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# Key risks table (7/8)

Averse Low Medium High

## Information technology

**Risk description**
Critical IT systems are unavailable or have restricted availability to the business, leading to the loss of operational functionality and business disruption.

Risk appetite:

### Key mitigations

- A global technology operating model underpins standardized core technology processes.
- A technology function-wide risk assessment and management plan is maintained.
- An Infrastructure Operations Center identifies and remediates any vulnerabilities or performance issues identified in the Arcadis network.
- Arcadis' data and AI strategy enhances its ability to securely manage and leverage data across the enterprise.

## Information security

**Risk description**
The unauthorized access, use, disclosure, modification, or destruction of information assets arise from various sources, including cyberattacks and insider threats.

Risk appetite:

### Key mitigations

- The Global Security Committee oversees the organization's information security risk posture. The committee provides binding recommendations to ensure that the risk posture remains in line with our risk appetite.
- Regular external independent reviews are performed by external parties to test our technology, processes, and employee behavior. This includes cyberattack exercises to test our detection and response capabilities.
- Arcadis obtains ISO/IEC 27001, Cyber Essentials Plus certifications, and SOC 2 Type II assurance statements.
- Awareness campaigns are run to teach all Arcadians what the desired secure behavior is and how to recognize and report cyberattacks. We align our campaigns during the year with existing and emerging threats.

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# Key risks table (8/8)

## Compliance risk

Averse Low Medium High

### Regulatory and policy compliance

**Risk description**
Noncompliance with applicable laws and regulations or with internal company policies and procedures results in penalties, claims, or reputational damage.

Risk appetite:

### Key mitigations

- The compliance function provides governance to adopt integrity as our core value and maintains a compliance management system. The scope and responsibilities covered by the compliance function are communicated via a compliance charter with compliance committees at various levels of the organization.
- Arcadis adopts the three lines of the defense model to govern and monitor its integrity and compliance commitments, as outlined in our Arcadis General Business Principles (AGBP).
- Policies and procedures are in place to enable compliance with applicable laws and regulations (as outlined in the AGBP) and other policies (as outlined in the compliance charter).
- The AGBP forms our code of conduct. A mandatory annual AGBP training program is launched across the entire organization, and its completion is monitored.
- Arcadis has a Seek Advice and Speak Up Policy Statement that outlines the different ways our employees and external partners (such as suppliers, clients, and other third parties) can voice concerns. Our employees have a duty to report violations of our AGBP or the law.
- The Integrity and Compliance Program supports leadership (the first line of defense) to remain accountable and to enhance the integrity culture and a safe culture that allows speaking up.

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## Management statements

The GBAs and enabling functions issued signed DORs and In-Control statements to the Executive Board which include the results of the Risk Assurance Program testing carried out in 2024. This process is in line with the Risk Assurance Program as described on page 192.

The Executive Board, supported by the ELT, has reviewed the DORs and In-Control statements, along with reports from the Internal Audit function and the external auditor. There were no significant changes in the internal risk management and control systems during 2024. The Executive Board has assessed the effectiveness of the design and operation of the ARC framework in 2024 and discussed with the Audit and Risk Committee and the Supervisory Board.

During 2024, no significant weaknesses in the design or implementation of the controls under the ARC framework were observed (i.e., no deficiencies that resulted in material losses or impact). Where a control did not operate as expected, areas for improvement were identified, remedial action plans formalized, and progress against the plans was monitored throughout 2024.

As substantiated in this Enterprise Risk Management chapter of the Annual Report, based on the information referred to above and its assessment, the Executive Board believes that:

1. The Annual Integrated Report provides sufficient insights into any significant deficiencies in the effectiveness of the internal risk management and control systems;
2. The aforementioned systems provide reasonable assurance that financial reporting does not contain any material inaccuracies;
3. Based on the current state of affairs, it is justified that financial reporting is prepared on a going concern basis; and
4. The Annual Integrated Report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report. See in particular the Key Risks table on the previous pages.

In accordance with Article 5:25c of the Financial Markets Supervision Act (Wet op het Financieel Toezicht), the Executive Board confirms, to the best of its knowledge, that:

1. The Consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of Arcadis and its consolidated companies;
2. The Annual Integrated Report gives a true and fair view of the position as of 31 December 2024 and the developments during the financial year of Arcadis and its group companies included in the consolidated financial statements; and
3. The Annual Integrated Report describes the main risks Arcadis is facing in the Key Risks table on the previous pages.

The above statements are given on the basis that the ARC framework is primarily designed to bring Arcadis' risk exposure within its appetite and cannot therefore provide full and complete assurance that all human error, unforeseen circumstances, material misstatements, fraud, or non-compliance with laws and regulations will be prevented.

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# Supervisory Board report

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# Message from the Chair

## A year of good progress

Arcadis has made good progress in implementing its 2024-2026 strategic plan, "*Accelerating a Planet Positive Future.*" Alongside delivering strong financial results and achieving a record order intake, the company has strengthened relationships with key clients, positioning itself as their preferred partner for sustainable transformation. With a focus on providing smart and sustainable solutions, Arcadis continues to solidify its role as a global leader in the industry.

We were excited to see some big wins in 2024, including the Hudson River Tunnel project in New York, the AMP8 water framework in the UK and a major digital asset management contract with Ontario's transport department. We were also impressed by Arcadis' impact through project delivery in 2024: from energy-efficient student housing in Toronto, to Olympics facilities with a positive legacy for residents of Paris.

The year was one of good progress in which the transformation from geographic reporting to the Global Business Areas matured and flourished under the new business strategy. There has been more focus on project selection and operational efficiency, on the use of the Global Excellence Centers, and greater coordination in the approach to key clients. All these measures are delivering positive results, and we thank Arcadians worldwide for their efforts and commitment in achieving this progress.

In September 2024, the Supervisory Board held its strategy off-site in Dublin, Ireland. We visited the Advanced Process Manufacturing (APM) team, who joined Arcadis at the time of the acquisition of DPS in 2022. We had the opportunity to visit one of the largest technology manufacturing facilities in Europe and witness firsthand the close relationship built up with our client over decades in designing and optimising the production processes.



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In its priorities for 2024, the Supervisory Board set out four areas of focus:

1. Driving operational efficiency across Arcadis.
2. Broadening and deepening the Key Clients Program.
3. Developing digital client propositions.
4. Strengthening engagement with external stakeholders.

During the course of the year we revisited these topics regularly in Supervisory Board sessions, Supervisory Board committee sessions and separate topic deep dives to monitor progress and provide constructive feedback to the Executive Board. The 2024 priorities were relatively detailed, reflecting the Supervisory Board's awareness of the significant degree of organizational, leadership and strategic change the company was going through. With the impact of these changes having been embedded, our 2025 priorities will focus on the three main themes which will most impact Arcadis in the coming years: Key Clients, Technology/ Digitalisation, and People.

Despite the uncertainties posed by global geopolitical tensions and the subdued economic outlook, Arcadis' end markets remain resilient, with significant client engagement and growth potential in many markets including energy transition and distribution, decarbonisation, and environmental remediation. Arcadis is well placed to meet this demand from clients.

In closing out the year, I want to commend and thank my colleagues on the Supervisory Board for their hard work and commitment – and on their behalf, I also want to thank the Executive Leadership Team and Arcadians worldwide for their achievements over the course of 2024. It has been a successful year.

**Michiel Lap, Chair**
On behalf of the Supervisory Board

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# Introduction to the Supervisory Board

## Roles, responsibilities and appointments

The Supervisory Board supervises and advises the Executive Board and the Executive Leadership Team on the performance of their tasks and supervises the overall development of the Company and its affiliates. In doing so, the Supervisory Board is guided by the interests of the Company and its stakeholders. Pursuant to the Articles of Association of the Company, the Supervisory Board consists of at least three members (all non-executive). Members are appointed by the General Meeting. For every appointment, the Supervisory Board is entitled to make a nomination. The General Meeting can overrule a binding nomination of the Supervisory Board by a resolution adopted by a majority of at least two-thirds of the votes, representing more than one-third of the issued share capital. In the case of a non-binding nomination, the General Meeting decides by simple majority. The General Meeting can dismiss a member of the Supervisory Board. Such a decision, other than proposed by the Supervisory Board, requires at least two-thirds of the votes, representing at least one-third of the issued share capital. The Supervisory Board appoints one of its members as Chair and one as Vice-Chair. In the case of an appointment or reappointment of Supervisory Board members, the Supervisory Board profile is taken into account.

Members are appointed for a maximum period of four years. Pursuant to best practice provision 2.2.2 of the Corporate Governance Code, a Supervisory Board member may be reappointed once for a second maximum period of four years, and subsequently for a maximum period of two years, which reappointment may be extended by a maximum of another two years. In the event of a reappointment after eight years, reasons will be given in the report of the Supervisory Board.

The Supervisory Board has established the following committees from among its members: the Audit and Risk Committee, the Selection Committee, the Remuneration Committee and the Sustainability Committee. The task of these four committees is to assist and advise the Supervisory Board in fulfilling its responsibilities. The tasks and procedures of the committees are outlined in their charters, which can be found on our website. The composition of the Supervisory Board, its committees, and information about the Supervisory Board members are provided on pages 208 to 210 of this Annual Integrated Report.

At least once per year, outside the presence of the Executive Board, the Supervisory Board evaluates its own functioning, the functioning of the Supervisory Board committees, and that of the individual Supervisory Board members, and discusses the conclusions that are attached to the evaluation. Periodically, an external expert facilitates the annual evaluation.

## Diversity and inclusion

In line with the Dutch Corporate Governance Code, Arcadis has a Diversity, Equity, Inclusion and Belonging policy statement (DEIB policy) for the entire company, and various D&I programs, and diversity policies for leadership. These include a separate D&I policy for the Supervisory Board of Arcadis N.V. in which D&I targets for its composition have been set.

### Gender in the Supervisory Board – target and outcome

Achieving gender parity in the workplace is a critical component of Arcadis's mission to create an equitable and inclusive environment. In line with the Dutch Civil Code and our D&I policy for the Supervisory Board, we continue to achieve our targets to have at least one-third men and at least one-third women on the Supervisory Board.

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## Nationality in the Supervisory Board - target and outcome

Arcadis is active in many countries worldwide. We therefore intentionally ensure our leadership reflects the experiences (by geography) of our colleagues, clients and partners. Our focus is to build on the diversity of thought and experience across all our leadership teams, recognizing that we can also be more diverse in the societies we represent. Arcadis aims to have nationalities of at least three geographical regions where Arcadis is active represented in the Supervisory Board. Based on the composition of the Supervisory Board at the end of 2024 this target was met.

## Members of the Supervisory Board

| | Year of birth | Gender | Nationality |
|---|---|---|---|
| Mr. Lap | 1962 | Male | Dutch |
| Mr. Putnam | 1960 | Male | British |
| Ms. Goodwin | 1965 | Female | Canadian and US |
| Ms. Mahieu | 1959 | Female | Dutch |
| Ms. Duganier | 1958 | Female | US and Italian |
| Ms. Morant | 1963 | Female | US |
| Mr. de Wit | 1963 | Male | Dutch |

## Background: education and/or (work) experience in the Supervisory Board – targets and outcomes

We believe that Arcadis benefits from the diverse backgrounds within our Supervisory Board. The background target for the Supervisory Board consists of two requirements. The first requirement, which also follows from the Dutch Decree Establishing Audit Committees, is that at least one member of the Supervisory Board shall have a financial background. As four of the seven Supervisory Board members have a financial background, Arcadis met this requirement in 2024.

The second requirement set by Arcadis is that at least two members of the Supervisory Board shall have experience in the global design, the engineering and/or the consulting industry or an industry adjacent thereto. This target was also met in 2024.

## Members of the Supervisory Board

| | International experience | Professional service/ engineering and consulting experience | Legal/ Tax/ Risk Management | Finance | People and culture | Sustainability | Digital |
|---|---|---|---|---|---|---|---|
| Mr. Lap | ● | ● | ● | ● | | | |
| Mr. Putnam | ● | ● | | ● | | ● | |
| Ms. Goodwin | ● | ● | ● | ● | | | |
| Ms. Mahieu | ● | ● | | | ● | | |
| Ms. Duganier | ● | ● | ● | ● | | ● | |
| Ms. Morant | ● | ● | | | | | ● |
| Mr. de Wit | ● | ● | | | ● | ● | |

## Ethnicity in the Supervisory Board : members of under-represented ethnic groups - target and outcome

We strive to increase the representation of people who self-identify as being part of an under-represented ethnic group (UREG) across all levels of the Arcadis organization, including the Supervisory Board. Within the Supervisory Board we have one member who identifies as being part of a UREG.

See for more information on the company-wide DEIB policy pages 173 through 175 of this Annual Integrated Report.

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# Composition of the Supervisory Board




1 Barbara J. Duganier

2 Michael C. Putnam

3 Deanna L.M. Goodwin

4 Michiel P. Lap

5 Peter A.W. de Wit

6 Linda M. Morant

7 Carla M.C. Mahieu

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## Michiel P. Lap

Male, Dutch nationality, 1962

**Chair Supervisory Board, Chair Selection Committee, Member Audit and Risk Committee and Member Remuneration Committee**
Member SB since 2015, term 2023 – 2025

**Current other non-executive board positions:**

- Member Supervisory Board of ABN AMRO Bank N.V., The Netherlands
- Member Supervisory Board (Raad van Toezicht) Stichting Het Nederlands Kanker Instituut - Antoni van Leeuwenhoek Ziekenhuis, The Netherlands

**Previous positions include:** Non-executive Director Rijn Capital B.V. (2018 - 2024); Industrial Advisor to EQT Partners (2014 - 2019); Member Supervisory Board Janivo Holding (2015 -2018); Non-executive director Royal Brompton & Harefield Hospitals Charity in London (2012 - 2015); Managing Director and Partner Goldman Sachs Inc. (2004 - 2014); Executive Vice President Orange SA (2001 - 2003); Managing Director Morgan Stanley and Co., London (1988 - 2001); Assistant Vice President JP Morgan (1984 - 1988).

## Michael C. Putnam

Male, British nationality, 1960

**Vice-Chair Supervisory Board, Chair Sustainability Committee, Member Audit and Risk Committee and Member Selection Committee**
Member SB since 2018, term 2022 – 2026

**Current other non-executive board positions:**

- Independent Director, Member Audit Committee, Member Safety, Environment and Social Responsibility Committee, Finning, Inc. Canada
- Senior Independent Director and Acting Chair Network Rail Ltd, UK
- Independent Non-Executive Director TransPennine Route Upgrade, UK
- Non-Executive Director Bazalgette Tunnel Ltd (Thames Tideway), UK

**Previous positions include:** Non-Executive Director Southern Water Services Ltd, UK (2017 - 2024); Acceleration Unit Expert Panelist UK Department for Transport (2020 – 2023); Member Advisory Board Association of Consulting Engineers (2012 – 2018); Specialist Advisor to the House of Lords Science & Technology Committee, assisting their Report on 'Offsite manufacture for Construction' (2018); Member UK Government's Construction Leadership Council (2012 – 2018); Chair UK Government's Green Construction Board (2012 – 2017); CEO Skanska UK PLC (2009 – 2017); Several leadership positions within Skanska UK PLC (1995 – 2009); Area Manager and Contracts Manager Balfour Beatty Plc (1988 – 1995); Trafalgar House (1982 – 1987).

## Deanna L.M. Goodwin

Female, Canadian and US nationality, 1965

**Chair Audit and Risk Committee and Member Sustainability Committee**
Member SB since 2016, term 2024 – 2026

**Current other positions:**

- Member Board of Directors Kosmos Energy, US
- Member Board of Directors Oceaneering International, Inc., US

**Previous positions include**: President TECHNIP North America (2013 - 2017); Chief Operating Officer, Offshore TECHNIP North America (2012 - 2013); Senior Vice President Operations Integration, TECHNIP (2011 - 2012); Chief Financial Officer North America, TECHNIP (2007 - 2011); Various positions at Veritas DCG Inc. (1993 - 2007).

## Carla M.C. Mahieu

Female, Dutch nationality, 1959

**Chair Remuneration Committee and Member Selection Committee**
Member SB since 2021, term 2021 – 2025

**Current other non-executive board positions:**

- Member Board of Directors DSM-Firmenich, The Netherlands/Switzerland
- Member Supervisory Board VodafoneZiggo, The Netherlands
- Member Supervisory Board DIF Management BV, The Netherlands

**Current other position:**

- Board Member Stichting Continuïteit PostNL, The Netherlands

**Previous positions include:** Member Management Board at Aegon N.V. (2016 - 2021); Executive Vice-President and Chief Human Resources Officer Aegon N.V. (2010 - 2021); Member Supervisory Board Royal BAM Group (2011 - 2020); Board room consultant, senior HR leader and interim executive, Talent Management (2008 - 2010); Senior Vice-President HRM, Royal Philips N.V. (2003 - 2008); Senior consultant People, Organizational change,

Talent management (2001 - 2003); Consultant and principal, Spencer Stuart (1991 - 2001); Various leadership roles HRM, Communication and Corporate Strategy, Royal Dutch Shell (1984 - 1999).

## Barbara J. Duganier

Female, US and Italian nationality, 1958

**Member Audit and Risk Committee and Member Sustainability Committee**
Member SB since 2023, term 2023 – 2027

**Supervisory/non-executive directorships:**

- Non-Executive Director, Chair Audit Committee, Member Governance, Environmental and Sustainability Committee, CenterPoint Energy, US
- Non-Executive Director, Chair Compensation Committee and Member Audit Committee, Texas Pacific Land Corporation, US
- Non-Executive Director, Chair Audit Committee and Member Governance Committee, McDermott International, Bermuda
- Non-Executive Director and Chair Audit Committee, Pattern Energy, US

**Previous positions include:** Non-Executive Director, MRC Global, US (2015-2024), Lead Independent Director (from 2020) and Chair Nominating and Governance Committee, West Monroe (2018 - 2021), Non-Executive Director, member Audit Committee and Nominating and Governance Committee, Noble Energy (2018 - 2020), Non-Executive Director, Chair Audit Committee and member Compensation Committee, Buckeye Partners (2013 - 2019), Managing Director & Lead, Global Business Process Outsourcing and Finance Business Services, Resources Operating Group, Accenture LLC (2012 - 2013), Managing Director & Chief Strategy Officer, Outsourcing, Lead, Global Business Process Outsourcing, Growth and Offerings & Vice President, Energy Services, Accenture LLC (2004 - 2012), Independent Consultant, North America, Duke Energy (2003), various leadership roles at Arthur Andersen LLP (1979 - 2002), including Global Chief Financial Officer, Andersen Worldwide.

## Linda M. Morant

Female, US nationality, 1963

**Member Sustainability Committee and Member Remuneration Committee**
Member SB since 2023, term 2023 – 2027

**Current position:**

- Chief Digital Officer, The Crown Estate, London, UK

**Previous positions include**: Non-executive Director, Biffa Waste Management, UK (2021 – 2023), Non-executive Director, Autino Ltd. & Autino Holdings, London, UK (2017 – 2020), Vice President, Downstream Digital, British Petroleum, UK (2017- 2020), various roles within Microsoft Corporation (2011 – 2017), various roles within Nokia & Nokia Siemens Networks (2001 – 2011).

## Peter A.W. de Wit

Male, Dutch nationality, 1963

**Member Audit and Risk Committee and Member Selection Committee**
Member SB since 2023, term 2023 – 2027

**Supervisory/non-executive directorships:**

- Founder and Board Chair, MiekFoundation, Amsterdam, the Netherlands
- Board Member and Chair People Committee, Aliaxis, Brussels, Belgium
- Board Member and Chair People Committee, Royal De Heus, Ede, the Netherlands
- Member Supervisory Board, 100WEEKS foundation, Amsterdam, the Netherlands
- Chair Supervisory Board, Koninklijk Theater Carré, Amsterdam, the Netherlands

**Previous positions include:** Senior Board Counselor, McKinsey & Company, Amsterdam, the Netherlands (2022-2024), Senior Partner and Member Shareholders Council, McKinsey & Company, Amsterdam, the Netherlands (1995 – 2022), Commercial Manager, Cargill, Amsterdam, the Netherlands (1987 – 1995).

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# Report by the Supervisory Board

Arcadis N.V. has a two-tier Board structure, consisting of the Executive Board and the Supervisory Board, both with distinct tasks and responsibilities for the Company and its stakeholders. The task of the Executive Board is to manage the Company and to realize its objectives and strategic goals. The task of the Supervisory Board is to supervise and advise the Executive Board. This report sets out the way the Supervisory Board fulfilled its duties and responsibilities in 2024.

## The Company's strategy, the Supervisory Board priorities 2024 and our role as Supervisory Board

At the outset of 2024 the Supervisory Board identified the themes it considered most important in light of the Company's strategy and the board's supervisory and advisory role.

1. Driving operational efficiency across Arcadis
2. Broadening and deepening the Key Client Program
3. Developing digital client propositions
4. Strengthening engagement with external stakeholders

The Supervisory Board regularly discussed **operational efficiency** within Arcadis, including progress on consistent target GEC usage across GBAs, accelerating standardisation and automation to increase billability (including billability of senior leaders), employee satisfaction and cost reduction, and right-sizing enabling functions across the footprint.

The **Key Client Program** was the Supervisory Board's second focus item. Discussions centered on the need to broaden and deepen cross-GBA strategic dialogues (and the integration of Intelligence propositions in such dialogues), identify and develop emerging client relationships, and further improve brand positioning and communication. Business leaders from around the globe were regularly invited to discuss the work Arcadis does for specific key clients.

The Supervisory Board gave special attention to the development of **digital client propositions** and the client-facing digital product strategy, a staged approach whereby the company will move away from stand-alone products towards a common platform of scalable digital products aligned to the core mission of Arcadis.

The satisfactory financial performance in 2024 led to Arcadis maintaining the confidence of the Company's investor base and further bridging the valuation gap with peers. The Supervisory Board regularly discussed how to **strengthen engagement with external stakeholders**, including through ESG and CSRD reporting, broadening analyst research coverage, and diversifying the shareholder base.

In 2024, the Supervisory Board also spent time discussing lessons learned from the acquisitions and integrations of IBI and DPS. In a separate deep dive meeting, the Supervisory Board reviewed Arcadis' data strategy: how to leverage data to drive innovation and efficiency, mitigate risks and create value.

Each Supervisory Board meeting started with an update on a health & safety topic or statistic. By sharing experiences and suggestions, the Supervisory Board continues its stewardship of the topic and contributes to further awareness and improvement. The Supervisory Board also discussed the financial performance of the Company each quarter, focusing on further margin improvement and cutting the tail of loss-making projects,

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increasing billability, continued discipline on cash collection, increasing GEC usage and project selection discipline. As always, the Supervisory Board spent time on important people-related topics like talent management and succession, international talent mobility within Arcadis, diversity and inclusion, leadership development, the Skills Powered Organization project, and further improving the eNPS score.

## Supervisory Board meetings 2024: attendance

In 2024, the Supervisory Board held five regular scheduled meetings and one deep dive. All our regular scheduled meetings were attended by the members of the Executive Board and the members of the Executive Leadership Team. We also had five 'Supervisory Board-only' meetings.

The attendance percentage for the full Supervisory Board meetings in 2024 was 100% (2023: 100%), for Supervisory Board-only meetings 100% (2023: 100%), for Audit and Risk Committee meetings 100% (2023: 100%), for Remuneration Committee meetings 100% (2023: 100%), for Selection Committee meetings 90% (2023: 90%) and for meetings of the Sustainability Committee 100% (2023: 100%).

Apart from interaction during Supervisory Board meetings, one-on-one discussions between Supervisory Board members and members of the Executive Board, the Executive Leadership Team and other senior leaders and heads of function took place throughout the year.

Finally, we like to mention that all Supervisory Board members and Executive Board members, as well as one Executive Leadership Team member, are members of the board of the Priority Foundation, the holder of the priority shares in the capital of Arcadis. Ten Arcadis employees from across the organization make up the other half of the board of the Priority Foundation. As a group, these ten employees are joined up in the board of the Bellevue Foundation. The board of the Priority Foundation met twice in 2024. Reference is made to note 25 of the consolidated financial statements for further information on the Priority Foundation and the Bellevue Foundation.

## Functioning of the Supervisory Board, the Executive Board and the Executive Leadership Team

In accordance with the Dutch Corporate Governance Code, every year the Supervisory Board evaluates its own functioning, the functioning of the Supervisory Board committees and the individual Supervisory Board members. Periodically, this evaluation should take place under the supervision of an external expert. In Q4 2024, an effectiveness review of the Supervisory Board was conducted by an independent external expert. The aim was to review the overall performance of the Supervisory Board and its members and identify strengths and improvement needs. The process included online questionnaires, interviews with all Supervisory Board members, Executive Board members, Global General Counsel and Global Company Secretary, and peer reviews.

The outcome of the review was positive and insightful. The Supervisory Board discussions were considered open and robust, its composition diverse in terms of experience, style and profile, and the relationship with management one based on mutual respect and trust. The Supervisory Board was found to be collegial and thoughtful, and stakeholder interactions were found to be effective. In terms of improvement needs, the review noted that the Supervisory Board's performance can be further enhanced by decreasing the number of Supervisory Board priorities; by spending more time discussing the (long-term) future of Arcadis; and by further shifting the focus to outside issues (clients, competition, technology), away from operational matters, to fully leverage the experience and knowledge of its Supervisory Board members. The meetings should also move further away from detailed presentations, towards deeper (and more critical) deliberations. The Supervisory Board is implementing the learnings from the review by amending the set-up and agenda of its meetings (and its committee meetings). An evaluation of progress made on implementing the learnings will take place, with help from the external expert, in Q4 2025.

In February 2024, we set personal targets for the Executive Board. During the year we monitored the performance of the Executive Board and the individual Executive Board member(s) in our Supervisory Board-only meetings. At the beginning of 2025 we assessed the performance of the Executive Board, the two Executive Board members and the Executive Leadership Team in 2024. Following the discussions during the year, and following the assessments in early 2025, we have provided or will be providing feedback to all involved.

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## Composition of the Supervisory Board

During the General Meeting in 2024, Ms. Goodwin was reappointed for a period of two years. Ms. Goodwin has been a member of the Supervisory Board since 2016. Reasons for Ms. Goodwin's reappointment after eight years include the outstanding manner in which she continues to perform her role as Chair of the Audit Committee and her instrumental role in onboarding the new Supervisory Board and Audit Committee members. Ms. Goodwin's international leadership experience and her extensive knowledge of the professional services industry have been very valuable to the Supervisory Board. It was therefore considered in the interest of Arcadis and its stakeholders that Ms. Goodwin be reappointed for a two-year term until the end of the General Meeting in 2026.

The Supervisory Board meets the requirements of Dutch law regarding the independence of its Chair, of the other Supervisory Board members, and of the Supervisory Board as a whole. The Supervisory Board also complies with the requirement that its members do not hold more than five supervisory board positions at certain 'large' (listed) companies or entities. The Executive Board members do not hold more than two supervisory board positions with such companies.

During 2024, no material transactions involving conflict of interest occurred for Executive or Supervisory Board members. There were also no material related party transactions as referred to in section 2:169.1 Dutch Civil Code.

## Supervisory Board Committee Reports

**Audit and Risk Committee report**

D. Goodwin (Chair), M. Lap, M. Putnam, B. Duganier, P. de Wit

In 2024, the Arcadis Audit and Risk Committee (AARC) held four regular scheduled meetings, all attended by the CEO, the CFO and the Global Internal Audit Director and external auditors. There were also four 'AARC-only' meetings. In addition, two intermediate calls allowed for deep dives into higher risk projects and CSRD reporting. These deep dives were attended by the CEO and the CFO.

The Chair of the committee had regular meetings with the CEO and the CFO, as well as with the external auditor, the Global Internal Audit Director and several other heads of function to discuss focus items like financial performance, business risks, claims, compliance and other matters. It is customary that the AARC shares its main deliberations and findings in the Supervisory Board meeting immediately following the AARC meeting.

Financial performance remained the common thread of the AARC's discussions and activities throughout 2024. Each meeting, the AARC reviewed and discussed the financial results per GBA, billability, margin development and the performance on important projects as well as free cash flow, cost and revenue synergies, DRO and the continued importance of cash collection. Likewise, in each meeting risk-related topics were discussed in the presence of the Global Risk Management Director, including geopolitical risks, the importance of the successful ERP integration of recent acquisitions, the need to improve talent mobility to support the global nature of Arcadis' business, and to continue to focus on the quality of project handovers, reviews, and the use of risk registers (in particular for smaller projects). The meeting discussed the need for diversification of services and management of client concentration risk in certain areas. Special attention was given throughout the year to non-financial reporting requirements under CSRD legislation, and the ERP integration of recent acquisitions. The AARC was pleased with the diligence of the process followed and the quality of the outcome: focused, accurate and auditable disclosures which lay a solid foundation for reporting in the years to come. The deep dive into higher risk projects discussed emerging commercial models, related risks and how to mitigate them, noting the need for discipline and tone from the top in ensuring that the relevant processes are followed consistently.

The Company's Global Information Security Officer and Global Technology Officer continued to provide quarterly updates to the AARC. Technology topics discussed in 2024 included work done by the Arcadis AI Taskforce, data quality, the integration of acquired entities into technology's global operating model and the regular review of the tech risk register. Information Security topics discussed in 2024, on the basis of a newly developed Information Security dashboard, included the project to bring security standards in GBA Intelligence on par with the rest of Arcadis, key information security risks and vulnerabilities, and the Company's readiness to respond to cyberthreats.

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In each meeting, in the presence of the Global Internal Audit Director the past quarter's internal audit findings and management follow-up were discussed and progress made against the annual internal audit plan was discussed. Other topics included the importance of a solid first line of defense (including embedded controls on high-risk processes and structured documentation), discipline and prioritization regarding audit follow-ups, and closer cooperation between Internal Audit and Risk Management. The Global Internal Audit Director also presented the committee with the positive outcome of a self-assessment on compliance with the requirements that the Dutch Corporate Governance Code imposes on the Internal Audit function.

