ANNUAL REPORT 2021

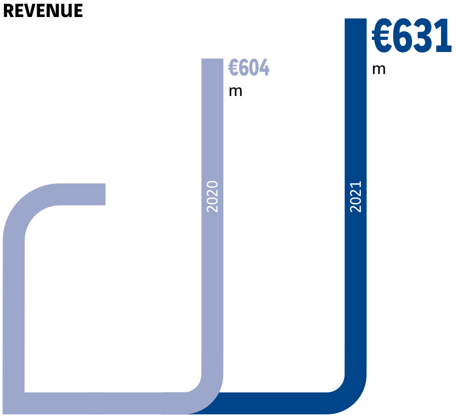
VINCI Energies Netherlands BV

VINCI ENERGIES

CONTENTS

1 KEY DATA VINCI ENERGIES NETHERLANDS

REVENUE



>3235 employees*

>69 business units

2 countries

*number people employed

INDUSTRY
INDUSTRIAL PROCESSES

Consultancy / Plant & Process Design / Industrial Automation / Logistic Automation / Industrial Installation / Industrial Systems / Maintenance / Mechanical and Robotics

34%

INFRASTRUCTURE
ENERGY TRANSITION

Technical equipment and management systems / Renewable energies and storage Electric mobility / Projects and maintenance on high, medium and low voltage

6%

ICT SOLUTIONS & SERVICES
INFORMATION & COMMUNICATION

Business Analytics / Business Applications / Cloud Services / Collaborative Solutions / Converged Infrastructure & Datacenters / Core Network / Enterprise Network / Mobility Solutions/ Security / Internet of Things

40%

BUILDING SOLUTIONS
BUILDINGS, PEOPLE & ENVIRONMENT

Electrical systems / Heating, Ventilation, Air Conditioning / Building Protection, / SMART building / Maintenance

20%

2 INTERVIEW WITH THE MANAGING DIRECTORS OF VINCI ENERGIES NETHERLANDS

JOS VAN UDEN AND ROB VAN KAATHOVEN
MANAGING DIRECTORS
VINCI ENERGIES NEDERLAND

How did VINCI Energies Netherlands perform in 2021?

Jos van Uden: “In many ways 2021 was a good year for us. We are proud of the enormous dedication and flexibility of our employees; they were determined to make sure our clients’ projects ran well, and that enabled us to achieve good financial results. And by achieving our targets for autonomous growth and external growth by acquiring a number of new businesses that strengthen our portfolio. In 2020, it became apparent that our organisation model of decentralised business units and management philosophy were able to cope with the Covid crisis and this continued in 2021.”

Rob van Kaathoven: “Many of our employees worked from home for a large part of the year. We were already able to manage hybrid working. An important point of attention is the work-life balance for our people when they work from home. Under the theme of Happiness at work, we paid more attention to the wellbeing, health and safety of our employees. For example, with all types of shared activities in the business units, from drumming sessions to vitality workshops, but also by paying continuous attention to the dialogue between employees. In a Covid year in particular it proved important to prevent people from being isolated or working too long.”

Jos van Uden: “We also have business units where our employees mainly worked on site with our clients. That required a whole different set of points of attention. By talking regularly and assessing and anticipating risks properly, those activities generally went smoothly.”

Rob van Kaathoven: “In 2020, VINCI launched the VINCI Environment Awards to strengthen our environmental awareness in the area of climate, circular economy and natural environment.

The number and the diversity of the submitted projects demonstrate that many business units have massive amounts of knowledge and expertise that can help our own organisation and our clients to perform better in these areas. With the themes we use to deliver our expertise – digital transformation and energy transition – we work on innovative and green solutions for our clients. Every business unit has sustainability and the environment in its business plan. "

How do you see the year ahead?

Rob van Kaathoven: "With our specialisations we are properly segmented in the critical sectors. This year too we have plenty of work, for example due to the increase in energy transition and digital transformation projects. We want to continue to grow autonomously and with acquisitions. That's why we continue to look for businesses that fit our portfolio and strengthen our propositions for our clients. Companies that can be integrated properly in our network organisation in terms of size and culture."

Jos van Uden: "In our corporate culture we start with entrepreneurship and empowerment in the business units and we invest continuously in developing our employees in our core values and our management philosophy with the VINCI Energies Academy.nl. The fact that our management philosophy is successful is proven by the results, but also by how we are able to respond flexibly to circumstances, pay attention to our employees, maintain contact with our clients, continue to innovate and anticipate the future."

Rob van Kaathoven:
"In 2022, our focus is on the environment, inclusion and diversity. We want to mirror the society with employees from different backgrounds and provide a safe and comfortable work environment for everyone. We owe that to the society we work for and in. We also work on increasing diversity in our management teams and offer our people long-term career prospects. Another reason to continue investing in development. Not to mention because the future produces different challenges. We like to take those on. So we need to be up to scratch at all levels."

BOARD OF MANAGEMENT 2022

Left to right:
- Jos van Uden, Managing Director Infrastructure, Industry and Building Solutions
- Eus de Haas, General Counsel and Corporate Development
- Rob van Kaathoven, Managing Director ICT
- Maurice Roijen, Chief Financial Officer

3 GENERAL

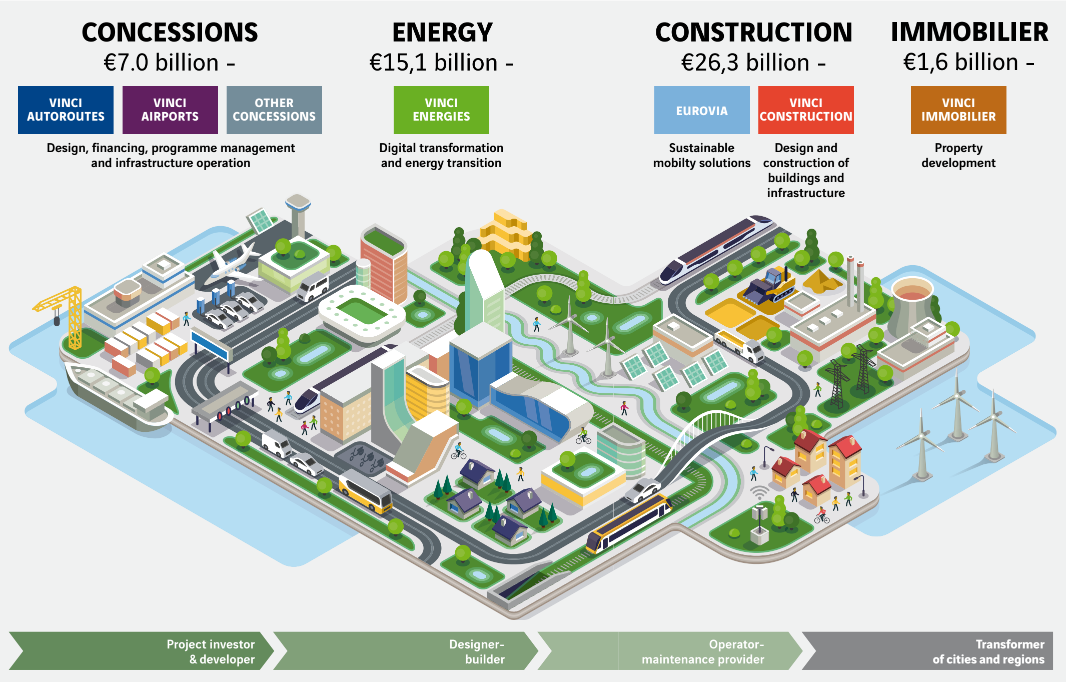
VINCI Energies Netherlands B.V. belongs to VINCI Energies S.A. ('VINCI Energies'), a division of the VINCI S.A. Group ('VINCI' or 'Group'). We provide in this chapter general information of VINCI, VINCI Energies and VINCI Energies Netherlands.

3.1 VINCI

VINCI is a world leader in concessions, construction and energy, active in nearly 120 countries. VINCI's ambition, in response to the climate emergency, is to accelerate the transformation of living environments, infrastructure and mobility. VINCI also aims to foster social progress by being a humanist group that exemplifies inclusion and solidarity. Powered by the economic performance and the engagement of her 218,000 employees, they forge a more sustainable world and fully embrace her role as a private sector partner working in the public interest.

Because VINCI's projects are in the public interest, they consider that reaching out to all stakeholders and engaging in dialogue with them is essential in the conduct of the business activities in France and around the world.
The environment, community life and mobility are among the main challenges facing today's world. VINCI aims to meet these challenges by being a force for good through our constructions and our work ethic, both day to day and over the long term. It's called all-round performance.

VINCI S.A. is listed at the French CAC-40 Stock Exchange. In 2021 VINCI had a revenue of € 49.396 billion.



Source: VINCI Financial statements 2021 and website VINCI.com

VINCI has grown historically by building on the synergy of its three-core business, infrastructure Concessions, Energy and Construction, which are complementary in terms of operation cycles, capital intensity and expertise. Over the years, VINCI has applied its value-creating business model to broader geographies and ever-expanding areas of expertise, making the Group a world leader in its sector. In buoyant markets, VINCI's business model delivers robust growth; in times of economic turbulence, it isa source of resilience, as shown by the Group's ability to hold strong in 2020 through the health crisis.
VINCI's resilience is bolstered by its highly decentralised organisation and its management approach, which enable the Group's companies and people to be especially agile when their environments and markets are disrupted. Their level of engagement and responsiveness during the unprecedented Covid-19 pandemic aptly illustrate this.

Drawing on these solid fundamentals, VINCI will continue to implement its long-term strategy and to develop its two core businesses evenly.

CONCESSIONS

The focus of VINCI's strategy for its Concessions business is transport infrastructure. Like the Group's concessions contracts, this strategy is long-term. It aims to diversify, renew and internationalise the Group's mix of concessions, and extend the average maturity of its portfolio. VINCI's fast growth in motorway and airport concessions since the 2000s, both in France and internationally, results from the steady execution of this strategy.
To achieve its aims, the Group harnesses its integrated expertise – as an investor and developer of projects, a designer and builder of infrastructure, and an infrastructure operator and maintenance provider – and combines this know-how with its partnership culture and experience working closely with local authorities and their stakeholders. VINCI will maintain this strategy and take a similar approach, as appropriate, to new markets such as renewable energy infrastructure. The Group will mainly seize greenfield opportunities for the development of brand-new projects. Synergy with Contracting businesses, derived from shared areas of expertise or shared host geographies will be a significant asset, especially outside France, as demonstrated by the majority of the projects developed by VINCI Concessions in recent years.

ENERGY and CONSTRUCTION

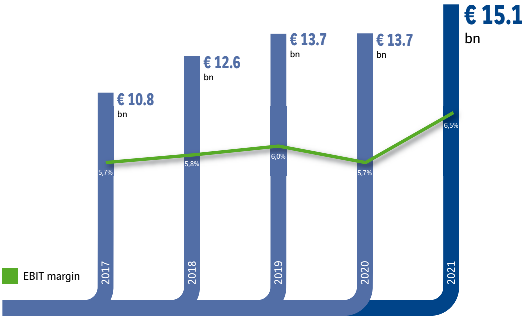
VINCI's networks of companies in Energy and Construction businesses span about 100 countries and now generate the majority of their revenue outside France. Each business line grows its own activities, while participating in the Group's multi-business projects. Since the 2000s, VINCI's strategy has focused on expanding VINCI Energies. The business line's expertise in energy and information technologies has proven to be ideally aligned with the current ecological transition and digital transformation – two long-term trends that are shaping its products and services and fuelling its future growth. Its solid performance in 2020, despite the health crisis, is a testament to the effectiveness of its strategy. In this environment of positive long- term trends, VINCI will continue to develop VINCI Energies and all its business activities relating to energy infrastructure.
The other Construction business lines, VINCI Construction, will carry on building their networks, by both contributing to the Group's international expansion and thereby enlarging their geographical scope and by acquiring new, high value-added expertise to broaden their technical know-how. A redesigned organisation, announced in January 2021, will optimise how these business lines operate and generate synergy by incorporating them into a single management unit.

The remainder of this report will focus on VINCI Energies, the part of VINCI that VINCI Energies Netherlands B.V. is in.

3.2 VINCI Energies

VINCI Energies applies a multi-local business model based on entrepreneurship and networking of all its expertise, working closely with its clients to create value day-to-day operating in Infrastructure, Industry, Building Solutions and ICT. They are organised around four international brands – Omexom, Actemium, VINCI Facilities and Axians – in addition to brands with a more regional identity.

REVENUE AND EBIT MARGIN OVER THE PAST 5 YEARS



6,5% = % of VINCI Energies revenue 2021[1]

83,800 employees*

1800 business units

55 countries

*number people employed

INDUSTRY

Process operation and control. Electrical, mechanical and thermal engineering / Energy efficiency / Automation. Mechanical and robotics

25%

INFRASTRUCTURE
(energies and transport)

Technical equipment and management systems. Renewable energies and storage. Electric mobility.

29%

ICT
(Informtion & Communication Technology)

Telecom Infrastructures ?Cloud & Data Center. Infrastructures / Enterprise Networks and digital workspace / Data analysis and business applications / Cybersecurity

18%

BUILDING SOLUTIONS

Electrical systems. Heating, ventilation, air-conditioning. Building protection / Smart building. Maintenance / Facilities management.

28%

VINCI Energies is fast-tracking the rollout of new technologies to support two major shifts – digital transformation and the energy transition – in a world undergoing constant change. With their strong regional roots, agile organisational structure and innovative drive, VINCI Energies' 1,800 business units in 55 countries are making energy, transport and communication Infrastructure, factories, buildings and information systems more reliable, safer, more efficient and greener day after day.

Revenue at VINCI Energies totalled €15.1 billion, up 10% on an actual basis compared with 2019. Despite supply shortages at the end of the year, growth was driven by very buoyant markets and, to a lesser extent, the impact of acquisitions (those completed in 2020 and 2021 added around €300 million to revenue in 2021).
- In France (44% of the total), the economic environment was supportive, and revenue totalled €6.7 billion, up 9% compared with 2019.
- Outside France (56% of the total), revenue was €8.4 billion, up 11% relative to 2019. It increased particularly in Europe, North America and Africa.[2]

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[1] *Source: VINCI press release February 4th, 2022*
[2] *Source: VINCI press release February 4th, 2022*

3.3 VINCI Energies Netherlands

VINCI Energies Netherlands B.V. has brought together a group of market segment specialists and human scaled business units that operate locally and internationally. Their field of activity and solutions includes interdisciplinary plant engineering, industrial automation, ICT solutions, a variety of building-linked electrical installation works and fire solutions. Parent of VINCI Energies Netherlands B.V. is VINCI Energies SA, VINCI SA is the ultimate parent.
Contributing to improvements
VINCI Energies specialists in the Netherlands provide contributions that improve everyday life in many areas. Improvements for industry, cities, buildings and networks. We do so through our 69 business units throughout The Netherlands, one business unit in Belgium. We serve the market with a wide range of services within the four business lines: Infrastructure, Industry, Building Solutions and ICT. Within these business lines, we labelled specializations and expertise under the international brands Omexom, Actemium and Axians.

Some of our business units have such specific expertise in certain market segments that they operate under their own local brand name like A&I Kwant Civiel, Amecha, Bostec, Bosman Bedrijven, Cegelec Fire Solutions, Koning & Hartman, VanderLinden and Verkerk.
The business units, regardless of the brand they belong to, always provide advice, design, optimization, innovation and maintenance of processes. Our only objective thereby is to increase the effectiveness of the processes of our clients, by continuously optimizing the effectiveness of our own organisation and responding to current and future client needs and wishes in a flexible manner. For instance, in the field of digital transformation and energy transition.

Our passion: to create value for our clients and for society. We realise that we work in, for and by society. We account for this in our corporate values and by integrating CSR into our corporate governance.

VINCI Energies, a network organization of business units active in: Infrastructure, Industry, ICT and Building Solutions.

Also, in the Netherlands VINCI Energies organisational structure builds on decentralised business units with local roots and is focussed on entrepreneurship, networking across its full range of expertise, and working with its clients day-to-day to create value.

Our 65 business units serve the market under the international brands – Omexom, Actemium and Axians – and a number of local brands.

4.1 Infrastructure

Delivering on the promise of the energy transition
VINCI Energies helps electricity producers, transmission and distribution grid managers, organisations, and local and regional authorities fulfill the promise of the energy transition. Our goals, going forward, are to foster access to electricity, ensure supply and develop sustainable energy.

VINCI Energies business units notably offer innovative solutions for energy from renewable sources, electricity storage, CO_2-free mobility and managing the energy and transport infrastructure. They provide solutions in the areas of high, medium and low voltage for grid managers, light rail and tram companies and industry.

'The energy transition is building up a head of steam, and social pressure has played its part.'

JOOP WERVERS,
BRAND DIRECTOR OMEXOM

"The energy transition is building up a head of steam, and social pressure has played its part. There are more and more projects for generating wind and solar power. Developments in the area of hydrogen are also moving fast. In industry, the energy transition is really taking hold with the announcement of many greening projects. All these developments are producing a shortage on the grid, which will require major investments over the coming years. Not just in expanding the grid, but in better use of the grid, for example by increasing digitisation.

For the energy transition to succeed, we and all the other players involved will have to start working even more efficiently. We will have to do more with the same people. We will be using more digital resources, such as BIM, and will provide digital solutions. VINCI Energies has a lot to offer to the energy transition and to the digital transformation, which Omexom is able to do.

The demand for green hydrogen, and its production, will increase sharply over the coming years. Producing green hydrogen requires green power from solar or wind and all the corresponding facilities. We have already carried out pilots in the area of hydrogen, and they will be followed up by larger projects, for industry for example.

Over the coming years, the investments in the grid and in all manner of projects in the area of wind and solar power and hydrogen will only increase. Many of our clients have announced those investments already.
We have a good-looking order portfolio for the coming year.

In 2021, we completed a wide range of projects – from light rail, stations on land to terminals at sea.
For example, take the replacement and expansion of the high-voltage station in Oude Haske, an important part of the electricity provision in the region and the rest of the Netherlands. Another example: with our German Omexom colleagues we worked together on various projects in the area of renewable energies offshore, such as a terminal at sea for a wind farm."

Energy supply for zero-emission buses in Rotterdam

RET, the public-transport company of the Rotterdam metropolitan area, aims to have a fully zero-emission fleet of buses by 2030[3] to provide clean transport for a growing transport need. They selected Omexom, which has expertise in the area of traction-energy provision, for the engineering and the construction of the energy provision for these buses. This provision consists of four compact stations and three purchasing stations that ensure that the charging points for the Zero-Emission Buses are supplied with electricity.

Cooperating Omexom business units renovate Diemen 380kV high-voltage station

The renovation of TenneT's 380kV high-voltage station Diemen was started in 2021. Omexom was awarded the order for the engineering, construction, testing and commissioning. There will be a new transformer field, a coil field with a modern, new power transformer and a reactive power compensation coil. The new 380kV transformer field is connected underground with an existing 150kV field. The renovation makes the station future-proof. Various Omexom business units are working together on this project.

[3] *https://corporate.ret.nl/nieuws/meer-zero-emissie-bussen-in-schiedam-maassluis-en-rotterdam*

Providing appropriate solutions

Omexom Institute: the first training centre for high voltage in the Netherlands

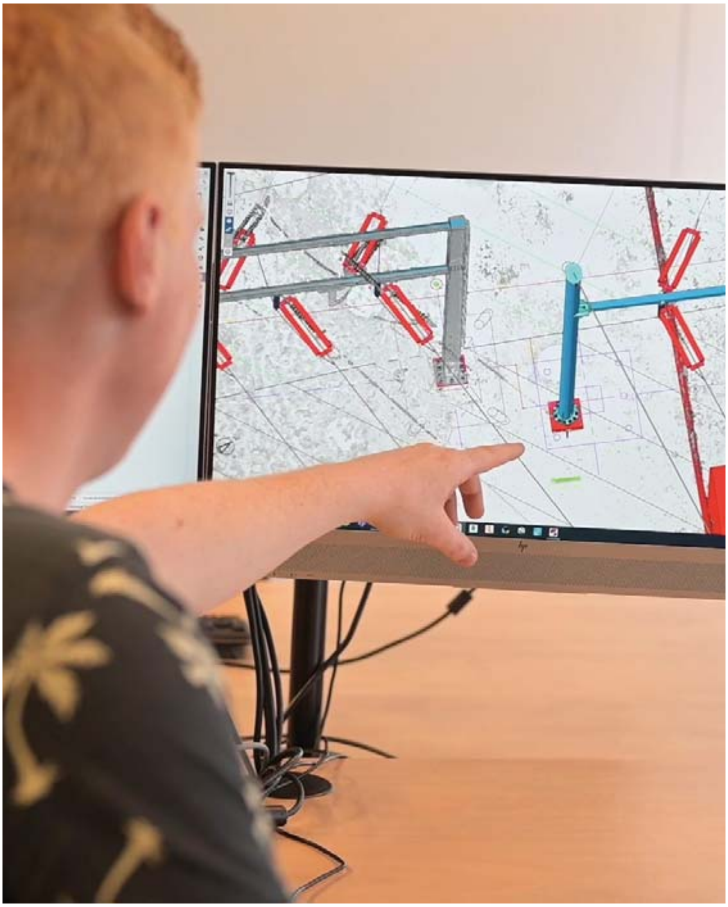
The energy market requires new talent and expertise for the energy transition to succeed. Therefore, Omexom set up the Omexom Institute in Assen. Employees, clients, partners and students can work on their theoretical and practical development with Virtual Reality Safety Training, E-learning Modules, it is a place to be inspired and attend lessons from professional instructors. They can also train in every aspect of a high-voltage station in a complete field with control. The institute contributes to Omexom's ambition to be the preferred partner of the players in the energy market.

InMotion: charge batteries as quickly as filling up with petrol

InMotion is a student team of the Technical University and Fontys University of Applied Sciences in Eindhoven that aims to compete with an electric car in the 24-hour race of Le Mans in 2023. Important challenge: charge the battery just as quickly as refuelling a petrol car, as right now charging takes up to 40-100 times longer than filling up with petrol. InMotion calls this 'electric refuelling', an innovation that contributes to the energy transition and that can strengthen the market-oriented expertise of Omexom. Omexom has been a sponsor since 2019 and will continue to support InMotion until it has reached its final aim.

VINCI Environment Award for Omexom's reuse of SF6 gas

At the VINCI Environment Awards in the Benelux, employees of Omexom won the Technical Award in the Climate category for their initiative to recover the insulation gas SF6 from the high-voltage switchgear of clients and to then reuse the gas. They use a mobile unit for this: the SF6 cart. This prevents CO_2 emissions for the clients, as 1 kilo of SF6 equals emissions of 22,800 kg CO_2.



Digitising the energy transition

The number of energy transition projects is rising sharply, but the supply of good professionals is not keeping pace. Omexom's response is to analyse processes internally and externally, including where Omexom works together with clients and other parties, to then make them more efficient with digitisation. For example, by using Building Information Modelling (BIM). More is achieved with fewer people.

Omexom replaces power switches at HV station Borssele

Just off the coast in Zeeland, the largest Dutch wind farm at sea is taking shape. 173 turbines will produce a combined capacity of 1.5 gigawatt of green electricity. Cables bring the power via the Westerschelde to the existing high-voltage station in Borssele. TeslaN - an alliance between TenneT and Enduris - selected Omexom to replace nine power switches to ensure the wind farm can be connected safely to the national high-voltage grid in Borssele.

Omexom relocates rectifier substation

New homes will be built at Zuiderparkweg in Rotterdam, and the existing rectifier substation will be moved to a new location to create room. The most important aim: the quality and reliability of the energy supply for the metro infrastructure may not be jeopardised. RET, the public-transport company of the Rotterdam metropolitan area, outsourced the engineering, disassembly, construction and commissioning of the temporary and the new rectifier station to Omexom. Omexom ensured that as many of the materials were reused.

Omexom provides station for Metro aan Zee

Between Hoek van Holland Haven and Hoekse Strand there will be a metro line: Metro aan Zee. The metro line to the beach will encourage the use of public transport, improve the access to the region and stimulate tourism. RET, the public-transport company of the Rotterdam metropolitan area, selected Omexom for the engineering and design coordination, the delivery, assembly and completion of the traction station for the metro, including the housing for the rectifier substations for the connection.

