivalents	6.6.3	309,940	122,852
Trade receivables	6.6.4	211,290	147,606
Other short-term receivables	6.6.5	247,978	208,179
Inventories	6.6.6	119,016	111,221
Short-term prepaid expenses	6.6.7	50,220	31,919
Contract assets	6.6.8	126,388	141,530
Assets classified as held for sale		-	11,723
Non-current assets		**325,802**	**239,777**
Other long-term receivables	6.6.32	23,141	22,399
Investments accounted for using the equity method	6.6.9	72,968	38,709
Investment properties	6.6.10	80,804	64,516
Property, plants and equipment	6.6.11	52,507	38,541
Right of use assets	6.6.12	26,004	24,361
Intangible assets	6.6.13	19,553	19,433
Deferred tax assets	6.6.14	50,825	31,818
Total assets		**1,390,634**	**1,014,807**

Amounts expressed in thousands of euro (€)

Liabilities and shareholders' equity	Notes	2024	2023
Current liabilities		**775,704**	**581,314**
Short-term borrowings	6.6.15	112,003	120,848
Lease liabilities	6.6.15	10,900	8,141
Trade payables	6.6.16	189,694	176,964
Other short-term payables	6.6.17	126,767	76,706
Contract liabilities	6.6.8	239,714	133,486
Payables for employee benefits	6.6.18	21,759	10,551
Short-term provisions	6.6.18, 19	39,690	27,070
Other short-term liabilities	6.6.20	35,177	24,237
Liabilities directly associated with assets classified as held for sale		-	3,311
Non-current liabilities		**123,101**	**128,914**
Long-term borrowings	6.6.15	89,237	93,764
Lease liabilities	6.6.15	14,288	15,604
Other long-term payables	6.6.21	7,018	7,514
Long-term provisions	6.6.18, 19	11,253	11,198
Deferred tax liabilities	6.6.14	1,305	834
Shareholders' equity		**491,829**	**304,579**
Equity attributable to owners of the parent	6.6.22	491,518	304,141
Paid in capital		2,203	2,203
Share premium		528,970	428,870
Accumulated losses		(66,176)	(144,378)
Other reserves		26,521	17,446
Non-controlling interest		311	438
Total liabilities and shareholders' equity		**1,390,634**	**1,014,807**

6.2 Consolidated statement of profit and loss

Amounts expressed in thousands of euro (€)

	Notes	2024	2023
Revenue	6.6.23	1,232,627	1,112,735
Cost of revenue	6.6.24	(1,121,892)	(1,035,756)
Gross profit		**110,735**	**76,979**
General administrative expenses	6.6.25	(50,482)	(37,928)
Other operating income from main activities	6.6.26	8,533	998
Fair value (losses) from investment properties	6.6.10	(4,200)	(706)
Operating result		**64,586**	**39,343**
Share in net result investments valued using equity method	6.6.9	1,666	(1,174)
Result before finance income and expenses		**66,252**	**38,169**
Financing income	6.6.27	14,375	2,986
Financing expenses	6.6.27	(23,471)	(15,419)
Result for taxation		**57,156**	**25,736**
Current income tax expense	6.6.28	(8,325)	(1,975)
Deferred tax income / (expense)	6.6.14, 28	25,180	(100)
Net result for the year		**74,011**	**23,661**
Attributable to:			
Owners of the parent		74,002	23,677
Non-controlling interest		9	(16)
Net result for the year		**74,011**	**23,661**

6.3 Consolidated statement of comprehensive income

Amounts expressed in thousands of euro (€)

	2024	2023
Net result for the year	74,011	23,661
Other comprehensive income / (expense) net of tax to be reclassified to profit & loss in subsequent periods		
Foreign currency translation reserve	14,142	(1,732)
Share of other comprehensive (expense) of joint ventures	(853)	(1,904)
Other comprehensive income / (expense) for the period, net of tax	**13,289**	**(3,636)**
Total comprehensive income for the period	**87,300**	**20,025**
Attributable to:		
Owners of the parent	87,277	20,033
Non-controlling interest	23	(8)
Total comprehensive income for the period	**87,300**	**20,025**

The other comprehensive income does not include tax (2023: € nil).

6.4 Consolidated statement of changes in equity

Amounts expressed in thousands of euro (€)

	Paid in capital	Share premium	Currency translation reserve	Other reserve	Accumulated losses	Non-controlling Interest	Total
Opening balance 1 January 2023	**2,203**	**393,870**	**2,433**	**19,363**	**(168,761)**	**595**	**249,703**
Net result for the year	-	-	-	-	23,677	(16)	**23,661**
Change in currency translation reserve	-	-	*(1,740)*	-	-	*8*	**(1,732)**
Change in legal reserve	-	-	-	*(1,904)*	-	-	**(1,904)**
Other comprehensive (expense)	-	-	(1,740)	(1,904)	-	8	**(3,636)**
Total comprehensive income	**-**	**-**	**(1,740)**	**(1,904)**	**23,677**	**(8)**	**20,025**
Share premium in cash	-	35,000	-	-	-	-	35,000
Fair value change investment properties	-	-	-	(706)	706	-	-
Acquisition minority interest	-	-	-	-	-	(149)	**(149)**
Closing balance 31 December 2023	**2,203**	**428,870**	**693**	**16,753**	**(144,378)**	**438**	**304,579**
Opening balance 1 January 2024	**2,203**	**428,870**	**693**	**16,753**	**(144,378)**	**438**	**304,579**
Net result for the year	-	-	-	-	74,002	9	**74,011**
Change in currency translation reserve	-	-	*14,128*	-	-	*14*	**14,142**
Change in legal reserve	-	-	-	*(853)*	-	-	**(853)**
Other comprehensive income	-	-	14,128	(853)	-	14	**13,289**
Total comprehensive income	**-**	**-**	**14,128**	**(853)**	**74,002**	**23**	**87,300**
Share premium in cash	-	100,100	-	-	-	-	100,100
Fair value change investment properties	-	-	-	(4,200)	4,200	-	-
Acquisition minority interest	-	-	-	-	-	(150)	**(150)**
Closing balance 31 December 2024	**2,203**	**528,970**	**14,821**	**11,700**	**(66,176)**	**311**	**491,829**

For further details on shareholders' equity please see note 6.6.22.

6.5 Consolidated statement of cashflows

Amounts expressed in thousands of euro (€)

	Notes	2024	2023
Cashflow from operating activities			
Net result for the year		74,011	23,661
Adjustments to reconcile net result			
Depreciation and amortisation of non-current assets	6.6.11,12,13	19,657	17,403
Loss arising from change in fair value of investment properties	6.6.10	4,200	706
Interest expense	6.6.27	12,776	10,193
Gain on disposal of property, plants and equipment	6.6.11	(2,452)	(1,277)
Gain on disposal of net assets held for sale	6.6.26	(7,410)	-
Tax (income) / expense	6.6.14,20,28	(16,855)	2,075
Share in (profit) / loss of investments valued using equity method	6.6.9	(1,666)	1,174
Adjustments related to provisions (non-cash)	6.6.4,19	2,699	1,973
Other losses / (gains)		16,038	(3,304)
Movements in working capital			
Increase in inventories	6.6.6	(7,795)	(5,163)
Decrease / (increase) in contract assets and liabilities	6.6.8	116,035	(39,318)
Increase in receivables	6.6.4,5	(88,445)	(46,691)
(Increase) / decrease in prepaid expenses	6.6.7	(18,301)	7,752
Increase / (decrease) in other current liabilities		73,235	(65,989)
Movement in (short-term) provisions and payables for employee benefits	6.6.18	11,018	138
Movement in (short-term) warranty and other provisions (utilisation)	6.6.19	6,965	(2,620)
Income taxes paid	6.6.28	(8,325)	(1,975)
Net cash from / (used in) operating activities		**185,386**	**(101,262)**
Cashflow from investing activities			
Intangible assets			
Investments	6.6.13	(833)	(104)
Acquisitions		(135)	-
Property, plants and equipment			
Investments	6.6.11	(12,906)	(7,982)
Acquisition subsidiary under common control		(16,092)	-
Income from disposals		7,234	3,582
Financial assets			
Investments		(31,071)	(920)
Income from disposals		8,008	16
Dividend received		2,655	2,616
Interest received	6.6.27	9,602	2,316
Investment properties			
Investments	6.6.10	(20,488)	(12,919)
Income from sale of subsidiary net of cash		-	4,552
Net cash used in investing activities		**(54,026)**	**(8,843)**
Cashflow from financing activities			
Interest paid	6.6.27	(22,378)	(12,509)
Proceeds from borrowings	6.6.15	164,827	99,207
Repayments of borrowings	6.6.15	(178,199)	(49,998)
Lease payments	6.6.15	(9,732)	(9,765)
Capital contribution shareholder		100,100	35,000
Net cash from financing activities		**54,618**	**61,935**
Net cash change		**185,978**	**(48,170)**
Cash at the beginning of the year	6.6.3	122,852	171,022
Exchange rate differences on cash and cash equivalents		1,110	-
Cash at the end of the year		**309,940**	**122,852**

6.6 Notes to the consolidated financial statements

6.6.1 Organisation and operations of Ballast Nedam

Ballast Nedam N.V. (the ‘company’) is incorporated and domiciled in the Netherlands. The company’s corporate seat is Nieuwegein, the Netherlands, its registered office is at Ringwade 71, Nieuwegein, the Netherlands, and it is registered in the Dutch Trade Register under number 33201106. The immediate parent company is Renaissance Construction B.V. and the ultimate parent company is Rönesans Holding A.Ş., Türkiye.

The consolidated financial statements of Ballast Nedam N.V. for the 2024 financial year comprise the parent company Ballast Nedam N.V. and its subsidiaries (‘Ballast Nedam’ or the ‘Group’) and Ballast Nedam’s interest in associates and joint operations.

Ballast Nedam is mainly active in the Netherlands, but also operates in other European countries and executes projects globally. Its core activities include contracting and constructing engineering services on various purpose buildings (mainly residential units and office buildings), industrial projects and infrastructure projects. Ballast Nedam also provides design, construction, maintenance and other projects within the scope of public-private partnership projects. The Group’s development group works in synergy with the construction company on most of the above activities.

6.6.2 Basis of presentation of the consolidated financial statements

Basis of preparation

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code, as far as applicable.

The financial statements are prepared on a going concern basis.

The financial statements were authorised for issue by the Board of Management on 21 March 2025. The financial statements were approved and adopted by the General Meeting on 21 March 2025. With reference to the income statement of the company, use has been made of the exemption pursuant to Section 2:402 of the Dutch Civil Code.

Basis of measurement and presentation

The consolidated financial statements were prepared under the historical cost convention, unless stated otherwise. Exceptions include investment properties and derivatives measured at fair value. The consolidated financial statements are presented in euro (€), which is the Group’s functional currency and presentation currency. Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Assets and liabilities of foreign activities, including goodwill and fair value adjustments arising on acquisitions, denominated in functional currencies other than the euro are translated to the functional currency in euro at the rates of exchange prevailing on the reporting date, with income statement items being translated at the rates approximating the rate of exchange on the transaction date (average rate for the reporting year). Translation differences resulting from the conversion of investments in these foreign activities and the differences between results translated at the average exchange rate during the year and the exchange rate prevailing on the reporting date, are recognised as a separate item in the consolidated statement of comprehensive income.

Receivables and payables in foreign currencies are translated to the functional currency at the exchange rate prevailing on the reporting date. Transactions in foreign currencies are translated to the functional currency at the exchange rate applying on the transaction date. The resulting exchange differences are recognised in the statement of profit and loss.

The economy of Türkiye was assessed to be hyperinflationary effective 30 June 2022, and hyperinflation accounting has been applied for the Group entities in Türkiye since then, which accounted for € 61.4 million of revenue in 2024 (2023: € 1.6 million). The functional currency of the Group entity is adjusted in terms of the measuring unit current at the end of the reporting period. Differences between these comparative amounts and current year hyperinflation adjusted equity balances are recognised in OCI.

Financing, liquidity and going concern

The existing financing package, consisting of loan agreements with multiple financial institutions, amounted to € 130.4 million (2023: € 136 million), project financing arrangements of € 57.3 million (2023: € 56.5 million) and loan agreements with related parties of € 13.5 million (2023: € 22.5 million). In addition, Ballast Nedam entered into a € 30.0 million cash facility agreement with Rabobank. An amount of € 112.0 million will mature on or before 31 December 2025. In January 2025 Ballast Nedam signed a new loan of € 47.4 million with seven years maturity. A total amount of € 67.5 million short-term loans is repaid and the weighted average maturity date for the remaining loans as of 21 March 2025 is 2,5 years.

The solvency ratio improved compared to previous year and amounts to 35.4% (2023: 30.0%). This is primarily the result of a capital contribution and the net profit for the year. Ballast Nedam's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. Ballast Nedam controls the liquidity risk through weekly cashflow forecasting followed by adequate corrective measures and monitoring.

The current cash surplus, strong solvency and the strengthened risk management activities, are expected to provide management with additional flexibility in its operations and execution of its business plans.

Ballast Nedam has access to bank guarantee and bonding facilities with various financial institutions and group companies. These facilities are long-term. Periodically, a forecast is made of the use of the available guarantee facilities. The forecast is based on current tenders and expectations regarding the discharge of existing bank guarantees. Based on this access to guarantee facilities and forecasts, Ballast Nedam expects it will be able to issue guarantees in the ordinary course of business.

Critical accounting judgements and key sources of estimate uncertainty

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. This includes a framework with respect to the measurement of fair values.

Management judgements regarding the application of EU-IFRSs, which have significant consequences for the financial statements and estimates involving an appreciable risk of material change in the following year, are disclosed in the notes. If changes in the accounting estimates are related to only one period, they are applied in the current year; if they are related to the future period, they are applied both in current and future periods. In the current period management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimates, which are addressed below):

Contract revenue

The company's core activities include contracting and construction engineering services on various projects. If the company can demonstrate that a performance obligation is satisfied over time revenue is progressively recognised. The progress is measured based on the input method; contract costs incurred to date as a percentage of total forecasted costs. Estimates are an inherent part of the assessment of the project results and actual outcome may deviate from these estimates, specifically for long-term construction contracts. The level of estimate and uncertainty increases in line with the following factors:

- an agreed contract form that entails more risks for the contractor, such as the design risk that contractors accept in design & construct contracts, plus, for a DBMO contract, the responsibility for maintenance and operation;
- a project that is in an early design or implementation stage. When detailing a preliminary or final design, substantial deviations from the preliminary design may arise. This may be because an initial solution turns out in hindsight to be unfeasible, or because the underlying conditions are better or worse than expected, or because the dialogue with stakeholders is far more complicated, and therefore more expensive, than foreseen. Countless risks may also arise in the implementation phase that are for the account of the contractor. These deviations may be positive or negative;
- the term of the contract is longer and hence the forecast for the ending of the work involves inherently more estimate uncertainties; and
- projects are liable to, additional work, bonusses, penalties and claim situations.

See also note 6.6.8 Contract assets and contract liabilities and note 6.6.24 Cost of revenue.

The company manages these estimate uncertainties during the year based on experience and risk assessment models, including variance analysis. In 2024, the company continued investing in a number of more robust risk management activities for its more complex projects to enhance its estimate and assessment process. This included independent assessments from the management of the project, which assesses risks and their potential financial impact.

As mentioned above, when a project is in an early design or implementation stage, the estimate uncertainty is significantly higher. The Group calculates 'the remaining costs to complete on construction projects' through its internally developed projections. Factors such as escalations in material prices, labour costs and other costs are included in these projections based on best estimates as of the balance sheet dates.

Any unanticipated escalation in the subsequent years will require the reassessment of the remaining costs. Due to changes in the scope of construction projects, time lag between the scope changes and costs incurred and realisation of these projects, there could be significant fluctuations in terms of estimated costs between years.

Inherent to the construction industry the company is involved in discussions on the financial settlement of construction projects, including contract variations, the time of completion and the quality level of the work. Most of these discussions are concluded to the satisfaction of all concerned. However, in some cases it is impossible to avoid a discussion ending in legal proceedings.

Financial claims that the company has pending against third parties are generally not capitalised unless it is highly probable that the amount in question will be paid. The claim assessment includes factors like the company's ability to influence the outcome, for example court or arbitration decisions, the experience with similar type of contract and the uncertainty about the claim is not expected to be resolved for a long period of time; Similarly, with insurance claims which are only capitalised when its highly probable that the amount recognised will be reimbursed. Due to the inherent uncertainty in project estimates the actual outcome in the upcoming years may deviate from the estimated financial result specifically for major and complex construction contracts.

Land positions

Land positions are acquired for future development purposes and are recognised at the lower of cost and net realisable value. The net realisable value depends on the expected manner and timing of realisation. The net realisable value is the estimated revenue in the normal course of business less the estimated costs of completion and selling. The future cashflows are estimated using scenario and sensitivity analyses. These scenarios include assumptions relating to the future market developments, decisions of governmental, provincial and municipal authorities and interest rates. The present value estimates are based on a discount rate of 8.1% (2023: 8.4%), inflation has not been included for either revenues or costs, indices are only taken into account if contractually agreed and interest is not capitalised. Further explanation is disclosed in note 6.6.6 Inventories.