The meeting also regularly discussed, and reported to the Supervisory Board on, the Arcadis Risk Assurance Program. Every year, the main findings of the annual assessment cycle are discussed in AARC and Supervisory Board meetings. As an overall conclusion for 2024, the meeting confirmed that further progress was made on firmly embedding risk management into the way Arcadis operates. Arcadis leaders take ownership of the key risks, their management, and where necessary, mitigation, and actively promote an appropriate balance between desired risk appetite and risk exposure. Further work is being undertaken, inter alia, to further mature the use of project management plans, the closure of projects and recording of lessons learned, modernization of the company's job structure to ensure compensation and benefits are in alignment with roles and responsibilities, and to fully embed certain tech/information security controls (including controls regarding information classification and system access).

As is customary, the AARC also evaluated the performance of PricewaterhouseCoopers (PwC), the Company's external auditor, and discussed certain improvement areas (for both PwC and the Company). PwC also presented its audit plan for 2024, which was discussed and approved. During the July committee meeting, PwC's half-year review report was discussed. PwC's key financial reporting risks for 2024 and its audit findings, both at mid-year and at year-end, were aligned to the focus items identified by the committee and by the Internal Audit department. They included the planned migration of acquired entities onto Oracle and CSRD reporting. Throughout the year, the committee discussed and assessed with PwC the progress made regarding its key audit findings, and the meeting was kept updated on the handover process between PwC and incoming auditor KPMG.

Like every year, the committee frequently reviewed and discussed the Company's quarterly reports on key legal claims and pending litigation, as well as claims statistics and market trends. There were presentations by the Global Tax Director on the Arcadis tax position and related risks, and by the Global Insurance Manager on the Arcadis insurance portfolio (with special attention for the captive cell underwriting results), as well as the importance of sharing lessons learned back with the business. The committee was also regularly updated on (potential) integrity issues and related statistics, as well as on the status of the Integrity and Anti-Corruption program 2024.

At the end of the year, the committee evaluated the performance, independence and financial literacy of the committee and its members, with a positive conclusion.

And finally, in the context of the annual results for 2024, the meeting discussed and reconfirmed the Company's dividend policy and recommended the dividend proposal of €1.00 per ordinary share to the Supervisory Board.

**Remuneration Committee report**

C. Mahieu (Chair), M. Lap, and L. Morant

In 2024, the Remuneration Committee (RemCo) met three times. The CEO, the CPO, CFO and others, when deemed important, were invited to attend (parts of) the meetings.

In early 2024, the RemCo conducted a performance assessment of the Executive Board and the Executive Leadership Team members. Based on this evaluation, the RemCo submitted proposals to the Supervisory Board for short-term incentive (STI) and long-term incentive (LTI) pay-outs, ensuring alignment between performance outcomes and pay-out under the variable pay components.

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After having conducted a variety of stakeholder engagement sessions, the RemCo advised the Supervisory Board on proposals to revise the Executive Board and Supervisory Board remuneration policies, which proposals were adopted by the General Meeting in May 2024. Additionally, the 2024 STI and LTI plans and their metrics and intervals were reviewed to ensure they supported the strategic cycle. Other key topics discussed during the year 2024 included the evaluation of remuneration-related topics discussed during the 2024 AGM, progress updates on the performance relevant for both the STI as well as the LTI programs, progress made on the design of a new Employee Share Purchase Plan (set to launch in 2025) and feedback from shareholders and other stakeholders.

**Arcadis Selection Committee report**

M. Lap (Chair), M. Putnam, C. Mahieu, P. de Wit

In 2024, the Arcadis Selection Committee (ASC) met three times. The CEO and the CPO attended (parts of) these meetings.

During the first quarter, the ASC discussed the annual performance calibration of the Executive Board and the Executive Leadership Team, as well as the ELT members' development plans.

Later in the year, the ASC discussed SB and ELT succession planning, the SB mentorship program and the proposed reappointment of Deanna Goodwin to the Supervisory Board in 2025.

**Sustainability Committee report**

M. Putnam (Chair), D. Goodwin, B. Duganier and L. Morant

The Sustainability Committee (SusCo) of the Supervisory Board convened four times during 2024 to oversee and guide Arcadis' sustainability initiatives and progress.

The year's first meeting focused on reviewing the performance against the 2023 sustainability outcomes and roadmap, as well as the 2023 biodiversity footprint. The SusCo also assessed the proposed roadmap and initiatives for 2024. During this session, the Future Impact Program was introduced, detailing project-specific advancements in areas such as nature and water, and outlining Arcadis' approach to enhancing impact measurement through its projects. Additionally, the Architectural and Urbanism team presented its alignment with sustainable outcomes, highlighting how its efforts contribute to the company's broader sustainability goals.

In May, the SusCo reviewed and updated its charter to reflect recent developments and align with evolving priorities. This meeting featured an in-depth analysis of the 2024 sustainability roadmaps, including key projects and accountability measures for the year. A notable highlight was the presentation of the Resilience GBA roadmap, which exemplified the planned activities. The SusCo also conducted a brief review of the 2024 prioritized events. Results and insights from the project carbon pilot initiatives were presented, followed by discussions on lessons learned and next steps. Furthermore, the SusCo was updated on the approved Science-Based Targets initiative (SBTi) targets and reviewed decisions aimed at achieving Arcadis' net zero commitments.

In the third meeting, the SusCo was briefed on proposed changes to the sustainability framework and how these updates would influence the operations of the global sustainability team moving forward. The session also included a review of the revised Annual Integrated Report structure, an assessment of the progress toward 2025 Long-Term Incentive Program targets, and discussions on required actions to meet these goals. The Carbon Travel Budgets Program and its structure were presented, alongside the new marketing and communications strategy for major events. Additionally, the SusCo received an update on the Sustain Abilities training program, including participation metrics and uptake.

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The final meeting of the year provided a comprehensive summary of 2024 sustainability achievements and a forward-looking discussion on impact metrics and goals for 2025. The SusCo was introduced to the proposed pilot program, 'Sustainnovation,' designed to deliver innovative and sustainability-focused solutions to clients. Key results from rating agencies and the 2024 biodiversity footprint were presented for review. The SusCo also reflected on Arcadis' participation in COP16, which showcased the company's commitment to thought leadership in the 'Nature Positive' agenda.

## 2024 Financial statements and dividend

The Executive Board has prepared this Annual Integrated Report, including the 2024 financial statements. PwC, the external auditor, has issued its auditor report which can be found starting on page 319 of this Annual Integrated Report.

The members of the Executive Board have issued the statements required under section 5:25c.2.c of the Financial Markets Supervision Act (Wet op het financieel toezicht). The members of the Supervisory Board and Executive Board sign the financial statements in accordance with section 2:101.2 of the Dutch Civil Code.

The Supervisory Board of Arcadis N.V. recommends that the General Meeting (i) adopt the 2024 Financial Statements, (ii) approve the proposal to distribute a dividend of €1.00 per ordinary share and (iii) discharge the members of the Executive Board for their management of the Company and its affairs during 2024, and the members of the Supervisory Board for their supervision over said management during 2024.

Amsterdam, the Netherlands, 12 February 2025

On behalf of the Supervisory Board

**Michiel P. Lap, Chair**
www.arcadis.com

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# Remuneration report

The purpose of the Arcadis remuneration policies is to attract, motivate, and retain qualified executives and non-executives by establishing a framework for competitive remuneration. These policies are designed to enable Arcadis to compete effectively in the senior executive talent market with companies of comparable size and complexity.

The Supervisory Board, following recommendations from the Arcadis Remuneration Committee (RemCo), proposes these remuneration policies for the Arcadis Executive Board and Supervisory Board to the General Meeting.

At the 2024 General Meeting, Arcadis shareholders approved revised versions of both the Executive Board remuneration policy and the Supervisory Board remuneration policy.

## Introduction

This report outlines the application of the remuneration policies for the Executive Board and the Supervisory Board in 2024 as well as actual performance in 2024 measured using the approved performance criteria and targets set.

## 2024 General Meeting

During the 2024 General Meeting, the 2023 remuneration reports for the Executive Board and the Supervisory Board were presented for an advisory vote. No questions or concerns regarding these reports were raised. Both remuneration reports received positive advisory votes, reflecting broad shareholder support for the remuneration practices of both the Executive Board and the Supervisory Board.

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# Executive Board remuneration

## Remuneration in line with median level of reference groups

The remuneration policy for Executive Board members is designed to support the company's business strategy, strengthen the connection between pay and performance, and align the interests of Executive Board members with those of shareholders by encouraging share ownership. This policy is grounded in adherence to the highest standards of corporate governance.

The remuneration package comprises four key components: base salary, short-term variable remuneration, long-term variable remuneration, and additional benefits, such as a pension scheme. Variable remuneration plays a significant role in the overall package and is tied to performance criteria that promote the company's long-term value creation.

Arcadis has developed from a multi-local company to a global company. To align with Arcadis' size (in terms of revenues, average market capitalization, total assets and number of FTEs), geographic and industry scope, and labor market competition, a labor market reference group has been defined[1]. The reference group consists of Dutch-headquartered companies with significant international activities, supplemented by global industry peers, as presented below.

Iin 2024, changes were made to the labor market reference group: Boskalis, RPS Group and DSM were replaced by Randstad and Worley.

| Dutch headquartered companies with significant international activities | Global industry peer companies |
|---|---|
| Aalberts Industries | AF Pöyry (FIN) |
| AkzoNobel | Atkins Realis (CAN) |
| ASM International | Stantec (CAN) |
| BAM | Sweco (SE) |
| Fugro | Worley (AUS) |
| Randstad | WSP Global (CAN) |
| SBM Offshore | |
| TKH Group | |
| Vopak | |

Arcadis is positioned around the median in terms of the parameters revenues, average market capitalization, total assets and number of FTEs.

The Executive Board remuneration policy aims to position total direct compensation (the sum of base salary, short-term variable compensation and long-term variable compensation, both at target) at approximately the median of a defined reference group. This approach ensures that Arcadis remains competitive in attracting and retaining top executive talent while aligning with market standards for companies of similar size and complexity.

## Internal pay ratio

When developing the remuneration policy for the Executive Board, Arcadis considered the pay ratio within the organization. In line with the methodology included in the Dutch Corporate Governance Code, Arcadis assessed the ratio between the total annual remuneration of the CEO and the average annual remuneration of a full-time equivalent employee within the company and its consolidated group companies. This calculation reflects a holistic view of internal pay equity and is based on financial data consolidated by the company. The approach aims to ensure that executive remuneration aligns with broader organizational compensation structures while maintaining fairness and transparency, where:

- the total annual remuneration of the CEO includes all the remuneration components (such as fixed remuneration, variable cash remuneration (short-term incentive), the share-based part of the remuneration (long-term incentive), social security contributions, pension, expense allowance, etc.) as included in the consolidated annual financial statements.

1 Changes to the reference group may be required from time to time e.g. following mergers or acquisitions in which one or more companies in the reference group are involved.

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- the average annual remuneration of the employees is determined by dividing the total salary costs in the financial year (as included in the consolidated annual financial statements) by the average number of FTEs during the financial year.
- the value of the share-based component of the remuneration is determined at the time of assignment in accordance with the applicable rules under IFRS.

Based on this new methodology, the following pay ratios were determined:

| Year | Pay ratio | CEO remuneration (€ 1,000) |
|---|---|---|
| 2020 | 18 | 1,266 |
| 2021 | 31 | 2,244 |
| 2022 | 28 | 2,156 |
| 2023 | 25 | 2,201 |
| 2024 | 33 | 2,925 |

The CEO pay ratio in 2024 was comparable to 2021 and 2022. The increase in 2024 compared to 2023 was caused by the gross-up of additional tax due (caused by a change in tax legislation), and increased National Insurance employer contribution due, on the CEO's 2024 Long Term Incentive Performance vesting and STI pay-out.

The 2023 CEO pay ratio was lower than in 2022 because in 2023 the average employee remuneration increased[1] whilst the total CEO remuneration decreased.

The 2020 pay ratio was particularly low because the CEO at the time informed the Supervisory Board that he decided to forgo the STI payout due to him in 2020, because of the COVID-19 pandemic.

1 The average employee remuneration increased in 2023 because in 2022, the employee remuneration of Arcadis IBI and Arcadis DPS was only included for the months that these companies were part of the Arcadis group. Therefore, the total remuneration of the integrating companies was smaller than a full year total compensation, whilst the number of employees of Arcadis IBI and Arcadis DPS was taken into account in full.

## Total direct compensation mix

In line with the remuneration policy for the Executive Board, the relative proportions of the annual base salary and the short-term and long-term variable compensation components[2] of the members of the Executive Board are as follows:

| | Base salary | Short-term variable | Long-term variable | Total |
|---|---|---|---|---|
| Chief Executive Officer | 38% | 26% | 36% | 100% |
| Chief Financial Officer | 24% | 17% | 59% | 100% |

The total compensation has a relatively strong focus on long-term remuneration, which reflects the importance of alignment with the long-term strategy and long-term value creation of the Company and with shareholder interests.

## Fixed remuneration

In accordance with the remuneration policy for the Executive Board, the Supervisory Board reviews the base salaries of Executive Board members annually. This process includes benchmarking against the labour market reference group, assessing market trends, evaluating salary increases for employees, and considering other relevant factors deemed appropriate.

The Supervisory Board ensures that the increase in base salaries for Executive Board members does not exceed the average salary increase for employees, except when justified by the results of the benchmarking exercise. This approach maintains alignment with market competitiveness and internal equity, while ensuring transparency and fairness in compensation decisions.

In 2024, the Supervisory Board decided to increase the base salaries for the Executive Board by 5%, which is in line with the remuneration policy for the Executive Board.

2 Percentages mentioned are base salary, the at target STI and the at target LTI as a % of Total Direct Compensation.

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| Executive Board member | 2024 annual fixed remuneration |
|---|---|
| CEO (A. Brookes) | €736,000 |
| CFO (V. Duperat-Vergne) | €529,000 |

The Supervisory Board decided to increase the base salaries for the Executive Board by 4.62%, applicable in 2025, which is in line with the remuneration policy for the Executive Board.

| Executive Board member | 2025 annual fixed remuneration |
|---|---|
| CEO (A. Brookes) | €770,000 |
| CFO (V. Duperat-Vergne) | €553,440 |

## Short-term variable remuneration

The short-term variable compensation incentivizes the Executive Board to create focus and to achieve specific short-term objectives. According to the current remuneration policy for the Executive Board, this compensation is expressed as a percentage of the annual base salary, ranging from 0% to a maximum of 102%, with a target level set at 60%.

The short-term variable compensation is paid in cash, in March of the year following the performance period. This structure ensures alignment between performance outcomes and executive rewards, promoting accountability and focus on annual organizational goals.

The free cash flow target serves as a threshold that should be met to be entitled to any pay out under the STI component. For performance that falls between the threshold and target or between the target and maximum levels, payouts are determined using a linear calculation method.

**Performance criteria STI**

To support the Company's strategy, the criteria for the short-term variable compensation are linked to the strategy and are partly financial and partly non-financial. Based on the annual priorities of the Company, the Supervisory Board determines the performance criteria applicable to the short-term variable compensation before the start of the performance period.

In line with the remuneration policy for the Executive Board, the Supervisory Board will select from the following performance criteria:

**1. Financial criteria (minimum 60% weighting):**

- Profit/margin
- Revenue/growth
- Cash flow
- Capital return measures (such as ROA, ROE, ROIC)
- Economic/market value-added measures

**2. Non-financial criteria:**

- Customer results (e.g. net promoter score)
- People and organization (e.g. employee engagement, voluntary turnover)
- Sustainability (e.g. carbon footprint reduction)
- Individual non-financial criterion (e.g. measuring the success of the implementation of the strategy)

The targets (threshold, target and maximum) for each of the performance criteria will be determined annually by the Supervisory Board.

The Supervisory Board has the discretion to make adjustments, for example to account for unforeseen events that were outside of management's control.

For performance year 2024, the Supervisory Board selected the following three financial performance criteria for the short-term variable remuneration of the members of the Executive Board:

- Operating EBITA (%)
- Free cash flow
- Net order intake Key Clients

In addition, considering the strategic importance of a diverse workforce, the Supervisory Board selected women participation rate as one of two non-financial criteria. The selection of women participation rate is in line with our Capital Markets Day targets as part of the 2024 - 2026 strategy cycle.

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Finally, the Supervisory Board decided to continue to set individual (non-financial) criteria to measure the success of the implementation of the 2024-2026 strategy. For each member of the Executive Board an individual target applied in line with their respective roles in the implementation of the strategy. The target for the CEO was to create a high-performing ELT and lead the strategy for Investors and People. The target for the CFO was to lead the financial management to plan and report on the strategy levers to advise the ELT/SB.

In 2024, the performance of the company against each of the targets set was as follows (whereby the weighting of operating EBITA is 30%, to emphasize the importance of margin improvement in the 2024 - 2026 strategy cycle; the weighting of the individual non-financial criterion is 10%; and the weighting of each of the other three criteria is 20%):

| | | | | Realization | |
|---|---|---|---|---|---|
| Criterion | Threshold | Target | Maximum | amount | percentage |
| Operating EBITA% | 10.4% | 11.0% | 11.5% | 11.5% | 170% |
| Free cash flow (€ million) | 165 | 220 | 275 | 228 | 110% |
| Net order intake Key Clients (€ million) | 2,053 | 2,281 | 2,509 | 2,632 | 170% |
| ESG target: Gender diversity | + 0.4% | + 0.6% | + 0.8% | + 0.9% | 170% |

The realization on the individual non-financial criteria linked to implementation of the strategy was assessed by the Supervisory Board at 150% for both the CEO as well as the CFO. As this component is weighted 10% of the at target bonus opportunity of 60% of base salary, the pay out under this component is 9% of base salary.

This performance leads to the following payout over financial year 2024:

| | | | Realization (as percentage of Annual Base Salary) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name | Annual Base Salary (€) | STI target % | Operating EBITA% | Free cash flow | Net Order Intake Key Client | ESG target: Gender diversity | Individual non-financial criterion | Total | Payout (€) |
| CEO (A. Brookes) | 736,000 | 60% | 30.6% | 13.2% | 20.4% | 20.4% | 9.0% | 93.6% | 689,064 |
| CFO (V. Duperat-Vergne) | 529,000 | 60% | 30.6% | 13.2% | 20.4% | 20.4% | 9.0% | 93.6% | 495,265 |

| | | | Realization (as percentage of target) | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name | Annual Base Salary (€) | STI target % | Operating EBITA% | Free cash flow | Net Order Intake Key Client | ESG target: Gender diversity | Individual non-financial criterion | Total | Payout (€) |
| CEO (A. Brookes) | 736,000 | 60% | 170% | 110% | 170% | 170% | 150% | 156% | 689,064 |
| CFO (V. Duperat-Vergne) | 529,000 | 60% | 170% | 110% | 170% | 170% | 150% | 156% | 495,265 |

For 2025, the Supervisory Board decided to make use of the same performance criteria for short-term variable remuneration as used in 2024. Actual targets will be disclosed in the 2025 remuneration report.

## Long-term variable remuneration

The long-term variable remuneration aims to align the interests of the members of the Executive Board with long-term value creation and shareholders' interests. Under the remuneration policy, members of the Executive Board receive performance shares annually. These performance shares vest after three years. An additional holding requirement of two years after vesting applies. Furthermore, members of the Executive Board are only allowed to sell shares if the following share ownership thresholds are met: a value equal to 300% of the annual base salary for the CEO and 200% of the annual base salary for the CFO. A buildup period of five years applies from the vesting date of the first LTI grant received in their capacity as an Executive Board member. All shares obtained by means of compensation are held until the required ownership level is reached, except for shares sold to cover taxes due on the date of vesting, if any.

The value of the annual award is determined by a percentage of fixed remuneration. The actual grant is determined by the value divided by the applicable volume-weighted average price ('VWAP').[1]

1 For the 2024 grant, the VWAP was based on the average share price of five days prior to the actual grant date.

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In 2024, the General Meeting approved an increase in the value of the annual award under LTI to 120% of base salary for both the CEO and the CFO. The maximum potential number of shares that can vest is capped at 198% of the number of shares granted.

This adjustment reflects the organization's commitment to maintaining competitive remuneration practices, aligned with market benchmarks and designed to attract and retain top executive talent while incentivizing high performance.

In 2024, the members of the Executive Board received the following grants:

| | % of fixed remuneration | Grant value (in €) | VWAP (in €) | Number of shares | Fair value (in €) | Total IFRS grant value (in €) |
|---|---|---|---|---|---|---|
| CEO (A. Brookes) | 120% | 883,240 | 60.50 | 14,599 | 60.75 | 869,516 |
| CFO (V. Duperat-Vergne) | 120% | 634,827 | 60.50 | 10,493 | 60.75 | 624,963 |

**Performance criteria for long-term variable remuneration**

In order to support the three strategic pillars of the strategy, the performance criteria are:

- Total shareholder return
- Earnings per share
- Sustainability

Each parameter is weighted 33.33%.

**Performance criterion one: total shareholder return**

The vesting percentage of the performance shares is conditional upon the achievement of performance measured as relative total shareholder return ('TSR'), which is defined as share price movements including dividends, assuming dividends reinvested.

The TSR performance of Arcadis is measured against the performance of direct competitors.

The current TSR group is as follows:

| TSR peer group | | |
|---|---|---|
| Arcadis (NL) | AF Pöyry (FIN) | Stantec (CAN) |
| AECOM (USA) | Spie (FR) | Alten (FR) |
| NV5 (US) | Atkins Realis (CAN) | Worley (AUS) |
| Fugro (NL) | Sweco (SE) | WSP Global (CAN) |
| Jacobs Solutions (USA) | Tetra Tech (USA) | |

The position of Arcadis within the peer group, after three years, determines the final number of performance shares that vest and become unconditional, in accordance with the following table:

| Ranking | 14 - 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|---|---|---|---|---|---|---|---|---|
| Vesting % | 0% | 50% | 75% | 100% | 125% | 150% | 175% | 200% |

**Performance criterion two: earnings per share**

Earnings per share ('EPS') is calculated by applying the simple point-to-point[1] method at the end of the period. EPS is disclosed in our consolidated financial statement and is calculated by dividing the net income from operations by the weighted average number of shares outstanding during the period, excluding ordinary shares purchased by the Company and held as treasury shares (i.e. shares purchased to cover share/option plans). Earnings are adjusted for changes in accounting principles during the performance period. The Supervisory Board has the discretion to include other adjustments, for example, to account for events that were not planned when targets were set or were outside of management's control.

The EPS growth target, threshold and maximum are set annually by the Supervisory Board. Given that these targets are commercially sensitive, EPS targets and the achieved performance are published in the Annual Report after the relevant performance period.

1 % growth from t0 to tx, divided by # years.

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The following performance incentive zones will be used to define the vesting for this part of the conditional grant:

| | < Threshold | Threshold | Target | Maximum |
|---|---|---|---|---|
| EPS | 0 | 50% | 100% | 150% |

**Performance criterion three: sustainability**

For LTI grants made as of 2024, the sustainability target is measured by the percentage of scope 1 + scope 2 (market based) + business travel greenhouse gas (GHG) emissions reduction compared to the 2019 baseline GHG emissions. This replaces the sustainability score approach encompassing wide range of ESG performance objectives followed in the prior years. These targets are aligned with Arcadis' near-term and net-zero targets as submitted to the Science Based Targets initiative for approval in January 2024. Arcadis measures its carbon footprint using the GHG protocol semi-annually and reports its carbon footprint annually in the Annual Integrated Report.

The following performance incentive zones and targets will be used to define the vesting for this part of the conditional grant:

| | < Threshold | Threshold | Target | Maximum |
|---|---|---|---|---|
| Total percent reduction GHG emissions scope 1 + scope 2 (market based) + business travel | 0 | 50% | 100% | 150% |
| Target performance period 2024 - 2026 [1] | | 45% | 50% | 55% |

[1] GHG emissions reduction percentage will be calculated based on a comparison of year end 2026 GHG emissions to 2019 baseline GHG emissions. See page 95 for further information on GHG emissions.

During the Capital Markets Day in November 2023, Arcadis announced its targets in line with its ambition to achieve net-zero across its value chain in 2035:

- 70% reduction in absolute scope 1 and 2 emissions by 2026 compared to 2019 baseline emissions
- 45% reduction in absolute scope 3 emissions by 2029 compared to 2019 baseline emissions

**Shares held by members of the Executive Board**

In 2024, the aggregate numbers of conditional performance shares held by members of the Executive Board are as per below. The Executive board members did not hold any stock options in 2024.

| Number of conditional (performance) shares Arcadis NV | 31 December 2024 | 31 December 2023 |
|---|---|---|
| CEO (A. Brookes) | 46,072 | 39,176 |
| CFO (V. Duperat-Vergne) | 36,398 | 41,981 |

## Vested shares

For LTI grants made in 2021 - 2023, the sustainability target is measured by reference to the 'management score' applied to the Company by Sustainalytics, a leading independent global Environmental, Social and Governmental ratings firm. Sustainalytics analyzes and rates the performance of 16,000+ companies globally across 138 classifications. The analysis is made by looking at and weighting the core and sub-industry specific metrics to determine the overall ESG performance.

**Performance shares vested in 2024**

Over the performance period 2021 – 2023, the performance criteria TSR, EPS and Sustainalytics were used.

The realization on these performance criteria was:

| | | | | | Realization | |
|---|---|---|---|---|---|---|
| Criterion | Weight | Threshold | Target | Max | Value | Percentage |
| Total shareholder return | 33% | Rank 7 | Rank 5 | Rank 1 | Rank 5 | 100% |
| Earnings per share growth | 33% | 7.83% | 9.22% | 10.60% | 19.00% | 150% |
| Sustainalytics | 33% | 76.3 | 78.2 | 80.3 | 80.3 | 150% |
| Overall | 100% | | | | | 133% |

As a result of the realization, the following number of shares were vested in 2024 per the vesting date.

| # shares | 2021 grant | 2024 vesting |
|---|---|---|
| CEO (A. Brookes) | 7,703 | 10,245 |
| CFO (V. Duperat-Vergne) | 16,076 | 21,381 |

### Performance shares to vest in 2025

Over the performance period 2022 – 2024, the performance criteria TSR, EPS and Sustainalytics were used.

The realization on these performance criteria was:

| | | | | | Realization | |
|---|---|---|---|---|---|---|
| Criterion | Weight | Threshold | Target | Max | Amount | Percentage |
| Total Shareholder Return | 33% | Rank 7 | Rank 5 | Rank 1 | Rank 4 | 125.0% |
| Earnings per share growth | 33% | 1.69% | 1.98% | 2.28% | 15.20% | 150.0% |
| Sustainalytics | 33% | 80.6 | 81.6 | 82.6 | 81.8 | 110.0% |
| Overall | 100% | | | | | 128.3% |

As a result of the realization, the following number of shares will vest in 2025:

| # shares | 2022 grant | 2025 vesting |
|---|---|---|
| CEO (A. Brookes) | 12,192 | 15,642 |
| CFO (V. Duperat-Vergne) | 13,303 | 17,068 |

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## Total remuneration

The total remuneration of the Executive Board members over 2024 and 2023 (in €1,000):

| Name of Director | Reporting year | 1. Fixed remuneration | | 2. Variable remuneration | | 3. Extraordinary items | 4. Pension expenses | 5. Total remuneration | 6. Proportion of fixed and variable remuneration | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Base salary | Fringe benefits | One-year variable | Multi-year variable | | | | Fixed | Variable |
| A. Brookes[1] | 2023 | 580 | 78 | - | - | n/a | n/a | 658 | 100% | 0% |
| based on due | 2024 | 727 | 639 | 510 | 689 | 1134 | n/a | 3,700 | 53% | 47% |
| A. Brookes | 2023 | 569 | 89 | 319 | 436 | n/a | n/a | 1,413 | 47% | 53% |
| based on IFRS | 2024 | 903 | 463 | 689 | 665 | n/a | n/a | 2,720 | 50% | 50% |
| V. Duperat-Vergne | 2023 | 574 | 280 | 372 | 370 | n/a | 21 | 1,617 | 53% | 47% |
| based on due | 2024 | 597 | 636 | 362 | 1,278 | n/a | 21 | 2,894 | 43% | 57% |
| V. Duperat-Vergne | 2023 | 574 | 280 | 362 | 507 | n/a | 21 | 1,743 | 50% | 50% |
| based on IFRS | 2024 | 597 | 636 | 495 | 617 | n/a | 21 | 2,366 | 52% | 48% |

[1] A recent tax legislation change relating to the timing of tax in restricted share units in the UK has resulted in an additional tax liability of €1.2 million on the shares vested in 2023 and prior years for Mr. Brookes (in relation to his previous role as Arcadis LLP member in the UK). As a result, the Company paid NI contribution amounting to €0.3 million in 2024 and this is presented as fringe benefits.

