Notes to the consolidated financial statements

1 General information

Arcadis N.V. is a public company organized under Dutch law. The company is registered with the Dutch Commercial Register under number 09051284. Its statutory seat is in Amsterdam and its registered address is:

Gustav Mahlerplein 97
1082 MS Amsterdam
The Netherlands

Effective 1 January 2026, the registered address of Arcadis N.V. is:

Parnassusweg 793
1082 LZ 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 18 February 2026. 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 20 May 2026.

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. 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. All amounts shown in the financial statements are in millions of euros unless otherwise stated. Amounts 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 Foreign Currency 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 Foreign Currency 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 accounting estimates and management judgements that have the most significant effect are related to:

- Segment reporting – identifying operating segments, allocation of the shared costs, assets and liabilities to segments, as well as the measurement of performance indicators – see note 5;
- Business combinations – measuring and allocating the purchase price and determining fair value of acquired assets and liabilities – see note 6;
- Revenue recognition – identifying the performance obligations, estimating variable consideration, determining timing of revenue recognition and progress measurement methods – see note 7;
- Income taxes – assessing recoverability of deferred tax assets, estimating uncertain tax positions and potential outcomes – see note 12;
- Impairment of Goodwill – determination of the cash-generating units (CGUs), estimation of future cash flows, selection of discount rates and growth rates for impairment tests, and allocation of Goodwill – see note 14;
- Leases – determining the lease term, including renewal options, and the incremental borrowing rate for discounting lease payments – see note 16;
- Impairment of trade receivables and contract assets – see note 21;

- Provisions for onerous contracts – assessing which contracts are or have become onerous, estimating the unavoidable costs to fulfil the contract and comparing to the expected economic benefits – see note 22;
- Provisions for defined benefit pension obligations including actuarial assumptions and measurement of plan assets and obligations – see note 27;
- Provisions – assessing probability and measurement of future outflows and identifying whether a present obligation exists – see note 28.

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 2025. The new amendments do not have a material impact on the Group's financial performance and the financial position for the year ended 2025.

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.

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 assessing the impact the amendments will have on the primary financial statements and notes to the financial statements.

Other new standard and amendments
The Group does not expect that the following will have a material impact on its financial statements:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for reporting periods beginning on or after 1 January 2027);
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for reporting periods starting on or after 1 January 2026);
- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective for reporting periods beginning on or after 1 January 2026); and,
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective for reporting periods beginning on or after 1 January 2026).

3 Change in accounting policies

There are no significant changes in accounting policies adopted during the year ended 31 December 2025.

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:

Acquisition of KUA Group

On 19 March 2025, the Group acquired 100% of the voting shares of KUA Group, two non-listed companies based in Germany. KUA Group operates in complex data center design, in architecture, design and engineering, and in planning and permitting services. These capabilities complement Arcadis' strengths in site selection due diligence, program and cost management, and sustainability advisory. KUA is reported as part of Arcadis Places GBA.

Acquisition of WSP Infrastructure Engineering GmbH

On 30 April 2025, the Group acquired 100% of the voting shares of WSP Infrastructure Engineering GmbH ("WSP"), a non-listed company based in Germany. WSP is an engineering firm specialized in rail infrastructure, signaling, structural engineering and software development. Post acquisition, WSP has been renamed Arcadis Mobility Germany GmbH ("AMG"). AMG is reported as part of Arcadis Mobility GBA.

Arcadis share buyback

On 1 October 2025, Arcadis commenced a share buyback program under which it plans to repurchase ordinary shares of Arcadis for a maximum total value of €175 million. The purpose of the share buyback program is to reduce the capital of Arcadis. The program will run until 1 July 2026 at the latest. At the closing date, the total number of shares repurchased under this program was 3,505,163 shares for a total consideration of €135.7 million at an average price of €38.70.

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 Company has considered the following factors to identify the current operating segment structure:

- Whether the component engages in business activities from which it may earn revenues and incur expenses;
- Whether the operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess its performance;
- Whether discrete financial information is available;
- The existence of differences in nature of the business activities between reporting segments;
- The existence of separate manager(s) responsible for the component; and
- The existence of disaggregate information provided to the board of directors, external financial analysts, or presented in the front end of financial statements

Alternative approaches to operating segment identification based on geography, products, services, customers or legal entity were not considered suitable for segmenting the business and the 'CODM' does not steer the Company based on these factors.

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" – 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 Net revenue, EBITA (earnings before interest, tax, amortization of identifiable intangible assets, and impairment charges), and operating EBITA, as management believes these are key in evaluating the results of the segments relative to other companies that operate within the same industry.

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 2025:

Operating segment	Reportable segment
Resilience	Resilience
Places	Places
Mobility	Mobility
Intelligence	Intelligence

Refer to the Global Business Areas section of the Executive Board report for the type of products and services of the Group.

Geographical information

	Net revenues by origin		Non-current operating assets	
In € millions	2025	2024	2025	2024
United States	1,394	1,427	83	105
Canada	263	278	76	98
UK & Ireland	831	897	131	147
Netherlands	331	315	45	41
Germany	229	176	34	16
Belgium	132	140	14	17
Other Europe	146	147	15	11
Asia	134	174	29	33
Australia	176	199	9	14
Latin America	124	127	6	6
Total	**3,760**	**3,880**	**442**	**488**

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 €406 million in 2025 (2024: €387 million), Net revenues to €331 million (2024: €315 million). Total assets in the Netherlands, including intercompany assets of Arcadis N.V. and its Dutch holdings companies, amounted to €2,893 million (2024: €3,126 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
2025							
Total gross revenue	**2,037**	**1,733**	**1,169**	**140**	**5,079**	**-**	**5,079**
Inter-segment	(38)	(93)	(53)	(20)	(204)	-	(204)
External gross revenue	**1,999**	**1,640**	**1,116**	**120**	**4,875**	**-**	**4,875**
Materials, services of third parties and subcontractors	(576)	(303)	(210)	(26)	(1,115)	-	(1,115)
Net revenue[1]	**1,423**	**1,337**	**906**	**94**	**3,760**	**-**	**3,760**
Operating costs	(1,199)	(1,231)	(794)	(84)	(3,308)	(6)	(3,314)
Other income and expenses	-	1	-	-	1	-	1
Depreciation and amortization	(40)	(34)	(25)	(7)	(106)	-	(106)
EBITA[1]	**184**	**73**	**87**	**3**	**347**	**(6)**	**341**
Amortization of other intangible assets	(1)	(19)	(3)	(2)	(25)	-	(25)
Goodwill impairment charges	-	-	-	-	-	-	-
Operating income	**183**	**55**	**84**	**1**	**323**	**(6)**	**317**
Operating EBITA[1]	**205**	**106**	**108**	**4**	**423**	**(6)**	**418**
Total capital expenditure[2]	**7**	**7**	**5**	**5**	**25**	**-**	**25**

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 and expenses	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**

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators 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 2025, the total non-controlling interest amounted to €3 million negative in 2025 (2024: €3 million negative) and is as such not material for the Group.

The main consolidated companies as at 31 December 2025 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.	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
Arcadis Architects, Engineers and Landscape Architects, a New York General 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 (UK) Limited	United Kingdom
Arcadis Nederland BV	The Netherlands
Arcadis Germany GmbH	Germany
ARCADIS ESG 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 2025

Acquisition of KUA Group

On 19 March 2025, the Group acquired 100% of the voting shares of KUA Group, which comprises two non-listed companies in Germany. KUA Group operates in complex data center design, in architecture, design and engineering, and in planning and permitting services. These capabilities complement Arcadis' strengths in site selection due diligence, program and cost management, and sustainability advisory.

Acquisition of WSP Infrastructure Engineering GmbH

On 30 April 2025, the Group acquired 100% of the voting shares of WSP Infrastructure Engineering GmbH ("WSP"), a non-listed company based in Germany. WSP is an engineering firm specialized in rail infrastructure, signaling, structural engineering and software development. Post acquisition, WSP has been renamed Arcadis Mobility Germany GmbH ("AMG").

From the respective acquisition dates until 31 December 2025, KUA Group and WSP contributed gross revenue of €35 million and €1 million of profit before income tax. If both the acquisitions occurred on 1 January 2025, the gross revenue and profit before tax would not have differed materially from the amounts reported above.

Total assets acquired and liabilities assumed

The provisional fair values of the assets acquired and the liabilities assumed for KUA Group and AMG are valued as at their respective date of acquisition. As neither acquisition is individually material, the disclosures required by IFRS 3 are presented in aggregate. The preliminary allocation to the identifiable net assets are presented in the next page.

In € millions	Note	Fair value recognized on acquisition
Assets		
Intangible assets	*14*	16
Property, plant and equipment	*15*	0
Right-of-use assets	*16*	3
Deferred tax assets		1
Other investments		4
Other non-current assets		0
Trade receivables		8
Contract assets (unbilled receivables)		7
Corporate tax receivables		1
Other current assets		1
Cash and cash equivalents		9
		51
Liabilities		
Lease liabilities	*16*	(3)
Deferred tax liabilities		(6)
Contract liabilities (billing in excess of revenue)		(9)
Corporate tax liabilities		(1)
Accounts payable, accrued expenses and other current liabilities		(8)
Provisions	*28*	(0)
		(27)
Total identifiable net assets at fair value		**24**
Cash consideration		(91)
Assumption of shareholder debt		(5)
Contingent consideration (earn-out)		(10)
Total consideration transferred		**(106)**
Goodwill arising on acquisitions	*14*	**82**

The goodwill is attributable to the workforce and the synergies with the acquired businesses. The preliminary goodwill for KUA Group and AMG are allocated to Places and Mobility GBAs respectively for the purpose of annual goodwill impairment testing. Goodwill recognized on the business acquisition is not expected to be deductible for tax purposes.

Fair values measurement and provisional purchased accounting

The Group sought an independent valuation of identifiable intangible assets for the acquired entities. Intangible assets identified during the measurement period relate primarily to backlog and customer relationships and amounted to €11.6 million and €4.7 million, respectively. Management applied the Multiperiod Excess Earnings Method (MEEM) using discounted cash flow models to value customer relationships acquired. Management's significant estimates and assumptions in applying this methodology included forecast revenues and margins attributable to the customer relationships (in excess of backlog), rates of attrition and discount rates.

The Group has conducted a preliminary assessment of the assets and liabilities and will continue to review them during the measurement period. The net assets recognized at closing date were based on a provisional assessment of their fair value, and the Group has one year from the acquisition date to revise preliminary assessed fair values of assets and liabilities.

Purchase consideration-cash outflow

In € millions	Cash outflow on acquisition
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash consideration	(91)
Cash and cash equivalents acquired	9
Net outflow of cash - investing activities	**(82)**

Acquisition related costs

The Group incurred acquisition-related costs of €2 million on due diligence and legal fees. These costs have been included in 'Other operational costs' in the consolidated income statement.

Business divestments 2025

During the year ended 31 December 2025, the Group realized a net gain of €0.2 million, comprising gains from the liquidation of an entity in the United Kingdom and the dissolution of an entity in Canada.

The Group has also written off goodwill amounting to €3 million related to a subsidiary based in the Netherlands which is in the process of liquidation.

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.

Deferred consideration and earn-outs

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

In € millions	Initial recognition	Discount effect/ interest	2025 Total	2024 Total
Balance at 1 January	**1**	**-**	**1**	**2**
Acquisitions	10	-	**10**	-
Fair value adjustments	-	-	**-**	1
Payments and redemptions	(1)	-	**(1)**	(2)
Exchange rate differences	-	-	**0**	0
Balance at 31 December	**10**	**-**	**10**	**1**

As part of the consideration for the acquisition of KUA Group, the Group has agreed to pay an earn-out in 2028 based on revenue-based performance for the year 2027, whose undiscounted value was estimated at €11.7 million (discounted value €10.4 million as at acquisition date). This estimate reflects management's best assessment of future performance and the probability of meeting the earn-out conditions. The fair value measurement is reviewed at each reporting date and adjusted as necessary based on updated forecasts and assumptions.

The contingent consideration of €1.4 million from acquisition of Hotspot by IBI Group prior to Arcadis acquisition were paid during the year.

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 probable 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. As a result, costs that do not contribute to the performance of the Group in transferring control of goods or services to the customer are excluded from the measurement of progress toward satisfying the performance obligation. Revenue from services are mostly reported as revenues recognized over time.

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 fulfill 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 systematic 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.

Arcadis believes that the presentation of Net revenue enhances investors' ability to analyze the business trends and performance because it substantially measures the work performed by the Group's workforce. In the course of providing services, Arcadis routinely subcontracts various services. Generally, these subcontractor costs and grants are passed through to the customers and are included in the revenue when it is the Group's contractual responsibility to procure or manage these activities (as a principal). Because subcontractor services can vary significantly from project to project and period to period, changes in revenue may not necessarily be indicative of the Group's business trends. Accordingly, Arcadis segregates subcontractor costs from revenue to promote a better understanding of the business by evaluating revenue exclusive of costs associated with external service providers.

Disaggregation of revenues

Gross revenues arise from the following major categories:

In € millions	2025	2024
Revenue from services	4,854	4,976
Revenue from licenses	21	19
Total Gross Revenue	**4,875**	**4,995**

Revenues from services rendered represent fee income receivable in respect of services provided during the period. Revenues from licenses represent fee income receivable in respect of allowing customers using Arcadis developed software, and mainly relate to the Intelligence operating segment.

Timing of revenue recognition

The timing of revenue recognition in 2025 was as follows:

In € millions	2025	2024
At a point in time	16	7
Over time	4,859	4,988
Total Gross Revenue	**4,875**	**4,995**

Contract balances

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

In € millions	2025	2024
Trade receivables	618	761
Contract assets (Unbilled receivables)	579	619
Contract liabilities (Billing in excess of revenue)	(470)	(516)
Long-term retention receivable	1	1
Provision for onerous contracts (loss provisions)	(8)	(13)
Total	**720**	**852**

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 2025 and 2024. 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 of 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 an 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	2026	2027	2028	After 2028	Total
Expected Gross revenue from (partially) unsatisfied performance obligations	2,570	798	432	472	4,272

8 Other income and expenses

Other income and expenses 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.

In € millions	2025	2024
Other income	4	9
Other expenses	(3)	(1)
Total Other income and expenses	**1**	**8**

Other expenses are related to the losses recognized on the liquidation and disposal of consolidated entities (see note 6).

Other income includes gain from liquidation and disposal of consolidated entities, income from government grants, gain on sale of assets, 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	2025	2024
Salaries and wages	2,143	2,225
Social charges	261	261
Pension and early retirement charges	100	98
Other personnel costs (including temporary labor)	428	404
Total Personnel costs	**2,932**	**2,988**

Increase in Other personnel costs is due to higher severance payments and personnel costs related to restructuring. Personnel insurance and provision for vacation days also increased, offset by lower expense from temporary labor.

