



Annual Report of the Board of Directors



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Dear shareholders,

It is our privilege to report to you on the activities of our Company during the past financial year and to submit to you for approval both the statutory and consolidated financial statements for the year ended 31 December 2022. In accordance with Article 3:32, §1, last paragraph of the Code of Companies and Associations, the directors' reports on the statutory and consolidated financial statements have been integrated into one report.

I. STATUTORY FINANCIAL STATEMENTS

1. Equity and shareholder base

At the end of the financial year, the Company's share capital amounted to €8,135,621.14, divided into 25,314,482 shares, with no nominal value. All shares are fully paid up. Each share confers one vote. There are no shareholder owned shares with special control or voting rights.

At the end of the 2022 financial year, the shareholders owning 5% or more of the voting rights relating to the shares they hold are:

Ackermans & van Haaren SA Begijnenvest, 113, B-2000 Antwerp (Belgium)	15,725,684 shares (or 62.12%)
VINCI Construction SAS 1973 Boulevard de la Defense, F-92000 Nanterre (France)	3,066,460 shares (or 12.11%)

Following the partial demerger of the Company on 29 June 2022 and the resulting modification of the articles of association, including the removal of the statutory threshold, the transparency notification obligation under the law of 2 May 2007 on disclosure of major shareholdings in listed companies applies as soon as the legal threshold of 5% (or multiples of 5) is crossed upwards or downwards.

2. Notes to the statutory financial statements

2.1. Financial position at 31/12/2022

Income Statement of CFE SA (Belgian standards)

(in € thousands)	2022	2021
Revenue	5,334	10,192
Operating income	(1,410)	(4,570)
Net financial result excluding non-recurring financial income and expenses	58,160	35,993
Non-recurring financial income	18,381	268
Non-recurring financial expenses	(21,907)	(2,692)
Result before tax	53,224	28,999
Taxes	(8)	0
Result for the period	53,216	28,999

Financial income increased significantly in 2022 thanks to the proceeds of dividends paid by DEME (€40.8 million), CFE Contracting (€8 million), BPI Real Estate Belgium (€5 million) and Green Offshore (€4.05 million).

Non-recurring income and expenses mainly relate to offsetting intra-group transactions.



Balance sheet of CFE SA after appropriation (Belgian standards)

(in € thousands)	2022	2021
Assets		
Non-current assets	268,546	1,326,014
Current assets	62,026	105,267
Total assets	330,572	1,431,281
Equity and liabilities		
Equity	141,190	1,197,943
Provisions	6,046	10,340
Non-current liabilities	75,248	248
Current liabilities	108,088	222,750
Total equity and liabilities	330,572	1,431,281

As part of the partial demerger, the stake in DEME (€1.1 billion) was derecognised. An equivalent amount has been withdrawn from equity.

Long-term debts as at 31 December 2021 include €40 million drawn down on the confirmed bilateral credit facilities, and €35 million in medium-term treasury notes.

2.2. Appropriation of profit

Net earnings for financial year 2022	€53,216,153
Transferred result post-split	€-28,558,291
Profit to be allocated	€24,657,862
Allocation to unavailable reserves	€3,735,216
Profit to be distributed	€9,968,930
Profit brought forward	€10,953,717

2.3. Outlook 2023

The results for the 2023 financial year will depend to a large extent on the dividends paid by the three main subsidiaries of CFE, namely CFE Contracting, BPI Real Estate Belgium, Rent-A-Port and Green Offshore.

2.4. Main risks and uncertainties

We refer to Chapter II.1.2 of the annual report.

2.5. Major events after the closing of the financial year

No significant change in the financial and commercial situation of CFE SA has occurred since December 31, 2022.

We also refer to point II.1.3 of the annual report.

2.6. Financial instruments

The Company uses financial instruments for risk management purposes. Specifically, these are financial instruments intended exclusively to manage the risks associated with interest rate fluctuations. The counterparties in the related transactions are exclusively top-ranking European banks.

2.7. Notices

Research and development

The Company has no research and development activities.

Branches

At year-end 2022, the Company disposed of one branch (business unit): CFE Tunisia. This branch has no further operational activity.



Application of Article 7:96, §1 CCA

The provisions of Article 7:96 of the CSA concerning conflicts of interest did not have to be applied during 2022.

Transactions between CFE and affiliated companies (Article 7:97, §4/1, par. 4 CCA)

No transactions took place between the Company and its affiliated companies in the 2022 financial year necessitating the application of Article 7:97, § 4/1, par. 4 CCA.

Additional remuneration for the auditor

EY Reviseurs d'Entreprises SRL received an amount of 137,300 euros in lump sum fees for the statutory audit.

In accordance with article 3:65, §3 CCA, it is specified that, in addition, a total amount of €43,200 was paid to EY Réviseurs d'Entreprises as fees for exceptional services or special assignments. This amount is broken down as follows:

- other attestation missions: €23,700
- other missions outside the audit mission: €19,500

Acquisition or disposal of treasury shares

On 30 June 2022, the Company launched a share buyback programme as part of the long-term incentive plans for the members of the Company's Executive Committee. 1,241,650 shares were acquired in 2022 for a total of €11.69 million, representing an average acquisition price of €9.41 per share.

On 19 October 2022, CFE sold 849,492 of its own shares to several members of the Executive Committee at a price of €10.19 per share, representing a total of €8.66 million.

The share buyback programme ended on 31 December 2022.

As at 31 December 2022, the Company held 392,158 of its own shares, representing 1.55% of the social capital.

In December 2022, the Company also granted a stock option plan to two members of the Executive Committee. We also refer to this in point IV.2.6 of the annual report.

Notices pursuant to Article 74, §7 of the Act of 1 April 2007 on public takeover bids.

On 24 December 2013, the Company received a notification from Ackermans & van Haaren in accordance with Article 74, §7 of the Act of 1 April 2007 on public takeover bids, in which Ackermans & van Haaren informed the Company that it held 60.39% of the securities with voting rights in the Company, and that Stichting Administratiekantoor 'Het Torentje' exercises ultimate control over Ackermans & van Haaren.

Protection schemes in case of a public takeover bid.

On 29 June 2022, the extraordinary general meeting renewed the authorisation of the Board of Directors to proceed, in the event of a public takeover bid for the securities of the Company, with a capital increase of up to €5 million within the limits of and in accordance with the provisions of Article 7:202 of the Code of Companies and Associations. The Board of Directors is allowed to use these powers if the notice of a takeover bid is given to the Company by the Financial Services and Markets Authority (FSMA) not later than three years after the date of the aforementioned extraordinary general meeting. The Board of Directors is also authorised, for a period of three years from the date of the extraordinary general meeting, to sell or acquire treasury shares in the event that such action is necessary to safeguard the Company from serious and imminent harm.



II. CONSOLIDATED FINANCIAL STATEMENTS

1. Comments on the consolidated financial statements

1.1. Financial position at 31/12/2022

A. Key figures 2022

To support the readers' understanding, two pro-forma columns have been added. These only include the key figures of the continuing activities of CFE (excluding DEME).

(in million €)	Pro-forma ¹			IFRS Financial Statements ²		
	2022	2021	Change	2022	2021	Change
Revenue	1,167.2	1,125.3	+3.7%	1,167.2	1,125.3	+3.7%
EBITDA ³ % of revenue	63.1 5.4%	68.5 6.1%	-7.9%	63.1 5.4%	68.5 6.1%	-7.9%
Operating income (EBIT) ³ % of revenue	51.0 4.4%	58.0 5.2%	-12.1%	51.0 4.4%	58.0 5.2%	-12.1%
Result for the period - share of the group % of revenue	38.4 3.3%	39.5 3.5%	-2.8%	229.4 19.7%	150.0 13.3%	n.s.
Continuing operations	38.4	39.5	-2.8%	38.4	39.5	-2.8%
Discontinued operations	n.s.	n.s.	n.s.	191.0	110.5	n.s.
Earnings per share of continuing operations (share of the group) (in euro)	1.53	1.56	-1.9%	1.53	1.56	-1.9%

(in million €)	2022	2021	Change	2022	2021	Change
Equity - share of the group	224.7	133.8	+67.9%	224.7	1,936.3	n.s.
Net financial debt ³	48.9	113.0	-56.7%	48.9	113.0	-56.7%
Order book ³	1,715.1	1,620.6	+5.8%	1,715.1	1,620.6	+5.8%

¹ Pro forma key figures excluding the impact of discontinued operations (DEME).

² In the IFRS financial statements, DEME's activities are considered as 'discontinued' with effect from 1 January 2021 in accordance with IFRS 5.

³ The definitions are included in the 'Consolidated Financial Statements' section of the financial report.

B. Partial demerger

On 29 June 2022, the extraordinary general meeting of shareholders unanimously approved the partial demerger of CFE, whereby the stake in DEME is transferred to a newly created company, DEME GROUP NV.

As a result, DEME's assets and liabilities that were presented since 31 December 2021 as assets and liabilities held for sale have been deconsolidated as of 30 June 2022.

The impact of this deconsolidation can be summarised as follows (in € million):

Consolidated equity: - 2,036

Total balance sheet: - 4,981

As the partial demerger only became effective on 29 June 2022, and as required by IFRS rules, the consolidated income statement and consolidated cash flow statement still include DEME's figures for the first half of 2022. In terms of the consolidated income statement, €190.9 million is included in the line item "income from discontinued operations". This amount is essentially composed of DEME's net income (group share) for the first half of 2022 (€39.5 million) as well as €153.5 million in depreciation on DEME's tangible and intangible fixed assets, which must be cancelled in accordance with the requirements of IFRS 5.

C. New governance and strategy

Following the partial demerger, CFE adapted its governance to the new group structure. The Board of Directors was partially renewed and reduced to eight members instead of eleven. At the same time, an Executive Committee has been set up, chaired by the CEO who is responsible for the day-to-day management and implementation of the group's strategy. It is composed of the managers of the four segments (Real Estate Development, Multitechnics, Construction & Renovation, Investments), the Chief People Officer and the Chief Financial Officer. The leaders for Sustainability, IT & Digital, and Communication assist as permanent invitees to the Executive Committee.



CFE has taken the split from DEME as an opportunity to redefine its purpose and strategy. Following a thorough strategic exercise with a large part of the organisation in early 2022, the group developed its new purpose of bringing together people, skills, materials and technology in a community of change for good. Foundational to this new purpose is the responsibility CFE wants to take up, as a leader in sectors that shape tomorrow's world, to change what needs to be changed for future generations. The new purpose was consequently translated into a new branding of the group, respecting the uniqueness of each division while showcasing the value added resulting from the synergies between them. CFE aims to lead in three high-growth markets of sustainable buildings, smart industries, and tomorrow's infrastructure for energy and mobility.

To deliver on its ambitious purpose, CFE has developed and implemented five group-wide strategic principles under the SPARC acronym. The principles consist of realising the Shift to innovation and sustainability, Performing through operational excellence, Accelerating sustainable growth through an integrated approach, Returning value to all stakeholders, and building the Community that will make a change for good.

D. Overview (continuing operations)

Introductory comment

The Board of Directors decided to split Contracting into two separate segments, namely Construction & Renovation and Multitechnics. The 2021 figures have been restated to reflect this change.

The Construction & Renovation segment includes all CFE subsidiaries active in Belgium, Poland, the Grand Duchy of Luxembourg and Germany, which specialise in the construction and renovation of office buildings, residential buildings, hospitals, hotels, schools, car parks and industrial buildings. The companies Wood Shapers (development and construction of projects in bio-based and hybrid materials) and LTS (production and assembly for prefabricated wooden elements) are also part of this segment.

The Multitechnics segment includes the activities of the VMA and MOBIX divisions. VMA specialises in carrying out technical building installations, their automated management (smart buildings) and long-term maintenance, as well as the automation of production lines in the automotive, chemical and food industries. MOBIX is a leading player in Belgium on railway works (track, catenary and signalling) and public lighting.

Key figures 2022

Revenue amounted to €1,167.2 million, up by 3.7% compared with the previous year on a comparable basis. The increase in activity can be observed mainly in Construction & Renovation.

The operational result came to €51 million. This represents 4.4% of turnover.

The net income of the group amounted to €38.4 million. All four segments are contributing positively to consolidated net income. Cash flow from operating activities doubled in 2022 to reach a historic high of €69.9 million.

Equity – share of the group – increased by 68% compared to 31 December 2021. It amounted to €224.7 million as at 31 December 2022.