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An overview of the company's performance, the annual change in remuneration of the Executive Board members, the average remuneration on a full-time equivalent basis of employees of the company and the annual change in remuneration of the Supervisory Board members is as follows:

| | 2024 | | 2023 | | 2022 | | 2021 | | 2020 | | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | actual | change (%) | actual | change (%) | actual | change (%) | actual | change (%) | actual | change (%) | actual |
| Operating EBITA margin (%) | 11.50% | 11% | 10.40% | 6% | 9.80% | 2% | 9.60% | 5% | 9.10% | 11% | 8.20% |
| Free Cash Flow (in € millions) | 228 | 4% | 220 | 27% | 173 | -26% | 234 | -28% | 324 | 234% | 97 |
| Organic net revenue growth % (net revenue in %) | 4.50% | -4.50% | 9.00% | 0.10% | 8.90% | 4.70% | 4.20% | 5.70% | -1.50% | -4.60% | 3.10% |
| TSR (index 2017 = 100) | 159 | -65% | 458 | 33% | 344 | -13% | 396 | 56% | 254 | 30% | 195 |
| Sustainalytics | 81.8 | 2% | 80.3 | 0% | 80 | 0% | 80 | 3% | 78 | 7% | 73 |
| Average remuneration employees (€ thousands) | 88 | 1% | 87 | 13% | 77 | 8% | 71 | 0% | 71 | -7% | 76 |
| CEO (€ thousands) | 3,879 | -1% | 3,910 | -6% | 4,538 | 227% | 1,386 | -39% | 2,273 | 78% | 1,275 |
| CFO (€ thousands)[1] | 3,027 | 88% | 1,607 | 33% | 1,220 | 11% | 1,102 | 45% | 762 | -13% | 879 |
| **Supervisory Board** | | | | | | | | | | | |
| Carla Mahieu (€ thousands) | 72 | 6% | 68 | 0% | 68 | 49% | 46 | - | - | - | - |
| Barbara Duganier[2] (€ thousands) | 91 | 54% | 59 | - | - | - | - | - | - | - | - |
| Deanna Goodwin (€ thousands) | 99 | 13% | 88 | -3% | 91 | 26% | 72 | 4% | 69 | -14% | 80 |
| Linda Morant[3] (€ thousands) | 87 | 1350% | 6 | - | - | - | - | - | - | - | - |
| Michael Putnam (€ thousands) | 89 | 6% | 84 | 3% | 82 | 10% | 74 | 7% | 69 | -14% | 80 |
| Michiel Lap (€ thousands) | 122 | 5% | 116 | 14% | 101 | 44% | 70 | 3% | 68 | -15% | 80 |
| Niek Hoek[4] (€ thousands) | - | - | 26 | -68% | 83 | -19% | 103 | 5% | 98 | -6% | 104 |
| Peter de Wit[5] (€ thousands) | 77 | - | 0 | - | - | - | - | - | - | - | - |
| Wee Gee Ang[6] (€ thousands) | - | - | 32 | -59% | 77 | 18% | 65 | -1% | 66 | -22% | 84 |
| Ruth Markland[7] (€ thousands) | - | - | - | - | - | - | 22 | -67% | 67 | -13% | 77 |
| Maarten Schonfeld[8] (€ thousands) | - | - | - | - | - | - | - | - | 23 | -68% | 72 |

[1] The increase in total CFO remuneration as compared to 2023 is due to the lower number of performance shares awarded in 2020 and vested in 2023 as the CFO joined the Company in September 2020.

[2] In the Supervisory Board since 12 May 2023

[3] In the Supervisory Board since 13 December 2023

[4] In the Supervisory Board until 12 May 2023

[5] In the Supervisory Board since 13 December 2023. Pursuant to his employment arrangement with McKinsey in the Netherlands, which terminated on 31 March 2024, until the end of his employment at McKinsey, any remuneration due to Mr. Peter de Wit for services rendered in his capacity of member of the Supervisory Board of Arcadis N.V., shall be donated to charity. Arcadis has donated the full amount due to Mr. de Wit over Q1 2024 (€18,250) to a charity of its choice.

[6] In the Supervisory Board until 12 May 2023

[7] In the Supervisory Board until 29 April 2021

[8] In the Supervisory Board until 6 May 2020

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## Retirement and other benefits, contracts

### Retirement benefits

In 2024, the CFO participated in the Arcadis Netherlands Pension Plan. This is a collective defined contribution plan. The contribution from the participants is 6.64% of the pensionable salary (annual base salary minus offset, €17,545 in 2024) for the salary part below €137,800 (maximum pensionable salary in 2024 under Dutch tax legislation). Executive Board members participating in the Arcadis Netherlands Pension Plan also receive an annual cash allowance in line with legislation in the Netherlands for the salary above €137,800. The participation of the Executive Board members is aligned with the arrangement for employees in The Netherlands. The Supervisory Board decided to grant the CEO a cash allowance in lieu of participation in the Arcadis Netherlands Pension Plan.

### Other benefits

Executive Board members receive customary fringe benefits, including the use of a company car or a mobility allowance. In line with best practice, the company provides benefits which the Supervisory Board considers appropriate.

### Management agreements and severance pay

All Executive Board members work for Arcadis N.V. under a management agreement: Mr. A. Brookes (appointed in 2023) has a four-year term until the annual General Meeting in 2027 and Mrs. V. Duperat-Vergne (appointed in 2020 and re-appointed in 2024) has a four-year term until the annual General Meeting in 2028. They may be entitled to a severance pay with a maximum of one year's base salary. They will not be entitled to severance pay in case their management agreement is not renewed after the agreement has expired. Management agreements with Executive Board members do not contain provisions on severance payments in case of termination resulting from a change in control.

## Other elements of the Remuneration Policy

The Dutch Corporate Governance Code contains additional best practices regarding executive remuneration. Based on the advice of the RemCo, the Supervisory Board is satisfied that it has complied with these additional best practices in 2024. Before setting proposed targets for Supervisory Board approval, the RemCo carried out scenario analyses of the possible financial outcomes of meeting target levels, as well as maximum performance levels, and how they may affect the level and structure of the total remuneration of the members of the Executive Board.

The Company has not granted any loans, advances or guarantees to Executive Board members. The articles of association of Arcadis N.V. provide current and former Executive Board members with an indemnification for all costs and expenses arising from and against any claim, action or lawsuit related to actions and/or omissions in their function as Executive Board member.

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# Supervisory Board remuneration

The remuneration of the members of the Supervisory Board consists of a fixed fee and a travel fee. Given the nature of the responsibilities of the Supervisory Board, the remuneration is not tied to the performance of the Company and therefore consists of fixed compensation only. In line with the Dutch Corporate Governance Code, the members of the Supervisory Board are not rewarded in equity-based compensation.

The current remuneration policy for the Supervisory Board was adopted in 2024, based on a benchmark analysis by an external advisor of remuneration at Dutch-headquartered companies with significant international activities.

The remuneration of the Supervisory Board members is as follows:

| In € | Chair | Member |
|---|---|---|
| Annual fixed remuneration SB | 95,000 | 60,000 |
| Membership AARC | 12,000 | 8,000 |
| Membership ASC and/or RemCo | 10,000 | 8,000 |
| Membership SusCo | 10,000 | 8,000 |
| Membership other committees (if any) | 10,000 | 8,000 |

Supervisory Board members receive a travel fee of €2,500 for every visit for meetings that take place outside of their country of domicile and that does not involve intercontinental travel, or €4,000 for every visit for meetings that require intercontinental travel. No travel fee is paid if the meeting takes place in the country of domicile of the Supervisory Board member.

As is deemed necessary, the Supervisory Board may decide to introduce additional committees. Members of the Supervisory Board participating in more than two committees will only be compensated for their membership of the two committees with the highest fees. The combined membership of the RemCo and ASC is considered one committee membership for the purpose of remuneration.

Possible share ownership of Arcadis shares by a Supervisory Board member is meant as private investment.

## Total remuneration

The total remuneration of the Supervisory Board members over 2024 was as follows:

| In € | C. Mahieu | B. Duganier | D. Goodwin | L. Morant | M. Putnam | M. Lap | P. de Wit[1] |
|---|---|---|---|---|---|---|---|
| SB membership | 59,290 | 59,290 | 59,290 | 59,290 | 59,290 | 91,452 | 59,290 |
| Committee membership | 10,000 | 15,290 | 19,290 | 14,935 | 17,350 | 18,000 | 15,645 |
| Attendance fee | 2,500 | 16,000 | 20,000 | 12,500 | 12,500 | 12,500 | 2,500 |
| **Total** | **71,790** | **90,580** | **98,580** | **86,725** | **89,140** | **121,952** | **77,435** |

[1] Pursuant to his employment arrangement with McKinsey in the Netherlands, which terminated on 31 March 2024, until the end of his employment at McKinsey, any remuneration due to Mr. Peter de Wit for services rendered in his capacity as a member of the Supervisory Board of Arcadis N.V., shall be donated to charity. Arcadis has donated the full amount due to Mr. de Wit over Q1 2024 (€18,250) to a charity of its choice.

## Other information

The Company has not granted any loans, advances or guarantees to Supervisory Board members. The articles of association of Arcadis N.V. provide current and former Supervisory Board members with an indemnification for all costs and expenses arising from and against any claim, action or lawsuit related to actions and/or omissions in their function as a Supervisory Board member.

On behalf of the Arcadis Remuneration Committee

**Carla Mahieu, Chair**

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# Financial statements

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# Consolidated Income statement

for the year ended 31 December

| In € millions | Note | 2024 | 2023 |
|---|---|---|---|
| **Gross revenues** | 7 | **4,995** | **5,003** |
| Materials, services of third parties and subcontractors | | (1,115) | (1,244) |
| **Net revenues**[1] | | **3,880** | **3,759** |
| Personnel costs | 9, 10 | (2,988) | (2,944) |
| Other operations costs | 9 | (371) | (364) |
| Depreciation and amortization | 14,15,16 | (111) | (114) |
| Amortization other intangible assets | 14 | (29) | (59) |
| Other income | 8 | 8 | 6 |
| **Total Operational costs** | | **(3,491)** | **(3,475)** |
| **Operating income** | | **389** | **284** |
| Finance income[2] | 11 | 8 | 5 |
| Finance expenses[2] | 11 | (72) | (61) |
| Fair value change of derivatives | 11,19 | 11 | (9) |
| **Net finance expense** | 11 | **(53)** | **(65)** |
| Result from investments accounted for using the equity method | 17 | 3 | 4 |
| **Profit before income tax** | | **339** | **223** |
| Income taxes | 12 | (97) | (63) |
| **Result for the period** | | **242** | **160** |
| **Result attributable to:** | | | |
| Equity holders of the Company (net income) | | 243 | 160 |
| Non-controlling interests | | (1) | (0) |
| **Result for the period** | | **242** | **160** |
| **Earnings per share (in €)** | | | |
| Basic earnings per share | 13 | 2.70 | 1.78 |
| Diluted earnings per share | 13 | 2.70 | 1.78 |

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis and to reconciliation tables on pages 336 to 339

[2] See note 11 for more details.

The notes on pages 235 to 300 are an integral part of these Consolidated financial statements

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# Consolidated Statement of comprehensive income

for the year ended 31 December

| In € millions | 2024 | 2023 |
|---|---|---|
| **Other comprehensive income, net of income tax** | | |
| **Result for the period** | 242 | 160 |
| **Items that may be subsequently reclassified to profit or loss:** | | |
| Exchange rate differences for foreign operations | 48 | (28) |
| *Reclassification in income statement* | (3) | 0 |
| *Changes in other comprehensive income* | 51 | (29) |
| Exchange rate differences for equity accounted investees | 0 | (0) |
| Effective portion of changes in fair value of cash flow hedges | 0 | (2) |
| **Items that will not be reclassified to profit or loss:** | | |
| Changes related to post-employment benefit obligations | (3) | (2) |
| Taxes related to remeasurements on post-employment benefit obligations | 1 | 0 |
| **Other comprehensive income, net of income tax** | **46** | **(32)** |
| **Total Comprehensive income for the period** | **288** | **128** |
| **Total comprehensive income attributable to:** | | |
| Equity holders of the Company | 289 | 128 |
| Non-controlling interests | (1) | (0) |
| **Total Comprehensive income for the period** | **288** | **128** |

## Non-GAAP performance measure

| In € millions | Note | 2024 | 2023 |
|---|---|---|---|
| **Net income from operations[1]** | | | |
| Result for the period attributable to equity holders (net income) | | 243 | 160 |
| Amortization identifiable intangible assets, net of taxes | | 22 | 45 |
| Disposal and M&A costs, net result from divestments | | (0) | 10 |
| Integration costs | | 5 | 11 |
| Charitable donations | 37 | - | 0 |
| **Net income from operations** | | **270** | **226** |
| **Net income from operations per share[1] (in €)** | | | |
| Basic earnings per share | 13 | 3.00 | 2.51 |
| Diluted earnings per share | 13 | 3.00 | 2.51 |

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis and to reconciliation tables on pages 336 to 339

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# Consolidated Balance sheet

as at 31 December

| In € millions | Note | 2024 31 December | 2023 31 December |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets and goodwill | 14 | 1,506 | 1,505 |
| Property, plant and equipment | 15 | 103 | 102 |
| Right-of-use assets | 16 | 228 | 249 |
| Investments accounted for using the equity method | 17 | 11 | 11 |
| Other investments | 18 | 4 | 4 |
| Deferred tax assets | 12 | 107 | 80 |
| Pension assets for funded schemes in surplus | 27 | 18 | 15 |
| Other non-current assets | 20 | 9 | 20 |
| **Total Non-current assets** | | **1,986** | **1,986** |
| **Current assets** | | | |
| Inventories | | 0 | 0 |
| Derivatives | 19 | 10 | 8 |
| Trade receivables | 21 | 761 | 731 |
| Contract assets (unbilled receivables) | 22 | 619 | 580 |
| Corporate tax receivables | 12 | 51 | 83 |
| Other current assets | 23 | 101 | 101 |
| Cash and cash equivalents | 24 | 376 | 290 |
| **Total Current assets** | | **1,918** | **1,793** |
| **Total Assets** | | **3,904** | **3,779** |

| In € millions | Note | 2024 31 December | 2023 31 December |
|---|---|---|---|
| **Equity & liabilities** | | | |
| Shareholders' equity | | | |
| **Total Equity attributable to equity holders of the Company** | 25,45 | **1,233** | **1,063** |
| Non-controlling interests | 26 | (3) | (2) |
| **Total Equity** | | **1,230** | **1,061** |
| **Non-current liabilities** | | | |
| Provisions for employee benefits | 27 | 27 | 40 |
| Provisions for other liabilities and charges | 28 | 50 | 51 |
| Deferred tax liabilities | 12 | 63 | 53 |
| Loans and borrowings | 29 | 772 | 871 |
| Lease liabilities | 16 | 192 | 211 |
| Derivatives | 19 | 1 | 2 |
| **Total Non-current liabilities** | | **1,105** | **1,228** |
| **Current liabilities** | | | |
| Contract liabilities (billing in excess of revenue) | 22 | 516 | 503 |
| Provision for onerous contracts (loss provisions) | 22 | 13 | 13 |
| Current portion of provisions | 27,28 | 13 | 17 |
| Corporate tax liabilities | 12 | 57 | 67 |
| Current portion of loans and short-term borrowings | 29 | 81 | - |
| Current portion of lease liabilities | 16 | 70 | 70 |
| Derivatives | 19 | 8 | 9 |
| Bank overdrafts | 24 | 1 | 10 |
| Accounts payable, accrued expenses and other current liabilities | 30 | 810 | 801 |
| **Total Current liabilities** | | **1,569** | **1,490** |
| **Total Liabilities** | | **2,674** | **2,718** |
| **Total Equity and liabilities** | | **3,904** | **3,779** |

# Consolidated Statement of changes in equity

for the year ended 31 December

| | | Attributable to equity holders of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *In € millions* | Note | Share capital | Share premium | Hedge reserve | Translation reserve | Retained earnings | Shareholders' equity | Non-controlling interests | Total equity |
| **Balance at 1 January 2024** | | **2** | **372** | **(1)** | **(117)** | **807** | **1,063** | **(2)** | **1,061** |
| Result for the period | | - | - | - | - | 243 | 243 | (1) | 242 |
| Other comprehensive income: | | - | - | 0 | 48 | (2) | 46 | - | 46 |
| **Total comprehensive income for the period** | | **-** | **-** | **-** | **48** | **241** | **289** | **(1)** | **288** |
| Transactions with owners of the Company: | | | | | | | | | |
| Acquisitions and transactions with non-controlling interests | 26 | - | - | (0) | 0 | - | - | 0 | - |
| Dividends to shareholders | 25 | - | - | - | - | (76) | (76) | - | (76) |
| Issuance of shares | 25 | - | - | - | - | - | - | - | - |
| Share-based compensation | 10 | - | - | - | - | 8 | 8 | - | 8 |
| Taxes related to share-based compensation | 12 | - | - | - | - | - | - | - | - |
| Purchase of own shares | 25 | - | - | - | - | (51) | (51) | - | (51) |
| Share options exercised | 25 | - | - | - | - | - | - | - | - |
| **Total transactions with owners of the Company** | | **-** | **-** | **-** | **-** | **(119)** | **(119)** | **-** | **(119)** |
| **Balance at 31 December 2024** | | **2** | **372** | **(1)** | **(69)** | **929** | **1,233** | **(3)** | **1,230** |

| | | Attributable to equity holders of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *In € millions* | Note | Share capital | Share premium | Hedge reserve | Translation reserve | Retained earnings | Shareholders' equity | Non-controlling interests | Total equity |
| **Balance at 1 January 2023** | | **2** | **372** | **1** | **(88)** | **708** | **995** | **(2)** | **993** |
| Result for the period | | - | - | - | - | 160 | 160 | (0) | 160 |
| Other comprehensive income: | | - | - | (2) | (28) | (2) | (32) | 0 | (32) |
| **Total comprehensive income for the period** | | **-** | **-** | **(2)** | **(28)** | **158** | **128** | **(0)** | **128** |
| Transactions with owners of the Company: | | | | | | | | | |
| Acquisitions and transactions with non-controlling interests | 26 | - | - | - | - | - | - | - | - |
| Dividends to shareholders | 25 | - | - | - | - | (66) | (66) | - | (66) |
| Issuance of shares | 25 | - | - | - | - | - | - | - | - |
| Share-based compensation | 10 | - | - | - | - | 6 | 6 | - | 6 |
| Taxes related to share-based compensation | 12 | - | - | - | - | - | - | - | - |
| Purchase of own shares | 25 | - | - | - | - | - | - | - | - |
| Share options exercised | 25 | - | - | - | - | 1 | 1 | - | 1 |
| **Total transactions with owners of the Company** | | **-** | **-** | **-** | **-** | **(60)** | **(60)** | **-** | **(60)** |
| **Balance at 31 December 2023** | | **2** | **372** | **(1)** | **(117)** | **807** | **1,063** | **(2)** | **1,061** |

# Consolidated Cash flow Statement

for the year ended 31 December

| *In € millions* | Note | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Result for the period** | | **242** | **160** |
| Adjustments for: | | | |
| Depreciation and amortization | 14,15,16 | 111 | 114 |
| Amortization other identifiable intangible assets | 14 | 29 | 59 |
| Income taxes | 12 | 97 | 63 |
| Net finance expense | 11 | 53 | 65 |
| Result from Investments accounted for using the equity method | 17 | (3) | (4) |
| **Adjusted profit for the period (EBITDA)[1]** | | **529** | **458** |
| Change in Inventories | | 0 | 0 |
| Change in Contract assets and liabilities, provision for onerous contracts | | (20) | 51 |
| Change in Trade receivables | | (12) | (10) |
| Change in Accounts payable | | (21) | (40) |
| **Change in Net working capital** | | **(53)** | **1** |
| Change in Other receivables | | 14 | (51) |
| Change in Current liabilities | | 6 | 41 |
| **Change in Other working capital** | | **20** | **(10)** |
| Change in Provisions | 27,28 | (15) | 3 |
| Share-based compensation | 10 | 8 | 6 |
| (Gain)/ loss on divestments | 8 | (2) | 2 |
| Result on derecognition of leases | | (0) | (0) |
| Change in operational derivatives | | (1) | (0) |
| Settlement of operational derivatives | | - | 1 |
| Dividend received | | 3 | 4 |
| Interest received[2] | | 8 | 2 |
| Interest paid[2] | | (52) | (28) |
| Corporate tax paid | | (95) | (131) |
| **Net cash generated from operating activities** | | **350** | **309** |

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis and to reconciliation tables on pages 336 to 339

[2] See note 11 for more details.

| *In € millions* | Note | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Investments in (in)tangible assets | 14,15 | (45) | (41) |
| Proceeds from sale of (in)tangible assets/ reversal of non-cash items | | 0 | 1 |
| Investments in consolidated companies | 6 | (2) | (3) |
| Proceeds from sale of consolidated companies | 6 | 1 | 7 |
| Investments in/ loans to associates and joint ventures | 17 | (0) | (0) |
| Proceeds from (sale of) associates and joint ventures | 17 | 0 | - |
| Investments in other non-current assets and other investments | 18,20 | (2) | (5) |
| Proceeds from (sale of) other non-current assets and other investments | 18,20 | 2 | 4 |
| **Net cash used in investing activities** | | **(46)** | **(37)** |
| **Cash flows from financing activities** | | | |
| Proceeds from exercise of options | 10,25 | - | 1 |
| Purchase of own shares | 25 | (51) | - |
| Settlement of financing derivatives | 19 | 9 | (12) |
| New long-term loans and borrowings | 29 | 95 | 719 |
| Repayment of long-term loans and borrowings | 29 | (116) | (806) |
| New short-term borrowings | 29 | 60 | - |
| Repayment of short-term borrowings | 29 | (60) | - |
| Payment of lease liabilities | 16 | (78) | (79) |
| Dividends paid to shareholders | | (76) | (66) |
| **Net cash used in financing activities** | | **(218)** | **(245)** |
| **Net change in Cash and cash equivalents less Bank overdrafts** | | **86** | **28** |
| Exchange rate differences | | 9 | (6) |
| Cash and cash equivalents less Bank overdrafts at 1 January | | 280 | 258 |
| **Cash and cash equivalents less Bank overdrafts at 31 December** | | **375** | **280** |

# Notes to the consolidated financial statements

## 1 General information

Arcadis N.V. is a public company organized under Dutch law. Its statutory seat is Amsterdam and its principal office is located at:

Gustav Mahlerplein 97
1082 MS Amsterdam
The Netherlands

Arcadis N.V. and its consolidated subsidiaries ('Arcadis', 'the Group' or 'the Company') is a leading global Design & Consultancy firm for natural and built assets. Applying deep market sector insights and collective design, consultancy, engineering, project and management services, the Group works in partnership with clients to deliver exceptional and sustainable outcomes throughout the lifecycle of their natural and built assets.

In accordance with Articles 2:379 and 414 of the Dutch Civil Code, the list of subsidiaries and investments accounted for using the equity method is filed with the Chamber of Commerce in Amsterdam, the Netherlands.

## 2 Basis of preparation

### Statement of compliance

The Consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union and in conformity with Part 9 of Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the Company 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 Consolidated financial statements were authorized for issue by the Executive Board and Supervisory Board on 12 February 2025. The Consolidated financial statements as presented in this Annual Integrated Report are subject to adoption by the General Meeting of Shareholders, to be held on 16 May 2025.

### Basis of measurement

The Consolidated financial statements have been prepared on historical cost basis, except for the following items, which are measured at a different basis on each reporting date:

- derivative financial instruments and share-based compensation arrangements, which are measured at fair value;
- net defined benefit (asset)/liability, which is measured at the fair value of plan assets less the present value of the defined benefit obligation;
- contingent consideration assumed in a business combination, which is measured at fair value; and
- financial assets at fair value through profit or loss, which are measured at fair value.

For more detailed information on the measurement basis, reference is made to the significant accounting policies as included in the relevant notes to the Consolidated financial statements.

### Basis of consolidation

The Consolidated financial statements include the accounts of Arcadis N.V. and its subsidiaries, and the Company's interests in jointly controlled entities and associates. Intra-group balances and transactions, any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated financial statements. Unrealized gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

## Foreign currencies

### Functional and reporting currency

The Consolidated financial statements are presented in euros, which is the Company's functional and reporting currency. The financial statements presentation for the current period has been changed from thousands to millions of euros. It ensures more relevant reporting for the users of the financial statements and aligns with market practice considering the increasing size of the Group operations over the years, especially after major recent acquisitions. Comparative figures have been presented accordingly (rounded up to the nearest whole number) and this does not affect the financial position, financial performance, nor cash flows of the Group.

Amounts in the financial statements are presented as a hyphen ('–') when the amounts reported are nil balances. Amounts shown as zero ('0') represent balances lower than 0.5 million. Items included in the financial information of each of Arcadis' entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). If the functional currency of a (foreign) subsidiary, joint venture or associate is not the euro, foreign currency exchange differences arising from translation are recognized as translation differences in Other comprehensive income and presented in the Translation reserve in equity.

### Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of entities using the foreign exchange rate at transaction date. The functional currency of the foreign entities is in general the local currency. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency of the entity using the exchange rates at the balance sheet date.

Exchange rate differences are included in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

### Foreign operations

The assets and liabilities of foreign operations, including Goodwill and fair value adjustments arising on acquisitions, are translated to euros at exchange rates at the reporting date. The income and expenses of foreign operations are translated into euros using average exchange rates, approximating the foreign exchange rates at transaction date.

Translation differences are recognized in Other comprehensive income and presented in the Translation reserve in Equity. For subsidiaries not wholly owned, the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, in part or in full, the relevant amount in the Translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

## Accounting estimates and management judgements

The preparation of the Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the information disclosed. The most significant accounting estimates and management judgments are related to:

- Segment reporting – see note 5;
- Revenue recognition ('cost to complete') and estimate of the variable consideration – see note 7;
- Deferred tax recognition and uncertain tax treatments – see note 12;
- Goodwill impairment testing and assumptions underlying recoverable amount – see note 14;
- Leases- estimating the incremental borrowing rate – see note 16;
- Recoverability of trade receivables – see note 21;
- Contract assets (unbilled receivables), contract liabilities (billing in excess of revenue) and provisions for onerous contracts – see note 22;
- Provisions for defined benefit pension obligations – see note 27;
- Recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources – see note 28.

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The accounting estimates and judgements in preparing the Consolidated financial statements are explained in the relevant notes to the Consolidated financial statements. In general, the judgements, estimates and assumptions are based on market information, knowledge, historical experience and other factors that management believes to be reasonable under the circumstances. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

## Going concern

Management has assessed the going concern assumption and exercised judgment in making reasonable estimates. Based on the latest available financial (cash flow) forecasts and sensitivity analysis performed, management concluded that there is no material uncertainty related to events and conditions that may cast significant doubt on the Group ability to continue as a going concern.

## Impairment

The carrying amounts of the assets of Arcadis, other than Contract assets and liabilities, Deferred tax assets and Financial instruments, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then the assets recoverable amount is estimated. Goodwill and other assets that have an indefinite useful life are tested annually for impairment, and when an impairment trigger is identified.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to Groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount is the greater of the fair value less costs to sell and value in use. In assessing the value in use, estimated future cash flows are discounted to present values using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount.

Impairment losses are recognized in the income statement. Impairment losses recognized regarding CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss of goodwill is not reversed. Regarding other assets, an impairment loss can be reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## Financial instruments

**Non-derivative financial assets**

Financial assets include trade receivables, other receivables and loans and borrowings. Loans, receivables, and deposits are recognized on the date they are originated. All other financial assets are recognized initially on trade date when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs. The Group classifies its financial assets as those to be measured subsequently at fair value (either through Other comprehensive income or through profit or loss) or those to be measured at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets at initial recognition, based on the business model for managing the assets and the contractual terms of the cash flows, and assesses the designation at each reporting date.

**Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and reported as a net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## Cash flow statement

The Cash flow statement has been prepared using the indirect method. Cash flows in foreign currencies have been translated into euros using average exchange rates, approximating the foreign exchange rate at transaction date. Exchange rate differences on cash items are shown separately in the Cash flow statement. Receipts and payments with respect to income tax and interest are included in the Cash flows from operating activities. The cost of acquisition of subsidiaries, associates and joint ventures, and other investments, insofar as it was paid for in cash, is included in Cash flows from investing activities. Acquisitions or divestments of subsidiaries are presented net of cash balances acquired or disposed of, respectively. Cash flows from derivatives are recognized in the Cash flow statement in the same category as those of the hedged item.

## New standards, interpretations and amendments adopted by the Group

There are no significant changes in accounting policies but several amendments to International Financial Reporting Standards and interpretations became effective for annual periods beginning on or after 1 January 2024. The new amendments do not have a material impact on the Group's financial performance and the financial position for the year ended 2024.

**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

The amendments to IAS 1 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

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments have resulted in additional disclosures in note 29, but does not have an impact on the classification of the Group's liabilities.

**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

**Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

## Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**Lack of exchangeability – Amendments to IAS 21**

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

**IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Group is not a subsidiary as defined in IFRS 10, it is not eligible to elect to apply IFRS 19.

## 3 Change in accounting policies

There are no significant changes in accounting policies adopted during the year ended 31 December 2024.

## 4 Significant events in the current reporting period

The financial position and performance of the Group has been affected by the following events and transactions during the reporting period:

**Arcadis Australia business reorganisation**

Arcadis Australia business announced in 2024 the reorganization of business lines whereby activities will be reported under Mobility GBA (instead of Places, Resilience and Mobility as it was until then). The reporting under the new model will be effective from 1 January 2025.

### IBI debenture early repayment

The debenture of IBI Group of €21 million (CAD 31 million) was repaid on 31 December 2024. The 6.5% debenture originally had a maturity of 31 December 2025 and was listed on the Toronto Stock Exchange. Due to the strong cash position in Arcadis and high interest rates of the debenture, Arcadis management decided to fully repay the remaining principal amount due. See note 29.

### Arcadis share buyback

Arcadis completed share buyback of 810,000 shares for a total consideration of €51 million to cover the Group's existing and expected future obligations under Arcadis' employee incentive plans maturing in the next 3-4 years. This is in line with Arcadis' commitment to avoid shareholder dilution from share-based remunerations. The repurchase of shares commenced on 4 October 2024 and has been completed on 9 December 2024.

## 5 Segment reporting

An operating segment is a component of the Company that engages in business activities that can result in revenue and expenses, including revenues and expenses related to transactions with other components of the same Company.

The operating segment reporting follows the internal reporting used by the Executive Board of the Company, to manage the business, assess the performance based on the available financial information and to allocate the resources.

Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### Reportable segments

The operating segment reporting follows the internal reporting used by the "Chief Operating Decision Maker" ("CODM", being the Executive Leadership Team of the Group), to manage the business, assess the performance based on the available financial information and to allocate resources. The most important performance measures are EBITA (earnings before interest, tax, amortization of identifiable intangible assets, and impairment charges) and operating EBITA, as management believes this is key in evaluating the results of the segments relative to other companies that operate within the same industry. However, the "CODM" also receives information about the segments' net revenue.

Finance expenses, finance income, and fair value change of derivatives are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

The amount of segment assets and liabilities is not disclosed. Segment assets and liabilities are not included in the measures used for allocating resources and assessing segment performance. The Group discloses the goodwill by segment (see note 14) which corresponds to the Groups of CGUs for impairment testing purpose. Hereafter, the Groups of CGU's for the purpose of testing for impairment of goodwill, defined at the level of the operating segments are referred to as the CGU or the CGU's (in case of multiple groups of CGU's).

Therefore, the information used by the 'CODM' to monitor progress, and for decision-making about operational matters is based on the four GBAs.