In € millions	2025	2024
Computer related	133	126
Audit and consultancy services	64	61
Occupancy	42	37
Travel	33	36
Insurances	15	22
Office related	15	17
Marketing and advertising	15	15
Membership and license renewals	13	10
Other	52	47
Total Other operational costs	**382**	**371**

The category "Other" included in 2025, amongst others:

- the impact of changes in provisions for trade receivables (expected credit loss) of €4 million, expense (2024: €0.3 million, expense) (see note 21);
- net restructuring expense of €10 million, expense (2024: €2 million, expense);
- net litigation expense of €7 million, expense (2024: €16 million, expense) (see note 28);
- non-income related taxes of €5 million, expense (2024: €4 million, expense);
- cost of equipment of €5 million, expense (2024: €5 million, expense).

The average number of employees was 32,515 in 2025 (2024: 33,327) spread across the global areas below:

	2025	2024
Resilience	10,708	10,888
Places	10,198	10,964
Mobility	6,906	6,377
Intelligence	644	1,036
Corporate	4,059	4,062
Total	**32,515**	**33,327**

During 2025, an average of 30,227 (2024: 30,942) 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.

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 apply to the 2023 LTIP.

Outstanding Restricted Share Unit (RSUs)

In 2025, 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	64,087	20 May 2025	20 May 2028	€ 45.76	€9.76/ €43.37
Annual grant EB/ELT	16,325	30 September 2025	20 May 2028	€ 42.90	€4.98/ €40.66
Annual grant other employees	157,533	20 May 2025	20 May 2028	€ 45.76	€ 43.37
Annual grant other employees	3,097	6 August 2025	20 May 2028	€ 41.30	€ 39.14
Annual grant other employees	12,845	5 November 2025	20 May 2028	€ 37.88	€ 35.89

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

The fair value (€43.37, €39.14 and €35.89) 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 (€9.76 and €4.98) 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 from two valuations conducted during the year:

	2025	2024
Expected dividend yield (in %)	1.81	2.2
Risk-free interest rate (in %)	1.94/ 2.23	3.17
Expected volatility (in %)	22.58/ 22.19	24.68

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

The total number of outstanding RSUs at 31 December 2025 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 2025	Granted in 2025	In/(De)crease by performance measure 2025	Vested in 2025	Cancelled/ forfeited in 2025	Other changes in 2025	Outstanding 31 December 2025
2022 (16 May)	196,759	2025	7	€35.14	143,282	-	-	(142,514)	(768)	-	-
2022 (16 May)	73,387	2025	3	€35.29/ €35.14	29,753	-	2,957	(32,710)	-	-	-
2022 (3 August)	563	2025	0	€32.02	563	-	-	(563)	-	-	-
2023 (5 May)	176,596	2026	7	€37.18	141,099	-	-	-	(14,010)	1,171	128,260
2023 (5 May)	65,395	2026	2	€30.51/ €37.18	60,707	-	(962)	-	(12,602)	-	47,143
2024 (10 May)	121,090	2027	7	€56.90	112,767	-	-	-	(12,206)	-	100,561
2024 (10 May)	52,911	2027	3	€64.88/ €56.90	49,812	-	-	-	(14,212)	-	35,600
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
2025 (20 May)	157,533	2028	7	€43.37	-	157,533	-	-	(4,148)	-	153,385
2025 (20 May)	64,087	2028	2	€9.76/ €43.37	-	64,087	-	-	(5,178)	-	58,909
2025 (6 August)	3,097	2028	0	€39.14	-	3,097	-	-	-	-	3,097
2025 (30 September)	16,325	2028	0	€4.98/ €40.66	-	16,325	-	-	-	-	16,325
2025 (5 November)	12,845	2028	0	€35.89	-	12,845	-	-	-	-	12,845
Total					**541,792**	**253,887**	**1,995**	**(175,787)**	**(63,124)**	**1,171**	**559,934**

LTIP costs recognized in 2025

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 2023 to the Executive Board and Executive Leadership Team subject to the performance conditions 'Earnings per share' and 'Sustainability' are estimated at 31 December 2025 at 98.0%.

Costs for the LTIP are spread over the vesting period and included in 'Salaries and wages' (see note 9). An amount of €8 million (2024: €8 million) is included in the results of 2025 for the share-based compensation granted in the period 2022 - 2025.

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	2025	2024
Interest income on notional cash pools	29	-
Other interest income	3	8
Interest income	**33**	**8**
Interest expense on loans and borrowings	(46)	(52)
Interest expense on notional cash pools	(27)	-
Other interest expense	(3)	(5)
Interest expense on leases	(9)	(9)
Interest expense	**(85)**	**(66)**
Fair value change of derivatives	(4)	11
Foreign exchange differences	16	(6)
Total	**(40)**	**(53)**

Arcadis utilizes notional cash pools, in which debit and credit balances both attract interest income and interest expense, respectively. The outcome for 2025 is presented gross in income and expenses on notional cash pools; the outcome for 2024 is netted and presented in other interest income.

The interest expense on loans and borrowings of €46 million (2024: €52 million) are lower than last year due to lower average interest rates on loans.

Other interest expense mostly consists of the transaction costs amortization for €2 million (2024: €2 million). The interest on lease liabilities of €9 million (2024: €9 million) is based on the Incremental Borrowing Rate, see note 16.

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 will 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 will be 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 and 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 2025 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. 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.

Income tax recognized in profit or loss for the period:

In € millions	2025	2024
Current tax expense		
Current year	87	118
Adjustments for previous years	(5)	(4)
Total current tax expense	**82**	**114**
Deferred tax expense		
Origination and reversal of temporary differences	(13)	(28)
Adjustments for previous years	5	8
Changes in tax rates	-	(0)
Derecognition / (recognition) of deferred tax assets	(1)	3
Total deferred tax expense	**(9)**	**(17)**
Total	**73**	**97**

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 and other deductible items and allowances.

In % and € millions	2025 (%)	2025	2024 (%)	2024
Corporate tax rate in the Netherlands	25.8	73	25.8	87
Adjustment corporate income tax rates other countries	1.6	4	0.9	3
Weighted average corporate income tax rate	**27.4**	**77**	**26.7**	**90**
Non-deductible expenses/ (income)	(1.0)	(3)	(0.4)	(1)
Derecognition / (recognition) of deferred tax assets	(0.3)	(1)	1.3	4
Adjustments for previous years	-	-	0.9	3
Other	-	-	0.2	1
Effective tax rate [1]	**26.1**	**73**	**28.7**	**97**

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

Deferred tax

The movements in deferred tax balances during the year 2025 were as follows:

In € millions	Net balance at 1 January 2025	Recognized in profit or loss	Recognized in Other comprehensive income and Equity	Acquisitions	Other	Exchange rate differences	Net balance at 31 December 2025	Assets	Liabilities
Intangible assets and goodwill	(53)	16	-	(5)	15	6	(21)	102	(123)
Property, plant and equipment	1	2	-	-	-	-	3	7	(4)
Right-of-use assets and lease liabilities	6	1	-	-	-	(1)	6	94	(88)
Trade and other receivable, including contract assets	19	(3)	-	-	5	(1)	20	21	(1)
Loans and borrowings	4	-	10	-	(7)	-	7	7	-
Accrued expenses	20	(3)	-	-	-	(2)	15	45	(30)
Net operating losses and other carry forwards	17	2	-	-	7	(1)	25	25	-
Provisions	11	(5)	-	-	-	(1)	5	13	(8)
Others	19	(1)	-	-	(19)	(6)	(7)	-	(7)
Deferred tax assets/ liabilities	**44**	**9**	**10**	**(5)**	**1**	**(6)**	**53**	**314**	**(261)**
Offsetting	-	-	-	-	-	-	-	(197)	197
Net deferred taxes	**44**	**9**	**10**	**(5)**	**1**	**(6)**	**53**	**117**	**(64)**

The movements in deferred tax balances during the year 2024 were as follows:

In € millions	Net balance at 1 January 2024	Recognized in profit or loss	Recognized in Other comprehensive income and Equity	Acquisitions	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)
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)**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off 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 2025, the Gross amount of net operating losses, amounting to €60 million (2024: €63 million), for which a deferred tax asset has been recognized and expires is as follows:

In € millions	Total net operating losses	Net operating losses not recognized	Net operating losses recognized	Deferred tax asset recognized
2026	6	6	-	-
2027	12	12	-	-
2028	6	6	-	-
2029	7	7	-	-
2030	5	4	1	-
>2030	26	15	11	3
Unlimited	103	55	48	13
Total	**165**	**105**	**60**	**16**

The majority of the above-mentioned deferred tax assets relate to tax jurisdictions in which Arcadis has suffered a tax loss in the current or 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 2025, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognized was €221 million (2024: €234 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 on options that are in the money.

To calculate the earnings per share, the following numbers of average shares are used:

Number of shares	2025	2024
Average number of issued shares	90,442,091	90,442,091
Average number of treasury shares	(1,335,642)	(415,857)
Total average number of ordinary outstanding shares	**89,106,449**	**90,026,234**
Average number of potentially dilutive shares	-	-
Total average number of diluted shares	**89,106,449**	**90,026,234**

The average number of potentially dilutive shares is based on the average share price of 2025 on the Euronext Amsterdam Stock Exchange and the outstanding exercisable options that were in the money.

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	2025	2024
Net income	208	243
Net income from operations[1]	238	270

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

In €	2025	2024
Earnings per share/Diluted earnings per share		
Net income	2.33/ 2.33	2.70/ 2.70
Net income from operations[1]	2.68/ 2.68	3.00/ 3.00

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators 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 consists of both acquired software and internally developed software. It 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)

In € millions	Goodwill	Other intangible assets	Software	Intangibles under development	Total
Cost	1,318	426	64	1	1,809
Accumulated amortization	-	(258)	(47)	-	(305)
Balance at 1 January 2024	**1,318**	**169**	**17**	**1**	**1,505**
Additions	-	-	8	1	9
Disposals	(0)	-	(0)	-	(0)
Amortization charges	-	(29)	(9)	-	(38)
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**
Additions	-	-	5	2	7
Acquisitions of subsidiaries	82	16	0	-	98
Disposals/ Write-offs	(3)	-	(0)	-	(3)
Amortization charges	-	(25)	(6)	-	(31)
Exchange rate differences	(101)	(4)	(0)	(0)	(105)
Movement 2025	**(22)**	**(13)**	**(1)**	**2**	**(34)**
Cost	1,328	416	64	4	1,812
Accumulated amortization	-	(291)	(48)	-	(339)
At 31 December 2025	**1,328**	**125**	**15**	**4**	**1,473**

Software includes €13 million (2024: €14 million) of internally developed software and €2 million (2024: €2 million) of acquired software.

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

In € millions	2025	2024
Amortization of Other intangible assets	25	29
Depreciation and amortization	6	9

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	2025	2024
Places	623	633
Resilience	310	366
Mobility	321	271
Intelligence	74	80
Total Goodwill	**1,328**	**1,350**

Goodwill allocated to Mobility increased mainly due to the reallocation of Arcadis Australia's goodwill and the acquisition of AMG, which is fully allocated to Mobility (see note 4). Arcadis Australia's goodwill in prior years was allocated across the Places, Resilience, and Mobility CGUs. Following Arcadis Australia's reorganization, all Australian activities are reported under the Mobility GBA from 1 January 2025, resulting in the full allocation of related goodwill to Mobility.

Impairment testing for cash-generating units containing goodwill

The recoverable amount of goodwill for impairment testing purposes 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 business plan for 2026 as approved by the Executive Board and projections for 2027-2030, 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 2026 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 plan includes management's estimate about the level and timing of the execution of (the improvement of) operating performance and margins.

The applied assumptions in the goodwill impairment test of 2025 are included in the table below, for those CGUs with goodwill as at 31 December 2025.

In € millions	Average annual (net) revenues growth[1]	EBITDA margin[2]	Pre-tax discount rate	Terminal growth rate[3]
Places	4.9%	12.2-14.3%	11.0%	1.5%
Resilience	5.0%	15-16.7%	11.0%	1.7%
Mobility	4.7%	12.8-14.2%	11.0%	1.6%
Intelligence	8.1%	11.2-15%	11.0%	1.7%

[1] The average annual (net) revenues growth represents average for the period from 2026 to 2030
[2] EBITDA margin represents 2026 to 2030 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 2024 financial statements were as follows:

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 weighted average pre-tax discount rate was 11% (2024: 10.8%) 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 8.5% (2024: 8.4%), which includes country specific premiums when applicable.

Observations from impairment testing

The annual impairment test at 31 December 2025, 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 headroom for Intelligence, being the excess of recoverable amount over its carrying amount, is approximately €43 million at 31 December 2025. The impairment test is sensitive to the discount rate, long-term EBITDA margin and revenue growth assumptions.

A reduction of 500 bps in the long-term EBITDA margin would eliminate the remaining headroom. An increase of 2 percentage points in the post-tax discount rate (from 8.5% to 10.5%) would reduce the headroom to approximately €7 million. These changes represent reasonably possible movements in key assumptions. The long-term growth rate applied was 1.7% and the post-tax discount rate used in the value-in-use calculation was 8.5%.

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	2025	2024
Customer relationships	115	130
Backlog	9	6
Other	1	2
Total Other intangible assets	**125**	**138**

In 2025, the Group acquired KUA Group and WSP Infrastructure Engineering GmbH, and has recognized a backlog and customer relationship for an amount of €11.6 million and €4.7 million respectively for which an amortization of €3.9 million and €0.8 million has been expensed and presented within 'Amortization of other intangible assets'. The purchase accounting for the acquired other intangible assets for KUA Group and WSP Infrastructure Engineering GmbH are provisional (see note 6).

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 a 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 2025 and 2024, 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	72	81	129	5	287
Accumulated depreciation	(39)	(53)	(93)	-	(185)
Balance at 1 January 2024	**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**
Additions	8	4	8	(3)	17
Acquisitions/ (divestments)	0	0	0	-	-
Disposals	(0)	(0)	(0)	(0)	-
Reclassifications	(3)	(0)	1	2	-
Depreciation charges	(10)	(9)	(17)	-	(36)
Exchange rate differences	(4)	(1)	(3)	(0)	(8)
Movement 2025	**(9)**	**(6)**	**(11)**	**(1)**	**(27)**
Cost	68	77	121	2	268
Accumulated depreciation	(40)	(54)	(98)	-	(192)
At 31 December 2025	**28**	**23**	**23**	**2**	**76**

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.

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.

Leasing activities

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

The Group's lease portfolio consists of 2,547 active lease contracts at 31 December 2025 (2024: 2,801), mainly related to real-estate and vehicle lease contracts. Approximately 87% 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.

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.

A right-of-use asset for an office lease with a carrying value of €1.8 million (2024: nil) was abandoned during the year. The remaining lease liabilities for the abandoned lease amount to €1.5 million (2024: nil).

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

Maturity profile

The undiscounted value of the lease obligations as at 31 December 2025 amounts to €278 million (2024: €297 million) and the maturity is as shown in the table below.