Investment properties

Investment properties are stated at fair value. An investment property is valued at least annually by an external, independent valuator who possesses recent experience in the relevant locations and categories of investment properties, as well as appropriately recognised professional qualifications. The independent valuation report was obtained at year-end 2024. The method to determine the fair value is the income capitalisation approach, with the discounted cash flow method used as a second, sense check calculation. The fair value measurement for investment properties has been categorised as a Level 3 fair value. In the valuation approach assumptions are included amongst others on estimated net rental income, investment requirements, inflation and discount rate. See further explanation in disclosed in note 6.6.10 Investment properties.

Deferred tax

Considering the history of losses, deferred tax assets arising from unrecognised pre-incorporation profit and cumulative tax losses can only be recognised to the extent that it is probable that future taxable amounts will be available to utilise these losses, in accordance with IAS 12. Management utilises judgement to decide the amount of deferred tax asset recognised due to accumulated losses. The estimates are based on Business Plan forecasts approved by the Board, that support that sufficient taxable profits will be available in the Netherlands that can be utilised towards realising the deferred asset. The forecasts include a 10 year horizon and follows from the Business Plan cycle 2025-2027, extrapolated using growth rates for revenue and profit that take external market data and historical performance into account. No specific tax planning opportunities have been taken into account. A deferred tax position is individually assessed by tax region. See further explanation disclosed in note 6.6.14 Deferred tax assets and liabilities.

Provisions

Provisions for doubtful receivables, onerous contracts, restructuring, warranties, joint ventures, employee benefits and other provisions are recognised when it is probable that an outflow of resources will be required to settle the obligation, the amount can be reliably estimated and, when applicable, when the company has a present legal or constructive obligation as a result of past events. By their nature, provisions include uncertainty and if the actual outcome differs from the assumptions as to anticipated costs, the estimated provisions will be revised, which could have an effect on the financial position and results of Ballast Nedam. For additional information concerning provisions, see note 6.6.19 Short-term and long-term provisions.

Provisions for doubtful receivables are determined by applying the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Provisions for onerous contracts are recognised based on the assessment of integral contract costs compared to the total contract revenues. In determining if a contract is onerous, the interaction between loss-making performance obligations and profitable performance obligations is considered. The possible financial risks of claims for completed projects cannot be predicted with certainty however Ballast Nedam believes that based on (external) advisors and information received, the amounts included in the provision are the best estimate. Restructuring provisions include managements best estimate of the future outflow of cash related to the reorganisation plans communicated or implemented before end of the reporting period. The warranty provision represents the present value of the management's best estimate of the future outflow of cash that will be required under Ballast Nedam's warranty programme for construction contracts to resolve the deficiencies which appeared after delivery of the project. In determining the provision Ballast Nedam considers the risks and uncertainties of the underlying events and construction partners concerned.

Leases

Ballast Nedam has lease agreements for land and buildings, equipment and motor vehicles as disclosed in note 6.6.12. The lease terms in these agreements are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease contracts are typically made for fixed periods but may have extension options. These extension options are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. The lease liabilities are measured at the present value of the remaining lease payments, discounted using lessee's weighted average incremental borrowing rate. The weighted average incremental borrowing depends on the nature of the leased assets.

Climate related matters

The impact of climate change generates opportunities as well as challenges for the execution of Ballast Nedam's existing and future construction projects. Ballast Nedam's portfolio is positioned to anticipate risks and opportunities related to climate change, which includes targets and actions to further reduce carbon emissions (by electrification of our equipment and lease car fleet and use of biofuels in construction projects) and actions to reduce construction and office waste.

Developments on climate related matters for Ballast Nedam were considered in preparing the consolidated financial statements. The overall impact on the financial statements is limited.

Adoption of the new and the revised International Financial Reporting Standards

The company has applied the following amendment for the first time to its annual reporting period commencing January 1, 2024:

- Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules

The impact of amendments related to IAS 12 are disclosed in note 6.6.28.

Management analysed other amendments to EU-IFRSs and concluded that the adoption of these amendments did not have any impact on the amounts in the current period or any prior period and is not likely to affect future periods.

Consolidation principles

Subsidiaries

Subsidiaries are entities in which Ballast Nedam directly or indirectly has control. Control exists if Ballast Nedam has power over the entity, is exposed or has rights to variable returns because of its involvement with the entity; and can use its power over the entity to affect the size of these returns. These subsidiaries are consolidated in full and minority interests where applicable, are separately disclosed. These entities are included in the consolidated financial statements from the date on which control commences until the date on which the control ceases.

Predecessor accounting method is applied for acquisitions of subsidiaries under common control within Rönesans Group and interest in the group is prospectively recognised in the financial statements from the date of the transfer. Ballast Nedam recognises the net assets received at their carrying amounts, as reflected in the parent's financial statements.

Associates and joint ventures

An associate is an entity over which Ballast Nedam has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but there is no control or joint control over those associates. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or a joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or a joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or a joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture. When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Joint operations
Joint operations are joint arrangements whereby Ballast Nedam and other parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the joint operation. The Group recognises its share in the joint operations' individual revenues and expenses, assets and liabilities and includes it on a line-by-line basis with corresponding items in the Group's financial statements.

Elimination of transactions for consolidation purposes
Transactions with subsidiaries, associates and entities over which joint control is exercised are determined at arm's length and eliminated in the same way (proportionately) as other intercompany accounts. Unrealised losses are eliminated in the same way, except when there are impairments.

Business combinations
Business combinations are accounted for using the acquisition method as at acquisition date, which is the date on which control is transferred to the company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of the acquisition plus the recognised amount of any non-controlling interest in the acquiree.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Significant accounting policies

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments of which their maturities are three months or less from date of acquisition and which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables, other short-term receivables and other non-current assets
Trade and other receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost less a provision for expected credit losses. In measuring the amount of the provision for expected credit losses, Ballast Nedam made use of the simplified approach involving consistent recognition of an allowance at an amount equal to lifetime expected credit losses. To calculate the expected credit losses Ballast Nedam established a provision matrix which is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Contract assets and liabilities
Contract assets and liabilities are recognised at cost plus recognised profit (revenue) in proportion to the progress of fulfilling the performance obligation less invoiced instalments.

Interest is capitalised subject to meeting the conditions for capitalising finance expense. The cost of contract assets and liabilities includes directly attributable indirect costs on the basis of normal production capacity. If applicable the provision of foreseeable project losses are directly recognised as expenses in the period and are included in the other provisions in line with IFRS 15.

On the balance sheet, the Group reports the net position of the performance obligation as either an asset or a liability. A contract represents an asset where costs incurred plus recognised profit exceed progress billings; a contract represents a liability where the opposite is the case. Preparatory expenses and design and construction costs on large projects (i.e. tendering costs) are included in the cost of contract assets and liabilities if and when Ballast Nedam becomes the sole bidder in contract negotiations. Any preparatory expenses prior to this phase are charged to the income statement.

Inventories

Inventories (raw materials and semi-finished goods) are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realisable value of inventory is less than cost, the inventory is written down to the net realisable value.

Finished goods are measured at the lower of cost and net realisable value. The cost of finished goods is based on the first-in, first-out (FIFO) principle. The cost includes interest subject to meeting the conditions for capitalising finance expense. The cost of finished goods includes directly attributable indirect costs on the basis of normal production capacity.

Land positions are acquired for future development purposes and are recognised at the lower of cost and net realisable value. The net realisable value depends on the expected manner and timing of realisation. The net realisable value is the estimated revenue in the normal course of business less the estimated costs of completion and selling.

The future cashflows are estimated using scenario and sensitivity analyses. The present value estimates are based on a discount rate of 8.1% (2023: 8.4%). In principle these holdings are not 'in production' and development costs are consequently not capitalised. Interest is capitalised subject to meeting the conditions for capitalising finance expense and at the time the land position is actively developed. The associated costs are expensed. Planning permits and building permits are included in landholdings.

Residential units to be sold are stated at the lower of cost and net realisable value. Interest is capitalised subject to meeting the conditions for capitalising finance expense. The cost of residential building projects includes directly attributable indirect costs on the basis of normal production capacity.

Assets and liabilities held for sale and discontinued operations

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. These assets may be a component of an entity, a disposal group, or an individual non-current asset. These assets are measured at the lower of the asset's carrying amount and the fair value less costs to sell. Depreciation or amortisation of an asset ceases when it is classified as held for sale. A discontinued operation is a component of Ballast Nedam's operations that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or a subsidiary that has been acquired solely for the purpose of resale. Classification as a discontinued operation occurs upon disposal, or when the operation meets the criteria for classification as held for sale, if earlier.

Investment property

Investment property, which is property held to earn rents and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the balance sheet date. The fair value is calculated as the present value of the estimated future cashflows discounted with the effective interest rate. Gains or losses arising from changes in the fair value of investment property are included in the profit or loss in the year in which they arise.

An investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the change in fair value of investment property, retirement or disposal of an investment property are recognised in profit or loss in the year.

Investment property under development

Property that is being constructed for the future use as investment property is accounted for as investment property under development until construction or development is complete, at which time it is reclassified as investment property.

Investment properties under construction are stated at fair value, which reflects market conditions at the balance sheet date. The fair value is calculated as the present value of the estimated future cashflows discounted with the effective interest rate. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the year in which they arise.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis. If applicable, assets are depreciated using the units of production method.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the profit and loss account.

Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses characteristics of the lease contract and asset. At inception or on reassessment of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

Right of use assets are measured at cost. The company remeasures the right of use asset:

- after netting-off depreciation and reducing impairment losses from right of use asset; and
- adjusted for certain remeasurements of the lease liability recognised at the present value.

Ballast Nedam depreciates the right of use asset from the commencement date to the earlier of the end of the useful life of the right of use asset and the end of the lease term. At the end of each reporting period, the company reviews if there is any indication for an impairment of right of use assets.

At the commencement date, the lease liability is recognised for an amount equal to the present value of the lease payments over the lease term. Lease liabilities include the net present value of the following lease payments.

The lease liability is subsequently measured based on a process similar to the amortised cost method using the discount rate: the liability is increased by the accrued interests resulting from the discounting of the lease liability, at the beginning of the lease period and less payments made. The lease liability may be remeasured in case of a change in circumstances.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the company remeasures the lease liability to reflect changes to the lease payments.

The company recognises the amount of the remeasurement of the lease liability as an adjustment to the right of use asset.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of the acquisition plus the recognised amount of any non-controlling interest in the acquiree. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an object include the carrying amount of goodwill relating to the object sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the intangible assets' estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Acquired computer software licences are shown at historical cost and capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. Costs associated with maintaining software are recognised as expenses when incurred.

Impairment of tangible, intangible and right of use assets other than goodwill

At the end of each reporting period, the Group reviews if there is any indication for an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial assets

Financial assets are classified as assets that are:

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

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash-flows. The company's main financial assets are: cash and cash equivalents, trade receivables, other receivables, prepaid expenses, contract assets and other non-current assets (see disclosures in this chapter).

The financial assets are carried at amortised cost since these financial assets are assets with the objective to collect contractual cashflows of the debt instruments and the contractual terms of the financial asset give rise on certain dates to cashflows exclusively concerning repayments of principal and interest payments on the outstanding amount. On initial recognition, the date on which the company commits to purchase or sell the asset, the amount of financial assets is measured at fair value. Subsequently the financial assets are carried at amortised cost using the effective interest method and are subject to impairment. Financial assets are derecognised when the rights to receive cashflows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment losses are recognised in profit or loss in the period they occur. Impairment of financial assets is determined utilising the simplified approach based on the expected lifetime credit losses. Given that there is no significant decline in the credit risk, the credit loss provision continues to be measured at the amount of the lifetime expected credit losses. A financial asset is fully impaired when there is no reasonable expectation of recovering the contractual cashflows.

Financial liabilities at amortised cost

The company's main financial liabilities are trade payables, contract liabilities, lease liabilities, other liabilities and borrowings (see disclosures in this chapter). These liabilities are carried at amortised cost after initial recognition, using the effective interest method. When a financial liability (or a part thereof) is eliminated or expires, it ceases to be recognised.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss, and only if the criteria in IFRS 9 are satisfied. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group uses interest rate swaps and interest rate cap options are used to hedge its exposure to interest rate risks.

Trade and other short-term payables

On initial recognition, trade payables and other payable items are measured at fair value. After initial recognition, trade payables and other payable items are carried at amortised cost. The difference between the carrying amount of a financial liability (or part thereof) that is redeemed or is transferred to a third party and the amount paid, including any transfer of assets other than cash and cash equivalents or assumed liabilities, is recognised in profit or loss.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

The receivables and liabilities from income taxes contain claims and obligations from domestic and foreign income tax jurisdictions. These include both the current year and any claims and obligations from previous years. The receivables and liabilities are calculated on the basis of the tax regulations in the respective countries.

Deferred taxes are recognised for all temporary differences, using the liability method, between the valuations of the balance sheet items in the IFRS consolidated financial statements and the respective tax values applicable to the individual group companies. Furthermore, the probable realisable tax benefit from existing loss carry forwards is included in the calculation. Exceptions to this comprehensive tax accrual are differences arising from non-deductible goodwill. The calculation of the deferred tax is based on the usual income tax rate in the respective country at the time of the expected reversal of the value difference.

Deferred tax liabilities resulting from temporary differences are recognised if the timing of the reversal of temporary differences within the Group can be determined and it is probable that the temporary differences will be reversed in the foreseeable future due to this influence. Deferred tax assets and liabilities will be set off if there is a legally enforceable right to set off current tax assets and liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Ballast Nedam applies the IAS 12 mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Borrowings

On initial recognition, long-term loans are measured at fair value less attributable transaction costs. Interest-bearing loans are subsequently carried at amortised cost, with any difference between the cost and the amount repayable recognised in the income statement over the term of the loans on the basis of the effective interest method. Borrowing costs are capitalised only when they are attributable to qualifying assets (none in 2024 and 2023).

Pensions

The pension scheme for office staff qualifies as a defined contribution plan. Under this defined contribution plan, the obligations in respect of the defined contributions are recognised as an expense in the income statement when they fall due. Ballast Nedam has no legal or constructive obligations to make further contributions if the pension fund does not hold appropriate assets to pay all employees the benefits relating to employee service in the current and prior periods. Ballast Nedam's building site employees are covered by the compulsory industry-wide pension scheme for the building industry (bpfBOUW). Under IAS 19 this pension scheme is accounted for as a defined contribution scheme. Ballast Nedam pays contributions to administered pension insurance plans and has no further payment obligations once the contributions have been paid.

The contributions are recognised as employee benefit expense when they are due.

Employee benefits other than pensions

Ballast Nedam's net obligation in respect of long-term employee benefits (long-service bonuses, long-term illness), with the exception of pension plans, is the sum of the future benefits that employees have earned in exchange for their services during the period under review and in preceding periods. The liability is discounted to present value, taking into account actuarial assumptions.

Termination benefits are recognised when binding offers are made or restructuring, within the scope of IAS 37, is announced. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value (taking into account actuarial assumptions, when relevant).

Provisions
Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Equity
Ordinary shares are classified as equity. Mandatory redeemable preference shares are classified as liabilities. The share premium concerns the income from the issuing of shares insofar as this exceeds the nominal value of the shares. Legal reserves are accounted for based on regulations.

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

Revenues from contracts with customers
The company recognises revenue based on following the five step model in IFRS 15. The company recognises revenue from its customers only when all the following criteria are met:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the company can identify each party's rights regarding the goods or services to be transferred;
- the company can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance;
- it is probable that the company will collect the considerations to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of considerations when it is due.

Ballast Nedam evaluates if it is possible to account for a contract at the contract level as a single performance obligation or the promises in the contract are distinct and qualify as a separate performance obligation.

The transaction price is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. It includes initial amounts agreed in the contract plus any variation orders in the contract work and variable consideration (like variation orders, claims and bonusses), to the extent that it is highly probable that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved. The transaction price (and any subsequent changes in estimate of the transaction price) is allocated to each separate performance obligation based on the relative stand-alone selling price of each performance obligation.

The transaction price is not adjusted for the effects of a significant financing component, since while deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months.

Revenue is recognised as soon as control is transferred to the customer. Control can transfer at a point in time or over time. Construction contracts generally meet the criteria to recognise revenue over time, since the company is building on the land of the client or improving an asset of the customer that the customer controls. Ballast Nedam evaluates for each construction contract whether any of the criteria for recognition of revenue over time are met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The stage of completion on projects is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract, except where this would not be representative of the stage of completion. The stage of completion excludes costs for uninstalled materials and costs that are incurred to fulfil a contract, such as mobilisation costs and costs incurred due to inefficiencies. Costs for mobilisation are recognised as a separate asset if these costs are expected to be recovered; no material mobilisation costs were identified. For performance obligations that are transferred at a point in time, revenues and costs are recognised in profit or loss when the customer receives the ability to direct the use of the asset and substantially obtains all the benefits of it.

Onerous construction contracts

Estimates of project management are used to assess the progress and estimated outcome of a performance obligation. When it becomes probable that the total expected costs to complete all performance obligations in a contract exceed the total transaction price (consideration) of these performance obligations, a loss provision is recognised for the lower of the unavoidable costs and the costs of termination. Loss provisions are separately disclosed as a provision. The provisions show the expected negative result of the contract, based on the progress of the project. In determining the onerous contract provision the Group applies for revenue base the 'economic benefits to be received' and for cost base the 'unavoidable costs' (qualified as integral costs). The integral costs approach is in line with the IFRS 15 definition regarding costs to fulfil a contract.

Financing components

Ballast Nedam generally does not have any significant contracts where the period between the transfer of the promised goods or services to the customer and the payment by the customer, as contractually agreed, exceeds one year. If applicable, the transaction prices are adjusted for the time value of money.