In accordance with IFRS 8, the Company has the following reportable segments as at 31 December 2024:

| Operating segment | Reportable segment |
|---|---|
| Resilience | Resilience |
| Places | Places |
| Mobility | Mobility |
| Intelligence | Intelligence |

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## Geographical information

| | Net revenues by origin | | Non-current operating assets | |
|---|---|---|---|---|
| *In € millions* | 2024 | 2023 | 2024 | 2023 |
| United States | 1,427 | 1,341 | 105 | 110 |
| Canada | 278 | 263 | 98 | 116 |
| UK & Ireland | 897 | 855 | 147 | 164 |
| Netherlands | 315 | 308 | 41 | 38 |
| Germany | 176 | 156 | 16 | 20 |
| Belgium | 140 | 141 | 17 | 19 |
| Other Europe | 147 | 149 | 11 | 15 |
| Asia & Oceania | 373 | 415 | 47 | 49 |
| Latin America | 127 | 131 | 6 | 7 |
| **Total** | **3,880** | **3,759** | **488** | **538** |

Non-current operating assets consist of property, plant and equipment, right-of-use assets, and intangible assets (excluding Goodwill).

Gross revenues generated in the Netherlands amounted to €387 million in 2024 (2023: €393 million), Net revenues to €315 million (2023: €308 million). Total assets in the Netherlands, including intercompany assets of Arcadis N.V. and its Dutch holdings companies, amounted to €3,126 million (2023: €2,876 million).

## Major customers

The Company has no customers that account for more than 10% of total annual revenues.

| In € millions | Resilience | Places | Mobility | Intelligence | Total segments | Corporate and unallocated amounts | Total consolidated |
|---|---|---|---|---|---|---|---|
| 2024 | | | | | | | |
| **Total gross revenue** | **2,065** | **1,922** | **1,038** | **122** | **5,147** | **-** | **5,147** |
| Inter-segment | (39) | (83) | (24) | (6) | (152) | - | (152) |
| **External gross revenue** | **2,026** | **1,839** | **1,014** | **116** | **4,995** | **-** | **4,995** |
| Materials, services of third parties and subcontractors | (578) | (361) | (153) | (23) | (1,115) | - | (1,115) |
| **Net revenue[1]** | **1,448** | **1,478** | **861** | **93** | **3,880** | **-** | **3,880** |
| Operating costs | (1,222) | (1,311) | (741) | (77) | (3,351) | (8) | (3,359) |
| Other income | 2 | 3 | 2 | 1 | 8 | - | 8 |
| Depreciation and amortization | (40) | (38) | (23) | (10) | (111) | - | (111) |
| **EBITA[1]** | **188** | **132** | **99** | **7** | **426** | **(8)** | **418** |
| Amortization of other intangible assets | (2) | (22) | (2) | (3) | (29) | - | (29) |
| Goodwill impairment charges | - | - | - | - | - | - | - |
| **Operating income** | **186** | **110** | **97** | **4** | **397** | **(8)** | **389** |
| **Operating EBITA[1]** | **194** | **151** | **100** | **9** | **454** | **(7)** | **447** |
| **Total capital expenditure[2]** | **16** | **13** | **7** | **8** | **45** | **-** | **45** |

| In € millions | Resilience | Places | Mobility | Intelligence | Total segments | Corporate and unallocated amounts | Total consolidated |
|---|---|---|---|---|---|---|---|
| 2023 | | | | | | | |
| **Total gross revenue** | **1,981** | **1,998** | **987** | **125** | **5,091** | **-** | **5,091** |
| Inter-segment | (23) | (54) | (8) | (2) | (87) | - | (87) |
| **External gross revenue** | **1,958** | **1,944** | **979** | **123** | **5,003** | **-** | **5,003** |
| Materials, services of third parties and subcontractors | (615) | (435) | (165) | (29) | (1,244) | - | (1,244) |
| **Net revenue[1]** | **1,343** | **1,509** | **814** | **94** | **3,759** | **-** | **3,759** |
| Operating costs | (1,156) | (1,362) | (707) | (78) | (3,302) | (6) | (3,308) |
| Other income | 1 | 4 | 1 | 1 | 6 | - | 6 |
| Depreciation and amortization | (40) | (44) | (23) | (7) | (114) | - | (114) |
| **EBITA[1]** | **148** | **106** | **85** | **10** | **349** | **(6)** | **343** |
| Amortization of other intangible assets | (5) | (44) | (4) | (6) | (59) | - | (59) |
| Goodwill impairment charges | - | - | - | - | - | - | - |
| **Operating income** | **143** | **62** | **81** | **4** | **290** | **(6)** | **284** |
| **Operating EBITA[1]** | **159** | **137** | **91** | **11** | **397** | **(6)** | **391** |
| **Total capital expenditure[2]** | **14** | **16** | **9** | **1** | **40** | **-** | **40** |

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis

[2] Amount of investments in (in)tangible assets

## 6 Consolidated interests and business combinations

### Subsidiaries

Subsidiaries are all companies over which the Company has control. Control over an entity exists when the Company is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

### Loss of control

Upon the loss of control, the assets and liabilities, non-controlling interests and other components of equity related to the subsidiary are derecognized. Any profit or loss arising on the loss of control is recognized in profit or loss. If a non-controlling interest in the subsidiary is retained, such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset, depending on the level of influence retained.

### Business combinations

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

IFRS 3 establishes the following principles in relation to the recognition and measurement of items arising in a business combination:

- Recognition principle: Identifiable assets acquired, liabilities assumed, and non-controlling interests in the acquiree are recognized separately from goodwill. Acquired intangible assets must be recognized and measured at fair value in accordance with the principles if it is separable or arises from other contractual rights, irrespective of whether the acquiree had recognized the asset prior to the business combination occurring. The Group does not recognize contingent assets acquired in a business combination.
- Measurement principle: All assets acquired and liabilities assumed in a business combination are measured at acquisition-date fair value.

Goodwill at acquisition date is measured as the fair value of the consideration transferred plus the recognized amount of any non-controlling interest in the acquiree less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed.

Lease liabilities of acquired leases are measured at the present value of the remaining lease payments as if the acquired lease were a new lease at the acquisition date. Right-of-use asset is measured at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms. Right-of-use assets and lease liabilities for leases for which the lease term ends within 12 months of the acquisition date and the underlying asset is of low value are not recognized.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are recognized in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities incurred in connection with the business combination, are expensed.

Contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

If the Company obtains control of a business that is a joint operation, it remeasures previously held interests in that business.

Arcadis N.V. indirectly holds 100% of the ordinary shares of all these subsidiaries, and does not hold direct interests in most of them itself as a result of the intermediate holding structure within the Group. All subsidiaries are included in the financial consolidation. The proportion of the voting rights held directly by the parent company does not substantially differ from the proportion of ordinary shares held.

At 31 December 2024, the total non-controlling interest amounted to €3 million negative (2023: €2 million negative) and is as such not material for the Group.

The main consolidated companies as at 31 December 2024 are listed below:

| Name of subsidiary | Country of incorporation |
|---|---|
| **Americas** | |
| Arcadis US, Inc. | United States of America |
| DPS Group Inc. | United States of America |
| Arcadis Professional Services (Canada) Inc. | Canada |
| Arcadis Architects (Canada) Inc. | Canada |
| Arcadis Logos S.A. | Brazil |
| Arcadis Inc. *(formerly: CallisonRTKL, Inc.)* | United States of America |
| DPS Advanced Technology Group Inc. | United States of America |
| ARCADIS Chile S.p.A. | Chile |
| ARCADIS Canada Inc. | Canada |
| Arcadis, a California Partnership | United States of America |
| **Europe & Middle East** | |
| Arcadis Consulting Middle East Ltd. | United Kingdom |
| Arcadis LLP | United Kingdom |
| Arcadis Consulting (UK) Limited | United Kingdom |
| Arcadis Nederland BV | The Netherlands |
| Arcadis Germany GmbH | Germany |
| Arcadis France S.A.S. | France |
| Arcadis Belgium NV | Belgium |
| White Rock Insurance (Netherlands) Pcc Limited | Malta |
| DPS Engineering & Construction Limited | Ireland |
| **Asia Pacific** | |
| Arcadis Hong Kong Ltd. | Hong Kong |
| Arcadis Shanghai Ltd. | China |
| Arcadis Australia Pacific Holdings Pty Ltd. | Australia |

## Changes in consolidated interests

### Business combinations 2024

There were no business acquisitions during the year.

### Business divestments 2024

| *In € millions* | 2024 |
|---|---|
| Consideration received, satisfied in cash | 1 |
| Cash and cash equivalents disposed of | (0) |
| **Net cash inflows** | **1** |

During the year ended 31 December 2024, the Company has realized:
- net gain of €3 million from liquidation of an entity in Hong Kong;
- net loss of €1 million adjustment to gain on sale recognized on prior year divestment of two subsidiaries in US and Canada;
- net loss of €0.2 million from divestments of a subsidiary in Ireland.

### Business divestments 2023

| *In € millions* | 2023 |
|---|---|
| Consideration received, satisfied in cash | 7 |
| Cash and cash equivalents disposed of | (0) |
| **Net cash inflows** | **7** |

During the year ended 31 December 2023, the Company has realized:
- net gain of €2 million from the divestment of two subsidiaries in US and Canada;
- net loss of €4 million from liquidation of an entity in Hong Kong.

## Deferred consideration and earn-outs

The contractual deferred consideration and earn-outs for acquisitions are disclosed below.

| *In € millions* | Initial recognition | Discount effect/ interest | 2024 Total | 2023 Total |
|---|---|---|---|---|
| **Balance at 1 January** | **2** | **-** | **2** | **7** |
| Fair value adjustments[1] | 1 | - | **1** | - |
| Interest accrual | - | - | **-** | - |
| Releases | - | - | **-** | (2) |
| Payments and redemptions | (2) | - | **(2)** | (3) |
| Exchange rate differences | 0 | - | **0** | (0) |
| **Balance at 31 December** | **1** | **-** | **1** | **2** |

[1] Fair value adjustment relates to correction of an error of deferred payments in IBI Group

An amount of €1 million (2023: €2 million) is due within one year and reported as 'Other current liabilities' (see note 30). This relates to after payments associated with the remaining contingent consideration from acquisition of Hotspot by IBI Group prior to Arcadis acquisition.

The payments made in 2024 mainly relate to RLC Architects (IBI acquisition from 2022) for €1.1 million, Hotspot (IBI acquisition from 2022) for €0.6 million, Teranis (IBI acquisition from 2021) for €0.3 million, and Water Platform Company (acquisition from 2022) for €0.2 million.

# 7 Revenue

Revenue is recognized by the Group following the five-step model in IFRS 15, consisting of:

1. identification of the contract;
2. identification of the performance obligations in the contract;
3. determination of the transaction price;
4. allocation of the transaction price to performance obligations in the contract, and
5. recognition of revenue.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties (e.g. VAT). It includes initial amounts agreed in the contract plus any variations in contract work and variable consideration, to the extent that it is highly probably that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved.

The Group recognizes revenue when it transfers control over a product or service to a customer. For performance obligations that are transferred over time, revenue is recognized in profit or loss in proportion to the percentage of completion of the transaction at reporting date. The percentage of completion is measured by actual (labor) costs incurred in relation to total estimated (labor) costs (input method). In the Group's view this best reflects the value delivered to the customer in a business that mainly uses human and intellectual capital (of its employees) for completion of the performance obligations towards the customer.

For performance obligations that are transferred at a point in time, revenues and costs are recognized in profit or loss when the customer receives the ability to direct the use of the asset and substantially obtains all the benefits of it.

### Licenses and Software as a Service

Revenue from (software) licenses is recognized over time, based on time elapsed, in case of a 'right to access'. It is recognized at a point in time in case of a 'right to use', but not before the beginning of the license period. Revenue from Software as a Service (SaaS) is treated as a right to access and is recognized over time, based on time elapsed.

### Contract costs and contract cost assets

Contract costs include the costs to fulfil a contract, such as direct labor, costs of materials, services of third parties and subcontractors, and costs that are explicitly chargeable to the customer under the contract. They are recognized as an asset in Contract assets and liabilities, if they are expected to be recovered.

Costs to obtain a contract are only recognized as a contract cost asset in Contract assets and liabilities if they are incremental and expected to be recovered. They are recognized on a systemic basis consistent with the recognition of costs to fulfill a contract.

### Provisions for onerous contracts

Estimates of project management are used to assess the progress and estimated outcome of a performance obligation. When it becomes probable that the total expected costs to complete all performance obligations in a contract exceed the total transaction price (consideration) of these performance obligations, a provision for onerous contracts is recognized for the lower of the unavoidable costs and the costs of termination.

### Financing component

Arcadis generally does not have any significant contracts where the period between the transfer of the promised goods or services to customer and the payment by the customer, as contractually agreed, exceeds one year. If applicable, the transaction price is adjusted for the time value of money. Payments of customers after the agreed payment term are covered by the accounting policy on Trade receivables, see note 21.

### Agent versus principal

For each performance obligation the Group assesses whether the nature of Arcadis' commitment is to provide the goods and/or services itself, or to arrange for those good(s) and/or service(s) to be provided by another party. Arcadis assesses whether it controls the specified good(s) and/or service(s) before it is transferred to the customer.

Arcadis is typically a principal in case of subcontracted work, as Arcadis is primarily responsible for fulfilling the promise to provide the specified good(s) and/or service(s) and bears primary responsibility for it meeting customer specifications and has discretion in establishing the price towards the customer. When Arcadis acts as an agent, only the fee/commission is recognized on a net basis in Gross revenues.

### Gross versus net revenues

Gross revenues consist of external revenues net of value-added tax, rebates and discounts and after eliminating sales within the Group. Net revenue is a non-GAAP performance measure, which represents revenue generated by own staff. It is a sub-total calculated as Gross revenue minus Materials, services of third parties and subcontractors, which are project-related costs of materials and services charged by third parties, including cost of subcontractors.

## Disaggregation of revenues

Gross revenues arise from the following major categories:

| *In € millions* | 2024 | 2023[1] |
|---|---|---|
| Revenue from services | 3,993 | 3,885 |
| Construction contract revenue | 983 | 1,095 |
| Revenue from licenses | 19 | 23 |
| **Total Gross Revenue** | **4,995** | **5,003** |

[1] Comparative information has been adjusted to reflect correct classification of revenues

Revenues from services rendered represent fee income receivable in respect of services provided during the period. Construction contracts include the rendering of services, which are directly related to the construction of assets, contracts for the destruction or restoration of assets, and the restoration of the environment following the demolition of assets. Revenues from licenses represent fee income receivable in respect of allowing customers using Arcadis developed software, and mainly relate to the operating segment Intelligence.

## Timing of revenue recognition

The timing of revenue recognition in 2024 was as follows:

| *In € millions* | 2024 | 2023[1] |
|---|---|---|
| At a point in time | 7 | 16 |
| Over time | 4,988 | 4,987 |
| **Total Gross Revenue** | **4,995** | **5,003** |

[1] Comparative information has been adjusted to reflect correct classification of revenues

### Contract balances

The Group has recognized the following assets and liabilities related to contracts with customers:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Trade receivables | 761 | 731 |
| Contract assets (Unbilled receivables) | 619 | 580 |
| Contract liabilities (Billing in excess of revenue) | (516) | (503) |
| Other non-current assets | 1 | 1 |
| Provision for onerous contracts (loss provisions) | (13) | (13) |
| **Total** | **852** | **796** |

The Other non-current assets relate to long-term retentions. The Expected Credit Loss allowance is included in the Contract assets (unbilled receivables) balance, see note 22.

### Contract costs

The incremental costs to obtain a contract amounted to nil in 2024 and 2023. The practical expedient of paragraph 94 of IFRS 15, stating that those costs can be expensed when incurred if the amortization period is one year or less, is not applied.

### Transaction price remaining performance obligations

The table below includes revenue expected to be recognized in the future related to performance obligations that are (partially) unsatisfied at the reporting date. The practical expedient of paragraph 121 of IFRS 15 is applied, and the table therefore does not disclose information about remaining performance obligations that have original expected duration of one year or less. The amounts differ from the contracted backlog and the actual revenue to be recognized per year may differ from the estimated revenue recognized per year based on the resource mix or profiling that can change over the project life cycle.

| In € millions | 2025 | 2026 | 2027 | After 2027 | Total |
|---|---|---|---|---|---|
| Expected Gross revenue from (partially) unsatisfied performance obligations | 2,049 | 673 | 367 | 336 | 3,425 |

## 8 Other income (expense)

Other income (expense) includes results that arise from events or transactions that are clearly distinct from the ordinary activities of the Company. Gains on the sale of assets are recognized as part of Other income (expense).

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Gain / (loss) on divestments | 2 | (2) |
| Government grants | 1 | 2 |
| Other | 5 | 6 |
| **Total Other income/ (expense)** | **8** | **6** |

Gain/ (loss) on divestments is related to the gains and losses recognized on the disposal of consolidated entities in 2024 and 2023, respectively (see note 6).

The category 'Other' included, amongst others, gain on sale of assets and gain on derecognition of leases, and several other individually non-significant items.

## 9 Personnel and other operational costs

All employee-related costs as well as non-project-related out-of-pocket expenses and related restructuring costs, are recognized as operational cost as incurred.

Operational costs include, amongst others, the costs of licenses, testing, data conversation and training costs relating to Cloud computing arrangements that do not provide control over an intangible asset. Part of these costs could be personnel costs if the activities are performed by Arcadis' personnel.

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Salaries and wages | 2,225 | 2,197 |
| Social charges | 261 | 243 |
| Pension and early retirement charges | 98 | 96 |
| Other personnel costs (including temporary labor) | 404 | 408 |
| **Total Personnel costs** | **2,988** | **2,944** |

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Computer related | 126 | 122 |
| Audit and consultancy services | 61 | 45 |
| Occupancy | 37 | 40 |
| Travel | 36 | 35 |
| Insurances | 22 | 21 |
| Office related | 17 | 18 |
| Marketing and advertising | 15 | 15 |
| Other | 57 | 68 |
| **Total Other operational costs** | **371** | **364** |

The higher Audit and consultancy services in current year was due to increase in audit and advisory services from IBI and DPS and from the Group's first year application of CSRD sustainability reporting.

The category "Other" included in 2024, amongst others:

- the impact of changes in provisions for trade receivables (expected credit loss) of €0.3 million, expense (2023: €12 million, expense) (see note 21);
- restructuring provision of €2 million, expense (2023: €6 million, expense);
- net litigation expense of €16 million (2023: €11 million, expense) (see note 28);
- membership and licenses renewals of €10 million, expense (2023: €9 million, expense);
- cost of equipment of €5 million, expense (2023: €5 million, expense).

The average number of employees in 2024 was 33,327 (2023: 33,379) spread across the below global areas:

| | 2024 | 2023 |
|---|---|---|
| Resilience | 10,888 | 10,834 |
| Places | 10,964 | 11,328 |
| Mobility | 6,377 | 6,407 |
| Intelligence | 1,036 | 1,036 |
| Corporate | 4,062 | 3,774 |
| **Total** | **33,327** | **33,379** |

During 2024, an average of 30,942 (2023: 30,895) employees worked outside the Netherlands.

## 10 Share-based compensation

The Company operates share-based incentive plans. The fair value of equity-settled compensations at grant date under the Arcadis long-term incentive plan is recognized as an employee expense (in Salaries and wages), with a corresponding increase in equity, over the vesting period. The amount recognized as an expense is adjusted to reflect the actual number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as expense is based on the actual number of awards meeting these vesting conditions.

The fair value of granted shares subject to a market condition is measured using a Monte Carlo simulation model. Measurement inputs include the share price on measurement date, the expected volatility, weighted average expected life of the instrument and the risk-free interest rate.

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As the fair value is amortized over the vesting period, the costs are recognized in the Income Statement. The amortization costs are adjusted for effects of cancelled and forfeited grants. The vesting and exercise of rights to acquire shares may be conditional to performance conditions and other conditions, as set by the Supervisory Board.

## Long-Term Incentive Plans

To stimulate the realization of long-term Company goals and objectives, Arcadis N.V. uses Long-Term Incentive Plans (LTIPs). Since 2014, securities under LTIPs are solely granted in the form of Restricted Share Units (RSUs) and represent an equal number of ordinary shares, subject to meeting the applicable vesting conditions. The RSUs will be converted into ordinary shares on the vesting date and are delivered as soon as practical thereafter.

RSUs are granted conditionally and depend on achieving/meeting certain conditions during the vesting period.

To prevent dilution, (a portion of) the shares required to meet the obligations from exercising LTIPs can be purchased by the Company (instead of issuing new shares), with due consideration to the Company's balance sheet, in particular available freely distributable reserves and available cash. Alternatively, shares may be issued, whereby it is intended to limit this to 1% of the number of issued shares.

## Arcadis N.V. 2019 Long-Term Incentive Plan

In April 2019, the Arcadis N.V. 2019 Long-Term Incentive Plan (2019 LTIP) was approved by the General Meeting. Based on this plan the Company can grant equity-settled and cash-settled awards to eligible employees. Conditional performance shares granted to Executive Board members must be held for two more years after vesting.

In summary the following applies to these grants:

- Annual grant to Executive Board (EB) and Executive Leadership Team (ELT) members: subject to continued employment during the vesting period of three years, and achieving performance conditions (1/3 Total Shareholder Return, 1/3 Earnings per share and 1/3 sustainability);
- Annual grant to other employees: subject to continued employment during the vesting period of three years; no performance conditions.

For EB and ELT members, the position of Arcadis within the peer group, after three years, determines the final number of shares subject to meeting a Total Shareholder Return condition (1/3) that vest and become unconditional, in accordance with the following performance incentive zones:

**RSUs that vest for EB/ELT**

| Ranking | 14-8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
|---|---|---|---|---|---|---|---|---|
| Vesting | 0% | 50% | 75% | 100% | 125% | 150% | 175% | 200% |

## Arcadis N.V. 2023 Long-Term Incentive Plan

In 2023, the Supervisory Board approved the continuation of the Arcadis N.V. 2019 Long-Term Incentive Plan in the form of the Arcadis N.V. 2023 Long-Term Incentive Plan (2023 LTIP). The Plan was approved by the General Meeting in May 2023.

2023 LTIP terms are the same as 2019 LTIP. The Company can grant equity-settled and cash-settled awards to eligible employees. Conditional shares based on continued employment and achievement of performance conditions are granted to EB and ELT members. Grants to other employees are in principle only subject to continued employment during the vesting period.

The performance incentive zones for meeting the Total Shareholder Return condition presented in the 2019 LTIP applies to 2023 LTIP.

## Outstanding options

Outstanding options were fully exercised in 2023 and no new options have been issued during the year ended 31 December 2024.

## Outstanding Restricted Share Unit (RSUs)

In 2024, the following number of RSUs have been granted under the 2023 LTIP:

| | Number of RSUs | Grant date | Vesting date[1] | Share price at grant date | Fair value at grant date |
|---|---|---|---|---|---|
| Annual grant EB/ELT | 52,911 | 10 May 2024 | 10 May 2027 | €60.75 | €64.88/ €56.90 |
| Annual grant EB/ELT | 2,672 | 6 November 2024 | 6 November 2027 | €64.60 | €68.99/ €60.51 |
| Annual grant other employees | 121,090 | 10 May 2024 | 10 May 2027 | €60.75 | €56.90 |
| Annual grant other employees | 349 | 6 November 2024 | 6 November 2027 | € 64.60 | €68.99/ €60.51 |
| Annual grant other employees | 788 | 2 December 2024 | 2 December 2027 | € 62.65 | € 58.68 |

[1] Vesting is on the 5th business day after ex-dividend date in the third year after the grant.

The fair value (€56.90 and €60.51) of the RSUs granted to other employees as part of the annual grant and the RSUs granted to the EB and ELT members (subject to meeting Earnings per share (1/3) and sustainability (1/3) conditions) were determined by adjusting the share price at the grant date with the present value of dividends expected to be paid during the vesting period. The fair value (€64.88 and €68.99) of RSUs granted to EB and ELT members subject to meeting a Total Shareholder Return condition (1/3) was determined using a Monte Carlo simulation model, which considers the market conditions expected to impact Arcadis' TSR performance in relation to the peer group, and the following assumptions:

| | 2024 | 2023 |
|---|---|---|
| Expected dividend yield (in %) | 2.2 | 2.3 |
| Risk-free interest rate (in %) | 3.17 | 3.22 |
| Expected volatility (in %) | 24.68 | 30.07 |

The expected volatility is calculated based on the share price movements of the 36 months prior to grant date.

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The total outstanding RSUs at 31 December 2024 is as follows:

| Year of issue | Granted | Unconditional in | Total amount to be expensed over the vesting period (in € millions) | Fair value at grant date | Outstanding 1 January 2024 | Granted in 2024 | De/(In)crease by performance measure 2024 | Vested in 2024 | Cancelled/ forfeited in 2024 | Other changes in 2024 | Outstanding 31 December 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2021 (3 May) | 253,371 | 2024 | 9 | €33.14 / €38.40 | 172,657 | - | (2,422) | (156,884) | (13,351) | - | - |
| 2021 (4 August) | 6,394 | 2024 | 0 | €37.86 | 6,394 | - | - | (5,930) | (464) | - | - |
| 2021 (3 November) | 1,032 | 2024 | 0 | €41.14 | 1,032 | - | - | (382) | (650) | - | - |
| 2022 (16 May) | 73,387 | 2025 | 3 | €35.29/ €35.14 | 29,200 | - | 4,258 | - | (3,705) | - | 29,753 |
| 2022 (16 May) | 196,759 | 2025 | 7 | €35.14 | 171,679 | - | - | - | (28,404) | 7 | 143,282 |
| 2022 (3 August) | 563 | 2025 | 0 | €32.02 | 563 | - | - | - | - | - | 563 |
| 2023 (5 May) | 65,395 | 2026 | 2 | €30.51/ €37.18 | 65,395 | - | - | - | (4,688) | - | 60,707 |
| 2023 (5 May) | 176,596 | 2026 | 7 | €37.18 | 171,324 | - | - | - | (30,232) | 7 | 141,099 |
| 2024 (10 May) | 121,090 | 2027 | 7 | €56.90 | - | 121,090 | - | - | (8,323) | - | 112,767 |
| 2024 (10 May) | 52,911 | 2027 | 3 | €64.88/ €56.90 | - | 52,911 | - | - | (3,099) | - | 49,812 |
| 2024 (6 November) | 3,021 | 2027 | 0 | €68.99/ €60.51 | - | 3,021 | - | - | - | - | 3,021 |
| 2024 (2 December) | 788 | 2027 | 0 | €58.68 | - | 788 | - | - | - | - | 788 |
| **Total** | | | | | **618,244** | **177,810** | **1,836** | **(163,196)** | **(92,916)** | **14** | **541,792** |

## LTIP costs recognized in 2024

The total amount to be expensed over the vesting period is calculated by taking the granted RSUs within a calendar year multiplied by the fair value of the RSUs at grant date and the expected vesting date. This amount is expensed over the vesting period, whereby the costs recognized in a year also consider cancellations and forfeitures. The expected vesting for RSUs with a Total Shareholder Return performance condition is already taken into account in the fair value.

The expected vesting for the RSUs granted in 2022 to the Executive Board and Executive Leadership Team subject to the performance conditions 'Earnings per share' and 'Sustainability' are estimated at 31 December 2024 at 128.3%.

Costs for the LTIP are spread over the vesting period and included in 'Salaries and wages' (see note 9). An amount of €8 million (2023: €6 million) is included in the results of 2024 for the share-based compensation granted in the period 2021 - 2024. Prior year cost was lower due to a 15% deduction in the performance measure adjustment for vested ELT shares in 2023.

## 11 Net finance expenses

Net finance expenses comprise finance income, finance expenses and the fair value change of derivatives at fair value through profit or loss. Finance income comprises interest income on funds invested and finance expenses comprise interest expense on borrowings, and the unwinding of discount on provisions and contingent consideration.

Finance income and finance expenses are recognized in profit or loss, using the effective interest method. The fair value changes of derivatives comprise the fair value changes on financial assets at fair value through profit or loss, as far as these relate to financing items in the Company. These fair value changes are partially offset by the foreign currency gains and losses.

Foreign currency gains and losses are reported on a net basis as either finance income or finance expense if it concerns exchange rate results on financing items. Exchange rate results on operating items are included in Other operational costs (see note 9).

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Other interest income[1] | 8 | 5 |
| **Finance income** | **8** | **5** |
| Interest expense on loans and borrowings | (52) | (57) |
| Other interest expense | (5) | (1) |
| Interest expense on leases | (9) | (9) |
| Foreign exchange differences | (6) | 6 |
| **Finance expense** | **(72)** | **(61)** |
| Fair value change of derivatives | 11 | (9) |
| **Total** | **(53)** | **(65)** |

[1] Comparative figures are adjusted as interest income and expense on notional cash pools are presented as net amount.

Arcadis utilizes notional cash pools, in which debit and credit balances both attract interest income and interest expense, respectively. The outcome is netted and presented in other interest income.

Finance expense, including the interest expense on leases, increased to €72 million (2023: €61 million). The interest expense on loans and borrowings of €52 million (2023: €57 million) are comparable to last year due to comparable average interest rates on loans partially offset by a lower average debt position. The net result from foreign exchange differences and fair value change of derivatives for the year arrived at €5 million positive (2023: €3 million negative), mainly from the positive revaluations on regular FX deals (mainly USD and GBP).

The carrying amount of the financing transaction fees taken into account in the valuation of the underlying loans and borrowings, at 31 December 2024 amounts to €5 million (2023: €7 million) on the balance sheet. The decrease in this amount mainly relates to the amortization of transaction fees related to the Eurobond financing, revolving credit financing and early repayment of debentures. The amortized cost booked in 2024 amounts to €2 million (2023: €1 million) and is booked under Other interest expense. The interest on lease liabilities of €9 million (2023: €9 million) is based on the Incremental Borrowing Rate, see note 16.

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## 12 Income taxes

Income taxes comprise current and deferred tax. Income tax is recognized in profit or loss, except to the extent that the tax arises from items recognized in other comprehensive income, directly in equity or from a business combination.

When the Group considers it probable that tax authorities accept a tax treatment it will be treated as such in the income tax filings. When it is not considered probable that a tax treatment is accepted, the Group uses the most likely amount or the expected value of the tax treatment

### Current tax

Current tax is the expected tax payable on taxable income for the year and adjustments to tax payable related to previous years. It is measured using the tax rates enacted or substantively enacted at the reporting date. The difference between income tax recognized in profit or loss and income tax paid in the cash flow statement differs primarily due to deferred tax recognized on temporary differences and payment of income tax occurring after the reporting date.