Maturity (In € millions)	2025	2024
0 - 1 Year	66	72
1 - 2 Year	57	58
2 - 3 Year	47	49
3 - 4 Year	34	37
4 - 5 Year	24	26
> 5 Year	50	55
Total	**278**	**297**

The undiscounted maturity of all sub-leasing contracts at 31 December 2025 amounts to €2 million (2024: €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 2024	**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**	**1**	**(21)**
At 31 December 2024	**200**	**0**	**1**	**27**	**228**
Additions	34	0	0	17	51
Remeasurements	19	(0)	0	(1)	18
Depreciation charges	(50)	(0)	(0)	(14)	(64)
Acquisitions/ (divestments)	3	-	0	0	3
Derecognitions	0	-	-	(0)	-
Exchange rate differences	(13)	(0)	(0)	(1)	(14)
Movement 2025	**(7)**	**0**	**0**	**1**	**(6)**
At 31 December 2025	**193**	**0**	**1**	**28**	**222**

Lease liabilities

The following lease liabilities are recognized in the balance sheet:

In € millions	2025	2024
Balance at 1 January	**262**	**281**
Additions	51	44
Remeasurements	20	(1)
Payments	(74)	(78)
Acquisitions/ (divestments)	3	-
Interest	9	9
Exchange rate differences	(19)	7
Balance at 31 December	**252**	**262**
Non-current	194	192
Current	58	70
Total	**252**	**262**

Right-of-use assets and lease liabilities decreased due to depreciation and lease payments. This is offset by higher additions and remeasurements from new office spaces added and renewed during the year.

Amounts recognized in the Consolidated income statement

In € millions	Note	2025	2024
Depreciation		64	67
Interest expense	*11*	9	9
Other operational costs for short-term leases	*9*	6	4
Other operational costs for low-value leases	*9*	3	3
Other operational costs for loss on derecognition lease	*9*	0	0
Other income for gain on derecognition lease	*8*	0	0
Other income from sub-leasing	*8*	(0)	(0)
Total		**82**	**83**

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.

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 is 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 2025	% of ownership interest 2024
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%

As of 31 December 2025, investments in associates amount to €13 million (2024: €9 million) while investments in joint ventures amount to €3 million (2024: €2 million). There were no dividends received from associates this year (2024: €3 million). Increase in investments is due to share in result amounting to €5 million (2024: €3 million). Other movements are not material.

There are no loans to associates or joint ventures outstanding as at 31 December 2025 (2024: 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 2025 (2024: 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.

The other investments at 31 December 2025 mainly correspond to:

- Value of the investment in the Techstars cohorts for €3 million (2024: €3 million).
- Value of investment in Switch Energy for €1 million (2024: €0.3 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.

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	2025	2024	2025	2024	2025	2024
Interest rate derivatives:						
Current	-	-	1	-	(1)	-
Non-current	-	-	-	-	-	-
Foreign exchange derivatives:						
Current	5	10	3	8	2	2
Non-current	0	-	0	1	-	(1)
Total	**5**	**10**	**4**	**9**	**1**	**1**

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

Effects of hedge accounting on the financial position and performance

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

In € millions	2025	2024
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)
Change in value of hedged item used to determine hedge effectiveness	1	1
Ineffectiveness	(0)	0

During 2025, 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	2025	2024
Balance at 1 January	**1**	**(3)**
Changes in income statement	(2)	12
Changes through Other comprehensive income	1	1
Cash settlement derivatives	2	(9)
Exchange rate differences	(1)	-
Balance at 31 December	**1**	**1**

The change in fair value of derivatives recognized in profit or loss is €2 million negative (2024: €12 million positive), together with foreign exchange results of €12 million positive (2024: €10 million negative) also flowing through profit or loss. Hence, the overall profit or loss effect of foreign exchange contracts and derivatives amounts to €10 million positive (2024: €3 million positive).

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	2025	2024
Interest rate derivatives	(0)	(1)
Foreign exchange derivatives (classified as cash flow hedges)	0	0
Cost of hedging reserve	-	-
Total	**-**	**(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.

Other non-current assets of €11 million (2024: €9 million) include various long-term receivables, amongst others, rental deposits of €2 million (2024: €2 million), retentions of €1 million (2024: €1 million), loans to personnel of €1 million (2024: €1 million), and judicial deposits of €1 million (2024: €1 million).

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	2025	2024
Trade receivables	663	809
Provision for trade receivables (individually impaired bad debt)	(45)	(49)
Provision for trade receivables (Expected Credit Loss)	(1)	(1)
Receivables from associates	1	2
Total	**618**	**761**

Of the total gross Trade receivables, approximately 2.7% (2024: 6.9%) is subject to a so-called 'paid-when-paid' clause. 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.

Factoring of Trade receivables (Non-recourse)

During the year ended 31 December 2025, the Group has contracted a non-recourse factoring arrangement with a third-party financial institution. Pursuant to this agreement, the Group sold trade receivables amounting to €34 million to the factor and transferred substantially all the risks and rewards of ownership. As a result, these receivables have been derecognized from the Group's statement of financial position in accordance with IFRS 9.

The proceeds from the sale of trade receivables are presented within operating cash flows. The Group has no material continuing involvement in respect of the receivables derecognized. The Group keeps collecting the cash from the clients before remittance to the factor, following a dunning mandate where the Group is acting as an agent on these pass-through transactions.

Aging of Trade receivables

	2025			2024		
In € millions	Gross Receivables	Provision bad debt	Provision ECL	Gross Receivables	Provision bad debt	Provision ECL
Not past due	448	(4)	(0)	529	(4)	(0)
Past due 0-30 days	86	(0)	(0)	108	(1)	(0)
Past due 31-60 days	29	(0)	(0)	39	(1)	(0)
Past due 61-120 days	20	(0)	(0)	31	(0)	(0)
Past due 121-364 days	29	(2)	(0)	40	(5)	(1)
More than 364 days due	51	(39)	(0)	62	(38)	(0)
Total	**663**	**(45)**	**(1)**	**809**	**(49)**	**(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 0.5% for positions less than 90 days past due and up to 3.4% for items past due more than 90 days.

The total provision for Trade receivables developed as follows:

In € millions	2025	2024
Balance at 1 January	50	61
Acquisitions/ (divestments)	0	(1)
Additions charged to profit or loss	8	15
Release of unused amounts	(4)	(15)
Remeasurement Expected Credit Loss	(0)	-
Utilizations	(4)	(10)
Exchange rate differences	(4)	0
Balance at 31 December	**46**	**50**

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:

	2025				2024			
In € millions	Contract assets	Contract liabilities	Provision for onerous contracts	Net position	Contract assets	Contract liabilities	Provision for onerous contracts	Net position
Cumulative revenue	8,679	8,113	-		11,122	8,366	-	
Loss provisions	-	-	(8)		-	-	(13)	
Expected credit loss allowance	(1)	(2)	-		(3)	(4)	-	
Billings to date	(8,099)	(8,581)	-		(10,500)	(8,878)	-	
Total	**579**	**(470)**	**(8)**	**101**	**619**	**(516)**	**(13)**	**90**

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

In € millions	2025	2024
Amount of advances received	-	0
Amount of retentions held by clients	23	8

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. An amount of €1 million (2024: €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	2025	2024
Balance at 1 January	**7**	**5**
Remeasurement of Expected Credit Loss	(4)	2
Balance at 31 December	**3**	**7**

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	2025	2024
Other receivables	43	41
Prepaid expenses	70	60
Balance at 31 December	**113**	**101**

Other receivables are non-trade receivables and include, amongst 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	2025	2024
Bank and cash	283	303
Deposits	40	73
Balance at 31 December	**323**	**376**
Bank overdrafts	(29)	(1)
Cash and cash equivalents less bank overdraft	**294**	**375**
Cash held on behalf of factor	(15)	-
Cash and cash equivalents less bank overdraft available to the Group	**279**	**375**

The average effective interest rate earned on cash during 2025 was 3.3% (2024: 3.8%). At 31 December 2025, €289 million of Cash and cash equivalents were freely available (2024: €358 million).

Restricted cash amounting to €19 million is composed of cash balances mainly held in China (2024: €19 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 2025, total cash and cash equivalents include €15 million collected from customers on behalf of the factor under a dunning mandate. This amount is not available for use by the Group and is excluded from operating cash flows, as the Group acts solely as an agent in respect of these funds.

At 31 December 2025, Cash and cash equivalents and Bank overdrafts have not been offset (comparable to 2024). The Bank overdraft at 31 December 2025 is €29 million (2024: €1 million).

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.

For details on the Group's objectives, policies, and processes for managing capital, see the Capital and financial risk management section in Note 31.

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
2025		
Ordinary shares (120,000,000, nominal value €0.02)	2,400,000	1,808,842
Cumulative preference (protective) shares (150,000,000, nominal value €0.02)	3,000,000	-
Cumulative financing preference 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 2025 and 2024 are presented in the table below.

Number of shares	Ordinary shares	Priority shares	Treasury stock	Total issued shares
Balance at 1 January 2024	**89,972,929**	**600**	**469,162**	**90,442,691**
Shares issued (stock dividend)	-	-	-	-
Shares canceled	-	-	-	-
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**
Shares issued (stock dividend)	-	-	-	-
Shares canceled	-	-	-	-
Repurchased shares	(3,505,163)	-	3,505,163	-
Exercised shares and options	222,026	-	(222,026)	-
At 31 December 2025	**86,128,168**	**600**	**4,313,923**	**90,442,691**

Priority shares

Total number of outstanding priority shares at 31 December 2025 is 600 (2024: 600). In 2025, no preference (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, amongst 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.

Pursuant to the articles of association of the Priority Foundation, the Board of the Foundation consists of 20 board members: 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 Preference (Protective) Shares

Currently no cumulative preference (protective) shares have been issued. However, an option agreement to acquire such shares has been entered into between Stichting Preferente Aandelen Arcadis N.V. (Preference Shares Foundation) and Arcadis N.V. under that agreement. The Preference Shares 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 Preference Shares 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 Preference shares

Since 2002, the Articles of Association of Arcadis N.V. include the possibility to issue cumulative financing preference 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 2025: 16,979,844).

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 2025 (2024: 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 €)
2021	2,316,830	27.58 to 40.24
2022	-	-
2023	-	-
2024	810,000	61.34 to 66.16
2025	3,505,163	35.11 to 50.86

Group has commenced on 1 October 2025 a share buyback program under which it plans to repurchase ordinary shares of Arcadis for a maximum total value of €175 million. The purpose of the share buyback program is to reduce the capital of Arcadis. At closing date, the total number of shares repurchased under this program was 3,505,163 shares for a total consideration of €137.5 million. The program will run until 1 July 2026 at the latest. The cash equivalent of the temporary repurchased shares are deducted from Retained earnings.

At 31 December 2025, the number of repurchased shares in stock (treasury stock) amounted to 4,313,923 (2024: 1,030,786).

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
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
2025	89,411,305	-	(3,505,163)	222,026	86,128,168

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.

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.

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 2025 amounts to €208 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 €1.05 per ordinary share (2024: €1.00). Of the total Retained earnings, an amount of €10 million of legal reserves is restricted in distribution (2024: €10 million). See note 43 to the Company financial statements for further details.

In May 2025, €76 million cash dividend relating to 2024 was paid to shareholders. The dividend payment was subject to a 15% Dutch withholding tax. As a result, €13 million of withholding tax was paid. The total cash outflow of €89 million is presented in the dividends paid to shareholders line item within financing activities in the consolidated cash flow statement.

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.

At 31 December 2025, the non-controlling interests is mainly from Hyder & Solaiman Elkhereiji Engineering Consultants P.C. (30%) (2024: 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 and 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 other comprehensive income.

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 2025
Defined benefit pension plans	22	22	0
Other long-term employee benefits	-	11	11
Total provision for employee benefits	**22**	**33**	**11**
Non-current	22	25	3
Current	-	7	7
Total	**22**	**33**	**11**

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

Pension costs recognized in profit or loss

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

In € millions	2025	2024
Total defined benefit pension plans	4	2
Total defined contribution pension plan and other long-term employee benefits	95	96
Total pension costs	**99**	**98**

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	2025	2024
Personnel costs	100	98
Finance expenses/ (income)	(1)	(0)
Total pension costs	**99**	**98**

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 2025 both defined benefit pension plans in the UK have a surplus of €22 million (2024: €18 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 has been 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.

In June 2023, the High Court in UK handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law.

Following the publication draft legislation, the Group does not expect the Virgin Media ruling to give rise to any additional liabilities in the EC Harris Group Pension Scheme and Acer Group Pension Scheme and so the liabilities have not been adjusted and continue to reflect the benefits currently being administered.

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.

	2025			2024		
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)	69	74	(5)	75	78	(3)
Acer Group Pension Scheme (AGPS)	146	163	(17)	157	172	(15)
ME Termination Indemnity Plan (HME)	3	-	3	5	-	5
Other defined benefit pension plans	21	3	19	19	3	16
Total defined net benefit pension plans			**0**			**3**

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 2024	**(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**
Current service cost	-	-	0		
Interest expense/ (income)	(0)	(1)	0		
One-off equalization cost	-	-	-		
Reclassification	-	-	-		
Subtotal	**(0)**	**(1)**	**0**	**5**	**4**
Remeasurement:					
Return on plan assets excluding amounts included in interest expense/ (income)	1	2	-		
(Gain)/ loss from change in financial assumptions	(2)	(4)	1		
(Gain)/ loss from change in demographic assumptions	0	1	-		
Experience (gain)/ loss	0	1	1		
Total remeasurement	**0**	**0**	**2**	**0**	**2**
Exchange rate differences	0	1	(1)	(1)	(1)
Acquisitions	-	-	-	1	1
Contributions by employer	(2)	(2)	-		(4)
Benefit payments from plans	-	-	(3)	(2)	(5)
Balance at 31 December 2025	**(5)**	**(17)**	**3**	**19**	**0**

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

In € millions	2025	2024
Non-current	(2)	3
Current	2	0
Total	**0**	**3**

(A) EC Harris group pension scheme (ECH)

Plan assets allocation

All invested assets shown in the table below are quoted.