Net financial debt shows a significant decrease of 56.7% compared to 31 December 2021. The debt ratio* decreased from 45.8% in 2021 to 17.9% in 2022. CFE SA, the group's parent company, and its subsidiary BPI Real Estate Belgium have a combined total of €230 million of confirmed credit lines which are drawn down by up to €40 million as at 31 December 2022. All the banking covenants have been complied with.

Order intake was strong in 2022. The order book increased by 5.8% compared to 31 December 2021. It reached €1.72 billion on 31 December 2022.

* Net financial debt divided by the sum of equity – share of the group – and net financial debt



E. Segment analysis

Real Estate Development

KEY FIGURES

(in million €)	2022	2021	Change
Revenue	85.4	106.3	-19.7%
Operating income (EBIT) ^(*)	17.6	30.1	-41.5%
Result for the period - share of the group	14.4	23.0	-37.4%
Net financial debt ^(*)	84.5	86.0	-1.7%

(*) The definitions are included in the 'Consolidated Financial Statements' section of the financial report.

Changes in capital employed ^(*)

Breakdown by stage of project development

(in million €)	2022	2021
Unsold units post completion	0	0
Properties under construction	52	6
Properties in development	151	184
Total capital employed	203	190

Breakdown by country

(in million €)	2022	2021
Belgium	108	101
Grand Duchy of Luxembourg	27	36
Poland	68	53
Total capital employed	203	190

(*) The definitions are included in the 'Consolidated Financial Statements' section of the financial report.

The capital employed amounted to €203 million on 31 December 2022, which is up by 6.8% compared with end of December 2021. The sales value of the projects under development (BPI share) is estimated at €1.6 billion, i.e. 452,000 m² of which 154,000 m² is under construction.

Acquisitions

BPI acquired four new projects during the year:

- a site in Gdansk (Poland), in the dynamic Shipyard District. BPI will develop a micro-living concept there, intended for letting. The programme will comprise 455 housing units (15,000 m²)
- a 2,600 m² plot in the Mokotow district of Warsaw. The site allows for the development of a building of 10,000 m², comprising 103 apartments and shops. Planning permission and the start of construction are expected in early 2024
- a property in Dudelange (Luxembourg), one of the country's most dynamic municipalities. This site will allow for the creation of a mixed project of more than 10,000 m², essentially residential, combining around sixty collective and individual housing units, offices and shops. The introduction of building permits is planned for the second half of 2023. The acquisition is being realised in partnership
- an office building, located Route d'Arlon in Strassen, in the immediate vicinity of Luxembourg City. The project, which perfectly meets the EU Taxonomy criteria, consists of transforming this 2,000 m² building into a dozen apartments, including one co-living apartment. The building permit is expected to be obtained in the first quarter of 2023

Permit applications

In Brussels, the permits for the Brouck'R (38,000 m²), Key West (63,000 m²), Arlon 53 (19,000 m²) and Move'Hub (51,000 m²) projects are currently being assessed. The first three are expected to be issued before the summer of 2023.

In Luxembourg, BPI is expected to obtain building permits for the mixed-use project 'Roots' in Belval (20,000 m²) and for the final phase of the Domaine des Vignes project in Mertert (7,000 m²) in the first half of 2023.

Start of construction and commercialisation of new projects

In Belgium, two residential projects have had their permits released free from any claims: Tervuren Square in Woluwe Saint-Pierre (12,000 m²) and Arboreto in Tervuren (7,000 m²). Construction and commercialisation began in the second half of 2022. The pace of



sales is satisfactory. In addition, at the Erasmus Gardens site in Anderlecht, a new phase was launched at the end of the financial year. It is a building of 10,000 m² with 89 flats (Park building).

In Poland, the construction and commercialisation of four residential projects started in the second half of the year: Bernadovo (13,000 m²) located in the Gdansk region, Panoramika (20,000 m²) in Poznan, Czysa (10,000 m²) in Wroclaw and Chmielna (17,000 m²) in the heart of Warsaw. The real estate situation in Poland has been difficult since the beginning of the war in Ukraine: high inflation in construction prices combined with a sharp rise in interest rates is impacting demand for new housing from individuals and investors.

Residential programmes in progress.

In addition to the above-mentioned programmes that were launched in 2022, three other residential projects are under construction in Brussels: the Patio building (Erasmus Gardens, Anderlecht) and the PURE and Serenity Valley projects in Auderghem. The marketing of these three projects is highly satisfactory. On the same site as the Serenity Valley project, BPI leased the last available space in the Wood Hub office building to a well-known company that was attracted by the project's highly ambitious approach to sustainability.

In Luxembourg, the three residential projects currently under construction are close to 100% sold. These projects are Gravity in Differdange, Livingstone phase 3 (Luxembourg City) and the second and third phase of the Domaine des Vignes project in Mertert. The first two projects will be delivered in the first half of 2023.

Block sales

At the end of December 2022, BPI and its partner, IKO Real Estate, delivered and sold the iconic "Wooden" building in Leudelange. With a surface area of 9,500 m², it is the first wooden office building of this size in Luxembourg. It has been awarded a BREEAM Excellent and WELL Building Standard certificate.

In Belgium, three small plots of land on the Erasmus Gardens site were sold. These represent a combined potential of 128 apartments.

NET FINANCIAL DEBT

The net financial debt amounted to €84.5 million as at 31 December 2022, which is relatively stable compared to 31 December 2021.

NET INCOME

Net income was €14.4 million (€23 million in 2021, positively impacted by the exceptional capital gain from the sale of a 50% stake in the Samaya project in Ottignies). The main contributors to the result are the Luxembourg and Belgian projects under construction and the capital gain on the sale of the Wooden project.

Multitechnics

KEY FIGURES

(in million €)	2022	2021	Change
Revenue	338.8	321.4	+5.4%
Operating income (EBIT) ^(*)	11.3	18.8	-39.9%
Result for the period - share of the group	6.9	13.0	-46.9%
Net financial surplus ^(*)	-1.0	15.4	-106.5%
Order book ^(*)	368.9	401.0	-8.0%

(*) The definitions are included in the 'Consolidated Financial Statements' section of the financial report

REVENUE

(in million €)	2022	2021	Change
VMA	225.8	196.4	+15.0%
MOBIX	113.6	125.0	-9.1%
Eliminations intra segment	-0.6	0.0	n.s.
Total Multitechnics	338.8	321.4	+5.4%

In 2022, VMA achieved revenues of €225.8 million, which is up 15% on 2021. In addition to the ramp-up of the ZIN project in Brussels and the Grand Hôpital de Charleroi project, the increase in revenue was supported by strong activity in the Maintenance and Automotive business units. VMANAGER carries out its first ESCO project for the city of Aarschot. Numerous other projects are currently being studied.



In contrast, turnover at MOBIX fell by 9.1% compared to 2021. This decrease is explained by a significant reduction in the budget of Infrabel devoted to the track laying activity. This results in a reduction in the volume of new tenders but also in a reduction in service orders from existing framework agreements.

The two main projects being carried out by MOBIX are the installation of automatic train stopping systems for Infrabel (ETCS II project), and the contract for the design, modernisation, financing, management and maintenance of the public lighting equipment on the Walloon structural network (LuWa project). In the fourth quarter, MOBIX also carried out a major project on the Bruges-Ostend line (replacement of 17 km of catenaries).

OPERATING INCOME

Operating income was €11.3 million (€18.8 million in 2021). VMA achieved identical operating income to that of 2021.

On the other hand, MOBIX's results were affected by the low level of activity in the track-laying Business Unit and by the deterioration of the operating margin in the LuWa project. The latter is being hit hard by price increases for materials and subcontracting, as well as by disruptions to supply chains, which are consequences of the Russian-Ukrainian conflict. Completion of the modernisation phase is scheduled for the second half of 2023.

NET INCOME

Net income amounted to €6.9 million.

ORDER BOOK

<i>(in million €)</i>	2022	2021	Change
VMA	244.9	236.4	+3.6%
MOBIX	124.0	164.6	-24.7%
Total Multitechnics	368.9	401.0	-8.0%

VMA's order intake was strong, particularly in the hospital sector. VMA has also secured some major orders for its Automotive Business Unit, some of which will not enter the order book until the first quarter of 2023.

The reduction in the volume of new tenders launched by Infrabel is having a negative impact on MOBIX's order intake.

NET FINANCIAL SURPLUS

The net cash position of the Multitechnics segment has decreased from a net financial surplus of €15.4 million as at 31 December 2021 to a net financial debt of €1 million as at 31 December 2022 due to the increase in working capital requirements and the dividends paid in 2022.

Construction & Renovation

KEY FIGURES

<i>(in million €)</i>	2022	2021	Change
Revenue	798.7	723.7	+10.4%
Operating income (EBIT) ^(*)	15.0	9.3	+61.3%
Result for the period - share of the group	9.0	2.8	+221.4%
Net financial surplus ^(*)	180.6	128.0	+41.1%
Order book ^(*)	1,264.1	1,166.0	+8.4%

(*) The definitions are included in the 'Consolidated Financial Statements' section of the financial report

REVENUE

<i>(in million €)</i>	2022	2021	Change
Belgium	513.7	495.9	+3.6%
Luxembourg	145.2	100.1	+45.1%
Poland	140.0	135.8	+3.1%
Others	0.7	0.0	n.s.
Eliminations intra segment	-0.9	-8.1	n.s.
Total Construction & Renovation	798.7	723.7	+10.4%

Revenue in the first half of 2022 amounted to €798.7 million, up 10.4% on 2021.



In Brussels, the ZIN project is progressing well, with the first partial deliveries scheduled for December 2023. Several projects for BPI are also under way. In the south of Belgium, CFE, through its subsidiary BPC Group, is carrying out several important projects such as the reconstruction of 600 housing units for staff of Shape (NATO site) and Palais de Justice in Namur. In Flanders, the Steendok car park in Antwerp has been completed.

In Luxembourg, turnover increased significantly, thanks in particular to projects carried out for BPI and its partners. The Wood Shapers business is also growing.

In Poland, the construction of logistics centres and a battery factory is generating significant activity, while four construction sites for BPI have started.

OPERATING INCOME

Operating income was €15 million (€9.3 million in 2021). Operating margin increased by 0.6% to 1.9%. It is worth noting that the five main Construction & Renovation subsidiaries all posted positive results. Selective bidding and the continuous improvement of operational processes are beginning to pay off.

The positive growth in operating income is all the more remarkable as it is taking place in a difficult macroeconomic environment, characterised by hyperinflation in material, subcontracting and wage costs as well as disruptions in supply chains. CFE Polska is undoubtedly the entity that has been most affected by the rise in prices, which is particularly high in Poland, combined with a devaluation of the currency (PLN) against the Euro.

NET INCOME

Net income was €9 million.

ORDER BOOK

(in million €)	2022	2021	Change
Belgium	1,013.1	918.1	+10.3%
Luxembourg	94.2	137.0	-31.2%
Poland	137.0	110.9	+23.5%
Others	19.8	0.0	n.s.
Total Construction & Renovation	1,264.1	1,166.0	+8.4%

In Belgium, the order book exceeded the symbolic one billion euro mark for the first time. The increase in the order book is a combination of prudent order intake that incorporates price increases and price revisions on existing orders for contracts with indexation clause.

Among the commercial successes of 2022, the most significant were the construction of:

- residential buildings, including a 25-storey tower in the "Nieuw Zuid" district of Antwerp
- a 12-storey multifunctional building for Ghent University Hospital
- an office complex in Nossegem (Flanders)
- a residential tower in Ostend
- two new phases of the City Dox building complex in Anderlecht

In Luxembourg, the renewal of the order book is proving more complicated. Some real estate developers have decided to postpone the start of their residential projects due to insufficient levels of pre-sales. However, CLE is in advanced negotiations on several important projects.

In Poland, order intake was strong, thanks in particular to the four BPI projects.

CFE won its first order in Germany for a Belgian customer: the construction of a 15,000 m² commercial space for production, storage, logistics and offices near Berlin. Work started in December 2022 and is expected to be completed by the end of 2023.

NET FINANCIAL SURPLUS

Net financial surplus amounted to €180.6 million, up 41.1% compared to 31 December 2021. Operating cash flow and improvements in working capital requirements explain this very positive development.