### Deferred tax

Deferred tax is recognized using the balance sheet method and it is not recognized for:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss; and
- investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Measurement of deferred tax is based upon tax rates enacted or substantially enacted expected to be applied in the years in which the temporary differences are expected to reverse. Deferred taxes are not discounted.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future profits will be available against which they can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In reference to chapter 2 Basis of preparation, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, or 'GloBE') to reform international corporate taxation.

The Arcadis group is within the scope of the OECD Pillar Two model rules. The Arcadis Group operates in multiple countries around the globe, which have enacted or planned to enact new legislation to implement the global minimum top-up tax (Pillar Two or GloBe rules).

The Arcadis group applies the exemption for recognizing and disclosing information on deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Under the legislation, the group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

The Arcadis group applied the transitional safe harbor Pillar Two rules, and based on an assessment of these rules using 2023 country-by-country data, all jurisdictions where we operate fall within the scope of the safe harbors and there is no additional Pillar Two Tax liability. For 2024 the transitional safe harbor rules are applied on data gathered from the 2024 tax accounting process and country-by-country data. Taking into account the current state of the legislation, as far substantially enacted by countries and OECD guidance, all jurisdictions where we operate fall within the scope of the safe harbor rules and therefore no additional Pillar Two Tax is recorded.

Arcadis will closely monitor all new developments with respect to Pillar Two regulations, as we anticipate additional guidance from the OECD and the implementation of local legislation and guidance. Furthermore due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation can change based on these new guidance.

Income tax recognized in profit or loss for the period:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Current tax expense** | | |
| Current year | 118 | 102 |
| Adjustments for previous years | (4) | (28) |
| **Total current tax expense** | **114** | **74** |
| **Deferred tax expense** | | |
| Origination and reversal of temporary differences | (28) | (40) |
| Adjustments for previous years | 8 | 22 |
| Changes in tax rates | (0) | (0) |
| (De)recognition of deferred tax assets | 3 | 6 |
| **Total deferred tax expense** | **(17)** | **(11)** |
| **Total** | **97** | **63** |

The total tax expense in 2024 is higher than 2023 due to higher taxable results. In 2023 there was a large movement between current tax expense and deferred tax expense caused by a retroactive tax law change in the US Tax Cuts and Jobs Act of 2017 ('Section 174') which eliminated the option to deduct research and development expenditures immediately in the year incurred and required taxpayers to amortize such expenditures over five years for tax purposes.

At 31 December 2024, the corporate income tax receivable amounted to €51 million (2023: €83 million) and the corporate income tax liability amounted to €57 million (2023: €67 million). During 2024, the Group paid corporate income taxes for a total amount of €95 million (2023: €131 million).

The effective corporate income tax rate (income taxes divided by profit before income tax, excluding total result from investments is 28.7% (2023: excluding total result from investments: 28.9%).

The effective tax rate differs from the corporate income tax rate in the Netherlands, primarily due to the net negative impact of non-deductible items and statutory tax rates in jurisdictions in which we operate that are different than the Dutch statutory income tax rate and non-deductible items. The net negative impact was partially offset by changes in de-recognition of deferred tax assets, prior year adjustments and other.

| *In % and € millions* | 2024 (%) | 2024 | 2023 (%) | 2023 |
|---|---|---|---|---|
| Corporate tax rate in the Netherlands | 25.8 | 87 | 25.8 | 56 |
| Adjustment corporate income tax rates other countries | 0.9 | 3 | 2.7 | 6 |
| **Weighted average corporate income tax rate** | **26.7** | **90** | **28.5** | **62** |
| Non-deductible expenses/ (income) | (0.4) | (1) | 0.6 | 1 |
| (De)recognition of deferred tax assets | 1.3 | 4 | 2.8 | 6 |
| Adjustments for previous years | 0.9 | 3 | (2.8) | (6) |
| Other | 0.2 | 1 | (0.2) | (1) |
| **Effective tax rate** [1] | **28.7** | **97** | **28.9** | **63** |

[1] Taxes on income divided by income before taxes, excluding result from investments accounted for using the equity method

## Deferred tax

The movement in deferred tax balances during the year 2024 was as follows:

| *In € millions* | Net balance at 1 January 2024 | Recognized in profit or loss | Recognized in Other comprehensive income and Equity | Other | Exchange rate differences | Net balance at 31 December 2024 | Assets | Liabilities |
|---|---|---|---|---|---|---|---|---|
| Intangible assets and goodwill | (101) | 17 | - | 31 | - | (53) | 89 | (142) |
| Property, plant and equipment | (1) | 2 | - | - | - | 1 | 5 | (4) |
| Right-of-use assets and lease liabilities | 7 | (1) | - | - | - | 6 | 94 | (88) |
| Trade and other receivable, including contract assets | 26 | (6) | - | - | (1) | 19 | 25 | (6) |
| Loans and borrowings | 4 | 4 | (4) | - | - | 4 | 8 | (4) |
| Accrued expenses | 50 | 8 | - | (39) | 1 | 20 | 36 | (16) |
| Share-based compensation | - | - | - | - | - | - | - | - |
| Deferred compensation | - | - | - | - | - | - | - | - |
| Net operating losses | 14 | 3 | - | - | - | 17 | 17 | - |
| Provisions | 17 | (7) | - | 1 | - | 11 | 17 | (6) |
| Others | 11 | (3) | 4 | 8 | (1) | 19 | 29 | (10) |
| **Deferred tax assets/ liabilities** | **27** | **17** | **-** | **1** | **(1)** | **44** | **320** | **(276)** |
| Offsetting | - | - | - | - | - | - | (213) | 213 |
| **Net deferred taxes** | **27** | **17** | **-** | **1** | **(1)** | **44** | **107** | **(63)** |

The movement in deferred tax balances during the year 2023 was as follows:

| *In € millions* | Net balance at 1 January 2023 | Recognized in profit or loss | Recognized in Other comprehensive income and Equity | Other | Exchange rate differences | Net balance at 31 December 2023 | Assets | Liabilities |
|---|---|---|---|---|---|---|---|---|
| Intangible assets and goodwill | (99) | 13 | (9) | (8) | 1 | (102) | 25 | (127) |
| Property, plant and equipment | (1) | (0) | - | 1 | 0 | (1) | 4 | (5) |
| Right-of-use assets and lease liabilities | 7 | 1 | - | (1) | (0) | 7 | 96 | (89) |
| Trade and other receivable, including contract assets | (1) | 4 | - | 23 | (0) | 26 | 29 | (4) |
| Loans and borrowings | - | 4 | - | - | - | 4 | 4 | - |
| Accrued expenses | 33 | (4) | - | 21 | (0) | 50 | 66 | (17) |
| Share-based compensation | 3 | - | - | (3) | - | - | - | - |
| Deferred compensation | 3 | - | - | (3) | - | - | - | - |
| Net operating losses | 21 | (4) | 0 | (4) | (0) | 14 | 14 | - |
| Provisions | 7 | 2 | 0 | 9 | (0) | 17 | 23 | (5) |
| Others | 45 | (5) | 8 | (35) | (2) | 11 | 20 | (8) |
| **Deferred tax assets/ liabilities** | **16** | **11** | **0** | **1** | **(2)** | **27** | **282** | **(255)** |
| Offsetting | - | - | - | - | - | - | (203) | 203 |
| **Net deferred taxes** | **16** | **11** | **0** | **1** | **(2)** | **27** | **80** | **(53)** |

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set of current tax against current tax liabilities and when the deferred tax assets and liabilities relate to the same taxation authority and the same taxable entity.

At 31 December 2024, the Gross amount of net operating losses, amounting to €63 million (2023: €54 million), for which a deferred tax asset has been recognized expires as follows:

| *In € millions* | Total net operating losses | Net operating losses not recognized | Net operating losses recognized | **Deferred tax asset recognized** |
|---|---|---|---|---|
| 2025 | - | - | - | - |
| 2026 | 7 | (7) | - | - |
| 2027 | 13 | (13) | - | - |
| 2028 | 8 | (6) | 2 | - |
| 2029 | 8 | (8) | - | - |
| >2029 | 4 | (4) | - | - |
| Unlimited | 136 | (75) | 61 | 17 |
| **Total** | **176** | **(113)** | **63** | **17** |

The majority of the above-mentioned deferred tax assets relate to tax jurisdictions in which Arcadis has suffered a tax loss in the current of a preceding period. Significant judgement is required in determining whether deferred tax assets are realizable. Arcadis determines this on the basis of expected taxable profits arising from the reversal of recognized deferred tax liabilities and on the basis of budgets, cash flow forecasts and impairment models. Where utilization is not considered probable, deferred tax assets are not recognized.

At 31 December 2024, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognized was €234 million (2023: €231 million). No liability has been recognized in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

## 13 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the equity holders of the Company by the weighted average number of shares outstanding during the period, excluding ordinary shares purchased by the Company and held as treasury shares (i.e. shares purchased to cover share/option plans).

Diluted earnings per share is calculated based on the basic earnings per share and using the weighted average number of shares and options outstanding during the period as far as these have a potential dilutive effect, i.e. when the exercise price of these options is lower than the share price. The average number of potentially diluted shares is based on the average share price in the period on the Euronext Amsterdam Stock Exchange and the options that were in the money.

For calculating the earnings per share, the following numbers of average shares are used:

| *Number of shares* | 2024 | 2023 |
|---|---|---|
| Average number of issued shares | 90,442,091 | 90,442,091 |
| Average number of treasury shares | (415,857) | (618,845) |
| **Total average number of ordinary outstanding shares** | **90,026,234** | **89,823,246** |
| Average number of potentially dilutive shares | - | 13,567 |
| **Total average number of diluted shares** | **90,026,234** | **89,836,813** |

The average number of potentially dilutive shares is based on the average share price of 2024 on the Euronext Amsterdam Stock Exchange and the outstanding exercisable options that were in the money. The share option program expired in 2023 and there are no more share options outstanding as at 31 December 2024.

For the calculation of earnings per share, no distinction is made between the different classes of shares (see note 25).

The total earnings of the Group and the earnings per share are as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Net income | 243 | 160 |
| Net income from operations[1] | 270 | 226 |

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis

| *In €* | 2024 | 2023 |
|---|---|---|
| **Earnings per share/Diluted earnings per share** | | |
| Net income | 2.70/ 2.70 | 1.78/ 1.78 |
| Net income from operations[1] | 3.00/ 3.00 | 2.51/ 2.51 |

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis

## 14 Intangible assets and goodwill

### Goodwill

Goodwill arises from business combinations and represents the excess of the cost of the acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company. Goodwill in respect of equity accounted investees is included in the carrying amount of the investment. Goodwill is measured at cost less accumulated impairment losses.

### Other intangible assets

Other intangible assets mainly consist of customer relationships, trade names and expected profits in the backlog of acquired companies at the acquisition date. Measurement of Other intangible assets acquired in a business combination involves the use of estimates for determining the fair value at acquisition date. This mainly relates to expected profits in the backlog of the acquired companies, the customer lists at the acquisition date and the trade name value. The fair value is based on discounted cash flows expected to be received from these identifiable intangible assets. Subsequently, the assets are amortized over the estimated useful life. The amortization is recognized in profit or loss on a straight-line basis, except for the backlog which is calculated based on the expected pattern of consumption of future economic benefits embodied in the backlog. The amortization methods and useful lives, as well as residual values, are reassessed annually.

### Software

Software is measured at cost less accumulated amortization and impairment losses. Software has a finite life and is amortized on a straight-line basis over the estimated useful life. The amortization methods and useful lives, as well as residual values, are reassessed annually. Subsequent costs are recognized in the carrying amount of Software only when it increases the future economic benefits. All other expenditures are recognized in profit or loss as incurred.

Configuration and customization costs relating to cloud computing arrangements, whereby the Company does not obtain an intangible asset, are expensed when incurred. In such case, prepaid licenses are recognized as prepaid expenses (as part of Other current assets) and testing, training and data conversion costs are recognized as Personnel costs and/or Other operational costs as incurred.

### Estimated useful lives

The estimated useful lives of Goodwill and Intangible assets varies according to their respective categories, as shown below.

| Category | Years |
|---|---|
| Goodwill | Not amortized |
| Software | 0.5 – 10 |
| Other intangibles | 1 – 13 |
| Intangibles under development | Not amortized (yet) |

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| *In € millions* | Goodwill | Other intangible assets | Software | Intangibles under development | Total |
|---|---|---|---|---|---|
| Cost | 1,330 | 505 | 83 | 1 | 1,919 |
| Accumulated amortization | - | (268) | (70) | - | (338) |
| **Balance at 1 January 2023** | **1,330** | **237** | **13** | **1** | **1,581** |
| Additions | - | - | 9 | 1 | 9 |
| Disposals | (8) | - | (0) | - | (8) |
| Amortization charges | - | (59) | (6) | - | (65) |
| Reclassifications | - | (0) | 1 | (1) | (0) |
| Exchange rate differences | (5) | (8) | 0 | - | (12) |
| **Movement 2023** | **(12)** | **(68)** | **4** | **(0)** | **(76)** |
| Cost | 1,318 | 426 | 64 | 1 | 1,809 |
| Accumulated amortization | - | (258) | (47) | - | (305) |
| **At 31 December 2023** | **1,318** | **169** | **17** | **1** | **1,505** |
| Additions | - | - | 8 | 1 | 9 |
| Disposals | (0) | - | (0) | - | (0) |
| Amortization charges | - | (29) | (9) | - | (38) |
| Impairment charges | - | - | - | - | - |
| Reclassifications | - | - | - | - | - |
| Exchange rate differences | 32 | (2) | 0 | 0 | 30 |
| **Movement 2024** | **32** | **(31)** | **(1)** | **1** | **1** |
| Cost | 1,350 | 427 | 70 | 2 | 1,849 |
| Accumulated amortization | - | (289) | (54) | - | (343) |
| **At 31 December 2024** | **1,350** | **138** | **16** | **2** | **1,506** |

The amortization charge for Intangible assets is recognized in the following line items in the Consolidated income statement:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Amortization of Other intangible assets | 29 | 59 |
| Depreciation and amortization | 9 | 6 |

## Goodwill

For annual impairment testing, goodwill is allocated to Cash-Generating Units (CGUs). The CGU is the lowest level within the Group at which Goodwill is monitored for internal management purposes.

The carrying amount of the goodwill is allocated to each of the CGUs as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Places | 633 | 623 |
| Resilience | 366 | 348 |
| Mobility | 271 | 263 |
| Intelligence | 80 | 84 |
| **Total Goodwill** | **1,350** | **1,318** |

**Impairment testing for cash-generating units containing goodwill**

The recoverable amount of Goodwill for impairment testing purpose has been determined based on a value in use calculation, which is complex and judgmental. The calculations use cash flow projections based on historical performance, our plan for 2025 as approved by the Executive Board and projections for 2026 - 2029, after which a terminal value was calculated using an estimated growth rate.

The key assumptions used in the projections are:

- (Net) revenue growth: based on experience and market analysis;
- EBITDA margin development: based on historical performance, plan 2025 and management's long-term projections; and
- Weighted average cost of capital (WACC): based on the market participants view on rates of return demanded for investments equivalent to those in the Company. The components of the WACC include the Cost of Equity, Cost of Debt and Cost of Lease Liabilities.

The business plans include management's estimate about the level and timing of the execution of (the improvement of) operating performance and margins.

The applied assumptions in the test of 2024 are included in the below table, for those CGUs with goodwill as at 31 December 2024.

| *In € millions* | Average annual (net) revenues growth[1] | EBITDA margin[2] | Pre-tax discount rate | Terminal growth rate[3] |
|---|---|---|---|---|
| Places | 4.1% | 11.8- 15% | 11.0% | 1.6% |
| Resilience | 5.6% | 14.8-16.1% | 11.0% | 1.7% |
| Mobility | 7.3% | 13.7-15.4% | 10.5% | 1.6% |
| Intelligence | 17.3% | 20.4-23.5% | 9.0% | 1.6% |

[1] The average annual (net) revenues growth represents average for the period from 2025 to 2029
[2] EBITDA margin represents 2025 to 2029 range as % of (net) revenues
[3] On a long-term basis the service demand growth rate is expected to be almost similar from one GBA to another

The applied assumptions as disclosed in the 2023 financial statements was as follows:

| *In € millions* | Average annual (net) revenues growth[1] | EBITDA margin[2] | Pre-tax discount rate | Terminal growth rate[3] |
|---|---|---|---|---|
| Places | 3.5% | 12.1-15.7% | 10.5% | 1.5% |
| Resilience | 6.5% | 13.9-16.2% | 10.5% | 1.6% |
| Mobility | 5.8% | 13.3-15.9% | 10.5% | 1.5% |
| Intelligence | 8.8% | 20.4-21.9% | 9.5% | 1.5% |

[1] The average annual (net) revenues growth represents average for the period from 2024 to 2028
[2] EBITDA margin represents 2024 to 2028 range as % of (net) revenues
[3] On a long-term basis the service demand growth rate is expected to be almost similar from one GBA to another

The weighted average pre-tax discount rate was 10.8% (2023: 10.5%) and has been determined by iterative computation so that the value in use determined using pre-tax cash flows and a pre-tax discount rate equals the value in use determined using post-tax cash flows and a post-tax discount rate. The weighted average post-tax discount rate used is 8.4% (2023: 8.0%), which includes country specific premiums when applicable.

**Observations from impairment testing**

The annual impairment test at 31 December 2024 and sensitivity analysis around the key assumptions in that test have indicated sufficient headroom for all CGUs, and as such a reasonably possible change in any of the assumptions would not cause the recoverable amount to be less than the carrying value.

The expected future cash flows used in the goodwill impairment analysis are based on management's estimates. Events in our end-markets as well as the financial markets and the overall economy may have an adverse impact on the estimated future cash flows of the Group.

## Other intangible assets

The carrying amounts recognized in the Consolidated balance sheet for Other intangible assets are as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Customer relationships | 130 | 148 |
| Trade names | - | 1 |
| Backlog | 6 | 17 |
| Other | 2 | 3 |
| **Total Other intangible assets** | **138** | **169** |

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## 15 Property, plant & equipment

Property, plant & equipment is measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly attributable to the acquisition of the assets.

Subsequent costs are recognized in the carrying amount of Property, plant & equipment if it is probable that future economic benefits will be obtained. The costs of day-to-day servicing of property, plant & equipment are expensed as incurred.

Depreciation is calculated using the straight-line method to allocate the cost of an asset net of its residual value, over its estimated useful life or, in the case of leasehold improvements, the shorter of the asset's useful life and the lease term. The estimated useful life of Property, plant & equipment vary according to their respective categories, as shown in the table hereafter.

| Category | Years |
|---|---|
| Land | Not depreciated |
| Buildings | Not exceeding 30 |
| Furniture and fixtures | Not exceeding 5 |
| (IT) equipment | Not exceeding 5 |
| Property, plant and equipment under development | Not depreciated (yet) |

Depreciation methods and useful life, as well as residual values, are reassessed annually. When parts of an item of Property, plant & equipment have different useful life, they are accounted for as separate items (major components) of Property, plant & equipment.

Gains on the sale of an item of Property, plant & equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, plant & equipment and are recognized within Other income in the Consolidated income statement. Losses on the sale of an item of Property, plant & equipment are recognized within Other operational costs in the Consolidated income statement.

The determination of impairment of Property, plant & equipment involves the use of estimates. The recoverable amount is determined by discounting the estimated future cash flows to present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. The identification of impairment indicators, as well as the estimation of future cash flows, discount rates and the determination of the fair value for the assets requires management to make significant judgements

In 2024 and 2023, no changes were made in the useful lives, depreciation methods and the residual values of Property, plant & equipment elements that materially impacted the Company. No properties were registered as security for bank loans.

| *In € millions* | Land and Buildings | Furniture and fixtures | IT equipment | Property, plant and equipment under development | Total |
|---|---|---|---|---|---|
| Cost | 79 | 125 | 144 | 4 | 352 |
| Accumulated depreciation | (48) | (88) | (108) | - | (243) |
| **Balance at 1 January 2023** | **31** | **37** | **37** | **4** | **109** |
| Additions | 6 | 8 | 18 | (0) | 31 |
| Disposals | (0) | (1) | (0) | (0) | (1) |
| Reclassifications | 2 | (4) | 0 | 1 | 0 |
| Depreciation charges | (6) | (11) | (19) | - | (36) |
| Exchange rate differences | (1) | (0) | (0) | (0) | (1) |
| **Movement 2023** | **2** | **(8)** | **(1)** | **1** | **(7)** |
| Cost | 72 | 81 | 129 | 5 | 287 |
| Accumulated depreciation | (39) | (53) | (93) | - | (185) |
| **At 31 December 2023** | **33** | **28** | **36** | **5** | **102** |
| Additions | 12 | 9 | 16 | (2) | 35 |
| Acquisitions/ divestments | (1) | (0) | (0) | - | (1) |
| Disposals | (0) | (0) | (0) | (0) | - |
| Depreciation charges | (8) | (9) | (18) | - | (35) |
| Exchange rate differences | 1 | 1 | 0 | 0 | 2 |
| **Movement 2024** | **4** | **1** | **(2)** | **(2)** | **1** |
| Cost | 74 | 82 | 130 | 3 | 289 |
| Accumulated depreciation | (37) | (53) | (96) | - | (186) |
| **At 31 December 2024** | **37** | **29** | **34** | **3** | **103** |

# 16 Right-of-use assets and lease liabilities

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed when the Group has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Contracts may contain both lease and non-lease components. The Group allocates the consideration to these components based on its relative stand-alone prices. Non-lease components are not included in the right-of-use asset and lease liability but accounted for separately.

## Right-of-use assets

At commencement of a lease, the Group measures right-of-use assets initially at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The cost of the right-of-use assets comprise the following:

- Amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received at or after the commencement date;
- Any initial direct costs; and
- Restoration costs i.e estimate of the costs to be incurred for dismantling, removal and/ or restoration to the conditions required by the terms of the lease.

See note 28 for the accounting policy on provisions for right-of-use assets (restoration provisions).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

## Lease liabilities

Lease liabilities are initially measured at the present value of the future lease payments that are not paid at the commencement date discounted using an implicit rate of interest, unless this cannot readily be determined, in which case an incremental borrowing rate is used. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate or the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Judgment is applied to determine the lease term for some lease contracts in which it is a lessee that include renewal and termination options. The assessment of whether the Group is reasonably certain to exercise such option impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized. At reporting date all facts and circumstances are considered that create an economic incentive in determining whether it is reasonably certain that an extension or termination option will be recognized. Changes in the estimate are recognized prospectively.

## Incremental Borrowing Rate

The Incremental Borrowing Rate (IBR) is determined based on a build-up approach, whereby each category of leases has an IBR based on the country (and currency) of the lessee and the lease term.

## Lease incentives

Lease incentives are deducted from the right of use assets if received before the commencement date of the lease; they are deducted from the lease liability if received at or after the commencement date of the lease.

Amounts received for leasehold improvements are depreciated over a period not longer than the lease term.

## Short-term and low value leases

Payments associated with short-term and/or low value leases are recognized on a straight-line basis as an expense in profit or loss.

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**As a lessor**

The Group sub-leases some of its buildings, although not significant. The head leases are presented in the right-of-use assets and the sub-lease contracts are treated as operating leases under IFRS 16. Income from sub-leases is presented in Other income, see note 8.

**Rent concessions**

Rent concessions are accounted for as lease modifications by the Group.

This note provides information for leases where the Group is a lessee.

## Leasing activities

The Group's lease portfolio consists of 2,801 active lease contracts at 31 December 2024 (2023: 2,790), mainly related to real-estate and vehicles lease contracts. Approximately 88% of the value of the right-of-use asset is from land and buildings.

**Lease terms**

Lease terms are generally negotiated locally, with support from the Global Workplace director and/or regional real estate or procurement teams where needed. Contracts are negotiated on an individual basis and contain a wide range of terms and conditions, such as early termination clauses and renewal rights. They may contain both lease and non-lease components, whereby the Group has elected not to include the service element in leases (e.g. fuel, insurance) in the right-of-use asset and lease liability.

Termination clauses and renewal rights are included in several real estate leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a renewal right, or not exercise a termination clause. Both extension and termination options are however only included in the lease term if it is reasonably certain that a lease will be extended or terminated.

Factors that are considered in terminating or renewing leases include amongst others:

- Significant penalties involved;
- Leasehold improvements made with a significant remaining value; and
- Costs and business disruption required to replace a leased asset.

An amount of €22 million (2023: €17 million) extension and/or renewal options are included in the Group's lease liability at 31 December 2024 reflecting that the Group could not replace leased assets without significant cost or business disruption.

As at 31 December 2024, potential future cash outflows of €136 million (undiscounted) (2023: €152 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). During 2024, the financial impact of the reassessment of reasonable certainty led to a decrease in recognized lease liabilities and right-of-use assets of €1 million (2023: €3 million).

If the leased asset is abandoned, the depreciation of the Right-of-use asset needs adjustment as of the date the lessee makes the decision to abandon the asset, so that as of the cease use date, the carrying amount of the Right-of-use asset is zero. Assuming there are no changes in the lease payments, the lease liability will remain the same.

There were no leases abandoned during the year. Right-of-use assets with a carrying value of €3 million were abandoned in 2023. The abandoned property was subleased in 2024, hence, remaining lease liabilities for the abandoned leases amount to nil (2023: €3 million).

The Group does not have leases with variable lease payments and does not provide residual value guarantees.

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### Maturity profile

The undiscounted value of the lease obligations as at 31 December 2024 amounts to €297 million (2023: €316 million) and the maturity is as shown in the table below.

| Maturity (In € millions) | 2024 | 2023 |
|---|---|---|
| 0 - 1 Year | 72 | 73 |
| 1 - 2 Year | 58 | 58 |
| 2 - 3 Year | 49 | 47 |
| 3 - 4 Year | 37 | 40 |
| 4 - 5 Year | 26 | 30 |
| > 5 Year | 55 | 68 |
| **Total** | **297** | **316** |

The undiscounted maturity of all sub-leasing contracts at 31 December 2024 amounts to €2 million (2023: €0.2 million) and is not material for the Group.

## Amounts recognized in the Consolidated balance sheet

### Right-of-use assets

The following right-of-use assets are recognized in the balance sheet:

| *In € millions* | Leased land and buildings | Leased furnitures and fixtures | Leased (IT) equipment | Leased vehicles | Total |
|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **261** | **1** | **1** | **21** | **284** |
| Additions | 22 | 0 | 1 | 17 | 40 |
| Remeasurements | (1) | 0 | (0) | 1 | - |
| Depreciation charges | (58) | (1) | (1) | (13) | (73) |
| Derecognitions | (0) | 0 | (0) | (0) | - |
| Exchange rate differences | (2) | (0) | (0) | (0) | (2) |
| **Movement 2023** | **(39)** | **(1)** | **0** | **5** | **(35)** |
| **At 31 December 2023** | **222** | **0** | **1** | **26** | **249** |
| Additions | 30 | 0 | 0 | 14 | 44 |
| Remeasurements | (1) | 0 | (0) | 0 | (1) |
| Depreciation charges | (53) | (0) | (1) | (13) | (67) |
| Derecognitions | (2) | - | (0) | - | (2) |
| Exchange rate differences | 4 | 0 | 1 | 0 | 5 |
| **Movement 2024** | **(22)** | **0** | **0** | **1** | **(21)** |
| **At 31 December 2024** | **200** | **0** | **1** | **27** | **228** |

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### Lease liabilities

The following lease liabilities are recognized in the balance sheet:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Balance at 1 January** | **281** | **315** |
| Additions | 44 | 39 |
| Remeasurements | (1) | - |
| Payments | (78) | (79) |
| Interest | 9 | 9 |
| Exchange rate differences | 7 | (3) |
| **Balance at 31 December** | **262** | **281** |
| Non-current | 192 | 211 |
| Current | 70 | 70 |
| **Total** | **262** | **281** |

Right-of-use assets and lease liabilities decreased mainly due to lease terminations in several office spaces in the US, in line with the Group's plan to fully maximize the utilization of leases among numerous subsidiaries in the region. Renewals of larger offices during the year were also downsized.

## Amounts recognized in the Consolidated income statement

| *In € millions* | Note | 2024 | 2023 |
|---|---|---|---|
| Depreciation | | 67 | 73 |
| Interest expense | 11 | 9 | 9 |
| Other operational costs for short-term leases | 9 | 4 | 5 |
| Other operational costs for low-value leases | 9 | 3 | 4 |
| Other operational costs for loss on derecognition lease | 9 | 0 | - |
| Other income for gain on derecognition lease | 8 | 0 | (0) |
| Other income from sub-leasing | 8 | (0) | (0) |
| **Total** | | **83** | **91** |

## 17 Investments accounted for using the equity method

### Joint arrangements

Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the contractual rights and obligations, rather than the legal structure of the joint arrangement.

Joint ventures are joint arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint ventures are accounted for using the equity method, where interests in joint ventures are initially recognized at cost, including transaction cost. Subsequently the Group's share of the profit or loss and movements in other comprehensive income are included in the Consolidated financial statements, whereby the calculation is based on the Group's accounting policies. When the Group's share of losses in a joint venture equals or exceeds its interest in a joint venture, the Group does not recognize further losses.

Joint operations are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations are accounted for the Group's direct rights to the assets, liabilities, revenues and expenses of the joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These are combined on a line-by-line basis with corresponding items in the Group's financial statements.

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### Associates

Associates are those entities in which the Group has significant influence, but no control over financial and operating policies. Significant influence is presumed to exist when the Group holds more than 20% of the voting power of the entity. Associates are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases. Initially, investments in associates are recognized at cost, including transaction cost. Goodwill identified on the acquisition of the associate is included in the carrying amount of the investment.

The Consolidated financial statements include the Group's share of the net profit or loss and other comprehensive income of the associates, after adjustments to align the accounting policies with those of the Group. The application of the equity method is applied to loans that form part of a Net investment. Loans to associates are carried at amortized cost less any expected credit losses. The Group applies the Expected Credit Loss model to loans that form part of the Net investment, before recognizing its share of losses from application of the equity method on these loans.