Revenues generated from sale of apartments or residential units

Residential development projects include components such as the sale of land and the realisation of residential buildings. The revenue from the sale of land is realised at the moment the civil law notary transfers the title, while the revenue from the buildings is realised during the construction period.

Revenue is measured at the transaction price agreed under the contract taking into account the variable considerations. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

The Group's construction contracts generally meet the criteria to recognise revenue over time, since the projects are specialised assets which are built specifically for the client and frequently on a customer's site. Reference is made to 'Revenues from contracts with customers'.

Rendering of services

In addition to construction Ballast Nedam provides services within the Infrastructure, Building and Development segments. The service revenue arises from maintenance and other services supplied to infrastructure assets and facilities, which may involve a range of services and processes. The individual services have been determined to be one performance obligation. Ballast Nedam has assessed that the services are satisfied over time given that the customer simultaneously receives and consumes the benefits provided by Ballast Nedam. Revenue therefore continues to be recognised over time in the period in which the services are rendered.

Trading and other revenue

Rental income from equipment

Revenue is measured at the transaction price agreed under the rental contract. Lease income from operating leases where Ballast Nedam is a lessor is recognised in income on a straight-line basis over the lease term. Further details refer to note 6.6.12 Right of use assets.

Rental income from investment properties

Revenue is measured at the transaction price agreed under the rental contract. Rental income generated from real estate development projects is recognised on an accrual basis and included in the accounting period in which the rental services are rendered.

Further details refer to note 6.6.10 Investment properties.

Income from selling of construction equipment and materials

Revenue is recognised when control of the products has transferred, being when the equipment is delivered to the customer, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products in accordance with the sales contract. No significant element of financing is deemed present as the sales are made with a reasonable credit term, which is consistent with market practice.

Contract costs

All costs related to satisfied performance obligations and costs related to inefficiencies (that is, abnormal costs of materials, labour, or other costs to fulfil) are expensed as incurred. Incremental costs of obtaining a contract are costs that the entity would not have incurred if the contract had not been obtained and are recognised as an asset if they are expected to be recovered. As a practical expedient, costs are expensed as incurred if the amortisation period of the asset that otherwise would have recognised is one year or less.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained (for example, certain bid costs) are recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained. Direct costs of fulfilling a contract are accounted for in accordance with other standards (for example, inventory, intangibles, fixed assets) if they are within the scope of that guidance. Direct costs of fulfilling a contract are capitalised if not within the scope of other standards and if they relate directly to a contract, relate to future performance, and are expected to be recovered under the contract.

Cost of revenue includes, but is not limited to, personnel expenses, raw materials and supplies expenses, worksite expenses, subcontractor expenses, transportation and customs expenses, cost from sale of residential units, consultancy expenses, office administration expenses, flight operations expenses, depreciation and amortisation expenses, insurance expenses, machinery, equipment and other rent expenses, energy and fuel expenses, tax and legal expenses, travel expenses, cost of goods sold, loss allowance for trade receivables, provision for impairment of inventories, cost of electricity sold, energy transmission and distribution expenses, maintenance and repair expenses, outsourcing expenses, operating expenses, heating expenses, other utilities expenses etc.

Government grants

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions related to them and that the grants will be received. Grants related to income are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. They are recognised in other income.

Net finance expense

The net financing expense comprises the interest income and expense, including those on borrowings calculated using the effective interest method and interest on the lease liability. Gains and losses on exchange are recognised in the income statement in earnings before interest and taxes. Gains or losses on derivative financial instruments are recognised as finance income or expenses.

Income tax expense

Tax is calculated on the result from ordinary operations, allowing for tax-exempt items and based on the applicable tax rates for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the income statement except in relation to items recognised directly in the consolidated statement of comprehensive income.

Deferred tax is recognised using the statement of financial position method for temporary differences between the reported carrying amounts and tax bases of assets and liabilities, and for future carry-forward losses, and is accounted for on the basis of the applicable tax rates for the periods when the temporary differences are expected to be reversed.

Statements of cashflows

Current period statements of cashflows are categorised and reported as operating, investing and financing. Cashflows from operating activities show cashflows provided from the Group’s operations. Cashflows from investing activities summarise the Group’s cashflows used in or generated from investing activities (fixed and financial investments). Cashflows from financing activities summarise the Group’s cashflows from liabilities and the back payments of these liabilities benefited in financing needs of the Group. The cashflow statement is prepared utilising the indirect method.

Related parties

Related parties are individuals or entities that are related to the Group. Related party transactions are transfers of resources, services or liabilities between related parties and the reporting entity, regardless of whether or not against remuneration.

6.6.3 Cash and cash equivalents

The total cash and cash equivalents amounting to € 309.9 million (2023: € 122.9 million) includes € 25.7 million of balances from joint operations (2023: € 25.7 million). The cash and cash equivalents from joint operations are only available in consultation and agreement with the joint operations partners.

6.6.4 Trade receivables

The details of the trade receivables of the Group as at balance sheet dates are as follows:

Trade receivables	2024	2023
Contract receivables	170,057	129,203
Retention held by clients	26,718	7,376
Trade receivables	3,382	3,813
Trade receivables from related parties	11,885	8,031
Loss allowance for trade receivables (-)	(752)	(817)
Total trade receivables	**211,290**	**147,606**

Contract and trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. These transactions were made on normal commercial terms and conditions. The Group uses prepayments, guarantees and collateral (rights of retention) on projects under construction in order to limit the credit risk on the above categories of instalments and trade receivables. The average collection period is 46 days (2023: 58 days).

References are made to note 6.6.32 with respect to receivables from related parties. The nature and level of the risks on trade receivables are disclosed in note 6.6.29.

The aging of overdue receivables is as follows:

Aging of overdue receivables	2024	2023
Overdue by 1-30 days	12,198	24,947
Overdue by 1-3 months	9,992	4,732
Overdue by 3-12 months	1,519	11,159
Overdue by 1-2 years	22,014	18,927
Total overdue receivables	**45,723**	**59,765**

Movements on the Group's loss allowance for trade receivables for the year ended 31 December 2024 and 31 December 2023 are as follows:

Movement of loss allowance for trade receivables	2024	2023
Balance at the beginning of the period	**(817)**	**(899)**
Charge for the period	(49)	(33)
Reversal	90	5
Collections	25	111
Exchange rate differences	(1)	(1)
Balance at end of the period	**(752)**	**(817)**

6.6.5 Other short-term receivables

Non-trade receivables from related parties include receivables from joint ventures and associates. The activities in joint ventures include the assignment and financing of land as well as carrying out construction contracts. In addition, non-trade receivables from related parties include Rönesans group companies. Other receivables include primarily the Group's share of receivables of partners in the joint operations, totalling € 17,168 thousand (2023: € 17,761 thousand) and funds on an escrow account totalling € 551 thousand (2023: € 1,566 thousand).

Other short-term receivables	2024	2023
Non-trade receivables from related parties	147,561	134,143
VAT receivable	15,965	2,089
Other receivables	84,452	71,947
Total other short-term receivables	**247,978**	**208,179**

6.6.6 Inventories

The accumulated impairment recognised within land to be developed for projects amounts to € 4,751 thousand (2023: € 4,934 thousand). In 2024, no impairment has been recognised (2023: € nil) and no impairments of land positions have been reversed (2023: € nil). The allowance for inventories amounts to € 34 thousand (2023: € 34 thousand). The cost of inventories is based on the first-in, first-out principle, and includes expenditure incurred in acquiring the inventories, the production or conversion costs, and the other costs incurred in bringing the inventories to its current location and current condition.

Inventories	2024	2023
Raw materials	19,760	10,762
Lands to be developed for projects	79,554	80,041
Residential units to be sold	15,890	18,432
Finished goods	3,846	2,020
Allowance for inventory	(34)	(34)
Total inventories	**119,016**	**111,221**

6.6.7 Short-term prepaid expenses

Prepaid expenses of the amount of € 50,220 thousand (2023: € 31,919 thousand) are mainly related to the prepayments on projects, general administrative expenses including insurance and rent costs and prepaid corporate income taxes.

6.6.8 Contract assets and contract liabilities

Contract assets and contract liabiliaties	2024		
	Contract assets	**Contract liabilities**	**Net position**
Cost less provisions for losses and risks, plus profit based on percentage of completion	213,793	617,405	
Less: progress billings	(87,405)	(857,119)	
Total	**126,388**	**(239,714)**	**(113,326)**

Contract assets and contract liabiliaties	2023		
	Contract assets	**Contract liabilities**	**Net position**
Cost less provisions for losses and risks, plus profit based on percentage of completion	963,133	321,278	
Less: progress billings	(821,603)	(454,764)	
Total	**141,530**	**(133,486)**	**8,044**

The value of contract assets and liabilities is assessed periodically for each project by the project manager and the management of the entity concerned. Estimates are an inherent feature of this process and the assessment is made on the basis of records in project files, cost monitoring, including estimates of financial settlements of projects such as contract variations and claims. It may turn out at a later stage that actual results differ from the estimates. This is particularly relevant for long-term projects that include considerable customisation. It can also occur if there are unsettled claims or discussions with clients about additional work that are still continuing on the closing date. Further consideration about project estimates are included in note 6.6.2.

Contract assets under current assets consist of all construction contracts where the expenses incurred plus the recognised profit, minus the recognised losses, exceed the instalments invoiced. Contract liabilities under current liabilities consist of all construction contracts where the expenses incurred plus the recognised profit, minus the recognised losses, are less than the instalments invoiced.

The contract assets and liabilities predominantly have a term of less than 12 months. The revenue recognised that was included in the contract liability balance at the beginning of the period amounts to € 133,486 thousand (2023: € 137,693 thousand).

Transaction price remaining performance obligations

The next table includes revenue expected to be recognised in the future related to performance obligations that are (partially) unsatisfied at the reporting date.

31 December 2024	2025	2026	After 2026	Total
Expected revenue from (partially) unsatisfied performance obligations with original expected duration of > 1 year	1,291,949	1,058,363	602,721	**2,953,033**

31 December 2023	2024	2025	After 2025	Total
Expected revenue from (partially) unsatisfied performance obligations with original expected duration of > 1 year	728,001	362,498	227,737	**1,318,236**

6.6.9 Investments accounted for using the equity method

At 31 December 2024, in the opinion of management, no joint venture is material to the Group. Set out below is the aggregate information to the Group. The net result is composed of profit or loss from continuing operations and is equal to total comprehensive income.

Share in net result investments valued using equity method	2024	2023
Share in net result joint ventures that are not individually material to the Group	(2,271)	(3,727)
Share in net result associates that are not individually material to the Group	2,887	1,532
Share in net result associates without significant influence	1,050	1,021
Total	**1,666**	**(1,174)**

Investments accounted for using the equity method	2024	2023
Share in equity joint ventures that are not individually material to the Group	57,273	24,429
Share in equity associates that are not individually material to the Group	10,538	9,501
Share in equity associates without significant influence	5,157	4,779
Total	**72,968**	**38,709**

Set out below is the movement schedule of not individually material joint ventures and associates to the Group:

Individual not material joint ventures and associates to the Group	2024	2023
Opening balance	**38,709**	**40,932**
Share on profit / (loss) of investments valued using equity method	1,666	(1,174)
Dividends received	(2,655)	(2,616)
Disposals	(598)	(16)
Change in legal reserve	(853)	(1,904)
Transfer to provision negative joint ventures	2,122	709
Funding joint ventures	31,071	920
Exchange rate fluctuations	3,506	1,858
Closing balance	**72,968**	**38,709**

6.6.10 Investment properties

Investment properties	2024	2023
Opening balance	**61,772**	**56,825**
Investment	1,944	4,947
Change in fair value	(4,200)	-
Closing balance	**59,516**	**61,772**

Investment properties under development	2024	2023
Opening balance	**2,744**	**14,802**
Investment	18,544	7,972
Disposal	-	(19,324)
Change in fair value	-	(706)
Closing balance	**21,288**	**2,744**

The net income from operational leases of investment properties is limited. and is derived from a number of long-term contracts with corporate tenants for our investment property located in Rotterdam. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the group might obtain bank guarantees for the term of the lease. Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Ballast Nedam utilises an external, independent valuator who, having the appropriately recognised professional qualifications, values investment properties at least annually. The independent valuation report was obtained at year-end 2024 and includes market practice assumptions regarding developments in occupancy and rent levels. The method to determine the fair value which is applied is the income capitalisation approach, with the discounted cash flow method used as a second, sense check calculation. The approach is sensitive to changes in parameters and is subject to numerous variables (positive or negative) like planning permission, market conditions, or delay to start of construction.

The fair value measurement for investment properties has been categorised as a Level 3 fair value. The main Level 3 inputs are rental values, square meters, post-tax discount rates (8.1%, 2023: 8.4%), inflation rate (2.5% - 3.1%) and internal budgets which include assumptions about developments in occupancy levels based on management's experience and knowledge of property construction and market conditions. A change in construction costs or estimated rental value of ± 5.0% results in a change of the fair value of investment properties with ± 5.0%.

6.6.11 Property, plants and equipment

	Buildings	Machinery and equipment	Other tangible assets	Total
Cost				
Opening balance 1 January 2024	**42,366**	**82,918**	**8,875**	**134,159**
Additions	2,640	8,364	1,902	**12,906**
Disposals	(3,680)	(7,562)	(1,591)	**(12,833)**
Acquisitions	1,873	13,020	1,199	**16,092**
Closing balance 31 December 2024	**43,199**	**96,740**	**10,385**	**150,324**
Accumulated depreciation and impairment				
Opening balance 1 January 2024	**(26,558)**	**(62,135)**	**(6,925)**	**(95,618)**
Cum. depreciation - disposals	2,063	4,620	1,368	**8,051**
Depreciation	(1,624)	(7,275)	(1,281)	**(10,180)**
Exchange rate fluctuations	(4)	(50)	(16)	**(70)**
Closing balance 31 December 2024	**(26,123)**	**(64,840)**	**(6,854)**	**(97,817)**
Carrying value as at 31 December 2024	**17,076**	**31,900**	**3,531**	**52,507**

Other tangible assets mainly include leasehold improvements and ICT hardware. Several property, plants and equipment items are pledged as collateral under the bank loan agreements, see note 6.6.29.

	Buildings	Machinery and equipment	Other tangible assets	Total
Cost				
Opening balance 1 January 2023	**49,044**	**102,265**	**9,435**	**160,744**
Additions	3,159	4,504	319	**7,982**
Disposals	(100)	(17,761)	(357)	**(18,218)**
Assets held for sale	(9,737)	(6,090)	(522)	**(16,349)**
Acquisitions	-	-	-	**-**
Closing balance 31 December 2023	**42,366**	**82,918**	**8,875**	**134,159**
Accumulated depreciation and impairment				
Opening balance 1 January 2023	**(31,480)**	**(77,025)**	**(6,826)**	**(115,331)**
Cum. depreciation - disposals	100	15,489	324	**15,913**
Assets held for sale	6,555	4,464	512	**11,531**
Depreciation	(1,736)	(5,064)	(935)	**(7,735)**
Exchange rate fluctuations	3	1	-	**4**
Closing balance 31 December 2023	**(26,558)**	**(62,135)**	**(6,925)**	**(95,618)**
Carrying value as at 31 December 2023	**15,808**	**20,783**	**1,950**	**38,541**

The useful life used in the calculation of depreciation is as follows:

	Useful life
Buildings	10-30 years
Machinery and equipment	5-20 years
Other tangible assets	2-10 years

From the total depreciation of € 10,180 thousand (2023: € 7,735 thousand) € 8,417 thousand was charged to costs of revenue (2023: € 6,135 thousand) and € 1,763 thousand to general costs (2023: € 1,600 thousand).

6.6.12 Right of use assets

The movement schedule of right of use assets is as follows:

	Land	Buildings	Machinery and equipment	Motor vehicles	Total
Cost					
Opening balance 1 January 2024	**-**	**21,583**	**13,561**	**13,220**	**48,364**
Additions	-	1,448	3,798	5,068	**10,314**
Disposals	-	(159)	(355)	(2,177)	**(2,691)**
Closing balance 31 December 2024	**-**	**22,872**	**17,004**	**16,111**	**55,987**
Accumulated depreciation					
Opening balance 1 January 2024	**-**	**(14,074)**	**(2,569)**	**(7,360)**	**(24,003)**
Disposals	-	155	242	2,004	**2,401**
Depreciation	-	(2,698)	(2,282)	(3,398)	**(8,378)**
Exchange rate fluctuations	-	(2)	-	(1)	**(3)**
Closing balance 31 December 2024	**-**	**(16,619)**	**(4,609)**	**(8,755)**	**(29,983)**
Carrying value as at 31 December 2024	**-**	**6,253**	**12,395**	**7,356**	**26,004**

	Land	Buildings	Machinery and equipment	Motor vehicles	Total
Cost					
Opening balance 1 January 2023	**1,088**	**20,958**	**9,578**	**14,781**	**46,405**
Additions	-	625	6,501	1,251	**8,377**
Disposals	(1,088)	-	(2,518)	(2,812)	**(6,418)**
Closing balance 31 December 2023	**-**	**21,583**	**13,561**	**13,220**	**48,364**
Accumulated depreciation					
Opening balance 1 January 2023	**(953)**	**(10,985)**	**(3,549)**	**(6,676)**	**(22,163)**
Disposals	1,088	-	2,479	2,812	**6,379**
Depreciation	(135)	(3,089)	(1,499)	(3,496)	**(8,219)**
Closing balance 31 December 2023	**-**	**(14,074)**	**(2,569)**	**(7,360)**	**(24,003)**
Carrying value as at 31 December 2023	**-**	**7,509**	**10,992**	**5,860**	**24,361**

	Useful life
Land	3-10 years
Buildings	3-10 years
Machinery and equipment	3-8 years
Motor vehicles	1-5 years

Of the total depreciation of € 8,378 thousand (2023: € 8,219 thousand), € 2,808 thousand (2023: € 2,270 thousand) was charged to costs of revenue, and € 5,570 thousand (2023: € 5,949 thousand) to general costs. The statement of profit or loss and statement of cashflow shows the following relating to leases:

	2024
Depreciation charge of right-of-use assets	**8,378**
Interest expense (included in finance cost)	**1,136**
Cash outflow leases	**9,732**

	2023
Depreciation charge of right-of-use assets	**8,219**
Interest expense (included in finance cost)	**914**
Cash outflow leases	**9,765**

Furthermore, Ballast Nedam has committed to a lease of a new office building. The lease is commencing on January 1, 2025.