Investments & Holding

KEY FIGURES

(in million €)	2022	2021	Change
Revenue excluding eliminations between segments	5.4	9.8	-44.9%
Eliminations between segments	-61.0	-35.8	n.s.
Revenue including eliminations between segments	-55.7	-26.0	n.s.
Operating income (EBIT) ^(*)	7.2	-0.2	n.s.
Result for the period - share of the group	8.1	0.7	n.s.
Net financial debt ^(*)	144.0	170.4	-15.5%

(*) The definitions are included in the 'Consolidated Financial Statements' section of the financial report.

OPERATING INCOME

Operating income amounted to +€7.2 million, compared to an operating loss of €0.2 million in 2021. It notably includes the profit of subsidiaries controlled jointly with Ackermans & van Haaren, Rent-A-Port and Green Offshore, which generated net profits of 4.1 and 1.8 million euros respectively (CFE share).

Rent-A-Port (CFE share: 50%)

In the first half of 2022, Rent-A-Port acquired an additional 32.6% stake in Infra Asia Investment (IAI), bringing its stake to 94%.

Through its Vietnamese subsidiary, IAI is continuing to develop its five port concessions in the north of Vietnam, in the provinces of Haiphong and Quang Ninh. These operate under the trade name 'Deep C'.

The reopening of the borders after the Covid pandemic in April 2022 has resulted in a massive return of industrial clients, developers and investors wishing to develop their business in North Vietnam. Deep C has benefited from this situation and has been able to secure numerous expressions of interest in acquiring industrial land. However, due to the time required to develop the land and to obtain administrative authorisations, sales were limited to 66 hectares in 2022 (64 hectares in 2021). These should therefore logically increase significantly in 2023.

Service activities for industrial customers account for approximately 40% of the total revenues of IAI's Vietnamese entities.

In Belgium, the first battery farm connected to the high-voltage electricity grid has been fully operational since 9 December 2021. Its storage capacity is 20 MWh. This park belongs to BSTOR, a 38% subsidiary of Rent-A-Port. In its first year of operation, BSTOR has already made a positive contribution to the consolidated result of Rent-A-Port. Other battery projects for a total of 150 MW are under development.

Green Offshore (CFE share: 50%)

Green Offshore owns a minority interest in the Rentel (12.5%) and SeaMade (8.75%) offshore wind farms, situated off the Belgian coast. The two parks together produced about 2,400 GWh of green electricity in 2022, about 100 GWh lower than in 2021 due to less favourable weather conditions. As electricity prices are set at the end of the year for the following year, the two parks have not yet been able to benefit from the price increase in 2022.

In addition, the Belgian authorities are reviewing the regulatory framework by introducing ceilings in terms of electricity prices above which additional revenues should be returned to the State.

NET FINANCIAL DEBT

The net financial debt amounted to €144 million, a decrease of 15.5% compared to 31 December 2021.

1.2. Main risks

1.2.1. General

The Executive Committee is responsible for the preparation of a framework for internal control and risk management, which is submitted to the Board of Directors for approval. The Board of Directors is responsible for assessing the implementation of this framework, taking the recommendations of the Audit Committee into account. At least once a year, the Audit Committee evaluates the internal control systems that the Executive Committee has set up, in order to ascertain that the main risks have been properly identified, reported and managed.

The subsidiaries of CFE are responsible for the management of their own operational and financial risks. These risks, which vary according to the sector, are not centrally managed by CFE. The management teams of the subsidiaries in question report to their Board of Directors on their risk management.

This section describes, in general terms, the financial and operations risks facing the group, and the operational risks associated with the various segments in which it operates (either directly or indirectly).



1.2.2. Financial and economic risks at group level

Interest rate risk

CFE is exposed to the effect of interest rate fluctuations on its variable rate financial debt.

This risk is partly mitigated by the implementation of 'Interest Rate Swap' (IRS) type interest rate hedges.

Liquidity risk

The group is exposed to liquidity risk in particular:

- obligations to repay existing debt
- the general needs of the group.

To limit the liquidity risk, the entities of the group increased their sources of financing, of which there are five:

- confirmed medium-term bilateral credit lines
- project finance loans put in place by the group to finance some of its real estate projects
- leasing agreements for several subsidiary headquarters and construction equipment
- treasury notes to cover short and medium-term cash requirements

As at 31/12/2022, the group's confirmed credit lines were €230 million, of which €40 million was drawn down. In addition, the group has €127.1 million available cash.

CFE complied with all of its financial covenants.

Exchange rate risks

The majority of the group's activities are located in the Euro zone, thereby greatly limiting the exchange rate risk.

The main exposures are in Poland (PLN fluctuation against the Euro) and at Rent-A-Port (foreign exchange risk against USD and VND).

Currency hedges partially mitigate this risk.

Counterparty risk

The group is exposed to counterparty risk with respect to contracts with private customers and banks.

The risk management measures are as follows:

- financial analysis of clients before signing the contract
- regular monitoring of the evolution of credit risk throughout the duration of the project
- requiring, where applicable, down payments and/or security or parent company guarantees for customers whose financial strength is considered insufficient.

Risk related to legislative and regulatory changes

Legal instability in all its forms represents a significant risk for the group in terms of legislation, regulations, taxation and case law, not to mention European regulations.

The group responds to this risk by continuously monitoring legislation.

1.2.3. Operational risks at group level

A distinction should be made between the risks common to the four divisions and those specific to each segment.

Risks common to all four segments

Risks related to project execution

The main characteristic of the group's main activities is the commitment made when submitting a proposal to perform a task that is by its nature unique, for a price with predetermined terms and within an agreed time schedule.

The risks are mainly related to:

- Upstream phase (before the contract is signed):
 - poor assessment of the project or client
 - design and costing errors
 - errors in assessing the terms of the contract



- overestimation of available internal resources
- poor evaluation of subcontracting
- Downstream phase (after the contract is signed):
 - insufficient or inadequate staff and supplies
 - difficult customer relations
 - encountering the unexpected
 - pollution or environmental accidents
 - changes imposed by the client during the work
 - poor contract management
 - changes in the cost of materials and supplies
 - supply chain disruption and shortages of raw materials and labour
 - failure of partners (co-contractors, suppliers, subcontractors) or clients
 - organisational, technical, contractual, administrative and regulatory difficulties in performing the contractual objective, which may affect the group's deadlines, costs, cash flow, quality and reputation
 - dispute of the invoice and the final account by the customer

The measures for managing the aforementioned risks are:

- Upstream (before the contract is signed):
 - prior analysis
 - negotiation with the client for a balanced sharing of risks
 - consideration by the Risk Committee prior to submitting tenders for projects exceeding a certain threshold
 - assessment of the right size of the teams involved
 - incorporation of feedback in the study phase
- Downstream (after the contract is signed):
 - organising of the preparation of the project sites
 - setting up specific and appropriate management systems
 - applying price revision formulae or upstream consideration of the impact of variations in costs not covered by the formulae
 - transferring risk to subcontractors and suppliers
 - prior selection of technical solutions or equipment
 - dialogue with the customer and the project owner
 - drafting of contractual clauses containing reciprocal commitments
 - providing of payment guarantees
 - arranging insurance policies

Risks related to inflation

The war in Ukraine had a significant indirect impact on the group's business in 2022, including a sharp increase in the price of materials, subcontracting and energy, and generally, all miscellaneous goods and services, as well as disruption to supply chains.

Additionally, the automatic indexation of the salaries of the group's Belgian employees in January 2023 will also have a significant impact.

The measures for managing the aforementioned risks are:

- inclusion of a price review mechanism in all new contracts
- buffer stock for certain materials whose prices are highly volatile or whose supply is disrupted
- agreements with suppliers and subcontractors

Economic risks

The segments are by nature subject to strong cyclical fluctuations. Nevertheless, this observation must be qualified for each segment, since the key factors can vary between them.

Thus, the construction and real estate development activities related to the office property market move in line with the traditional economic cycle, while the residential business depends more directly on general economic conditions, consumer confidence and interest rates.

Risk management measures are:

- diversification of the group's activities



- monitoring of upstream orders (selective bidding)
- monitoring changes in the order book and project performance

Legal risks

Segment activities are exposed to a complex regulatory environment as concerns the places where services are performed and the fields of activity involved. Disputes may arise during the performance of contracts, resulting in particular from assessment differences for new elements during performance, a change in the customer's governance, new case law, or a misinterpretation of contractual clauses.

Risk management measures are:

- inserting contractual clauses allowing:
- passing on to the customer any additional costs and/or time resulting from changes made at the customer's request after the contract has been signed
- stopping the work in case of non-payment
- excluding consequential damages
- excluding or limiting liability for existing pollution
- limiting contractual responsibility for the entire project to a reasonable share of the contract amount
- capping penalties for delay and performance at an acceptable percentage of the contract amount
- providing for an adjustment of the contractual provisions (price, deadline) in the event of legislative, fiscal or regulatory changes
- obtaining protection from a force majeure clause (political risk, unilateral decision of the customer or grantor, economic disruption, bad weather) or early termination of the project
- ensuring that insurance cover is activated

Legislative and regulatory compliance

Given the diversity of their activities and geographical locations, the group's companies are exposed to a specific legislative and regulatory environment which vary depending on the services performed and the fields of activity involved.

In particular, these must comply with the rules relating to:

- the procedures for awarding and performing public or private law contracts
- construction law, particularly the technical rules governing the provision of services, supplies and works applicable
- environmental law, economic law, labour law, social law and competition law

The group's ability to adapt to new regulations and how it monitors standards enables it to significantly control legislative and regulatory risks.

IT security risks

In the digital and teleworking era, IT risks increasingly constitute threats that are liable to slow down the activities of CFE's subsidiaries or compromise the integrity of their most valuable resources and data.

The main IT risks are viruses and malware, fraudulent emails, hacking (cyberattacks), loss of confidential information, operating errors, risk of physical loss or theft, and misappropriation.

Risk management measures are:

- installing professional antivirus software on all workstations, with regular updates
- putting in place regular training and awareness-building sessions in social engineering for all staff, focusing on human and technical detection
- adding a professional service to Outlook for reporting and analysing "phishing" e-mails
- implementing a well-configured and up-to-date complex password and multi-factor authentication strategy
- relying on external service providers to carry out a penetration test
- using external service providers to analyse systems and alert on incidents that could have a negative impact
- having the Chief Information Security Officers audit the implementation of our security policies
- restricting access to confidential and sensitive files according to user profiles – folders and resources are partitioned by department, with authentication
- setting up an efficient backup system
- systematically training employees in the use of applications and software

The year 2022 was characterised by numerous interventions by dedicated IT teams, with no significant consequences for the subsidiaries concerned.



Operational risks specific to the Construction & Renovation and Multitechnics segments

Risks related to customer solvency

Both segments are exposed to the risk of customer insolvency.

Risk management measures are:

- checking the creditworthiness of customers when submitting tenders
- regularly monitoring the outstanding amounts owed by customers and adapting, if necessary, the position of the subsidiary concerned vis-à-vis the customer
- for customers showing a material credit risk, requiring down payments and/or first demand bank guarantees before work starts.

Risks related to the management and workforce

The challenge of attracting and retaining talent is essential in a group where the construction business is evolving very quickly and where specialisation and job-specific expertise gives a competitive advantage in responding to calls for tender.

The Construction and Multitechnics segments are experiencing a chronic shortage of qualified supervisory staff and workers. The success of projects, in the study, preparation and execution phases, depends both on employees' qualifications and skills and on their availability in the labour market.

Risk management measures are:

- increasing the skills of the group's employees through a human capital development cycle
- setting up a training programme for each employee
- developing programmes to promote internal mobility
- setting up local partnerships with economic, social, institutional or academic players

Contractual risks related to public-private partnerships

The legal and contractual risks are even greater in a public-private partnership contract (e.g. Design, Build, Finance and Maintain (DBFM) contracts, concession contracts, ESCO energy performance contracts etc.), which may vary in duration from a few years to several decades. The risks are assessed before bid submission during the study phase, which is generally much longer than for a conventional construction contract. The main risks connected with the operation of assets given in concession relate to maintaining the viability of the asset in view of the maintenance, energy performance and repair objectives defined in the concession contract. For any building or infrastructure that is operated under a public-private partnership contract, the equipment renewal cost and the works maintenance cost must be provided for on the basis of a forecast major maintenance plan.