## Investments in associates and joint ventures

The nature of business of the Group's associates and joint ventures are similar. They provide comprehensive knowledge-based consultancy, design, engineering and management services in the area of infrastructure, water, environment and buildings. The most significant investments in associates and joint ventures are listed below.

| Name of entity | Place of business/ country of incorporation | Associate/ joint venture | % of ownership interest 2024 | % of ownership interest 2023 |
|---|---|---|---|---|
| Geodynamique et Structure S.A. | France | Associate | 48.68% | 48.68% |
| Asset Rail B.V. | Netherlands | Associate | 40.00% | 40.00% |
| CARE/RTKL Ltd | Saudi Arabia | Joint venture | 45.00% | 45.00% |
| CTR, a Joint Venture of CH2MHill, Inc., Teng & Associates, Inc. and The Rise Group, LLC | United States | Joint venture | 33.30% | 33.30% |

The movement in associates and joint ventures in the Consolidated balance sheet is as follows:

| *In € millions* | Associates 2024 | Associates 2023 | Joint ventures 2024 | Joint ventures 2023 | Total 2024 | Total 2023 |
|---|---|---|---|---|---|---|
| **Balance at 1 January** | **10** | **10** | **2** | **2** | **11** | **12** |
| Share in result by Arcadis | 2 | 4 | 0 | (0) | 3 | 4 |
| Investments | - | 0 | 0 | 0 | 0 | 0 |
| Received dividends | (3) | (4) | - | (0) | (3) | (4) |
| Exchange rate differences | (0) | (0) | (0) | (0) | (0) | (0) |
| **Balance at 31 December** | **9** | **10** | **2** | **2** | **11** | **11** |

There are no loans to associates or joint ventures outstanding as at 31 December 2024 (2023: nil).

The joint ventures have share capital consisting solely of ordinary shares, which are held indirectly by the Group, and are non-listed shares. As such there is no available quoted market price for the shares. The Group has no contingent liabilities relating to interests in joint ventures at 31 December 2024 (2023: nil).

## 18 Other investments

Other investments relate to interests in companies over which the Group has no significant influence nor control. Other investments are accounted for at fair value through profit or loss.

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Balance at 1 January** | **4** | **4** |
| Fair value changes | (0) | 1 |
| Exchange rate differences | (0) | (0) |
| **Balance at 31 December** | **4** | **4** |

The other investments at 31 December 2024 mainly correspond to:

- Value of the investment in the Techstars cohorts for €3 million (2023: €3 million).
- Value of investment in Switch Energy for €0.3 million (2023: €1 million).

A level 3 valuation was used to determine the fair value. Due to the inherent uncertainty of valuation of privately held companies, the fair value may however differ from what would have been used had a readily available market existed for all companies.

## 19 Derivatives

### General

The Group uses derivatives in order to hedge the exposure to foreign exchange risks and interest rate risks arising from operational, financing and investment activities. Derivatives to be used for hedging purposes can include forward foreign exchange rate contracts, foreign exchange swaps and interest rate swaps and a combination of those, such as cross-currency interest rate swaps. The Group does not hold or issue derivatives for trading purposes. To the extent possible Hedge accounting is applied for cash flow hedges related to forecasted transactions and fair value hedges.

### Measurement and recognition

All derivative financial instruments are initially recognized at fair value. Attributable transaction costs are recognized in profit or loss when incurred. Subsequently, derivatives are measured at fair value derived from market prices of the instruments or valuation techniques, with the fair value changes recognized in profit or loss, unless hedge accounting is applied. A gain or loss on remeasurement to the fair value of the interest rate derivatives is recognized in profit or loss under fair value change of derivatives. The fair value changes of forward foreign exchange contracts are recognized in operating income. The carrying values of the derivatives are recognized in the balance sheet as derivatives, which can be classified as current or non-current assets or liabilities, depending on the maturity of the contracts.

### Hedge accounting

For a cash flow hedge of a forecasted transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss. In specific cases hedge accounting is applied for cash flow hedges. In that case, the effective part of the fair value change of those derivatives is deferred in Other comprehensive income and presented in the hedging reserve in Equity. The hedging reserve includes the cash flow hedge reserve and the costs of hedging. Changes in the fair value of the currency basis since the inception of the hedging relationship will be deferred into a separate component of Other comprehensive income.

The amount recognized in Other comprehensive income as cash flow hedge reserve is released to the related lines in profit or loss at the same time as the hedged cash flows affect profit or loss. Any ineffective portion of change in the fair value of the derivatives is included in profit or loss immediately.

At inception of the hedge, the relationship between the hedging instrument and the hedged item is documented – including the risk management objectives, strategy of undertaking the hedge transaction, the hedged risk – and, in case of hedge accounting, the methods that will be used to assess the effectiveness of the hedge. Both at the inception of the hedge and at each reporting date, the Group makes an assessment whether the derivatives used are highly effective in offsetting changes in fair values of the cash flows of the hedged items.

The economic relationship between the hedging instrument and the hedged item is, amongst others, determined based upon matching notional amounts, a minimal fair value of the hedging instrument at inception, matching the underlying hedged risk (interest benchmark rate or currency pair), matching repricing and payment dates and an assessment of the likelihood of default of the hedging counterparty. Sources of ineffectiveness can, amongst others, be driven by movements in the credit spread of Arcadis and the relevant hedging counterparty, mismatch of payment flow frequencies, mismatch of interest conditions, such as interest floors and possible changes to the critical terms of the economic relationship.

When a derivative ceases to be highly effective or in case of early redemption of the hedged item, hedge accounting is discontinued prospectively. When a cash flow hedge relationship is terminated, the fair value changes deferred in the cash flow hedging reserve in equity are released to profit or loss under the fair value change of derivatives only when the hedged transaction is no longer expected to occur. Otherwise, these fair value changes will be released to profit or loss at the same time as the hedged item.

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### Fair value

A fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of derivatives is determined by using valuation models that incorporate various inputs, such as forward interest rate curves and the credit worthiness of counterparties. The methods and assumptions used to estimate the fair value are consistent with the prior year.

The fair value of derivatives held by the Group as at the balance sheet date is presented in the table below:

| | Assets | | Liabilities | | Total | |
|---|---|---|---|---|---|---|
| *In € millions* | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Interest rate derivatives: | | | | | | |
| Current | - | - | - | - | - | - |
| Non-current | - | - | 1 | 2 | (1) | (2) |
| Foreign exchange derivatives: | | | | | | |
| Current | 10 | 8 | 8 | 9 | 2 | (1) |
| Non-current | - | - | - | - | - | - |
| **Total** | **10** | **8** | **9** | **11** | **1** | **(3)** |

See note 31 for the Group Treasury policy and the valuation techniques used for the derivatives. Group Treasury is consulted by entities for alignment of hedge accounting with the Group Treasury policy guidelines and assisted with documentation of the hedge relationship, derivatives valuations and effectiveness testing.

As per 31 December 2024, the Group has €185 million (notional amount) of floating-to-fixed interest rate swaps to manage the interest rate risk on the €185 million Schuldschein loans issued in July 2023. The market value of these derivatives at 31 December 2024 was €1 million negative (2023: €2 million negative) and hedge accounting is applied on these derivatives. Of these interest rate swaps, €100 million will mature in January 2025 and €85 million will mature in January 2026.

### Effects of hedge accounting on the financial position and performance

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Cross currency interest rate swaps** | | |
| Notional amount | - | - |
| Maturity date | - | n/a |
| Hedge ratio | - | - |
| Change in fair value of outstanding hedging instruments | - | - |
| Change in value of hedged item used to determine hedge effectiveness | - | - |
| Ineffectiveness | - | - |

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Interest rate swaps maturing in 2025** | | |
| Notional amount | 100 | 100 |
| Maturity date | 2025 | 2025 |
| Hedge ratio | 1:1 | 1:1 |
| Change in fair value of outstanding hedging instruments | (0.1) | (0.5) |
| Change in value of hedged item used to determine hedge effectiveness | 0.1 | 0.5 |
| Ineffectiveness | 0 | (0.0) |

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Interest rate swaps maturing in 2026** | | |
| Notional amount | 85 | 85 |
| Maturity date | 2026 | 2026 |
| Hedge ratio | 1:1 | 1:1 |
| Change in fair value of outstanding hedging instruments | (1.1) | (1.4) |
| Change in value of hedged item used to determine hedge effectiveness | 1.1 | 1.3 |
| Ineffectiveness | 0.0 | (0.1) |

During 2024, the Group hedged currency exposures related to transactions in currencies other than the functional currency for subsidiaries by way of foreign exchange forward rate contracts in order to minimize volatility in the operating income of these subsidiaries due to changes in foreign exchange rates. In addition, foreign currency corporate balance sheet positions arising due to foreign currency receivables, payables and loan balances were hedged by way of foreign exchange forward rate contracts and foreign exchange swaps.

The movements in fair value of all derivatives are shown in the table below:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Balance at 1 January** | **(3)** | **(6)** |
| Changes in income statement | 12 | (7) |
| Changes through Other comprehensive income | 1 | (2) |
| Cash settlement derivatives | (9) | 12 |
| Exchange rate differences | - | (0) |
| **Balance at 31 December** | **1** | **(3)** |

The change in fair value of derivatives recognized in profit or loss is €12 million positive (2023: €10 million negative), together with foreign exchange results of €10 million negative (2023: €4 million positive) also flowing through profit or loss. Hence, the overall profit or loss effect of foreign exchange contracts and derivatives amounts to €3 million positive (2023: €6 million negative).

### Hedging reserve

The total (after-tax) amount included in Other comprehensive income, on the line hedging reserve within equity, can be specified as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Interest rate derivatives | (1) | (1) |
| Foreign exchange derivatives (classified as cash flow hedges) | 0 | 0 |
| Cost of hedging reserve | - | - |
| **Total** | **(1)** | **(1)** |

## 20 Other non-current assets

Other non-current assets are non-derivative financial assets and include long-term receivables (due for settlement after one year). Long-term receivables are initially recognized at fair value plus any directly attributable transaction costs. Subsequently these assets are held at amortized cost, using the effective interest method and net of any impairment losses.

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Balance at 1 January** | **20** | **20** |
| New receivables | 2 | 5 |
| Received | (2) | (4) |
| Derecognition | (11) | - |
| Exchange rate differences | (0) | (0) |
| **Balance at 31 December** | **9** | **20** |

In 2024, Arcadis has reassessed the presentation of balances related to NQDC plan (Non-Qualified Deferred Compensation) in the US. Applying IAS 19 considerations, the Group has concluded that the balances related to the plan should be derecognized from the balance sheet, as this plan is considered as a defined contribution plan. There are no changes made to the comparatives as it is not considered material to the Group. See note 27 for further details.

Other non-current assets include various long-term receivables, amongst others, rental deposits of €2 million (2023: €3 million), retentions of €1 million (2023: €1 million), loans to personnel of €1 million (2023: €1 million), and judicial deposits of €1 million (2023: €1 million).

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# 21 Trade receivables

Trade receivables include amounts billed to customers for work performed but not yet paid by the clients, and which are expected to be collected within a year after reporting date. Trade receivables are initially measured at fair value, which normally represents the consideration the Company expects to receive within the payment term (invoice amount excluding costs collected on behalf of third parties, such as sales taxes). Subsequently Trade receivables are measured at the consideration expected to be collected.

The Company uses the Expected Credit Loss (ECL) model. Trade receivables are reviewed for collectability on a case-by-case basis at regular intervals. If a Trade receivable is considered credit impaired (e.g. the customer has failed to make a payment when contractually due) the expected loss is determined as the difference between the carrying amount and the recoverable amount. The recoverable amount is the present value of expected future cash flows discounted at the effective market interest rates.

A simplified approach is applied that uses a lifetime expected loss allowance to recognize losses for possible impairment of Trade receivables that are not individually impaired yet. The Expected Credit Loss is recognized in Other operational costs.

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Trade receivables | 809 | 789 |
| Provision for trade receivables (individually impaired bad debt) | (49) | (60) |
| Provision for trade receivables (Expected Credit Loss) | (1) | (1) |
| Receivables from associates | 2 | 2 |
| **Total** | **761** | **731** |

Of the total gross Trade receivables, approximately 7% is subject to a so-called 'paid-when-paid' clause (2023: 3%). They are classified as current as Arcadis expects to collect the amounts within one year. Further information about Arcadis' exposure to credit risk is included below and in note 31.

### Ageing of Trade receivables

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| *In € millions* | Gross Receivables | Provision bad debt | Provision ECL | Gross Receivables | Provision bad debt | Provision ECL |
| Not past due | 529 | (4) | (0) | 518 | (3) | (0) |
| Past due 0-30 days | 108 | (1) | (0) | 96 | (1) | (0) |
| Past due 31-60 days | 39 | (1) | (0) | 40 | (1) | (0) |
| Past due 61-120 days | 31 | (0) | (0) | 36 | (1) | (0) |
| Past due 121-364 days | 40 | (5) | (1) | 37 | (4) | (0) |
| More than 364 days due | 62 | (38) | (0) | 63 | (50) | (0) |
| **Total** | **809** | **(49)** | **(1)** | **789** | **(60)** | **(1)** |

Individual assessments, in combination with the fact that the actual write-offs of trade receivables in recent years did not cause us to expect that the provision should be significantly higher, resulted in the conclusion that the provision for bad debt is sufficient to cover for Trade receivables for which there is objective evidence of an impairment.

### Provision for Trade receivables

The total provision for Trade receivable includes the Expected Credit Loss for individually non-impaired items and individually credit impaired items. To apply the simplified approach to the "healthy" portfolio, Arcadis grouped the Trade receivables by country and the days past due. No specific measures were taken by the Group to extend credit terms for customers. The expected loss rate for the stage 1 and 2 losses is based on the country risk and varies from 0.0% to 0.7% for positions less than 90 days past due and up to 5.1% for items past due more than 90 days.

The total provision for Trade receivables developed as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Balance at 1 January** | **61** | **54** |
| Acquisitions/ divestments | (1) | - |
| Additions charged to profit or loss | 15 | 17 |
| Release of unused amounts | (15) | (5) |
| Remeasurement Expected Credit Loss | - | - |
| Utilizations | (10) | (5) |
| Exchange rate differences | 0 | (1) |
| **Balance at 31 December** | **50** | **61** |

## 22 Contract assets and liabilities

When revenue (cost for contract work performed to date plus recognized profits) exceeds the progress billings, the surplus is shown as a Contract asset (unbilled receivables). When progress billings exceed the revenue (cost for contract work performed to date plus recognized profits), the balance is shown as a Contract liability (billing in excess of revenue). Recognized loss provisions are separately presented as Provision for onerous contracts. Contract assets, Contract liabilities and the related Provision for onerous contracts are together generally also referred to as Work in progress.

Contract assets are subject to the Expected Credit Loss (ECL) model. Arcadis applies a simplified approach that uses a lifetime expected loss allowance to recognize losses for possible impairment, in line with the accounting for Expected Credit Loss on Trade receivables. The Expected Credit Loss is recognized in Other operational costs.

For further details on the recognition of Contract assets, Contract liabilities and the Provision for onerous contracts see the revenue accounting policy in note 7.

The balances of Contract assets and Contract liabilities, as well as the Provision for onerous contracts, are as follows:

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| *In € millions* | Contract assets | Contract liabilities | Provision for onerous contracts | Net position | Contract assets | Contract liabilities | Provision for onerous contracts | Net position |
| Cumulative revenue | 11,122 | 8,366 | - | | 6,857 | 6,067 | - | |
| Loss provisions | - | - | (13) | | - | - | (13) | |
| Expected credit loss allowance | (3) | (4) | - | | (1) | (4) | - | |
| Billings to date | (10,500) | (8,878) | - | | (6,277) | (6,566) | - | |
| **Total** | **619** | **(516)** | **(13)** | **90** | **580** | **(503)** | **(13)** | **64** |

Advances received and retentions held by clients reported as part of Contract assets and liabilities amount to:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Amount of advances received | 0 | 0 |
| Amount of retentions held by clients | 8 | 7 |

Advances received relate to advance payments received from clients on projects not yet started. Retentions relate to amounts retained by clients which will be paid to the Company after successful completion of the contract. The outstanding retentions recognized as part of the Contract assets and liabilities are expected to be collected within a year; an amount of €1 million (2023: €1 million) of retentions have been recognized as 'Other non-current assets' (see note 20).

**Expected Credit Loss allowance**

The Expected Credit Loss allowance developed as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Balance at 1 January** | **5** | **0** |
| Remeasurement of Expected Credit Loss | 2 | 5 |
| **Balance at 31 December** | **7** | **5** |

## 23 Other current assets

Other current assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequently these assets are held at amortized cost, using the effective interest method and net of any impairment losses.

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Other receivables | 41 | 39 |
| Prepaid expenses | 60 | 62 |
| **Balance at 31 December** | **101** | **101** |

Other receivables are non-trade receivables and include, among others, deposits, claims to be received, interest to be received and short-term loans/prepayments to personnel.

Prepaid expenses mainly include prepayments of IT service contracts, rent and insurances. This includes renewal of significant IT software required for the Company's daily operations.

## 24 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits maturing within three months from the acquisition date and used by the Company in managing its short-term commitments. For cash flow reporting purposes bank overdrafts are included in Cash and cash equivalents.

Cash and cash equivalents at the balance sheet date can be specified as below.

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Bank and cash | 303 | 254 |
| Deposits | 73 | 36 |
| **Balance at 31 December** | **376** | **290** |
| Bank overdrafts | (1) | (10) |
| **Cash and cash equivalent less bank overdraft** | **375** | **280** |

The average effective interest rate earned on cash during 2024 was 3.8% (2023: 3.6%). At 31 December 2024, €358 million of Cash and cash equivalents was freely available (2023: €270 million).

Restricted cash amounting to €19 million is composed of cash balances mainly held in China (2023: €20 million). The Group has control over these balances; however, repatriation may be limited due to restrictive local regulatory and judicial requirements. As a result, the cash balances of some countries cannot be fully included in the global cash pooling or liquidity enhancement structures. In line with industry practice, the Group considers cash outside of global cash pooling or liquidity enhancement structures to be restricted if the Group is unable to repatriate cash within a defined period via either dividends, intercompany loans, or settlement of intercompany invoices.

At 31 December 2024, Cash and cash equivalents and Bank overdrafts have not been offset (comparable to 2023). The Bank overdraft at 31 December 2024 is €1 million (2023: €10 million).

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# 25 Equity attributable to equity holders

## Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and rights to acquire shares are recognized as a deduction of equity, net of any tax effects.

Priority shares and preference shares are classified as equity since these are non-redeemable, or only redeemable at the Company's option. Dividends on these shares are recognized as distributions within equity.

## Repurchase of shares

When share capital is repurchased, the consideration paid, including directly attributable costs net of any tax effects, is deducted from equity. Repurchased shares (treasury shares) are presented as a deduction from total equity. When treasury shares are sold or reissued, subsequently any amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

## Dividends

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

| *Number of shares* | Authorized share capital | Issued and paid-up capital |
|---|---|---|
| **2024** | | |
| Ordinary shares (120,000,000, nominal value €0.02) | 2,400,000 | 1,808,842 |
| Cumulative preferred (protective) shares (150,000,000, nominal value €0.02) | 3,000,000 | - |
| Cumulative financing preferred shares (30,000,000, nominal value €0.02) | 600,000 | - |
| Priority shares (600, nominal value €0.02) | 12 | 12 |
| **Total as at 31 December** | **6,000,012** | **1,808,854** |

The development of the number of shares issued/outstanding during 2024 and 2023 are presented in the table below.

| *Number of shares* | Ordinary shares | Priority shares | Treasury stock | Total issued shares |
|---|---|---|---|---|
| **Balance at 1 January 2023** | **89,572,574** | **600** | **869,517** | **90,442,691** |
| Shares issued (stock dividend) | - | - | - | - |
| Shares cancelled | - | - | - | - |
| Repurchased shares | - | - | - | - |
| Exercised shares and options | 400,355 | - | (400,355) | - |
| **At 31 December 2023** | **89,972,929** | **600** | **469,162** | **90,442,691** |
| Shares issued (stock dividend) | - | - | - | - |
| Shares cancelled | - | - | - | - |
| Repurchased shares | (810,000) | - | 810,000 | - |
| Exercised shares and options | 248,376 | - | (248,376) | - |
| **At 31 December 2024** | **89,411,305** | **600** | **1,030,786** | **90,442,691** |

## Priority shares

Total number of outstanding priority shares at 31 December 2024 is 600 (2023: 600). In 2024, no preferred (protective) shares or financing preference shares were issued or outstanding.

The priority shares have been issued since 1987 and are all held by Stichting Prioriteit Arcadis N.V. (Priority Foundation); a foundation with its corporate seat in Arnhem. Special rights under the Articles of Association of Arcadis N.V. linked to these priority shares concern decision making related to, among others:

- The issuance, acquisition and disposal of shares in the Company;
- Amendments to the Articles of Association;
- The dissolution of the Company and the filing for bankruptcy;
- The entry into or termination of long-term cooperative ventures of substantial significance; and
- Investments (including entering into participations) for an amount equal to at least 25% of the shareholders' equity.

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Pursuant to the articles of association of the Priority Foundation, the Board of the Foundation consists of 20 board members (with three (3) vacancies at 31 December 2024): seven (7) members of the Arcadis N.V. Supervisory Board, both (2) members of the Arcadis N.V. Executive Board, one (1) member of the Arcadis N.V. Executive Leadership Team and ten (10) members from the Board of Stichting Bellevue (a foundation seated in Amsterdam, whose board members are appointed by and from the international employees of the Arcadis Group).

## Cumulative Preferred (Protective) Shares

Currently no cumulative preferred (protective) shares have been issued. However, an option agreement to acquire such shares has been entered into between Stichting Preferente Aandelen Arcadis N.V. (Preferred Stock Foundation) and Arcadis N.V. under that agreement. The Preferred Stock Foundation has been granted the right to acquire protective shares up to a maximum equal to the number of outstanding shares at the date in question (call option).

The Board of the Preferred Stock Foundation consists of three (3) members appointed by the Board itself. The Chair (or another member) of the Supervisory Board and the CEO (or the other member of the Executive Board) will be invited to attend the board meetings of this foundation. This will not apply if a decision is to be made on the exercise of the option right or the exercise of voting rights on acquired shares.

## Cumulative financing preferred shares

Since 2002, the Articles of Association of Arcadis N.V. include the possibility to issue cumulative financing preferred shares. Currently, no such shares have been issued.

## Agreements with shareholders

The Articles of Association of Stichting Lovinklaan (Lovinklaan Foundation) stipulate that their Articles of Association cannot be amended without prior approval of the Priority Foundation. In a separate agreement between the Priority Foundation and the Lovinklaan Foundation it is stipulated that prior approval of the Priority Foundation is required for any resolution concerning the disposal or transfer of shares in Arcadis N.V. if, as a result of such resolution the number of shares held by the Lovinklaan Foundation will drop below 12,000,000 (number of shares held at 31 December 2024: 16,841,554).

## Issuance of shares

The General Meeting decides, with the approval of the Supervisory Board and the Priority Foundation, about the issuance of shares or grant of rights to acquire shares. The General Meeting can also delegate its authority to issue shares, or part thereof, to the Executive Board. As long as any such delegation stands, the General Meeting cannot decide to issue. No shares were issued in 2024 (2023: nil).

## Purchase of shares

As mandated by the General Meeting and with approval from the Supervisory Board and the Priority Foundation, the Executive Board may purchase fully paid-up shares in Arcadis N.V. The mandate is not needed in case the shares are purchased to be transferred to employees and to fulfill commitments for stock dividend. As a result of its Long-Term Incentive Plan(s) or related arrangements, Arcadis needs to provide shares to persons working for Arcadis. The intention is to minimize dilution by purchasing (a portion of) the shares needed for such Long-Term Incentive Plan(s) (or related arrangements), as opposed to issuing new shares.

The following numbers of shares were repurchased over the past five years:

| Year | Number of shares | Price at time of purchase (in €) |
|---|---|---|
| 2020 | 504,386 | 12.30 to 27.96 |
| 2021 | 2,316,830 | 27.58 to 40.24 |
| 2022 | - | - |
| 2023 | - | - |
| 2024 | 810,000 | 61.34 to 66.16 |

Group announced on 4 October 2024 the start of a share buyback program to repurchase up to 810,000 shares to cover existing and expected future obligations under its employee incentive plans maturing in the next 3 to 4 years. The repurchase of shares commenced on 4 October 2024 and has been completed on 9 December 2024. The repurchased shares are to cover for the vesting/exercise of shares and options granted and commitment for stock dividend. The cash equivalent of the temporary repurchased shares are deducted from Retained earnings.

At 31 December 2024, the number of repurchased shares in stock (treasury stock) amounted to 1,030,786 (2023: 469,162).

The number of outstanding ordinary shares over the past five years developed as follows:

| Year | 1 January | Issued shares | Repurchased shares | Reissued shares | 31 December |
|---|---|---|---|---|---|
| 2020 | 89,045,228 | - | (504,386) | 1,577,872 | 90,118,714 |
| 2021 | 90,118,714 | 616,854 | (2,316,830) | 590,501 | 89,009,239 |
| 2022 | 89,009,239 | - | - | 563,335 | 89,572,574 |
| 2023 | 89,572,574 | - | - | 400,355 | 89,972,929 |
| 2024 | 89,972,929 | - | (810,000) | 248,376 | 89,411,305 |

## Share premium

Share premium represents the premium paid in excess of the par value of shares at the time of the issuance of new shares or exercise of share options.

## Translation reserve

Translation reserve (a statutory reserve) comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. €48 million was added to the Translation reserve in 2024 (2023: €28 million deduction).

## Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. An amount of €0.4 million was added to the Hedging reserve in 2024 with nil tax effect on the same (2023: €2 million deduction with nil tax effect).

## Retained earnings

The Executive Board proposes, with the approval of the Supervisory Board, which part of the profit shall be reserved. The remaining part of the profits shall be at the disposal of the General Meeting and may be distributed as dividend. The holder of the priority shares is entitled to a dividend of 5% of the par value of the priority shares, prior to any dividend distribution being made. On these shares no further distributions shall be made.

## Profit allocation

The profit attributable to the equity holders of the Company over fiscal year 2024 amounts to €243 million. The Executive Board, with the approval of the Supervisory Board, proposes to present for approval to the General Meeting its proposal to distribute a dividend amount of €89 million, which represents a dividend of €1.00 per ordinary share (2023: €0.85). Of the total Retained earnings, an amount of €10 million of legal reserves is restricted in distribution (2023: €10 million). See note 45 to the Company financial statements for further details.

## 26 Non-controlling interests

Non-controlling interests represent the net assets which are not held by the Company and are presented within total equity in the Consolidated balance sheet as a separate category. Profit or loss and each component of Other comprehensive income are attributed to the equity holders and to the non-controlling interests.

The movements in non-controlling interests are specified below.

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Balance at 1 January** | **(2)** | **(2)** |
| Share in profit for the year | (1) | (0) |
| Dividends to non-controlling shareholders | - | - |
| Acquisitions/(divestments) | 0 | - |
| Exchange rate differences | (0) | 0 |
| **Balance at 31 December** | **(3)** | **(2)** |

At 31 December 2024, the non-controlling interests mainly consisted of:

- Hyder & Solaiman Elkhereiji Engineering Consultants P.C. (30%) (2023: 30%)
- Water Platform Company B.V. (30%) (2023: 30%)

## 27 Provisions for employee benefits

Most of the pension plans of the Group qualify as defined contribution pension plans. However, the Group also operates a few defined benefit pension plans.

### Defined contribution pension plans

For defined contribution pension plans, the Group pays fixed contributions into a separate entity, which are charged to profit or loss in the period during which services are provided by employees. The Group's legal or constructive obligation is limited to the contributions paid into the plans. Prepaid contributions are recognized as an asset to the extent that Arcadis has the unconditional right to cash refunds or reduction in future payments.

### Defined benefit pension plans

Some of the pension plans qualify as defined benefit pension plans. For these plans, the costs are recognized as personnel costs and financing costs in profit or loss. The amount charged to personnel costs is the cost of accruing pension benefits promised to employees over the year, plus the costs of individual events such as past service benefit changes, settlements and curtailments (such events are recognized immediately in profit or loss).

The amount charged to financing costs is the net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset. Any differences between the expected interest on assets and the return actually achieved, and any changes in the liabilities over the year due to changes in assumptions or experience within the plans, are recognized immediately in profit or loss.

The majority of the defined benefit pension plans are funded with plan assets that have been segregated in a trust or foundation. These plans are subject to regular actuarial review by external actuaries, using the projected unit credit method.

The defined benefit pension plan on the balance sheet comprises the present value of the defined benefit pension obligation and the fair value of plan assets. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds (or suitable alternative where there is no active corporate bond market) that are denominated in the currency in which the benefits will be paid, and with maturity dates approximating to the terms of the related pension obligations.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in profit or loss.

The table below provides a summary of the total provision for employee benefits at the balance sheet date.

| *In € millions* | Asset side | Liability side | Total 2024 |
|---|---|---|---|
| Defined benefit pension plans | 18 | 21 | 3 |
| Other deferred compensation plans | - | 11 | 11 |
| **Total provision for employee benefits** | **18** | **32** | **14** |
| Non-current | 18 | 27 | 9 |
| Current | - | 5 | 5 |
| **Total** | **18** | **32** | **14** |

| *In € millions* | Asset side | Liability side | Total 2023 |
|---|---|---|---|
| Defined benefit pension plans | 15 | 26 | 11 |
| Other deferred compensation plans | - | 20 | 20 |
| **Total provision for employee benefits** | **15** | **46** | **31** |
| Non-current | 15 | 40 | 26 |
| Current | - | 6 | 6 |
| **Total** | **15** | **46** | **31** |

### Pension costs recognized in profit or loss

The total pension costs recognized in profit or loss were as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Total defined benefit pension plans | 2 | 4 |
| Total defined contribution pension plan and other deferred compensation plans | 96 | 91 |
| **Total pension costs** | **98** | **95** |

The pension expenses of defined benefit and defined contribution pension plans are recognized in the following line items in the Consolidated income statement:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Personnel costs | 98 | 96 |
| Finance expenses/ (income) | (0) | (1) |
| **Total pension costs** | **98** | **95** |

## Defined benefit pension plans

### Description of plans

The defined benefit pension plans of the Group are either career average, final salary or hybrid plans. In addition, there is a termination indemnity plan for Arcadis Middle East, which pays out a single lump sum at exit (regardless of age or reason for exit).