Omexom tests, activates and maintains TurboChargers in Porsche Centres

Omexom was awarded the order to test, commission and maintain the innovative Porsche TurboChargers in 8 Dutch Porsche Centres. The TurboChargers, with a charging capacity of 320 kW, produce short charging times. A great development to make driving electrically more attractive.

Omexom connects the Gasunie nitrogen system to the high-voltage grid

Extracting low-calory gas in Groningen will come to an end. This gas will be replaced with high-calory gas that has to be mixed with nitrogen. On the instructions of TenneT, Omexom will connected the new Gasunie nitrogen system to the 110 kV high-voltage grid near Zuidbroek. Omexom will complete the engineering and the construction of the primary and the secondary part of the two fields. The connection is made with the high-voltage station Meeden, which was expanded by Omexom for this purpose.

4.2 Industry

Helping to continuously improve industrial performance

VINCI Energies works together with its industrial clients to make their industrial plant and equipment more productive and to ensure their processes run more efficiently.

The business units provide solutions and services in many market segments. They design, roll out and maintain customised, integrated solutions and services for manufacturing plants and provide sustainable multitechnical services throughout the entire industrial lifecycle, including electrical engineering, energy efficiency, robotics, predictive maintenance, traceability, platforms for site management and cybersecurity.

'Together we unburden the industry of the future.'

PETER DE WIT,
BRAND DIRECTOR ACTEMIUM & BUSINESS DEVELOPMENT

"In 2021, Dutch industry grew by 7.5%; and growth of 3.5% is anticipated for 2022. Industry in the Netherlands grew stronger than in other European countries. The success of our machine industry is an important explanation for this relatively strong growth of Dutch industry. The current disruptions in the supply of raw materials and semi-finished products and the shortage in the labour market hamper this growth, but there is continued product demand from the Netherlands and abroad. There are still many uncertainties, but the logistics dependence and the impact of coronavirus on the economy are expected to reduce and global investments will increase.

In order to retain their competitive positions, industrial companies will need to go through a digital transformation, where speed and flexibility are of the essence. The energy transition as such plays a major role, as manufacturers need to achieve their sustainability targets. The digital transformation and the energy transition are major challenges in themselves for any company, particularly for manufacturers with many manual processes, outdated systems and plants.

Amongst our clients we observe the following trends: consumer-driven production, predictable and consistent supply chains, circular economy, hyperautomation, servitization and sustainability.
Technology and innovation play an important role, consider IIoT, AI, big data, cybersecurity, predictive maintenance and asset management. In order to absorb the increasing staff shortage, there will be accelerated focus on mechanisation, robotisation and digitisation.

In view of the developments in industry, our clients will increasingly prioritise their primary production process, with more and more cooperation with partners who can unburden them in that process.
As we help our clients with facing these challenges, they have enormous expectations of our industry network.
We will cooperate within and with the various business units and brands of VINCI Energies.

Our acquisitions of 2021 also contribute and are a good example of how we aim to strengthen our proposition in respect of the client. With Amecha we got mechatronics and robotics specialists in house. With A en I Kwant Civiel we strengthened our architectural and civil-engineering expertise. Our broad support for clients increasingly comes from working in changing alliances with our business units for clients in the Netherlands or abroad. By cooperating with partners, we unburden the industry of the future."

Actemium has been working with FrieslandCampina Borculo for 32 years

In close cooperation with the Technical Service of FrieslandCampina, the specialists of Actemium have carried out many projects. After all those years, the Actemium specialists know the factory, the production processes and the safety standards inside out. That produces trust and confidence. The basis of this partnership is dedicated experts, quality, reliability and sustainability. FrieslandCampina uses all the expertise provided by Actemium for the entire lifecycle of the systems. From advice and engineering to realisation, commissioning and maintenance.

Successful turnaround at Neste Sluiskil by Actemium and Omexom business units

Neste produces renewable fuels. At its site in Sluiskil, waste and residual flows are stored and pre-treated. During the turnaround – a complete factory stop for maintenance and statutory inspections – a truck-loading dock was modernised and the waterpipes of the emergency showers were protected against frost with tracing. This all went smoothly as specialists from the various business units of Actemium and Omexom worked together to perfection.

Together with Tilburg University Actemium studies the learning effect of VR training

Many Actemium employees work in hazardous environments. The top priority is that they return home safely at the end of every day. In order to keep the risk awareness as high as possible, Actemium offers its employees safety training in Virtual Reality.
However, nobody knows whether VR works better than traditional training. Therefore, Actemium started scientific research into the learning outcomes of the training together with Tilburg University. An innovation, such as Virtual Reality, is only meaningful with a professional approach and when you know where the improvements can be achieved. Research like this provides support. Clients of Actemium are also interested in the outcomes of the research.

Actemium: broadly specialised in panel building and electronics modules

Five business units of Actemium - in Veghel, Schijndel, Doetinchem, Drachten and Goes - are specialised in the various aspects of panel building and electronics activities. From development & engineering, production to assembly of control panels and electronics modules. Together they offer clients a broad palette of expertise, whether it concerns the engineering or the construction of a single prototype, a small series or continuous series-based production. As every business unit has its own expertise, they can respond quickly to the client's need. The business unit in Veghel is UL508A certified and may build panels for the American and the Canadian market. The panels and electronics modules are produced at the very highest level for large machine construction and semiconductor clients in the Netherlands.

Project 6-25: lasting contribution to a more sustainable society

With Project 6-25, the FME – the employers' organisation for the technological industry - aims to reduce industrial carbon emissions by 6 million tonnes in 2025. This project underlines the crucial role of technology in successfully tackling the climate and energy challenges. By reducing the CO_2 footprint of industry and with a large-scale implementation of innovative technologies, Project 6-25 aims to make a lasting contribution to a more sustainable society. As partner of Project 6-25, Actemium helps to achieve these ambitions. It has the specialists who develop smart, green, industrial solutions in an efficient, sustainable and safe manner. It uses new technologies and knowledge to manage and improve engineering and production processes and to be as efficient as possible with the least possible waste.

Actemium improves order-collection process for Mathot

Mathot Medische Speciaalzaken supplies medical devices to private clients and care institutions. Employees in Mathot's warehouse near Haarlem collect between 1,000 and 1,600 orders per day. Reliable deliveries are at the crux: clients need these medical products. It is a major challenge. Although Mathot already had a delivery reliability of 99%, Mathot called on Actemium to optimise its logistics process.

Actemium recommended various adjustments to the logistics process and implemented paperless voice-activated picking. Order pickers now work with audio instructions they confirm with their own voice. They have their hands free and are more focused on their work. They also no longer pick on the basis of product knowledge but based on a reference number. That improved reliability and efficiency by another 20%, but it also benefited flexibility. The chance of errors is virtually nil, and it is easier to train new staff.

Actemium also recommended more optimisations of the workstations. Employees now pick several orders at the same time, directly into the shipping box. As a finishing touch, Actemium improved the IT by providing a link between Vocollect Voice Picking and existing Navision ERP system.

Act-to-the-max: Actemium helps businesses to accelerate their digital roadmap

Irrespective of the knowledge and technology a production company already has or wherever it may be on the digitisation ladder, Actemium offers industrial companies the right workshops to accelerate their digital roadmap with the Act-to-the-Max approach.
The Act-to-the-Max process consists of 3 interactive workshops and is completed with an action plan and a properly supported business case. It ensures companies know quickly what their digital transformation route looks like. Subsequently, they can participate in in-depth specialist workshops on data analysis and cybersecurity. There is also the option to elaborate an individual roadmap and even a Proof of Concept that proves that the business case is feasible.

VINCI Energies expands mechatronics knowledge by acquiring Amecha

Robotics and mechatronics solutions are on the rise. With the acquisition of Amecha in Helmond, VINCI Energies strengthened its mechatronics and robotics knowledge and expertise in the Industry business line and will be able to serve its clients even better in the area of industrial automation. Amecha designs, builds and optimises machines and equipment for the manufacturing industry. It is a technical services provider with broad, top-end knowledge and experience in the area of mechanics, automation, software, mechatronics and robotics. The specialist expertise of Amecha is largely focused on customised solutions.

VINCI Energies enhanced its multidisciplinary engineering portfolio by acquiring A en I Kwant Civiel

VINCI Energies strengthened its multidisciplinary portfolio with architectural and civil-engineering knowledge and expertise within the Industry business line by acquiring the firm of engineers A en I Kwant Civiel in Veendam. Kwant offers a total solution of design and engineering. It provides advice, engineering and support for complete processes in construction and mechanical engineering. It is mainly focused on industry, government and project developers. Kwant is characterised by a pragmatic and innovative approach and has used new technologies, such as BIM modelling and 3D scanning for many years. The architectural and civil-engineering knowledge of Kwant complements the portfolio of plant & process design and industrial automation of Actemium.

Fluor-free foam systems for Vos Logistics

In the context of the upcoming global prohibition on fluor-containing foam, Cegelec Fire Solutions used a foam type that fully complies with future requirements during the modification of the fire-safety system of the styrene tanks of Vos Logistics b.v. in Oss.

The foam produces a preventive cover of the styrene in the event of a leak or can be used for extinguishing a fire in the tank pit. The supplied fire-safety system complies with the latest PGS-29 requirements where the protection of people and the environment are important factors.

4.3 ICT

Operating at the heart of the digital transformation

VINCI Energies business units operate at the heart of the digital transformation to help businesses and organisations meet the challenges of the transformation. They achieve this by supporting ambitious businesses and institutions with customised, open, innovative, scalable and sustainable solutions.

'The digital transformation will continue sharply in all branches and sectors of society.'

TOM GREEVE,
DEPUTY MANAGING DIRECTOR AXIANS

"The major trends we focused on in 2021 are here to stay: increased digitisation - particularly working from home - the growing demand for Cloud, Data, Connectivity and Cybersecurity. Over the coming years, the attacks with ransomware will not disappear and cybersecurity will require more investment.

Over the past year, hundreds of companies and organisations were hit by a cyberattack in the Netherlands alone. We help organisations to solve their security breaches with remediation and to restore their ICT facilities. We can then stop the effect of ransomware with technical solutions, awareness training, consultancy and with simulated attacks and active monitoring of the client environment.

The personnel shortage in the ICT sector will persist for the foreseeable future. For us, the impact of ageing is limited because the average age of our employees is relatively low. Our people also stay with us for relatively long periods of time. In order to meet the growing need for ICT people, we are investing in traineeships for young professionals over the coming years. We will continue training people without professional ICT competencies to become ICT people and actively work together with regional training and education centres (ROCs) and Universities of Applied Sciences. We also continue to invest in automating our basic processes to do more work with fewer people, which makes us more scalable.

Over the past year, the coronavirus epidemic and other causes have produced shortages of parts in the ICT supply chain and delays in their deliveries. They will not be sorted out this year and may produce price increases. The digital transformation will continue sharply in all branches and sectors of society. This year there will be significant investments, particularly in automating processes with smart software and in optimising client contact. That is keeping us busy.

More and more organisations are seeing the benefits of a Network as a Service (NaaS). A versatile and innovative education organisation opted for NaaS and will have that managed by us for 7 years. Another education and care organisation, specialised in educating deaf people and people who are hard of hearing, instructed us to design and build a new ICT infrastructure. Four of our business units worked together on this project. We will manage the infrastructure for 10 years.

To support our sustainability ambitions, Axians developed a green plus calculator over the past year. That enables us to calculate the possible CO_2 emissions of an ICT project. In consultation we can then reduce or compensate the emissions.

Always there for the clients

Sanquin selects Axians for Connectivity as a Service

Sanquin provides life-saving products, such as blood and blood products with a short shelf-life. This knowledge-driven non-profit organisation chose Axians' Connectivity as a Service. That means Axians provides Sanquin with safe end-to-end connectivity, including cloud access and support services. It ensures Sanquin employees, donors, patients, partner organisations, suppliers and other organisations cooperate and carry out their work better and contribute to meeting care needs. Now and in the future. Sanquin chose Axians because of the high quality and continuity of services, interesting pricing, excellent references in the care market and the cultural fit between both organisations.

T-Mobile integrates mobile and landline network with Koning & Hartman

T-Mobile Netherlands again selected Koning & Hartman, this time for the maintenance and innovation of its mobile and landline network. Koning & Hartman has been maintaining the mobile network of T-Mobile for many years, and can now add the landline network; a major transition where reliability of the network is the cardinal point. With Koning & Hartman's extensive network of expertise in the telecoms and IT landscape, T-Mobile aims to strengthen its innovation power and develop new services.

Providing appropriate solutions

With data-driven strategy, ForFarmers improves the return of livestock farmers

Feed company ForFarmers took the next step in applying data analysis to improve the returns of livestock farmers. The data is collected on a new platform and analysed with the latest techniques to produce valuable information in the food-production chain. Data analyses, algorithms and visualisations contribute to optimisation, improved cooperation and sustainability in food chains.
Axians supports ForFarmers with developing and rolling out their data-driven strategy, for example by implementing a Microsoft Azure environment, a Data Lake, Machine Learning and data-analysis tools.
It enables ForFarmers to use its data effectively to support processes in the chain.

Veiling Zaltbommel selects Axians for future-proof ICT platform

After an intensive selection process and a testing period, Veiling Zaltbommel, an important player in the VGF sector - selected Axians as partner for the further digitisation of a new future-proof ICT platform. It's based on Microsoft Dynamics 365 Business Central with I-Fresh of Axians as a supplementary module. The introduction of I-Fresh is rolled out in phases. After the financial module, the various operating processes, the auction clock and the growers portal will go live. The old system will be replaced gradually by I-Fresh.

Gelre Hospitals accelerates cloud strategy with Datacenter as a Service

Gelre Hospitals needed an IT environment with more scalability, flexibility and lower costs, and wished to move as many applications and systems as possible to Microsoft Azure. It accelerated its cloud strategy by changing to Datacenter as a Service, as its internal data centre needed to move to make room for extra beds. Axians developed the business case for the cloud strategy and prepared the move. The network impacts every aspect of the organisation and required an approach with military precision. Axians took care of the move to the external data centre with the minimum amount of downtime to guarantee the quality of care.

With network infrastructure, AVR creates safe and proactive responses to the opportunities of the energy transition

Waste-processing company AVR is in the middle of the energy transition; it converts waste into new energy and raw materials. This imposes high requirements on the reliability of processes, and IT plays a key role. Together with Axians, AVR developed and implemented a new network infrastructure. By awarding the management to Axians, the company moves from reactive to proactive management. The network is now monitored 24/7 from Axians' Network Operating Center, which increases the safety and stability of the operations.

With LivingLab residents create a neighbourhood with a better quality of life based on their own data

Together residents can create a more environmentally friendly and social neighbourhood with a platform and infrastructure where they record, store, manage and release the required data. They can use those data to generate, share and consume energy in a smarter and more sustainable way, or they can use it to organise zero-emission transport, for example by sharing electric cars. This platform was developed by two Axians business units and the firm of architects UNSense. It generates a LivingLab, and early 2022 this will be used in the '100 Homes Project', which is part of the Brandevoort neighbourhood in Helmond. More than 50 different types of households will live there and use the LivingLab. For this Smart City project Axians won a VINCI Environment Award.

EduAnywhere: an IoT platform for an attractive, safe and sustainable education environment

Together with Cisco, Axians developed an IoT portfolio for education: EduAnywhere. With EduAnywhere, schools and universities create an attractive, safe and sustainable education environment by enriching their existing wireless infrastructure with a central 'IoT brain'. The platform - provided as a service - ensures optimum climate control in classrooms and optimum occupancy of rooms. The platform also improves safety, for example in the context of Covid-19. With the network intelligence and Axians' specialist IoT platform, EduAnywhere can become the ultimate digital brain of modern educational institutions. The Regional Education and Training Centre ROC Aventus already uses the IoT solution.

Axians shares knowledge with the Vrije Universiteit Amsterdam

Axians believes in the power of knowledge sharing and has worked together with Prof Dr Frans Feldberg of the Vrije Universiteit Amsterdam on the Artificial Intelligence (AI) LAB for many years; this is part of the Digital Business & Innovation master's degree of the School of Business and Economics.
Axians contributes by organising innovation tracks for its clients and by providing Data Science tutorials for the AI LAB. During these seminars, Axians shares its knowledge in the area of AI and Machine Learning with students, so they can apply this in a challenging real business case.

Bostec manages and connects during ERP-transition project

Moolenaar designs, develops, produces and provides green and growing retail products for the home and the garden. It unburdens its clients completely and is producer, supplier and product developer. Moolenaar's existing ERP system was no longer adequate, and a supplier was asked to build and implement a new system, but this process got stuck.
Bostec was asked to get the process going again as project manager and as the link between Moolenaar and the system's supplier. By getting the organisation on board, facilitating change, training employees and helping them to understand the change, Bostec produced the links between the process, the organisation and the technology for Moolenaar and the project was completed successfully.

Making buildings smarter and more sustainable

The VINCI Energies Building Solutions network makes a multifaceted contribution to bringing about sustainable, comfortable, smart and safe buildings and sites for property owners, businesses and institutions, and their end users. The Building Solutions network in the Netherlands consists of the local brands Bosman Bedrijven, Verkerk and VanderLinden. They work for sectors, including industry, transport & logistics, property, healthcare and non-residential construction.

The solutions are provided during every phase - design, construction and maintenance - of building-specific environments and range from building automation, electrical systems, fire safety, climate technology, solar power and inspections to strategic maintenance planning.

‘Buildings are constantly getting smarter.’

ARJAN HAAGMANS,
DIRECTOR BUILDING SOLUTIONS

“In the future, but even now, buildings will be designed for a more flexible use or for a combination of living, working and leisure. The users and visitors of office buildings will be the starting point. Their well-being, comfort and productivity are important principles for the design of those buildings. The government also imposes higher requirements on the sustainability of property. For example, buildings should at least have the energy label C by 2023. And by 2050, everything, including buildings, will have to be energy neutral or produce more energy than they consume.

The increased sustainability awareness and the shortage of raw materials will ensure other requirements will be imposed on reusing the building’s materials at the end of its lifespan. The materials passport - Madaster - is one solution, which is already required by some clients for a new-build.

The strong growth in electromobility will ensure that the area surrounding buildings, and its parking spaces in particular, will contain much more technology. The energy grid is less able to deal with the demand. That in turn produces smart solutions where supply and demand of electricity in and around buildings is prioritised on the basis of the most important need. All those developments mean that buildings will contain more and more diverse technology.

Those trends are happening now and contribute to us expecting plenty of work for our business units this year and in subsequent years. In order to respond properly to these trends, we are forced to recruit more engineers and designers alongside operatives with the right competencies. To deal with the changing demand from the market, we set up a new Verkerk business unit, with a focus on technology. We are planning ahead for the increasing shortage in the labour market by making more use of digitisation.

One of the most striking projects of 2021 was the high-end living and working complex The Valley on Zuidas in Amsterdam. A good example of the type of project that we expect more of over the coming years. Bosman made an important contribution with building-specific systems and smart technology.

Another example of how the energy transition is producing more work, is the Hollandse Kust Noord wind farm in the North Sea. For the substation, where the cables make landfall, Verkerk built all the building-specific systems for some twenty buildings. A wonderful contribution from Verkerk to the energy transition and sustainability.

The outlook for the coming years is excellent. We will carry out challenging projects for wonderful clients we have known for many years. We will achieve that with a team of well-trained and motivated colleagues with a real passion for technology."

Always there for the clients

Bosman Bedrijven builds all building-specific systems of the smart building Valley

Valley at Zuidas in Amsterdam is a sustainable mixed-use building with flats, office space, an underground carpark, a sky bar, shops, and cultural facilities. This smart building brings together the latest insights in the area of sustainability, technology and health. The building scores an energy performance coefficient of -0.30. The negative score means that over a year, the energy yield of the building exceeds its energy consumption. With the green patios and terraces, Valley is green in appearance and in use; it received the BREEAM Excellent rating. Bosman Bedrijven built the complete technical systems of this unusual and sustainable project.

VanderLinden and Verkerk scale the heights together

Kuehne + Nagel, one of the largest logistics providers in the world, specialises in the storage and transport by land, sea freight and air. At its site in Veghel, where Kuehne + Nagel mainly stores and chills food products, air-handling units on top of a tall warehouse needed to be replaced with new ones. Under the direction of VanderLinden, in cooperation with Verkerk amongst others, two new air-handling units with a capacity of 60,000 m3 per hour and two new cooling units with nearly 200 kilowatt of capacity were put on the roof of warehouse hall 4. A complex project at a height of 40 metres, which, thanks to thorough preparation, detailed planning and an experienced project team, went to perfection without ever losing sight of safety.

VanderLinden opens Techlab: integrate and try out systems for smart buildings

Buildings, and their technology in particular, are becoming smarter all the time. However, their control systems, often from different suppliers, all speak a different language. That makes it complex to coordinate these systems and to have them work together.
Therefore, VanderLinden opened the VanderLinden Techlab in 2021. It is a test, learning and demo environment for everything that is related to building automation. The latest technology in the area of air handling, fire safety, access control, and burglary prevention is available. By integrating these various systems, their control becomes easier. The Techlab uses the Sky-Walker integration platform of Entelec Control Systems for this purpose.
The Techlab is open to anyone. Clients can experience how efficient it is to work with a properly integrated building-management system and they experience VanderLinden's expertise in this area. Technical students can use it to further develop their knowledge.

Care home Vreedonk: exercise space for residents during the renovation

Stichting Het Spectrum will renovate and expand its care home Vreedonk. Due to the 'operating circle tags' that Verkerk Service Systemen installed, the doors of the care home stay open, as the operating circles are adjusted to the residents and can be modified at any time. For the expansion, Het Spectrum uses Verkerk's expertise in the area of systems, innovative access control, and electrotechnical maintenance.

Bosman Bedrijven wins VINCI Environment Award by reducing CO_2 emissions in new constructions

One of the steps in reducing CO_2 emissions during the construction of future buildings, is to create insight into the use of materials and products in the buildings. Bosman Bedrijven uses the Madaster platform to produce a materials and product database of 3D construction models, which is also known as a 'materials passport'.

As this passport includes the location and the release of products, they can be reused for designing and building new buildings. This could be direct reuse, reuse after overhaul or recycling. These steps prevent the use of virgin materials, and exhausting the existing materials reserves and the corresponding CO_2 emissions. More and more clients are making use of the Madaster compulsory for new constructions. With this concept, Bosman Bedrijven won a VINCI Environment Award in the Circular Economy category.

Sustainable systems and maintenance for Notre Dame

Secondary school Notre Dame is in the middle of the countryside and was built with respect for the environment. Sustainability and green are important to the school. Therefore, the educational institution chose an installation company that was equally modern and ground-breaking in its thinking: VanderLinden.

VanderLinden has been involved with the building from the design phase. It built a ground source heat system as a sustainable solution for heat and cold storage and it also built all the other systems, often inside the building. On the roof there was room for solar panels and a green living roof of moss and sedum. After the construction phase, VanderLinden deals with the sustainable maintenance and management of the systems.

For example, VanderLinden manages the climate-control system remotely and actively manages on reduced energy consumption. It also provides the school with periodic insight into the condition of the systems.

Verkerk realises building-specific technology for major energy-transition project

Grid manager TenneT connects the Hollandse Kust (noord) and (west Alpha) wind farms to the Dutch high-voltage grid. In Beverwijk, there will be a transformer station for those wind farms. With the grid connection, 1.4 million households will be supplied with electricity by 2024.

On the instruction of and in close cooperation with BAM Infra Nederland, Verkerk built all the building-specific systems for more than 30 buildings of the substation, where the cables make landfall. In concrete terms, this means all electrotechnical installations, HVAC (heating, ventilation and air conditioning), measurement and control technology, fire-alarm systems and distributors. That is how Verkerk contributes to the energy transition and sustainability.

Verkerk provides sustainable lighting for a spectacular bridge

In 2021, the Prins Claus bridge in the council of Dordrecht was opened. The pedestrian and cyclists bridge over Wantij connects the new neighbourhood Stadswerven with the historic city centre. Verkerk produced the LED lighting in the railing. The sustainable lights light up the cycle path and produce a spectacular view at night.

We aim to achieve a balance between the expectations of our clients, our group and corporate social responsibility. We aim to be a good partner for all our stakeholders.