In € millions / %	2025	%	2024	%
Equities	20	28	12	16
Property and real estate	0	1	0	1
Cash	1	2	3	3
Other[1]	52	70	63	80
Total at 31 December	**74**	**100**	**78**	**100**

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

Actuarial assumptions

The latest triennial valuation date of the Scheme was on 5 April 2024. The principal actuarial assumptions at the reporting dates are:

in %	2025	2024
Discount rate	5.55	5.45
Pension increases	1.8-3.40	1.95-3.50
Retail price index inflation	3.05	3.30
Consumer price index inflation	2.05	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	2025	2024
Male/female currently age 65	21.9/ 24.2	21.6/ 24.1
Male/female reaching age of 65 in 20 years	23.2.0/ 25.6	22.9.0/ 25.5

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 2025, 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 2024 financial statements 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

Defined benefit liability and employer contributions

The Company expects €1 million in contributions to be paid to the plan in 2026. The estimated net pension costs to be recognized in the Consolidated income statement in 2026 amount to €0.3 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 / %	2025	%	2024	%
Equities	38	23	36	21
Property and real estate	6	3	7	4
Hedge funds	84	52	88	51
Cash	1	1	2	1
Other[1]	34	21	39	23
Total at 31 December	**163**	**100**	**172**	**100**

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

Actuarial assumptions

The latest triennial valuation date of the Scheme was on 1 April 2023. The principal actuarial assumptions at the reporting dates are:

in %	2025	2024
Discount rate	5.55	5.45
Pension increases	1.8-3.40	1.95-3.50
Retail price index inflation	3.05	3.30
Consumer price index inflation	2.05	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	2025	2024
Male/female currently age 65	22/ 24.4	21.7/ 24.2
Male/female reaching age of 65 in 20 years	23.4.0/ 25.8	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 2025, the sensitivity analysis was as follows:

In % / € millions	Change in assumptions	Change in pension liability
Discount rate	0.5%	8
Rate of inflation	0.5%	5
Life expectancy	one-year change	7

The sensitivity analysis as disclosed in the 2024 financial statements 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

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 2026. The estimated net pension costs to be recognized in the Consolidated income statement in 2026 amount 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.

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 2026. 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. We refer to the next table for the movement in the balance sheet position of these other defined benefit pension plans in total.

Other long-term employee benefits

The other long-term employee benefits consist of the following balances:

In € millions	2025	2024
Future jubilee payments	3	4
Long-service leave provision	7	6
Other	1	1
Balance at 31 December	**11**	**11**

Future jubilee payments

An amount is based on the current agreements in the collective labor agreements and the related staff levels.

Long-service leave provision

An amount is related to long service leave provisions in Australia, where employees are entitled to long service leave after a certain number of years of continuous service. The time allowance and conditions of entitlement are set out in legislation and vary by territory. An amount of €4 million (2024: €4 million) is expected to be paid within one year.

Other

The category ‘Other’ included, amongst others, long service payment in Hong Kong, and several other individually non-significant items.

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 2024	**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**
Additions	31	10	0	3	44
Acquisitions	-	-	0	-	0
Amounts used	(23)	(5)	(0)	(0)	(28)
Release of unused amounts	(0)	(3)	(0)	0	(3)
Reclassifications	-	0	0	0	0
Exchange rate differences	(1)	1	(1)	(0)	(1)
Balance at 31 December 2025	**15**	**40**	**6**	**10**	**71**
Non-current	6	35	6	8	55
Current	9	4	1	2	16
Balance at 31 December 2025	**15**	**40**	**6**	**10**	**71**

Restructuring

Provisions for restructuring include costs related to certain staff compensation and costs directly related to the existing plans to execute restructurings, mainly in Continental Europe, Middle East, and United Kingdom. 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.

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 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 payout level.

The Group also recognizes provision for litigation for claims that are Incurred But Not Reported (IBNR). The IBNR estimate is determined using actuarial techniques based on historical claims data, statistical modeling of late-reported claims, and current trends in claim development. The valuation reflects management's best estimate of future claims liabilities.

The determination of IBNR involves significant judgement and is subject to estimation uncertainty, particularly regarding claim reporting patterns and inflationary trends. The IBNR provision is reviewed and updated on a quarterly basis to reflect new information and actual claim developments.

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 includes 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	2025	2024
Short-term bank loans	1.5% - 5.1%	225	81
Long-term bank loans	1.5% - 5.8%	103	275
Senior unsecured notes	4.9%	497	497
Other long-term debt[1]	3.0% - 6.5%	10	-
Debt to factor	2.6% - 4.2%	15	-
Total Loans and borrowings		**850**	**853**
Current		240	81
Non-current		610	772
Total		**850**	**853**

[1] Including retentions and expected deferred consideration not due within one year, amounting to €10 million (31 December 2024: €0 million)

Fair value

The fair value of the Group's loans and borrowings has been estimated at €861 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 (2024: €862 million).

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

In € millions	2025	2024
2025	-	78
2026	288	223
2027	53	53
2028	509	499
Balance at 31 December	**850**	**853**

Non-current loans and borrowings

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

In € millions	2025	2024
Balance at 1 January	**772**	**871**
New debt	260	95
Redemptions	(210)	(116)
Acquisitions (deferred consideration)	10	-
Reclassification to current	(225)	(81)
Other	3	3
Exchange rate differences	0	(0)
Balance at 31 December	**610**	**772**

Eurobond
In February 2023, a €500 million Eurobond was issued against a fixed rate of 4.875% with a 5-year maturity.

Schuldschein loans
In 2025, no additional Schuldschein loans have been arranged. €81 million of Schuldschein loans were repaid in 2025.

In 2023, the €185 million floating rate Schuldschein loans have been swapped with two floating-to-fixed interest rate swaps. One interest rate swap (notional value €100 million) matured in January 2025. The other interest rate swap (€85 million) will mature in January 2026. For more information, see note 19.

At 31 December 2025, the non-current portion of long-term debt includes a total of Schuldschein debt in the amount of €53 million maturing in 2027. The current portion of long-term debt includes a total of Schuldschein debt in the amount of €225 million maturing in July 2026.

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 two 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 2025, the Group made a drawdown of €260 million from RCF of which €210 million was repaid during the year. This has been presented as new long-term 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 rollover 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 an outstanding RCF balance of €50 million as of 31 December 2025 (2024: nil).

Current loans and borrowings

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

In € millions	Note	2025	2024
Balance at 1 January		**81**	**-**
New debt		110	60
Cash collected (remitted) on behalf of (to) the factor	*24*	15	-
Redemptions		(191)	(60)
Reclassification from non-current		225	81
Exchange rate differences		(0)	-
Balance at 31 December		**240**	**81**

Short-Term credit facilities

The total available short-term credit facilities amount to €470 million, which include all uncommitted credit facilities, bank guarantee facilities and surety bond lines with financial institutions of which €220 million has been used as at 31 December 2025 (2024: €369 million and €158 million respectively).

The Group has short-term uncommitted credit facilities of €165 million with relationship banks and three bank guarantee facilities totalling €150 million (2024: €142 million and €101 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 2025, the total amount of bank guarantees and letters of credit that were outstanding under the €150 million guarantee facilities amounted to €69 million (2024: €54 million). Additionally, there were other outstanding bank guarantees, letters of credit and surety bonds amounting to €107 million (2024: €102 million).

In 2025, the Group utilized €110 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.

Interest rates

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

In € millions	2025	2024
0% - 4%	313	81
4% - 7%	537	772
Balance at 31 December	**850**	**853**
Weighted average interest rate[1]	**4.2%**	**4.6%**

[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 2025, 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 2.0x (2024: 1.6x). 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 2025, the average net debt to Operating EBITDA ratio calculated in accordance with the credit documentation of the 2023 Schuldschein loans is 1.7x (2024: 1.5x). 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	2025	2024
Accounts payable		322	300
Accrued expenses		83	116
Payables to employees		197	216
Taxes and social security contributions		103	101
After-payments relating to acquisitions	6	-	1
Other liabilities		70	76
Balance at 31 December		**775**	**810**

Of the total accounts payable approximately 45.9% (2024: 45.7%) is subject to a so-called 'paid-when-paid' clause. 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 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. At 31 December 2025, the maximum exposure to credit risk was:

In € millions	Note	2025	2024
Financial assets:			
Trade receivables	*21*	618	761
Other receivables	*23*	43	41
Other non-current assets	*20*	11	9
Derivatives	*19*	5	10
Loans to associates and joint ventures	*17*	-	-
		678	**821**
Cash and cash equivalents less bank overdrafts	*24*	294	375
Balance at 31 December		**972**	**1,196**

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 aging of receivables. Expected losses are determined in line with IFRS 9, see note 21.

The aging of Trade receivables and the provision for Trade receivables at reporting date is disclosed below and in note 21. The aging 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 2025 subject to the 'paid-when-paid principle' are disclosed in note 21. Further details on how Arcadis uses this principle to manage working capital are 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 2025, 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 65%

(2024: 67%) 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 €176 million outstanding as at 31 December 2025 (2024: €157 million). In addition, Arcadis N.V. has provided corporate financial guarantees to banks and financial institutions for a maximum amount of €149 million (2024: €163 million), relating to local overdraft limits, guarantees to local facilities or local credit lines. 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 2025 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 2025				31 December 2024			
Type	Interest/fees	Available		Utilized		Available		Utilized	
		CAD	EUR	CAD	EUR	CAD	EUR	CAD	EUR
Revolving Credit Facility	EURIBOR		600		50		600		-
Debentures IBI	6.5%	-	-	-	-	-	-	-	-
Senior unsecured notes	4.875%		500		500		500		500
Uncommitted multi-currency facilities	Floating		165		0		142		-
Schuldschein notes	Fixed/floating		278		278		358		358
Guarantee facility	0.30% - 0.65%		150		69		101		54
Other (loans)	Various		44		44		19		1
Other (bank guarantees and surety bonds)	Various		111		107		107		102

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 2025					
Off balance sheet lease commitments	6	6	-	-	-
Foreign exchange contracts:					
Outflow	(1,127)	(1,127)	0	-	-
Inflow	1,128	1,128	0	-	-
Interest rate swaps:					
Outflow	(87)	(87)	-	-	-
Inflow	87	87	-	-	-
Cross Currency swaps:					
Outflow	-	-			
Inflow	-	-			
Deferred consideration	10	-	10	-	-
Interest	84	34	50	-	-
Lease obligations	278	66	104	58	50
Loans and borrowings	825	225	600	-	-
Debt to factor	15	15	-	-	-
Accounts payable	322	322	-	-	-
Total	**1,541**	**670**	**764**	**58**	**50**

Contractual obligations at 31 December 2024					
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	-	-
Deferred consideration	1	1	-	-	-
Interest	124	39	61	24	-
Lease obligations	297	72	107	63	55
Loans and borrowings	859	81	778	-	-
Accounts payable	300	300	-	-	-
Total	**1,587**	**499**	**946**	**87**	**55**

(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's foreign exchange transaction exposure management is 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 into 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 2025								
Trade receivables	16	90	14	17	35	12	188	6
Cash and cash equivalents	3	15	12	-	0	0	1	1
Derivatives	12	277	98	0	(36)	(21)	(165)	125
Loans and borrowings	-	(336)	(99)	-	(1)	12	127	(126)
Accounts payable	(22)	(53)	(36)	(17)	(2)	(0)	(157)	(1)
Balance exposure	**8**	**(7)**	**(11)**	**0**	**(5)**	**3**	**(5)**	**5**
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**

The below exchange rates were applied in the year.

	2025		2024	
In €	Average	Year-end	Average	Year-end
US Dollar (USD)	0.89	0.85	0.92	0.97
Pound Sterling (GBP)	1.17	1.15	1.18	1.21
Australian Dollar (AUD)	0.57	0.57	0.61	0.60
Chinese Yuan Renminbi (CNY)	0.12	0.12	0.13	0.13
Canadian Dollar (CAD)	0.63	0.62	0.67	0.67
Brazilian Real (BRL)	0.16	0.15	0.17	0.16
United Arab Emirates Dirham (AED)	0.24	0.23	0.25	0.26

Arcadis uses derivative financial instruments 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 Q1 2027 at the latest.

Sensitivity analysis of 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.

	2025		2024	
In € millions	Impact on net income	Impact on equity	Impact on net income	Impact on equity
10% change euro against the US Dollar	19	79	20	77
10% change euro against the Pound Sterling	8	46	10	45
10% change euro against the Australian Dollar	2	19	4	19
10% change euro against the Canadian Dollar	3	10	5	10

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 €868 million at year-end 2025 (2024: €853 million). The increase versus last year is driven by higher bank overdraft (€29 million) and debt from factoring (€15 million), offset by lower loans and borrowings (€31 million) and amortization of financing fees (€2 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) matured 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 2025, this minimum fixed portion of 40% was applicable.

Sensitivity analysis of 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.

	2025		2024	
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	0.0	0.0	(0.2)	(0.2)

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, returning capital to shareholders, or issuing 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 offset 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 2025, Arcadis' strategic goal on financing, which was unchanged from 2024, 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 have 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 2025	31 December 2024
Long-term loans and borrowings	*29*	610	772
Current portion of loans and borrowings	*29*	240	81
Lease liabilities	*16*	194	192
Current portion of lease liabilities	*16*	58	70
Bank overdrafts	*24*	29	1
Total debt		**1,131**	**1,116**
Less: cash and cash equivalents	*24*	(323)	(376)
Net debt		**808**	**739**
Less: non-current portion deferred consideration	*6*	(10)	-
Net debt		**797**	**739**
EBITDA according to debt covenants[1]		**450**	**541**
Adjusted Operating EBITDA according to debt covenants[2]		**527**	**568**

[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)

[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

	2025	2024
Average net debt to EBITDA ratio according to debt covenants RCF and 2020 Schuldschein (Total Leverage Ratio)	2.0	1.6
Average net debt to adjusted Operating EBITDA ratio according to debt covenants for 2023 Schuldschein and Eurobond	1.7	1.5

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 2025, 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 2025							
Investments in associates and joint ventures	16	16	-	-	-	-	-
Other investments	4	-	-	4	-	4	4
Other non-current assets	11	-	11	-	-	11	11
Trade receivables	618	-	618	-	-	618	618
Derivatives	5	-	-	5	-	5	5
Cash and cash equivalents	323	-	323	-	-	323	323
Total Financial assets	**977**	**16**	**952**	**9**	**-**	**961**	**961**
Loans and borrowings:							
Non-current	610	-	610	-	-	610	621
Current	225	-	225	-	-	225	225
Derivatives	4	-	-	3	1	4	4
Accounts payable	322	-	322	-	-	322	322
Lease liabilities	252	-	252	-	-	252	252
Deferred consideration	10	-	-	10	-	10	10
Bank overdrafts	29	-	29	-	-	29	29
Debt to factor	15	-	15	-	-	15	15
Total Financial liabilities	**1,467**	**-**	**1,453**	**13**	**1**	**1,467**	**1,478**

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 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**

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.

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 2025	31 December 2024
Short-term leases	1	1
Low-value leases	5	1
Total committed off-balance leases	**6**	**2**

In € millions	31 December 2025	31 December 2024
Bank guarantees	176	157
Corporate guarantees	149	163
Eliminations	(88)	(99)
Guarantees	**237**	**221**
Leases	6	2
Other commitments[1]	100	163
Total	**343**	**386**

[1] This relates to software and information technology products commitments.

Leases

The Group's lease arrangements mainly relate to contracts for leased cars, building and other (IT) equipment. See note 16 for further information on leases.