6.6.13 Intangible assets

	Rights	Other	Goodwill	Total
Cost				
Opening balance 1 January 2024	**1,508**	**12,264**	**15,592**	**29,364**
Addition	-	65	-	**65**
Acquisition of subsidiaries	-	135	768	**903**
Exchange rate fluctuations	-	-	248	**248**
Disposals	-	(28)	-	**(28)**
Closing balance 31 December 2024	**1,508**	**12,436**	**16,608**	**30,552**
Accumulated amortisation				
Opening balance 1 January 2024	**(1,450)**	**(8,481)**	**-**	**(9,931)**
Disposals	-	28	-	**28**
Amortisation	(19)	(1,080)	-	**(1,099)**
Exchange rate fluctuations	-	3	-	**3**
Closing balance 31 December 2024	**(1,469)**	**(9,530)**	**-**	**(10,999)**
Carrying balance as at 31 December 2024	**39**	**2,906**	**16,608**	**19,553**

	Rights	Other	Goodwill	Total
Cost				
Opening balance 1 January 2023	**1,508**	**12,262**	**15,426**	**29,196**
Addition	-	34	-	**34**
Acquisition of subsidiaries	-	-	70	**70**
Exchange rate fluctuations	-	-	96	**96**
Disposals	-	(32)	-	**(32)**
Closing balance 31 December 2023	**1,508**	**12,264**	**15,592**	**29,364**
Accumulated amortisation				
Opening balance 1 January 2023	**(1,430)**	**(7,096)**	**-**	**(8,526)**
Disposals	-	32	-	**32**
Amortisation	(20)	(1,429)	-	**(1,449)**
Exchange rate fluctuations	-	12	-	**12**
Closing balance 31 December 2023	**(1,450)**	**(8,481)**	**-**	**(9,931)**
Carrying balance as at 31 December 2023	**58**	**3,783**	**15,592**	**19,433**

Rights consist of the founders lounge of Amsterdam Arena in the Netherlands. Other intangible assets consist of computer software and identified intangible assets at the acquisition of Willems Beheer B.V., Mouwrik Bouw B.V., ABC Ltd and Ekinetix B.V., which was acquired on 28 November 2024. Net assets amount to € 0.2 million. The useful life used in the calculation of amortisation for intangible assets is as follows:

	Useful life
Rights	30 years
Other	3-20 years

The amortisation of € 1,099 thousand was included in the cost of revenue (2023: € 1,449 thousand).

Goodwill

Goodwill is allocated at acquisition date, to the cash-generating units (CGU). An impairment test is performed annually, or earlier if there are indications of impairment. The CGU is the lowest level within the Group at which goodwill is monitored for internal management purposes.

The recoverable amount of goodwill for impairment testing purposes is based on a value-in-use calculation by means of the discounted cash flow method. The method uses cashflow projections based on historical performance and the forecasts which are based on the Business Plan cycle 2025-2027, as approved by the Board, after which a terminal value is used in a bandwith of 2%-4%. The key assumptions for the value-in-use calculations are those regarding revenue growth rate, a stable profit before tax margin, pre-tax weighted average cost of capital 8.9%, based on the market participants' view on rates of return required for investments equivalent to those in the company. There are no current or accumulated impairment losses on goodwill. The impairment test and sensitivity analysis around the key assumptions have indicated sufficient headroom for all CGUs and as such a reasonably possible change in any of the assumptions would not cause the recoverable amount to be less than the carrying value. Based on both quantitative and qualitative factors management has concluded that for those CGUs an impairment is not necessary.

6.6.14 Deferred tax assets and liabilities

The movement in the statement of financial position of the deferred tax assets is as follows:

Deferred tax assets	2024	2023
Opening balance 1 January	**31,818**	**31,554**
Reclassification	(7,411)	-
Recognition of carry-forward losses	34,948	4,464
Realised carry-forward losses	(9,500)	(4,200)
Exchange rate fluctuations	970	-
Closing balance 31 December	**50,825**	**31,818**

The deferred tax assets to be recovered within and after more than 12 months amount to € 9.5 million and € 41.3 million respectively. The recognised deferred tax assets relate to the unrecognised pre-incorporation profit, tax losses available to the fiscal unity in the Netherlands and arising from Türkiye. The unused tax losses in the Netherlands relate to years 2012 up to and including 2017. A relatively small number of mainly large infrastructure projects caused these losses. Ongoing measures are taken to prevent such losses. The recognised tax losses from prior years are infinitely deductible, with the exception of Turkish tax losses being maximised at 5 years carry forward.

The Dutch corporate tax rates applicable in 2024 and upcoming years are 25.8%.

A deferred tax asset is recognised to the extent that it is probable, based on Business Plan forecasts approved by the Board, that sufficient taxable profits will be available in the Netherlands that can be utilised towards realising the deferred asset. The forecasts are based on the Business Plan cycle 2025-2027, extrapolated using growth rates for revenue and profit that take external market data and historical performance into account. No specific tax planning opportunities have been taken into account.

The fair value change in investment properties in 2024 has not been recognised as a deferred tax liability, since that liability can be set-off with carry-forward losses. Consistent with prior years, management has determined that the Dutch tax group has approximately € 331 million of carry-forward losses (2023: approximately € 349 million), for which a deferred tax asset of € 31,353 thousand (2023: € 31,818 thousand) has been recognised. The Turkish tax group has approximately € 19,623 thousand of carry-forward losses, for which a deferred tax asset of € 18,869 thousand has been recognised.

Besides carry-forward losses, Ballast Nedam's Dutch tax group has unrecognised pre-incorporation profit of approximately € 36 million (2023: € 59 million) from foreign permanent establishments which are eligible for set-off to prevent double taxation. In addition, Ballast Nedam still has carry-forward losses in foreign countries which have not been recognised, as is not considered probable they can be utilised.

The deferred tax liability amounts to € 1,305 thousand (2023: € 834 thousand).

6.6.15 Short- / long-term borrowings

The details and redemption schedule of the borrowings are as follows:

Net debt and cash	2024	2023
Cash and cash equivalents	309,940	122,852
Borrowings - repayable within one year	(112,003)	(110,848)
Borrowings from related parties - repayable within one year	-	(10,000)
Borrowings - repayable after one year	(75,706)	(81,266)
Borrowings from related parties - repayable after one year	(13,531)	(12,498)
Lease liabilities - repayable within one year	(10,900)	(8,141)
Lease liabilities - repayable after one year	(14,288)	(15,604)
Net debt and cash	**83,512**	**(115,505)**
Cash and cash equivalents	309,940	122,852
Gross debt - fixed interest rates	(104,400)	(158,368)
Gross debt - variable interest rates	(122,028)	(79,989)
Net debt and cash	**83,512**	**(115,505)**

The applicable margin of the bank loans with a fixed interest rate is between 1.8% and 7.25% (2023: 1.8% - 8.0%). A total of € 122.0 million of the loans have variable interest rates (2023: € 85.0 million). Non-financial assets amounting to €150,655 thousand (2023: € 128,480 thousand) are pledged as collateral with respect to the bank borrowings. The redemption schedule of borrowings is as follows:

	2024	2023
Repayable < 1 year	112,003	120,848
Repayable 1 – 2 years	38,010	55,933
Repayable 2 – 3 years	14,379	28,943
Repayable 3 – 4 years	13,000	4,444
Repayable > 4 years	23,848	4,444
	201,240	**214,612**

	Net assets	Liabilities from financing activities						
	Cash and cash equivalents	**Lease liabilities - repayable within one year**	**Lease liabilities - repayable after one year**	**Borrowings - repayable within one year**	**Borrowings from related parties - repayable within one year**	**Borrowings - repayable after one year**	**Borrowings from related parties - repayable after one year**	**Total**
Net debt and cash as at 1 January 2023	**171,022**	**(8,762)**	**(15,862)**	**(47,998)**	**(10,000)**	**(108,549)**	**(11,546)**	**(31,695)**
Cashflow movement	(48,170)	621	258	(62,850)	-	27,283	(952)	**(83,810)**
Net debt and cash as at 31 December 2023	**122,852**	**(8,141)**	**(15,604)**	**(110,848)**	**(10,000)**	**(81,266)**	**(12,498)**	**(115,505)**
Net debt and cash as at 1 January 2024	**122,852**	**(8,141)**	**(15,604)**	**(110,848)**	**(10,000)**	**(81,266)**	**(12,498)**	**(115,505)**
Cashflow movement	187,088	(2,759)	1,316	(1,155)	10,000	5,560	(1,033)	**199,017**
Net debt and cash as at 31 December 2024	**309,940**	**(10,900)**	**(14,288)**	**(112,003)**	**-**	**(75,706)**	**(13,531)**	**83,512**

Long-term borrowings includes loans (€ 12.4 million) that have been drawn down under a Revolving Credit Facilities (RCF) agreement. The cash facility amounts to € 30.0 million and is due end of September 2029. The RCF is subject to the following financial covenants:

- Leverage ratio does not exceed 3. Leverage is defined as total net debt divided by EBITDA. The leverage ratio is tested at the end of each quarter.
- Interest cover ratio exceeds 4. Interest cover is calculated as EBITDA divided by aggregate net interest and fees under the RCF. The covenant is tested half-yearly.
- Solvency ratio exceeds 25% in 2024 and exceeds 27,5% in the years thereafter. Solvency is calculated as risk-bearing capital relative to balance sheet total plus present value of operational lease obligations. The solvency covenant is tested at the end of each year.
- Loan to Value does not exceed 50%. Loan to value equals the aggregate outstanding amount under Facility A of the RCF as a percentage of the as-is value of qualifying assets. The loan to value ratio is tested half-yearly as well as upon disposal of a property.

Compliance with the covenants is actively monitored. Ballast Nedam complied with the above covenants in 2024 and considering the Business Plan 2025 and current financial position the Group expects to also comply with the covenants in 2025.

6.6.16 Trade payables

The details of the trade payables of the Group as at balance sheet dates are as follows:

Trade payables	2024	2023
Trade payables	175,392	163,337
Trade payables to related parties	4,584	498
Retention payables	1,393	1,318
Other trade payables	8,325	11,811
Total trade payables	**189,694**	**176,964**

Average maturity for trade payables is approximately 35 days (2023: 47 days). Risk characteristics and fair values of trade receivables and trade payables are disclosed in note 6.6.29. These transactions were made on normal commercial terms and conditions.

6.6.17 Other short-term payables

Other short-term payables	2024	2023
Non-trade payables to related parties	69,916	25,207
Other short-term payables	56,851	51,499
Total other short-term payables	**126,767**	**76,706**

Non-trade payables to related parties see note 6.6.32. Other short-term payables include the Group's share of the payables of the partner(s) in the joint operations, total amount € 37,898 thousand (2023: € 33,362 thousand), accruals for invoices to be received € 12,515 thousand (2023: € 14,591 thousand) and other items which are individually immaterial. These transactions were made on normal commercial terms and conditions.

6.6.18 Payables for employee benefits

Short-term payables for employee benefits	2024	2023
Salary payable to personnel	6,986	134
Social security premiums payable	5,581	8,670
Other payables for employee benefits	9,192	1,747
Total short-term payables for employee benefits	**21,759**	**10,551**

Short-term provisions related to employee benefits	2024	2023
Unused vacation pay liability	3,021	3,012
Other short-term provisions related to employee benefits	1,100	857
Total short-term provisions related to employee benefits	**4,121**	**3,869**

Long-term provisions related to employee benefits	2024	2023
Jubilee provision	382	545
Illness provision	215	208
Total long-term provisions related to employee benefits	**597**	**753**

The discount rate of the provision for long-term illness and long-service bonuses was 2.3% (2023: 2.3%). In addition, the long-service bonus includes expectation on retention rate of 85% (2023: 85%) and salary increases consistent with collective labour agreements.

Pensions

Ballast Nedam makes contributions to defined benefit schemes as well as defined contribution schemes. The pension schemes in the Netherlands are subject to the regulations as specified in the Pension Act. Due to the Pension Act, the pension plans need to be fully funded and need to be operated outside the company through a separate legal entity.

Several multi-employer funds and insurers operate the various pension plans. Ballast Nedam has no additional responsibilities for the governance of these schemes. The basic pension for every employee is covered by multi-employer funds in which also other companies participate based on legal obligations. These funds have an indexed average salary scheme and are therefore defined benefit schemes. Specifically, these are the industry pension funds for Building & Infra, Concrete Products, Agricultural Machinery Operating and Metal & Technology industries. As these funds are not equipped to provide the required information on the company's proportionate share of pension liabilities and plan assets, the defined benefit plans are accounted for as defined contribution plans. The Group is obliged to pay the predetermined premium for these plans. Ballast Nedam may not reclaim any excess payment and is not obliged to make up any deficit, except by way of the adjustment of future premiums. For employees with salaries exceeding industry pension funds maximum pensionable salaries (top-up arrangement), which are not covered by multi-employer funds, operation and administration are carried out by external parties and relates to defined contribution schemes. The Group has no liabilities with regards to paying premiums for this scheme. With effect from 2006, the defined benefit scheme is closed for new entrants. The build-up of future pension entitlements for these employees is covered by the multi-employer funds or external insurance companies. Defined benefit schemes are closed for future accumulation and index-linked to the industry pension fund for Building & Infra.

The coverage ratio of the industry pension scheme for the building industry (bpfBOUW) is accounted for as a defined contribution pension scheme and was estimated as 126.3% for the year 2024 (2023: 124.7%). The coverage ratio for pension scheme Bpf Betonproductenindustrie also accounted for as a defined contribution pension scheme was estimated as 112.7% for the year 2024 (2023: 111.5%).

6.6.19 Short-term and long-term provisions

Short-term provisions amount to € 39,690 thousand (2023: €27,070 thousand) and includes € 4,121 thousand (2023: € 3,869 thousand) provisions related to employee benefits (note 6.6.18) and € 35,568 thousand (2023: € 23,201 thousand) other short-term provisions. The long-term provisions amount to € 11,253 thousand (2023: € 11,198 thousand) and includes € 597 thousand (2023: € 753 thousand) provisions related to employee benefits (note 6.6.18) and € 10,656 thousand (2023: €10,445 thousand) other long-term provisions.

Short-term provisions	2024	2023
Warranty provisions	8,703	2,707
Provision for joint ventures	12,328	3,761
Provision onerous contracts	4,471	10,316
Restructuring provisions	2,202	2,751
Other short-term provisions	7,175	3,666
Total short-term provisions	**35,568**	**23,201**

Long-term provisions	2024	2023
Warranty provisions	4,456	5,080
Provision onerous contracts	5,831	5,321
Restructuring provisions	-	44
Other long-term provisions	369	-
Total long-term provisions	**10,656**	**10,445**

The company expects that all the provisions will be substantively used within one to five years.

Movements of warranty provisions	2024	2023
Opening balance 1 January	**7,787**	**6,441**
Transfer from contract liabilities	11,620	3,322
Charge for the year	1,023	1,989
Utilisation	(3,934)	(2,625)
Liabilities held for sale	-	(45)
Reversal	(3,258)	(1,295)
Exchange rate fluctuations	(78)	-
Closing balance 31 December	**13,160**	**7,787**
< 1 year	8,703	2,707

The provision for warranty claims represents the present value of the management's best estimate of the future outflow of economic benefits that will be required under Ballast Nedam's warranty programme for construction contracts. In 2024, the addition to warranty provisions from completed projects amounted to € 11,620 thousand (2023: € 3,322 thousand). The release amounted to € 3,258 thousand (2023: € 1,295 thousand) and relates to previously completed projects of which the warranty period expired. The warranty costs provided for are partly dependent on the estimated allocation of the claim to the related construction partners. It is expected that most of the warranty costs will occur in the upcoming year.

Movements of other provisions	2024	2023
Opening balance 1 January	**3,666**	**6,860**
Reclassification	3,936	-
Charge for the year	1,132	840
Utilisation	(1,086)	(716)
Reversal	(112)	(3,318)
Exchange rate fluctuations	8	-
Closing balance 31 December	**7,544**	**3,666**
< 1 year	7,175	3,666

The reclassification is € 3,936 thousand (2023: € nil). This consisted of a transfer from contract liabilities to provisions. The possible financial risk of the claims cannot be predicted with certainty, however Ballast Nedam believes that based on (external) advisors and information received, the amounts included in the provision are the best estimate. Ballast Nedam also takes into account whether or not financial risks are covered by the insurance policies. The charge for the year of € 1,132 thousand was included in the statement of profit and loss (2023: € 840 thousand) and refers mainly to claim positions. The utilisation of € 1,086 thousand (2023: € 716 thousand) relates to the settlement of claims.