EUS DE HAAS,
DEVELOPMENT DIRECTOR & GENERAL COUNSEL,
VINCI ENERGIES NETHERLANDS

"VINCI Energies is going for value creation and quality for the long term: sustainability for our business, people, society and the environment. We aim to excel in all those areas with what we call an all-round performance. In producing this performance, we are guided by the Manifesto with 8 convictions that form the basis for the way we work on corporate sustainability.
With those convictions we developed internal agreements, tools and projects to achieve those targets. The convictions are derived from the Sustainable Development Goals and the Global Compact of the United Nations. Recently that led to the Corporate Sustainability Reporting Directive (CSRD) of the EU, with three points of attention: Environment, Social and Governance (ESG). We aim to comply with that with our policy for corporate social responsibility.

Take Environment. In 2021, the nature of our activities and the themes under which we grouped our expertise - Energy transition and Digital Transformation - ensured that our specialists worked on many projects, including

smart buildings and parts of wind farms, that promote sustainability. Our employees' awareness of this area is increased by communicating the CO_2 reduction targets of the group and by including this theme in the business plan of every business unit.
The business units also work on projects with solutions for our clients and solutions that reduce our own footprint. In a Greenbook with projects, competencies and results, clients can see how we can help them to reduce their CO_2 emissions, contribute to a more circular economy and improve our environment.
Our own CO_2 emissions were reduced significantly last year, for example by making our fleet electric.

Within the Social sphere, we work on sustainable careers where we encourage our people by using training programmes of our Academy and Institutes. Positive Health and Happiness at Work was an important theme in 2021 with the Covid-19 situation. We paid a great deal of attention to the mental health of our employees on the project sites and the many employees who worked from home. In line with 'happiness at work', diversity also played a role. We became better and better at converting awareness into specific actions. And despite the focus on Covid-19, we still managed to improve our Safety Performance and provide our employees with a safe workplace.

In 2021, VINCI Foundation sponsored social projects, with time and resources, that encourage inclusiveness. To deal with the increasing shortage in the labour market, we played our part by participating in The Chocolate Factory, a Learning factory in Veghel, together with education, government and other companies.

In terms of Governance there is increased focus on good governance, being a good employer, ethical business operations and fraud prevention, and we developed instruments to comply with regulations and policy. As many of our projects are linked to vital sectors of society and information security plays a major role, a large number of companies were certified for ISO 27001, which is the standard for information security. Reputation and Risk Management and protecting 'shared value created' are and remain important spearheads.

In order to assess whether we are on our way to achieving our ESG sustainability targets, we are audited periodically by Ecovadis. In 2021, we continued our Platinum Rating.

We realise that new generations of employees believe it is important that an employer performs intrinsically on the above-mentioned topics. The era of a noncommittal approach is behind us. We strive to meet social expectations in the chain, together with our stakeholders."

All-round performance for sustainable development

Developments over the past years have demonstrated that society and business are inextricably bound together. VINCI Energies is aware that it works in, for and on behalf of society. Needless to say that Corporate Social Responsibility is an important element of the VINCI Energies Way of Life. This ‘Way of Life’ is based on a number of clear values and is supported by the Manifesto of our convictions, which is derived from the Global Compact of the UN that was signed by VINCI, the Sustainable Development Goals, and EU legislation regarding Environmental, Social and Governance.

These reach many stakeholders, and we are able to emphasise our responsibility for developing a sustainable world. The convictions from the Manifesto are translated into activities, projects and processes of our business. We call this the all-round performance. It is our approach to connecting the entrepreneurship, the operational performance for our clients with the convictions in the VINCI Manifesto and the expectations of society.

Balancing shareholder value with shared values we create with our stakeholders, civic responsibility and sustainable business operations are all closely linked.

By offering technical solutions and services and information technology, we bring digital transformation and energy transition to life for our clients. In our current, uncertain world, awareness of sustainable business operations, active compliance with legislation and the growing expectations of clients and society in respect of ethical conduct, social and civic relationships and the environment, have become natural obligations of leadership. It makes sustainable development a possibility.

Our business units share shared management principles, culture and values, despite the diversity of their activities.

Our values

Solidarity: This is more than a principle, it is a reality that exists because of and in the network: knowledge, activities and resources are shared within VINCI Energies to improve efficiency and the ability to act quickly. It strengthens the feeling of connection and simplifies working together.

Trust and transparency: We choose to work in a sphere of trust. Trust is something that is granted, earned,and rewarded and it enables people to work together in the knowledge they can rely on each other.

Entrepreneurship: We recognise the ability of every individual to take initiatives, to see and realise opportunities for success. With enterprising colleagues, our organisation develops, and opportunities can be used. In turn that creates new ideas and opportunities, and we can anticipate technological changes and innovations for the benefit of our clients' projects.

Empowerment: We provide talent the room for development by giving every individual employee and business unit the freedom to take initiatives. The business units determine their own development strategy and are authorised to carry this out in accordance with the culture of the group. Empowerment strengthens their ability to act quickly and creatively and in direct contact with the clients.

Responsibility: Our joint success depends on the responsibility our employees are given and take at every level of the organisation, irrespective of their position. Responsibility for day-to-day activities, colleagues, for projects, clients and their business unit.

All-round performance is supported by the foundations of our management philosophy, which extends to good governance and the decentralised network of our business units. This is based on clear guidelines for operational performance and conduct. The strong connection with the convictions from our Manifesto is our answer to a sustainable future.

Eight convictions that shape our journey to corporate social responsibility

It goes without saying that the convictions in our Manifesto are also expressed in our actions and their results. Results that are specific and that - for example in the area of sustainability - are tested by independent parties where possible.

1 Design and build!

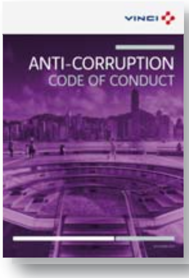
Our infrastructure, industrial processes, buildings, ICT solutions and other projects often serve the general public and the common good. We therefore strive to involve clients, partners, suppliers, elected officials, local residents and civic society in our projects as early as possible. That is how we create and maintain commitment to the way we implement our projects.

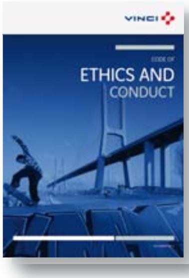
Within our company we involve works councils in our plans and encourage their role in co-determination and developing the company. By connecting with employers' organisations, such as Techniek Nederland, Digital NL and VNO/NCW, we are also piloted by shared insights and interests. Our membership of CSR Netherlands is another way of embracing the Manifesto, just as our employees' membership of their professional associations. Finally, the required certification and accreditation, such as for information security, environment, ethics, risk management, being a good employer, and responsible construction (such as BREEAM, Madaster and WELL), play an important role in the dialogue with our stakeholders and the communication with social organisations.

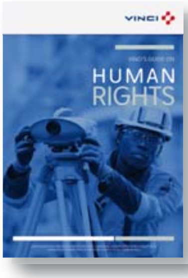
2 Comply with ethical principles!

Our reputation and ethical conduct are key to securing orders and to shaping our relationship with our clients. Our business units apply our Code of Ethics and Conduct and Anti-corruption Code of Conduct, and the VINCI guidelines for social and human rights, and health and safety all over the world. We commit to ensuring total transparency in our own practices and in those of our subcontractors and suppliers.

Therefore we ask our business contacts to respect those codes and to confirm this in questionnaires and audits and by accepting the VINCI Supplier Global Performance statement in the Vendor Portal. In the context of the VINCI Anti-Fraud Code, the European Directives and Dutch legislation in the area of financial supervision, money laundering and economic crimes, our most important clients, subcontractors and suppliers are asked to cooperate on a Third-Party Analysis Tool. In training and e-learning programmes for management and employees who maintain commercial relationships, the importance of ethical business operations, integrity, and preventing conflicts of interest is reiterated once more. All managers receive and confirm the Code of Ethics and Conduct and the Anti-Fraud Code with the ComEth application, which is connected real time with the personnel organisation structure. Every year, our business units prepare a Corruption Risk Index, which tracks the relationships with clients and suppliers. It goes without saying that information security is an important principle for undertaking operational activities. Our stakeholders can rely on the fact that data of whichever nature will be treated confidentially. All the risk-management measures mentioned in these notes to our commitment 'Comply with ethical principles!' are subject to an integrity or whistleblower's scheme, which enables and encourages all employees to report all breaches of their personal or organisational environment. They enjoy express protection of their career.





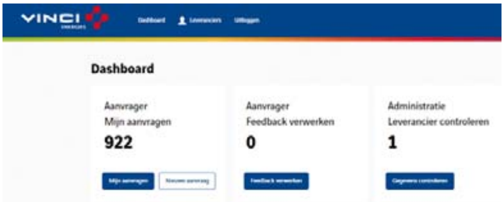


Cybersecurity starts with awareness and knowledge of employees

Information security is one of the pillars of our business operations. All our business units process increasing quantities of data. Data storage and sharing - be that internal or external - demand more and more suitable security measures. Password policy and workstation set-up are just two examples. We work continuously to comply with the information-security policy and the applicable frameworks. The awareness of our employees is an inseparable part. Therefore, we pay a great deal of attention to training, information and compliance in this area. A growing number of our business units - 25 out of 65 - is ISO 27001 certified. Each of our companies has an employee who is responsible for compliance with the GDPR. Every employee is obliged to complete the e-learning Cybersecurity.

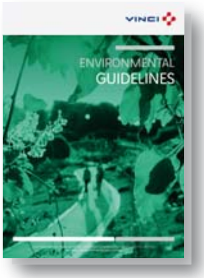
Vendor Portal

Via our Vendor Portal, our business units independently monitor and manage data of suppliers and partners, including name and address details, company number, VAT, IBAN, etc. and all the safety and quality certificates. With the increasing attention to governance & compliance it is essential to check these data before we do business. In the decentralised structure of our company, we make sure that we have an efficient approach to suppliers and partners. We prevent the various businesses from reinventing the wheel, we create a reduced administrative burden, and we comply with governance & compliance.



As of 2016, 1433 of our new suppliers completed the Vendor Portal, 979 were accepted, 261 did not comply with our compliance rules and 193 are still in the process of approval.

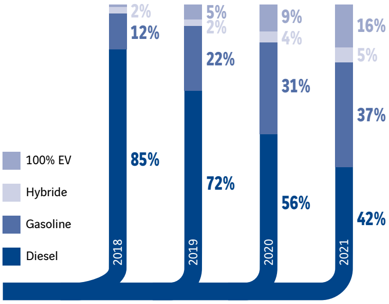
3 Accelerate the environmental transition!



VINCI Energies in the Netherlands is committed to reducing the emission of greenhouse gases by 40% between 2018 and 2030. The VINCI group encourages efforts to reduce greenhouse gases with an Environmental Award programme and by launching the Environmental Guidelines. We support our clients in their quest for improved energy efficiency. We encourage our clients and suppliers to adopt our environment-friendly approach. We share our performance and reports in the area of the environment with our clients.

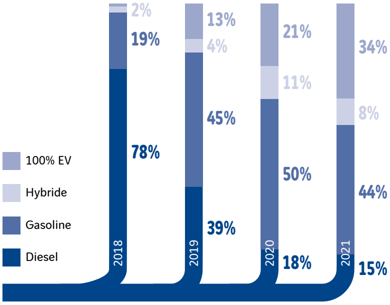
In the supply chain, environmental compliance and the performance of suppliers and subcontractors are registered and tracked in a Vendor Portal and Contract Database. We work actively on reducing the emission of greenhouse gases and we comply with the guidelines of the European Energy Directive by taking part in the CO_2-Aware programme. In 2022, we will take a step from level 3 to level 4 on the CO_2 performance ladder with continuous modifications of buildings and shaping new developments with stakeholders. As of 2020, all business units are using a Footprint Calculator to reduce their footprint and they exchange practical experiences in an umbrella Green Book that focuses on CO_2 emissions in Scope 1, 2 and 3 in particular. As we achieve a considerable part of our mobility with a company fleet, this will become fully sustainable over the coming years by replacing company vehicles and lease vehicles with electric or hybrid vehicles at the end of their contract term.

VINCI ENERGIES NL CAR LEASE FLEET



Source: total fleet WPO

REPLACEMENT OF CARS OVER THE YEARS



Source: total fleet WPO

The VINCI Environment Awards stimulate an active role in the environmental transition

With the VINCI Environment Awards, we reward the best environmental projects submitted by employees all over the world. This encourages our employees to play an active role in the environmental transition of and by VINCI. All our employees can participate by submitting an initiative, by encouraging the projects of others or by voting for initiatives they find important.

With the VINCI Environment Awards we focus on three areas: climate, circular economy, and the natural environment. Around the world, our employees submitted 2,548 projects, some 4,000 employees were involved with those projects, and 67,000 employees voted to determine the best initiatives.
In our Benelux region, 108 projects were submitted, and 10 awards were presented. In the Netherlands, there were three winners:

- **Madaster of Bosman Bedrijven** – a more effective materials passport for buildings to reuse materials.
- **Smart City van Axians** – a digital platform where citizens can use their own data to make their neighbourhood more sustainable and social.
- **SF6 gas of Omexom** – a solution to recover and reuse gas from high-voltage switchgear, which prevents CO_2 emissions.

Young Professionals' Green Book increases awareness of sustainability

As part of a personal development programme, a number of Axians Young Professionals were given the task to produce an Axians Green Book. It introduced these Axians starters to the organisation, the culture and its objectives.

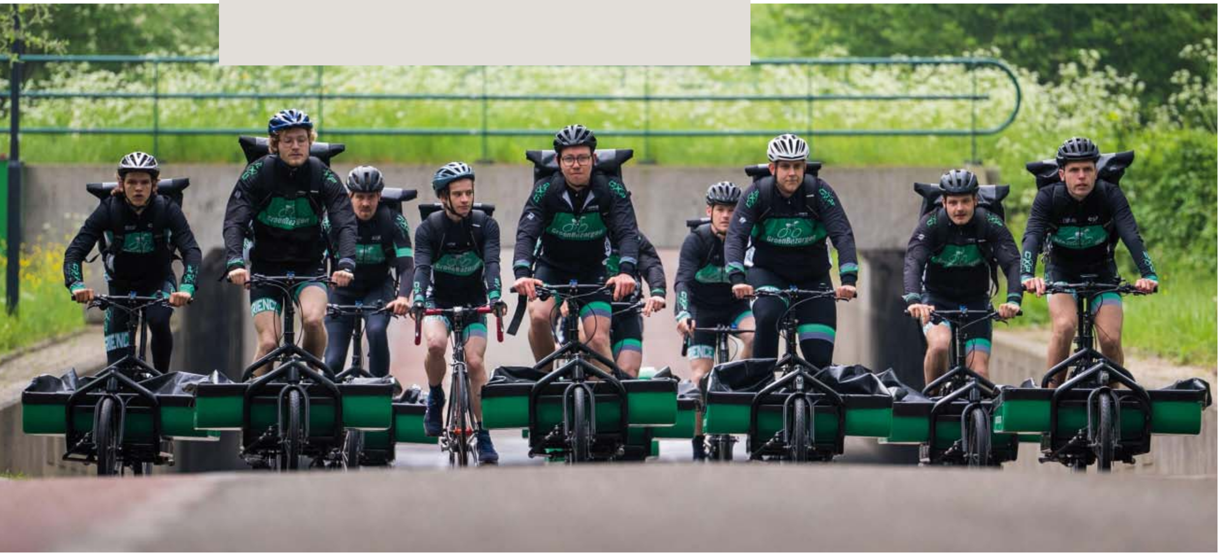
In the Green Book, national and international projects for clients are studied from a sustainability perspective and are linked to the VINCI and VINCI Energies environmental targets. It is intended as a source of inspiration for sustainability within the Axians brand and to inspire employee and clients to make their own contribution.

Green Ambassadors network

VINCI Energies has 65 business units in the Netherlands. A Green Ambassadors network was set up to create awareness in all the business units of developing new green solutions alongside all the CO_2 reduction measures. The purpose of this network is to generate and share creativity in the area of the environment, and to convert this into specific plans and initiatives. For our own organisation, for our clients and in our chain of partners. A total of 36 colleagues registered to be Green Ambassador. Within the network, every ambassador will start as innovator, sparring partner and quartermaster.

Actemium works with courier Groenbezorgen

In Veghel, the Actemium business units and VINCI Energies use the bike couriers of Groenbezorgen from Uden to deliver their post. In this way they support the sustainable courier company that saves 50,000 car stops per year with its approach and contributes to reducing CO_2 emissions.



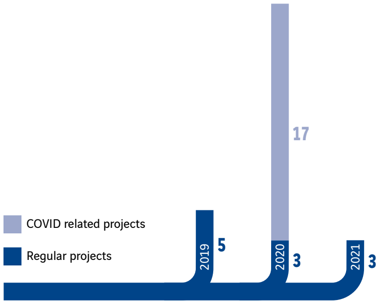
4 Engage in civic projects!

Our business operations are rooted in local service provision. Therefore, we support the engagement of our employees and businesses in sponsoring civic projects and in combating social exclusion. We commit to supporting the social engagement of our employees, especially through the VINCI Foundations sisters.

VINCI Foundation NL in the Netherlands

A VINCI Foundation NL has been active in the Netherlands since 2014. All the VINCI Energies business units in the Netherlands support the initiative to promote the principle that everyone in our society deserves his or her own place, role and dignity. It goes without saying that in our daily operational activities we take account of the society we live and work in by making it accessible to all. We support social and civic organisations with personal coaching from employees and with financial resources.

VINCI FOUNDATION PROJECTS



Solidarity initiatives of VINCI Energies worldwide

In all its solidarity activities as a group, VINCI Energies focuses on children: the health of children, for example by supporting Mécénat Chirurgie Cardiaque, or the education of children by supporting projects in various countries that provide children with access to education. For these activities, VINCI Energies mobilises its 1,800 business units.

Local solidarity initiatives of business units

The business units of VINCI Energies themselves also support local initiatives, such as Cyberworkplace to train young people in ICT knowledge or the ALS foundation.

Mécénat Chirurgie Cardiaque charity 30 heart operations in 2021

A large number of VINCI Energies employees took part in the initiatives to collect money for the charity Mécénat Chirurgie Cardiaque. This meant that 30 children with a heart defect were able to have an operation. By running, walking and cycling, employees collected points that were converted by VINCI Energies SA into a donation of € 130,000 to Mécénat Chirurgie Cardiaque.

During the non-stop yachting race across the Atlantic Ocean, the Transat Jacques Vabre, the big race of the year for Initiatives-Cœur, VINCI Energies donated € 1 to Mécénat Chirurgie Cardiaque for every new fan or subscriber to the Facebook and Instagram accounts of the boat. Locally, various VINCI Energies business units took initiatives to support this action.

Thuis De Amstel, a great environment for young adults with a disability

Stichting Ons Plan created a 'Thuis De Amstel' home for young adults with a disability in Waalwijk. It is a small-scale living and care complex with 14 rented flats, a shared living room and a garden. In doing so, Ons Plan created a comfortable, safe and recognisable environment where young adults with an mental disability can feel at home. As soon as the residents return from their work or day-time activities, there is care and support, night and day. VINCI Foundation contributed to the furnishing of the shared living room and kitchen.

A bus for the DIYers of the sheltered workshop Werken Metzorg

Werken Metzorg in Groningen provides adults with psychosocial and/or psychiatric problems day-time activities and outpatient care. In a relaxed environment, participants can discover and use their talents to spend their day in a meaningful way. They choose an activity that suits them, for example hospitality or garden work or going out in the DIY bus Klusbus to do small jobs for people with limited means. Werken Metzorg has been active for many years and a number of their participants has managed to find their way back to the labour market. The last Klusbus needed to be replaced, which is where the VINCI Foundation NL came in.

Podcasts to find control over living with cancer

IntermeZZo is an aftercare centre for people with cancer and their relatives. This organisation supports people with getting control over living with cancer by means of workshops, courses and all sorts of activities to relax individually or together with others. In conversations with fellow sufferers, people can talk about all types of issues they come across. Intermezzo wanted to develop podcasts for this, which was facilitated by VINCI Foundations.

Axians supports Cyberworkplace with training young people to become security specialists

Stichting Cyberworkplace is an unusual organisation in the security landscape.
The organisation was created due to the lack of attention to cybersecurity in education, the unfilled vacancy for security specialists and the lack of support for young hacking talents. Therefore, the non-profit organisation Cyberworkplace trains young people free of charge to become security specialists and ethical hackers. Axians supports this mission and helps by offering tutors and traineeships.

Het Jeroen Pit Huis: Bosman Bedrijven works on a social project without profit

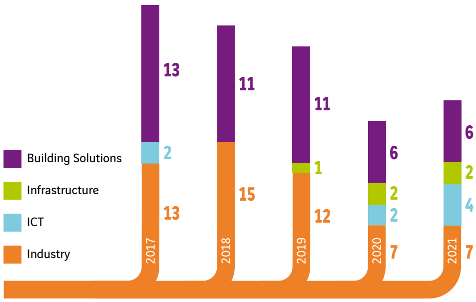
Het Jeroen Pit Huis, which is built on the site of the Amsterdam UMC, provides a temporary safe haven for parents and their child with a serious chronic illness. It is a place where they can prepare themselves for a return to home after long hospitalisations. Bosman Bedrijven supported this initiative by entering it without profit requirements and worked on smart savings in the construction process that will benefit Het Jeroen Pit Huis.

5 Strive for zero accidents!

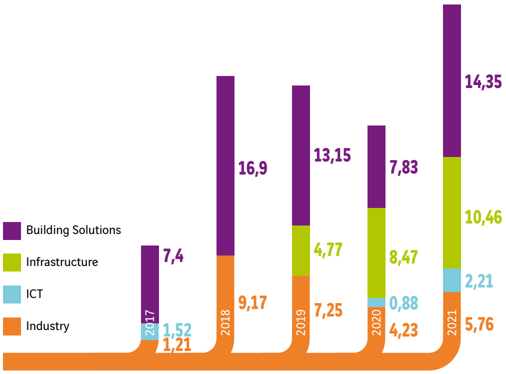
We reject the notion that accidents at work are unavoidable. Our managers feel responsible for guaranteeing the health and safety of our employees at their workplace. Our objective is to be aware of safety and to have zero accidents as a result. We promote a safety culture where employees and managers are in dialogue about the safe implementation of operational activities. We encourage our clients to adopt our working methods.

Our safety culture goes beyond a safe implementation of operational activities. We believe it is obvious that we provide a healthy and safe work environment and wellbeing for all our employees. In our business units, in the office, with our clients or on the road. We do this for and with each other. Recently we recorded this policy in a mission statement about Health, Safety and Well-being that is supported by all the business units.

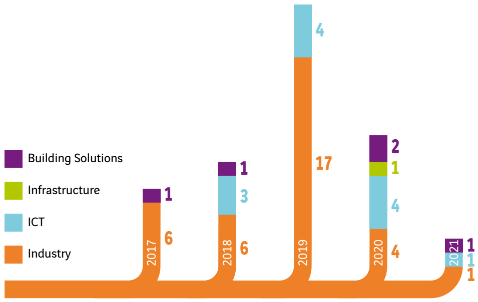
ACCIDENTS



RATE OF INCIDENTS



TRAFFIC ACCIDENTS



During the coronavirus period, our business units successfully moved to hybrid types of work. The previous attention to the work-life balance and the strain on employees has become even more pertinent. In a large part of our organisation this has already produced changes to working conditions and attention to a healthy and balanced working day.

With the Happiness at Work theme, a taskforce of HR, Communication and Health & Safety colleagues drew attention to all the aspects that are important to mental health, vitality and resilience. In view of the increase in simple incidents and near-misses, it became evident that mental health and safety at work are deeply connected.

In toolbox meetings on operational sites there is more attention to staying focused on hazardous situations. A large number of business units has set up training courses to achieve Health and Safety Leadership. Should accidents occur, a Barrier Failure Analysis is used to look back at the circumstances that are pertinent up to the time an accident occurred. Lessons can be learned and the awareness of managers can be increased to improve the Health and Safety culture in their area or expertise.

‘Hybrid work environment: Covid-19 accelerated the new working.’

WENDY LUIJTEN,
HR MANAGER FOR AXIANS

COVID-19 produced an acceleration in the developments around working from home in our organisation. Not working in the office has pros and cons: less time commuting, more efficient use of the day, more effective meetings and more time for the family. The change borne out of necessity provided us with new insights into people, working and the workplace.