Risk management measures are:

- discussion in Risk Committee prior to tendering
- setting up the operation in a special purpose vehicle with financing that is for the most part provided through debt without recourse or with limited recourse against the shareholders
- involvement of the lenders in the early stages of the projects
- seeking advice from external consultants

Environmental risks

The group's companies may be subject to risks related to the environmental conditions of the projects in which they operate, including risks related to climate change and potential contamination of natural environments.

In addition to the economic aspects, environmental risks can be assessed in terms of image and reputation, as the operation may be affected over the long term by their consequences. From a longer term perspective, changes in regulations related to the ecological transition may also constitute a risk factor.

All these risks can therefore generate human, technical, financial and legal issues.

Risk management measures are:

- analysing these risks as early as the tender phase and developing solutions with the development teams, taking into account the issues at stake as early as possible
- implementing appropriate technical and organisational solutions to reduce risks – considering these risks evolves throughout the life of the projects
- restoration costs related to major climatic events may be partially covered by insurance companies

The environmental issues relating to the group's activities and their potential impact on the environment are detailed more specifically in the Non-Financial Statement at pages 83 to 119.



Legal risks related to social and labour law

The social risks faced by both segments are based on the cross-border subcontracting chain, mainly in the construction sector. The main risks identified for construction sites in Belgium are: the re-classification of first-tier subcontracts, the employment and the absence of a checkin@work statement.

Failure to comply with social legislation may constitute a legal and image risk.

Risk management measures are:

- putting in place sub-contracting policies
- implementing training applicable to all entities – the implementation is ensured by subsidiary management
- carrying out social audits of subcontractors on site with particular attention to compliance with social obligations
- half-yearly analysis of social risks and establishing action plans.

Risks related to personal safety

The often complex projects and operations carried out by the group's operating subsidiaries are subject to constraints that can threaten employees' and subcontractors' health, safety and quality of life at work.

In the event of an accident or near-accident, the activity of the company concerned may be seriously affected and the resumption of that activity is conditional on the implementation of appropriate corrective measures.

Risk management measures are:

- prior analysis of the risks involved as far upstream as possible and at the start of operations
- providing appropriate personal protective equipment
- implementing prevention procedures and operating methods resulting from the risk assessment (markings, railings, stairs, etc.)
- carrying out dedicated audits
- organising training and awareness-raising events
- setting up partnerships with external organisations
- including dedicated clauses in contracts with subcontractors
- complying with the health measures put in place by the local authorities

Operational risks specific to the Real Estate Development segment

Risks related to the economic environment

Projects are currently situated exclusively in Belgium, Luxembourg and Poland.

A change in the principal macroeconomic indicators, the geopolitical environment or the economic cycle in general may impact the confidence of households, investors and private and public entities, and may bring about (i) a fall in demand for housing and retail properties, as well as other categories of real estate, (ii) lower sale prices and lower returns, and (iii) a higher risk of default by service providers, building contractors and other stakeholders.

Variations in mortgage rates may affect the ability of households and private investors to acquire residential properties and, consequently, diminish the demand for such class of assets.

In the office market, variations in long-term interest rates may also affect the return on which the price of office properties is calculated. Such variations may also have a significant impact on the segment's ability to sell residential or office properties.

Risk-mitigating factors:

- due to the shortage of well-located land, supply and demand are in principle under increasing pressure
- sectoral diversification of customers
- the value of real estate is primarily determined by the commercial value of the location of the property
- investments are concentrated in sub-regions with high purchasing power

Risks related to real estate investments

Before acquiring land for building, BPI examines the financial, technical and town planning feasibility of the real estate project. Those feasibility studies are carried out by external experts or consultants and are based on assumptions concerning economic, market and other conditions (including estimates of potential sale prices). Despite BPI's diligent approach, it is possible that it does not take account of or does not know all the relevant factors to make an informed decision.

Risk management measures are:

- systematic prior review of all property acquisitions by the company's Investment Committee
- inserting suspensive conditions in land purchase contracts.

Risks related to real estate development

All projects are dependent on planning, building and environmental permits being granted. Consequently, any project may be affected by (i) the segment being unable to obtain, maintain or renew the necessary permits or (ii) any delay in the obtaining, main-



taining or renewing of those permits, as well as (iii) BPI being unable to comply with the conditions of those permits. Furthermore, changes made by the competent authorities to the legal framework and the administrative procedures surrounding the filing for, delivery or validity of such permits may have a negative impact on the financial result of a project.

Risk management measures are:

- ensuring that managers and staff have the necessary knowledge concerning planning and permit law
- using the services of external consultants specialising in planning law in the region concerned
- prior review of planning permission when developing a building
- ongoing assessment of and compliance with changes to planning permits and authorisations, and anticipation of possible changes

Project delivery may be delayed or compromised by various factors, such as weather conditions, building site accidents, natural disasters, industrial disputes, shortage of equipment or building materials, accidents or other unforeseen difficulties. BPI may also incur additional project construction and development costs and penalties that exceed the initial estimates.

Risk management measures are:

- transferring construction risks to subcontractors
- almost systematic subcontracting of project construction to CFE subsidiaries
- arranging appropriate insurance policies

Liquidity and financing risks

The development of projects involves substantial investments that are primarily financed by equity and external financing sources.

BPI is unable to renew the existing finance agreements or attract new financing on commercially favourable terms.

Risk management measures are:

- diversifying funding sources
- increasing confirmed credit lines
- using a treasury note and medium-term promissory note programme
- several new project finance arrangements in both Belgium and Luxembourg were put in place on similar terms to those prevailing before the health crisis

As at 31 December 2022, BPI and its subsidiary BPI Luxembourg together have €60 million in unused confirmed bilateral credit lines.

Risks related to special-purpose companies

To carry out some of their real estate projects, BPI participates and will continue to participate in special purpose vehicles (SPVs) which provide real guarantees in support of their credit facilities. The risk, in the event of the failure of this type of company and exercise of the guarantees, is that the proceeds from such exercises are not sufficient to cover some or all of the amount of shareholders' equity or equivalent used as collateral for setting up the credit facility.

Risk mitigation measures and factors:

- sharing risk with partners
- financing through non-recourse or limited-recourse debt against shareholders
- paying special attention to the preparation phase and stakeholder relations
- monitoring marketing and sales momentum

Risks related to the ability to sell projects

BPI's activity, financial position, results and prospects are almost entirely dependent on the sale of its projects.

Investments in real estate projects for which no planning permission has been obtained yet are relatively illiquid. BPI is unable to find a suitable buyer for this type of asset if it needs cash. Moreover, market conditions may force BPI to sell its projects at lower prices than planned.

The segment's inability to generate positive cash flow from project sales can adversely affect its capacity to repay its debts.

Risk mitigation measures and factors:

- carrying out careful market research before any investment and during development
- inserting suspensive conditions in land purchase contracts
- minimum pre-commercialisation threshold required
- elasticity of demand in the residential market



- using a conservative and prudent financing strategy, characterised by diversification of financing sources and a broad group of banking partners

Risks related to portfolio concentration

More than 50% of the segment's projects are situated in Belgium and are acquired on the residential market. Consequently, any slowdown or regulatory changes in Belgium or any market changes affecting the residential market may have a considerable negative impact on the segment's results and operations.

Risk management measures are:

- diversifying the portfolio and projects, in Belgium, Poland and Luxembourg
- maximising anticipation of any legislative change likely to impact projects by providing for an adjustment of the contractual provisions (price, deadline) in the event of legislative, fiscal or regulatory change

Risks related to stakeholders

The segment maintains contractual relations with several parties, such as partners, investors, tenants, entrepreneurs, financial institutions and architects. Those stakeholders may experience disruptions in their operations or be confronted with financial difficulties that may cause a delay or total inability to meet their contractual obligations.

Risk management measures are:

- strengthening controls for awarding and monitoring works
- including guarantees in contractual agreements, with a preference for first demand bank guarantees
- screening and ongoing monitoring of stakeholder creditworthiness
- putting in place the appropriate insurance coverage
- almost systematic subcontracting of construction of projects to the subsidiaries of CFE

Risks specific to the Investments & Holding segment

Rent-A-Port (activities in Vietnam)

Geopolitical risk

The political situation in Vietnam has been stable for many, many years. However, although highly unlikely, political risk can never be completely ruled out.

No particular risk management measure is required at this time other than monitoring the evolution of the country's political situation.

Liquidity and financing risks

Project development requires significant investment.

Rent-A-Port may be exposed to liquidity risk, in particular:

- obligations to repay existing debt
- general needs

Risk management measures are:

Setting up corporate financing with Infra Asia Investment HK and local financing in Vietnam either to finance fixed assets such as warehouses or leased infrastructure or to partially finance working capital requirements.

Green Offshore (minority stakes in Belgian offshore wind farms, Rentel and SeaMade)

Given that (i) the two parks are built, financed and fully operational and (ii) a minimum price for the electricity produced is guaranteed by a mechanism of green certificates, the only residual risks are (i) overruns of the maintenance and (ii) the production of green electricity which depends on weather conditions and the availability rate of wind turbines.

1.3. Major events after the closing of the financial year

No significant change in the financial and commercial situation of the CFE Group has occurred since 31 December 2022.

1.4. Research and development

For the first time in Luxembourg, a practical experiment was carried out on a large project using an intelligent Construction Consolidation Centre (CCC), kitting and just-in-time deliveries, and the intervention of a third-party logistics specialist. This has resulted in a 66% reduction in the number of on-site deliveries, a 46% reduction in transport-related CO₂ emissions and up to a 5% reduction in total costs.



1.5. Financial instruments

The group has defined a system of investment limits to manage the counterparty risk. This system determines maximum amounts eligible for investment by counterparty defined according to their credit ratings published by Standard & Poor's and Moody's. These limits are regularly monitored and updated.

1.6. Outlook for 2023

Excluding exceptional events and despite a more difficult real estate market due to the rise in interest rates, CFE expects a moderate increase in its turnover and the maintaining of a high level of its net profit, close to that of 2022.

In the absence of project deliveries in Poland in 2023, which triggers the recognition of the corresponding results, and because of less favourable market conditions, BPI's net income could decrease in 2023 but should nevertheless remain high.

With a strong order book, Construction & Renovation and VMA are expected to post moderate revenue growth and further improve their operating performance. For MOBIX, 2023 will be a transition year characterised by the end of the LuWa project (modernisation part) and by more modest activity in the Rail division, before an anticipated recovery as of 2024.

The Investments & Holding segment should benefit from increased activity in Vietnam and increase its contribution to the group's net income.



III. CORPORATE GOVERNANCE STATEMENT

1. Reference code

The Company uses the 2020 Belgian Corporate Governance Code (“2020 Code”) as a reference code. The 2020 Code may be consulted on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be).

The Board of Directors adopted the initial version of the Corporate Governance Charter (the “Charter”) on 9 December 2005.

The Charter is regularly updated according to developments in corporate governance policy and changes made to the applicable regulations, and for the last time on 29 June 2022.

The main amendments made to the Charter are discussed in the corporate governance statement, which constitutes a special section in the directors’ report pursuant to Article 3:6, §2 of the Code of Companies and Associations (the “Statement”).

Since 9 December 2005, the Board of Directors has adopted the following amendments to the Charter:

- 7 May 2009: amendment of the Charter following the revision of the Belgian Corporate Governance Code
- 8 December 2011: amendment of the Charter to bring it into conformity with the Act of 6 April 2010 on the enhancement of corporate governance for listed companies and the Act of 20 December 2010 on the exercise of certain rights of shareholders in listed companies
- 24 December 2013: amendment of the Charter following the change of control over the Company in 2013
- 26 February 2015: amendment of the Charter to bring it into conformity with Regulation (EU) No 596/2014 of 16 April 2014 on market abuse
- 24 February 2016: introduction in the Charter of the age limit for directors
- 25 February 2017: amendment of the Charter regarding the daily management of the Company
- 26 March 2019: amendment of the Charter to bring it into conformity with the law on the organisation of the profession and the public supervision of auditors, and relaxation of the rule concerning the age limit for directors
- 26 March 2020: amendment of the Charter to bring it into conformity with the 2020 Belgian Corporate Governance Code, enacted by the Royal Decree of 12 May 2019 laying down the corporate governance code to be complied with by listed companies
- 16 May 2022: subject to the approval of the partial demerger by the extraordinary general meeting of 29 June 2022, amendment of the Charter and Remuneration Policy to bring it into line with the Company’s new governance, including the delegation of day-to-day management to a CEO and the establishment of an Executive Committee chaired by the CEO
- 29 June 2022: amendment of the Charter to bring it into line with certain changes to the remuneration policy ratified by the Board at a meeting on 29 June 2022. The changes mainly concern the variable remuneration (Long Term Incentive) of the CEO and the other members of the Executive Committee, in particular the possibility for the Board to put in place a stock option plan for the Company within the scope of the law of 26 March 1999 or to grant performance shares

The Charter is available in two languages (Dutch and French) on the Company’s website (www.cfe.be). This chapter (“Corporate Governance Statement”) contains the information referred to in Articles 3:6, section 2 and 3:32, section 1, paragraph 2, point 7 of the Code of Companies and Associations. This section focuses more specifically on factual information relating to corporate governance matters and explains the derogations from certain provisions of the 2020 Code during the past financial year, according to the “comply or explain” principle.