Movements of provision for joint ventures	2024	2023
Opening balance 1 January	**3,761**	**3,052**
Addition	11,166	1,693
Utilisation	(2,599)	(984)
Closing balance 31 December	**12,328**	**3,761**
< 1 year	12,328	3,761

The provision for joint ventures relates to joint ventures in which Ballast Nedam's share is negative. The increase in this provision in 2024 mainly had to do with losses of joint ventures not fully off-set by capital contributions.

Movements of provision onerous contracts	2024	2023
Opening balance 1 January	**15,637**	**27,509**
Addition	32,765	31,816
Utilisation	(38,100)	(43,688)
Closing balance 31 December	**10,302**	**15,637**
< 1 year	4,471	10,316

The provision is based on estimates from projectteams to assess the result of a performance obligation and the future progress on the project. If a contract with a client for the execution of a project shows a loss, the entire amount of the loss is immediately recognised in the statement of profit or loss and included as a provision onerous contracts in the statement of financial position. In addition, the provision includes amounts for enforceable obligations originating from the period that a contract was still in force.

Movements of restructuring provisions	2024	2023
Opening balance 1 January	**2,795**	**2,228**
Reclassification	55	-
Charge for the year	5,004	4,068
Utilisation	(4,238)	(2,601)
Reversal	(1,414)	(900)
Closing balance 31 December	**2,202**	**2,795**
< 1 year	2,202	2,751

The restructuring provision costs mainly related to strategic choices to align the company with continuous developments in market circumstances which amounted to € 5,004 thousand (2023: € 4,068 thousand). A provision for restructuring is only recognised once the decision to execute a restructuring is concluded and announced.

6.6.20 Other short-term liabilities

Other short-term liabilities	2024	2023
VAT payable	25,301	21,742
Corporate income tax liabilities	9,876	2,495
Total other short-term liabilities	**35,177**	**24,237**

The corporate income tax liabilities are related to the subsidiaries outside the fiscal unity of Ballast Nedam.

6.6.21 Other long-term payables

Other long-term payables	2024	2023
Non-trade payables to related parties	4,580	5,868
Other long-term payables	2,438	1,646
Total other long-term payables	**7,018**	**7,514**

6.6.22 Shareholders' equity

The name of shareholder	%	31 December 2024	%	31 December 2023
Renaissance Construction B.V.	100%	2,203	100%	2,203
Total paid in capital	**100%**	**2,203**	**100%**	**2,203**

The authorised capital consists of 800,000,000 ordinary shares and amounts to € 8 million. The issued and fully paid share capital consists of 220,300,000 ordinary shares each at a par value of € 0.01.

Translation differences arise on the conversion of the investments in foreign activities, including semi-permanent financing, and on the differences between results translated at the average exchange rate during the year and the exchange rate prevailing at the end of the reporting period.

The other reserves include the legal reserve which are the fair value change in investment properties and the hedging reserve which comprises the cumulative net movement in the fair value of derivative financial instruments from joint ventures.

The Board of Management proposed that the net result for the year will be added to the accumulated losses within the shareholders' equity. No dividend payment is proposed or declared.

6.6.23 Revenue

Revenue	2024	2023
Revenue from construction activities	1,177,395	1,065,393
Revenue from maintenance services	10,245	13,701
Trading and other revenue	44,987	33,641
Total revenue	**1,232,627**	**1,112,735**

The revenues from construction activities are mainly from the execution of projects in residential and non-residential building and mobility. The revenue from construction activities and infra works amounts to € 463.9 million (2023: € 507.2 million) and € 594.4 million (2023: € 457.8 million) respectively. The total revenue of Ballast Nedam Development is € 69.2 million (2023: € 119.6 million) and Industriebouw realised a revenue of € 88.2 million (2023: € 126.1 million).

The revenue from services rendered is mainly related to maintenance services. The trading and other revenues relate to revenues from rentals of equipment, tender cooperation fees, buying and selling of construction materials and lease income from investment properties. The revenue realised in the Netherlands was € 868.3 million (2023: €999.7 million), other European countries € 128.3 million (2023: € 53.0 million) and outside Europe € 236.0 million (2023: € 60.1 million).

The revenue joint ventures realised, accounted for as 'share on profit / loss of investments valued using equity method', for the year was € 211.1 million (2023: € 135.3 million) which results in € 1,443.7 million (2023: € 1,248.0 million) total revenue for the company if the joint ventures were consolidated proportionally.

Timing of revenue recognition

The timing of revenue recognition in 2024 and 2023 was as follows:

Timing of revenue recognition	2024	2023
At a point in time	106,245	104,132
Over time	1,126,382	1,008,603
Total	**1,232,627**	**1,112,735**

6.6.24 Cost of revenue

Cost of revenue	2024	2023
Employee benefit expenses	(190,196)	(157,147)
Raw materials and supplies expenses	(274,273)	(159,948)
Worksite expenses	(47,253)	(39,065)
Subcontractor expenses	(511,166)	(556,641)
Depreciation and amortisation expenses	(12,325)	(9,854)
Machinery, equipment and other rent expenses	(56,504)	(61,370)
Cost of goods sold	(13,753)	(726)
Other costs of revenue	(16,422)	(51,005)
Total cost of revenue	**(1,121,892)**	**(1,035,756)**

Employee benefit expenses	2024	2023
Wages and salaries	(157,304)	(127,946)
Social security costs	(21,221)	(18,513)
Pension charges	(11,671)	(10,688)
Total employee benefit expenses	**(190,196)**	**(157,147)**

The average number of FTE is 3,749 (2023: 1,810) of which 2,199 (2023: 64) are employed abroad. The average number of FTE at the head office is 108 (2023: 105) and in the operational entities is 3,641 (2023: 1,705). The average number of FTE in Building Netherlands is 569 (2023: 648) and Infra is 781 (2023: 857).

6.6.25 General administrative expenses

Details of general administrative expenses	2024	2023
Employee benefit expenses	(32,579)	(23,002)
Consultancy expenses	(2,846)	(948)
Depreciation and amortisation expenses	(7,334)	(7,549)
Office administration expenses	(3,092)	(2,565)
Rent expenses	(1,401)	(1,246)
Representative expenses	(269)	(197)
Transportation and travelling expenses	(879)	(693)
Insurance expenses	(1,809)	(1,402)
Marketing, selling and distribution expenses	(273)	(326)
Total general administrative expenses	**(50,482)**	**(37,928)**

Employee benefit expenses	2024	2023
Wages and salaries	(26,945)	(18,728)
Social security costs	(3,635)	(2,710)
Pension charges	(1,999)	(1,564)
Total employee benefit expenses	**(32,579)**	**(23,002)**

6.6.26 Other operating income from main activities

The other operating income from main activities was € 8.5 million (2023: € 1.0 million) and includes gain (€ 7.4 million) on sale of Hoco Beton B.V. of which the assets and liabilities were classified as held for sale end of 2023. The sale was effected per 19 April 2024.

Other operating income also includes additions to and reversal of provisions. The total additions to provisions for the year amounts to € 7,764 thousand (2023: € 5,583 thousand) and the release amounts to € 5,064 thousand (2023: € 4,305 thousand). Further details on provisions are included in note 6.6.19 Short-term and long-term provisions.

Additionally, this includes other operating income and expenses from main activities € 3.4 million (2023: € 3.4 million) and € 2.1 million (2023: € 1.7 million) respectively. The gain on disposal of property and equipment amounted to € 2.5 million (2023: € 1.3 million) and the loss on disposal of property and equipment € nil million (2023: € nil million). Other operating income includes multiple small items such as settlement of subcontractors. Other operating expense includes various small costs from multiple business units.

6.6.27 Financing income and expenses

Financing income and expenses	2024	2023
Financing income	394	814
Interest expenses	(22,378)	(12,509)
Interest income	9,208	1,502
Foreign exchange gain from financing activities	1,359	670
(Un)realised results derivatives	3,414	(1,075)
Other financial expenses	(1,093)	(1,835)
Total financing income and expenses	**(9,096)**	**(12,433)**

The interest expenses are charged for interest on the outstanding loans and lease liabilities in 2024 and 2023. Other financial expenses include bank commission expenses and financing expenses for a credit facility. The credit facility qualifies as a mezzanine loan which includes a remuneration component in the form of upside profit sharing (note 6.6.32).

6.6.28 Current income tax expense

The income tax expenses are related to the entities outside the fiscal unity of Ballast Nedam.

Income tax recognised in profit or loss	2024	2023
Current income tax expense	(8,325)	(1,975)
Deferred tax income / (expense)	25,180	(100)
Total income tax recognised in profit or loss	**16,855**	**(2,075)**

The numerical reconciliation of income tax for 2024 and 2023 is included in the table below:

Numerical reconciliation of income tax	2024	2023
Result before tax	57,156	25,736
Total	**57,156**	**25,736**
Applicable income tax rate	25,8%	25,8%
Tax calculated at Dutch tax rate	14,746	6,640
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Previously unrecognised tax losses used to reduce deferred tax expense	(34,948)	(4,464)
Tax income/(losses) set off against taxable result	1,556	(852)
Effect of current tax charge related to Pillar Two	1,287	-
Different tax rates of subsidiaries operating in other jurisdiction	504	751
Income tax	**(16,855)**	**2,075**
Net result	**74,011**	**23,661**
Effective tax rate	**-29,5%**	**8,1%**

International tax reform – Pillar Two model rules

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements a Qualified Domestic Minimum Top-up Tax (QDMTT). Ballast Nedam has adopted these amendments. The Pillar Two model rules were enacted in the Netherlands, the jurisdiction in which Ballast Nedam is incorporated, and have become effective starting 1 January 2024. According to these rules, Ballast Nedam is considered a multinational enterprise to which the Pillar Two rules shall be applied.

Under the legislation, the group is liable to pay a top-up tax for the difference between the Pillar Two effective tax rate for each jurisdiction and the 15% minimum rate. Ballast Nedam has performed a calculation of the Transitional Safe Harbors for Pillar Two purposes. This calculation is based on the 2023 country-by-country reporting and 2024 financial information for the entities in the group. The effective tax rates in the majority of the jurisdictions in which the group operates are above 15%. The group recognised a Pillar Two current income tax expense of €1,3 million for the year that arises from activities in Guinea, Switzerland and United Arabic Emirates, because of low statutory tax rates. Ballast Nedam applies the IAS 12 mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Ballast Nedam continues to follow Pillar Two legislative developments to evaluate the potential future impact on its consolidated results of operations, financial position and cashflows.

6.6.29 Financial risk management

General

The Board of Management has the overall responsibility for the establishment and oversight of the company's risk management framework. One component of the overall risk framework is the financial risk; the categories identified and result of the assessment are disclosed in the following paragraphs.

The centralisation of certain accounting activities continued with the improvement of the systems and transaction flow approvals, which strengthen the control environment. The Internal Control department continued implementing a plan to carry out both regular and ad hoc reviews of controls and procedures.

Credit risk

Credit risk is the risk of financial loss to Ballast Nedam if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from cash and cash equivalents, receivables from clients and related parties and investments in debt securities.

The key objective of Ballast Nedam's counterparty credit risk management is to minimise the risk of losses as a result of failure of an individual counterparty that could negatively impact the company's results. The carrying amount of financial assets represents the maximum credit exposure. Ballast Nedam actively pursues a policy designed to minimise credit risks. Credit risks consist of the risk that counterparties will not be able to meet contractual obligations relating to a financial instrument. Creditworthiness assessments are performed for all other clients requiring credit. Ballast Nedam uses prepayments, guarantees and collateral (rights of retention) on projects under construction in order to limit the credit risk on instalments and trade receivables.

Our business units periodically measure and analyse the credit risk for trade receivables and contract assets, based on, amongst other things, aging of the outstanding debt and liquidity of the debtor. The aging of receivables will increase for example in circumstances when our clients withhold payments, which are invoiced in line with the agreed payment schedule, due to the fact that the perception on realisation of milestones differ or documentation requirements, even though the client is not disputing the invoice. For some trade receivables the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

The credit risk of cash and cash equivalents, including bank deposits, is the risk that counter-parties are not able to repay amounts owed to Ballast Nedam. The Group works with banks which have high credit ratings or banks with a lower credit rating if they have a long-term relationship with the Rönesans Group. The related risk is monitored on an ongoing basis both at local entity and corporate level. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

With regard to trade receivables, the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on the payment profiles of sales over a period of 36 months as per 1 January 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the clients to settle the receivables. Other receivables and other non-current assets are monitored for expected credit losses. They do not contain impaired assets.

These balances include mainly funding to associates and joint ventures for project developments and loans to Rönesans Group companies.

As at the balance sheet date, there was no concentration of credit risks among debtors for substantial amounts.

Credit risk exposure based on financial instrument categories	Trade receivables		Other receivables and non-current assets		Contract assets	Bank deposits
2024	**Related party**	**Third party**	**Related party**	**Third party**		
Maximum credit risk exposure at balance sheet date	11,885	199,405	170,702	84,452	126,388	309,940
Net book value of not due financial assets	11,885	154,434	170,702	84,452	126,388	309,940
Net book value of assets that are due but not impaired	-	44,970	-	-	-	-
Overdue (gross book value)	-	752	-	-	-	-
Impairment (-)	-	(752)	-	-	-	-

Credit risk exposure based on financial instrument categories	Trade receivables		Other receivables and non-current assets		Contract assets	Bank deposits
2023	**Related party**	**Third party**	**Related party**	**Third party**		
Maximum credit risk exposure at balance sheet date	8,031	139,575	156,542	71,947	141,530	122,852
Net book value of not due financial assets	8,031	80,627	156,542	71,947	141,530	122,852
Net book value of assets that are due but not impaired	-	58,948	-	-	-	-
Overdue (gross book value)	-	817	-	-	-	-
Impairment (-)	-	(817)	-	-	-	-

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. The aging schedule of trade receivables including provision is shown in the table below:

Trade receivables	2024 Gross receivables	2024 Provision	2023 Gross receivables	2023 Provision
Not past due	166,319	(3)	88,659	(4)
Past 01-30 days	12,198	(3)	24,947	(2)
Past 31-90 days	9,992	(4)	4,732	(15)
Past 91-364 days	1,519	(201)	11,159	(334)
Past 1-2 years	22,014	(541)	18,927	(462)
Total	**212,042**	**(752)**	**148,424**	**(817)**

Liquidity risk

Liquidity risk is the risk that Ballast Nedam will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The existing financing package, consisting of loan agreements with multiple financial institutions, amounted to € 130.4 million (2023: € 136 million), project financing arrangements of € 57.3 million at year-end 2024 (2023: € 56.5 million) and loan agreements with related parties of € 13.5 million (2023: 22.5 million). An amount of € 112.0 million will mature on or before 31 December 2025. In January 2025 Ballast Nedam signed a new loan of € 47.4 million with seven years maturity. A total amount of € 67.5 million short-term loans is repaid and the weighted average maturity date for the remaining loans as of 21 March 2025 is 2,5 years.

The solvency ratio improved compared to previous year and amounts to 35.4% (2023: 30.0%). This is primarily the result of a capital contribution and the net profit for the year.

Ballast Nedam's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. Ballast Nedam controls the liquidity risk through weekly cashflow forecasting followed by adequate corrective measures and monitoring. The current cash surplus, strong solvency and the strengthened risk management activities, are expected to provide management with additional flexibility in its operations and execution of its business plans.

Ballast Nedam has access to bank guarantee and bonding facilities with various financial institutions and group companies. These facilities are long-term. Periodically, a forecast is made of the use of the available guarantee facilities. The forecast is based on current tenders and expectations regarding the discharge of existing bank guarantees. Based on this access to guarantee facilities and forecasts, Ballast Nedam expects it will be able to issue guarantees in the ordinary course of business.

The statement for <1 year and 1-5 years includes the repayments of matured loans of € 112,003 thousand (2025), € 38,010 thousand (2026), € 14,379 thousand (2027), € 13,000 thousand (2028) and €18,850 thousand (2029).

2024 Due date on agreement	Carrying value	Cash outflows according to agreements	Less than 3 months	3-12 months	1-5 year	More than 5 years
Bank loans (including related parties)	201,240	217,742	58,993	39,212	119,537	-
Trade payables (including related parties)	189,694	189,694	189,694	-	-	-
Contract liabilites	239,714	239,714	239,714	-	-	-
Lease payables	25,188	26,898	2,683	8,259	15,059	897
Other payables	133,785	133,785	126,767	-	7,018	-
Total liabilities	**789,621**	**807,833**	**617,851**	**47,471**	**141,614**	**897**

2023 Due date on agreement	Carrying value	Cash outflows according to agreements	Less than 3 months	3-12 months	1-5 year	More than 5 years
Bank loans (including related parties)	214,612	227,246	42,727	81,688	102,831	-
Trade payables (including related parties)	176,964	176,964	176,964	-	-	-
Contract liabilites	133,486	133,486	133,486	-	-	-
Lease payables	23,745	26,043	2,155	6,152	15,939	1,797
Other payables	84,220	84,220	76,706	-	7,514	-
Total liabilities	**633,027**	**647,959**	**432,038**	**87,840**	**126,284**	**1,797**

The contractual cashflows that will occur within 3-12 months' amount to € 47,471 thousand, including an amount of € 39,212 thousand of the loans. Regarding the remaining liabilities € 617,851 thousand (including an amount of € 58,993 thousand of the loans) is due within approximately three months (2023: € 432,038 thousand).