Work that is independent of time and place has a future: the new working. We strive to enable everyone to work where they provide most added value: in the office, with the client, on the road, at a different site in our organisation or from home.

The office will have a different function. As an important part of a hybrid work environment, it will mainly be a meeting place where people come together for a face-to-face conversation, meetings or gatherings. By embracing hybrid working, we offer everyone the opportunity to choose their optimum work situation. Every employee knows where they are able to concentrate best, which tools they need and the environment that is best suited to that.

‘We are paying even more attention to strengthening the safety awareness and behaviour of our employees.’

ANGELA SEWGOLAM,
HSEQ BUSINESS PARTNER

“A major client announced that in future they will only work with contractors who comply with Rung 3 of the NEN safety ladder, and we completed that certification step. We also took the next step and achieved Rung 4 because that strengthens working safely, involvement with safety and consequently the safety awareness of our employees. That is important to us.
Rung 4 goes beyond auditing processes. This rung concentrates on what employees think and how they experience safety and how they can improve that with their own thoughts and behaviour. That really fits our bottom-up culture, which applies to safety too. We achieved that certificate for 8 business units of our brands Omexom and Actemium that work on rail, infrastructure and high-voltage projects, and for the petrochemical industry. The challenge for the coming years is to retain and improve this level.”

Vitality Workshops VanderLinden

VanderLinden developed a programme of workshops to highlight vitality subjects, such as more exercise and a healthy diet. The aim is to encourage employees to consider this all the time and to encourage a culture and awareness of vitality in order to reduce sickness absence. It also contributes positively to the work culture.
On average, some 18 colleagues at a time joined a workshop (23%). Throughout the year, 57 colleagues participated in a workshop (71%). 43 employees attended at least 2 workshops (53%).

CONNECTING
OUR ENERGIES

Happiness at work: card game to encourage dialogue between employees

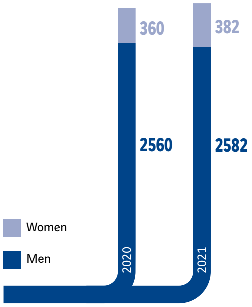
Every year, VINCI Energies organises the global Safety Week because we believe that the wellbeing, health and safety of our employees are important and because we want to encourage a greater awareness of this area. We achieve this by talking together about how we deal with health and safety at the workplace, but also about travelling safely to and from work.
Happiness at work is an essential element of wellbeing. VINCI Energies developed a card game that enables employees to engage in a dialogue with each other.
Happiness at work matters. Every employee can impact another colleague’s happiness at work. It helps when colleagues know each other better, when they know the person behind the job. The card game encourages dialogue with colleagues to get to know each other better.

6 Foster equality and diversity!

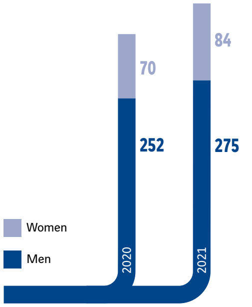
Our culture is based on bringing people with various backgrounds and expertise together. We fight all forms of discrimination in hiring, in workplace relations and in the career paths of our employees. We train our managers in this requirement and impress it on our suppliers and subcontractors.

Our employees all share the same values and experience these every day again. With the Guidelines for Human Rights, we reject all forms of discrimination in hiring personnel, in the everyday working environment and in the career development of our employees. We encourage our suppliers and subcontractors to adopt our example. We promote diversification of our group of managers by focusing on women and people of different origins. The notion that it is impossible to find female managers for a technical service provider is the subject of flip-thinking in training sessions.
One of our companies was awarded a certificate for the Corporate Social Responsibility Performance ladder by actively using employees with an autistic background for making products for our clients. By sharing experiences with other business units, opportunities are created for people who are on the sidelines. It helps that some of our companies and their business units use the Training Company Certificate.

EMPLOYEES



MANAGEMENT ROLES



‘We have always been open to everyone, we’re a real people company.’

ANDELINE BEKKERS,
HR MANAGER FOR ACTEMIUM

“VINCI Energies aims to reflect society, and diversity and inclusiveness are part of our shared strategic plans. It encourages people to think about it and to keep working on it. We have regular discussions with management teams on what we mean by diversity and inclusiveness, but also with employees in the business unit. Over the coming years this will have more emphasis in our labour-market communication. We have always been open to everyone, we’re a real people company. This is also demonstrated by one of our businesses achieving the highest level of certification on the CSR Performance Ladder in 2021.
With a two-year traineeship we will prepare young people for future leadership. Inclusion is also a strong focus point for changing the composition of our management teams. With conscious bias training we make our board and management teams more aware of their prejudices. It increases safety in the workplace at the same time. Last year we also did that by paying more attention to wellbeing and mental safety by way of the ‘happiness at work’ theme.”

Young Professionals can develop within Axians

Axians has a Young Professionals programme where young people start immediately after their education, where they work on their personal development by studying which direction they wish to take and discover their specific talents and passions.
In 2020, the 10th edition of the Young Professional Programme started with 18 participants and the 3rd edition of the Technical Traineeship with 14 participants. Both programmes are supported by external partners who focus on sustainable personal development for 18 months. There is also an intensive programme of professional, technical knowledge, support from the manager, the HR Business Partner and a coaching colleague. And as of 2020, all Young Professionals and Technical Trainees drive electric vehicles. That means we make a substantial contribution to electrifying our fleet and reducing our CO_2 emissions.

7 Promote sustainable careers!

We take a long-term approach in the relationship with our employees. We feel responsible for promoting a balanced career and personal development of our employees.
Working at VINCI Energies means contributing to our success and to solutions that make day-to-day life easier. It also means working on your own future. With training and job rotation, we promote sustainable deployment in our organisation, and we provide employees with more opportunities should they leave our organisation.

The Talent Management system Taliris and Young Professionals programmes of our brands structure the development of our employees. The VINCI Energies Academy in the Netherlands provides Management Development courses for existing and future leaders and board members on a range of business topics, including retaining our decentralised control system of our business units and ‘intrapeneurship of employees.
Project managers, client managers and functional and support specialists attend comparable training programmes that retain and promote responsible entrepreneurship and leadership competencies.
In addition, the Omexom and Axians brands each have their own Institute to broaden the competencies of their employees and to anticipate innovations for future developments in their markets and clients.

‘The VINCI Energies Academy is what connects us.’

ROELAND NELEMANS,
DIRECTOR HUMAN RESOURCES, VINCI ENERGIES NEDERLAND

“The VINCI Energies Academy.nl is the knowledge centre that trains all our employees in the VINCI Energies Way of Life and our management philosophy. Other focus points include leadership development and sustainable employability. The Academy safeguards our DNA as our organisation continues to grow. By putting employees from our organisation into touch with each other, the Academy supports our network.

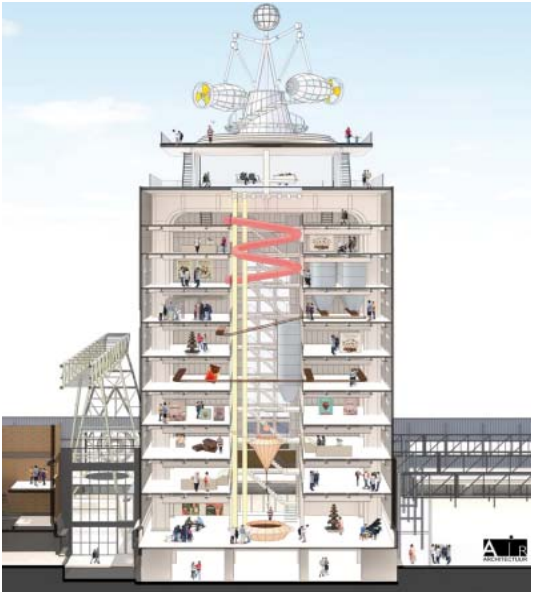
In 2021, coronavirus accelerated the development and the use of hybrid learning. With e-learning, our programmes for ethical actions and safety, and our other activities, could simply continue. Business units can refresh our fundamentals with a game.

Over the past year, the Academy portal was used to monitor the need, the use and the return of the training. By setting up a steering committee, the Academy stays in touch with the organisation.

In 2022, the Academy, now headed up by a new director, will hybridise the training even further.
Our organisation continues to grow and that comes with increasing complexity, diversity and responsibilities. Therefore, the level of future leadership will be a priority. We will have leadership seminars to respond to current topics.”

The Chocolate factory becomes a training company

Together with educational institutions and local companies, the Chocolate Factory in Veghel is created. This factory will have a production line in combination with a chocolate experience.
Students can gain experience of process technology and mechatronics, logistics, hospitality, business operations and retail. The Chocolate Factory in a former industrial complex will become the heart of an area where food and culture dominate.
Through the Actemium brand, VINCI Energies is one of the initiators of this project.

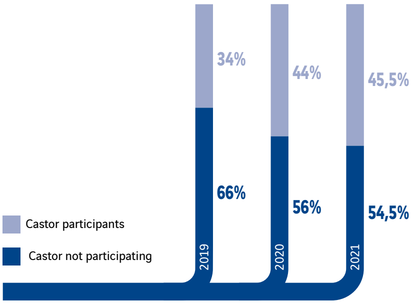


8 Share the benefits of our performance!

Our employees together represent VINCI’s biggest shareholder block. We strive to share the benefits of our growth with our employees around the world through employee shareholding and appropriate profit-sharing schemes.

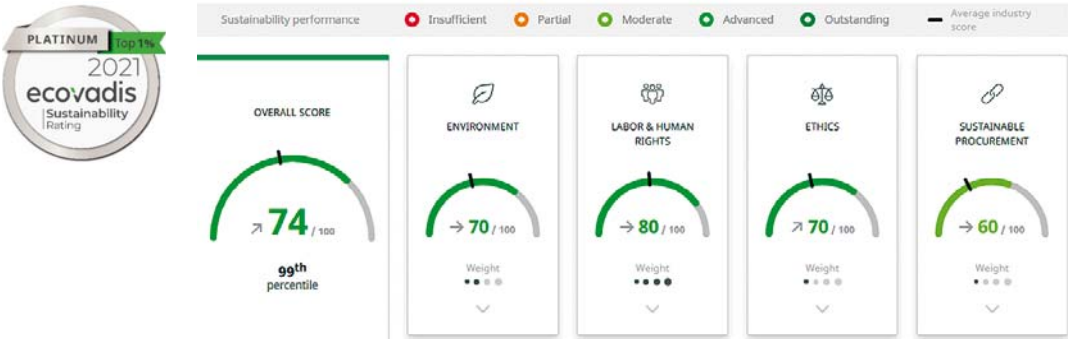
By working together in the structure of our network organisations and autonomous business units we achieve our success. Sharing the success of our performance is an important value and a specific example of wellbeing. Therefore, we provide all our employees with the opportunity to share in our success by acquiring shares in our company through the CASTOR programme. This has been a resounding success. VINCI employees around the world hold a total of 9% of VINCI shares, making them the largest shareholder of VINCI. In the Netherlands, 45.5% of all employees participated in the Castor share programme. Employees receive bonus shares if they participate in this savings programme. The business units and subsidiaries also have profit-sharing schemes to reward employees suitably for special performances and jointly achieved

CASTOR PARTICIPATION

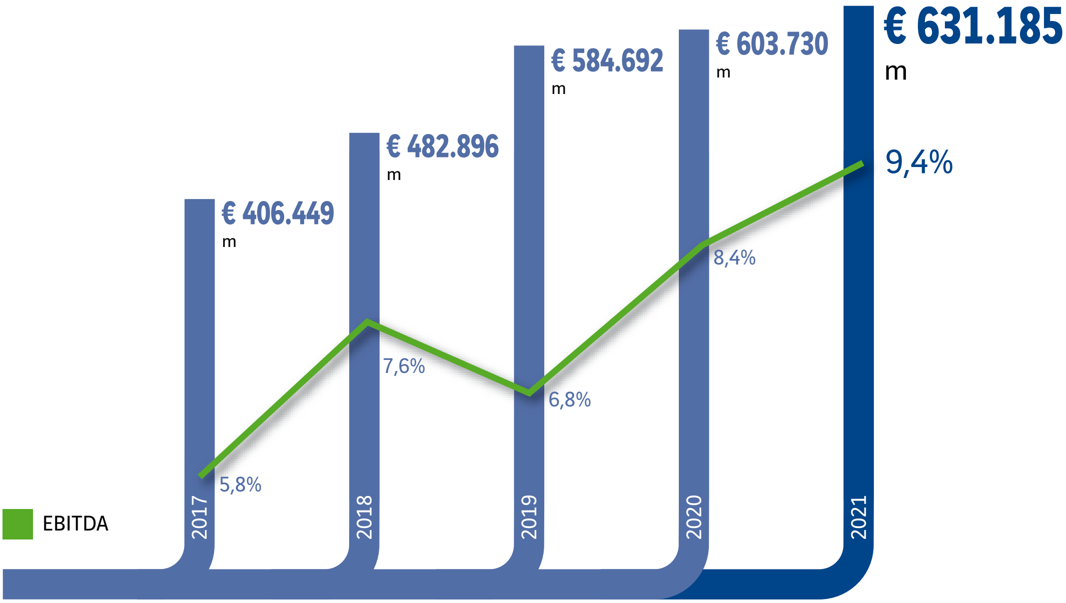


The aforementioned convictions together make up the VINCI Manifesto

We like to have this sustainable form of business operations and corporate social responsibility reviewed by external organisations. Ecovadis rewarded us with the Platinum Award for our CSR policy in the area of 21 topics that are grouped around Environment, Social arrangements and Governance. Ethical business operations, attention to solutions that lead to retaining a future-proof environment, healthy employment relationships, human rights and a sustainable supply chain are spearheads. This is a real point of pride, as we know that only sustainable business operations contribute to our licence to operate and to a licence that takes account of society’s expectations.



6 REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR



>3235 employees*

>69 business units

2 countries

*number people employed

INDUSTRY
INDUSTRIAL PROCESSES

Consultancy / Plant & Process Design / Industrial Automation / Logistic Automation / Industrial Installation / Industrial Systems / Maintenance / Mechanical and Robotics

34%

INFRASTRUCTURE
ENERGY TRANSITION

Technical equipment and management systems / Renewable energies and storage Electric mobility / Projects and maintenance on high, medium and low voltage

6%

ICT SOLUTIONS & SERVICES
INFORMATION & COMMUNICATION

Business Analytics / Business Applications / Cloud Services / Collaborative Solutions / Converged Infrastructure & Datacenters / Core Network / Enterprise Network / Mobility Solutions/ Security / Internet of Things

40%

BUILDING SOLUTIONS
BUILDINGS, PEOPLE & ENVIRONMENT

Electrical systems / Heating, Ventilation, Air Conditioning / Building Protection, / SMART building / Maintenance

20%

6.1 Highlights of the period

MAURICE ROYEN,
CHIEF FINANCIAL OFFICER ABOUT THE HIGHLIGHTS

Acquisitions & divestments

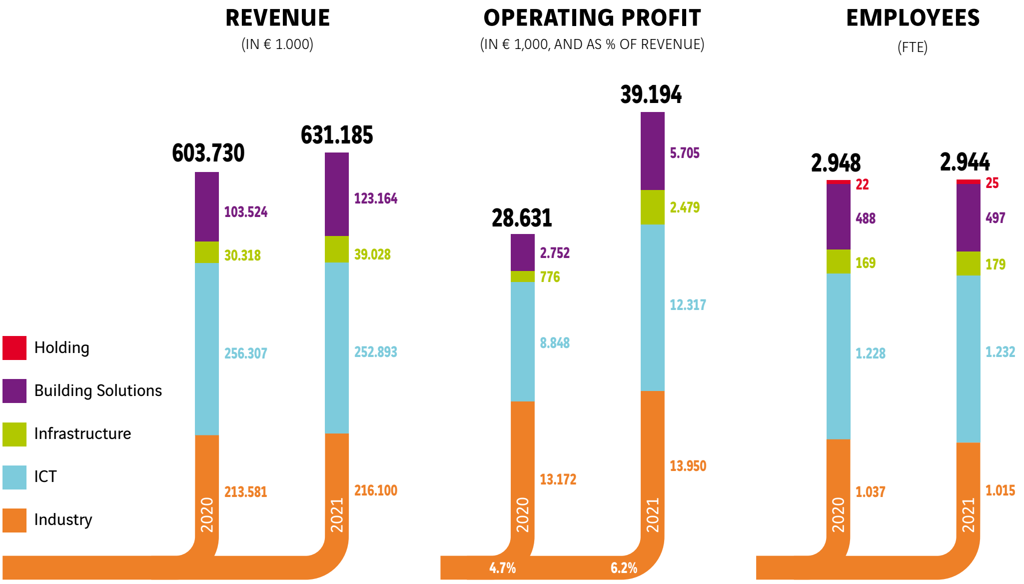
Acquisition AMECHA BEHEER B.V.
100% of the shares of Amecha Beheer B.V. was acquired on July 14, 2021, with VINCI Energies Netherlands B.V.'s own financial resources from BR8 Beheer B.V, COTAPAXI B.V., LONSDALE B.V. and ATLATEC B.V. for an amount of €2,700,000. The company founded in 2000 is located in Helmond with an annual revenue of €3 million and employs 15 people. The expertise of this company includes Robotics and Mechatronics and strengthens Actemium's market positioning in the industrial market segment.

Acquisition A&I KWANT CIVIEL B.V.
100% of the shares of A&I Kwant Civiel B.V. was acquired on November 30, 2021, with VINCI Energies Netherlands B.V.'s own financial resources from H. Boelens Holding B.V. and Kwant Beheer B.V. for an amount of €1,800,000. The company, located in Veendam, has its origins in 1991 and realizes an annual revenue of €1.8 million with 12 employees. This company is specialized in architectural and civil engineering and contributes to improving the competitive position compared to other engineering companies.

Acquisition assets and liabilities GILLZ B.V.
Axians Performance Solutions B.V. has acquired the assets and liabilities of Gillz B.V. on June 30, 2021, for an amount of €1,200,000. The company was founded in 2017 and is located in Alphen aan den Rijn. The turnover of €1.8 million is realized with 16 employees. Gilzz B.V. is specialized in designing, developing and maintaining (low code) applications. With this know-how, AXIANS Performance Solutions will further strengthen the market position in Mendix solutions.

Divestment Albramij B.V.
On April 14, 2021, 100% of the shares of Albramij B.V. were sold to P.H.A.J. Kerkhof. The company realized no turnover, had no employees and only owned real estate.

Divestment ADM Systems Engineering Ltd
On July 15, 2021, 100% of the shares of ADM Systems Engineering Ltd, located in Halifax Canada, was sold to VINCI Energies S.A. for an amount of €6,400,000. The annual turnover of this company amounts to €7 million and is achieved with 85 employees. VINCI Energies S.A. has merged all its North American operations under the responsibility of VINCI Energies International & Systems.



Consolidated revenue

Consolidated revenue totalled €631 million, up 4.6% relative to 2020. The organic growth compared to 2020 was 5.8%.

Revenue by segment has developed as follows:				2021/2020 change	
(in €1,000)	**2021**	**2020**	**Increase**	**Total**	**Organic**
Industry	216,100	213,581	2,519	1.2%	3.7%
ICT	252,893	256,307	(3,414)	(1.3%)	(1.7%)
Infrastructure	39,028	30,318	8,710	28.7%	28,7%
Building Solutions	123,164	103,524	19,640	19.0%	19,0%
Revenue	**631,185**	**603,730**	**(27,455)**	**4.6%**	**5.8%**

Industry revenue totalled €216 million, up 1.2% on an actual basis. Like-for-like we see an increase in revenue of 3.7% mainly due to the divestment of ADM Systems Engineering Ltd in 2021. The decline at **ICT** segment is mainly explained by the reorganisation at Koning & Hartman. Like-for-like revenue decreased with 1.7% compared to 2020. The high growth at **Infrastructure** comes from increased investments by power grid companies. **Building Solutions** revenue increased 19% compared to 2020, which increase is mainly caused by the larger projects at Bosman Bedrijven and general improvement of the building solutions market.

Operating profit (EBIT)

Operating profit by segment has developed as follows:

					2021/2020 change	
(in €1,000)	**2021**	**% of revenue**	**2020**	**% of revenue**	**Value**	**%**
Industry	13,950	6.5%	13,172	6.2%	778	5.9%
ICT	12,317	4.9%	8,848	3.5%	3,469	39.2%
Infrastructure	2,479	6.4%	776	2.6%	1,703	219.5%
Building Solutions	5,705	4.6%	2,752	2.7%	2,953	107.3%
Holding	4,743	-	3,083	-	1,660	53.8%
Total	**39,194**	**6.2%**	**28,631**	**4.7%**	**10,563**	**36.9%**

Operating profit (as a percentage of net turnover) in 2021 was 6.2%, which is higher than in 2020 (4.7%). For Industry, EBIT amounts to 6.5% and is higher compared to 2020 (6.2%). This increase is mainly due to improved efficiency on projects and decrease of costs compared to the cost of inefficiency during the 2020 COVID crisis. For ICT EBIT shows with 4.9% an increase compared with 2020 (39.2%). The increase in 2021 is mainly due to improved market circumstances in 2021 compared to 2020 facing COVID. The integration and reorganisation of Koning & Hartman is in its final phase and had a negative effect on the results. This effect was foreseen during the due diligence. For Infrastructure EBIT 2021 (6.4%) has increased compared to 2020 (2.9%). This is explained by lossmaking large projects in the power and grid activities and inefficiency on installation sites due to inefficiencies in 2020 because of COVID-19. Projects in 2021 have been more in control and with less inefficiencies.

For Building Solutions EBIT is with 4.6% higher than in 2020 (2.7%). This increase in EBIT is mostly coming from the impact on the building maintenance activities during the second and third quarter of 2020. This impact did not occur in 2021 where we saw a more normalized working environment in this segment. The sale of ADM System Engineering Ltd and Albramy B.V. contributed to the operating profit of the Holding.

EBITDA

EBITDA (as a percentage of net turnover) in 2021 was 9.4%, which is higher than in 2020 (8.4%). This increase in EBITDA margin of 1% is 0.2% lower than the increase in EBIT margin and is contributable in higher level of amortization of intangible assets.

Workforce

The number of employees increased in 2021 with 0,1% compared to 2020 (6.9%) and is lower than the increase in revenue. The cost of labour decreased related to revenue with 1.1% and increased with 2.1% compared to 2020. The average cost of labour per full time equivalent increased with 1.5% compared to 2020. Whereas the cost of materials and subcontracting increased relatively 2.1%, indicating a low decrease in the labour part of the projects. The number of employees measured in full time equivalents increased at the ICT segment with 0.3%. The number of employees in Building Solutions increased with 1.9%. In 2021 the decrease in number of employees in the industry segment is 2.1%. At Infrastructure the growth in the number of employees was relatively high with 6%.

>3235
employees*

*number people employed

Net income
Consolidated net income attributable to the owners of the parent was €26.4 million in 2021, up 34.5% or €7 million compared with 2020 (€19.4 million). Net income as percentage of revenue increased from 3.2% in 2020 to 4.2% in 2021. The return on group equity, as in net result in relation to equity, amounts 24.8% for 2021compared to 21% for 2020.

Net financial surplus (debt)

			2021/2020 change	
(in €1,000)	**2021**	**2020**	**Value**	**%**
Cash held in VINCI S.A. cash pool	66,212	52,378	13,834	26.4%
Cash	4,923	13,148	(8,225)	(62.6%)
Trade and other receivables	105,946	84,258	21,688	25.7%
Long term debt	(74,392)	(77,657)	3,265	4.2%
Long term debt < 1 year	(22,637)	(17,703)	(4,934)	(27.9%)
Trade and other payables	(59,985)	(48,536)	(11,449)	(23.6%)
Total	**20,067**	**5,888**	**14,179**	**240.7%**

Cash flows
Cash flows from operating profit decreased by € 22 million, mainly as a result of the increase in trade receivables position compared to 2020 when the level of trade receivables was lower than normal. Operating cash flows also were positively impacted by higher level in current provisions, contract assets and contract liabilities.
Investment cashflow was 50% of the 2020 amount, because of divestment of ADM System Engineering Ltd and Albrabmij B.V. in 2021.
Financing cashflows are higher than in 2020 due to the reimbursement of the loans to the VINCI SA Group in 2020. A new loan was remitted in 2020 by VINCI Energies leading to lower repayment in 2021 and dividend was paid to our shareholder (€15.0 million).