2. Board of Directors

The Board of Directors determines the Company’s direction and values, its strategy and its key policies. It examines and approves related significant operations, ensures that they are properly executed and defines any measures needed to carry out its policies. It decides on the level of risk the Company is prepared to take.

The Board of Directors:

- approves the general internal control and risk management system and checks that this system is correctly implemented
- takes all measures needed to ensure the integrity of the financial statements
- reviews the performance of the CEO and the Executive Committee
- ensures that the special committees of the Board of Directors function properly and efficiently.

2.1. Composition

The composition of the Board of Directors is based on a balance between experience, competence and independence, with respect for diversity, in particular the equality between men and women. The Board of Directors also strives to maintain a balanced composition in terms of age as well as professional and international experience. It also endeavours to have people with experience in



technological and digital transformation. Those balances are reassessed each year by the Nomination and Remuneration Committee.

As at 31 December 2022, the Board of Directors consisted of eight members, whose terms of office began on the dates listed below and will expire immediately after the general meeting of shareholders in the years listed below:

	Appointment start date	Appointment end date
Luc Bertrand	24/12/2013	30/04/2025
Piet Dejonghe	24/12/2013	30/04/2025
Koen Janssen	24/12/2013	30/04/2025
An Herremans	29/06/2022	07/05/2026
Christian Labeyrie	06/03/2002	02/05/2024
Hélène Bostoën	06/05/2021	30/04/2025
Lieve Creten BV, having Lieve Creten as permanent representative	05/05/2022	07/05/2026
B Global Management SRL, having Stéphane Burton as permanent representative	29/06/2022	07/05/2026

The table below summarises the mandates and duties of the eight Board members as at 31 December 2022.

Luc Bertrand

Ackermans & van Haaren
Begijnenvest, 113
B- 2000 Antwerp



Chairman of the Board of Directors

(since 24/02/2016)

Non-executive director

(as of 24/12/2013)

Chair of the Nomination and Remuneration Committee

(as of 06/05/2021)

Luc Bertrand (born 1951, Belgian) received a commercial engineering degree from KU Leuven in 1974. He started his career at Bankers Trust, where he worked as Vice-President and Regional Sales Manager, Northern Europe. He was appointed director of Ackermans & van Haaren in 1985 and was chairman of the Executive Committee until 2016.

Offices held:

a- Listed companies:

Chairman of the Board of Directors of Ackermans & van Haaren
Chairman of the Board of Directors of SIPEF
Chairman of the Board of Directors of DEME Group

b- Non-listed companies:

Chairman of the Board of Directors of FinAx
Director of Bank J. Van Breda & C°
Chairman of Belfimas
Director of Delen Private Bank
Director of JM Finn & Co (UK)
Director of Verdant Bioscience
Chairman of Scaldis Invest
Director of Mirmex Motor

c- Associations:

Chairman of the Trustees of the Belgian Institute of Directors Guberna
Director of the Belgian Institute of Directors Guberna
Chairman of the Board of Directors, Institut de Duve
Chairman of Middelheim Promotors
Director of Europalia
Regent of Mayer van den Bergh Museum
Member of the General Council, Vlerick Leuven Gent School
Member of the Advisory Board of Deloitte

**Piet Dejonghe**

Ackermans & van Haaren
Begijnenvest, 113
B- 2000 Antwerp

**Non-executive director**

(as of 24/12/2013)

Member of the Audit Committee

(as of 29/06/2022)

Piet Dejonghe (born 1966, Belgian) received a degree in law (KU Leuven, 1989), a postgraduate degree in management (KU Leuven, 1990) and an MBA from INSEAD (1993). Before joining Ackermans & van Haaren in 1995, he worked as a lawyer at Loeff Claeys Verbeke and as a consultant at Boston Consulting Group.

Offices held:**a- Listed companies:**

Co-chairman of the Executive Committee, and Co-CEO of Ackermans & van Haaren
Chairman of Nextensa
Director of DEME Group

b- Non-listed companies:

Director of Anifima
Director of Baloise Belgium
Director of Bank J. Van Breda & C°
Director of Brinvest
Director of Delen Private Bank
Director of Delen Private Bank Luxembourg
Director of FinAx
Director of Profimolux
Director of AvH Growth Capital
Director of BPI Real Estate Belgium
Director of BPI Real Estate Luxembourg
Director of CLE
Director of Green Offshore
Director of Bio Cap Invest
Director of Rent-A-Port

Koen Janssen

Ackermans & van Haaren
Begijnenvest, 113
B- 2000 Antwerp

**Non-executive director**

(as of 24/12/2013)

Koen Janssen (born 1970, Belgian) received a degree in civil engineering and electromechanics (KU Leuven, 1993), along with an MBA from IEFISI (France, 1994). He worked for Recticel, ING Investment Banking and ING Private Equity before joining Ackermans & van Haaren in 2001. He is a member of the Executive Committee.

Offices held:**a- Listed companies:**

Member of the Executive Committee of Ackermans & van Haaren
Director of DEME Group

b- Non-listed companies:

Director of Bedrijvencentrum Regio Mechelen
Director of NMC International
Director of Rent-A-Port
Director of Infra Asia Investment
Director of BStor
Director of Bioelectric Group
Director of Green Offshore
Director of Sofinim Lux
Director of AvH Growth Capital
Director of Otary RS
Director of Otary Bis
Director of Rentel
Director of SeaMade
Director of North Sea Wave
Director of Estor-Lux
Director of Stichting Continuïteit IHC
Director of Finance Continuïteit IHC

c- Associations:

Director of Belgian Offshore Platform (BOP), permanent representative for Green Offshore

**An Herremans**

Ackermans & van Haaren
Begijnenvest, 113
B- 2000 Antwerp

**Non-executive director**
(as of 29/06/2022)

An Herremans (born 1982, Belgian) received a Master's degree in Business Engineering from the KU Leuven and a Master's degree in Finance from the Vlerick Business School. She has worked as Strategy Office Manager at Barco and as Senior Consultant at Roland Berger Strategy Consultants. She is currently a member of the Executive Committee of Ackermans & van Haaren

Offices held:**a- Listed companies:**

Member of the Executive Committee of Ackermans & van Haaren
Director of Nextensa

b- Non-listed companies:

Director of Agidens International
Director of AvH Growth Capital
Director of Baarbeek Immo
Director of Bio Cap Invest
Director of BPI Real Estate Belgium
Director of Indigo Diabetes
Director of OncoDNA
Director of Sofinim Lux
Director of Turbo's Hoet Group
Director of Turbo's Hoet Group Finance
Director of VMA

Christian Labeyrie

VINCI
1973 Boulevard de la Défense
F-92000 Nanterre

**Non-executive director**
(as of 06/03/2002)

Christian Labeyrie (born 1956, French) is a graduate of HEC, the Escuela Superior de Administración de Empresas (Barcelona) and McGill University (Canada), and holds a DECS diploma (advanced accounting degree). He began his career in the banking industry.

Christian is a Chevalier of the Légion d'Honneur and a Chevalier of the Ordre National du Mérite. He is Executive Vice-President, Chief Financial Officer and a member of the Executive Committee of the VINCI Group. Before joining VINCI in 1990, he held various positions in the Rhône-Poulenc and Schlumberger groups.

Offices held:**a- Listed companies:**

Member of the Executive Committee of the VINCI Group
Director of DEME Group

b- Non-listed companies:

Director of VINCI Deutschland
Director of Arcour
Director of the Stade de France consortium
Director of VFI
Director of SMABTP
Member of the Board of Directors, Lima Expesa (Limex)
Manager of SCCV CESAIRE-LES GROUES
Manager of SCCV HEBERT-LES GROUES
Permanent Representative of VINCI Innovation on the Board of Directors of ASF
Chairman of VINCI Re

**Hélène Bostoën**

Aannemingsmaatschappij CFE
Herrmann-Debrouxlaan 42,
1160 Brussel

**Non-executive director, independent**

(as of 06/05/2021)

Member of the Audit Committee

(as of 06/05/2021)

Hélène Bostoën (Belgian) is a management engineer (Solvay Business School, ULB, Brussels) and holds an MBA from INSEAD (Singapore and Fontainebleau). She began her career at Merrill Lynch in New York. In 2006 she became a co-founder of Eko Developer Sp.z. o. o., a real estate development company focusing mainly on retail, office and residential properties in Poland. In 2007, she took over the management of a family company, Flanders-Immo JB, active in residential real estate development in Belgium, Poland and France. She is also Founder and Managing Director of Fenixco SA, a property development company.

Offices held:**a- Listed companies:**

Member of the Board of Directors of Home Invest Belgium, member of the investment committee and project committee

b- Non-listed companies:

Member of the Board of Directors and Managing Director of Flanders-Immo JB NV

Member of the Board of Directors and Managing Director of Fenixco SA

Member of the Board of Directors and Manager of FBC SRL

Member of the Board of Directors of District I SRL

Member of the Board of Directors of Eko Development sp.z o o.

Member of the Board of Directors of Abattoir NV

c- Associations:

Co-chairman of the Residential Developers and Developers Committee of the UPSI-BVS, the Real Estate sector's Professional Union

Lieve Creten BV, represented by Lieve Creten

Dorsthoeveweg 48,
B-2820 Bonheiden

**Non-executive director, independent**

(as of 05/05/2022)

Chairman of the Audit Committee

(as of 29/06/2022)

Member of the Nomination and Remuneration Committee

(as of 29/06/2022)

Lieve Creten (born 1965, Belgian), is a management engineer (KU Leuven, 1989) and also holds a master's degree in taxation (1989). She was a partner at Deloitte for over twenty years, where she developed the M&A practice and led the Financial Advisory practice as a Managing Partner from 2008 to 2019. She was a member of the Executive Committee of Deloitte Belgium until 2019. In addition, she was a member of Deloitte Financial Advisory's global executive team from 2015 to 2021. Lieve Creten is currently active as an independent consultant.

Offices held:**a- Listed companies:**

Director of Telenet Group, Montea and Barco

b- Associations:

Member of Médecins Sans Frontières

Director of MSF Supply

B Global Management SRL, represented by Stéphane Burton

Orbanlaan 138,
B-1150 Brussels

**Non-executive director, independent**

(as of 29/06/2022)

Member of the Nomination and Remuneration Committee

(as of 29/06/2022)

Stéphane Burton (born 1973, Belgian) received a Master's degree in Law at the Catholic University of Leuven (1996), a Master's degree in Social, Economic & Tax Law at Universiteit Gent (1997) and a Global Executive MBA from INSEAD (2013).

Offices held:**a- Non-listed companies:**

Managing Director of Sabena Engineering

Managing Director of Orizio

Chairman of the Board of Directors of SABCA

Vice-Chairman of the Board of Directors of Liège airport

Director of BSCA

Director of SECO Group

Director of SOPARTEC

b- Associations:

Member of the YPO



2.2. Independent directors

As at 31 December 2022, the directors (in the case of legal entities, their permanent representative) who meet the independence criteria defined in Article 3.5 of the 2020 Code are:

- Hélène Bostoën
- Lieve Creten BV, having Lieve Creten as permanent representative
- B Global Management SRL, having Stéphane Burton as permanent representative

2.3. Other directors

- Luc Bertrand
- Piet Dejonghe
- Koen Janssen
- An Herremans
- Christian Labeyrie

2.4. Mode of operation

The Board of Directors is organised so as to ensure that decisions are taken in the interest of the Company and that work is executed efficiently.

The Board of Directors meets regularly and with sufficient frequency to perform its obligations effectively. It also meets whenever required in the interest of the Company.

2.5. Activities report

In 2022, the Board of Directors considered all major issues concerning CFE. It met seven times during the 2022 financial year.