Exchange risk

Ballast Nedam is primarily exposed to foreign currency risk on revenue, project operating costs, and loans and investments in associates held in currencies other than Ballast Nedam's functional currency. Such risk is arising from our international activities in countries where the euro is not the functional currency or local currencies have volatility against the euro.

Forward exchange contracts with highly rated banks may be contracted to hedge the transaction risk on cashflows generated by ordinary business activities. At year-end 2024, Ballast Nedam had one outstanding forward exchange contract recognised at fair value in the statement of financial position.

Ballast Nedam is exposed to the following foreign currency translation risks in nominal amounts:

€ / foreign currency	2024 average exchange rate	Exchange rate on 31 December 2024	2023 average exchange rate	Exchange rate on 31 December 2023
Exchange rates				
USD	1,082	1,041	1,082	1,107

Foreign currency translation risk USD	2024	2023
Monetary financial assets	25,474	7,940
Total assets	**25,474**	**7,940**
Net foreign currency asset / (liabilities) position	**25,474**	**7,940**
Monetary items net foreign currency assets / (liabilities)	**25,474**	**7,940**

A 10% increase in the exchange rate of the euro against USD would affect the shareholders' equity and income statement as follows, assuming that all other variables, including interest rates, remain unchanged:

	2024 Profit / (Loss)	
If US Dollars, 10% appreciated / depreciated v.s. Euro	**Appreciation of foreign currency**	**Depreciation of foreign currency**
US Dollars net assets / (liabilities)	2,547	(2,547)

	2023 Profit / (Loss)	
If US Dollars, 10% appreciated / depreciated v.s. Euro	**Appreciation of foreign currency**	**Depreciation of foreign currency**
US Dollars net assets / (liabilities)	794	(794)

Interest risk

Ballast Nedam's interest policy is to limit the impact of interest rate changes on the company's results. Management has interest rate swap and interest rate cap agreements in place to limited exposure to interest rate risks. Although long-term PPP contracts do not form a significant part of the interest risk related transactions, Ballast Nedam limits exposure with interest rate swaps for PPPs. Cashflow hedge accounting is applied to derivative financial instruments where the hedge relationship is effective. Ballast Nedam has loans with a fixed rate. The interest risk is limited to potential movements in the market value of the loans and of positive cash balances. It is expected that loans will be continued until the maturity date. The interest risk profile of the company's interest-bearing financial instruments as at the end of the reporting period was as follows:

Interest rate position table Floating and fixed rate financial instruments	2024	2023
Financial liabilities	122,028	79,989
Fixed rate financial instruments	104,400	158,368
Total financial liabilities	**226,428**	**238,357**

A 100 basis points increase in the interest rate would affect the income statement as follows, assuming that all other variables, remain unchanged:

Impact on income statement	2024	2023
Interest rates - increases by 100 basis points	(1,220)	(800)
Interest rates - decreases by 100 basis points	1,220	800

Capital risk

Ballast Nedam has the objective to ensure an optimal capital structure with sufficient availability of credit which enables the company to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders. In order to maintain or adjust the capital structure, the Group may sell assets to reduce debt, obtain new loans to increase debt and adjust the amount of return capital to shareholders. The net debt to equity ratio (excluding lease liabilities) increased from -30% to 22%.

Ballast Nedam is not subject to key performance indicators for the majority of its loans. An exception is the loan obtained to partly finance the acquisition of the Rotterdam Building. In the related financial agreement, a loan-to-value ratio has been agreed. Ballast Nedam complies with this ratio. Furthermore, a Revolving Credit Facilities agreement was agreed in 2024. Ballast Nedam is subject to several covenants under this agreement. The main performance indicators in this Facility are EBITDA, interest and net debt. Failure to comply with the covenants may require immediate repayment of the outstanding loans. Refer to note 6.6.15 for further details of the applicable covenants.

With the current cash position, management forecasts that it has sufficient means to finance its ongoing operations.

Fair value

The fair values of financial assets and liabilities together with the carrying amounts recognised in the consolidated statement of financial position, per IFRS 9 category, are as follows:

Fair value	2024 Carrying amount (amortised cost)	2024 Fair value	2023 Carrying amount (amortised cost)	2023 Fair value
Cash and cash equivalents	309,940	309,940	122,852	122,852
Trade receivables	211,290	211,290	147,606	147,606
Other receivables	247,978	247,978	208,179	208,179
Contract assets	126,388	126,388	141,530	141,530
Right of use assets	26,004	26,004	24,361	24,361
Total financial assets	**921,600**	**921,600**	**644,528**	**644,528**

Fair value	2024 Carrying amount (amortised cost)	2024 Fair value	2023 Carrying amount (amortised cost)	2023 Fair value
Bank loans (including related parties)	201,240	201,240	214,612	214,612
Trade payables (including related parties)	189,694	189,694	176,964	176,964
Contract liabilities	239,714	239,714	133,486	133,486
Lease liabilities	25,188	25,188	23,745	23,745
Other liabilities	183,703	183,703	111,494	111,494
Total financial liabilities	**839,539**	**839,539**	**660,301**	**660,301**

Valuation methods

The valuation method of the financial instruments, including derivatives, is categorised in three levels. Level 1 refers to (unadjusted) market prices in active markets for identical assets or liabilities. Level 2 involves assets measured on the basis of prices or price derivatives that do not meet the definition for Level 1. The assets under Level 3 are measured on the basis of cashflow models. All financial instruments carried at fair value within the company are categorised in Level 2. There were no transfers from Level 1 to Level 2 or Level 3, or vice versa, in 2024 (2023: no transfers). Changes in the value of other fair value investments are recognised in the statement of income.

Ballast Nedam has financial assets or liabilities measured at fair value, being derivative assets and liabilities. The fair value of derivative assets and liabilities is based on models using present value calculations, like observable interest yield curves, basis spread and foreign exchange rates. The fair value of investment properties is primarily based on the present value of the estimated future cashflows discounted with the effective interest rate (see note 6.6.10 Investment properties).

Commitments

Guarantees	2024	2023
Letters of guarantees given	577,833	394,056

Letters of intent and guarantees issued on Ballast Nedam's behalf by financial institutions in connection with the execution of projects and for prepayments received are included in 'Guarantees'. In addition, assets amounting to € 150,665 thousand (2023: € 128,480 thousand) are pledged and € 14,000 thousand (2023: € 14,000 thousand) of guarantees are given as collateral with respect to the bank borrowings. Ballast Nedam received guarantees amounting to € 51,739 thousand (2023: € 57,755 thousand) from its subcontractors.

6.6.30 Contingent assets and liabilities

Off-balance sheet commitments

Ballast Nedam has contingent liabilities concerning land acquisition rights amounting to € 81,725 thousand (2023: € 82,778 thousand). These rights include a composition of conditional and not yet certain payment commitments (depending on factors such as changes in zoning, decision to develop, and decision to exercise certain rights).

	2024			2023		
Off-balance sheet commitments	< 1 year	1 - 5 years	> 5 years	< 1 year	1 - 5 years	> 5 years
Leased other operating assets	165	25	-	280	143	-
Leased offices	6	-	-	25	-	-
Land purchases	-	4,433	-	471	3,872	281
Total	**171**	**4,458**	**-**	**776**	**4,015**	**281**

Other commitments

Subsidiaries have joint and several liabilities for projects executed by joint arrangements. Some subsidiaries are joint and severally liable for liabilities to a number of financial institutions. On the basis of credit and guarantee facilities, there is an obligation to refrain from issuing any collateral. Fully owned and consolidated subsidiaries form a tax fiscal unity, the head of which is Ballast Nedam N.V. for Dutch corporate income tax and VAT. All members of the fiscal unity are jointly and severally liable for Dutch corporate income tax and VAT.

Termination of the contract for the construction of A-Pier Schiphol

On 29 November 2021, Schiphol terminated the contract with BN-TAV for the construction of the A-Pier. The joint venture BN-TAV firmly believes that the termination was unlawful. BN-TAV handed over the construction site, in a safe and controlled way, to Schiphol. BN-TAV has submitted a final account to Schiphol of € 282 million, relating to outstanding variation orders, its entitlement to an extension of time and reimbursement of additional costs and damages. The claims to Schiphol include claims from subcontractors of BN-TAV. On 8 December 2023 BN-TAV commenced the legal proceedings by the writ of summons to Schiphol, in which it claims a minimum of € 155 million plus subconstractor claims which have been deferred.

In the legal proceedings, Schiphol has submitted its statement of defence on 5 June 2024, which includes a partial counterclaim for the overpayment and a contractual penalty for delay of a total of € 81.5 million excluding intrest. BN-TAV has submitted its statement of defence to this counterclaim on 20 November 2024.

In addition, Schiphol has submitted an update to its post termination cost to complete claim to BN-TAV on 20 December 2024. The total amount claimed per 31 December 2024 for the costs to complete until 31 December 2023 is € 91 million. The final amount claimed is dependent upon finalisation of the project and it is not yet part of legal proceedings. Schiphol's total claim position per 31 December 2024 is € 184 million.

A court hearing is planned for April 2025. The legal proceedings commenced, due to the uncertainty of the outcome, this does not result in a change to a contingent liability as at 31 December 2024.

Termination by Ballast Nedam Industriebouw of the contract with Air Products for the construction of Nitrogen facility Zuidbroek

On 7 January 2023, Air Products sent a termination letter for the contract with Ballast Nedam Industriebouw for the subcontracted works regarding the nitrogen facility Zuidbroek. Ballast Nedam Industriebouw firmly believes that the termination announced by Air Products does not have any effect and is unlawful. Air Products submitted a claim to Ballast Nedam Industriebouw for delay damages and additional costs. A court bond in the amount of € 20.3 million has been provided by Ballast Nedam Industriebouw.

On 30 March 2023, Ballast Nedam Industriebouw terminated the contract with Air Products for the construction of the nitrogen facility as a result of Employers Default. Ballast Nedam Industriebouw submitted a preliminary claim for its outstanding variation orders, entitlement to an extension of time and reimbursement of additional costs and damages. Due to the uncertainty of the arbitration the outcome cannot be reasonably estimated, and therefore no claims, except for costs for completed works, are valued. A court bond in the amount of € 36.8 million has been provided by Air Products.

Termination by Ballast Nedam Bouw & Ontwikkeling Speciale Projecten of the contract for the construction of the Galaxy Tower

On 17 February 2023 Ballast Nedam Bouw & Ontwikkeling Speciale Projecten B.V. (BNBO SP) terminated the contract with De Lelie Vastgoed B.V. (DLV) for the construction of the Galaxy Tower. The termination by BNBO SP followed after sending multiple notices of defaults and attempts to reach an amicable agreement on all claims and disputes. On 18 July 2023 BNBO SP filed a claim to DLV at the court of Amsterdam of € 37.8 million relating to outstanding variation orders, unpaid terms and reimbursement of additional costs and damages. In addition, to secure its rights BNBO SP executed its right of retention. In November 2024 the court ruled that DLV is required to provide a bank guarantee of € 29.2 million to lift the retention rights. Currently the retention right is still in place.

DLV submitted to BNBO SP a claim for damages and additional costs. In an interim judgement the court of Amsterdam ruled that the liability cap of BNBO SP of € 1.0 million will stay in place. In 2024 the court ruled that DLV was required to return the provided court bond in the amount of € 26.7 million. Consequently, DLV returned the court bond to BNBO SP. In January 2025 DLV repaid bank guarantee of € 3.6 million which was provided by BNBO SP for claims.

Capital contribution commitments

There were no unconditional capital contribution commitments as at 31 December 2024 (2023: nil) in PPP projects.

6.6.31 Acquisition of a subsidiary under common control

On 2 January 2024, Ballast Nedam acquired 100% of the shares of Rönesans Endüstri Tesisleri İnşaat Sanayi ve Ticaret Anonim Şirketi (hereafter: RET). RET has a broad base of, mainly industrial, projects in Europe, the Middle East, Africa and the Commonwealth of Independent States. The ultimate parent decided to integrate RET under Ballast Nedam's international portfolio as part of the long-term strategy to expand internationally. This is an acquisition of a subsidiary under common control and does not constitute a business combination in the scope of IFRS 3. As such, the assets and liabilities of RET were recognised prospectively applying predecessor accounting method.

Details of the net assets acquired are as follows:

Net assets acquired at carrying amount	RET
Current assets	375,842
Non-current assets	36,081
Current liabilities	224,313
Non-current liabilities	36,786
Total net assets acquired	**150,824**

No liabilities regarding defined benefit obligations were assumed, neither was there any non-controlling interest.

6.6.32 Related party transactions

The parties related to Ballast Nedam are Rönesans Group companies and its related parties, the company's management (Board of Management and Supervisory Board), its subsidiaries, associates, joint ventures, Stichting Pensioenfonds Ballast Nedam and the directors and senior officers of these entities. Transactions with related parties are conducted at arm's length, on terms comparable to those for transactions with third parties.

A major part of the construction activities of Ballast Nedam is executed in joint ventures / associates and joint operations and Rönesans Group companies. The activities of these entities include the financing and construction of land developments as well as construction contracts. The related party transactions with Rönesans Group companies include charges for construction, consultancy costs, ICT costs, interest on loans, a remuneration component on a mezzanine loan, tender support and tender cooperation fees. The table below gives an overview of the receivables and payables as at reporting date outstanding to related parties:

	2024							
	Receivables				Payables			
	Short-term		Long-term		Short-term		Long-term	
	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade
Marktkwartier C.V.[1]	-	53,279	-	-	-	-	-	-
Cartesiusdriehoek C.V.[1]	-	2,693	-	-	-	22,479	-	-
Gebiedsontwikkeling Oud-Beijerland Oost C.V.[1]	-	7,745	-	-	-	2,031	-	-
Other joint ventures and associates	-	24,078	-	621	-	8,689	-	-
Other joint operations	-	33,930	-	-	-	17,451	-	-
Mathir B.V.	-	-	-	-	-	-	-	18,111
REC Uluslararası İnşaat Yatırım San. ve Tic. A.Ş.	7,084	18,653	-	22,520	124	9,490	-	-
Other Renaissance group companies	4,801	7,183	-	-	4,460	9,776	-	-
Total related parties	**11,885**	**147,561**	**-**	**23,141**	**4,584**	**69,916**	**-**	**18,111**

(1) Joint venture and associates
(2) Joint operations

	2023							
	Receivables				Payables			
	Short-term		Long-term		Short-term		Long-term	
	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade	Trade	Non-trade
Marktkwartier C.V.[1]	-	46,821	-	-	-	-	-	-
Ontwikkelingsmaatschappij Centrumgebied Amsterdam Zuidoost B.V.[1]	-	10,069	-	-	-	-	-	-
Gebiedsontwikkeling Oud-Beijerland Oost C.V.[1]	-	7,973	-	-	-	-	-	-
Other joint ventures and associates	-	20,155	-	600	-	5,390	-	-
V.O.F. De Leidse Schans[2]	-	-	-	-	-	5,137	-	-
Other joint operations	-	27,790	-	-	-	11,499	-	-
Renaissance Construction B.V.	5	-	-	-	-	10,609	-	-
Mathir B.V.	-	-	-	-	-	-	-	17,755
REC Uluslararası İnşaat Yatırım San. ve Tic. A.Ş.	2,840	15,014	-	20,766	2	2,480	-	-
Other Renaissance group companies	5,186	6,321	-	1,033	496	92	-	611
Total related parties	**8,031**	**134,143**	**-**	**22,399**	**498**	**35,207**	**-**	**18,366**

(1) Joint venture and associates
(2) Joint operations

The tables below show the costs/revenues of transactions with the Rönesans Group in 2024 and 2023:

Transactions with related parties 2024	Purchases	Sales	Interest received	Interest given	Other income	Other expense
Rönesans Holding A.S.	732	-	-	-	-	2,453
Transactions with other Rönesans Group companies	4,863	55,557	3,106	4,486	3,360	1,331
Total	**5,595**	**55,557**	**3,106**	**4,486**	**3,360**	**3,784**

Transactions with related parties 2023	Purchases	Sales	Interest received	Interest given	Other income	Other expense
Rönesans Holding A.S.	30	26	-	-	-	-
Transactions with other Rönesans Group companies	969	27,964	386	1,896	789	3,346
Total	**999**	**27,990**	**386**	**1,896**	**789**	**3,346**

In joint operations, mainly consisting of construction or development consortia, Ballast Nedam assumes its share of the assets, liabilities, revenues and costs. Ballast Nedam has recognised the following interests in joint operations in the consolidated statement of financial position.

Joint operations	2024	2023
Non-current assets	975	1,055
Current assets	104,876	112,210
Current liabilities	(120,450)	(120,128)
Net assets	**(14,599)**	**(6,863)**

The revenue and the cost of sales relating to the share in joint operations was approximately 14% (2023: 15%) of total revenue and cost of sales. The total liabilities to third parties of companies for which Ballast Nedam holds joint and several liabilities, such as partnerships, excluding bank guarantees issued by those companies, was € 299 thousand at the end of 2024 (2023: € 325 thousand), of which the € 121 thousand portion of Ballast Nedam (2023: € 120 thousand) is included in the consolidated statement of financial position.

The entities below were included in the consolidated statement of financial position and consolidated statement of income of Ballast Nedam in 2024. The entities relate to joint operations. Only the principal active entities are included for practical reasons. A full list of the subsidiaries included in the consolidation has been filed with the Commercial Register at the offices of the Dutch Chamber of Commerce in Utrecht. Details of the material joint ventures and associated interests in which Ballast Nedam has participating interests can be found in the next paragraph.