Balance sheet and net financial debt
Consolidated non-current assets amounted to €187.4 million on 31 December 2021 (€182.1 million at 31 December 2020).
Net working capital increased with €3 million from €9 million at 31 December 2020 to €12.0 million at 31 December 2021. Current assets increased with €34.4 million, mainly by an increase in trade receivables and decrease in contract assets and increase in cash and cash equivalents. Current liabilities increased €31.1 million, mainly by an increase in trade payables, short term loans and other accrued expenses.
The consolidated equity was €104.3 million at 31 December 2021, up €12.1 million from €92.2 million at 31 December 2020. The movements in equity consist mainly of the addition of the profit for the year and a decrease for the dividend of €15 million paid to our shareholder.
Consolidated net financial position improved by €14 million to a €20 million surplus at 31 December 2021 (€5.9 million at 31 December 2020). That reflects long-term gross financial debt of €97 million (€95.4 million at 31 December 2020) offset by cash of €71.1 million (€65.5 million at 31 December 2020). Consolidated solvability increased from 23.5% in 2020 to 24.2% in 2021.
The financial surplus-to- EBITDA ratio stood at 0.32 at the end of 2021 compared with 0.12 financial debt-to-EBITDA ratio at 31 December 2020.

6.2 Risk factors and risk management

The risk assessment process at VINCI is an assessment of key risks of all types (strategic, operational, staff, financial, etc.), that the entities may encounter in the context of their business activities. Instructions and guidelines are set by the Executive management, securing decision-making and the risk process management defines a risk when the sum of likelihood and impact are above a certain threshold. These thresholds are derived from the willingness whether to take measures to mitigate such risk, enhancing control of business activities. This degree of willingness is also called risk appetite. In general, risk appetite of VINCI Energies Netherlands B.V. is based on prudency and focussed on vigilance with reference to the Group's Internal Control Manual and fostering a shared view among employees of the principal risks encountered.

In addition to the strategic, operational and functional challenges addressed elsewhere in this directors' report, the interest rate risk, the liquidity risk and the credit risk are main financial risks the entity is exposed to.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates primarily relates to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

A significant risk is related to purchases being made in USD currency. The Group manages foreign currency risk by hedging USD amounts to be paid in the future. As a result, the total impact is limited.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to this risk primarily relates to the Group's long-term debt obligations with floating interest rates. The Group manages interest rate risk by only obtaining intragroup loans, based on Euribor and a fixed incremental percentage. The variable component is a policy that the Group in the Netherlands accepts as an interest risk.

Liquidity risk and cash flow risk

The liquidity and cash flow risk is considered to be low, as the Group is financed through intercompany loans from VINCI S.A., being a well-funded, financially healthy organisation. Periodically, liquidity forecast are prepared. Liquidity risks are controlled through continuous monitoring of the cash developments. Any restricted availability of cash, along with bank guarantees are taken into account in the liquidity forecast.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or client contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Client credit risk is managed by each business unit and subject to the Group's established policy, procedures and control relating to client credit risk management. Credit quality of a client is assessed by an extensive credit rating scorecard and individual credit limits are defined accordingly. Outstanding client receivables and contract assets are monitored regularly.

The Group has a limited concentration of credit risk because of the limited number of very large projects.

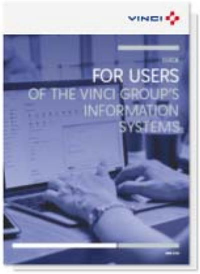
The Group is considering the concentration of credit risk with respect to trade receivables and contract assets as low, as the Group has both public and private clients. The private clients are operating in several industries and in largely independent markets. Per reporting date, the Group considers the credit risk of accounts receivables and contract assets after initial recognition as low, based on the credit risk assessment policies in advance of acceptance of new clients. Overall, the major part of the trade receivables is concerning Dear Old Clients (DOC) on which the credit risk is very limited, based on the standing long-term relationships and status of these clients. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses on trade receivables and contract assets. The provision rates are based on days past due for groupings of various client segments with similar loss patterns (i.e., by geographical region, product type, client type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation is reflecting the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. In general, trade receivables are depreciated if past due for more than 90 days and when not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 18 of the financial statements. In general, trade receivables are depreciated if past due for more than one year and when not subject to enforcement activity.

Cyber risk

The digital transformation of VINCI Energies Netherlands' business lines promises numerous development opportunities. However, they also bring new risks and threats. With the proliferation of communication channels, the exposure to cyber risks has increased –and greater pressure is being brought bear by regulators.

Information security measures are protecting business information from a wide range of threats and must ensure business continuity, minimise business risks and raise return on investment and business opportunities.

Within VINCI Energies Netherlands' business units, Information Security is achieved based on a structured assessment of business risks, determining, implementing, monitoring, assessing, maintaining and improving information security.



We have appointed a Security Officer working on Data Protection, Data Security Measures and GDPR. The implementation of ISO27001 in many of our business units is facilitated by the security officer as well. Furthermore, we have set up guidelines and best practises for the prevention of information security incidents. In collaboration with the business IT-teams, awareness and knowledge sessions have been organised in the business units and. The information security topic has also been added to the onboarding program for new employees.

Geopolitical

The war between Russia and Ukraine and the sanctions imposed by the west will have economic consequences. The prices of gas and oil are rising extremely sharply, which has an effect on energy prices. This in turn leads to high inflation. The scarcity of materials, which started in 2020, will lead to a further decline in the economy.
The Business Units and brands of VINCI Energies in the Netherlands follow strict risk management guidelines to monitor and guarantee the continuity of the operational activities. For the time being, based on the current situation, there is no impact on our business, nor with regard to suppliers, personnel or cyber-security threats.
As part of the listed VINCI, we follow the group's guidelines regarding the measures and sanctions imposed by the EU.

6.3 Trends

The Netherlands' economy grew by 0.9 percent on quarter in the three months to December 2021, Growth in Q4 was largely due to increased investments and the trade balance. Public consumption also made a positive contribution to growth.
In January, energy (electricity, gas and district heating) were almost 90 percent more expensive than one year previously. In December, the year-on-year price increase was 75 percent. Energy contributed more than 3 percentage points to the total inflation of 6.4 percent in January. The Dutch government has taken measures to curb the rise in energy costs for consumers. These are temporary measures for 2022. The tax credit on energy bills has been increased and the tax rate on electricity has been reduced. Despite energy tax reduction, the year-on-year price rise of energy increased. This pushed the inflation rate up to 5.7% in December. On average, consumer prices were 2.7 percent higher in 2021 than in the previous year.
In December 2021, unemployment stood at 369 thousand. This is 3.8 percent of the labour force. The unemployment rate was slightly higher than in the previous month when it was 3.7 percent. Unemployment did decline by an average of 10 thousand per month over the period October-December 2021. The number of people aged 15 to 74 years in employment grew by 25 thousand per month on average over the past three months, to 9.4 million. Statistics Netherlands (CBS) reports this on the basis of new labour force figures. At the end of December, the Employee Insurance Agency (UWV) recorded 192 thousand current unemployment (WW) benefits. Unemployment fell substantially throughout 2021. In the past three months, the inflow from the active labour force was smaller than the number of unemployed who found a job, as a result of which unemployment fell by 61 thousand on balance. For VINCI Energies Netherlands B.V., however, it will remain difficult to recruit employees with the right expertise. Despite the tough labour market circumstances and the pandemic effects, we want to stay competitive in the market, by continuously educating employees, retaining key-employees, and recruiting high skilled people for key positions, which will undoubtedly have effects on our operating results. The expected wage increase for 2022 is now 3 percent. Six months ago, the forecast for wage increases this year was still 2.8 percent, according to the Salary Budget Planning Report by consultancy firm Willis Towers Watson. This means that the expected wage increase is stronger than the average salary increase of 2.5 percent last year. According to Willis Tower Watson, a major reason for higher wage budgets is inflation.
Long-term interest rates are expected to increase slightly in The Netherlands due to the inflation.

6.4 Outlook

The primary focus for 2022 will be the finalisation of the integration of acquired companies. Following the successful implementation of ERP and reporting systems. We will continue our focus at the acquisition of companies that complement our portfolio and strengthen our market position. Our focus is mainly on the further expansion of engineering capacity in the Industry and Infrastructure segments.

We expect revenue to grow by 3.0% organically in 2022 compared to 2021. We believe this expectation is realistically cautious, considering the ongoing impact of COVID pandemic for the first quarter of the year.
The operational result will be relatively unchanged compared to 2021. The pressure on the market for qualified personnel is increasing. As inflation is high, mainly due to higher energy prices, the impact of the Russian/Ukrainian war and scarcity of critical materials, we expect that increased in wage costs will be inevitable. We expect that the organic increase in number employees will be 2%.

The order book at the end of December 2021 amounts € 347 million and the market opportunities for 2022 are promising, despite the inflation, geo politic situation, tense labour market and longer lead time on materials.
We furthermore anticipate to realize external growth by acquiring companies with activity in the Industry segment.

Outlook by business segment

We expect revenue to grow slightly organically in 2022 compared to 2021. The growth will come mainly from acquisitions. Overall, revenue is expected to grow by 12% in 2022. Order book at the end of 2021 was € 106 million, or 45% of the annual revenue.
With the focus on the market segments oil & gas, food, breweries & drinks, feed, chemicals and pharmaceuticals, logistics and manufacturing, we continue to focus on developing powerful solutions for clients. This concerns production security, product safety, operational excellence and cost efficiency. The use of functional innovations, optimal protection aimed at the client's environment via cyber security, intelligent and integrated data systems, more industrial security, sophisticated maintenance solutions and smart virtual and augmented reality tools. Working with the client on solutions to an optimally performing production environment.

For ICT Solutions & Services and Telecom Solutions & Services, barring exceptional events, we are aiming to increase revenue, on a like-for-like basis, close to the 2021 level. As our client base and recurring revenue base remains strong within the segments Dynamic Infrastructures, Business Applications, Intelligent Apps and Telecom Services & Solutions we are confident this will also have a positive impact on our operating margins. That recovery remains dependent on the stabilization of the economic and public health situation. We will continue to partner with our clients to improve lives of people, of citizens living in cities, of shoppers seeking a better experience, of teachers and students achieving inspiring results, of patients expecting better care. We keep the wheels of industry, business and people moving and communicating across the world. Order book at the end of 2021 was € 131 million, or 51% of the annual revenue.

The Infrastructure market segment is undergoing significant changes due to the energy transition. In the coming years a lot will be invested in the Infrastructure of energy distribution. The demand for projects and project-based maintenance in the field of high, medium and low voltage by network managers and owners and by energy producers, as well as for other producers who consume or generate energy themselves, has increased enormously. The Russian/Ukrainian war will speed up the energy transition. The challenge will mainly be to have the right employees on board. Revenue is expected to be on the same level as 2021. Order book at the end of 2021 was € 28 million, or 62% of the annual revenue.

We expect for Building Solutions that revenue in 2022 will be 3% higher than the previous year. We see that projects are taking longer to realize, due to scarcity of critical materials and pressure on the labour market. The increase in material prices is not yet considered for the year-end projection. The order book is at a healthy level for all business units, which means that we are confident about the coming months and years. Order book at the end of 2021 was €82 million, or 66% of the annual revenue.

6.5 Post-balance sheet events

There are no post-balance sheets events until date of signing this annual report.

7 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2021

7.1 Consolidated Profit and loss account for the year ended 31 December 2021

(in € thousands)	Note	2021	2020
Revenue from contracts with clients	10	631,185	603,730
Cost of sales	10	(407,537)	(398,060)
Gross profit		**223,648**	**205,670**
Other income		1,923	
Distribution costs	11	(101,639)	(100,547)
Administrative expenses	11	(31,050)	(23,351)
Other operating expenses	11	(53,688)	(53,141)
Operating profit		**39,194**	**28,631**
Finance cost	12	(711)	(1,242)
Finance income	12	86	547
Share of profit of a joint venture		195	222
Profit before tax		**38,764**	**28,158**
Income tax expense	13	(12,275)	(8,769)
Profit for the year		**26,489**	**19,389**
Attributable to:			
Owners of the parent		26,489	19,389

7.2 Consolidated statement of comprehensive income for the year ended 31 December 2021

(in € thousands)	2021	2020
Profit for the year	**26,489**	**19,389**
Other comprehensive income		
Exchange differences on translation of foreign operations		(59)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(59)**
Remeasurement gain/(loss) on defined benefit plans		(27)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		**(27)**
Total comprehensive income for the year, net of tax	**26,489**	**19,303**
Attributable to:		
Equity holders of the parent	26,489	19,303

7.3 Consolidated balance sheet as at 31 December 2021

(in € thousands)	Note	31 December 2021	31 December 2020
Assets			
Non-current assets			
Intangible assets	14	22,839	25,859
Goodwill	15	98,203	97,422
Property, plant and equipment	16	28,319	18,609
Right-of-use assets	17	28,794	30,713
Non-current financial assets	18	552	488
Deferred tax assets	19	8,740	8,966
Total non-current assets		**187,447**	**182,057**
Current assets			
Inventories	20	6,301	4,643
Trade and other receivables	21	105,946	84,258
Contract assets	21	31,919	42,082
Other current financial assets	21	29,166	13,600
Cash and cash equivalents	22	71,135	65,525
Total current assets		**244,467**	**210,108**
Total assets		**431,914**	**392,165**
Group equity			
Share capital	§7.5	113	113
Share premium	§7.5	53,700	53,700
Other reserves	§7.5	24,019	18,978
Result for the year	§7.5	26,489	19,389
Total group equity		**104,321**	**92,180**
Liabilities			
Non-current liabilities			
Non-current provisions			1,113
Employee benefits	23	4,767	4,976
Loans and borrowings	24	49,500	58,500
Lease Liabilities	25	24,892	19,157
Deferred tax liabilities	19	15,983	15,132
Total non-current liabilities		**95,142**	**98,878**
Current liabilities			
Current provisions	26	11,998	9,859
Trade and other payables	27	59,985	48,536
Loans and borrowings	28	9,000	4,500
Contract liabilities	29	89,875	80,200
Lease Liabilities	25	13,637	13,203
Current tax liabilities	30	16,711	16,927
Derivative financial liabilities	18	9	165
Other liabilities and accrued expenses	31	31,236	27,717
Total current liabilities		**232,451**	**201,107**
Total liabilities		**327,593**	**299,985**
Total equity and liabilities		**431,914**	**392,165**

7.4 Consolidated cash flow statement for the year ended 31 December 2021

(in € thousands)	Note	2021	2020
Consolidated operating profit		**39,194**	**28,631**
Adjustments for:			
Depreciation and amortisation	14, 16, 17	22,200	22,247
Movement in working capital			
Trade and other receivables	21	(37,466)	29,445
Inventories	20	(1,656)	2,284
Trade and other payables	19, 27, 30, 31	16,036	(18,380)
Current provisions	26	1,128	(1,722)
Contract assets	21	9,021	13,587
Contract liabilities	29	10,269	(239)
Cash generated from operations			
Income taxes	13	(12,643)	(8,769)
Net cash flows (used in)/from operating activities		**46,083**	**67,084**
Investing activities			
Acquisition of subsidiary, net of cash acquired	14, 15	(2,298)	(768)
Purchases of property, plant and equipment	16, 17	(2,657)	(4,665)
Sale of property, plant and equipment	16	402	
Others		(63)	(268)
Net cash (used in)/from investing activities		**(4,616)**	**(5,701)**
Financing activities			
Dividends paid to company's shareholders	§7.5	(15,000)	
Dividends received joint venture		193	222
Repayments of loans and borrowings	28	(4,500)	(36,800)
Decrease in lease loans and borrowings	25	(16,081)	(13,973)
Finance income	12	86	91
Finance expense	12	(556)	(1,243)
Net cash (used in)/from financing activities		**(35,857)**	**(51,703)**
Net increase in cash and cash equivalents		**5,610**	**9,680**
Cash and cash equivalents at beginning of year		65,525	55,904
Exchange (losses)/gains on cash and cash equivalents		0	(59)
Cash and cash equivalents at end of year		**71,135**	**65,525**

7.5 Consolidated statement of changes in equity for the year ended 31 December 2021

(in € thousands)

	Share capital	Share premium	Other reserves	Result for the year	Total equity
Balance as at 1 January 2021	**113**	**53,700**	**18,978**	**19,389**	**92,180**
Appropriation of the result of preceding year			19,389	-19,389	**0**
Net income for the period				26,489	**26,489**
Merger financial assets			652		**652**
Dividends			(15,000)		**(15,000)**
Balance as at 31 December 2021	**113**	**53,700**	**24,019**	**26,489**	**104,321**

Consolidated statement of changes in equity for the year ended 31 December 2020

(in € thousands)

	Share capital	Share premium	Other reserves	Result for the year	Total equity
Balance as at 1 January 2020	**113**	**41,700**	**(1,977)**	**21,041**	**60,877**
Appropriation of the result of preceding year			21,041	(21,041)	**0**
Net income for the period				19,389	**19,389**
Capital contribution		12,000			**12,000**
Other comprehensive movements			(86)		**(86)**
Balance as at 31 December 2020	**113**	**53,700**	**18,978**	**19,389**	**92,180**

The notes on page 70 till 112 form an integral part of the financial statements.

Notes to the consolidated financial statements for the year 2021

General accounting policies and use estimates

Notes to the income statement items

Notes to the balance sheet items

8.1 Corporate information

The consolidated financial statements of VINCI Energies Netherlands B.V. ("the Company") and its subsidiaries (collectively "the Group") were authorized for issue by the Board of Directors on 09 June 2022 and will be submitted to the Shareholders' General Meeting for approval on 17 June 2022.

The activities of VINCI Energies Netherlands B.V., with Chamber of Commerce number 16039815 having its legal seat at Mountbattenweg 19 in Veghel, The Netherlands, and its group companies primarily consist of the delivery of multi-technical services in the area of Energy and Information Technology via the brand names: Actemium, Axians, Cegelec and Omexom.
The Company is a wholly owned subsidiary of VINCI Energies S.A. located in Montesson, France. Ultimate parent company is VINCI S.A. ('VINCI'), Montesson, France. The financial statements of the Company are included in the consolidated financial statements of VINCI S.A., which are publicly available on the website of VINCI (www.vinci.com). Other subsidiaries of VINCI S.A. are referred to as affiliated companies. Information on the Group's structure is provided in note 8.

8.2 General accounting policies and use of estimates

1. Basis of preparation

The consolidated financial statements of VINCI Energies Netherlands B.V. and its subsidiaries for the period ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the EU.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments. Income and expenses are accounted for on accrual basis. Profit is only included when realised on the reporting date. Losses are recognised as soon as they become apparent.

The consolidated financial statements are presented in thousands of euros and all values are rounded to the nearest thousand (€000).

2. Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.
The financial information of VINCI Energies Netherlands B.V. is included in its consolidated financial statements, therefore the company profit and loss account mention the results from participating interests after tax thereof as a separate item.

Joint arrangements
The Company has applied IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint operations arise where the Company has rights to the assets and obligations for the liabilities of an arrangement. Where the Company is a direct investor in a joint operation, the Company accounts for its share of the assets, liabilities, revenue and expenses. If a joint operation is held through a subsidiary, such assets, liabilities, revenue and expenses are subsumed in the subsidiary's net asset value. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. The Group has Joint Ventures with limited activities in which a 50% shareholding is held. If there is a result in these Joint Ventures, the 50% share will be reported in the company that is involved in this Joint Venture.

Investments with significant influence (associates) and joint ventures
Investments in which the Company has significant influence on the financial and operational policies (generally accompanying a shareholding of more than 20% of the voting rights) but not control (associates), and investments in joint ventures, are accounted for using the equity method. Under the equity method, investments in associates and joint ventures are initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of profit or loss and movements in other comprehensive income of the associate or joint venture after the date of acquisition. The Company's investments in associates include goodwill identified on acquisition.

The Company determines at each reporting date whether there is any objective evidence that investments in the associates are impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of associates in the income statement. As goodwill is included in the carrying amount of the investments in associates, it is not separately tested for impairment.

3. Summary of significant accounting policies
The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

Business combinations and goodwill
In the event of an acquisition, the Group assesses whether the acquired set of activities, assets and liabilities constitute a business combination under the scope of IFRS 3.
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. Direct costs of acquisition are recognised immediately as an expense. Goodwill in consolidated subsidiaries is recognised under goodwill in consolidated assets. Negative goodwill is recognised directly in profit or loss in the year of acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Current versus non-current classification
The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:
- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement
Fair value is the price that would be received from selling on asset or paid to transfer a liability in a normal transaction. It is recognised on the basis of the asset or liability's main market (or the most advantageous market if there is no main market), i.e., the one that offers the highest volume and activity levels.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following note:

- Financial instruments (including those carried at amortised cost) – note 18

Revenue from contracts with clients

Revenue from contracts with clients is recognized when control of the goods or services are transferred to the client at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Based on control transferring over time, revenue is recognized on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgement and is based on the nature of the products and services to be provided. The input method is used to measure the progress of the contracts because this best depicts the transfer of control to the client. The extent of progress towards completion is measured using the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues are recorded proportionately as costs are incurred.

Transaction price

In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the time value of money, the existence of significant financing components, non-cash consideration, and consideration payable to the client (if any).

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the client. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.
When the consideration is to be transferred over multiple accounting periods, the Group considers the time value of money of the consideration. A future expected cash flow model is calculated in which the timing of the expected cash flows are projected and after which the current value of these cash flows is determined by discounting based on the related interest rate.

(i) Right to return

The Group uses the expected value method to estimate the variable consideration for right to returns, given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the client.

(ii) Penalty payments

Some contracts regarding to installation projects, provide clients with the right of receiving penalty payments if the Group does not meet their obligations (e.g. if installation is not finished before an agreed date). The Group uses the most likely amount to estimate the variable consideration given the limited number of outcomes and limited number of penalties which are expected to be due. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

(iii) Significant financing components
There is no significant financing component included in any of the Group's contracts.

(iv) Non-cash consideration
If applicable, the fair value of non-cash considerations received from the client is included in the transaction price and measured when the Group obtains control of the equipment. The Group estimates the fair value of the non-cash consideration by reference to its market price. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the received item.

(v) Significant payment terms
In general the payment terms are about 30 days.

Services
The Group provides implementation and installation services of hardware and infrastructure, security inspections and maintenance and support services. The services could either be sold separately or bundled together with the sale of hardware or infrastructure to a client.

The Group considers whether there are promises in the contract that are separate performance obligations. When contracts comprise of more than one performance obligation, because the promises are capable of being distinct and separately identifiable, the revenue recognition of these performance obligations is done separately. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the goods and services. The standalone selling price could significantly affect the consideration allocated to the different performance obligations. The Group applied judgement in determining the market value to be used as the standalone selling price. The market value is determined based on what a client is willing to pay for the item in an active market.

The Group recognizes revenue from services over time, using an input method to measure progress towards complete satisfaction of the service.

Transferring goods
Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the client, generally on delivery of the products. The Group considers the applicable contract terms and conditions to assess when control of the asset is transferred to the client. The normal credit term is 30 to 90 days upon delivery. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). The standalone selling price could significantly affect the consideration allocated to the different performance obligations. The Group applied judgement in determining the market value to be used as the standalone selling price. The market value is determined based on what a client is willing to pay for the item in an active market.

Contract balances
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the client. If the Group performs by transferring goods or services to a client before the client pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of Financial instruments.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a client for which the Group has received consideration (or an amount of consideration is due) from the client. If a client pays consideration before the Group transfers goods or services to the client, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Cost to obtain of fulfil a contract
The Group opted to apply the practical expedient offered by IFRS 15 for incremental costs by recognizing the incremental cost as an expense should the amortization period of the asset be one year or less. For the Group's revenue contracts, no or only minor cost to obtain or fulfil a contract are applicable. As such, none of such costs are capitalized by the Group in the balance sheet per reporting date.