In particular, the Board of Directors:

- approved the financial statements for 2021 as well as the financial statements for the first half of 2022
- examined the 2022 budget updates
- examined the 2023 budget
- reviewed the strategic plan of IAI / DEEP C, a subsidiary of Rent-A-Port
- reviewed matters that were presented at Risk Committee meetings and the evolution of the safety indicators
- examined the financial situation of CFE, changes in its debt levels and its working capital requirement
- examined the evolution of real estate projects and approved the acquisition and sale of several real estate projects worth more than ten million euros
- decided the fixed and variable remuneration arrangements for the CEO and member of the Executive Committee, at the proposal of the Nomination and Remuneration Committee
- submitted the partial demerger of CFE for approval to the extraordinary general meeting of 29 June 2022

The table below indicates the individual attendance rate of directors at Board meetings in 2022.

Directors (*)	Attendance / Number of meetings from 01/01/2022 to 05/05/2022	Attendance / Number of meetings from 05/05/2022 to 28/06/2022	Attendance / Number of meetings from 29/06/2022 to 31/12/2022
(*) Directors shown in blue are active members as of 31 December 2022			
Luc Bertrand	2/2	1/1	3/4
Piet Dejonghe	2/2	1/1	4/4
Koen Janssen	2/2	1/1	4/4
An Herremans	-	-	3/4
Christian Labeyrie	2/2	1/1	4/4
Hélène Bostoën	2/2	1/1	3/4
Lieve Creten BV/SRL represented by Lieve Creten	-	0/1	3/4
B Global Management SRL/BV, represented by Stéphane Burton	-	-	4/4
Jan Suykens	2/2	1/1	-
John-Eric Bertrand	2/2	1/1	-
Philippe Delusinne	2/2	1/1	-
Ciska Servais BV/SRL, represented by Ciska Servais	2/2	1/1	-
Pas de Mots BV/SRL, represented by Leen Geirnaerd	2/2	1/1	-
Much BV/SRL, represented by Muriel De Lathouwer	2/2	-	-

Periodic review procedures are organised by the Board of Directors in accordance with Article II.6 of the Charter. These are held upon the initiative and under the direction of the Chairman. As the Executive Committee was established in July 2022, the annual



review of the relationship between the Board and the Executive Committee took place for the first time in 2023.

2.6. Code of conduct regarding conflicts of interest

In the Charter (Article II.6.3), the Board of Directors published its policy regarding transactions between the Company or an affiliated company on the one hand, and members of the Board of Directors (or their close relatives) on the other, which may give rise to a conflict of interest (within the meaning of the Code of Companies and Associations) and, in certain cases, the application of a procedure provided for this purpose.

To the Board of Directors' knowledge, no decisions were made in 2022 giving rise to the application of this procedure.

2.7. Financial transactions

The Board of Directors published its policy on the prevention of market abuse in the Charter (Section V.3). At the meeting of 26 February 2015, the Charter was amended to align it to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

3. Audit and Risk Management Committee

This Committee monitors the preparation and verification of the accounting and financial information, as well as the effectiveness of the systems of internal control, supervision and risk management.

3.1. Composition

As at 31 December 2022, this Committee comprised:

- Lieve Creten BV/SRL, having Lieve Creten (*), Chairperson, as permanent representative
- Piet Dejonghe
- H el ene Bosto en (*)

(*) independent directors

The Board of Directors pays particular attention to ensuring that Audit Committee members have financial, accounting and risk management skills:

Lieve Creten is a management engineer (KU Leuven, 1989) and also holds a Master's degree in taxation (Brussels, 1989). Lieve Creten has been Managing Director of LC Advisory Services since 2021. Until 2021, she was an M&A partner at Deloitte Financial Advisory Belgium.

Piet Dejonghe received a degree in law (KU Leuven, 1989), a postgraduate degree in management (KU Leuven, 1990) and an MBA from INSEAD (1993). Before joining Ackermans & van Haaren in 1995, where he is currently CEO, he worked as a lawyer at the firm Loeff Claeys Verbeke and as a consultant at Boston Consulting Group.

H el ene Bosto en has a degree in management engineering (Solvay Business School, ULB, Brussels) and holds an MBA from INSEAD (Singapore and Fontainebleau).

She is currently managing director of Fenixco and Flanders-Immo JB, two companies active in real estate development.

3.2. Mode of operation and activity report

The Statutory Auditor participates in the work of the Audit Committee when the Committee so requests.

3.3. Activities report

The Audit Committee met four times during the 2022 financial year.

It examined, among other things:

- the financial statements for full-year 2021 and for the first half of 2022
- the quarterly financial statements for the first and third quarters of 2022
- the draft 2023 budget before it was presented to the Board of Directors
- the reports of the internal auditor
- changes in the results of the main projects
- changes in the group's cash position and the working capital requirement
- the group's off-balance sheet commitments, in particular the bank guarantees
- the auditor's reports



The Audit Committee paid particular attention to the group's internal control and monitored steps taken by CFE to improve it.

The table below indicates the individual attendance rate of the members of the Audit Committee at meetings in 2022.

Directors ^(*)	Attendance / Number of meetings from 01/01/2022 to 05/05/2022	Attendance / Number of meetings from 05/05/2022 to 28/06/2022	Attendance / Number of meetings from 29/06/2022 to 31/12/2022
(*) The members of the Audit Committee shown in blue are the active members as of 31 December 2022			
Piet Dejonghe	-	-	2/2
Hélène Bostoën	1/1	1/1	1/2
Lieve Creten BV/SRL, represented by Lieve Creten	-	0/1	2/2
Christian Labeyrie	1/1	0/1	-
John-Eric Bertrand	1/1	1/1	-
Pas de Mots BV/SRL, represented by Leen Geirnaerd	1/1	1/1	-
Much BV/SRL, represented by Muriel De Lathouwer	0/1	-	-

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ensures fair remuneration, taking into consideration the regulatory standards, the targets set, the risks and the rules of conduct set out in the Charter.

It chooses the most competent people for the supervision and management of the Company.

4.1. Composition

As at 31 December 2022, this committee comprised:

- Luc Bertrand, Chairman
- Lieve Creten BV/SRL, having Lieve Creten as permanent representative ^(*)
- B Global Management SRL/BV, having Stéphane Burton as permanent representative ^(*)

(*) independent directors

4.2. Activities report

The Nomination and Remuneration Committee met three times in 2022.

Over the course of the financial year 2022, the committee examined:

- the fixed and variable remuneration of the Managing Director (until 29 June 2022) and the CEO (as of 29 June 2022)
- the fixed and variable remuneration of the members of the Executive Committee and the directors
- the annual remuneration report
- the remuneration of the directors
- changes in HR management and succession planning
- the long-term incentive plan at CFE

The table below indicates the individual attendance rate of the members of the Nomination and Remuneration Committee at meetings in 2022.

Directors ^(*)	Attendance / Number of meetings from 01/01/2022 to 28/06/2022	Attendance / Number of meetings from 29/06/2022 to 31/12/2022
(*) The members of the Nomination and Remuneration Committee shown in blue are the active members as of 31 December 2022		
Luc Bertrand	2/2	1/1
Lieve Creten BV/SRL, represented by Lieve Creten	-	1/1
B Global Management SRL/BV, represented by Stéphane Burton	-	1/1
Hélène Bostoën	2/2	-
Much BV/SRL, represented by Muriel De Lathouwer	2/2	-

The main characteristics of the Nomination and Remuneration Committee's assessment process are set out in the internal regulations published in the Company's Charter.

5. Executive Committee

Following the partial demerger of CFE, the extraordinary general meeting of 29 June 2022 modified the Company's articles of association. On this occasion, it confirmed the possibility for the Board of Directors to delegate the day-to-day management to a single person, called the Chief Executive Officer or CEO, and to set up a committee, called the Executive Committee, composed of the CEO and one or more other persons responsible for managing the Company.



5.1. Composition

As of 31 December 2022, the Executive Committee is composed of

- TROREMA SRL/BV, having as permanent representative Raymund Trost, CEO and Chairman of the Executive Committee
- MSQ SRL/BV, having as permanent representative Fabien De Jonge, Chief Financial Officer of CFE
- Focus2LER SRL/BV, having as permanent representative Valérie Van Brabant, Chief People Officer of CFE
- ARTIST VALLEY SA/NV, having as permanent representative Jacques Lefèvre, CEO of Real Estate
- Bruno Lambrecht, CEO of Construction & Renovation Poland
- AHO Consulting BV/SRL, having as permanent representative Alexander Hodac, CEO of Construction & Renovation Belgium
- COEDO SRL/BV, having as permanent representative Arnaud Regout, Chief Investment Officer & New Development Real Estate
- 8822 BV/SRL ^(*), having as permanent representative Yves Weyts

(*) has resigned from all his functions and mandates within the CFE Group with effect from 1 January 2023.

The following are invited to attend all meetings of the Executive Committee

- Hexpedition BV/SRL, having as permanent representative Hans Van Dromme
- Manco BV/SRL, having as permanent representative Raphael de Visser
- Isabelle De Bruyne

<p>TROREMA SRL/BV Permanent Representative: Raymund Trost Chairman of the Executive Committee</p>	<p>Raymund Trost (born 1964, Belgian) holds a Master's degree in Economics and International Finance as well as a Master's degree in European Affairs & Econometrics (University of Leuven - 1987) and has undergone leadership training (Harvard University - 2014).</p> <p>He started his career at the Ministry of Finance (Research Analyst, 1987-1998). He then worked at BNP Paribas Fortis (Financial Analyst, 1989-1991). In 1991, he joined the European Commission as Deputy Administrator (Audit & Finance). In 1992, he joined Owens Corning (European Business Planning Manager) and for many years held the positions of Financial Director, General Manager and Managing Director (1996-2007). He ended his time with the company as CEO of 3B-The Fibreglass Company (Divested business by Owens Corning, 2007-2008). He then joined Saertex as Managing Director of Strategy & Business Development (2008-2010). In 2011, he joined Tyco Electronics (VP Telecom Networks, 2010-2011). He then served as CEO of the Joris Ide Group (2011-2015). In 2015, he joined the CFE Group as Chairman of the Executive Committee, CFE Contracting. Via his management company, he is currently CEO and Chairman of CFE's Executive Committee.</p>
<p>MSQ SRL/BV Permanent Representative: Fabien De Jonge Member of the Executive Committee</p>	<p>Fabien De Jonge (born 1972, Belgian) holds a Master's degree in Management (Leuven School of Management - 1995).</p> <p>He started his career at Arthur Andersen (Auditor, 1995-2000). He then worked at Bank Degroof Petercam (Internal Auditor, 2000-2001). In 2002, he joined the CFE Group where he started as Project Finance Manager. In 2004, he combined this function with that of Head of Finance at BPI. Since 2014, he has been the Chief Financial Officer of CFE via his management company.</p>
<p>Focus2LER SRL/BV Permanent Representative: Valérie Van Brabant Member of the Executive Committee</p>	<p>Valérie Van Brabant (born 1979, Belgian) holds a Master's degree in Business Administration (ICHEC - 2004) and has undergone training in HR Management (Vlerick Business School - 2016-2017) as well as training in General Management (INSEAD - 2022).</p> <p>She started her career at recruitment agency Robert Half and then Robert Walters (Senior Consultant, 2004-2007). In 2007, she joined the CFE group where she started as Recruitment and Development Consultant (2007-2013). She developed her career within the group as HR Manager of Louis Stevens & Co, Mobix Remacom, Mobix Engema, Mobix Engetec and BPI (2014-2019). In 2019, she was appointed Chief Human Resources Officer of CFE, CFE Contracting and BPI, and member of the Executive Committee of CFE Contracting (2019-2022). She is currently Chief People Officer of CFE through her management company.</p>
<p>ARTIST VALLEY SA/NV Permanent Representative: Jacques Lefèvre Member of the Executive Committee</p>	<p>Jacques Lefèvre (born 1962, Belgian) holds a degree in Commercial Engineering (ICHEC - 1988).</p> <p>In 2004, he joined the CFE group where he is Managing Director of BPI Real Estate Belgium, via his management company. In 2007, he was appointed member of the Board of Directors of the UPSI-BVS. In 2010, he was appointed Director of BPI Real Estate Poland and in 2014 of BPI Real Estate Luxembourg. Since 2018, he has chaired the Board of BPI Real Estate Poland. Since 2019, he has been a Director of Wood Shapers and Wood Shapers Luxembourg. He has also been appointed member of the Board of Directors CFE Polska.</p>
<p>AHO Consulting SRL/BV Permanent Representative: Alexander Hodac Member of the Executive Committee</p>	<p>Alexander Hodac (born 1981, Belgian) holds a Master's degree in Commercial Engineering (Solvay Business School - 2005).</p> <p>He started his career at Deloitte Financial Advisory Services (Senior Manager, 2005-2013). He then worked at Home Invest Belgium (Chief Commercial Officer, 2013-2015), Immoebel (Group Chief Executive Officer, 2015-2019) and Fosbury & Sons (Chief Executive Officer, 2019-2020). In 2020, he joined the CFE Group where he is currently Managing Director of Subsidiaries BPC and BPC Group, via his management company. He is also Managing Director of the Construction & Renovation Division in Belgium.</p>