Guarantees

Arcadis has issued corporate guarantees as security mainly 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	102	176	(66)	212
Other	44		(22)	22
Balance at 31 December 2025	**149**	**176**	**(88)**	**237**

[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	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.

The vast majority of outstanding bank guarantees and surety bonds relate to the commercial performance on projects (e.g. Performance guarantees, Tender bonds, Warranty bonds or Advance payment guarantees) and rental guarantees. On 31 December 2025 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 2025, only a part of the local bank guarantee facilities and local debt facilities have been used.

Other commitments

The other commitments amount to €100 million (2024: €163 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 inhouse and external legal counsels, management regularly evaluates the 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 the 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 Prioriteit Arcadis N.V., the members of the Executive Board, the Executive Leadership Team and the Supervisory Board.

Based on IFRS standards, Stichting Lovinklaan, Stichting Bellevue, and Stichting Preferente Aandelen Arcadis N.V. are not related parties of the Company.

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 2025. The transactions with joint ventures are not material to the Group.

Transactions with associates

The Group has entered into transactions with associates, see note 17. Other transactions with associates are not material.

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 €4 million (2024: €5 million), Executive Leadership Team of €8 million (2024: €8 million), and Supervisory Board members of €0.7 million (2024: €0.6 million).

Refer to the Executive Board report for the composition of the Executive Board and Executive Leadership Team, and to the Supervisory Board report for the composition of the Supervisory Board. The remuneration in below table covers the period that members qualified as key management personnel.

In € millions	2025	2024
Base salary	5	5
Bonus	2	4
Post-employment pension	1	1
Share-based payment transaction	2	2
Other[1]	2	2
Termination benefit	1	0
Total	**13**	**14**

[1] Other mainly includes employer contributions to social security plans and benefits in kind such as car allowances

In 2025 (and 2024) 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 2025, the Company contributed €2 million (2024: €2 million) to the plan of EC Harris and €2 million (2024: €3 million) to the plan of Hyder, see note 27. Aside from the contributions, there are no other material transactions with post-employment benefit plans.

Transactions with other related parties

Arcadis N.V. contributed €500 (2024: €500) to Stichting Prioriteit Arcadis N.V. (the 'Priority Share Foundation'). See note 25 for further information on this foundation.

34 Events after the balance sheet date

A subsequent event is a favorable or unfavorable event that occurs between the reporting date and the date that the financial statements are authorized for issue. Events after the reporting date that provide evidence of conditions that existed at the reporting date are adjusted within the financial statements. Events that are indicative of a condition that arose after the reporting date of a material size or nature are disclosed below.

As of the beginning of 2026, Group has moved to a new structure in which Intelligence is no longer a separate GBA. While Intelligence will remain a distinct team within the Group, it will now serve to support the other three GBAs: Places, Mobility, and Resilience. Intelligence products will be managed by a cross-Arcadis Growth, Digital, Intelligence, and Advisory team.

Company financial statements



Company Balance sheet

as at 31 December - before appropriation of result

In € millions	Note	2025	2024[1]
Assets			
Fixed assets			
Intangible fixed assets	37	1	1
Property, plant and equipment	38	1	1
Right-of-use assets	39	8	1
Financial fixed assets	40	2,924	3,011
Total Fixed assets		**2,934**	**3,014**
Current assets			
Receivables from subsidiaries and associates	41	142	121
Other receivables	41	30	27
Cash	42	39	57
Total Current assets		**211**	**205**
Total Assets		**3,145**	**3,219**

In € millions	Note	2025	2024[1]
Equity & liabilities			
Shareholders' equity			
Issued share capital		2	2
Share premium		372	372
Legal reserves		(244)	(60)
Translation reserves		*(254)*	*(69)*
Hedging reserves		*(0)*	*(1)*
Other legal reserves		*10*	*10*
Other reserves		699	676
Unappropriated profit		207	243
Total Shareholders' equity	25,43	**1,036**	**1,233**
Provisions	44	10	13
Non-current liabilities			
Long-term debt	45	704	934
Lease liabilities	39	7	0
Long-term derivatives		-	1
Total Non-current debts		**711**	**935**
Current debts			
Derivatives		5	11
Bank overdrafts	42	29	2
Short-term borrowings	45	-	81
Current portion of lease liabilities	39	1	1
Current portion of long-term debt	45	226	32
Corporate income tax payable	52	-	0
Other current debts	46	1,127	911
Total Current liabilities		**1,388**	**1,038**
Total Liabilities		**2,109**	**1,986**
Total Equity and liabilities		**3,145**	**3,219**

[1] Comparative figures have been updated for presentation changes; see Note 36 for details.

The notes on pages 267 to 280 are an integral part of these Company financial statements

Company Income statement

for the year ended 31 December

In € millions	Note	2025	2024[1]
Net turnover		-	-
Other operating income	*48*	81	59
Total Operating income		**81**	**59**
Wages and salaries	*49*	(23)	(25)
Depreciation and amortization	*37,38,39*	(1)	(1)
Other operating expenses	*50*	(32)	(19)
Total Operating expenses		**(56)**	**(45)**
Operating result		**25**	**14**
Finance income		27	32
Finance expenses		(68)	(103)
Fair value change of derivatives		(5)	14
Net finance expense	*51*	**(46)**	**(57)**
Result before tax		**(21)**	**(43)**
Tax on result	*52*	1	7
Share of result from participating interests		228	281
Result after tax		**208**	**245**

[1] Comparative figures have been updated for presentation changes; see Note 36 for details.

35 General

Arcadis N.V. is a public limited liability company headquartered in the Netherlands. Its shares are publicly traded on the Amsterdam Stock Exchange. It is the holding company of Arcadis Group. The chamber of commerce number is 09051284.

In the Company financial statements, Arcadis N.V. or the Company refers to Arcadis N.V. as a standalone legal entity. The Company financial statements have been prepared in accordance with Part 9, 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 same accounting principles of recognition and measurement of assets and liabilities and determination of the result as applied for the Consolidated financial statements. Foreign currency amounts have been translated, assets and liabilities have been valued, and net income has been determined, in accordance with the principles of valuation and determination of income presented in note 2 of the Consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

In case no other principles are mentioned, refer to the accounting principles as described in the consolidated financial statements. For an appropriate interpretation of these statutory financial statements, the separate financial statements should be read in conjunction with the consolidated financial statements. Information on the use of financial instruments and on related risks for the Group is provided in the notes to the consolidated financial statements of the Group.

The financial statements have been prepared for the financial year from 1 January 2025 to 31 December 2025. The balance sheet is presented as at 31 December 2025.

The Company financial statements were authorized for issue by the Executive Board and Supervisory Board on 18 February 2026.

36 Summary of significant accounting policies

The accounting policies used in the preparation of the Company financial statements are the same as those used in the preparation of the Consolidated financial statements (in accordance with article 362 sub 8 Part 9 of Book 2 of the Dutch Civil Code). See the Notes to the Consolidated financial statements. In addition, specific accounting policies applicable to the Company financial statements are outlines in the Notes below.

To better align with the requirements under Dutch law for the presentation of the company balance sheet and income statement, certain line items have been renamed, and amounts presented in a different caption. Comparative figures have been updated accordingly. This change in presentation did not have any impact on the total shareholders' equity or result after tax for 2025 or 2024.

The accompanying Company financial statements are stated in millions of euros unless otherwise indicated.

Participating interests in group companies

Participating interests in Group companies are all entities in which the Company has direct or indirect control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the Group companies and has the ability to affect those returns through its power over the Group companies. Group companies are recognized from the date on which control is obtained by the Company and derecognized from the date that control by the Company over the Group companies ceases. Participating interests in Group companies are accounted for in the Company Financial Statements according to the equity method, with the principles for the recognition and measurement of assets and liabilities and determination of results as set out in the Notes to the Consolidated Financial Statements.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognized if and to the extent that the

cumulative unrecognized share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if it has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognized accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Share of result from participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests in Group companies. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests in Group companies and mutually between Group companies themselves are eliminated to the extent that they can be considered as not realized. The Company makes use of the option to eliminate intragroup expected credit losses against the book value of loans and receivables from the Company to participating interests, instead of elimination against the equity value / net asset value of the participating interests.

Corporate income tax

The Company is the head of the fiscal unity. The Company recognizes the portion of corporate income tax that it would owe as an independent taxpayer, taking into account the allocation of the advantages of the fiscal unity. Settlement within the fiscal unity between the Company and its subsidiaries takes place through current account positions. The Company is the head (ultimate parent company) of a group that is subject to the global minimum top-up tax ('Pillar 2') legislation – see also the disclosure in note 12 of the consolidated financial statements.

37 Intangible assets

The intangible assets are software. The net value at 31 December 2025 is €1.0 million.

38 Property, plant & equipment

The property, plant & equipment are furniture and fixtures. The net value at 31 December 2025 is €0.7 million.

39 Right-of-use assets and lease liabilities

Amounts recognized in the Company balance sheet

Right-of-use assets

In € millions	Leased land and buildings	Leased (IT) equipment	Leased vehicles	Total
Balance at 1 January 2024	**1**	**-**	**-**	**2**
Additions	-	-	-	-
Depreciation	(1)	-	-	(1)
Derecognition of right-of-use assets	-	-	-	-
Remeasurements	-	-	-	-
Balance at 31 December 2024	**-**	**-**	**-**	**1**
Additions	8	-	(0)	8
Depreciation	(1)	-	(0)	(1)
Derecognition of right-of-use assets	0	-	-	-
Remeasurements	(0)	-	0	-
Balance at 31 December 2025	**7**	**-**	**(0)**	**8**

Lease liabilities

In € millions	2025	2024
Balance at 1 January	**1**	**2**
Additions	8	0
Payments of lease liabilities	(1)	(1)
Remeasurements	0	(0)
Interest	0	0
Balance at 31 December	**8**	**1**
Non-current	7	-
Current	1	1
Total	**8**	**1**

Amounts recognized in the Company income statement

In € millions	2025	2024
Depreciation	1	1
Interest expense (included in Net finance expense)	0	0
Other operational costs for short-term leases	-	-
Total	**1**	**1**

The right-of-use asset and lease liability recognized in 2025 relate to our new headquarters office, Cubehouse, for which the lease commenced on 30 December 2025.

40 Financial fixed assets

Financial fixed assets is comprised of the following balances as of 31 December 2025 and 2024:

In € millions	2025	2024
Investment in subsidiaries	2,655	2,616
Loans issued to subsidiaries and other investments	264	391
Deferred tax assets	5	4
Balance at 31 December	**2,924**	**3,011**

Investment in subsidiaries

In € millions	2025	2024
Balance at 1 January	**2,616**	**2,292**
Share in income of subsidiaries	228	281
Dividends received	(18)	(13)
Capital contributions	43	6
Capital repayments	(25)	-
Remeasurements on post-employment benefit obligations, net of income taxes	(2)	(2)
Other charges	0	(0)
Provision for negative equity of investments	(4)	3
Exchange rate differences	(183)	49
Balance at 31 December	**2,655**	**2,616**

For the list of subsidiaries and other participating interests as required by Article 2:379(5) of the Dutch Civil Code, reference is made to the list filed with the Trade Register, as also disclosed in note 6 in the consolidated financial statements.

For the remeasurements on post employee benefits obligations, see note 27.

The participating interest Arcadis Gen Holding B.V. has a negative net asset value and is valued at nil because the Company does not fully or partially guarantee the debts of this participating interest, and has no constructive obligation to support this participating interest in paying its debts. The Company's share in the negative equity value of the participating interest amounts to -€7.6 million (2024: -€11.5 million). The unrecognized share of the losses during the financial year amounts to €3.9 million (2024: -€2.6 million). The accumulated losses of the participating interest amount to -€7.6 million (2024: -€11.5 million) on the reporting date.

The exchange rate differences mainly relate to the British Pound Sterling, US Dollar and Canadian Dollar rates.

Loans issued to subsidiaries and other investments

In € millions	2025	2024
Balance at 1 January	**391**	**342**
Loans issued to subsidiaries	12	75
Redemptions	(99)	(31)
Investments	(23)	-
Divestments	-	-
Others	-	-
Exchange rate differences	(17)	5
Balance at 31 December	**264**	**391**

As Arcadis N.V. applies the same valuation principles in the Company financial statements as those applied in the Consolidated financial statements, IFRS 9 is also applicable to intercompany loans and receivables. The assessment of the Expected Credit Loss did not result in a material impact on the Company financial statements. To have consistency between the Consolidated and standalone equity no loss has been recorded, which is in line with the clarification as provided by the *Raad voor de Jaarverslaggeving* (RJ) that a reversal of the Expected Credit Loss can be included in the carrying amount of the loans.

Noted is that Arcadis N.V. has control, directly or indirectly, over all the subsidiaries it granted loans to and can convert these into equity if needed.

The fair value of loans to subsidiaries approximates the carrying value since they are all intercompany loans, the duration is short and all less than four years. The interest rates are determined based on the tenure of the loan with the subsidiary, including a mark-up based on transfer pricing principles.

The exchange rate differences mainly relate to loans in US Dollar, British Pound Sterling and Canadian Dollar.

41 Receivables

Receivables from subsidiaries and associates

The Receivables from subsidiaries and associates are all from subsidiaries and mainly relate to short-term financing by means of current accounts €130.0 million (2024: €97.4 million). See note 2 in the consolidated financial statements for further information on fair value; the Company-only receivables are of a similar nature and maturity.

Arcadis applied the simplified approach under IFRS 9 to its intercompany current receivables and concluded that the Expected Credit Loss is immaterial. See note 21 of the Consolidated financial statements for further details on the simplified approach and note 40 on the treatment of the Expected Credit Loss on intercompany positions in the Company financial statements.

Other receivables

In € millions	2025	2024
Derivatives	5	15
Corporate income tax receivable	8	2
Others	17	10
Balance at 31 December	**30**	**27**

Others include €6.5 million of prepaid amounts, mainly related to software licenses and other prepaid IT support (2024: €6.2 million).

42 Cash

Cash is comprised of cash on hand and bank balances available on demand. All cash balances are freely available to the company. As at 31 December 2025, cash amounted to €39 million (2024: €57 million).

At 31 December 2025, Cash and Bank overdrafts have not been offset (comparable to 2024). The Bank overdraft at 31 December 2025 is €29 million (2024: €2 million).

No amounts are pledged or held in blocked accounts. Cash is stated at nominal value.