In general, the payment of dividend and/or depositing of temporary liquidity surpluses from joint ventures and associates depends on the authorisation of the shareholder.

The main joint operations are determined on the basis of their contribution to revenue, risk profile, strategic importance and contribution to results.

Overview of joint operations

Ballast Nedam and other parties that have joint control (by voting power or contractual arrangement) of the arrangement and have rights to the assets and obligations for the liabilities relating to the joint operation.

Joint operations	Place of incorporation and operation	Principal activity	2024 Efffective ownership ratio	2024 Voting power held	2023 Efffective ownership ratio	2023 Voting power held
Vof Grondbank Langedijk	Netherlands	Development	27,50%	27,50%	27,50%	27,50%
V.O.F. De Leidse Schans	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Dijkzone V.O.F.	Netherlands	Development	33,33%	33,33%	33,33%	33,33%
VOF Ontwikkelingscombinatie Veld 9	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Vof Planetenlaan/Eind	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Best Wonen VOF	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
VOF Entreegebied Ter Borch	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Hart van Zuid VOF	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
BN-TAV Joint Venture v.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
ABT MEP v.o.f.	Netherlands	Construction	33,33%	33,33%	33,33%	33,33%
BAAK Blankenburg EPCM v.o.f.	Netherlands	Construction	45,00%	45,00%	45,00%	45,00%
A-Lanes A15 Mobility v.o.f.	Netherlands	Construction	10,00%	10,00%	10,00%	10,00%
A-Lanes Roads v.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
A-Lanes Civil v.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Hochtief - Ballast Nedam - Van Oord vof	Netherlands	Construction	40,00%	40,00%	40,00%	40,00%
Hochtief - Ballast Nedam vof	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
A73 Combinatie Croon Wolter&Dros - BN Infra v.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
ALSÉÉN v.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Bouwcombombinatie ProN329 v.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Tribune-Bouw V.O.F.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
De Vijfde Stad V.O.F.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%

Joint operations	Place of incorporation and operation	Principal activity	2024 Efffective ownership ratio	2024 Voting power held	2023 Efffective ownership ratio	2023 Voting power held
Alliantie Dijkversterking Rijnkade Arnhem v.o.f.	Netherlands	Construction	33,33%	33,33%	33,33%	33,33%
Bouwcombinatie G3 Woontorens V.O.F.	Netherlands	Construction	25,00%	25,00%	25,00%	25,00%
R Creators DBMO VOF	Netherlands	Construction	45,00%	45,00%	45,00%	45,00%
Reiniging Combinatie Randstad V.O.F.	Netherlands	Recycling	50,00%	50,00%	50,00%	50,00%
RdE-BNIP Joint Venture	Luxembourg	Construction	50,00%	50,00%	50,00%	50,00%
Bouwcombinatie Duurzaam Eindhoven V.O.F.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Bouwcombinatie Wâldwei V.O.F.	Netherlands	Construction	33,33%	33,33%	33,33%	33,33%
BNRA Gladheid v.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Combinatie BNOC v.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Infracombinatie Hart van Zuid v.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Bouwcombinatie Ballast Nedam / Van Gelder V.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Alliantie IJsseldijk Apeldoorns Kanaal v.o.f.	Netherlands	Construction	33,33%	33,33%	33,33%	33,33%
Bouwcombinatie Koninklijke Woudenberg - Laudy V.O.F.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Bouwcombinatie Zoetermeer Oosterheem V.O.F.	Netherlands	Construction	25,00%	25,00%	25,00%	25,00%
Bouwcombinatie De Leidse Schans v.o.f.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
MLK Zoetermeer V.O.F.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%

Associates and joint ventures	Place of incorporation and operation	Principal activity	2024 Efffective ownership ratio	2024 Voting power held	2023 Efffective ownership ratio	2023 Voting power held
A-Lanes Management Services B.V.	Netherlands	Construction	25,00%	25,00%	25,00%	25,00%
Heitkamp Construction Swiss GmbH	Switzerland	Construction	49,00%	49,00%	49,00%	49,00%
Ontwikkelingsmaatschappij G4 Beheer B.V.	Netherlands	Development	25,00%	25,00%	25,00%	25,00%
De Vennep Beheer B.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Venneppark N207 C.V.	Netherlands	Development	62,40%	62,40%	62,40%	62,40%
Marktkwartier C.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Marktkwartier Amsterdam Beheer B.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
OCW Engelse Park Beheer B.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
OCW Engelse Park C.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Coeur du Sud B.V.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
BAAK Blankenburg-Verbinding B.V.	Netherlands	Construction	15,00%	15,00%	15,00%	15,00%
Exploitatie Maatschappij A-Lanes A15 B.V.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
J.V. Siemens Cuxhaven	Germany	Construction	50,00%	50,00%	50,00%	50,00%
IXAS Gaasperdammerweg B.V.	Netherlands	Construction	33,33%	33,33%	33,33%	33,33%
Ursem Modulaire Bouwsystemen B.V.	Netherlands	Construction	49,50%	49,50%	49,50%	49,50%
Exploitatie Maatschappij Komfort B.V.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Exploitatie Maatschappij DC 16 B.V.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
Ontwikkelingsmaatschappij G4 C.V.	Netherlands	Development	25,00%	25,00%	25,00%	25,00%
Gebiedsontwikkeling Oud-Beijerland Oost C.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Gebiedsontwikkeling Oud-Beijerland Oost Beheer B.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Gebiedsontwikkeling Oud-Beijerland Zuid Beheer B.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Gebiedsontwikkeling Oud-Beijerland Zuid C.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%

Joint operations	Place of incorporation and operation	Principal activity	2024 Efffective ownership ratio	2024 Voting power held	2023 Efffective ownership ratio	2023 Voting power held
!mpuls B.V.	Netherlands	Construction	22,50%	22,50%	22,50%	22,50%
Asfalt Productie Tiel (APT) B.V.	Netherlands	Construction	33,33%	33,33%	33,33%	33,33%
Traffic Service Nederland B.V.	Netherlands	Construction	25,17%	25,17%	25,17%	25,17%
Asfalt Productie Amsterdam (APA) B.V.	Netherlands	Construction	25,00%	25,00%	25,00%	25,00%
Nederlandse Frees Maatschappij B.V.(1)	Netherlands	Construction	16.67%	16.67%	16.67%	16.67%
Asfalt Productie Rotterdam Rijnmond (APRR) B.V.	Netherlands	Construction	25,00%	25,00%	25,00%	25,00%
Graniet Import Benelux B.V.(1)	Netherlands	Construction	8.75%	8.75%	8.75%	8.75%
Ontwikkelingsmaatschappij Centrumgebied Amsterdam Zuidoost B.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Stadion Amsterdam C.V.(1)	Netherlands	Construction	5.55%	5.55%	5.55%	5.55%
N.V. Stadsherstel Breda(1)	Netherlands	Development	5.80%	5.80%	5.80%	5.80%
Cartesiusdriehoek C.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Cartesiusdriehoek Beheer B.V.	Netherlands	Development	50,00%	50,00%	50,00%	50,00%
Grondreinigingscombinatie v.o.f.	Netherlands	Recycling	25,00%	25,00%	25,00%	25,00%
Bouwcombinatie Willems-Geelen B.V.	Netherlands	Construction	-	-	50,00%	50,00%
Omac B.V.	Netherlands	Construction	50,00%	50,00%	50,00%	50,00%
BESIX-Ballast Nedam Ltd	Tanzania	Construction	50,00%	50,00%	50,00%	50,00%
Lingotto Leiden Zeven B.V.	Netherlands	Development	25,00%	25,00%	-	-
Cartesius Wonen C.V.	Netherlands	Development	50,00%	50,00%	-	-

(1) An associate is an entity over which Ballast Nedam has significant influence, but does not exercise control. Limited balances of these entities are separately disclosed in note 6.6.10 as part of investment of associates and joint ventures.

Name of subsidiary	Place	Main activity	Share 2024	Share 2023
Ballast Nedam Infra B.V	Nieuwegein	Construction	100%	100%
Ballast Nedam Parking B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Industriebouw B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam International projects B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Bouw & Ontwikkeling Holding B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Bouw & Ontwikkeling B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Ontwikkelingsmaatschappij B.V.	Nieuwegein	Development	100%	100%
Heddes Bouw & Ontwikkeling B.V	Hoorn	Construction	100%	100%
Laudy Bouw & Ontwikkeling B.V.	Sittard	Construction	100%	100%
Ballast Nedam Concessies B.V.	Nieuwegein	Development	100%	100%
Ballast Nedam Beheer B.V.	Nieuwegein	Maintenance	100%	100%
Ballast Nedam Bouw & Ontwikkeling Speciale Projecten B.V.	Nieuwegein	Construction	100%	100%
Ballast Nedam Specialistisch Grondverzet B.V.	Maarssen	Construction	100%	100%
Ballast Nedam Road Specialties B.V.	Leerdam	Construction	100%	100%
Ballast Nedam International Product Management B.V.	Leerdam	Construction	100%	100%
Ballast Nedam Funderingstechnieken B.V.	Maarssen	Construction	100%	100%
Ballast Nedam Materieel B.V.	Almere	Construction	100%	100%
Dibec B.V.	Nieuwegein	Construction	100%	100%
Haitsma Beton B.V.	Kootstertille	Concrete factory	100%	100%
Hoco Beton B.V.	Weert	Concrete factory	-	100%
Heitkamp Bau Service GmbH	Germany	Construction	100%	100%
Ballast Nedam UK Ltd.	United Kingdom	Construction	100%	100%
Ballast Nedam International B.V.	Nieuwegein	Construction	100%	-
Ballast Nedam Global B.V.	Nieuwegein	Construction	100%	-
Two Pillars B.V.	Nieuwegein	Construction	100%	-
Ballast Nedam Construction Services B.V.	Nieuwegein	Construction	100%	-
Ballast Nedam Infra Mobility B.V.	Nieuwegein	Construction	100%	-
Ballast Nedam Energy Holding B.V.	Nieuwegein	Construction	100%	-
Ballast Nedam Hurks Holding B.V.	Nieuwegein	Construction	100%	-

Remuneration of members of the Board of Management and of the Supervisory Board

Key management includes members of the Board of Management and the Supervisory Board. The total remuneration of members of the Board of Management in 2024 was € 2,873 thousand (2023: € 2,077 thousand).

Board of Management	2024	2023
Short-term employee benefits	2,702	1,942
Post-employment benefits	139	115
Other	32	20
Total	**2,873**	**2,077**

The total remuneration of the Supervisory Board in 2024 was € 50 thousand (2023: € 45 thousand). The remuneration of members of the Supervisory Board and the Board of Management is commensurate with their term of office. Members of the Board of Management are entitled to the use of a company car. No balances were outstanding and no loans were granted to members of the Board of Management or the Supervisory Board.

Chapter 7

Company financial statements

7.1 Company statement of financial position (before appropriation of result)

Amounts expressed in thousands of euro (€)

Assets	Notes	2024	2023
Non-current assets		**763,568**	**554,692**
Right of use assets	7.3.2	1,318	2,625
Financial fixed assets		762,250	552,067
Investments accounted for using the equity method	7.3.3	*700,897*	*475,249*
Long-term receivables from subsidiaries	7.3.3	*30,000*	*45,000*
Deferred tax assets	7.3.4	*31,353*	*31,818*
Current assets		**248,733**	**172,485**
Receivables	7.3.5	128,916	93,607
Trade receivables		-	*166*
Receivables from subsidiaries		*127,496*	*91,921*
Other current assets and receivables		*366*	*910*
Prepaid expenses		*1,054*	*610*
Cash and cash equivalents	7.3.6	119,817	78,878
Total assets		**1,012,301**	**727,177**

Liabilities	Notes	2024	2023
Shareholders' equity	**7.3.7**	**491,518**	**304,141**
Paid in capital		2,203	2,203
Share premium		528,970	428,870
Currency translation reserve		14,821	693
Legal reserve		66,478	46,357
Accumulated losses		(194,956)	(197,659)
Net result		74,002	23,677
Provisions	**7.3.8**	**2,285**	**2,929**
Provisions related to employee benefits		110	120
Other provisions		2,175	2,809
Non-current liabilities	**7.3.9**	**57,850**	**37,136**
Financial debts		57,850	35,778
Lease liabilities		-	1,358
Current liabilities	**7.3.10**	**460,648**	**382,971**
Financial debts		80,481	99,848
Current tax liabilities		1,287	-
Borrowings from related parties		-	10,000
Lease liabilities		1,420	1,132
Trade and other payables		15,809	5,292
Payables to subsidiaries		361,651	266,699
Total liabilities and shareholders' equity		**1,012,301**	**727,177**

7.2 Company statement of income

Amounts expressed in thousands of euro (€)

	2024	2023
Result of subsidiaries after tax	86,234	29,713
Other results after tax	(12,232)	(6,036)
Result for the period	**74,002**	**23,677**

7.3 Notes to the company financial statements

7.3.1 Basis of preparation and significant accounting policies

The company financial statements of Ballast Nedam N.V. have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with article 2:362(8) of the Dutch Civil Code, the company's financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. If no other policies are mentioned, we refer to the accounting policies as described in the consolidated financial statements of Ballast Nedam N.V. For an appropriate interpretation, the company financial statements of Ballast Nedam N.V. should be read in conjunction with the consolidated financial statements.

Investments in subsidiaries are incorporated in these financial statements using the equity method of accounting. Under the equity method, the value of subsidiaries comprises the cost, excluding goodwill, of Ballast Nedam's share in the net assets of the subsidiary, plus Ballast Nedam's share in income or losses since acquisition, less dividends received. The value is calculated using the accounting policies, as included in the consolidated financial statements. If Ballast Nedam's share in the losses exceeds the value of the interest in an associate, the carrying amount of the investment is written down to nil in Ballast Nedam N.V.'s statement of financial position and only the portion of any further losses for which Ballast Nedam N.V. has a legal or constructive obligation will be recognised.

7.3.2 Right of use assets

	Buildings
Cost	
Opening balance 1 January 2024	**11,770**
Additions	-
Closing balance 31 December 2024	**11,770**
Accumulated depreciation	
Opening balance 1 January 2024	**(9,145)**
Depreciation	(1,307)
Closing balance 31 December 2024	**(10,452)**
Carrying value as at 31 December 2024	**1,318**

	Buildings
Cost	
Opening balance 1 January 2023	**11,329**
Additions	441
Closing balance 31 December 2023	**11,770**
Accumulated depreciation	
Opening balance 1 January 2023	**(7,267)**
Depreciation	(1,878)
Closing balance 31 December 2023	**(9,145)**
Carrying value as at 31 December 2023	**2,625**

7.3.3 Financial fixed assets

	Investment accounted for using the equity method	Long-term receivables from subsidiaries
Opening balance 1 January 2023	**439,180**	**45,000**
Result group participations	29,713	-
Investments	10,000	-
Change in hedging reserve	(1,904)	-
Currency translation effect	(1,740)	-
Closing balance 31 December 2023	**475,249**	**45,000**
Opening balance 1 January 2024	**475,249**	**45,000**
Result group participations	86,234	-
Investments	126,139	-
Repayments	-	(15,000)
Change in hedging reserve	(853)	-
Currency translation effect	14,128	-
Closing balance 31 December 2024	**700,897**	**30,000**

The interests in subsidiaries are direct interests, of which the main ones are shown in the organisation chart. A list of interests as referred to in Article 2:379 of the Dutch Civil Code has been filed with the Dutch Trade Register in Utrecht. The Annual Report has a list of the significant group companies and interests.

The applicable interest margin of the long-term receivable from subsidiaries have an at arm's length fixed interest rate and the fair value approximates the book value. The long-term receivable will be repaid in 2026.

7.3.4 Deferred tax assets

Deferred tax assets	2024	2023
Opening balance 1 January	**31,818**	**31,554**
Recognition of carry-forward losses	9,035	4,464
Realised carry-forward losses	(9,500)	(4,200)
Closing balance 31 December	**31,353**	**31,818**

The deferred tax assets to be recovered within and after more than 12 months amount to € 9.5 million and € 21.9 million respectively. The recognised deferred tax assets relate to the tax losses available to the fiscal unity in the Netherlands. The unused tax losses relate to years 2012 up to and including 2017. A relatively small number of mainly large infrastructure projects caused these losses. Ongoing measures are taken to prevent such losses. The recognised tax losses from prior years are infinitely deductible. The Dutch corporate tax rates applicable in 2024 and upcoming years are 25.8%.

A deferred tax asset is recognised to the extent that it is probable, based on Business Plan forecasts approved by the Board, that sufficient taxable profits will be available in the Netherlands that can be utilised towards realising the deferred asset. The forecasts are based on the Business Plan cycle 2025-2027, extrapolated using growth rates for revenue and profit that take external market data and historical performance into account. No specific tax planning opportunities have been taken into account.

The fair value change in investment properties in 2024 has not been recognised as a deferred tax liability, since that liability can be set-off with carry-forward losses.

Consistent with prior years, management has determined that the Dutch tax group has approximately € 350 million of carry-forward losses (2023: approximately € 349 million), for which a deferred tax asset of € 31,353 thousand (2023: € 31,818 thousand) has been recognised. These losses can be carried forward infinitely.