<p>Bruno Lambrecht Member of the Executive Committee</p>	<p>Bruno Lambrecht (born 1971, Belgian) holds a degree in Civil Engineering (Katholieke Universiteit Leuven, 1996) and a degree in Industrial Engineering (VIVES, 1993).</p> <p>He started his career at Decloedt Engineering office (coordinating and monitoring the design of a steel structure for a power plant in Germany, 1996-1997). He then worked at IBS Engineering Office as a design and supervision manager for several projects (1997-1998). In 1998, he joined the CFE Group as site engineer of CFE Nederland. He then worked as Project Manager at CFE Polska (2000-2004). In 2004, he was Project Manager at CFE Brabant. In 2005, he joined CFE Polska again as Area Manager (2005-2009). Since 2009, he has been General Manager of CFE Polska.</p>
<p>COEDO SRL/BV Permanent Representative: Arnaud Regout Member of the Executive Committee</p>	<p>Arnaud Regout (born 1978, Belgian) holds an MBA in Corporate Finance (Solvay Brussels School - 2004).</p> <p>He started his career at Cushman & Wakefield (Valuation Analyst, 2003) and then worked at Ernst & Young (Senior Auditor, 2004-2007). From 2007 to 2008, he worked on several tax and financial projects within the Besix group. In 2008, he joined the CFE Group where he was Administrative and Financial Director of BPI Luxembourg and of the activities in Morocco and Tunisia (2008-2012). In 2012, he was appointed Deputy Director of BPI Luxembourg. He was then appointed Director of BPI Luxembourg where he was responsible for the development of real estate activities (2014-2015). Since 2015, he has been Chief Investment Officer of BPI and Managing Director of BPI Luxembourg. Since 2019, he has also been a Director of Wood Shapers, which he launched to accelerate sustainable development.</p>
<p>8822 SRL/BV Permanent Representative: Yves Weyts Member of the Executive Committee (until 31/12/2022)</p>	<p>Yves Weyts resigned from all his roles and left the CFE Group on 31 December 2022.</p>

5.2. Activities report

During the second half of 2022, the Executive Committee met eleven times.

The Executive Committee is primarily responsible for presenting the group's strategy to the Board of Directors and for monitoring and implementing the strategy after Board approval.

During the second half of the year, in the wake of the partial demerger, the Executive Committee redefined the ambition, strategic development foci and values of the CFE Group. In addition, a rebranding exercise was carried out, resulting in a new logo and new base line: Changing for Good.



6. Diversity policy

The Company considers that a diversified team improves the decision-making process and ultimately improves overall performance. Diversity and inclusion are a global priority for CFE, as they are important factors for the success of the Company and its people. The Company believes that its greatest strength lies in the diversity of its team and that its employees deserve to feel at ease by being their genuine selves at work each day, irrespective of gender, ethnic origin, sexual orientation or other characteristics. The Company keeps striving to improve all aspects of diversity within its team by developing a diverse pool of talents, paying attention to skills, training, experience and careers.

The procedure for the selection and appointment of the members of the Board of Directors and Executive Committee is described in the Charter. Its composition is based on a balance between experience, competence and independence, with respect for diversity, in particular equality between men and women.

At present, three of the eight members of the Board of Directors are women. By their complementarity, the directors' areas of expertise cover all the group's activities and their associated risks and opportunities.

See section 2.1 of this Corporate Governance Statement for a short biography of each of the members of the Board of Directors and Executive Committee, in particular their qualifications and careers.

7. External and internal audit and risk management

7.1. External audit

The Company's auditor is EY Réviseurs d'Entreprises SRL/BV, represented by Patrick Rottiers and Marnix Van Dooren. The auditor issues a limited review report on the Company's consolidated accounts in June and an opinion on the consolidated accounts on an annual basis in December. The statutory auditor was appointed at the ordinary general meeting of 6 May 2021 for a term of three years.

The remuneration received by EY Réviseurs d'Entreprises for the entire group in 2022 amounts to:

<i>(in € thousands)</i>	Amount	%
Audit		
Auditor's fees	758.8	89.50%
Other attestation missions	36.2	4.27%
Other missions outside the audit mission	44.9	5.30%
Subtotal, audit	839.9	99.07%
Non-Audit		
Tax advice assignments	7.9	0.93%
Subtotal, non-audit	7.9	0.93%
Total statutory auditors' fees	847.8	100%

7.2. Internal audit

In 2014, CFE created an Internal Audit department whose mission is to provide assurance on the degree of control of its operations within the group, and provide it with advice on how to improve them. It helps the group achieve its objectives by evaluating, through a systematic and methodical approach, its risk management, control and governance processes, and by making proposals to improve their effectiveness.

Reporting to senior management, Internal Audit maintains a close relationship with the Executive Committee and the Audit Committee, providing them with assurance on the effectiveness of risk management and internal control systems.

Nine audits were carried out during the 2022 financial year. They did not reveal any dysfunctions that are likely to have a material impact on the business and financial statements of the group. Those audits concerned:

- contractual risk in customer relationships
- waste management
- the payment process
- the selective bidding process
- stock management at LTS



- collecting information on sustainability
- the application of procedures relating to computer security
- the Checkin@Work
- simulation of cyberattacks

The Internal Audit department updates the risk identification for the main entities of the Construction and Multitechnics segments. These maps are reviewed every two years. It involves:

- listing the main sources of identifiable internal and external risks that prevent the attainment of the segment's goals and may have financial, human or reputational consequences
- assessing, on a qualitative scale, the criticality of the risks based on their potential impact, probability of occurrence, and the degree of control for the various events constituting those risks
- defining appropriate ways to address those risks

7.3. Internal control and risk management systems

7.3.1. System and organisation of internal control

CFE's Executive Committee is responsible for establishing common guidelines for the group (the "Internal Procedures Manual").

These directives are mainly related to:

- safety, quality and environment
- integrity
- acceptance of new business
- project management and monitoring
- acquisitions of shares in ordinary companies and in the capital of companies;
- procurement and subcontracting
- investment
- accounting and financial management
- human resource management
- legal affairs, tax and insurance management
- internal and external communication
- information security

The respective managements of the subsidiaries are responsible for implementing these guidelines by establishing detailed procedures and structuring the organisation to ensure that these procedures are properly applied.

CFE maintains direct and regular control over its subsidiaries, in particular by:

- the presence of CFE's directors and/or members of the Executive Committee on the Boards of Directors of its subsidiaries and the Selection Committee, Risk Committee and Investment Committee (see 7.3.5.2)
- the quarterly budget review (see 7.3.5.2)
- the selecting and monitoring of, (due diligence) and the decision to acquire stakes in third-party companies and monitoring restructuring operations within subsidiaries
- centralising the subscription and project insurance policies covering all of the group's insurable risks
- pooling the group's cash
- ad hoc assignments by the internal auditor (see 7.2) aimed at:
- monitoring the effective implementation by each group subsidiary of the internal control procedures established in accordance with the guidelines defined at group level, and
- centralising the results of internal controls carried out by subsidiaries to gain a sound knowledge and understanding of the nature, intensity and location of the risks to which the group as a whole is exposed

The Audit Committee assesses at least annually the internal control procedures that the Executive Committee has developed to ensure that the main risks have been properly identified, reported and managed.

At the quarterly meetings of the Audit Committee, the quarterly financial figures and findings of the internal audit department are presented to the members of the Audit Committee and to the statutory auditor.

The Board of Directors is responsible for assessing the implementation of control procedures within the group, taking the recommendations of the Audit Committee into account.



7.3.2. Internal control objectives

Internal control objectives are multiple, such as compliance with laws and regulations, application of instructions set by CFE's general management, safeguarding of assets and the reliability of financial information.

7.3.3. Scope of internal control and risk management

The scope of risk management and internal control covers all fully consolidated subsidiaries.

The Boards of Directors of the jointly-held companies, namely Rent-A-Port, Green Offshore and the Real Estate Development SPVs, are responsible for their internal control. However, through its representatives on the boards of these companies, CFE ensures that it promotes its own good practices.

7.3.4. Risks identified

For identification of the main risks, please refer to chapter II.1.2 of this Management Report.

7.3.5. Internal control activities and procedures

Some of the internal control activities and procedures set out in Section 7.2 and described in more detail below are common to the entire group, while others are specific to one or more segments.

7.3.5.1. Activities and procedures common to the whole group

Financial reporting

CFE gives clear financial reporting instructions to the subsidiaries with deadlines and rules for preparation and valuation. An external audit of the half-yearly and annual financial statements also takes into account elements of internal control and risk management at entity level.

The adequacy of those procedures is verified and audited at regular intervals and improved if necessary. An appropriate allocation of responsibilities and coordination between the departments involved guarantee efficient and timely communication of periodical financial information to the market.

Information security is monitored by a periodical IT audit, a proactive approach involving the implementation of updates, backup facilities and timely testing of the IT infrastructure. Business continuity and disaster recovery plans have also been put in place.

CFE monitors financial reporting standards. Changes in the legal framework and their impact on financial reporting are regularly monitored by the finance department.

Significant changes in the internal control environment or the IFRS accounting standards applied by the group are submitted to the Audit Committee for review and to CFE's Board of Directors for approval.

Quarterly budget review

Budget review meetings are held quarterly. These meetings are attended by the CEO, the CFO and the Director of Finance & Controlling of CFE, as well as the CEO of the division concerned, the managing director or general manager of the entity concerned, its COO and CFO.

The topics discussed include:

- the budgets (and their quarterly updates)
- the volume of business for the current financial year and the detail of the order book
- the latest financial statements that were communicated (balance sheet and income statement)
- the projected result of the subsidiary, with details of profit margins per project
- the analysis of the entity's balance sheet
- the analysis of current risks including a presentation of legal disputes
- the status of guarantees given
- investment or divestment requirements
- the cash position and projected changes in the next 12 months

7.3.5.2. Segment-specific business authorisation procedures

In addition to the specific procedures described above, which are common to the entire group, business authorisation procedures specific to the Construction & Renovation and Multitechnics segments on the one hand, and to Real Estate Development on the other, have been put in place.

Authorisation procedures specific to the Construction & Renovation and Multitechnics segments

- The Selection Committee
This is composed of the members of the Executive Committee.



Tender studies for Design & Build projects (including DBFM, DBF, DBM) that represent a potential design or financing risk for a subsidiary must be approved in advance by the Selection Committee.

If the Committee decides to respond to the submission request, it allocates a submission study budget and sets a timetable. Project progress and the budgetary follow-up of the study is presented to the Selection Committee in accordance with the schedule.

- Risk Committee

This is composed of the Chair of the Risk Committee, the CEO of CFE, the CFO of CFE, a director representing the controlling shareholder of CFE, a member of the Executive Committee in charge of the division, and the operational or functional representatives of the entity concerned.

Projects with a high risk profile, Construction projects worth more than €50 million, and Multitechnics projects worth €10 million or more must be approved by the Risk Committee before bid submission. The Committee reviews the technical, commercial, contractual and financial risks of the projects that are submitted to its scrutiny.

Authorisation procedures specific to the Real Estate Development segment

- The Strategy and Investment Committee

This is composed of the Directors of BPI, the Head of Legal, the Head(s) of Development and the Country Manager(s) of BPI concerned. The Finance Director of BPI and the author of the Investment Proposal are invited ex officio to attend the meetings.

The Strategy and Investment Committee is tasked with analysing and approving all real estate investments of BPI. Those valued at more than €10 million require the approval of the BPI and CFE boards.