43 Shareholders' equity

In € millions	Issued share capital	Share premium	Legal reserves			Other reserves	Unappropriated profit	Total
			Hedging reserve	Translation reserve	Other legal reserve			
Balance at 1 January 2025	**2**	**372**	**(1)**	**(69)**	**10**	**676**	**243**	**1,233**
Net income	-	-	-	-	-	-	208	208
Exchange rate differences	-	-	-	(185)	-	(0)	-	(185)
Effective portion of changes in fair value of cash flow hedges, net of income taxes	-	-	1	-	-	-	-	1
Remeasurements on post-employment benefit obligations, net of income taxes	-	-	-	-	-	(2)	(1)	(3)
Other comprehensive income, net of income taxes	**-**	**-**	**1**	**(185)**	**-**	**(2)**	**(1)**	**(187)**
Total comprehensive income for the period	**-**	**-**	**1**	**(185)**	**-**	**(2)**	**207**	**21**
Transactions with owners of the Company:								-
Acquisitions and transactions with non-controlling interests	-	-	-	0	-	-	-	0
Dividends to shareholders	-	-	-	-	-	-	(89)	(89)
Transfer to Other reserves	-	-	-	-	-	154	(154)	-
Addition to (utilization of) other (statutory) reserves	-	-	-	-	-	-	-	-
Issuance of shares	-	-	-	-	-	-	-	-
Cancellation of shares	-	-	-	-	-	-	-	-
Share-based compensation, net of income taxes	-	-	-	-	-	8	-	8
Purchase of own shares	-	-	-	-	-	(137)	-	(137)
Share options exercised	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	**-**	**-**	**-**	**0**	**-**	**25**	**(243)**	**(218)**
Balance at 31 December 2025	**2**	**372**	**0**	**(254)**	**10**	**699**	**207**	**1,036**

In € millions	Share capital	Share premium	Legal reserves			Other reserves	Unappropriated profit	Total
			Hedging reserve	Translation reserve	Other legal reserve			
Balance at 1 January 2024	**2**	**372**	**(1)**	**(117)**	**10**	**637**	**160**	**1,063**
Net income	-	-	-	-	-	-	243	243
Exchange rate differences	-	-	-	48	-	-	-	48
Effective portion of changes in fair value of cash flow hedges, net of income taxes	-	-	0	-	-	-	-	0
Remeasurements on post-employment benefit obligations, net of income taxes	-	-	-	-	-	(2)	-	(2)
Other comprehensive income, net of income taxes	**-**	**-**	**0**	**48**	**-**	**(2)**	**-**	**46**
Total comprehensive income for the period	**-**	**-**	**0**	**48**	**-**	**(2)**	**243**	**289**
Transactions with owners of the Company:								-
Acquisitions and transactions with non-controlling interests	-	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	84	(160)	(76)
Addition to (utilization of) other (statutory) reserves	-	-	-	-	-	-	-	-
Issuance of shares	-	-	-	-	-	-	-	-
Cancellation of shares	-	-	-	-	-	-	-	-
Share-based compensation, net of income taxes	-	-	-	-	-	8	-	8
Purchase of own shares	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	(51)	-	(51)
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**41**	**(160)**	**(119)**
Balance at 31 December 2024	**2**	**372**	**(1)**	**(69)**	**10**	**676**	**243**	**1,233**

All the shares have been paid up. The issued and paid-up share capital amounts to €2 million, formed by 90,442,091 ordinary shares and 600 priority shares as at 31 December 2025. All priority shares are held by Stichting Prioriteit Arcadis N.V. and total Legal reserves include the Hedging reserve, Translation reserve and Other legal reserves and are non-distributable. The other legal reserves relate to earnings retained by subsidiaries, associates and joint ventures, as well as internally developed software. Share premium is freely distributable. Share premium is fully recognized as paid up for tax purposes. Reference is made to note 25 in the consolidated financial statements.

For information on shares purchased to cover the Company's share-based payment plans, see note 25 to the Consolidated financial statements.

For further information to the shareholder's equity, see Note 25 of the Consolidated Financial Statements. The Management Board, with the approval of the Supervisory Board, shall determine which part of the profit shall be added to the Company's reserves, taking into account the fiscal rules and regulations applicable to the Company from time to time. The remaining profits shall be at the disposal of the General Meeting. The movements in the shareholder's equity are before the proposed profit appropriation.

44 Provisions

In € millions	2025	2024
Balance at 1 January	**13**	**10**
Additions	1	3
Deductions because of use	-	-
Release of unused amounts	(4)	-
Balance at 31 December	**10**	**13**
Non-current	8	12
Current	2	1
Total	**10**	**13**

The provisions of Arcadis N.V. at 31 December 2025 relate to a provision for negative equity of direct subsidiaries of the Company for an amount of €7.6 million (2024: €11.5 million), in accordance with article 2:389 paragraph 2 of the Dutch Civil Code. At 31 December 2025, the provision for restructuring amounts to €1.8 million (2024: €0.8 million) and other provision is less than €0.1 million (2024: €0.1 million). No provision of deferred tax liabilities has been made in 2025 and 2024.

45 Long-term debt

In € millions	Loans from group companies	Loan notes issued to financial institutions	Total
Balance at 1 January 2024	**208**	**851**	**1,059**
New financing	179	95	274
Redemptions	(194)	(95)	(289)
From long-term to short-term	(32)	(81)	(113)
Other	1	2	3
Exchange rate differences	-	(0)	(0)
Balance at 31 December 2024	**162**	**772**	**934**
New financing	68	260	328
Redemptions	(119)	(210)	(329)
From long-term to short-term	-	(225)	(225)
Other	1	2	3
Exchange rate differences	(7)	0	(7)
Balance at 31 December 2025	**105**	**599**	**704**

During 2025, €81 million of Schuldschein loans were repaid and there were no loans newly arranged. The Company made use of the Revolving Credit Facility during the year by drawing €260 million and repaying €210 million over the year, leaving €50 million outstanding at 31 December 2025.

€225 million of Schuldschein loans were reclassified from long-term to short-term loans during 2025; all other loans outstanding on 31 December 2025 mature in 2027 or beyond.

The loans notes issued to financial institutions are all due within five years.

Please refer to note 29 for more detail on the long-term debts at consolidated level.

46 Current liabilities

In € millions	2025	2024
Suppliers	2	3
Payables to subsidiaries and associates	1,089	868
Other liabilities	36	40
Balance at 31 December	**1,127**	**911**

The payables to subsidiaries and associates are fully to subsidiaries and mainly relate to the internal cash pool €1,073.1 million (2024: €844.5 million).

Refer to note 29 and 31 to the Consolidated financial statements for further information on Arcadis' lines of credit.

47 Commitments and contingent liabilities

Commitments and contingent liabilities

As the parent company of a fiscal unity in the Netherlands, the Company is liable for the corporate income tax and value added tax liabilities of the fiscal unity. The companies that are part of the Arcadis N.V. tax group for corporate income tax calculate their tax position based on Dutch corporate income tax law and transfer the taxable result, positive or negative, to Arcadis N.V. which records the total current tax liability for the tax group. As a result, no settlement of current tax will take place within the Arcadis N.V. tax group, and each company individually only reports their deferred tax position based on a balance sheet approach.

The following 21 entities are part of the Arcadis N.V. tax group for corporate income tax purposes during the year 2025:

Arcadis N.V.	Arcadis UK Investments B.V.	Stationswijk B.V.
Arcadis Europe B.V.	Arcadis Australia Pacific B.V.	Aerocarto B.V.
Arcadis USA B.V.	Arcadis Global B.V.	Ilis B.V.
Arcadis Latin America B.V.	Arcadis GEC B.V.	Arcadis Deelnemingen B.V.
Arcadis International B.V.	Arcadis Nederland Holding B.V.	ART Landbouw B.V.
Arcadis Asia B.V.	Arcadis Nederland B.V.	Bureau Documentatie Bouwwezen B.V.
Arcadis L&S B.V.	Arcadis Planrealisatie B.V.	Arcadis Cognitive Holdings B.V.

At the end of 2025 and 2024, the Company does not have commitments for rent and lease obligations that are exempted from IFRS16 (short-term and/or low value leases).

Additionally, the Company entered into long-term service commitments relating to a global IT outsourcing contract of €50 million (2024: €75 million).

Guarantees & short-term facilities

The Company has pledged a limited number of guarantees for the short-term credit and guarantee facilities that are available for use to its operating companies. The total amount available under these facilities is €315 million of which €68 million is used at 31 December 2025 (2024: €243 million of which €54 million was used). In addition to this amount, the Company has corporate guarantees for an amount of €149 million available (2024: €163 million).

For an overview of all off-balance sheet guarantees provided by either Arcadis N.V. or its subsidiaries see note 32 to the Consolidated financial statements.

48 Other operating income

Corporate charges to subsidiaries include headquarter support service fees and license fees transferred from Arcadis Global BV €39.6 million (€15.5 million in 2024) and royalty fees. The largest countries to which royalty fees have been charged are US: €12.5 million, UK: €6.5 million, NL: €3.4 million and CA: €2.9 million. (US: €15.6 million, UK: €7.9 million, NL: €3.2 million and CA: €3.1 million in 2024). It includes 'true-ups' for the previous year, which have been calculated and settled in 2025 following the final 2024 results.

The headquarter support service fees and license fees have been charged by Arcadis Global B.V. since 1 July 2023.

49 Employees

At 31 December 2025, Arcadis N.V. had 11.7 full-time employees on its payroll (2024: 15.6). The number of employees working outside the Netherlands is zero (2024:0). For information on share-based remuneration granted to employees of Arcadis N.V., as meant by article 2:383d paragraph 1 of the Dutch Civil Code, see note 10 to the Consolidated financial statements.

Personnel costs for Arcadis N.V. consisted of the following:

In € millions	2025	2024
Salaries	10	9
Social charges	1	1
Pension and early retirement charges	-	-
Other personnel costs (mainly intragroup)	12	15
Total wages and salaries	**23**	**25**

The other personnel costs include an amount of €1.3 million of payments in relation to the termination of employment agreements (2024: €1.0 million).

50 Other operating expenses

In € millions	2025	2024
Computer related	11	2
Audit and consultancy services	9	12
Marketing and advertising	4	4
Other	8	1
Total Other operating expenses	**32**	**19**

51 Net finance expense

The net finance expense includes income and expenses relating to external loans and bonds, intercompany loans and leases. Foreign exchange differences on financial liabilities and interest on leases are part of the finance expenses.

In € millions	2025	2024
Interest income from loans to subsidiaries	18	19
Other finance income	9	13
Finance income	**27**	**32**
Interest expense on external loans and borrowings	(40)	(42)
Interest expense on loans from subsidiaries	(7)	(5)
Interest expense on external leases	0	(0)
Other finance expense	(34)	(43)
Foreign exchange differences	13	(13)
Finance expense	**(68)**	**(103)**
Fair value change of derivatives	(5)	14
Total	**(46)**	**(57)**

Other finance expense includes cashpool interest cost of €-27 million (2024: €-33 million).

52 Tax on result

In % and € millions	2025 (%)	2025	2024 (%)	2024
Corporate tax rate in the Netherlands	25.8	5	25.8	11
Adjustment corporate income tax rates other income	-	-	-	-
Weighted average corporate income tax rate	**25.8**	**5**	**25.8**	**11**
Non-deductible expenses/ (income)	(25.4)	(5)	(4.7)	(2)
Derecognition/ (recognition) of deferred tax assets	-	-	-	-
Adjustments for previous years	4.2	1	(4.8)	(2)
Other	-	-	-	-
Effective tax rate [1]	**4.6**	**1**	**16.3**	**7**

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

The Effective Tax Rate of Arcadis NV is 4.6% (2024 : 16.3%) and differs from the Dutch statutory tax rate of 25.8% mainly due to non-taxable results with respect to tax exempt income and prior year adjustments following the filing of tax returns.

53 Remuneration of EB and SB members

Remuneration of Executive Board members

In 2025, an amount of €5 million (2024: €5 million) was charged to the Company for the remuneration of the current and former Executive Board members, including pension charges, the LTIP expense and fringe benefits.

As reflected in the 'Remuneration report' and the table on the next page, a number of 36,291 conditional (performance) shares were granted to Executive Board members as variable remuneration (2024: 25,092).

For an explanation of the Remuneration Policy, see the 'Remuneration Report' included in this report.

Overview of remuneration of Executive Board members in 2025

In € millions	Base salary	Bonus	Pension compensation	LTIP expense[1]	Other[2]	Extraordinary items[3]	Total 2025	Conditional (performance) shares: Number	Conditional (performance) shares: Value[4]
Alan Brookes	0.8	0.3	0.2	0.7	0.4	-	2.4	19,966	0.6
Simon Crowe[5]	0.2	0.1	0.0	0.0	0.0	-	0.4	16,325	0.5
Total current Executive Board members	**0.9**	**0.4**	**0.3**	**0.8**	**0.4**	**-**	**2.8**	**36,291**	**1.1**
Virginie Duperat-Vergne[6]	0.2	0.1	0.0	0.3	0.5	0.9	2.1	-	-
Total former Executive Board member[7]	**0.2**	**0.1**	**0.0**	**0.3**	**0.5**	**0.9**	**2.1**	**-**	**-**

1 The LTIP expense relates to the charge to the Income statement in the year based on the plans granted in the preceding 36 months
2 Other mainly includes employer contributions to social security plans and benefits in kind such as car allowances
3 Refer to the Remuneration report for details
4 This amount is charged over a three-year period to the Company's income statement and only includes the expense for grants received in the capacity of Executive Board member
5 Appointed as CFO on 30 September 2025
6 Resigned as CFO on 31 May 2025
7 The expenses included in this table are those related to individuals that were a member of the Executive Board in one of the years presented. Refer to the Remuneration Report for further details about remuneration of current and former members of the Executive Board.

Overview of remuneration of Executive Board members in 2024

The next table includes all remuneration that has been expensed during 2024 and which was received in the capacity of Executive Board membership.

In € millions	Base salary	Bonus	Pension compensation	LTIP expense[1]	Other[2]	Total 2024	Conditional (performance) shares: Number	Conditional (performance) shares: Value[3]
Alan Brookes	0.7	0.7	0.2	0.7	0.5	2.7	14,599	0.9
Virginie Duperat-Vergne	0.5	0.5	0.1	0.6	0.6	2.4	10,493	0.6
Total current Executive Board members	**1.3**	**1.2**	**0.3**	**1.3**	**1.1**	**5.1**	**25,092**	**1.5**

1 The LTIP expense relates to the charge to the Income statement in the year based on the plans granted in the preceding 36 months
2 Other mainly includes employer contributions to social security plans and benefits in kind such as car allowances
3 This amount is charged over a three-year period to the Company's income statement and only includes the expense for grants received in the capacity of Executive Board member

Remuneration of Supervisory Board members

At 31 December 2025, the Supervisory Board consisted of eight members (2024: seven). The joint fixed remuneration for 2025 amounted to €0.7 million (2024: €0.6 million), specified as follows:

In € millions	2025	2024
Michiel Lap	0.13	0.12
Deanna Goodwin	0.10	0.10
Michael Putnam	0.09	0.09
Barbara Duganier	0.09	0.09
Linda Morant	0.09	0.09
Carla Mahieu	0.07	0.07
Peter de Wit	0.08	0.08
Robert Swaak[1]	0.04	-

[1] Joined the Supervisory Board on 10 July 2025

54 Interests held by members of the EB

The interests held in the share capital of Arcadis N.V. by members of the Executive Board were:

Number of shares Arcadis N.V.