Taxes
Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Income tax is computed in accordance with the tax legislation in force in the country where the income is taxable. For the Group this concerns the Netherlands and Belgium.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

It is calculated using the latest tax rates enacted or substantively enacted at the accounts closing date. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs, except where they relate to transactions recognised under other comprehensive income or directly in equity. Deferred tax relating to share-based payments (IFRS 2) is taken to income to the extent that the deductible amount does not exceed the fair value of plans established according to IFRS 2.

Whenever subsidiaries have distributable reserves, a deferred tax liability is recognised in respect of the probable distributions that will be made in the foreseeable future. Moreover, shareholdings in associates and certain joint ventures give rise to recognition of a deferred tax liability in respect of all the differences between the carrying amount and the tax base of the shares. Net deferred tax is determined on the basis of the tax position of each entity or group of entities included in the tax group under consideration and is shown under assets or liabilities for its net amount per tax jurisdiction. Deferred tax is reviewed at each reporting date to take account in particular of the impact of changes in tax law and the prospect of recovery. Deferred tax assets are only recognised if their recovery is probable. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Foreign currencies
The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling (spot rates) when the transactions occur. Translation gains and losses are taken to the profit and loss account as expenditure.

Foreign currency monetary assets and liabilities are translated at the exchange rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

On consolidation, the results of foreign operations are translated into Euro at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the exchange rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of foreign operations at actual rate are recognised in other comprehensive income.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated profit and loss account as part of the profit or loss on disposal.

Property, plant and equipment
Items of property, plant and equipment are recorded at their acquisition cost, net of investment grants received, less cumulative depreciation and any impairment losses. They are not revalued as they are carried at the cost model. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the period of use of the asset. Land is not depreciated. The main periods of use of the various categories of items of property, plant and equipment are as follows:

	Depreciation / year
Buildings	4% – 5%
Other operating assets	20%

Depreciation commences as from the date when the asset is ready to enter service. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases (less than 12 months) and leases of low-value assets (less than Euro 5,000). The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 5 to 15 years
- Motor vehicles 2 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment.

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments of the current lease obligation only include fixed payments. The lease contracts typically contain lease and non-lease components. Examples of non-lease components include security, cleaning, maintenance, advertising, insurance, utilities and fuel for cars. These non-lease components are excluded for the present value calculation of the lease liabilities.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies to the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
The main percentage of amortisation of the intangible assets is as follows:

	Amortisation / year
Software	20%
Goodwill	n/a
Client relations	6 - 20%
Order backlog	33%

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Impairment of property, plant and equipment, goodwill and intangible assets
Impairment tests are performed on property, plant and equipment and intangible assets where evidence of an impairment loss arises. In accordance with IAS 36, the criteria adopted to assess indications that an impairment loss has arisen are either external (e.g. a material change in market conditions) or internal (e.g. a material reduction in revenue), without distinction.

If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 years. A long-term growth rate of 0.5% is applied to project future cash flows.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

CGUs are identified in line with operational reporting. Their recoverable amounts are based on a value in use calculation. Values in use are determined by discounting the forecast operating cash flow before tax (operating income plus depreciation and amortisation plus/minus the change in non-current provisions minus operating investments plus/minus the change in operating working capital requirement) at the rates which represent the current market assessment of the risks. Projected cash flow is generally established for a five-year period on the basis of management forecasts. At the end of that period, a terminal value is determined by capitalising the final year's projected cash flow to infinity, and that value is discounted to present value.

Financial instruments – initial recognition and subsequent measurement

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group does not have any equity instruments. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined in accordance with IFRS 15. The Group applies trade date accounting.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss (derivative financial instruments)

Financial assets at amortised cost (debt instruments)
The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment testing. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables, cash and cash equivalents, and other receivables.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Derivatives are classified as held for trading.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the profit and loss account.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. The Group keeps track of the credit risk relating to the cash and cash equivalents in order to identify significant deterioration.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors and the economic environment. (GDP, consumer index, consumption and number of bankruptcies).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For other receivables and affiliated companies, the Group assessed there is no expected credit losses based on historical observed loss rates (almost zero) and forward-looking estimates (the financial forecasts of the VINCI SA group). As such, only an impairment for non-collectability will be recognised if there are indicators for impairments which give rise to recognise an impairment.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

- Loans and borrowings at amortized cost
- Financial liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest amortisation process.

The effective interest is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured actuarially and reported under the cost of gross financial debt.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial instruments
The Group uses derivative financial instruments to hedge its exposure to foreign currency exchange rates. The derivatives concern foreign exchange forward contract and are not designated as hedging instruments. 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 classified as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Inventories
Inventories of raw materials and consumables are valued against the first-in-first-out acquisition price or lower net realisable value. This lower net realisable value is determined by individual assessment of the inventories.
Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated sales price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The carrying amount of inventories sold is recognised as an expense in the period in which the related revenue is recognised.

Cash
Cash and cash equivalents comprise current accounts at banks and short-term liquid investments subject to negligible risks of fluctuations of value. Bank overdrafts are not included in cash and are reported under current financial liabilities. Changes in the fair value of these instruments are recognised directly in profit or loss.

Provisions
General:
Provisions are recognized in respect of legally enforceable or constructive liabilities which exist on the balance sheet date, where it is probable that an outflow of resources will be necessary and the extent of which can be reliably estimated. The provisions are determined on the basis of the best estimate of the amounts which are necessary in order to settle the liabilities on the balance sheet date, concerning the nominal value.

Restructuring:
This provision relates to costs in connection with the restructuring of operations and is formed if effectively or legally a commitment for the Group has arisen.

Jubilee:
This provision relates to employees who will receive a jubilee benefit after 12.5, 25 and 40 years of working for the Company (including Group's subsidiaries).

Provisions for retirement benefit obligations

Accounting policies
Provisions are taken on the liabilities side of the consolidated balance sheet for obligations connected with defined benefit retirement plans for both current and former employees (people who have retired and those with deferred rights). These provisions are determined using the projected unit credit method on the basis of actuarial valuations made at each annual balance sheet date. The actuarial assumptions used to determine the obligations are based on the economic conditions of the Netherlands. Each plan's obligations are recognised separately.

Under IAS 19, for defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the consolidated balance sheet. That recognition is subject to asset ceiling rules and minimum funding requirements set out in IFRIC 14. The expense recognised under operating income or loss in each period comprises the current service cost and the effects of any change, reduction or winding up of the plan. The accretion impact recognised on actuarial liabilities and interest income on plan assets are recognised under other financial income and expenses. Interest income from plan assets is calculated using the discount rate used to calculate obligations with respect to defined benefit plans. The impacts of remeasuring net liabilities relating to defined benefit pension plans are recorded under other comprehensive income.

They comprise:
1. actuarial gains and losses on obligations resulting from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and that which has actually occurred);
2. plan asset outperformance/underperformance (i.e. the difference between the effective return on plan assets and the return calculated using the discount rate applied to the actuarial liability); and
3. changes in the asset ceiling effect.

The defined benefit pension plan is frozen since 2014. Per January 2020 a new defined contribution pension plan has been contracted with Delta Lloyd. Therefore, inflation rate, rate of salary increases, and rate of pension increase is not applied.
The main retirement benefit obligations covered by provisions recognised in the balance sheet are calculated using the following assumptions:

Assumptions	31/12/2021	31/12/2020
Discount rate	0.90%	0.80%
Inflation rate	Not applicable	Not applicable
Rate of salary increases	Not applicable	Not applicable
Rate of pension increases	Not applicable	Not applicable

Discount rates have been determined by geographical area on the basis of the yields on private-sector bonds with a rating of AA and whose maturities correspond to the plans' expected cash flow. The increase in discount rates is due to the expected higher future interest rates. Sensitivity of the retirement benefit obligation as a result in changes to the underlying assumptions as mentioned above result in immaterial changes to the obligation (when adjusted for 1%).

Plan assets are valued at their fair value at 31 December 2021. The book value at 31 December 2021 is used for assets invested with insurance companies.

On the basis of the actuarial assumptions referred to above, details of the retirement benefit obligations, provisions recognised in the balance sheet, and the retirement benefit expenses recognised in 2021 are provided below.

(in € thousands)		31/12/2021	31/12/2020
Actuarial liability from retirement benefit obligations		**28,756**	**31,309**
Plan assets at fair value		**27,502**	**30,023**
Deficit (or surplus)		**1,254**	**1,286**
Provision recognised under liabilities on the balance sheet		**1,254**	**1,286**

Change in actuarial liability and plan assets

(in € thousands)		2021	2020
At beginning of period		**31,309**	**32,988**
Interest Cost on the DBO		**249**	**197**
Net Actuarial (Gain) / Loss - Demographic Assumptions		(738)	
Net Actuarial (Gain) / Loss - Financial Assumptions		(1,732)	(1,604)
Disbursements from Plan Assets		(332)	(272)
At end of period	**I**	**28,756**	**31,309**

Plan assets			
At beginning of period		**30,023**	**31,853**
Interest Income on Plan Assets		239	190
Return on Plan Assets Greater / (Less) than Discount Rate		(2,428)	(1,748)
Disbursements		(332)	(272)
At end of period	**II**	**27,502**	**30,023**
Deficit (or surplus)	**I-II**	**1,254**	**1,286**

Change in provisions for retirement benefit obligations during the period

(in € thousands)	2021	2020
At beginning of period	**1,285**	**1,135**
(Cost) Recognized in P&L (excl Reimbursement Rights)	(31)	123
Remeasurement Gain / (Loss) Recognized in OCI (excl Reimbursement Rights)	0	27
At end of period	**1,254**	**1,285**

Breakdown of expenses recognised in respect of defined benefit plans

(in € thousands)	2021	2020
Interest Cost on DBO	249	196
Interest (Income) on Assets	(239)	(190)
Net Interest Cost / (Income) on Net Defined Benefit Liability / (Asset)	**10**	**6**
Cost Recognised in P&L	**10**	**6**

The current pension plans of the Group are Defined Contribution Plans.
The basic pension for every employee is covered by multi-employer plans in which also other companies participate based on legal
obligations. These plans have an indexed average salary scheme and are therefore in the basis defined benefit schemes. However, as these mutual industry pension funds are not equipped to provide the required information on the Group'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. The Group may not reclaim any excess payment and is not obliged to make up any deficit, except by way of the adjustment of future premiums. The part of the employee pension plan exceeding the basic pension amount (top-up part), which is not covered by multi-employer funds, is carried out by other external parties (insurance companies) and is accounted for as defined contribution schemes.
Commitments relating to lump-sum payments on retirement which are met by contributions to the outside multi-employer insurance funds (PMT and PME) are recognised as an expense as and when contributions are payable. The amounts taken as an expense in the period in respect of defined contribution plans totalled €16,967,244 in 2021 (€16,603,322 in 2020).
At year-end 2021, the (twelve-month average) coverage rate of the industry pension fund for Kleinmetaal (PMT) is 106.1 per cent (2020: 96.3 per cent). The industry pension fund for Grootmetaal (PME) has a coverage rate of 107.9 per cent at year-end 2021 (2020: 97.6 per cent).

Provisions for other employee benefits
Provisions for other employee benefits mainly include long-service bonuses and jubilee bonuses. The Group provides service anniversary bonuses to its employees if they meet the pre-determined service conditions. The service anniversary bonuses classify as a long-term employee benefit. The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The expenses of the net present obligation will be recognized over the vesting period of the service condition. Remeasurements are recognised in profit or loss in the period in which they arise.

Long-service bonuses and jubilee bonuses have been calculated using the following assumptions:

Assumptions	31/12/2021	31/12/2020
Discount rate	0.90%	0.80%
Rate of salary increases	2.50%	2.50%

Share based payments
Employees of the Group receive remuneration in the form of share-based payments. The Group currently has two share-based payment plans, named the Castor International Plan and the Long-Term Incentive Plan, together referred to as the "Plans". Under both Plans the employees receive shares in VINCI S.A. and not in VINCI Energies Netherlands B.V. Both Plans classify as equity-settled plans.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in note 33. That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The Group is liable to reimburse VINCI S.A. for the shares in the share-based payment transaction through a recharge arrangement. The recharge liability and corresponding deduction in equity will be recognised by the Group at the invoice date at the invoice value thereof.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial instruments risk management and policies note 3
- Sensitivity analyses disclosures note 18

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Estimates and assumptions

The preparation of financial statements requires estimates to be used and assumptions to be made that affect the amounts presented in those financial statements. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

The Company's significant estimates are the impairment of non-financial assets, accounting for provisions and measurement of revenue recognition.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.
The assumptions and estimates made to determine the recoverable amount of goodwill, intangible assets and property, plant and equipment relate in particular to the assessment of market prospects needed to estimate the cash flow, and the discount rates adopted. Any change in these assumptions could have a material effect on the recoverable amount. The main assumptions used by the Company are described in note 15 "Goodwill and goodwill impairment tests".

Provisions
The provisions are determined on the basis of the best estimate of the amounts which are necessary in order to settle the liabilities on the reporting date.

Measuring the progress for performance obligations satisfied over time
In note 3: Revenue from contracts with clients is explained that revenue is recognized based on control transferring over time, using the input method of the progress towards completion measurement. The extent of progress towards completion is measured using the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues are recorded proportionately as costs are incurred.

5. Standards adopted in the accounting period

Covid 19 related rent concessions – *Amendments to IFRS 16*
In May 2020, the IASB issued amendments to IFRS 16 Leases concerning Covid 19 related rent concessions which are part of lease arrangements. The amendments to the standard are effective for all financial statements with a balance sheet date of July 1, 2020 and after.
The amendment is relevant for the Group considering its material lease liabilities and assets. However, rent concessions have not been received during 2021. This is due to the Group being able to fulfil all required lease payments and therefore did not require any concessions.

Interest rate benchmark reform – *Amendments to IFRS 9, IAS 39, IFRS 7*
In May 2021, the IASB issued amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures concerning the use of interest rate benchmarks for determining the value of a hedge instrument. According to IFRS9 and IAS39, when a forecasted transaction is designated as a hedged item, that transaction must be highly probable to occur. Forecast IBOR based cash flow may no longer meet the highly probability requirement due to uncertainties arising from the interest rate benchmark reform. This is because the underlying contracts might need to be amended with the result that the future cash flows would be based on an alternative nearly risk free rate, rather than on the IBOR. The amendments to the standards are effective for all financial statements with a balance sheet date of January 1, 2021 and after.
The amendment is not relevant for the Group considering the fact that no valuation of financial statement items occur with the use of IBOR interest rate benchmark. Intergroup loans are based on EURIBOR interest rates and these agreements are not expected to be influenced by the reform. Intergroup loans remain to be based on EURIBOR interest rates after the reform.

6. Standards issued but not yet effective

The Group has not early adopted any of the following standards, interpretations or amendments that have been issued but are not yet effective. The Group intends to adopt these standards, if applicable, when they become effective.

Classification of Liabilities as Current or Non-current – *Amendments to IAS 1*
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing (loan) agreements may require renegotiation.

Reference to the Conceptual Framework – *Amendments to IFRS 3*
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.
At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.
The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Onerous Contracts – Costs of Fulfilling a Contract – *Amendments to IAS 37*
In May 2021, the IASB has issued amendments to IAS 37 Provisions, contingent liabilities and contingent assets concerning the treatment of proceeds before intended use in the case of internally generated property, plant and equipment. Amendment of the standard on the aspect regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendment clarifies the onerous contract requirements in IAS 37. The changes in Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments to the standard are effective for all financial statements with a balance sheet date of 01-01-2022 and after. Although the Group has provisions for onerous contracts (€13.4 million in 2021), no impact is expected because of the nature of the Group's projects and the pricing method (full cost) which already includes all costs.

Property, plant and equipment - *Amendments to IAS 16*
In May 2021, the IASB has issued amendments to IAS 16 Property, plant and equipment concerning the treatment of proceeds before intended use in the case of internally generated property, plant and equipment. The amendment prohibits a company to deduct from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the assets for its intended use (while bringing the asset to the location and the condition necessary for it to be capable for operating in the manner intended by management). Instead, a company will recognise such sales proceeds and related costs in profit or loss. The amendments to the standard are effective for all financial statements with a balance sheet date of 01-01-2022 and after.
The amendment is not relevant for the Group, since there are no items of property, plant or equipment which are internally developed.

Definition of Accounting Estimates - *Amendments to IAS 8*
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.
The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies - *Amendments to IAS 1 and IFRS Practice Statement 2*
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.
The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - *Amendments to IAS 12*
In May 2021, the IASB issued amendments to IAS 12 to reduce diversity in the way that entities account for deferred tax on transactions and events, such as leases and decommissioning obligations, that lead to the initial recognition of both an asset and a liability. The Amendments narrow the scope of the initial recognition exception under IAS 12 Income Taxes, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The Amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The Amendments apply to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

7. Capital management

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 28, cash and equity, comprising issued capital, share premium and all other reserves and retained earnings. Management reviews the capital structure on a regular basis.

Management is committed to maintaining a healthy balance sheet, while executing the Group's growth strategy. Through the acquisition process, management carefully evaluates the acquisition price and financing options available for every asset acquired.

8. Group information

The Company is a wholly owned subsidiary of VINCI Energies S.A. located in Montesson, France. The financial statements of the Company are included in the consolidated financial statements of the ultimate parent company VINCI S.A. The consolidated financial statements are available at www.vinci.com. Other subsidiaries of VINCI S.A. are referred to as affiliated companies.

The Company is the head of a group of legal entities. The consolidated financial statements of the Group include:

Name	Registered office	Share in issued share capital
A&I KWANT Civiel B.V.	Veendam	100%
AMECHA B.V.	Helmond	100%
Axians Business Solutions B.V.	Zaltbommel	100%
Axians Communication Solutions B.V.	Capelle aan den IJssel	100%
Axians ICT B.V.	's-Gravenhage	100%
Axians Management & Consultancy B.V.	Capelle aan den IJssel	100%
Axians Performance Solutions B.V.	Zaltbommel	100%
Axians Telematics B.V.	Capelle aan den IJssel	100%
Cegelec B.V.	Dordrecht	100%
Cegelec Building Solutions B.V.	Amersfoort	100%
Cegelec Fire Solutions B.V.	Dordrecht	100%
De Bosman Bedrijven B.V.	Amersfoort	100%
Energy & Infra Engineering B.V.	Dordrecht	100%
Faceo Nederland B.V.	's-Gravenhage	100%
Faceo Security & Prevention B.V.	Nieuwegein	100%
Industrial Solutions Zuid-Oost B.V.	Veghel	100%
Kadenza B.V.	Laren	100%
Koning & Hartman B.V.	Delft	100%
Methec B.V.	Dieren	100%
Netlink B.V.	Utrecht	100%
Plant Solutions Noord-Oost B.V.	Veendam	100%
Plant Solutions Zuid-Oost B.V.	Veghel	100%
Plusine Systems B.V.	Beverwijk	100%
Starren B.V.	Veghel	100%
Van der Linden Groep B.V.	Veghel	100%
VCD Business Intelligence B.V.	Groningen	100%
VCD Business Solutions B.V.	Groningen	100%
VCD Healthcare B.V.	Groningen	100%
VCD Infra Solutions B.V.	Groningen	100%
Verkerk Groep B.V.	Zwijndrecht	100%

The Group's consolidation scope does not include any subsidiaries in which there are non-controlling interests, or any individually material joint ventures or associates. That assessment is based on the impact of those interests on the Group's financial performance, consolidated balance sheet and cash flow. All transactions with affiliated companies are conducted at arm's length.

The Group has the following joint ventures in which a 50% shareholding is held:

- Bosman-Yver V.O.F.; founded October 1, 2021; €743 result in 2021.
- Spie-Cegelec Maintenance V.O.F.; €192,686 result in 2021.
- HOMIJ Bosman Combinatie B.V.; €0 result and no activities in 2021.
- HOMIJ Technische installaties – Bosman Bedrijven V.O.F.; €0 result and no activities in 2021.
- HBC-III V.O.F.; €0 result and no activities in 2021.

9. Business combinations

Acquisition AMECHA BEHEER B.V.
100% of the shares of AMECHA Beheer B.V. was acquired on July 14, 2021, with VINCI Energies Netherlands B.V.'s own financial resources from BR8 Beheer B.V, COTAPAXI B.V., LONSDALE B.V. and ATLATEC B.V. for an amount of €2,700,000. The company founded in 2000 is located in Helmond with an annual revenue of €3 million and employs 15 people. The expertise of this company includes Robotics and Mechatronics and strengthens Actemium's market positioning in the industrial market segment.

Acquisition A&I KWANT CIVIEL B.V.
100% of the shares of A&I Kwant Civil B.V. was acquired on November 30, 2021, with VINCI Energies Netherlands B.V.'s own financial resources from H. Boelens Holding B.V. and Kwant Beheer B.V. for an amount of €1,800,000. The company, located in Veendam, has its origins in 1991 and realizes an annual revenue of €1.8 million with 12 employees. This company is specialized in architectural and civil engineering and contributes to improving the competitive position compared to other engineering companies.

Acquisition assets and liabilities GILLZ B.V.
AXIANS Performance Solutions B.V. has acquired the assets and liabilities of Gillz B.V. on June 30, 2021. for an amount of €1,200,000. The company was founded in 2017 and is located in Alphen aan den Rijn. The turnover of €1.8 million is realized with 16 employees. Gilzz B.V. is specialized in designing, developing and maintaining (low code) applications. With this know-how, AXIANS Performance Solutions will further strengthen the market position in Mendix solutions.

Divestment Albramij B.V.
On April 14, 2021, 100% of the shares of Albramij B.V. were sold to P.H.A.J. Kerkhof. The company realized no turnover, had no employees and only owned real estate.

Divestment ADM Systems Engineering Ltd
On July 15, 2021, 100% of the shares ADM Systems Engineering Ltd, located in Halifax Canada, was sold to VINCI Energies S.A. for an amount of €6,400,000. The annual turnover of this company amounts to €7 million and is achieved with 85 employees. VINCI Energies S.A. has merged all its North American operations under the responsibility of VINCI Energies International & Systems.

8.3 Income statement items

10. Gross profit

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with clients for 2021:

	2021	2020
Segment		
Industry	216,100	213,581
ICT	252,893	256,307
Infrastructure	39,028	30,318
Building Solutions	123,164	103,524
Total revenue from contracts with clients	**631,185**	**603,730**
Timing of revenue recognition		
Goods transferred at a point in time	69,221	66,210
Goods and services transferred over time	561,964	537,520
Total revenue from contracts with clients	**631,185**	**603,730**

Contract balances *(in € thousands)*	**As at 31 December 2021**	**As at 31 December 2020**
Trade and other receivables	105,946	84,258
Contract assets	31,919	42,082
Contract liabilities	(89,875)	-80,200
Total	**47,990**	**46,140**

Trade receivables are non-interest bearing and are generally on terms of 30 days.
Contract assets are initially recognized for revenue earned, but not invoiced from work performed. Upon completion of the project phase and acceptance by the client, the amounts recognized as contract assets are reclassified to trade receivables. The significant increase in trade receivables is due to momentum of invoicing after reaching milestones of large projects and the effect of earlier payment at year-end 2020. The decrease in contract assets in 2021 is mainly the result of increased focus on timely invoicing and progress on some larger projects reaching milestones.

Contract liabilities include deferred revenue. All contract liabilities from previous year are transferred to revenue in the current year.
In 2021 €1,493,000 (2020: €1,517,000) was recognized as provision for expected credit losses on trade receivables.

Performance obligations
Information about the Group's performance obligations are summarised below:

Implementation, installation and inspection services
The performance obligation is satisfied over-time and payment is generally due within 30 days upon completion of (a phase of the) installation and implementation and acceptance by the client.

Maintenance and support
The performance obligation is satisfied over-time and payment is generally due within 30 days upon the services are rendered for the agreed period.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are, as follows:

(in € thousands)	**2021**	**2020**
Within one year	121,607	113,878
Total	**121,607**	**113,878**

Cost of sales
The costs directly allocated to sales are as follows:

Cost of sales		
(in € thousands)	**2021**	**2020**
Raw materials and consumables	176,133	169,859
Subcontracting	71,928	69,225
Salaries, wages and benefits	104,766	101,051
External employees	30,204	33,424
Retirement benefit expenses	9,814	9,519
Other social security contributions	14,692	14,982
Total	**407,537**	**398,060**

11. Other operating income/expenses
All employee costs not included in cost of sales are included in distribution costs.

Distribution costs		
(in € thousands)	**2021**	**2020**
Salaries, wages and benefits	76,363	74,779
Share based payments	4,084	4,907
Retirement benefit expenses	7,153	7,085
Other social security contributions	10,708	11,151
Educational expenses	2,324	2,415
Other employee expenses	1,007	210
Total distribution costs	**100,639**	**100,547**

Average number of employees

(in € thousands)	2021	2020
ICT	1,232	1,228
Industry	1,015	1,037
Building Solutions	497	488
Infrastructure	179	169
Holding	25	22
Total number of employees	**2,948**	**2,944**

The above employees are either mapped to cost of sales or distribution expenses.
During 2021, 2,948 employees were employed on a full-time basis (2020: 2,944). Of these employees, 70 were employed outside the Netherlands (2020: 85).