The two main defined benefit pension plans are in the UK, being the 'EC Harris Group Pension Scheme' and the 'Acer Group Pension Scheme' (formerly Hyder), which account for 100% of the pension assets for funded schemes in surplus. The defined benefit liability is mainly due to the termination indemnity plan in Arcadis Middle East (24% of the total defined benefit liability) and other individually immaterial defined benefit pension plans within the Group.

As at 31 December 2024 both defined benefit pension plans in the UK have a surplus of €18 million (31 December 2023: €15 million). This increase is primarily due to rise in bond yields which has reduced the value of the liabilities, offset by lower than expected investment performance.

The EC Harris Group Pension Scheme has been closed for future accruals since 31 January 2011, whereas the Acer Group Pension Scheme was closed for future accruals since 30 April 2011. Both plans are funded plans. The other defined benefit pensions plans are mainly active and funded plans.

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In June 2023, a High Court legal ruling in the UK decided that rule amendments to certain pension plans were invalid if they were not accompanied by the correct actuarial confirmation. While the ruling only applied to the specific pension scheme in question, if the ruling stands, it will form part of the case law and can therefore be expected to apply across other pension schemes, including EC Harris Group Pension Scheme and Acer Group Pension Scheme. Disclosures have been calculated assuming that this ruling will not affect the benefits of either Scheme on the basis that there is a reasonable prospect of successful appeal against the ruling.

### Governance

The majority of the defined benefit pension plans are established as independent foundations or similar entities, with operations governed by local regulations and practice in each country. Boards of Trustees, which consist of employer and employee representatives, are generally required to act on behalf of the plan's stakeholders and perform periodic reviews on the solvency of the funds in accordance with local laws and regulations. They are responsible for administering the plan assets and for defining the investment strategy.

### Investment strategy

The investment strategy of the Group in respect of the funded plans is implemented within the framework of the various local requirements of the countries where the plans are based. The objective is to control the risks and maintain an appropriate balance between the risks and the long-term returns. Therefore, the investments are well diversified and managed within the asset-liability matching (ALM) frameworks of the funds. Within these frameworks the objective is to match assets to the pensions obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

### Specification defined benefit pension plans

The table below provides a summary of the classification of the defined benefit pension plans at 31 December.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| *In € millions* | Present value of obligation | Fair value of plan assets | **Total** | Present value of obligation | Fair value of plan assets | **Total** |
| EC Harris Group Pension Scheme (ECH) | 75 | 78 | (3) | 79 | 82 | (3) |
| Acer Group Pension Scheme (AGPS) | 157 | 172 | (15) | 169 | 180 | (11) |
| ME Termination Indemnity Plan (HME) | 5 | - | 5 | 10 | - | 10 |
| Other defined benefit pension plans | 19 | 3 | 16 | 17 | 2 | 15 |
| **Total defined benefit pension plans** | | | **3** | | | **11** |

The next table provides a summary of the changes in the defined benefit obligations and the fair value of the plan assets for the UK (A and B hereafter), Arcadis Middle East (C) and the other defined benefit pension plans (D). It also provides a reconciliation of the funded status of the plans to the amounts recognized in the Consolidated balance sheet.

| *In € millions* | ECH | AGPS | AME | Other | Total |
|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **(6)** | **(4)** | **14** | **15** | **18** |
| Current service cost | - | - | 1 | | |
| Interest expense/ (income) | (0) | (0) | 0 | | |
| One-off equalization cost | - | - | - | | |
| Reclassification | - | - | - | | |
| **Subtotal** | **(0)** | **(0)** | **1** | **3** | **4** |
| Remeasurement: | | | | | |
| Return on plan assets excluding amounts included in interest expense/ (income) | 2 | (5) | - | | |
| (Gain)/ loss from change in financial assumptions | 3 | 5 | 0 | | |
| (Gain)/ loss from change in demographic assumptions | (3) | (5) | 0 | | |
| Experience (gain)/ loss | 3 | 2 | 1 | | |
| **Total remeasurement** | **5** | **(3)** | **1** | **(0)** | **2** |
| Exchange rate differences | (0) | (0) | (0) | (0) | (1) |
| Contributions by employer | (2) | (3) | - | | (5) |
| Benefit payments from plans | - | - | (5) | (2) | (8) |
| **Balance at 31 December 2023** | **(3)** | **(11)** | **10** | **15** | **11** |
| Current service cost | - | - | 0 | | |
| Interest expense/ (income) | (0) | (0) | 0 | | |
| One-off equalization cost | - | - | - | | |
| Reclassification | - | - | - | | |
| **Subtotal** | **(0)** | **(0)** | **-** | **2** | **2** |
| Remeasurement: | | | | | |
| Return on plan assets excluding amounts included in interest expense/ (income) | 9 | 19 | - | | |
| (Gain)/ loss from change in financial assumptions | (7) | (17) | - | | |
| (Gain)/ loss from change in demographic assumptions | (0) | (1) | 0 | | |
| Experience (gain)/ loss | 0 | (1) | 1 | | |
| **Total remeasurement** | **2** | **0** | **1** | **0** | **3** |
| Exchange rate differences | (0) | (1) | 1 | 0 | (0) |
| Contributions by employer | (2) | (3) | - | | (5) |
| Benefit payments from plans | - | - | (7) | (1) | (8) |
| **Balance at 31 December 2024** | **(3)** | **(15)** | **5** | **16** | **3** |

The current and non-current breakdown of defined benefit pension plan is as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Non-current | 3 | 11 |
| Current | 0 | 0 |
| **Total** | **3** | **11** |

## (A) EC Harris group pension scheme (ECH)

### Plan assets allocation

All invested assets shown in the table below are quoted.

| *In € millions / %* | 2024 | % | 2023 | % |
|---|---|---|---|---|
| Equities | 12 | 16 | 10 | 13 |
| Property and real estate | 0 | 1 | 1 | 1 |
| Cash | 3 | 3 | 1 | 1 |
| Other[1] | 63 | 80 | 70 | 85 |
| **Total at 31 December** | **78** | **100** | **82** | **100** |

[1] Others include private credit, diversified growth funds and liability driven investment fund

### Actuarial assumptions

The principal actuarial assumptions at the reporting dates are:

| *in %* | 2024 | 2023 |
|---|---|---|
| Discount rate | 5.45 | 4.60 |
| Pension increases | 1.95-3.50 | 1.95-3.40 |
| Retail price index inflation | 3.30 | 3.30 |
| Consumer price index inflation | 2.30 | 2.30 |

The discount rate is based on yields on UK AA-rated high-quality corporate bonds, with durations comparable to the duration of the pension plan's liabilities. Based on the assumptions described in this note, these payments have an average duration of 13 years.

Demographic assumptions regarding future mortality are based on published statistics and mortality tables. The current life expectancy (in years) underlying the values of the liabilities in the defined benefit plans are as follows:

| *In years* | 2024 | 2023 |
|---|---|---|
| Male/female currently age 65 | 21.6/ 24.1 | 21.7/ 24.3 |
| Male/female reaching age of 65 in 20 years | 22.9.0/ 25.5 | 23.0/ 25.6 |

### Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to, amongst others, the discount rate, rate of inflation and changes in the mortality assumptions. In 2024, the sensitivity analysis was as follows:

| *In % / € millions* | Change in assumptions | Change in pension liability |
|---|---|---|
| Discount rate | 0.5% | 5 |
| Rate of inflation | 0.5% | 2 |
| Life expectancy | one-year change | 2 |

The sensitivity analysis as disclosed in the 2023 financial statements was as follows:

| *In % / € millions* | Change in assumptions | Change in pension liability |
|---|---|---|
| Discount rate | 0.5% | 6 |
| Rate of inflation | 0.5% | 3 |
| Life expectancy | one-year change | 3 |

### Defined benefit liability and employer contributions

The Company expects €2 million in contributions to be paid to the plan in 2025. The estimated net pension costs to be recognized in the Consolidated income statement in 2025 amounts to €0.2 million, relating to net interest charges. The estimated weighted average duration of the defined benefit obligation is around 13 years.

## (B) Acer Group Pension Scheme (AGPS)

### Plan assets allocation

All invested assets shown in the table below are quoted.

| *In € millions / %* | 2024 | % | 2023 | % |
|---|---|---|---|---|
| Equities | 36 | 21 | 26 | 14 |
| Property and real estate | 7 | 4 | 10 | 6 |
| Hedge funds | 88 | 51 | 86 | 48 |
| Cash | 2 | 1 | 2 | 1 |
| Other[1] | 39 | 23 | 56 | 31 |
| **Total at 31 December** | **172** | **100** | **180** | **100** |

[1] Others include alternatives, credit, diversifying and protection strategies, and insured pensions

### Actuarial assumptions

The principal actuarial assumptions at the reporting dates are:

| *in %* | 2024 | 2023 |
|---|---|---|
| Discount rate | 5.45 | 4.60 |
| Pension increases | 1.95-3.50 | 1.95-3.40 |
| Retail price index inflation | 3.30 | 3.30 |
| Consumer price index inflation | 2.30 | 2.30 |

The discount rate is based on yields on UK AA-rated high-quality corporate bonds, with durations comparable to the duration of the pension plan's liabilities. Based on the assumptions described in this note, these payments have an average duration of 13 years.

Demographic assumptions regarding future mortality are based on published statistics and mortality tables. The current life expectancy underlying the values of the liabilities in the defined benefit plans are as follows:

| *In years* | 2024 | 2023 |
|---|---|---|
| Male/female currently age 65 | 21.7/ 24.2 | 21.7/ 24.2 |
| Male/female reaching age of 65 in 20 years | 23.0/ 25.6 | 23.0/ 25.6 |

### Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to, amongst others, the discount rate, rate of inflation and changes in life expectancy. In 2024, the sensitivity analysis was as follows:

| *In % / € millions* | Change in assumptions | Change in pension liability |
|---|---|---|
| Discount rate | 0.5% | 10 |
| Rate of inflation | 0.5% | 5 |
| Life expectancy | one-year change | 6 |

The sensitivity analysis as disclosed in the 2023 financial statements was as follows:

| *In % / € millions* | Change in assumptions | Change in pension liability |
|---|---|---|
| Discount rate | 0.5% | 10 |
| Rate of inflation | 0.5% | 7 |
| Life expectancy | one-year change | 7 |

### Defined benefit liability and employer contributions

The Group has agreed that it will aim to eliminate any pension plan deficit within the next nine years. Therefore, funding levels are monitored on an annual basis.

The Company expects €2 million in contributions to be paid to the plan in 2025. The estimated net pension costs to be recognized in the Consolidated income statement in 2025 amounts to €1 million, relating to net interest charges. The estimated weighted average duration of the defined benefit obligation is around 13 years.

## (C) Arcadis ME End of service benefits (AME)

### Plan assets

There is no local regulation that requires a level of funding of the plan, therefore no assets have been set aside to fund these arrangements.

### Actuarial assumptions

The principal actuarial assumptions at the reporting date are:

| *in %* | 2024 | 2023 |
|---|---|---|
| Discount rate | 4.70-5.30 | 4.80-5.20 |
| Salary increases (expected, per annum) | 0-3.00 | 0-3.00 |

As there is no deep market in corporate bonds within the Gulf Cooperation Council (GCC) region and the limited number of government bonds available do not provide an adequate reference, the discount rate is based on the US AA-rated corporate bond market as a proxy. The payments have an average duration of three years, which is lower than in previous years due to the strategic decision made in 2020 to reduce the footprint in the Middle East.

Demographic assumptions for mortality, withdrawal, and retirement are used in determining the liability. Because of the nature of the benefit, which is a lump sum payable on exit due to any cause, a combined single decrement rate has been used. The retirement age used for the actuarial valuations is as follows:

| In years | 2024 | 2023 |
|---|---|---|
| Male/female Saudi Arabia | 60/ 55 | 60/ 55 |
| Male/female other countries | 65/ 65 | 65/ 65 |

### Sensitivity analysis

The calculation of the liability of AME is sensitive to the discount rate and salary increases. In 2024, the sensitivity analysis was as follows:

| *In % / € millions* | Change in assumptions | Change in pension liability |
|---|---|---|
| Discount rate | 0.5% | 0 |
| Salary increases | 0.5% | 0 |

The sensitivity analysis as disclosed in the 2023 financial statements was as follows:

| *In % / € millions* | Change in assumptions | Change in pension liability |
|---|---|---|
| Discount rate | 0.5% | 0 |
| Salary increases | 0.5% | 0 |

### Defined benefit liability and employer contributions

The Company does not expect additional service costs and €0.1 million of interest costs to be recognized in the Consolidated income statement in 2025. The estimated weighted average duration of the defined benefit obligation is around 1 year.

## (D) Other defined benefit pension plans

The other defined benefit pension plans are individually immaterial and mainly relate to France, Germany, the UK and GECs in India and Philippines. No detailed disclosures for these individual plans are provided. For the movement in the balance sheet position of these other defined benefit pension plans in total we refer to the next table.

## Other deferred compensation plans

The other deferred compensation plans consist of the following balances:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Deferred salaries | - | 10 |
| Future jubilee payments | 4 | 4 |
| Other | 7 | 6 |
| **Balance at 31 December** | **11** | **20** |

The movement in the other deferred compensation is as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Balance at 1 January** | **20** | **18** |
| Acquisitions | - | - |
| Additions | 1 | 3 |
| Amounts used/released | (1) | (0) |
| Derecognition | (10) | - |
| Exchange rate differences | 1 | (0) |
| **Balance at 31 December** | **11** | **20** |
| | | |
| Non-current | 7 | 15 |
| Current | 4 | 5 |
| **Balance at 31 December** | **11** | **20** |

### Deferred salaries

The deferred salaries mainly include a plan for deferred compensation of our operating company in the United States. Management of this operating company can elect not to have its salary paid out, but rather invested in a fund by the Company, and is offered a choice of three different portfolio types: risk averse, neutral and risky. The employees participating in the plan bear the investment risk of the plan. In 2024, it was concluded that the Group does not control the fund and accordingly the asset and provisions balance were derecognized. See note 20 for further details.

### Future jubilee payments

An amount of €4 million is recognized for future jubilee payments based on the current agreements in the collective labor agreements and the related staff levels (2023: €4 million).

### Other

Other deferred compensation includes €6 million of long service leave provisions in Australia, where employees are entitled to long service leave after a certain number of years of continuous service (2023: €6 million). The time allowance and conditions of entitlement are set out in legislation and vary by territory. An amount of €4 million is expected to be paid within one year (2023: €4 million).

## 28 Provisions for other liabilities and charges

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, a reliable estimate can be made of the amount of the obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at net present value, taking into account the timing of the cash outflows. The discount rate used reflects the current market assessments of the time value of money and the risks specific to the liability. Unwinding of the discount is recognized as a finance expense (see note 11).

The amounts recognized as provisions reflect management's best estimate of the expenditures required to settle the present obligations at the balance sheet date or to transfer it to a third party at that time.

| *In € millions* | Restructuring | Litigation | Restoration | Other | Total |
|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **5** | **35** | **6** | **7** | **53** |
| Additions | 11 | 15 | 0 | 1 | 28 |
| Amounts used | (6) | (6) | (1) | (0) | (13) |
| Release of unused amounts | (1) | (4) | (0) | (1) | (6) |
| Reclassifications | - | - | 0 | 0 | 0 |
| Exchange rate differences | (0) | (0) | (0) | 0 | (0) |
| **Balance at 31 December 2023** | **10** | **40** | **6** | **7** | **63** |
| Additions | 9 | 20 | 1 | 1 | 31 |
| Amounts used | (7) | (19) | (0) | (0) | (26) |
| Release of unused amounts | (4) | (4) | - | (1) | (9) |
| Reclassifications | (0) | - | 0 | (0) | (0) |
| Exchange rate differences | 0 | (0) | 0 | 0 | 0 |
| **Balance at 31 December 2024** | **8** | **37** | **7** | **7** | **59** |
| Non-current | 5 | 33 | 6 | 6 | 50 |
| Current | 3 | 4 | 1 | 1 | 9 |
| **Balance at 31 December 2024** | **8** | **37** | **7** | **7** | **59** |

### Restructuring

Provisions for restructuring include costs related to certain staff compensation and costs directly related to the existing plans to execute restructurings, mainly in Middle East, DPS, Continental Europe, United Kingdom and CallisonRTKL. A provision is only recognized once the decision to execute said restructuring has been taken, its costs can be reasonably and fairly estimated, and its intended execution has been announced.

Further information ordinarily required by IAS 37 has not been disclosed due to sensitive and confidential information involved.

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## Litigation

Clients of Arcadis sometimes claim, justified or not, that they are not satisfied with the services provided by the Company. While the outcome of these claims cannot be predicted with certainty, management believes that, based on (external) advisors and information received, the provision of €37 million (2023: €40 million) is the best estimate of the potential financial risk, net of insurance coverage. These insurance policies include a global professional liability insurance and in addition, local insurance in a number of countries. In general, these insurance policies have a self- insured retention and a maximum pay-out level.

Outstanding litigation (including the provisions, defense costs and reimbursement coverage) is reviewed periodically and revisions are made when necessary. Since the outcome cannot be predicted with certainty and settlement of claims could take several years, final settlement could differ from this best estimate.

Further information ordinarily required by IAS 37 has not been disclosed on the grounds that it can be expected to seriously prejudice the outcome of the disputes.

## Restoration provision for leased assets

For lease contracts that require the Company to maintain an underlying asset during the lease term and/or restore it to its original condition before returning to the lessor at the end of the lease, a restoration provision is recognized when the obligation arises. For the same amount a right-of-use asset is recognized and depreciated over the lease term. The discount rate used is the Incremental Borrowing Rate.

## Other

The category other provisions include individually immaterial items, and the Company expects that they will be substantively used within one to five years.

## 29 Loans and borrowings

Interest-bearing debts are measured at amortized cost, in which the difference between the proceeds and repayments over time is charged to profit or loss over their duration. The portion of long-term debt that has to be repaid within one year after the balance sheet date is presented as the current portion of long-term debt under current liabilities.

All other financial liabilities are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Non-derivative financial liabilities include loans and borrowings, bank overdrafts, trade and other payables. Initially these liabilities are recognized at fair value plus the directly attributable transaction costs. Subsequently these financial liabilities are measured at amortized cost using the effective interest method.

Bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future cash flows, discounted at the Company specific market rate of interest at reporting date.

Loans and borrowings at 31 December are as follows:

| *In € millions* | Interest rates between | 2024 | 2023 |
|---|---|---|---|
| Short-term bank loans | 1.5% - 4.5% | 81 | - |
| Long-term bank loans | 1.5% - 5.8% | 275 | 355 |
| Debentures | 6.5% | - | 20 |
| Senior unsecured notes | 4.9% | 497 | 496 |
| **Total Loans and borrowings** | | **853** | **871** |
| Current | | 81 | - |
| Non-current | | 772 | 871 |
| **Total** | | **853** | **871** |

## Fair value

The fair value of the Group's loans and borrowings has been estimated at €862 million, based on quoted market prices for the same or similar loans or on the current rates offered to the Group for debt with similar maturities (2023: €875 million).

Aggregate maturities of (non-)current loans and borrowings are as follows:

| In € millions | 2024 | 2023 |
|---|---|---|
| 2025 | 78 | 97 |
| 2026 | 223 | 223 |
| 2027 | 53 | 52 |
| 2028 | 499 | 499 |
| 2029 | - | - |
| After 2029 | - | - |
| **Balance at 31 December** | **853** | **871** |

## Non-current loans and borrowings

The movement in non-current loans and borrowings is as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Balance at 1 January** | **871** | **902** |
| New debt | 95 | 719 |
| Accrued interest | - | - |
| Redemptions | (116) | (750) |
| Acquisitions (deferred consideration) | - | - |
| From long-term to current position other long-term | (81) | - |
| Other | 3 | 0 |
| Exchange rate differences | (0) | (0) |
| **Balance at 31 December** | **772** | **871** |

### Eurobond

In February 2023, a €500 million Eurobond was issued against a fixed rate of 4.875% with a 5-year maturity. The proceeds of this issuance were used to repay a part (€500 million) of the €750 million bridge loan facility in 2023.

### Bridge loan facility

The bridge loan facility used to acquire IBI Group and DPS Group in 2022 has been repaid in the course of 2023. Of the €750 million outstanding at the start of 2023, €500 million was repaid with the issuance of a €500 million Eurobond in February 2023. The remaining €250 million was repaid during the third quarter of 2023 using the proceeds from the €185 million newly issued Schuldschein loans and €65 million with available cash.

### Schuldschein loans

In 2024, no additional Schuldschein loans have been arranged. €81 million of Schuldschein loans is due to be repaid in 2025.

In 2023, the €185 million floating rate Schuldschein loans have been swapped with two floating-to-fixed interest rate swaps. There were no changes on these swaps in 2024. For more information, see note 19.

At 31 December 2024, the non-current portion of long-term debt includes a total of Schuldschein debt in the amount of €278 million maturing in 2026 and 2027.

### Debentures

At 31 December 2024, the long-term debt acquired after the acquisition of IBI Group was repaid for a value of €21 million (CAD 31 million) of Debentures and presented under the redemptions line in the table above. The 6.5% Debentures originally had a maturity of 31 December 2025 and were listed on the Toronto Stock Exchange.

On or after 31 December 2024 but prior to the maturity date of 31 December 2025, the Debentures were redeemable at a price equal to their principal amount plus accrued and unpaid interest and free of an early repayment penalty.

**Revolving Credit Facility**

In 2023, Arcadis used both the extension option as well as the accordion option available in the Revolving Credit Facility (RCF) to extend and increase the RCF. Following the exercise of these options, the RCF has been extended by 2 years to 2028 and increased by €100 million to €600 million, with €95 million maturing in October 2026 and the remaining €505 million maturing in October 2028.

In 2024, the Group made a drawdown of €95 million from RCF and repaid it during the year. This has been presented as new debt and redemption respectively in the table above.

Arcadis has the right to defer the settlement of an outstanding balance of the Revolving Credit Facility on a roll-over basis as the balance falls due. Accordingly, any outstanding RCF balances as at reporting date are classified as non-current. The classification of the balances as non-current is compliant with the requirements of IAS 1.76 which is effective from 1 January 2024. There is no outstanding RCF balance as of 31 December 2024 and 2023.

## Current loans and borrowings

The movement in short-term debts and current portion of long-term debts is as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| **Balance at 1 January** | **-** | **56** |
| New debt | 60 | - |
| Acquisitions | - | - |
| Redemptions | (60) | (56) |
| Other | - | - |
| From long-term to current position other long-term | 81 | - |
| Exchange rate differences | - | (0) |
| **Balance at 31 December** | **81** | **-** |

**Short-Term credit facilities**

The total available short-term credit facilities amount to €369 million, which include all uncommitted credit facilities, bank guarantee facilities and surety bond lines with financial institutions of which €158 million has been used as per 31 December 2024 (2023: €412 million and €197 million respectively).

The Group has short-term uncommitted credit facilities of €142 million with relationship banks and three bank guarantee facilities totaling €101 million (2023: €120 million and €76 million, respectively). These short-term credit facilities are used for the financing of working capital and general corporate purposes of the Group.

By the end of the year 2024, the total amount of bank guarantees and letters of credit that were outstanding under the €101 million guarantee facilities amounted to €54 million (2023: €48 million). Additionally, there were other outstanding bank guarantees, letters of credit and surety bonds amounting to €102 million (2023: €146 million).

In 2024, the Group utilized €60 million from existing short-term finance facilities and it was repaid during the year and has been presented as new debt and redemptions respectively in the table above.

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## Interest rates

The interest rate ranges for the total loans and borrowings are as follows:

| *In € millions* | 2024 | 2023 |
|---|---|---|
| 0% - 3% | 81 | 74 |
| 4% - 7% | 772 | 797 |
| **Balance at 31 December** | **853** | **871** |
| **Weighted average interest rate**[1] | **4.6%** | **4.7%** |

[1] On interest-bearing debt (including the interest effect of swaps)

## Financial covenants

The leverage covenant for the €600 million syndicated Revolving Credit Facility and the 2020 Schuldschein loans prescribes that the average net debt to EBITDA ratio is not to exceed the maximum of 3.5x, which is confirmed to the lenders twice a year.

At 31 December 2024, the average net debt to EBITDA ratio calculated in accordance with the credit documentation of the 2020 Schuldschein loans and the €600 million syndicated Revolving Credit facility is 1.6x (2023: 2.2x). No other financial covenants exist for these credit facilities.

The leverage covenant for the 2023 Schuldschein loans prescribes that the average net debt to Operating EBITDA ratio is not to exceed the maximum of 3.5x, which is confirmed to the lenders twice a year.

At 31 December 2024, the average net debt to Operating EBITDA ratio calculated in accordance with the credit documentation of the 2023 Schuldschein loans is 1.5x (2023: 2.0x). No other financial covenants exist for these credit facilities.

## 30 Accounts payable, accrued expenses and other current liabilities

Other current liabilities are non-derivative financial liabilities, which are initially recognized at fair value plus directly attributable transaction costs. Subsequently these financial liabilities are measured at amortized cost using the effective interest method.

| *In € millions* | Note | 2024 | 2023 |
|---|---|---|---|
| Accounts payable | | 300 | 313 |
| Accrued expenses | | 116 | 96 |
| Payables to employees | | 216 | 207 |
| Taxes and social security contributions | | 101 | 104 |
| After-payments relating to acquisitions | 6 | 1 | 2 |
| Other liabilities | | 76 | 79 |
| **Balance at 31 December** | | **810** | **801** |

Of the total accounts payable approximately 46% is subject to a so-called 'paid-when-paid' clause (2023: 41%). The expectation is that all accounts payable will be paid within the normal course of business and are therefore classified as short-term liabilities. Further information about Arcadis' exposure to liquidity risk is included in note 31.

Other liabilities include various accrued liabilities, such as to be paid occupancy costs, consultancy costs, insurance costs and interest costs. Any lease incentives ('tenant improvement allowances') received are part of the right-of-use asset, see note 16.

## 31 Capital and financial risk management

Arcadis' activities expose the Group to a variety of financial risks, including (A) credit risks, (B) liquidity risks, and (C) market risks.

These risks are inherent to the way the Group operates as a multinational with locally operating subsidiaries. The Executive Board is responsible for the design and functioning of the internal risk management systems. The day-to-day risk management activities related to the financial risk management are carried out by Arcadis Group Treasury, in line with the guiding principles of the Group Treasury Policy, as updated and approved by the Executive Board.

Arcadis Audit and Risk Committee oversees how management monitors compliance with the Group risk management policies and procedures, and the Arcadis control framework. It also reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

### (A) Credit risks

Credit risk arises from receivables from customers as well as cash balances and fair values of derivatives with financial counterparties (e.g. banks). The credit risk on customers is influenced mainly by the individual characteristics of each customer. Arcadis usually invoices clients for services according to the progress of the work. If clients refuse or are unable to meet their contractual payment obligations, the Group may not have sufficient cash to satisfy its liabilities and its growth and continued operations could be adversely impacted.

The key objective of the Group's counterparty risk management is to minimize the risk of losses as a result of failure of an individual financial counterparty that could negatively impact the Group's results. Arcadis aims to centralize cash balances with banks that have also provided committed credit facilities to the Group in order to reduce this counterparty risk.

The exposure to credit risk is monitored on an ongoing basis at local entity and at group level. Normally, Arcadis only deals with counterparties that have a sufficiently strong credit rating. Where possible, Arcadis uses credit ratings provided by external credit rating agencies, thus monitoring creditworthiness in order to manage the related credit risk. Furthermore, Arcadis strongly focuses on clients by strengthening the commercial relationship and being more selective to which clients services are offered. Through systematic account management we aim to build long-term relationships with selected multinational and key national/local clients. We already have a relationship with the majority of our multinational clients for more than five years. New customers are analyzed individually for creditworthiness before services are offered and monitored regularly.

The carrying amount of financial assets represents the maximum credit exposure. Per 31 December 2024, the maximum exposure to credit risk was:

| *In € millions* | Note | 2024 | 2023 |
|---|---|---|---|
| **Financial assets:** | | | |
| Trade receivables | 21 | 761 | 731 |
| Other receivables | 23 | 41 | 39 |
| Other non-current assets | 20 | 9 | 20 |
| Derivatives | 19 | 10 | 8 |
| | | **821** | **799** |
| Cash and cash equivalents less bank overdrafts | 24 | 375 | 280 |
| **Balance at 31 December** | | **1,196** | **1,078** |

**Trade receivables**

Trade receivables are presented net of a provision for expected credit losses. The credit risk is measured and analyzed on a local level at regular intervals, taking into consideration, amongst others, the financial situation of the debtor and ageing of receivables. Expected losses are determined in line with IFRS 9, see note 21.

The ageing of Trade receivables and the provision for Trade receivables at reporting date is disclosed below and in note 21. The ageing of receivables has led to the recognition of (expected) credit losses and calibration of assumptions as included in the Goodwill impairment test.

The movement schedule for the provision for Trade receivables is included in note 21.

There are various reasons for delays in payments that result in past due amounts and that impact Days Sales Outstanding (DSO). Arcadis has overdue receivables which are generally considered collectible and for which the risk of impairment is remote.

Amounts due at 31 December 2024 subject to the 'paid-when-paid principle' are disclosed in note 21. Further details on how Arcadis uses this principle to manage working capital is disclosed in the section on liquidity risk.

**Other receivables and non-current assets**

Other receivables and Other non-current assets are monitored for expected credit losses. They do not contain impaired assets and are not past due.

**Loans to associates and joint ventures**

Loans to associates and joint ventures are subject to credit risk. At 31 December 2024, no material loans to associates were outstanding.