Current EB members	31 December 2025	31 December 2024
Alan Brookes	56,579	48,603
Simon Crowe[1]	-	-

Number of conditional (performance) shares Arcadis N.V.[2]

Current EB members	31 December 2025	31 December 2024
Alan Brookes	53,846	46,072
Simon Crowe[1]	16,325	-
Previous EB member		
Virginie Duperat-Vergne[3]	-	36,398

[1] Simon Crowe was appointed as CFO on 30 September 2025

[2] Amounts are based on granting 100% of the reference numbers. For the description of the LTIP plan, please refer to the paragraph 'Long-term variable remuneration' of the Remuneration Report

[3] Virginie Duperat-Vergne resigned as CFO on 31 May 2025

In 2025, the aggregate numbers of conditional performance shares held by members of the Executive Board are as below. The Executive Board members did not hold stock options in 2025.

Conditional performance shares	Granted in	Share price at grant date (in €)	Outstanding at 1 January 2025	Granted in 2025	Increase/ (decrease) by performance measure	Vested in 2025	Forfeited in 2025	Outstanding at 31 December 2025	Vesting date[1]
Alan Brookes (CEO)	2022	36.92	12,192	-	3,450	(15,642)	-	-	2025
	2023	39.52	19,281	-	-	-	-	19,281	2026
	2024	60.75	14,599	-	-	-	-	14,599	2027
	2025	45.76	-	19,966	-	-	-	19,966	2028
			46,072	**19,966**	**3,450**	**(15,642)**	**-**	**53,846**	
Simon Crowe (CFO)[2]	2025	42.90	-	16,325	-	-	-	16,325	2028
			-	**16,325**	**-**	**-**	**-**	**16,325**	
Total current Executive Board members			**46,072**	**36,291**	**3,450**	**(15,642)**	**-**	**70,171**	
Virginie Duperat-Vergne (former CFO)[3]	2022	36.92	13,303	-	3,765	(17,068)	-	-	2025
	2023	39.52	12,602	-	-	(8,401)	(4,201)	-	2026
	2024	60.75	10,493	-	-	(3,498)	(6,995)	-	2027
			36,398	**-**	**3,765**	**(28,967)**	**(11,196)**	**-**	
Total former Executive Board member			**36,398**	**-**	**3,765**	**(28,967)**	**(11,196)**	**-**	

[1] Vesting is on the 5th business day after the ex-dividend date
[2] Simon Crowe was appointed as CFO on 30 September 2025
[3] Virginie Duperat-Vergne resigned as CFO on 31 May 2025

55 Shares held by members of the SB

None of the members of the Supervisory Board held Arcadis shares in 2025 and 2024.

56 External independent auditor fees and services

In accordance with article 2:382a of the Dutch Civil Code the following table details the aggregate fees billed by our external independent auditor, KPMG Accountants N.V., including the foreign offices of KPMG of the current fiscal year for various services. Prior fiscal year fees were billed by our previous external independent auditor, PricewaterhouseCoopers Accountants N.V.

Type of services provided (in € millions)	2025	2024
Audit fees	6	5
Audit-related fees	1	1
Tax fees	-	-
Other non-audit fees	-	-
Total	**7**	**6**

Audit-related fees consist of fees for services that are traditionally performed by the external independent auditor. In addition to the statutory audit of Arcadis N.V., KPMG Accountants N.V. was engaged by the Supervisory Board to perform the assurance on sustainability reporting.

Of the total fees billed, an amount of €2.7 million relates to KPMG Accountants N.V. (2024: nil) and the remainder to its foreign offices.

The reason for the increase in audit fees is because as part of the global external auditor transition, the audits of certain recently acquired subsidiaries were transferred to KPMG whereas previously those audits were carried out by different audit firms.

57 Related party transactions

All related party transactions are conducted at arm's length. Please refer to note 33 of the consolidated financial statements.

58 Events after the balance sheet date

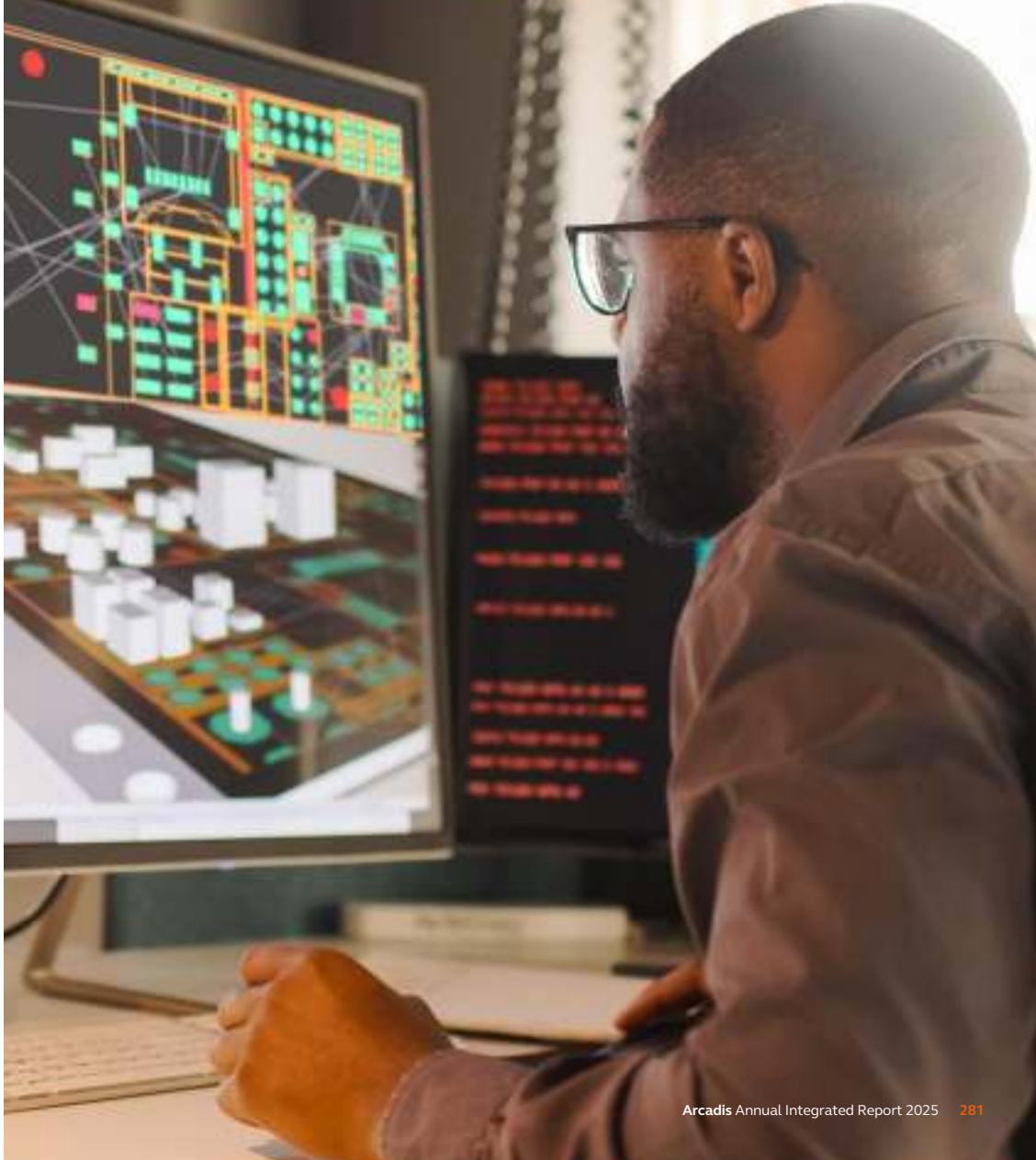
There are no material subsequent events at the company-only level. Refer to note 34 of the consolidated financial statements.

Amsterdam, the Netherlands, 18 February 2026

Executive Board **Supervisory Board**

Other information

- Independent auditor's report
- Limited assurance report of the independent auditor on the sustainability statement 2025
- Other information



Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Arcadis N.V.

Report on the audit of the financial statements 2025 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Arcadis N.V. as at 31 December 2025 and of its result and its cashflows for the year then ended, in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying company financial statements give a true and fair view of the financial position of Arcadis N.V. as at 31 December 2025 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2025 of Arcadis N.V. (also: "the Company") based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1. the consolidated balance sheet as at 31 December 2025;
2. the following consolidated statements for 2025: the income statement, the statement of comprehensive income, statement of changes in equity and cash flow statement; and
3. the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as at 31 December 2025;
2. the company income statement for 2025; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

We are independent of Arcadis N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

Information in support of our opinion

Summary

Materiality

- Materiality of EUR 20 million
- 0.53% of Net Revenues

Group audit

- Performed substantive procedures for 80 of total assets
- Performed substantive procedures for 76% of gross revenue

Risk of material misstatements related to Fraud, NOCLAR, Going concern and Climate risks

- Fraud risks: presumed risk of management override of controls and presumed risk of revenue recognition identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified.
- Going concern risks: no risk of material misstatement relating to the appropriate use of the going concern assumption identified.
- Climate risks: We have considered the impact of climate-related risks on the financial statements and described our approach and observations in the section 'Audit response to climate-related risks'.

Key audit matters

- Revenue recognition in relation to performance obligations satisfied over time for significant fixed price contracts.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 20 million. The materiality is determined with reference to net revenues (0.53%). We consider net revenues to be an important benchmark because it is a representative metric to assess the Company's performance from the perspective of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 1 million would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Arcadis N.V. is at the head of a group of components (hereafter "Group"). The financial information of this group is included in the financial statements of Arcadis N.V.

We performed risk assessment procedures throughout our audit to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. Procedures performed centrally included those related to goodwill, loans and borrowings, and equity. We identified 12 components associated with a risk of material misstatement. For 11 out of these 12 components we involved component auditors. We set component performance materiality levels considering the component's size and risk profile.

We have performed substantive procedures for 76% of Group gross revenue and 80% of Group total assets. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than a reasonable possibility of a material misstatement.

In supervising and directing our component auditors, we:

- held risk assessment discussions with the component auditors to obtain their input to identify matters relevant to the group audit.
- issued group audit instructions to component auditors on the scope, nature and timing of their work, and received written communication about the results of the work they performed.
- held meetings with all component auditors in person and/or virtually to discuss relevant developments, understand and evaluate their work and attend meetings with local management.

- inspected the work performed by our component auditors and evaluated the appropriateness of audit procedures performed and conclusions drawn from the audit evidence obtained, and the relation between communicated findings and work performed. In our inspection we mainly focused on the presumed fraud risk of management override of controls and the presumed fraud risk of revenue recognition.

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations
In chapter Governance and compliance of the annual report, the Executive Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment and the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Arcadis Risk and Control Framework and the Arcadis General Business Principles (the Company's code of conduct). We also assessed the Company's whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance.

Furthermore, we performed relevant inquiries with the Executive Board, the Global Business Areas Finance Directors, those charged with governance and other relevant functions, such as Internal Audit and Legal Counsel and included correspondence with relevant supervisory authorities and regulators, as well as internal audit reports, in our evaluation. We have also incorporated elements of unpredictability in our audit, by testing selected revenue contracts at a component without an identified risk of material misstatement for the group financial statements, and involved forensic specialists in our audit procedures.

As a result of our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance: anti-bribery and corruption laws and regulations, trade sanctions and export controls laws and regulations, data privacy, anti-competition laws, labour / human rights laws, and environmental regulations.

Our procedures did not result in the identification of a reportable risk of material misstatement in respect of non-compliance with laws and regulations.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

- **Management override of controls (a presumed risk)**

Risk:
- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:
- We obtained an understanding of the financial reporting process and the process for recording of journal entries;
- We evaluated the design and the implementation of anti-fraud controls, including testing the operating effectiveness of related General IT Controls and IT Application controls where applicable;
- We performed inquiries with key personnel responsible for recording journal entries;
- We assessed the appropriateness of the methods and underlying assumptions used in relation to relevant accounting estimates;
- We assessed the appropriateness of the accounting for significant transactions that are outside the normal course of business or are otherwise unusual (if any);
- As part of the fraud risk assessment, we performed screening procedures over the population of journal entries to identify any high-risk criteria. We performed additional audit procedures for each high-risk journal entry, including testing of transactions back to source information; and
- We identified and selected journal entries and other material adjustments made at the end of the reporting period for testing.

- **Revenue recognition (a presumed risk)**

Risk and response:
- Our risk description and procedures performed to address the fraud risk related to revenue recognition are described in the key audit matter section.

Our evaluation of procedures performed related to the management override of controls risk did not result in an additional key audit matter.

We communicated our risk assessment, audit responses and results to the Executive Board and the Audit and Risk Committee of the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern
As disclosed in the section 'Going concern' in note 2 to the financial statements, the Executive Board has performed its going concern assessment and has not identified any going concern risks. To evaluate the Executive Board's assessment, we have performed, inter alia, the following procedures:
- considering whether the Executive Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- analyzing the Company's financial position as at year-end by comparing it to the previous financial year in terms of indicators that could identify going concern risks;
- inspecting financing agreements to identify conditions that could lead to going concern risks, including any covenants, and we analyzed whether the headroom of the covenant ratios included in the financing agreements is sufficient;
- we inquired with the Executive Board about their knowledge of going concern risks beyond the period of the Executive Board's assessment.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Executive Board's going concern assessment.

Audit response to climate-related risks
The Company has set out its ambitions and commitments relating to climate change in the chapter "Environmental information" of the Sustainability Statement (also: "the sustainability statements") included in the Executive Board Report. The Company has set a clear ambition to achieve net zero greenhouse gas emissions across its global operations by 2035, with interim science-based targets to reduce absolute scope 1 and 2 emissions by 71% and absolute scope 3 emissions by 45% by 2029 (all from a 2019 baseline). These commitments are aligned with the Paris Agreement and have been validated by the Science Based Targets initiative.

The Executive Board prepared the financial statements, including considering whether the implications from climate-related risks, commitments and ambitions have been appropriately accounted for and disclosed, in accordance with the applicable financial reporting framework. The climate-related risks are managed by the Company as part of the Company's regular risk management process and as such are taken into account in the preparation of the financial statements.

As part of our audit we performed a risk assessment of the impact of climate-related risks and the commitments made by the Company, in relation to climate change, on the 2025 financial statements and our audit approach.

The Company has disclosed that it has prepared its sustainability statements in accordance with the European Sustainability Reporting Standards (ESRS). We have read, and considered as part of our risk assessment, these sustainability statements, which includes information over material sustainability matters regarding material impacts, risks and opportunities relating to climate change. As part of this, we have read and considered the information reported over the connectivity of the sustainability statements with the financial statements.

Based on the procedures performed we considered whether there is a risk of material misstatement to the financial statements, specific to climate change. Considering the risk assessment work performed, we did not identify a risk of material misstatement specific to climate change and thus no further audit response was considered necessary.