Administrative expenses

(in € thousands)	2021	2020
Depreciation of intangible and tangible fixed assets	22,200	22,246
Taxes and levies	2,012	1,553
Other administrative expenses	6,838	(448)
Total administrative expenses	**31,050**	**23,351**

The change in other administrative expenses is mainly due to higher additions to provisions in 2021 (€6,200 higher).

Other operating expenses

(in € thousands)	2021	2020
Maintenance and service buildings	240	1,329
Maintenance and service vehicles	4,931	5,211
Rent of equipment	2,100	2,070
Other outside services and operating expenses	46,417	44,531
Other operating expenses	**53,688**	**53,141**

12. Financial income/cost

Finance cost

(in € thousands)	2021	2020
Intercompany borrowing costs	375	970
Other financial costs	336	272
Total finance costs	**711**	**1,242**

Finance income

(in € thousands)	2021	2020
Foreign exchange gains	86	456
Other financial income		91
Total finance income	**86**	**547**

13. Income tax

The major components of income tax expense for the years ended 31 December 2019 and 2020 are:

(in € thousands)		2021	2020
Comprehensive income of the year		26,489	19,303
Other comprehensive income			86
Profit of the year	**I**	**26,489**	**19,389**
Current income tax:			
• Current income tax charge		11,203	8,287
• Adjustments in respect of current income tax of previous year		(36)	266
Deferred tax:			
• Relating to origination and reversal of temporary differences		1,108	216
Income tax expense reported in the statement of profit and loss	**II**	**12,275**	**8,769**
Accounting profit before income tax	**I + II**	**38,764**	**28,158**

Reconciliation of tax expense and the accounting profit multiplied by the Companies' domestic tax rate for 2020 and 2021:

(in € thousands)	2021	2020
Accounting profit before income tax	**38,764**	**28,158**
Tax at Dutch statutory tax rate of 25% (2020: 25%)	9,666	7,022
Adjustments in respect of current income tax of previous years	(36)	266
Foreign income tax		271
Non-deductible PPA adjustments	941	941
Related party exemptions	(346)	(380)
Non-deductible expenses for tax purposes		
• Share based payments	1,022	731
• Cost of representation and gifts	191	179
• Acquisition costs	21	2
Utilisation of previously unrecognised tax losses	(220)	
Others	1,036	(263)
At the effective income tax rate of 27.05% (2020: 31.14%) as per statement of profit or loss	**12,275**	**8,769**

8.4 Income statement items

14. Intangible assets

Gross *(in € thousands)*	**Software**	**Other intangible assets***	**Total**
As at 1 January 2020	**1,253**	**31,566**	**32,819**
Additions – internal development	448		448
Acquisition of a subsidiary		562	562
Disposal during period	(242)		(242)
At 31 December 2020	**1,459**	**32,128**	**33,587**
At 1 January 2021	**1,459**	**32,128**	**33,587**
Additions – internal development	266	1,250	1,516
Acquisition of a subsidiary	(465)		(465)
Disposal during period	(297)		(297)
At 31 December 2021	**963**	**33,378**	**34,341**

Amortisation and impairment *(in € thousands)*	**Software**	**Other intangible assets***	**Total**
As at 1 January 2020	**(752)**	**(2,987)**	**(3,739)**
Amortisation	(466)	(3,765)	(4,231)
Disposal during period	242		242
At 31 December 2020	**(976)**	**(6,752)**	**(7,728)**
At 1 January 2021	**(976)**	**(6,752)**	**(7,728)**
Amortisation	(226)	(3,940)	(4,166)
Sale of a subsidiary	95		95
Disposal during period	297		297
At 31 December 2021	**(810)**	**(10,692)**	**(11,502)**

Net book value			
As at 1 January 2020	**501**	**28,579**	**29,080**
As at 31 December 2020	**483**	**25,376**	**25,859**
As at 31 December 2021	**154**	**22,686**	**22,839**

* Client relations, order backlog

All intangible assets are considered to have a definite life and are therefore amortised annually. There are no individually material intangible assets.

15. Goodwill

Gross		
(in € thousands)	**Goodwill**	**Total**
As at 1 January 2020	**176,381**	**176,381**
Acquisition of a subsidiary		
Disposal during period		
At 31 December 2020	**176,381**	**176,381**
At 1 January 2021	**176,381**	**176,381**
Acquisition of a subsidiary	2,030	2,030
Disposal during period	(1,370)	(1,370)
At 31 December 2021	**177,041**	**177,041**

Amortisation and impairment		
(in € thousands)	**Goodwill**	**Total**
As at 1 January 2020	**(78,959)**	**(78,959)**
Impairment		
Disposal during period		
At 31 December 2020	**(78,959)**	**(78,959)**
At 1 January 2021	**(78,959)**	**(78,959)**
Impairment		
Disposal during period	122	122
At 31 December 2021	**(78,837)**	**(78,837)**

Net book value		
As at 1 January 2020	**97,422**	**97,422**
As at 31 December 2020	**97,422**	**97,422**
As at 31 December 2021	**98,203**	**98,203**

Acquisitions that took place before January 1, 2018 are grouped by market segment. As these acquisitions have become so intertwined in the past, it has been decided to group the Cash Generating Unit (CGU) by market segment. Companies acquired after January 1, 2018 are considered as a CGU per acquisition, unless there is reason to merge the acquired company with an existing CGU.

When a CGU is subject to impairment analysis, the discount rate is determined on the basis of the WACC (Weighted Average Cost of Capital) based on a peer group analysis. To assess the reasonableness of the discount rates a comparison of the calculated IRR (Internal Rate of Return) with the WARA (Weighted Average Return on Assets) has been conducted. Impairment calculation is based on the budget of the next financial year, the forecast of the three years after the next financial year and an infinite growth of 0.5%. Per CGU, the necessity for impairment is determined on the comparison between the discounted cashflow value and the company net value, taking into account a sensitivity of -5% and + 5% on the company net value. No impairment is needed for 2021.

For impairment testing goodwill acquired through business combinations is allocated to the CGU's as displayed below:

		Goodwill		**Goodwill**
GCGU		**2021**		**2020**
(in € thousands)	**WACC**		**Headroom**	
Industry	6.4%	3,376	7,391	2,595
Building Solutions	6.4%	12,769	51,058	12.769
ICT	6.1%	82,058	77,197	82,058
Total goodwill		**98,203**		**97,422**

16. Property, plant and equipment

(in € thousands)	Land and buildings	Other assets	Total
Gross			
As at 1 January 2020	**19,118**	**6,387**	**25,505**
Acquisitions as part of business combinations			
Other acquisitions during period	782	1,609	2,391
Disposal during period	(169)	(2,274)	(2,443)
At 31 December 2020	**19,731**	**5,722**	**25,453**
Acquisitions as part of business combinations	575	101	676
Other acquisitions during period	2,781	9,472	12,253
Sale of a subsidiary	(338)	(1,188)	(1,526)
Disposal during period	(451)	(809)	(1,260)
At 31 December 2021	**22,298**	**13,298**	**35,596**
Depreciation and impairment losses			
As at 1 January 2020	**(2,828)**	**(3,767)**	**(6,595)**
Depreciation during period	(1,323)	(1,369)	(2,692)
Disposal during the period	169	2,274	2,443
At 31 December 2020	**(3,982)**	**(2,862)**	**(6,844)**
Depreciation during period	(1,246)	(1,572)	(2,818)
Sale of a subsidiary	109	1,110	1,219
Disposal during the period	451	715	1,166
At 31 December 2021	**(4,668)**	**(2,609)**	**(7,277)**
Net			
As at 1 January 2020	**16,290**	**2,620**	**18,910**
As at 31 December 2020	**15,749**	**2,860**	**18,609**
As at 31 December 2021	**17,630**	**10,689**	**28,319**

17. Right-of-use assets

(in € thousands)	31 December 2019	31 December 2020
Right-of-use for building	21,463	17,244
Amortisation on building right-of-use	(11,878)	(7,994)
Right of use for Vehicles	31,563	27,364
Amortisation on right of use for Vehicles	(16,018)	(11,651)
Right-of-use for NAAS	7,575	7,575
Amortization on NAAS right-of-use	(3,911)	(1,825)
Total Right-of-use assets	**28,794**	**30,713**

The Group has lease contracts for various buildings and vehicles used in its operations. Leases of buildings generally have lease terms between 5 and 15 years, while motor vehicles generally have lease terms between 2 and 5 years. For NAAS equipment the lease contracts contain a lease term between 2 and 7 years.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options. These extension and termination options are applicable on buildings leased and concern an extension of the same period of the initial contract (5 or 10 years) with the same lease amounts to be paid. Termination options are not that common, but when applicable individually a determined fine has to be paid. Whether these extensions or terminations will be effectuated is dependent on management team decisions.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

(in € thousands)	Buildings	Vehicles	NAAS Equipment	Total
As at January 1, 2020	**11,373**	**14,832**		**26,205**
Addition	3,277	8,979	7,575	19,831
Depreciation expense	(5,399)	(8,099)	(1,825)	(15,323)
As at December 31, 2020	**9,251**	**15,712**	**5,750**	**30,713**
Addition	7,180	6,118		13,298
Depreciation expense	(6,846)	(6,285)	(2,086)	(15,217)
As at December 31, 2021	**9,585**	**15,545**	**3,664**	**28,794**

18. Financial assets and financial liabilities

Financial assets

(in € thousands)	31 December 2021	31 December 2020
Debt instruments at amortised cost		
Trade and other receivables	105,946	84,258
Prepaid expenses	29,166	13,600
Loan to non-consolidated company	260	257
Minority interest in non-consolidated company	292	231
Total financial assets*	**135,664**	**98,346**
Total current	135,112	97,858
Total non-current	552	488

* Financial assets, other than cash and short-term deposits

The significant increase in trade receivables is due to momentum of invoicing after reaching milestones of large projects and the effect of earlier payment at year-end 2020.

Other financial liabilities

(in € thousands)	31 December 2021	31 December 2020
Derivatives not designated as hedging instruments:		
Forward currency contracts	9	165
Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings		
Trade and other payables	59,985	48,536
Total other financial liabilities	**59,994**	**48,701**
Total current	**59,994**	**48,701**

Derivatives not designated as hedging instruments reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for expected purchases.

The outstanding contract value of the currency forward contracts in respect of cash flow hedging for the purchase of US Dollars amounted to USD 2,635 (2020: USD 17,800) (nominal value) as at December 31, 2021. These outstanding currency forward contracts represent a net fair value of €9, comprising a positive item of €9 (2020: €165) and a negative item of €0 (2020: €0).

Financial instruments not measured at fair value
Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value. For long-term intragroup loans the interest percentages are within a reasonable range (EURIBOR + 1.15%), in line with the rates charged for external loans.

Risk management objectives and policies
The Group is exposed to:

- **a)** Interest rate risk
- **b)** Foreign currency exchange rate risk
- **c)** Credit risk

The Group's senior management oversees the management of these risks. The VINCI Energies S.A. financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans, borrowings, deposits, debt and equity investments and derivative financial instruments.

The following has been taken into account in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 December 2021 and 2020.

i) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relate primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by only obtaining intragroup loans, based on Euribor and a fixed incremental percentage. The variable component is a policy that the Group in the Netherlands accepts as an interest risk.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
2021		
EUR	+25	142
EUR	-25	-142
2020		
EUR	+25	267
EUR	-25	-267

The assumed movement in basis points for the interest rate sensitivity analysis is based on the observable market environment as per balance sheet date.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). Most significant risk is related to purchases made in USD currency. The Group manages its foreign currency risk by hedging USD amounts to be paid in the future. As a result, the total impact is limited.

iii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or client contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Client credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to client credit risk management. Credit quality of a client is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding client receivables and contract assets are regularly monitored.

The Group evaluates the concentration of credit risk with respect to trade receivables and contract assets as low, as the Group has both public and private clients. The private clients are operating in several industries and in largely independent markets. The Group considers the credit risk of accounts receivables and contract assets after initial recognition as low per reporting date, based on the credit risk assessment policies before accepting new clients. Besides that, major part of the trade receivables concerns Dear Old Clients (DOC) on which the credit risk is very limited due to the long-term relationships and status of these clients.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses on trade receivables and contract assets. The provision rates are based on days past due for groupings of various client segments with similar loss patterns (i.e., by geographical region, product type, client type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 18. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix. The provision matrix is based on its historical observed loss rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analysed. In this case, it is forecast that economic conditions will deteriorate over the next year. In addition, the Group uses looking-forward variables in order to come to an acceptable provision for doubtful debtors. First of all, the GDP has been taken into consideration. As mentioned by CBS (source: cbs.nl), the GDP growth of the GDP will continue, but won't be as high as in the past years. The same is applicable to other indicators as the consumer index, consumption and number of bankruptcies. Taking these indicators into consideration together with the historical figures of the Group specific, leads to no expected increases on write offs. Also the type of client and Group's relationship with this client has been taken into consideration in the provision matrix. The Group recognizes three types of clients: public (governmental departments and agencies etc), dear old clients (DOC) and new clients (NC), each having their specific risk profile.

Trade receivables							
As at 31 December 2021 *(in € thousands)*	**Gross Carrying Amount - Public**	**Gross Carrying Amount - Private (DOC)**	**Gross Carrying Amount - Private (NC)**	**Lifetime ECL Allowance - Public**	**Lifetime ECL Allowance - Private (DOC)**	**Lifetime ECL Allowance - Private (NC)**	**Total Lifetime ECL Allowance**
Current	10,419	47,727	35,814	0	0	0	0
1-30 Days Past Due	838	4,787	3,344	0	0	33	33
31-60 Days Past Due	137	261	440	0	1	66	67
61-90 Days Past Due	8	586	82	1	59	20	80
>90 Days Past Due	44	1,367	92	22	1,217	74	1,313
Total	**11,446**	**54,728**	**39,772**	**23**	**1,277**	**193**	**1,493**

Trade receivables							
As at 31 December 2020 *(in € thousands)*	**Gross Carrying Amount - Public**	**Gross Carrying Amount - Private (DOC)**	**Gross Carrying Amount - Private (NC)**	**Lifetime ECL Allowance - Public**	**Lifetime ECL Allowance - Private (DOC)**	**Lifetime ECL Allowance - Private (NC)**	**Total Lifetime ECL Allowance**
Current	9,643	44,066	20,149	0	75	0	75
1-30 Days Past Due	830	4,499	2,457	0	0	25	25
31-60 Days Past Due	12	602	537	0	1	81	82
61-90 Days Past Due	58	26	70	6	3	18	26
>90 Days Past Due	28	1,119	162	28	1,119	162	1,309
Total	**10,571**	**50,312**	**23,375**	**34**	**1,198**	**285**	**1,517**

No expected credit losses are recognized for the contract assets per 31 December 2021 and 31 December 2020.

Liquidity risk and cash flow risk:
Periodically, liquidity forecasts are prepared. Liquidity risks are controlled through continuous monitoring. The liquidity forecasts take account of any restricted availability of cash, along with bank guarantees. For cash and cash equivalents no expected credit loss is applicable.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Year-ended 31 December 2021	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**>5years**	**Total**
Long-term Interest-bearing loans and borrowings	4,500	4,500	36,000	13,500	58,500
Trade and other payables	59,985				59,985
Leases	3,489	10,228	24,893		38,610
Other financial liabilities	25,936				25,936
Total	**93,910**	**14,728**	**60,893**	**13,500**	**183,031**

Year-ended 31 December 2020	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**>5years**	**Total**
Long-term Interest-bearing loans and borrowings		4,500	36,000	22,500	63,000
Trade and other payables	48,536				48,536
Leases	5,344	7,859	18,847	310	32,360
Other financial liabilities	27,717				27,717
Total	**83,125**	**12,359**	**54,847**	**22,810**	**173,141**

Concentrations of risk

Concentrations arise when a number of counterparties are engaged in similar business activities, have activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio clients (public and private, diversified industries). Identified concentrations of credit risks are controlled and managed accordingly.

The Group's business activities are concentrated in the Netherlands, only an insignificant amount of revenue is generated from clients outside the Netherlands and only a very small portion of the Group's revenue is in a different currency than the euro.

19. Deferred tax

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered.

Deferred tax relates to the following:

	Balance sheet		Income statement	
	2021	**2020**	**2021**	**2020**
(in € thousands)				
Difference depreciation for tax purposes	(1,142)	(764)	(378)	(287)
Lower tax value of the property due to write-off of reinvestment reserve	(146)	(147)	1	10
Losses available for offsetting against future taxable income	602	293	309	(235)
Client Relations & Order backlog	(4,519)	(5,352)	833	806
Leases	(2,351)	(520)	(1,831)	(545)
Pensions	313	324	(42)	35
Allocation adjustment pensions				
Net deferred tax liabilities	**(7,423)**	**(6,166)**	**(1,108)**	**(216)**

Reflected in the statement of financial position as follows:	**2021**	**2020**
Deferred tax assets	8,740	8,966
Deferred tax liabilities	(15,983)	(15,132)
Deferred tax liabilities, net	**(7,243)**	**(6,166)**

The Group has tax losses of €602,000 (2020: €293,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose before being acquired. Deferred tax assets have been recognised in respect of these losses as they may be used to offset taxable profits elsewhere in the Group. There are sufficient tax planning opportunities or other evidence of recoverability in the near future for these to be recognised as deferred tax assets.
There are no income tax consequences related to the payment of dividends in either 2021 or 2020 by the Group to its shareholders.

Deferred tax assets		
(in € thousands)	**2021**	**2020**
Losses available for offsetting against future taxable income	602	293
Leases	6,937	7,569
Pensions	1,201	1,326
Other	0	(222)
Total deferred tax assets	**8,740**	**8,966**

As IFRS 16 (leases) cannot be followed for Dutch tax purposes, temporary differences arise between the IFRS carrying amount of the right-of-use assets and lease liability and the Dutch tax base of zero. Therefore, a deferred tax asset has been recognized on the deductible temporary difference on the lease liability and a deferred tax liability has been recognized on the taxable temporary difference on the right-of-use assets.

Deferred tax liabilities

(in € thousands)	2021	2020
Lower tax value of the property due to write-off of reinvestment reserve	146	147
Accelerated depreciation for tax purposes (goodwill)	1,143	788
Amortisation Clients Relations & Order Backlog	4,519	5,352
Leases	9,288	8,089
Pensions	888	1,002
Other	-1	-247
Total	**15,983**	**15,132**
Non-current portion to be settled after 12 months	12,668	10,313
Current portion to be settled within 12 months	3,315	4,819

20. Inventories

(in € thousands)	31 December 2021	31 December 2020
Raw materials and consumables (at cost)	13,192	10,738
Provision for obsolete inventory	(6,891)	(6,095)
Total inventories at the lower of cost and net releasable value	**6,301**	**4,643**

The increase in the inventory level (including provisions) is mainly explained by the need of having enough critical materials available to prevent shortage coming form postponed deliveries due to high market demand. Immaterial amounts were recognized as an expense for inventories carried at net realizable value.

21. Trade and other receivables, contract assets and other current financial assets

Trade and other receivables

(in € thousands)	31 December 2021	31 December 2020
Trade receivables from third-party clients	104,850	81,520
Less: allowance for expected credit losses	(1,493)	(1,517)
Other receivables	2,589	4,255
Total	**105,946**	**84,258**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets

As at 31 December 2021, the Group has contract assets of €31,919 (2020: €42,082). There is no expected credit loss applicable for contract assets at the Group.

Other current financial assets

(in € thousands)	31 December 2021	31 December 2020
Prepaid expenses	29,166	13,600
Total	**29,166**	**13,600**

22. Cash and cash equivalents

(in € thousands)	31 December 2021	31 December 2020
Bank balance in VINCI SA cash Pool	66,212	52,377
Cash at banks	4,923	13,148
Cash and cash equivalents	**71,135**	**65,525**

Cash at banks earns interest at floating rates based on daily bank deposit rates.
At 31 December 2021, the Group had available €45,107 (2020: €31,804) of undrawn committed borrowing facilities with VINCI Finance International (Belgium).

23. Employee benefits

(in € thousands)	31 December 2021	31 December 2020
Defined benefit pension scheme	1,253	1,285
Jubilee	3,514	3,691
Total	**4,767**	**4,976**

Most employees are affiliated with the multi-employer pension fund or participate in a defined contribution pension program. A defined benefit pension scheme is in force for a small part of the staff, which, as described in note 3, has been frozen with effect from 2014. Employees in general receive a jubilee benefit after 12.5, 25 and 40 years of working for the Company (including Group subsidiaries). Due to the acquisitions of the past years, there are differences in the criteria between the group entities (e.g. regarding the years and amount of the rewards). The criteria are communicated to the Groups' employees via an employee policy, which is available for all employees of the Group.

24. Non-current liabilities

(in € thousands)	31 December 2021	31 December 2020
Long-term group loans (note 28)	49,500	58,500
Lease liabilities (note 25)	24,892	19,157
Total	**74,392**	**77,657**

25. Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(in € thousands)	Buildings	Vehicles	NAAS Equipment	**Total**
As at January 1, 2020	**11,320**	**14,567**		**25,887**
Non-Current	**6,642**	**8,280**		**14,922**
Current	**4,678**	**6,287**		**10,965**
Addition	2,870	8,899	**8,639**	**20,408**
Payments	(4,903)	(8,145)	**(926)**	**(13,974)**
Accretion of interest	11	4	**24**	**39**
As at December 31, 2020	9,298	15,325	**7,737**	**32,360**
Non-Current	**5,137**	**8,751**	**5,269**	**19,157**
Current	**4,161**	**6,574**	**2,468**	**13,203**
Addition	7,407	5,379	9,369	**22,154**
Payments	(6,813)	(5,502)	(3,766)	**(16,081)**
Accretion of interest	12	3	81	**96**
As at December 31, 2021	**9,904**	**15,204**	**13,421**	**38,592**
Non-Current	**6,060**	**8,411**	**10,422**	**24,892**
Current	**3,844**	**6,794**	**2,999**	**13,637**

The Group had total cash outflows for leases of €25,719 in 2021 (€24,465 in 2020). These cashflows concern the payments of lease liabilities, but also the variable costs of leasing (fuel, maintenance, etc).
The Group has no lease contracts that contain variable payment terms that are linked to sales generating or other commercial activities. The Group has a significant lease component in Network As A Service (NAAS) contracts, for which a lease liability of €13,502 is recognised per December 31, 2021 (2020: €7,737)
For contracts effective before January 1, 2020, the actual value (initial amount and payments) has been taken into consideration.

26. Provisions

(in € thousands)	**31 December 2021**	**31 December 2020**
Provision other current liabilities	8,108	7,180
Restructuring	3,890	3,792
Total	**11,998**	**10,972**

The movement in provisions for onerous contracts and claim risk is as follows:

(in € thousands)	**2021**	**2020**
Book value as of January 1	**7,180**	**13,071**
Addition	8,108	7,180
Usage	(4,972)	(7,449)
Release	(2,208)	(5,622)
Book value as of December 31	**8,108**	**7,180**
Non-Current portion (to be settled after 12 months)		

The movement in the restructuring provision is as follows:

(in € thousands)	2021	2020
Book value as of January 1	3,792	521
Addition	2,777	3,792
Usage	(2,354)	(521)
Release	(325)	
Book value as of December 31	**3,890**	**3,792**
Non-Current portion (to be settled after 12 months)		**1,113**

In 2020 and 2021 a formal plan of restructuring was completed and announced by management of the Company. Management expects to finalize the restructuring to cover the costs of reducing (certain sectors of) its workforce and related facilities to levels more appropriate to the business requirements in 2022.