**Cash and cash equivalents**

The credit risk of Cash and cash equivalents is the risk that counterparties are not able to repay amounts owed to Arcadis upon request of Arcadis. The objective of the Group is to minimize credit risk exposure in Cash and cash equivalents by investing in liquid securities and entering into transactions involving derivative financial instruments only with counterparties that have sound credit ratings, a good reputation and belong to the group of Core banks which also provide committed credit facilities. The related risk is monitored on an ongoing basis both at local entity and group level. The Group keeps approximately 67% (2023: 62%) of its cash reserves at our Core banks and is only allowed to invest in short-term, liquid securities with counterparties that have an investment grade rating from Standard & Poor's, Moody's or Fitch. Management monitors these ratings and does not expect any such counterparty to fail to meet its obligations in the short-term. No Expected Credit Losses are recognized on the cash and cash equivalents.

**Guarantees and letters of credit**

On behalf of the Group and local entities, financial institutions (such as banks and insurance companies) have provided bank guarantees, surety bonds and letters of credit amounting to €157 million outstanding as at 31 December 2024 (2023: €150 million). In addition, Arcadis N.V. has provided financial guarantees to banks and financial institutions for a maximum amount of €163 million (2023: €160 million). No Expected Credit Losses are recognized from these guarantees.

## (B) Liquidity risks

Liquidity risk is the risk that Arcadis will not be able to meet its financial obligations as they fall due. The primary objective of liquidity management is providing for sufficient committed credit facilities and cash and cash equivalents to enable Arcadis to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Arcadis. Our Group Treasury Policy supports this principle by stating that the minimal liquidity at any given point in time should always exceed €200 million.

Neither the aged (un)billed receivables of individual customers, nor the profile of the accounts receivable portfolio, impose a significant threat to the Group's liquidity planning.

Over the course of the year, fluctuations occur in the working capital needed to finance operations. The Group strives to have a good liquidity position at all times, strictly controlling working capital by optimizing billing and collection and consequently maintaining a healthy (average) net debt to (Operating) EBITDA ratio.

To manage working capital, but only if legally allowed and commercially possible, Arcadis agrees with part of its sub-contractors so-called 'paid-when-paid' clauses. This means that Arcadis is in such instances better able to match the cash inflows from debtors with the related cash outflows to suppliers, as the timing of the payment of the supplier is dependent on the collection of the receivable from a client. This could however be impacted by contractual clauses and/or local laws and regulations that limit the maximum extension of

payment terms to a moment before Arcadis gets paid by its client. In case of non-payment by the debtor, Arcadis still has to fulfil its obligations towards the supplier under a 'paid-when-paid' clause. Accounts payable at 31 December 2024 subject to the 'paid-when-paid principle' are disclosed in note 30. The expectation is that all accounts payable will be paid within the normal course of business and are therefore classified as short-term liabilities.

### Lines of credit

The Company maintains the lines of credit as summarized in the table below.

| *In millions* | | 31 December 2024 | | | | 31 December 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|
| Type | Interest/fees | | Available | | Utilized | | Available | | Utilized |
| | | CAD | EUR | CAD | EUR | CAD | EUR | CAD | EUR |
| Revolving Credit Facility | EURIBOR | | 600 | | - | | 600 | | - |
| Debentures IBI | 6.5% | - | - | - | - | 30 | 20 | 30 | 20 |
| Senior unsecured notes | 4.875% | | 500 | | 500 | | 500 | | 500 |
| Uncommitted multi-currency facilities | Floating | | 142 | | - | | 120 | | - |
| Schuldschein notes | Fixed/floating | | 358 | | 358 | | 358 | | 358 |
| Guarantee facility | 0.30% - 0.65% | | 101 | | 54 | | 76 | | 48 |
| Other (loans) | Various | | 19 | | 1 | | 20 | | 3 |
| Other (bank guarantees and surety bonds) | Various | | 107 | | 102 | | 196 | | 146 |

A description and analysis of the credit lines listed above and its movements compared to last year is provided in note 29.

### Contractual obligations

The following tables describe our commitments and contractual obligations for the following five years and thereafter. The other long-term debt obligations are the debt service obligations.

No collateral has been pledged for liabilities or contingent liabilities.

| *In € millions* | Total | < 1 year | 1 - 3 years | 4 - 5 years | > 5 years |
|---|---|---|---|---|---|
| **Contractual obligations at 31 December 2024** | | | | | |
| Guarantees on behalf of associates | - | - | - | - | - |
| Off balance sheet lease commitments | 2 | 2 | - | - | - |
| Foreign exchange contracts: | | | | | |
| Outflow | (1,089) | (1,089) | | | |
| Inflow | 1,093 | 1,093 | | | |
| Interest rate swaps: | | | | | |
| Outflow | (192) | (105) | (87) | - | - |
| Inflow | 192 | 105 | 87 | - | - |
| Cross Currency swaps: | | | | | |
| Outflow | - | - | | | |
| Inflow | - | - | | | |
| Deferred consideration | 1 | 1 | - | - | - |
| Interest | 124 | 39 | 61 | 24 | - |
| Lease obligations | 297 | 72 | 107 | 63 | 55 |
| Loans and borrowings | 859 | 81 | 778 | - | - |
| Short-term bank debt | - | - | - | - | - |
| Accounts payable | 300 | 300 | - | - | - |
| **Total** | **1,587** | **499** | **946** | **87** | **55** |
| **Contractual obligations at 31 December 2023** | | | | | |
| Guarantees on behalf of associates | - | - | - | - | - |
| Off balance sheet lease commitments | 4 | 4 | - | - | - |
| Foreign exchange contracts: | | | | | |
| Outflow | (678) | (678) | - | - | - |
| Inflow | 683 | 683 | - | - | - |
| Interest rate swaps: | | | | | |
| Outflow | (199) | (7) | (192) | - | - |
| Inflow | 199 | 7 | 192 | - | - |
| Cross Currency swaps: | | | | | |
| Outflow | - | - | - | - | - |
| Inflow | - | - | - | - | - |
| Deferred consideration | 2 | 2 | - | - | - |
| Interest | 172 | 42 | 80 | 50 | - |
| Lease obligations | 316 | 73 | 105 | 70 | 68 |
| Loans and borrowings | 879 | - | 379 | 500 | - |
| Short-term bank debt | - | - | - | - | - |
| Accounts payable | 313 | 313 | - | - | - |
| **Total** | **1,691** | **439** | **564** | **620** | **68** |

## (C) Market risks

Market risk includes currency risk (C1) and interest rate risk (C2) and comprises the risk that changes in market prices, such as foreign exchange rates and interest rates will affect Arcadis' income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters set by the Group Treasury policy.

## (C1) Currency risk

The key objective of the Group foreign exchange transaction exposure management is aimed at the active management of foreign exchange exposures by Group Treasury to reduce and limit the adverse effects of exchange rate changes on the Group's profitability.

### Trade and financing transactions in non-functional currencies

The subsidiaries of Arcadis mainly operate in local markets, and as such both sales invoices and purchase invoices are mainly denominated in local currencies. In some instances, however, invoices are in the functional currency of the counterparty, which results in a currency exposure for the subsidiary. The exposure to foreign exchange risk on sales and costs denominated in another currency than the respective functional currencies of the subsidiaries is very limited. Only in limited cases, e.g., for material transactions, the subsidiaries of Arcadis enter into forward foreign exchange contracts with Group Treasury in order to hedge these transaction risks.

Borrowings are denominated in currencies that partly match the cash flows generated by the underlying operations of the Group, primarily Euro and US dollar.

Arcadis group companies can have positions in foreign currencies which are different than their respective functional currencies. For the main currencies the following positions per currency (translated in euros) are the cumulative gross exposures of non-functional currencies of all Arcadis group companies combined.

| In € millions | in EUR | in USD | in GBP | in CNY | in BRL | in AED | in CAD | in AUD |
|---|---|---|---|---|---|---|---|---|
| **At 31 December 2024** | | | | | | | | |
| Trade receivables | 5 | 84 | 43 | 1 | 14 | 3 | 25 | 18 |
| Cash and cash equivalents | 4 | 49 | 1 | - | 1 | 0 | 2 | 10 |
| Derivatives | - | 148 | 39 | (1) | (13) | (15) | (141) | 97 |
| Loans and borrowings | - | (160) | (28) | - | (0) | 8 | 136 | (105) |
| Accounts payable | (4) | (108) | (61) | (0) | (1) | (1) | (25) | (16) |
| **Balance exposure** | **5** | **13** | **(6)** | **(0)** | **1** | **(5)** | **(3)** | **4** |
| **At 31 December 2023** | | | | | | | | |
| Trade receivables | 1 | 56 | 23 | 10 | 20 | 4 | 5 | 4 |
| Cash and cash equivalents | 4 | 8 | 0 | 0 | - | 0 | 1 | 1 |
| Derivatives | - | 73 | 30 | (9) | (0) | (16) | (84) | 121 |
| Loans and borrowings | - | (65) | (54) | (1) | - | 9 | 81 | (121) |
| Accounts payable | (1) | (65) | (3) | (0) | (20) | (0) | (3) | (1) |
| **Balance exposure** | **5** | **7** | **(4)** | **1** | **0** | **(3)** | **0** | **4** |

The below exchange rates were applied in the year.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| In € | Average | Year-end | Average | Year-end |
| US Dollar (USD) | 0.92 | 0.97 | 0.92 | 0.91 |
| Pound Sterling (GBP) | 1.18 | 1.21 | 1.15 | 1.15 |
| Australian Dollar (AUD) | 0.61 | 0.60 | 0.61 | 0.62 |
| Chinese Yuan Renminbi (CNY) | 0.13 | 0.13 | 0.13 | 0.13 |
| Canadian Dollar (CAD) | 0.67 | 0.67 | 0.69 | 0.68 |
| Brazilian Real (BRL) | 0.17 | 0.16 | 0.19 | 0.19 |
| United Arab Emirates Dirham (AED) | 0.25 | 0.26 | 0.25 | 0.25 |

Arcadis uses derivative financial instruments in order to manage market risks associated with changes in foreign exchange rates as well as interest rates. All transactions are carried out in accordance with the Group Treasury policy. The Group seeks to apply hedge accounting where possible to manage volatility in profit or loss. All foreign exchange forward transactions outstanding at year-end are due to mature in 2025.

**Sensitivity analysis currency risks**

Foreign currency sensitivity analyses are performed by applying an expected possible volatility of a currency, assuming all other variables, in particular interest rates, remain constant. All monetary assets and liabilities of the Group at year-end are revalued, which results in a hypothetical impact on net income and equity as summarized below.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| In € millions | Impact on net income | Impact on equity | Impact on net income | Impact on equity |
| 10% change euro against the US dollar | 20 | 77 | 19 | 60 |
| 10% change euro against the Pound Sterling | 10 | 45 | 11 | 43 |
| 10% change euro against the Australian Dollar | 4 | 19 | 4 | 18 |
| 10% change euro against the Canadian Dollar | 5 | 10 | 1 | 7 |

All material balance sheet positions have been hedged with foreign exchange contracts. The translation risk relating to subsidiaries with a functional currency other than the Group reporting currency of Euro are not hedged, in accordance with the Group Treasury policy.

## (C2) Interest rate risks

The Group manages interest rate risks by financing fixed assets and part of current assets with shareholders' equity and long-term debt. The remainder of current assets is financed with short-term debt including revolving bank debt with variable interest rates. Based on the interest risk profile, financial instruments were outstanding during the year to cover part of the interest rate risk on long-term borrowings. This risk is applicable to long-term debt, short-term debt and bank overdrafts in the Consolidated balance sheet amounting to €853 million at year-end 2024 (2023: €881 million). The decrease versus last year is driven by the early repayment of the IBI debentures (€21 million) and lower bank overdraft (€10 million).

The Group arranged for two floating-to-fixed interest rate swaps for the €185 million floating interest rate Schuldschein loan that was issued in July 2023. One swap (€100 million) will mature in January 2025; the other swap (€85 million) will mature in January 2026.

Further information can be found in Note 19.

The Group Treasury Policy states that the fixed portion of net debt should be at least 40% to protect against increases in interest rates as well as providing some certainty on expectations for interest expense in profit or loss. As of December 2024, this minimum fixed portion of 40% was applicable.

**Sensitivity analysis Interest rate risk**

Interest rate sensitivity analyses are performed by applying an expected possible volatility of interest rates, assuming all other variables remain constant. All interest-bearing liabilities of the Group at year-end are revalued, which results in a hypothetical impact on the pre-tax profit for the year and equity as summarized below.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| In € millions | Impact of pre-tax profit for the year | Impact on equity | Impact of pre-tax profit for the year | Impact on equity |
| Ten basis-points change to interest rate | (0.2) | (0.2) | 0.1 | 0.1 |

## Capital risk management

Arcadis' objectives when managing capital are to safeguard Arcadis' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure that optimizes its cost of capital and allows for sufficient flexibility towards the execution of Arcadis' strategy.

The Group sets the amount of capital in proportion to its risk appetite. The Group manages the capital structure and makes adjustments to it based on changes in economic conditions and the risk characteristics of the underlying assets. The capital structure can be altered by adjusting the amount of dividends paid to shareholders, return capital to shareholders, or issue new debt or shares. From time to time, Arcadis purchases its own shares, which are used as volume hedges for the transfer of shares under Arcadis' long-term incentive plans and to off-set the dilutive effect of scrip dividends.

Consistent with the financial covenants agreed with the banks, the Group monitors capital on the basis of the average Net debt to (Operating) EBITDA ratio. This ratio is calculated as the average interest- bearing debt minus cash and cash equivalents divided by (Operating) EBITDA. EBITDA is calculated as earnings before interest, tax, depreciation and amortization.

To obtain access to the debt capital markets, the Group obtained an investment grade credit rating of BBB- (Stable outlook) from Standard & Poor's. The Group and its subsidiaries are not subject to external capital requirements, other than financial covenants under the credit documentation of its committed credit facilities, as disclosed in the notes to these financial statements.

During 2024, Arcadis' strategic goal on financing, which was unchanged from 2023, was to maintain a Net debt to (Operating) EBITDA ratio between 1.5x and 2.5x in order to secure access to finance at a reasonable cost.

### Financial covenants

The financial covenant set under the contracts of the committed credit facilities that are applicable to Arcadis includes a Total Leverage ratio. The Total Leverage ratio for the €600 million Revolving Credit Facility and the Schuldschein loans issued in 2020 has a maximum of 3.5x.

For the Revolving Credit Facility, the Applicable Rating of the Rating Agency (S&P) prevails over the average net debt to EBITDA ratio in case of a rating of at least BBB or Baa2, which is the case at year-end.

The Total Leverage ratio for the Schuldschein loans issued in 2023, which is based on Operating EBITDA, has a maximum of 3.5x.

Both ratios are included in the next tables.

| *In € millions* | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Long-term loans and borrowings | 29 | 772 | 871 |
| Current portion of loans and borrowings | 29 | 81 | - |
| Lease liabilities | 16 | 192 | 211 |
| Current portion of lease liabilities | 16 | 70 | 70 |
| Bank overdrafts | 24 | 1 | 10 |
| **Total debt** | | **1,116** | **1,163** |
| Less: cash and cash equivalents | 24 | (376) | (290) |
| **Net debt** | | **739** | **873** |
| **EBITDA according to debt covenants[1]** | | **541** | **463** |
| **Adjusted Operating EBITDA according to debt covenants[2]** | | **568** | **511** |

[1] EBITDA adjusted for share-based compensation and acquisition effects, in accordance with debt covenants. Non-GAAP performance measure, to provide transparency on the underlying performance of our business (reference is made to the Glossary Financial indicators on page 341)

[2] EBITDA adjusted for share-based compensation, restructuring, integration, disposal and acquisition related costs and net result from divestments, and any material one-off exceptional non-cash impairments and/or material one-off exceptional non-cash write-offs.

### Ratios

| | 2024 | 2023 |
|---|---|---|
| Average net debt to EBITDA ratio according to debt covenants RCF and 2020 Schuldschein (Total Leverage Ratio) | 1.6 | 2.2 |
| Average net debt to adjusted Operating EBITDA ratio according to debt covenants for 2023 Schuldschein and Eurobond | 1.5 | 2.0 |

The ratios as disclosed above are calculated based on the definitions as agreed with and aligned between the different providers of committed credit facilities. The calculation of the average Net debt to (Operating) EBITDA ratio is based on the average net debt of Q2 and Q4. Throughout 2024, Arcadis complied with all financial and non-financial covenants.

## Fair value

The fair values of financial assets and liabilities together with the carrying amounts recognized in the Consolidated balance sheet, are as follows:

| | | | Carrying value per IFRS 9 category | | | | |
|---|---|---|---|---|---|---|---|
| *In € millions* | Carrying amount | Out of Scope IFRS 7 | Amortized cost | Fair value through Profit or Loss | Fair value through Other comprehensive income | Total | Fair value |
| **At 31 December 2024** | | | | | | | |
| Investments in associates and joint ventures | 11 | 11 | - | - | - | - | - |
| Other investments | 4 | - | - | 4 | - | 4 | 4 |
| Other non-current assets | 9 | - | 9 | - | - | 9 | 9 |
| Trade receivables | 759 | - | 759 | - | - | 759 | 759 |
| Derivatives | 10 | - | - | 9 | 1 | 10 | 10 |
| Cash and cash equivalents | 376 | - | 376 | - | - | 376 | 376 |
| **Total Financial assets** | **1,169** | **11** | **1,144** | **13** | **1** | **1,158** | **1,158** |
| **Loans and borrowings:** | | | | | | | |
| Non-current | 772 | - | 772 | - | - | 772 | 781 |
| Current | 81 | - | 81 | - | - | 81 | 81 |
| Derivatives | 9 | - | - | 9 | - | 9 | 9 |
| Accounts payable | 300 | - | 300 | - | - | 300 | 300 |
| Lease liabilities | 262 | - | 262 | - | - | 262 | 262 |
| Deferred consideration | 1 | - | - | 1 | - | 1 | 1 |
| Bank overdrafts and short-term bank debts | 1 | - | 1 | - | - | 1 | 1 |
| **Total Financial liabilities** | **1,426** | **-** | **1,416** | **10** | **-** | **1,426** | **1,435** |

| *In € millions* | Carrying amount | Out of Scope IFRS 7 | Carrying value per IFRS 9 category: Amortized cost | Fair value through Profit or Loss | Fair value through Other comprehensive income | Total | Fair value |
|---|---|---|---|---|---|---|---|
| **At 31 December 2023** | | | | | | | |
| Investments in associates and joint ventures | 11 | 11 | - | - | - | - | - |
| Other investments | 4 | - | - | 4 | - | 4 | 4 |
| Other non-current assets | 20 | - | 20 | - | - | 20 | 20 |
| Trade receivables | 729 | - | 729 | - | - | 729 | 729 |
| Derivatives | 8 | - | - | 10 | (2) | 8 | 8 |
| Cash and cash equivalents | 290 | - | 290 | - | - | 290 | 290 |
| **Total Financial assets** | **1,063** | **11** | **1,039** | **14** | **(2)** | **1,051** | **1,051** |
| **Loans and borrowings:** | | | | | | | |
| Non-current | 871 | - | 871 | - | - | 871 | 875 |
| Current | - | - | - | - | - | - | - |
| Derivatives | 11 | - | - | 11 | - | 11 | 11 |
| Accounts payable | 313 | - | 313 | - | - | 313 | 313 |
| Lease liabilities | 281 | - | 281 | - | - | 281 | 281 |
| Deferred consideration | 2 | - | - | 2 | - | 2 | 2 |
| Bank overdrafts and short-term bank debts | 10 | - | 10 | - | - | 10 | 10 |
| **Total Financial liabilities** | **1,489** | **-** | **1,475** | **14** | **-** | **1,489** | **1,492** |

## Fair value hierarchy

The financial instruments carried at fair value are analyzed by valuation method, using the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value within the Group are categorized in Level 2, except for the other investment in Techstars and the deferred consideration whereby a Level 3 valuation has been used (see note 18).

The fair value of foreign exchange forward rate contracts is based on quoted market prices at the balance sheet date, being the present value of the quoted forward price. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the term and maturity of the contract, using market interest rates.

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The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at measurement date. These calculations are tested for reasonableness by comparing them with bank valuations.

The fair value of loans and receivables is based on the present value of future principal and interest cash flows, discounted at the Group specific market rate of interest at reporting date. For financial leases the market rate of interest is determined by reference to similar lease agreements.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at reporting date. Due to the short-term character of the receivables, the fair value equals the carrying value.

## 32 Commitments and contingent liabilities

Committed lease payments for short-term and/or low-value leases are reported as off-balance sheet commitment. The lease payments (excluding costs for services such as insurance and maintenance, which are expenses as incurred) are recognized as an expense on a straight-line basis unless another systemic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

Non-financial guarantees are accounted for as a contingent liability until such time it becomes probable that the Company will be required to make a payment under such guarantee. Financial guarantees are subject to the Expected Credit Loss model, and a credit loss is recognized for the expected cash shortfalls.

Contingent liabilities are potential obligations of sufficient uncertainty that it does not qualify for recognition as a provision (see note 28), unless it is assumed in a business combination (see note 6). Contingent liabilities are reviewed periodically to assess whether an outflow of resources will become probable.

## Summary of commitments

| *In € millions* | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Short-term leases | 1 | 1 |
| Low-value leases | 1 | 3 |
| **Total committed off-balance leases** | **2** | **4** |

| *In € millions* | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Bank guarantees | 157 | 150 |
| Corporate guarantees | 163 | 160 |
| Eliminations | (99) | (110) |
| **Guarantees** | **221** | **200** |
| Leases | 2 | 4 |
| Other commitments[1] | 163 | 132 |
| **Total** | **386** | **336** |

[1] This relates to software and information technology products commitments. The 2023 amount has been adjusted to reflect additional commitments.

### Leases

The Group's lease arrangements mainly relate to contracts for leased cars, building and other (IT) equipment. These leases have varying terms, termination clauses and renewal rights. For leased assets the Group has recognized right-of-use assets and lease liabilities as at 31 December 2024, except for short-term and/or low-value leases. The lease expense recognized in profit or loss of 2024 relating to short-term and/or low-value leases amounted to €7 million (2023: €9 million).

See note 16 for further information on leases.

### Guarantees

Arcadis has issued corporate guarantees as security for credit facilities, bank guarantee facilities and surety bond lines. Guarantees or guarantee-like items issued by a financial intermediary (such as bank guarantees and surety bonds) can be issued in relation to projects, advances received, tender bonds or lease commitments to avoid cash deposits. Bank guarantees or surety bonds issued for project performance can be claimed by clients where Arcadis fails to deliver in line with the agreed contract. In such cases, the liability of the bank should be no greater than the original liability on Arcadis. Where the failure to perform arose due to an error or omission by Arcadis, the claim could be covered by the professional indemnity insurance cover.

The tables below summarize the outstanding corporate and bank guarantees. They reflect only items that have been drawn or utilized that are not already shown on the balance sheet.

| In € millions | Corporate Guarantees | Bank guarantees | Eliminations[1] | Total |
|---|---|---|---|---|
| Debt facility financing | 3 | - | - | 3 |
| Bank guarantee and surety bond financing | 114 | 157 | (75) | 196 |
| Other | 46 | | (24) | 22 |
| **Balance at 31 December 2024** | **163** | **157** | **(99)** | **221** |

[1] To avoid double-counting and the overstatement of contingent obligations, only one instance of any off-balance sheet item is reported, e.g. if Arcadis N.V. has provided a corporate guarantee for a local bank guarantee facility, any claim for payment by a client on an outstanding bank guarantee can only be honored once.

| *In € millions* | Corporate Guarantees | Bank guarantees | Eliminations[1] | **Total** |
|---|---|---|---|---|
| Debt facility financing | 4 | - | - | 4 |
| Bank guarantee and surety bond financing | 117 | 150 | (70) | 197 |
| Other | 40 | - | (40) | - |
| **Balance at 31 December 2023** | **160** | **150** | **(110)** | **200** |

[1] To avoid double-counting and the overstatement of contingent obligations, only one instance of any off-balance sheet item is reported, e.g. if Arcadis N.V. has provided a corporate guarantee for a local bank guarantee facility, any claim for payment by a client on an outstanding bank guarantee can only be honored once.

The vast majority of outstanding bank guarantees and surety bonds relates to the commercial performance on projects (e.g. Performance guarantees, Tender bonds, Warranty bonds or Advance payment guarantees) and rental guarantees. On 31 December 2024 and throughout the year, the vast majority of the outstanding bank guarantees and surety bonds posed an immaterial and insignificant risk to Arcadis.

On 31 December 2024, only a part of the local bank guarantee facilities and local debt facilities have been used.

### Other commitments

The other commitments amount to €163 million (2023: €132 million) and include the service part of several long-term global IT service contracts, which runs for a remaining period of one to three years.

## Contingent liabilities

### Litigation

The Company is involved in various legal and regulatory claims and proceedings as a result of its normal course of business, either as plaintiff or defendant. Management ensures that these cases are firmly defended. In some of these proceedings, claimants allegedly claim amounts for project contract breaches that are significant to the Consolidated financial statements.

All legal and regulatory claims and proceedings are assessed on a regular basis. In consultation with in-house and external legal counsels, management regularly evaluates facts and circumstances of those claims and, based on the analysis of possible outcomes of litigation and settlements, provisions are accrued for. Provisions are accrued for only where management believes it is probable that Arcadis will be held liable, the amount is reasonably estimable, and the claim has not been insured. These provisions are reviewed periodically and adjusted if necessary, to the extent that cash outflow of related proceedings is probable, including defense costs and reimbursements by our insurance policies.

Since the ultimate disposition of asserted claims and proceedings cannot be predicted with certainty, final settlement can differ from this estimate and could require revisions to the estimated provision, which could have a material adverse effect on the Company's balance sheet, profit or loss, and cash flows for a particular period.

Further information ordinarily required by IAS 37 has not been disclosed on the grounds that it can be expected to seriously prejudice the outcome of the disputes

**Tax**

Arcadis operates in a high number of jurisdictions and is subject to a variety of taxes per jurisdiction. Tax legislation can be highly complex and subject to changes and interpretation. Therefore, Arcadis is exposed to varying degrees of uncertainty and significant judgement is required in determining the global tax position. The Company accounts for its income taxes on the basis of its own internal analyses supported by external advice. The Company continually monitors its global tax position including changes in tax laws or interpretations of such laws. Whenever uncertain tax positions arise, the Company assesses the potential consequences and recognizes liabilities depending on the strength of the Company's position and the resulting risk of loss.

Further information ordinarily required by IAS 37 has not been disclosed due to sensitive and confidential information involved.

## 33 Related party transactions

A related party is a person or an entity that is related to the Group. These include both people and entities that have, or are subject to, the influence or control of the Group (e.g. key management personnel). Transactions with related parties are accounted for in accordance with the requirements of relevant IFRSs, take into account the substance as well as the legal form, and made on terms equivalent to those that prevail in arm's length transactions.

### General

The related parties of the Company include subsidiaries, jointly controlled entities, associates, temporary partnerships, Stichting Lovinklaan, Stichting Bellevue, Stichting Prioriteit Arcadis N.V., Stichting Preferente Aandelen Arcadis N.V., the members of the Executive Board, the Executive Leadership Team and the Supervisory Board.

In accordance with article 2:379 and 414 of the Dutch Civil Code, the list of subsidiaries, joint ventures, and associates is filed with the Chamber of Commerce in Amsterdam.

### Transactions with subsidiaries

The financial transactions between the Company and its subsidiaries comprise operational project related transactions, financing transactions and other transactions in the normal course of business activities. Transactions within the Group are not included in these disclosures as these are eliminated in the Consolidated financial statements.

### Transactions with joint arrangements

The Group has entered into transactions on an arm's length basis through joint arrangements during the year 2024. Total revenues from joint arrangements amounted to €208 million (2023: €260 million).

### Transactions with associates

The Group has entered into transactions with associates, see note 17 and the table on the next page.

### Transactions with key management personnel

The table below specifies the total remuneration of key management personnel, for the period that they met the criteria, and for remuneration received in the capacity of key management personnel. This includes the remuneration of the Executive Board members of €5 million (2023: €4 million), Executive Leadership Team of €8 million (2023: €8 million), and Supervisory Board members of €0.6 million (2023: €0.5 million).

For the composition of the Executive Board, Executive Leadership Team and Supervisory Board in 2024 see pages 176 to 180 and pages 208 to 210. The remuneration in below table covers the period that members qualified as key management personnel.

| *In € millions* | 2024 | 2023 |
|---|---|---|
| Salary | 6 | 5 |
| Bonus | 4 | 3 |
| Post-employment pension | 1 | 1 |
| Share-based payment transaction | 2 | 3 |
| Fringe benefits | 1 | 1 |
| Termination benefit | 0 | 1 |
| **Total** | **14** | **12** |

In 2024 (and 2023) no transactions involving conflicts of interest for key management personnel occurred which were material to the Company. In addition, the Company has not granted any loans, advances or guarantees to key management personnel.

## Transactions with post-employment benefit plans

The main post-employment benefit plans are the pension funds of EC Harris (ECH) and Hyder (AGPS). In 2024, the Company contributed €2 million (2023: €2 million) to the plan of EC Harris and €3 million to the plan of Hyder (2023: €3 million), see note 27.

## Transactions with Lovinklaan Foundation

Stichting Lovinklaan (Lovinklaan Foundation) is one of the main shareholders of Arcadis. The board of the Foundation consists of Arcadis employees. The Foundation had an interest of 18.62% in Arcadis N.V. at 31 December 2024 (2023: 18.51%).

Other contributions made by the Lovinklaan Foundation in 2024 to Arcadis related to the following programs:

- Skills Powered Organisation: €2 million (2023: €3 million)
- Ignite: €0.5 million (2023: nil)
- Energy Transition Academy: €0.4 million (2023: nil)
- Sustain Abilities: €0.2 million (2023: €0.2 million)
- Quest: €0.1 million (2023: nil)
- Imagine: €0.03 million (2023: €0.03 million)
- Expedition DNA: nil (2023: €0.7 million)
- Shelter: nil (2023: €0.2 million)

In 2024 (and 2023) no other financial transactions apart from the above mentioned took place between the Foundation and the Company, except for the dividends on the shares.

## Transactions with other related parties

Arcadis N.V. contributed €63,000 to Stichting Preferente Aandelen Arcadis N.V. (the 'Preferred Stock Foundation') in 2024 (2023: €45,000) and €500 to Stichting Prioriteit Arcadis N.V. (the 'Priority Share Foundation') (2023: €500). See note 25 for further information on these foundations.

The contribution to Stichting Bellevue amounted to €68,000 (2023: €68,000).