Furthermore we have read the 'Other information', including the information over material sustainability matters regarding material impacts, risks and opportunities relating to climate change, as included in the annual report and considered whether such information contains material inconsistencies with the financial statements or our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.

Our key audit matter
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Supervisory Board. The key audit matter is not a comprehensive reflection of all matters discussed.

Revenue recognition in relation to performance obligations satisfied over time for significant fixed price contracts (Presumed risk of fraud)

Description
We identified a fraud risk in relation to the recognition of revenue for the rendering of services, specifically for significant fixed price contracts with remaining performance obligations at year-end. This risk inherently includes the fraud risk that management deliberately overstates revenue, as management may feel pressure to achieve planned results for the current year. In accordance with note 7 to the financial statements, for performance obligations satisfied over time, the Group recognizes revenue based on the percentage of completion method, determined by comparing actual (labor) costs incurred to the total estimated (labor) costs (input method). For these contracts, we identified estimation uncertainty in determining the costs to complete. The inherent estimation uncertainty also creates an opportunity for management bias, for example to respond to external pressures or achieve internal targets. Because this area involves significant judgement and is subject to a presumed fraud risk, we determined this to be a key audit matter.

Our response
- We obtained an understanding of the revenue recognition process and evaluated the design and implementation of anti-fraud controls;
- We tested the operating effectiveness of certain General IT Controls and IT Application controls that are related to revenue recognition;
- We performed inquiries with key personnel involved in the revenue recognition process related to projects;
- We performed substantive audit procedures for selected individual projects by inspecting and vouching these projects recorded to underlying supporting documentation, which may include contracts, invoices and costs incurred;
- We assessed the reasonableness of the estimated cost to complete the contract, including the appropriateness of assumptions used by the Company in such estimation; and
- We assessed the appropriateness of the accounting policies, and the adequacy of the disclosures relating to revenue recognition, in accordance with the requirements of IFRS 15.

Our observation
Based on our procedures performed for revenue recognition we conclude that the accounting for revenue is appropriate and in line with the accounting policies, and the disclosures relating to revenue recognition are adequate, in accordance with the requirements of IFRS 15.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the Executive Board report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of Arcadis N.V. on 16 May 2025, as of the audit for the year 2025.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

Arcadis N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the marked-up consolidated financial statements as included in the reporting package by Arcadis N.V., complies in all material respects with the RTS on ESEF.

The Executive Board is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the Executive Board combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Executive Board, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix to this auditor's report. This description forms part of our auditor's report.

Amstelveen, 18 February 2026
KPMG Accountants N.V.

J. Schrumpf RA

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- concluding on the appropriateness of Executive Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Limited assurance report of the independent auditor on the sustainability statement 2025

To: the Executive Board of Arcadis N.V.

Our conclusion

We have performed a limited assurance engagement on the sustainability statement for 2025 of Arcadis N.V. based in Amsterdam (hereinafter: the company) of the accompanying Annual Report 2025 including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on the procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.Our responsibilities under this standard are further described in the section 'Our responsibilities for the assurance engagement on the sustainability statement' section of our report.

We are independent of Arcadis N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations in preparing the sustainability statement

In section "Sources of estimation, outcome uncertainty, and comparative data" (p.50) of the sustainability statement the quantitative metrics and monetary amounts are identified that are subject to a high level of measurement uncertainty and information is disclosed about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.

The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

In reporting forward-looking information in accordance with the ESRS, the Executive Board of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur.

Responsibilities of the Executive Board and Supervisory Board for the sustainability statement

The Executive Board is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). The Executive Board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

Our responsibilities for the assurance engagement on the sustainability statement

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have obtained had a reasonable assurance engagement been performed.

We apply the quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NV KM, regulations for quality management) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company), its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance evidence about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the Executive Board appears consistent with the process carried out by the company;

- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends at corporate level;
- Determining the nature and extent of the review procedures for locations. For this, we considered the nature, extent, risk profile, as well as a rotation schedule to select the components and locations to visit, and selected two locations, one in Canada (Toronto) and one in Ireland (Cork). These visits are aimed at, on a local level, validating source data and evaluating the design and implementation of internal controls and validation procedures;
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates;
- Analysing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures;
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement;
- Considering whether:
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability statement;
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
  - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented;
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation); and
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS.

Amstelveen, 18 February 2026
KPMG Accountants N.V.

J. Schrumpf RA

Other information

The following information is provided pursuant to Article 2:392.1 Dutch Civil Code.

Profit allocation

Article 27 of the Articles of Association stipulates, among other things, that the Executive Board, with the approval of the Supervisory Board, shall annually decide which part of the profit shall be allocated to the reserves. The remaining part of the profit shall be at the disposal of the Annual General Meeting.

The profit attributable to the equity holders of the Company over fiscal year 2025 amounts to €208 million. The Executive Board, with the approval of the Supervisory Board, proposes to present for approval to the General Meeting of Shareholders its proposal to distribute a dividend amount of €89 million, which represents a dividend of €1.05 per ordinary share (2024: €1.00). Of the total Retained earnings, an amount of €10 million of legal reserves is restricted in distribution (2024: €10 million).

Audit and Risk Committee policies and procedures

The Audit and Risk Committee has adopted a charter that details its duties and responsibilities. These include, amongst other things, reviewing and overseeing the financial and operational information provided by Arcadis to its shareholders and others, systems of internal controls, financial risk management, accounting and financial reporting processes, the independence, qualifications and performance of the external auditor of Arcadis and the performance of the internal audit function.

Special rights to holders of priority shares

The priority shares are held by Stichting Prioriteit Arcadis N.V. The Board of the Stichting Prioriteit Arcadis N.V. consists of twenty (20) board members: seven (7) members of the Supervisory Board, both (2) members of the Executive Board, one (1) member of the 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). Each board member has one vote whereby in the event of a vacancy, the number of votes that can be exercised by the Executive Board and Executive Leadership Team members together with the Supervisory Board members shall equal the number of votes that can be exercised by the employee members. Stichting Prioriteit Arcadis N.V. has special statutory rights, which includes approval of the amendment of the Articles of Association of Arcadis N.V., and certain other topics, which have been described in note 25 to the Consolidated financial statements.

Appendices

- Other financial data
- Five-year summary
- Alternative performance measures
- Glossary financial indicators
- Company addresses



Other financial data

Quarterly financial data

	2025				2024			
in € millions	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Gross revenues								
In the quarter	1,216	1,237	1,232	1,190	1,230	1,282	1,239	1,244
Cumulative	1,216	2,453	3,685	4,875	1,230	2,512	3,751	4,995
In the quarter	25%	25%	25%	24%	25%	26%	25%	25%
Cumulative	25%	50%	76%	100%	25%	50%	75%	100%
Net revenues								
In the quarter	972	965	936	887	968	991	962	959
Cumulative	972	1,937	2,873	3,760	968	1,959	2,921	3,880
In the quarter	26%	26%	25%	24%	25%	26%	25%	25%
Cumulative	26%	52%	76%	100%	25%	50%	75%	100%
EBITA								
In the quarter	83	100	102	56	97	108	102	112
Cumulative	83	184	285	341	97	204	306	418
In the quarter	24%	29%	30%	16%	23%	26%	24%	27%
Cumulative	24%	54%	84%	100%	23%	49%	73%	100%
Operating EBITA [1]								
In the quarter	106	109	108	95	104	114	109	120
Cumulative	106	215	323	418	104	217	327	447
In the quarter	25%	26%	26%	23%	23%	25%	24%	27%
Cumulative	25%	51%	77%	100%	23%	49%	73%	100%

[1] Excluding acquisition, restructuring and integration-related costs

Five-year summary

in € millions	2025	2024	2023	2022[3]	2021
Direct economic value generated					
Gross revenues	4,875	4,995	5,003	4,029	3,378
Net revenues	3,760	3,880	3,759	3,019	2,565
Direct economic value distributed					
NIFO Earnings per share (in €)	2.68	3.00	2.51	2.26	1.96
Dividend per share (in €)	1.05	1.00	0.85	0.74	1.30 [1]
Profit & loss performance					
Operating EBITA	418	447	391	294	246
Operating EBITA margin (in %)	11.1%	11.5%	10.4%	9.8%	9.6%
EBITDA	448	529	458	339	338
Net income from operations	238	270	226	202	175
Balance sheet performance					
Net working capital (in %)	8.3%	10.8%	9.3%	10.0%	10.7%
Days Sales Outstanding (DSO)	55	61	56	60	63
Return on Net Working Capital[2]	105.4%	81.4%	81.5%	58.2%	64.7%
Net debt to EBITDA ratio (average)[4]			2.2	1.6	0.8
Net debt to EBITDA ratio (end)[4]	1.5	1.3	1.7	2.2	
Cash flow performance					
Free cash flow	288	228	190	173	234

[1] €0.70 per ordinary share plus an additional €0.60 per ordinary share

[2] Revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 31 December 2022.

[3] Except for Gross revenues, Net revenues, Dividend per share, and Free cash flow, amounts were revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 31 December 2022

[4] For bank covenant purposes

Alternative performance measures

Arcadis uses throughout its financial publications, alternative performance measures (APMs) in addition to the figures which are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The purpose of the alternative performance measures is to provide greater insights into the financial and operating results of the Company. These metrics are used to drive the business performance and should be viewed as complementary, rather than a substitute for, the figures determined according to IFRS.

They are subject to the same internal control process as other reporting. These terms may be defined in a different way by other companies and are therefore not always comparable to similar measures used by other companies.

Net Revenues

The Company analyzes the financial performance in relation to net revenues for the total business and Global Business Areas. Net Revenue reflects more closely the revenues generated by the fees received for our services and is defined as Gross Revenue (revenue per IFRS 15), minus materials, services of third parties and subcontractors. This is also relevant for CODM (IFRS 8) and STI (IAS 19).

In € millions	2025	2024
Gross revenues	4,875	4,995
Materials, services of third parties and subcontractors	(1,115)	(1,115)
Net revenues	**3,760**	**3,880**

Organic growth

Organic growth represents comparable net revenue growth excluding the impact of acquisitions, divestments and currency translation. Organic growth is used as an indicator of the underlying change in the revenue performance of the Company and its Business Areas.

	Resilience		Places		Mobility		Intelligence		Total	
In %	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Total Growth	**-1.7%**	**7.8%**	**-9.6%**	**-2.0%**	**5.3%**	**5.7%**	**1.4%**	**-1.1%**	**-3.1%**	**3.2%**
(-) winddowns	0.0%	-0.2%	-0.4%	-0.8%	-0.6%	-0.3%	0.0%	0.0%	-0.3%	-0.4%
Total Growth excluding winddowns	**-1.7%**	**8.0%**	**-9.1%**	**-1.2%**	**5.9%**	**6.1%**	**1.4%**	**-1.1%**	**-2.8%**	**3.7%**
(-) acquisitions and divestments	-0.1%	0.0%	0.7%	-2.1%	1.6%	0.0%	0.0%	-0.1%	0.6%	-0.8%
(-) Currency effect*	-3.3%	-0.5%	-2.4%	0.0%	-3.1%	0.7%	-5.6%	-0.5%	-3.0%	0.0%
(-) Other effect**	-1.4%	0.7%	-2.0%	-0.4%	6.2%	-0.4%	1.1%	0.0%	0.1%	0.0%
Organic growth* **	**3.1%**	**7.7%**	**-5.5%**	**1.3%**	**1.1%**	**5.7%**	**5.8%**	**-0.5%**	**-0.5%**	**4.5%**

* FX effects

** Other effect – relates to reallocation or move of operations and projects between the business areas during the year. The organic growth is adjusted to show the underlying change in revenue within each Business area.

*** Intelligence 2023 Proforma Organic growth

Operating EBITA

Operating EBITA is used by the Company as a measure of underlying profit/loss of business operations and is defined as Operating Income before Amortisation of intangible assets (EBITA) adjusted for non-recurring or non-operating items, such as restructuring of a business area or location, Merger & Acquisitions (M&A), costs related to integration of acquired entities and profit or loss on disposal of operations. Operating EBITA is one of the key decision metrics of the Group management and relevant for the STI of the EB and ELT (IAS 19)

	Resilience		Places		Mobility		Intelligence		Corporate		Total	
In € millions	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Operating Income	**183**	**186**	**55**	**110**	**84**	**97**	**1**	**4**	**(6)**	**(8)**	**317**	**389**
Amortisation of Intangibles	1	2	19	22	3	2	2	3	-	-	25	29
EBITA	**184**	**188**	**73**	**132**	**87**	**99**	**3**	**7**	**(6)**	**(8)**	**341**	**418**
Restructuring costs	12	6	25	12	16	4	1	2	-	-	53	24
Integration costs	0	0	2	4	0	0	1	1	-	-	2	5
M&A costs	1	1	3	1	2	0	0	0	-	-	6	2
Other non-operating costs[1]	5	-	3	-	3	-	0	-	-	-	12	-
Net effect of sale of assets	3	(1)	0	2	0	(3)	0	0	-	-	4	(2)
Operating EBITA	**205**	**194**	**106**	**151**	**108**	**100**	**4**	**9**	**(6)**	**(7)**	**418**	**447**

[1] Includes an amount of €6 million related to wages tax on excessive remuneration

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Days sales outstanding and net working capital

Days sales outstanding (DSO) represents the number of days by which the Company is paid for the services it has delivered. It is calculated by taking the Company's Net trade receivables position relative to its Gross Revenue expressed in number of days. Net trade receivables includes trade receivables as well as contract assets (revenue earned not billed) and contract liabilities (billings in excess of revenue on contracts) and provision for onerous contracts. Gross Revenue in this metric is based on trailing three months Gross Revenue (annualized) to reflect the most relevant revenue period in relation to the net trade receivables. The Company uses this to judge the amount of capital tied up in its projects and the investment requirement for organic growth.

Net working capital % is defined as Net working capital divided by annualized gross revenues.

In € millions	2025	2024
Reported 3 months gross revenue	1,190	1,244
Adjustments (Acquisitions and GBA moves)	-	28
Adjusted 3 months gross revenue	1,190	1,272
Annualized Adjusted 3months gross revenue	**4,761**	**5,090**

In € millions	2025	2024
(+) Contract Assets	579	619
(+) Trade receivables	618	761
(-) Receivables from Associates	1	2
(-) Contract Liabilities	470	516
(-) Provision for onerous contracts	8	13
Net trade receivables	718	849
Day Sales Outstanding (Net trade receivables/Adjusted 3 months gross revenue)*91	**55**	**61**

In € millions	2025	2024
(+) Contract Assets	579	619
(+) Trade receivables	618	761
(-) Receivables from Associates	1	2
(-) Contract Liabilities	470	516
(-) Provision for onerous contracts	8	13
(-) Account payable	322	300
(+) Inventories	0	0
Net Working Capital	**397**	**549**
Net Working Capital %	**8.3%**	**10.8%**