27. Trade and other payables

(in € thousands)	31 December 2021	31 December 2020
Trade payables	56,840	45,141
Other payables	2,542	3,337
Related party payables	612	223
Derivative financial liabilities	(9)	(165)
Total	**59,985**	**48,536**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 45-day terms
- Other payables are non-interest bearing and have an average term of 30 days
- For terms and conditions of payables to related parties, refer to note 34
- For explanations on the Group's liquidity risk management processes and derivative financial liabilities, refer to note 18

28. Loans and borrowings

(in € thousands)	31 December 2021	31 December 2020
Long-term debt <1 year	9,000	4,500
Total	**9,000**	**4,500**

Financial liabilities: Interest-bearing loans and borrowings
Loans with a remaining period exceeding one year are specified as follows (all denominated in Euros):

	2021			Interest rate
(in € thousands)	Up to 5 years	More than 5 years	**Total**	
VINCI Energies International Belgium BVBA	36,000	13,500	**49,500**	6 months Euribor + 1.15%
	36,000	**13,500**	**49,500**	

(in € thousands)	2020			Interest rate
	Up to 5 years	More than 5 years	**Total**	
VINCI Energies International Belgium BVBA	36,000	22,500	**58,500**	6 months Euribor + 1.15%
	36,000	**22,500**	**58,500**	

*All loans are obtained from VINCI Energies International Belgium BVBA

On November 25, 2020 all loans have been reimbursed and a new loan of €63,000,000 was remitted by VINCI Energies International Belgium BVBA that shall terminate at the latest on January 31, 2028. This loan agreement will be terminated automatically should the borrower cease to be part of the VINCI Group or when VINCI Energies S.A. ceases to hold directly or indirectly 100% of the shares of the company. As per December 31, 2021 the remaining balance of this loan amounts to €58,500,000 and the interest rate amounts to 6-months Euribor plus 1.15%.
Liabilities with a remaining period up to one year including the short-term portion of long-term liabilities, are presented under current liabilities, including €9,000,000, (2020: €4,500,000) for the short-term part of the abovementioned debt.

Net Debt

(in € thousands)	**31 December 2021**	**31 December 2020**
Cash and cash equivalents	71,135	65,525
Trade and other receivables	105,946	84,258
Trade and other payables	(59,985)	(48,536)
Long-term borrowings	(49,500)	(58,500)
Short-term borrowings	(9,000)	(4,500)
Long-term lease liabilities	(24,892)	(19,157)
Short-term lease liabilities	(13,637)	(13,203)
Net debt	**20,067**	**5,887**

Changes in liabilities arising from financing activities

(in € thousands)	**1-1-2021**	**Cash flows**	**Other**	**31-12-2021**
Non-current interest-bearing loans and borrowings	58,500		(9,000)	**49,500**
Current interest-bearing loans and borrowings (excluding items below)	4,500	(4,500)	9,000	**9,000**
Dividends payable				
Total liabilities from financing activities	**63,000**	**(4,500)**		**58,500**

(in € thousands)	**1-1-2020**	**Cash flows**	**Other**	**31-12-2020**
Non-current interest-bearing loans and borrowings	99,800	(36,800)	(4,500)	**58,500**
Current interest-bearing loans and borrowings (excluding items below)	15,600	(15,600)	4,500	**4,500**
Dividends payable				
Total liabilities from financing activities	**115,400**	**(52,400)**		**63,000**

The ‘Other’ column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including lease liabilities to current or exiting current liabilities due to the passage of time, the accrual for dividends that were not yet paid at year-end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities.

29. Contract liabilities

(in € thousands)	31 December 2021	31 December 2020
Contract liabilities	89,875	80,200
Total	**89,875**	**80,200**

30. Current tax

(in € thousands)	31 December 2021	31 December 2020
Corporate income tax	1,374	1,299
Labour Tax and Social charges	6,130	8,496
VAT	9,206	7,132
Total	**16,711**	**16,927**

31. Other liabilities and accrued expenses

(in € thousands)	31 December 2021	31 December 2020
Pension	215	153
Other current liabilities	31,021	27,564
Total	**31,236**	**27,717**

32. Share-based payments

The Group currently has two equity settled share-based payment plans, the Castor International Plan and the Long-Term Incentive Plan. The costs related to these plans are recognised as expenses over the period in which rights are acquired with a corresponding increase in equity for the Group. The employees will, under both these plans, receive shares in VINCI S.A. and not in the Company. Benefits granted under these plans are implemented as decided by VINCI S.A.'s Board of Directors after approval by the Shareholders' General Meeting.

Castor International Plan

In 2021, in accordance with authorisations given to VINCI S.A.'s Board of Directors by the Shareholders' General Meeting, VINCI S.A. initiated a new savings plan for the employees of certain foreign subsidiaries known as Castor International Plan. The main characteristics of this plan are as follows:

- Subscription period: from 18 May to 4 June 2021;
- Employer contribution consisting of bonus shares, with vesting period of three years;
- The only vesting condition (service condition) is for the employee to stay in the employ of VINCI for three years.
- Employees are entitled to bonus shares based on an allocation table and minimum and maximum ranges when subscribing to shares in VINCI S.A.
- There is no lock-up period beyond the three-year vesting period for bonus shares.

In previous years, similar plans were decided upon.

(in € thousands)	2021 Castor 2021	2021 Castor 2020	2021 Castor 2019	2021 Castor 2018	2020 Castor 2020	2020 Castor 2019	2020 Castor 2018	2020 Castor 2017
Number of shares granted subject to performance conditions at beginning of period								
Bonus Shares granted subject to vesting condition	55,522	60,825	37,346	33,963	61,753	38,592	34,364	22,728
Shares vested (1)		2,566	2,174	33,963				22,728
Shares cancelled (2)		5,097	2,220		928	1,246	401	
Number of shares granted subject to performance conditions not vested at end of period	**55,522**	**53,162**	**32,952**	**0**	**60,825**	**37,346**	**33,963**	**0**
Fair value of share at grant date (in €) (3)	91,72	87,78	90,28	90,28	73.41	88.08	84.50	77.67
Closing share price on the last day of the subscription period (in €)	91,86	87,78	90,28	84,32	87,78	90.28	84.32	78.01
Anticipated dividend pay-out rate	2,83%	2,78%	2,60%	2,34%	2,78%	2.60%	2.34%	2.32%
Fair value of bonus shares on the last day of the subscription period (in €)	85,34	81,64	83,60	78,66	81.64	83.60	78.66	72.83
Original maturity (in years) – vesting period	3	3	3	3	3	3	3	3

1. This will only be the case if someone died and it vests immediately or if the three year period has lapsed and the employee receives the shares.
2. This will only be the case if someone is a bad leaver.
3. The fair value of the liability at the end of each period is adjusted for the probability of the employees satisfying the service condition.

The fair value of the group savings plan shares at the grant date is equal to the value of the shares on Euronext's Paris stock exchange. The weighted average remaining contractual life end of period is 1.4 years in 2021 (2020: 1.4 years).

Long Term Incentive Plan

Performance shares have been granted to certain Group employees and senior executives. The corresponding plans provide that the final vesting of these shares is dependent on the realisation of financial criteria. The number of performance shares measured at fair value in the calculation of the IFRS 2 expense is therefore adjusted for the impact of the change in the likelihood of these financial criteria being met.
The performance conditions are as follows:

(1) an internal criterium (80% weighting) consisting of the ratio at 31 December 2021 of return on capital employed of VINCI S.A. (ROCE) to the average weighted average cost of capital of VINCI S.A. (WACC), with each of those indicators calculated as an average over the previous three years (2019, 2020 and 2021). This ratio must be equal to or greater than 1.1 for all performance shares granted to vest. If the ratio is between 1 and 1.1, the number of performances shares that vest will be reduced in proportion and no shares will vest if the ratio is equal to or less than 1.
(2) an external criterium (20% weighting) consisting of the difference, at December 31, 2021, between:
    a. the average total return on VINCI's shares over a three-year period (2019, 2020 and 2021), and
    b. the average total return for a shareholder investing in the CAC 40 index over a three-year period (2019, 2020 and 2021).

Total shareholder returns include dividends, and the difference must be equal to or greater than +10% for all performance shares granted to vest. If the difference is between +10% and -10%, the number of performance shares that vest will be reduced in proportion and no shares will vest if the difference is equal to or less than -10%.

Information on changes in performance share plans currently in force

	2021	2020
Shares granted	30,825	28,905
Shares assigned	(19,529)	(14,898)
Shares cancelled		
Shares not assigned due to performance conditions	(1,991)	(402)
Number of shares granted subject to performance conditions not vested at end of period	**83,930**	**74,625**
Weighted average remaining contractual life end of period	**1.36**	**1.38**

Information on the features of the performance share plans currently in force

	Plan 17/04/2021	Plan 20/04/2020	Plan 19/04/2019	Plan 14/04/2018
Original number of beneficiaries	38	39	27	21
Number of shares granted subject to performance conditions	30,825	28,905	24,200	21,520
Shares assigned				(19,529)
Shares not assigned due to performance conditions				(1,991)
Number of shares granted subject to performance conditions at end of period	**30,825**	**28,905**	**24,200**	**0**

Fair value of the granted shares

The fair value of the granted shares under the Long-Term Incentive Plan at grant date, is based on market prices available. The fair value of the granted shares will be based on the Euronext's Paris stock exchange at grant date. Expected dividends or other features are not incorporated into the measurement of the fair value at grant date. The fair values per grant date and vesting periods for the Long-Term Incentive Plan were as follows:

	2021 Plan	2020 Plan	2019 Plan	2018 Plan
Price of share on date plan was announced (grant date) (in €)	89,85	73.41	88.08	84.50
Closing share price on the last day of the subscription period (in €)	90,70	87.78	90.28	84.32
Fair value compared with share price at grant date	0,85	14.37	2.20	(0.18)
Original maturity (in years) – vesting period	3	3	3	3

33. Commitments and contingencies

Credit facilities:
The Group has a combined credit facility and a bank guarantee facility available amounting to respectively €35,435,000 intra-day limit and €45,107,000 credit line.

Guarantees:
As per December 31, 2021, the legal entities that are part of the group have granted guarantees in total amounting to €14,097,509
(2020: €10,566,164). These guarantees are both performance and advanced payment guarantees and mainly concern project related customer guarantees. A small part is related to property rent.

A guarantee facility of €12,500,000 has been granted by the ING Bank and is secured by:
- pledging of the receivables; and
- joint account and joint liability agreement.

No use is made of these facilities at year end 2021 (and 2020).

A guarantee facility of €10,000,000 has been issued by Atradius, with no additional securities.

Fiscal unity:
The Company is head of the Dutch fiscal unity for corporate income tax and value added tax. The fiscal unity comprises all companies within the Group. For that reason, it is jointly and severally liable for the tax liabilities of the whole fiscal unity.

34. Related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(in € thousands)	**31 December 2021**	**31 December 2020**
Management fees	4,418	4,226
IT fees	3,472	3,321
Brand fees	1,578	1,509
Total management fees	**9,468**	**9,056**

Total amounts paid concern all fees paid to VINCI Energies Europe West (VEEW) for management fees, to VINCI Systèmes d'Information (VESI) for IT fees and to VINCI Energies Management for brand fees.

Management services are based on a percentage of the turnover. IT Fees are including ERP implementation charges. All transactions were performed at normal commercial terms and conditions and at market rates.

Compensation of key management personnel of the Group*

(in € thousands)	**31 December 2021**	**31 December 2020**
Short-term employee benefits	4,503	4,567
Post-employment pension and medical benefits	462	401
Share-based payments	1,096	928
Total	**6,061**	**5,896**

* Considered as key management personnel are board members, operational directors and finance directors

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

35. Events after the reporting period

There are no post-balance sheets events until date of signing this annual report.

9.1 Company profit and loss account for the year ended 31 December 2021

(in € thousands)	2021	2020
Result subsidiaries	23,022	17,600
Result of the Company	3,467	1,789
Net result	**26,489**	**19,389**

9.2 Company balance sheet as at 31 December 2021

(Before appropriation of the result)

(in € thousands)	Note	31 December 2021	31 December 2020
Assets			
Non-current assets			
Intangible assets	36	18,712	22,246
Goodwill	36	89,395	88,613
Property, plant and equipment	37	15,798	13,124
Right-of-use assets	38	410	375
Group companies	39	88,597	83,394
Deferred tax assets		100	92
Total non-current assets		**213,012**	**207,844**
Current assets			
Trade and other receivables		503	97
Current tax assets		667	45
Other current financial assets		333	345
Cash and cash equivalents	40		
Total current assets		**1,503**	**487**
Total assets		**214,515**	**208,331**

(in € thousands)	**Note**	**31 December 2021**	**31 December 2020**
Group equity			
Share capital	41	113	113
Share premium	41	53,700	53,700
Other reserves	41	24,019	18,979
Result for the year	41	26,489	19,389
Total group equity		**104,321**	**92,180**
Liabilities			
Non-current liabilities			
Provision negative equity subsidiaries	42	6,627	3,447
Employee benefits		92	42
Loans and borrowings	43	49,500	58,500
Lease liabilities	43	217	224
Deferred tax liabilities	44	3,648	4,138
Total non-current liabilities		**60,084**	**66,351**
Current liabilities			
Trade and other payables	45	38,867	41,733
Loans and borrowings	46	9,000	4,500
Lease liabilities	46	184	144
Current deferred tax liabilities	47	532	771
Current tax liabilities	48	251	762
Other liabilities and accrued expenses	49	1,276	1,890
Total current liabilities		**50,110**	**49,800**
Total liabilities		**110,194**	**116,151**
Total equity and liabilities		**214,515**	**208,331**

10 NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR 2021

10.1 General accounting principles for the preparation of the financial statements

Accounting policies

The company financial statements have been prepared in accordance with Title 9, Book 2 of The Netherlands Civil Code. In accordance with sub 8 of article 362, Book 2 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.

The accounting policies are described in paragraph 8.2 General accounting policies and use of estimates of the Group financial statements and are deemed incorporated and repeated herein by reference.

The investments in group companies and associates are presented as financial fixed assets in the balance sheet using the equity method.

Presentation of Company financial statements

The structure of the Company balance sheet and Company profit and loss account are aligned as much as possible with the Consolidated statements in order to achieve optimal transparency between the Group financial statements and the Company financial statements.

10.2 Balance sheet items

36. Goodwill and other intangible fixed assets

The movements in the intangible fixed assets are as follows:

Acquisition cost *(in € thousands)*	**Other intangible assets**	**Goodwill**	**Total**
As at 1 January 2020	**28,323**	**166,338**	**194,661**
Additions			
Acquisition subsidiary			
Disposal during period			
At 31 December 2020	**28,323**	**166,338**	**194,661**
Additions – internal development			
Acquisition of a subsidiary		2,030	**2,030**
Disposal during period		(1,370)	**(1,370)**
At 31 December 2021	**28,323**	**166,998**	**195,321**

Amortisation and impairment *(in € thousands)*	**Other intangible assets**	**Goodwill**	**Total**
As at 1 January 2020	**(2,543)**	**(77,725)**	**(80,268)**
Amortisation	(3,534)		**(3,534)**
Disposal during period			
At 31 December 2020	**(6,077)**	**(77,725)**	**(83,802)**
Amortisation	(3,534)		**(3,534)**
Disposal during period		122	**122**
At 31 December 2021	**(9,611)**	**(77,603)**	**(87,214)**

Net book value *(in € thousands)*			
As at 1 January 2020	**25,780**	**88,613**	**114,393**
As at 31 December 2020	**22,246**	**88,613**	**110,859**
As at 31 December 2021	**18,712**	**89,395**	**108,107**

37. Property, plant & equipment

The movements in the tangible fixed assets are as follows:

(in € thousands)	**Land and buildings**	**Other operating assets**	**Total**
Gross			
As at 1 January 2020	**14,932**	**211**	**15,143**
Other acquisitions during period	100	36	136
Disposal during period			0
At 31 December 2020	**15,032**	**247**	**15,279**
Other acquisitions during period	3,173	59	3,232
Disposal during period		(40)	(40)
At 31 December 2021	**18,205**	**266**	**18,471**
Depreciation and impairment losses			
As at 1 January 2020	**(1,577)**	**(60)**	**(1,637)**
Depreciation during period	(476)	(43)	(519)
Impairment losses			0
Disposals during the period			0
At 31 December 2020	**(2,053)**	**(103)**	**(2,156)**
Depreciation during period	(496)	(61)	(557)
Impairment losses			**0**
At 31 December 2021	**(2,549)**	**(124)**	**(2,673)**
Net book value *(in € thousands)*			
As at 1 January 2020	**13,355**	**151**	**13,506**
As at 1 January 2021	**12,979**	**144**	**13,123**
As at 31 December 2021	**15,656**	**142**	**15,798**

38. Right-of-use assets

(in € thousands)	**2021**	**2020**
Right-of-use for vehicles	834	582
Amortization on right of use for vehicles	(424)	(207)
Total Right-of-use assets	**410**	**375**

39. Group companies

(in € thousands)	31 December 2021	31 December 2020
Investments in subsidiaries and affiliates	89,597	83,394
Total	**89,597**	**83,394**

(in € thousands)	Subsidiaries
As at 1 January 2020	**79,932**
Result subsidiaries	17,600
Provision negative equity subsidiaries	3,447
Dividend	(17,500)
Other	(85)
At 31 December 2020	**83,394**
Acquisitions during period	1,792
Sale subsidiaries	(2,179)
Result subsidiaries	23,022
Provision negative equity subsidiaries	3,179
Dividend	(20,147)
Other	(464)
At 31 December 2021	**88,597**

40. Cash and cash equivalents

Cash at bank and in hand are freely disposable.

41. Shareholders' equity

The movement in shareholders' equity is as follows:

(in € thousands)	Share capital	Share premium	Other reserves	Result for the year	Total equity
Balance as at 1 January 2021	**113**	**53,700**	**18,978**	**19,389**	**92,180**
Appropriation of the result of preceding year			19,389	(19,389)	**0**
Net income for the period				26,489	**26,489**
Increase in share capital					**0**
Merge financial assets			652		**652**
Dividends			(15,000)		**(15,000)**
Balance as at 31 December 2021	**113**	**53,700**	**24,019**	**26,489**	**104,321**

The Authorized share capital of the Company amounts to €500,000, divided into 500,000 ordinary shares with a value of €1 per share. The total number of issued shares as per December 31, 2021 is 113,446. All issued shares are paid in full. There are no additional rights, preferences or restrictions attached to the different classes of capital.

Other reserves:

The other reserve partly consists of the share-based payments reserve, which is used to recognize the non-distributable part of the other reserves. Recognized in this amount is the grant date fair value of deferred shares granted to employees but not yet vested.

(in € thousands)	LTI	Castor	Distributable reserves	Total
Gross				
As at 1 January 2020	**2,593**	**3,547**	**(8,345)**	**(2,205)**
Addition	2,005	2,797	19,107	**23,909**
Release	(1,148)	(1,577)		**(2,725)**
As at 31 December 2020	**3,450**	**4,767**	**10,762**	**18,979**
Addition	2,371	3,117	3,921	**9,409**
Release	(1,789)	(2,665)		**(4,454)**
As at 31 December 2021	**4,032**	**5,219**	**14,683**	**23,934**

Exchange rate differences:

Exchange differences arising on translation of the foreign controlled entity are recognized in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Appropriation of result for the financial year 2021:
The Management Board proposes, with the approval of the Supervisory Board, that the result for the financial year 2021 amounting to €29,489 will be added to the other reserves.

42. Provision negative equity subsidiaries

The movement in provisions for negative equity subsidiaries is as follows:

(in € thousands)	2021	2020
Book value as of January 1	3,447	
Addition	3,180	3,447
Usage		
Release		
Book value as of December 31	**6,627**	**3,447**
Non-current part	*6,627*	*3,447*

43. Loans and borrowings & Lease liabilities long-term

(in € thousands)	31 December 2021	31 December 2020
Long-term group loans (note 29)	49,500	58,500
Long term debt > 1 year	217	224
Total	**49,717**	**58,724**

44. Non-current deferred tax liabilities

(in € thousands)	31 December 2021	31 December 2020
Client relations	3,417	3,935
Others	231	213
Total	**3,648**	**4,138**

45. Trade and other payables

(in € thousands)	31 December 2021	31 December 2020
Trade payables	1,727	42
Related parties		
Interest on long term loans and borrowings	155	38
Cash management current accounts	36,985	41,653
Total	**38,867**	**41,733**

46. Loans and borrowings & Lease liabilities short-term

(in € thousands)	31 December 2021	31 December 2020
Short-term debt <1 year	9,000	4,500
Lease liabilities <1 year	184	144
Total	**9,184**	**4,644**

47. Current deferred tax liabilities

(in € thousands)	31 December 2021	31 December 2020
Client relations	517	517
Orderbook	0	244
Other	15	10
Total	**532**	**771**

48. Current tax liabilities

(in € thousands)	31 December 2021	31 December 2020
Corporate income tax		522
Labour tax and social charges	251	240
Total	**251**	**762**

49. Current liabilities and accruals

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value.

Contingent assets and liabilities

Credit facilities:

The Company has a combined credit facility and a bank guarantee facility available amounting to respectively €3,000,000 and $2,000,000 intra-day limit and €15,000,000 credit line. The facility has been granted by the ING Bank and is secured by:

- pledging of tangible fixed assets inventories and receivables; and
- joint account and joint liability agreement.

No use is made of these facilities at year end 2021 (and 2020).

Guarantees:

As of December 31, 2021, the legal entities that are part of the group have granted guarantees in total amounting to €14,097,509 (2020: €10,566,164). These guarantees are both performance and advanced payment guarantees and mainly concern project related customer guarantees. A small part is related to property rent.

A guarantee facility of €12,500,000 has been granted by the ING Bank and is secured by:
- pledging of the receivables; and
- joint account and joint liability agreement.

No use is made of these facilities at year end 2021 (and 2020).

A guarantee facility of €10,000,000 has been issued by Atradius, with no additional securities.

Fiscal unity:

The Company is head of the Dutch fiscal unity for corporate income tax and value added tax. The fiscal unity comprises all companies within the Group. For that reason it is jointly and severally liable for the tax liabilities of the whole fiscal unity.

Article 2:403:

The Company has guaranteed the liabilities of all consolidated group companies as meant in article 2:403 of The Netherlands Civil Code. The Company is therefore jointly and severally liable for the liabilities arising from the legal acts of these group companies.

50. Audit costs

(in € thousands) **2021**	**Audit**	**Other**	**Total 2021**
Audit of the financial statements	451		451
Tax Services (EY, KPMG & Joanknecht)		141	141
Total	**451**	**141**	**592**

(in € thousands) **2020**	**Audit**	**Other**	**Total 2020**
Audit of the financial statements	372		372
IFRS transition	158		158
IFRS transition (EY)		184	184
Tax Services (EY, KPMG & Joanknecht)		68	68
Total	**530**	**252**	**782**

The fees listed above relate to the procedures applied to the Company and its consolidated group entities by accounting firms and external auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties – Wta') as well as by Dutch and foreign-based accounting firms, including their tax services and advisory group.

51. Compensation of Supervisory board and board of directors

(in € thousands)	2021	2020
Short-term employee benefits	1,347	1,439
Post-employment pension and medical benefits	123	119
Share-based payments	421	464
Total	**1,891**	**2,022**

No remuneration is paid to the Supervisory board members.

During 2021, 34.7 employees were employed on a full-time basis (2020: 32.4) within the Company. Of these employees, 2 were employed outside the Netherlands (2020: 2).

52. Events after the reporting period

There are no post-balance sheets events until date of signing this annual report.

Independent auditor's report
Reference is made to the independent auditor's report as included hereinafter.

Statutory rules concerning appropriation of result
In Article 38 of the company statutory regulations the following has been presented concerning the appropriation of result:
The result of the financial year is at disposal of the General Meeting.

Signing of the financial statements

Veghel, June 17, 2022

Chief Financial Officer:	Director Corporate Development:	Deputy Managing Director:	Deputy Managing Director:
M.E.C. Roijen	**E.M.A.M. de Haas**	**R.A.M.M. van Kaathoven**	**J.P.M. Van Uden**

Supervisory Board:

J.A. Boers	**E.J.D.M. Vernier**

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