Besides carry-forward losses, Ballast Nedam's Dutch tax group has unrecognised pre-incorporation profit of approximately € 36 million (2023: €59 million) from foreign permanent establishments which are eligible for set-off to prevent double taxation. In addition, Ballast Nedam still has carry-forward losses in foreign countries which have not been recognised, as is not considered probable they can be utilised.

7.3.5 Receivables

Receivables	2024	2023
Trade receivables	-	166
Receivables from subsidiaries	127,496	91,921
Prepaid expenses	1,054	610
Other current assets and receivables	366	910
Total receivables	**128,916**	**93,607**

The receivables from subsidiaries mainly relate to short-term financing by means of current accounts. Ballast Nedam makes use of cash-pooling. Ballast Nedam has control, directly or indirectly, over all the subsidiaries which it has outstanding receivables and can convert these into equity if needed. The fair value of the receivables from subsidiaries approximates the book value. All other current receivables fall due within one year.

7.3.6 Cash and cash equivalents

The total cash and cash equivalents amounts to € 119.8 million (2023: € 78.9 million). This is at the free disposal of the company.

7.3.7 Shareholders' equity

	Paid in capital	Share premium	Currency translation reserve	Legal reserve	Accumu-lated losses	Total
Opening balance 1 January 2023	**2,203**	**393,870**	**2,433**	**44,626**	**(194,024)**	**249,108**
Net result for the year	-	-	-	-	23,677	**23,677**
Change in currency translation reserve	-	-	*(1,740)*	-	-	**(1,740)**
Change in legal reserve	-	-	-	*(1,904)*	-	**(1,904)**
Other comprehensive expense	-	-	(1,740)	(1,904)	-	**(3,644)**
Total comprehensive income	**-**	**-**	**(1,740)**	**(1,904)**	**23,677**	**20,033**
Share premium in cash	-	35,000	-	-	-	**35,000**
Fair value change investment properties	-	-	-	(706)	706	**-**
Change in legal reserve	-	-	-	4,341	(4,341)	**-**
Closing balance 31 December 2023	**2,203**	**428,870**	**693**	**46,357**	**(173,982)**	**304,141**

	Paid in capital	Share premium	Currency translation reserve	Legal reserve	Accumu-lated losses	Total
Opening balance 1 January 2024	**2,203**	**428,870**	**693**	**46,357**	**(173,982)**	**304,141**
Net result for the year	-	-	-	-	74,002	**74,002**
Change in currency translation reserve	-	-	*14,128*	-	-	**14,128**
Change in legal reserve	-	-	-	*(853)*	-	**(853)**
Other comprehensive income	-	-	14,128	(853)	-	**13,275**
Total comprehensive income	**-**	**-**	**14,128**	**(853)**	**74,002**	**87,277**
Share premium in cash	-	100,100	-	-	-	**100,100**
Fair value change investment properties	-	-	-	(4,200)	4,200	**-**
Change in legal reserve	-	-	-	25,174	(25,174)	**-**
Closing balance 31 December 2024	**2,203**	**528,970**	**14,821**	**66,478**	**(120,954)**	**491,518**

The paid in capital includes ordinary shares of the company. The legal reserves relate to profits and/or reserves of the associates and joint ventures which are subject to legal restrictions on distribution or restrictions imposed by the articles of association of € 57.3 million (2023: € 32.1 million), the fair value change in investment properties of € 8.2 million (2023: € 12.3 million) and hedge results from joint ventures of € 1.2 million (2023: € 2.0 million). Further details on the movement schedule are included in the consolidated financial statements.

The 2024 result is subject to appropriation by the General Meeting. It is proposed to add the net result for 2024 to the accumulated losses within the shareholders' equity (general reserves) as stated in the profit appropriation and dividend policy. No dividend payment is proposed or declared. Please see paragraph 8.2 for further details.

7.3.8 Provisions

Provisions	Restructuring	Other	Employee benefits	Total
1 January 2023	**2,153**	**49**	**136**	**2,338**
Additions	4,068	-	11	**4,079**
Reversals	(900)	-	(27)	**(927)**
Utilisation	(2,561)	-	-	**(2,561)**
31 December 2023	**2,760**	**49**	**120**	**2,929**
1 January 2024	**2,760**	**49**	**120**	**2,929**
Additions	4,962	699	1	**5,662**
Reclassification	55	-	-	**55**
Reversals	(1,414)	(49)	(2)	**(1,465)**
Utilisation	(4,238)	(649)	(9)	**(4,896)**
31 December 2024	**2,125**	**50**	**110**	**2,285**
< 1 year				
31 December 2023	2,716	49	120	**2,885**
31 December 2024	2,125	50	110	**2,285**

The restructuring provision costs mainly related to strategic choices to align the company with continuous developments in market circumstances which amounted to € 4,962 thousand (2023: € 4,079 thousand). A provision for restructuring is only recognised once the decision to execute a restructuring is concluded and announced.

7.3.9 Non-current liabilities

Non-current liabilities	2024	2023
Financial debts	57,850	35,778
Lease liabilities	-	1,358
Total non-current liabilities	**57,850**	**37,136**

The fair value of the long-term debt to subsidiaries approximates the book value. Borrowings to be repaid between 1 and 2 years amount to € 13,000 thousand, borrowings to be repaid between 2 and 3 years amount to € 13,000 thousand, borrowings to be repaid between 3 and 4 years amount to € 13,000 thousand and borrowings to be repaid between 4 and 5 years amount to € 18,850 thousand. Lease liabilities to be repaid between 1 and 5 years amount to nil. Movements of financial debts and lease liabilities are as follows:

	Financial debts	Lease liabilities
Carrying value as at 1 January 2024	**135,626**	**2,490**
Additions	153,418	-
Repayments	(150,713)	(1,070)
Carrying value as at 31 December 2024	**138,331**	**1,420**

	Financial debts	Lease liabilities
Carrying value as at 1 January 2023	**111,000**	**4,280**
Additions	71,839	300
Repayments	(47,213)	(2,090)
Carrying value as at 31 December 2023	**135,626**	**2,490**

Refer to note 6.6.15 of the consolidated financial statements for details and redemption schedule of the borrowings.

7.3.10 Current liabilities

Current liabilities	2024	2023
Financial debts	80,481	99,848
Borrowings from related parties	-	10,000
Lease liabilities	1,420	1,132
Trade and other payables	15,809	5,292
Payables to subsidiairies	361,651	266,699
Current tax liabilities	1,287	-
Total current liabilities	**460,648**	**382,971**

Refer to note 6.6.15 of the consolidated financial statements for further details about current portion of long-term borrowings. The payables to group companies mainly relate to short-term financing by means of current accounts. Ballast Nedam makes use of cash-pooling. The fair value of the payables to subsidiaries approximates the book value. All other current liabilities fall due within one year.

7.3.11 Off balance sheet commitments

Guarantees	2024	2023
Letters of guarantees given	577,833	394,056

Letters of intent and guarantees issued on Ballast Nedam's behalf by financial institutions in connection with the execution of projects and for prepayments received are included in 'Guarantees'.

In 2024, € 357,680 thousand of guarantees were outstanding (2023: € 394,056 thousand), of which € 106,957 thousand relate to joint arrangements (2023: € 129,188 thousand).

Other liabilities

Ballast Nedam N.V. has filed a declaration of joint and several liability as referred to in Article 2:403(1) (f), of Book 2 of the Dutch Civil Code with the office of the Trade Register of the Dutch Chamber of Commerce in favour of Ballast Nedam Concessies B.V., Ballast Nedam ICT B.V., Ballast Nedam Construction Services B.V., and Ballast Nedam Infra Corporate B.V..

In connection with credit and guarantee facilities, Ballast Nedam N.V. has given undertakings not to furnish any security in the form of collateral on fixed assets.

Ballast Nedam N.V. issued guarantees for our parent company and a number of subsidiaries' contracts, totalling approximately € 1,964 million in 2024 (2023: approximately € 1,301 million). This often involves the entire contract sum for long-term projects.

Fiscal unity

Together with the subsidiaries which form the tax fiscal unity, Ballast Nedam N.V. bears joint and several liability for corporation tax and value added tax liabilities in the Netherlands. The subsidiaries have applied the tax consolidation legislation, which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

7.3.12 Employees

Average number of FTE is 108 (2023: 105), none are employed abroad.

7.7.13 Audit fees

In accordance with article 2:382a(3) of the Dutch Civil Code Ballast Nedam is exempt from disclosing audit fees as those are included in the consolidated financial statements of our immediate parent entity.

7.3.14 Remuneration of members of the Board of Management and of the Supervisory Board

For notes on the remuneration of the members of the Board of Management and of the Supervisory Board, see the paragraph on transactions with related parties in note 6.6.32 of the consolidated financial statements.

7.3.15 Proposal of appropriation of 2024 result

It is proposed to add the net profit for 2024 to the accumulated losses within the shareholders' equity (general reserves).

7.3.16 Events after the balance sheet date

On 27 January 2025 Ballast Nedam acquired 100% of the issued share capital of Hurks Groep B.V.. The company is active in the construction of apartments and care complexes, distribution centers, office and commercial premises, with a specific focus on the central and southern Netherlands region.

The goodwill of € 10.4 million is attributable to the expected synergies, employees and high profitability of the acquired business. The goodwill will not be deductible for tax purposes.

Details of the purchase consideration, the net assets acquired and cash outflow are as follows:

Purchase consideration	Hurks Groep B.V.
Cash consideration	36,660
Total purchase consideration	**36,660**

Net assets acquired at fair value	Hurks Groep B.V.
Cash and cash equivalents	24,512
Other current assets	21,906
Non-current assets	13,404
Current liabilities	(27,687)
Non-current liabilities	(5,852)
Net identifiable assets acquired	**26,283**
Add: Goodwill	10,377
Total net assets acquired	**36,660**

Cash outflow on acquisition	Hurks Groep B.V.
Cash consideration	36,660
Less: balances acquired	(24,512)
Total acquisition net of cash	**12,148**

Other current assets include € 9.9 million of acquired receivables to be collected. Non-current assets include € 7.7 million of intangible assets identified at acquisition date for brand and royalties and € 2.1 million of right of use assets identified at acquisition date for cars.

Nieuwegein, 21 March 2025

Board of Management,	Supervisory Board,
A.K. Sağlam	İ. Ilıcak Kayaalp (Chairperson)
H. Koçak	Ö. Canbas
N.P.A. Doodeman	P.R.H.M. van der Linden
S.R. Lefevre	
O.P. Padberg	
E. van Zuthem	

Chapter 8

Other information

8.1 Independent auditor's report

To: the general meeting and the supervisory board of Ballast Nedam N.V.

Report on the audit of the financial statements 2024

Our opinion

In our opinion:

- the consolidated financial statements of Ballast Nedam N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2024 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Ballast Nedam N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of Ballast Nedam N.V., Nieuwegein. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the following statements for 2024: the consolidated statement of profit and loss, the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2024;
- the company statement of income for the year then ended; and
- the notes to the company financial statements, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

Independence

We are independent of Ballast Nedam N.V. in accordance with the ‘Wet toezicht accountantsorganisaties’ (Wta, Audit firms supervision act), the ‘Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Ballast Nedam N.V. and its environment and the components of the internal control system. This included the board of management’s risk assessment process, the board of management’s process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section 5.4 of the directors' report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures and incident registration, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the board of management as well as the internal control department, legal affairs, compliance department, human resources, project leaders and controllers, the audit committee and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
Risk of management override of controls	
Generally, management is considered to be in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why we paid attention to the risk of management override of controls in: • the appropriateness of journal entries and topside adjustments made in the preparation of the financial statements; • estimates; • significant transactions, if any, outside the normal course of business for the entity. We paid particular attention to tendencies due to possible interests of management.	To the extent relevant to our audit, we evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries, making estimates, and monitoring projects. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties. We selected journal entries based on risk criteria and conducted specific audit procedures for these entries. These procedures include, amongst others, inspection of the entries to source documentation. We also paid particular attention to risk criteria within consolidation and elimination entries. We performed specific audit procedures related to important estimates of management, including valuation of construction contracts. We performed substantive audit procedures on management's estimates of the cost to complete. We performed an analysis by comparing the latest project forecasts with the project budgets and the estimates from previous periods. We also compared the actual costs to the forecasts. We performed additional audit procedures for projects with notable outcomes. In addition, we performed a retrospective assessment of the quality of the estimates made by management in completed projects. We specifically paid attention to the inherent risk of bias of management in estimates. We did not identify any significant transactions outside the normal course of business. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override or violations of the internal controls.

Identified fraud risks	Our audit work and observations
Risk of fraud in revenue recognition	
As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue transactions give rise to the risk of fraud in revenue recognition. Management receives bonuses of which the size partly depends on the financial results achieved. This could lead to pressure on management to: • allocate costs of lossmaking projects to profitable projects, which would impact the result; • not include all losses by decreasing the estimates of costs yet to be incurred in the project forecast; • allocating revenue that has not (yet) been agreed on with the client to positively affect the result. We refer to the management override of controls for the estimates in construction contracts.	To the extent relevant to our audit, we evaluated the design and implementation of the internal control system in the process related to revenue reporting. We performed specific audit procedures over construction contracts which includes, but not limited to, reconciliations, valuation, management bias, construction costs, percentage of completion and physical observations where appropriate. In order to mitigate the risk of allocating costs between projects, we performed a detailed analysis of journal entries between projects and performed substantive audit procedures on potential notable entries. We also assessed whether the costs were allocated to the accurate projects. We performed substantive audit procedures on management's estimate of the cost to complete. We performed an analysis by comparing the latest project forecasts with the project budgets and the estimates from previous periods. We also compared the actual costs to the forecasts. We performed additional audit procedures for projects with notable outcomes. In addition, we performed a retrospective assessment of the quality of the estimates made by management in completed projects. We also performed substantive audit procedures to assess the revenue included in the forecasts by examining the agreements, including additional work, signed by the client. Finally, we also assessed the relevant notes in the financial statements. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud in the revenue reporting.

Identified fraud risks	Our audit work and observations
Risk of bribery and corruption	
The Company operates in countries with higher risks of bribery and corruption based on the Corruption Perception Index of Transparency International. For this reason, we paid particular attention to the risk of payment of bribes by and at the initiative of the one agent the Company works with, and in transactions concluded using the agent.	To the extent relevant to our audit, we evaluated the design and implementation of the internal control system and assessed the effectiveness of relevant controls in the processes related to bribery and corruption, including monitoring and reviewing of the work performed by the agents the Company works with. We held various meetings with management, the compliance officer and other staff to discuss the risk of bribery and corruption. We selected the agent contract in a country with higher risks of bribery and corruption and analysed the commissions paid. For the agents, we determined whether: • a background investigation was conducted, who conducted this background investigation, the depth of this investigation, and whether the outcomes of this investigation are assessed before a contract is signed; • the contract has been signed by a competent official; • the agreed commission is calculated correctly and paid correctly and completely to a bank account held by the agent (if applicable); • the agreed commission matches the work performed by the agent based on a benchmark of the commission percentage used in the industry and at the Company; and • a right to audit has been agreed with the agent and whether this right was exercised. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to paying bribes or corruption.

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters and legal expenses. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

As disclosed in section 6.6.2 'Basis of presentation of the consolidated financial statements', the board of management prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least 12 months from the date of preparation of the financial statements.

Our procedures to evaluate the board of management's going-concern assessment included, amongst others:

- considering whether the board of management identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks);
- considering whether the board of management's going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the board of management regarding the board of management's most important assumptions underlying its going-concern assessment;
- evaluating the board of management's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry and all relevant information of which we were aware as a result of our audit;
- analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants;
- performing inquiries of the board of management as to its knowledge of going-concern risks beyond the period of the board of management's assessment.

Based on our procedures performed, we concluded that the board of management's use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the board of management and the supervisory board for the financial statements

The board of management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of management should prepare the financial statements using the going-concern basis of accounting unless the board of management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of management should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. 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 but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 21 March 2025
PricewaterhouseCoopers Accountants N.V.

H. Laros RA

Appendix to our auditor's report on the financial statements 2024 of Ballast Nedam N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of management.
- Concluding on the appropriateness of the board of management's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in

our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the supervisory board 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.

8.2 Appropriation of result

Sections of the articles of association concerning appropriation of the result

Article 23 of the Ballast Nedam Articles of Association governs profit appropriation.
The text of this clause is as follows:

The company may make distributions to the shareholders' and to other persons entitled to the profits eligible for distribution only up to a sum not exceeding the amount of the distributable reserves.

1. Distribution of profits will be done after the adoption of the Annual Accounts from which it appears that it is allowed.
2. From the profits made evidenced by the adopted Annual Accounts, a part to be determined by the Board of Management will be reserved.
   The part of the profit remaining after application of the previous sentence shall be at the free disposal of the General Meeting.
3. In calculating the profit appropriation, the shares held by the company in its own capital shall not count, unless a usufruct has been created on these shares.
4. Insofar as profit is available in the company, the Board of Management may resolve upon payment of an interim dividend on account of the dividend to be expected, provided that the provisions laid down in paragraph 1 of this article have been satisfied, evidenced by an interim capital statement as referred to in article 2:105 paragraph 4 of the Dutch Civil Code.
5. Upon a motion by the Board of Management the General Meeting may resolve to make a distribution against the distributable reserves.
6. The (interim) dividend shall be made payable on a day to be determined by the Board of Management, no later than 14 days after the determination of the (interim) dividend.

“With our dedicated team we aim to drive sustainable growth and continue delivering exceptional value to our clients.”

- A. Kemal Sağlam (CEO)

Ballast Nedam