The Strategy and Investment Committee is not authorised to represent the Company and does not exclude the competence of the Board of Directors. The Board of Directors may at any time deliberate on any investment or divestment project involving any amount and decide, where appropriate, instead of the Strategy and Investment Committee.

7.3.5.3 Specific internal control activities initiated during the past financial year

During the financial year 2022, CFE's internal control was strengthened mainly through the implementation of the results of the Fit4Future programme aimed at improving performance in the three entities within Construction & Renovation in Belgium. The programme has several elements, including selecting tenders to increase project profitability, maximising operational excellence on site, increasing economies of scale in procurement, improving existing Opportunity & Risk Management (ORM) systems and strengthening contract change management.

Preparation for the migration to a new ERP system for the Construction & Renovation subsidiaries initially, and for the Multitechnics activities in a second phase, continued. In concrete terms, the needs analysis by discipline, alignment of processes, design of the future model, drafting of specifications and selection of the tools and IT consultant were carried out during the past year.



8. Shareholder base

The Company's majority shareholder is Ackermans & van Haaren, which owns 15,725,684 shares (or 62.12%) of the Company.

Ackermans & van Haaren is controlled by Scaldis Invest, which owns 33%. Belfimas holds 92.25% of the capital of Scaldis Invest. Ultimate control over Scaldis Invest is exercised by Stichting Administratiekantoor 'Het Torentje'.

Stichting Administratiekantoor "Het Torentje" The ultimate controlling shareholder	
	Control
BELFIMAS NV	
	92.25%
SCALDIS INVEST	
	33%
ACKERMANS & VAN HAAREN Listed on the Euronext Brussels stock exchange	
	62.12%
COMPAGNIE D'ENTREPRISES CFE Listed on the Euronext Brussels stock exchange	

9. Derogations from the 2020 Code

Derogations from the 2020 Code relate exclusively to the remuneration of non-executive directors, and in particular to principle 7.6 of the 2020 Code. The valid reasons for this derogation are set out in the Remuneration Policy on page 76, section 1.



IV. REMUNERATION REPORT

1. Remuneration policy

The current remuneration policy has been established within the framework of article 7:89/1 of the Code of Companies and Associations and the Belgian Corporate Governance Code 2020. It was adopted by the Company's Board of Directors upon the recommendation of the Nomination and Remuneration Committee and was approved by the Company's General Meeting of 29 June 2022.

The current remuneration policy replaces the previous policy which was in effect until 29 June 2022.

The remuneration policy applies to the following individuals:

- non-executive Directors
- the CEO
- the other Company executives who, as a committee (the Executive Committee), participate in the general management of CFE within the meaning of article 3:6, §3 of the Code of Companies and Associations

The remuneration policy is designed to support the Company's performance culture and long-term value creation. It aims to attract and retain the executive managers and Directors with a wide range of skills needed in different areas to grow the Company's business.

This section only summarizes the company's remuneration policy. The policy can be consulted in its entirety on the company's website, in the appendix to CFE's Corporate Governance Charter. In the event of a discrepancy between the remuneration policy and the presentation of this section, the compensation policy shall prevail.

1.1. Governance – Procedure

The remuneration policy is established by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. It is then submitted to the General Assembly for approval. Any significant change in the remuneration policy is also subject to approval by the General Meeting.

Annually, the Remuneration Committee receives a proposal from the CEO on how to determine the performance criteria achieved and the level of remuneration for executive managers and Directors. The member of the Executive Committee responsible for human resources management within the Company makes the proposal for the CEO. These proposals refer to the application of the remuneration policy and, if an exception is made, shall set out the reasons for the proposed exception.

The role of the Remuneration Committee is to advise and assist the Board of Directors and, as such, the Remuneration Committee:

- reviews the remuneration proposal coming from the Executive Committee
- makes recommendations to the Board of Directors concerning the individual remuneration of the Directors, the CEO and the members of the Executive Committee
- assesses the performance of the CEO and, if deemed appropriate, also assesses the performance of the other members of the Executive Committee, in collaboration with the CEO
- assesses the Executive Committee's achievement of the Company's strategic objectives on the basis of performance indicators and the objectives of the remuneration policy
- oversees the preparation of the remuneration report included in the annual report

The individual remuneration of the non-executive Directors is approved by the General Meeting and, where applicable, the individual remuneration of the CEO is approved by the Company's Board of Directors. In each case, this remuneration is determined on the basis of the remuneration policy, further to the advice of the Nomination and Remuneration Committee.

To prevent conflicts of interest from arising, the CEO is not invited to take part in the Nomination and Remuneration Committee's discussions, or those of the Board of Directors regarding his own remuneration. In addition, the provisions of the Code of Companies and Associations relating to conflicts of interest are complied with wherever applicable.

1.2. Remuneration policy for non-executive Directors

The remuneration consists of:

- (i) a fixed annual amount; and
- (ii) attendance fees: these are allocated to non-executive Directors for their attendance at Board meetings and, where applicable, for their attendance at meetings of the Audit Committee and the Nomination and Remuneration Committee. Directors' fees are also allocated to Directors with specific tasks by the Board of Directors



Where appropriate, non-executive Directors are also entitled to an additional fixed remuneration for the provision of specific services, such as chairing the Board of Directors or a committee.

Non-executive Directors are also reimbursed for expenses incurred during the execution of their duties, according to conditions set by the Board of Directors.

Non-executive Directors do not receive variable remuneration, such as bonuses or stock options. They also do not receive benefits in kind or benefits from pension plans.

Directors are invited but not obliged to hold shares in the Company. This deviation from principle 7.6 of the Belgian Corporate Governance Code 2020 is justified by the fact that the Company's policies adequately promote a long-term perspective. In addition, several Directors, in the context of their functions at Ackermans & van Haaren ("AvH"), are already exposed to changes in the value of the Company, taking into account the number of shares they hold in AvH, the value of which partly depends on the value of the Company.

Non-executive Directors shall serve as self-employed persons and may be dismissed at any time without notice on compensation.

1.3. CEO Remuneration Policy

1.3.1. Remuneration Structure

The CEO's remuneration includes only the following items:

- (i) a fixed annual remuneration based on the market median for a similar position
- (ii) a variable remuneration determined on the basis of certain performance criteria to be achieved in a given financial year (variable STI) and
- (iii) a variable compensation granted either on the basis of performance criteria assessed over several financial years (LTI compensation) or in the form of stock options in accordance with the law of 26 March 1999 (SOP plan)

In accordance with the current remuneration policy, the CEO will not receive LTI compensation if the CEO has become or has the possibility to become a shareholder of the Company through the exercising of options granted under a previous remuneration policy.

1.3.2. Contractual terms of the CEO

The relationship between the Company and its CEO is one of providing specialist services. The agreement between the Company and the company providing the CEO services contains the usual fee provisions (fixed and variable STI and variable LTI compensation or SOP Plan) in line with the provisions of the Remuneration Policy as well as the usual non-competition and confidentiality provisions. Where appropriate, the agreements will be adapted to reflect changes in the Remuneration Policy. This service agreement does not provide for any benefit of any kind to any individual.

The agreements between the Company and the CEO also include provisions on the criteria for awarding variable remuneration and providing for a right of recovery in favour of the Company of all or part of the variable remuneration awarded on the basis of incorrect financial data, irrespective of whether the remuneration has already been paid.

The agreements are valid for an indefinite period.

The CEO may unilaterally terminate the contract with six months' notice. The Company may unilaterally terminate the contract subject to six months' notice.

1.4. Remuneration policy for members of the Executive Committee

1.4.1. Remuneration Structure

The Executive Committee's remuneration includes only the following:

- (i) a fixed annual remuneration based on the market median for a similar position
- (ii) a variable remuneration determined on the basis of certain performance criteria to be achieved in a given financial year (variable STI)
- (iii) a variable remuneration granted on the basis of performance criteria assessed over several financial years (LTI compensation)

In accordance with the current Remuneration Policy, a member of the Executive Committee will not receive LTI compensation if this member has become or has the possibility to become a shareholder of the Company through the exercising of options granted under a previous remuneration policy.



1.4.2. Contractual conditions of the members of the Executive Committee

The arrangements between the Company and members of the Executive Committee may take the form of either an employment contract or a service contract with an independent service provider or a specialist company.

These agreements contain the usual provisions on remuneration (fixed and variable remuneration), non-competition and confidentiality, as well as provisions on the criteria for awarding variable remuneration, and providing for a right of recovery in favour of the Company of variable remuneration awarded on the basis of incorrect financial data, irrespective of whether or not the remuneration has already been paid.

The agreements are valid for an indefinite period.

Where the Executive Committee member provides his or her services under an employment contract, this member receives the following benefits in addition to his or her fixed and variable remuneration: transportation costs, group insurance, expatriation costs if applicable and a company car. In the event of a breach of contract, the legal provisions, as construct by the case law of the courts, are applicable.

Where the Executive Committee member provides his or her services under a service contract, the Executive Committee member does not receive any other benefits. The member of the Executive Committee may unilaterally terminate his or her contract with six months' notice. The Company may unilaterally terminate the contract with six months' notice. For certain members of the Executive Committee, this period may be extended to a maximum of 12 months, depending on the length of the contract concerned at the time the unilateral agreement is terminated by the Company.

1.5. Mandates in subsidiaries

Non-executive Directors, the CEO or any member of the Executive Committee may serve as an executive or non-executive director of the Company's subsidiaries. Any remuneration received for exercising these mandates is included in the Company's remuneration report.

It should be noted, however, that this remuneration is also passed on to AvH when it is earned by a director, who is also a member of AvH, by virtue of an agreement between this director and AvH.

As the Company's subsidiaries are not listed, the remuneration of their members who are not Directors, CEOs or members of the Executive Committee of the Company does not fall within the scope of the Code of Companies and Associations on remuneration policy and remuneration report.

Nevertheless, the Company sees to it that a sound and adequate remuneration policy is applied within its various entities. To emphasise the creation of short and long-term value, the Company ensures that, within its subsidiaries, remuneration based on individual performance and the performance of the Company is in place. In addition, it should be noted that the contracts of executive managers in subsidiaries (excluding the position of managing director of the company) provide for the recovery of variable remuneration that may have been granted on the basis of incorrect financial information.

Unless otherwise agreed between the parties, termination of the relationship between the Company and the director will result in termination of the mandates held in the Company's subsidiaries.

1.6. Changes since the last Remuneration Policy

There has been no significant change in the Remuneration Policy since its adoption by the General Meeting of 29 June 2022.

1.7. Option to deviate from the Remuneration Policy

In the event that exceptional circumstances make it necessary to deviate from the Remuneration Policy in order to serve the long-term interests and viability of the Company as a whole or to ensure its viability, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, is empowered to temporarily modify the remuneration of the non-executive Directors, the CEO or the members of the Executive Committee. This change may relate to any element of remuneration, while respecting the respective competences of the Board of Directors and the General Meeting.



2. Remuneration report

The remuneration of the non-executive Directors, the CEO and the members of the Executive Committee for 2022 is detailed in this report.

The report also takes into account and explains the change in the Company's management structure following the demerger approved at the General Meeting held on 29 June 2022.

As a result of the demerger, the report separately shows the remuneration received in accordance with the remuneration policy in force until 29 June 2022 and the remuneration received in accordance with the new Remuneration Policy.

2.1. Remuneration of non-executive Directors

A total amount of €427,000 was paid to non-executive Directors in 2022, distributed as shown in the table below. No other remuneration or benefits, loans or guarantees have been granted to them by the Company. No non-executive director received variable remuneration in accordance with the remuneration policies in force both before and after 29 June 2022.

2022 (in € thousands)	Fixed remuneration	Attendance fees	Audit Committee	Audit Committee	Total remuneration
Luc Bertrand	100	0	0	4.5	104.5
Philippe Delusinne	10	7.5	0	0	17.5
Christian Labeyrie	20	17.5	2	0	39.5
Ciska Servais SPRL, represented by Ciska Servais	10	7.5	0	0	17.5
Koen Janssen	20	17.5	0	0	37.5
PAS DE MOTS BVBA, represented by Leen Geirnaerd	10	7.5	4	0	21.5
Jan Suykens	10	7.5	0	0	17.5
John.-Eric Bertrand	10	7.5	5	0	22.5
Much SPRL, represented by Muriel De Lathouwer	5.2	5	0	3	13.2
Hélène Bostoën	20	15	6	3	44
Lieve Creten BV, represented by Lieve Creten	14.8	7.5	5	1.5	28.8
B Global Management SRL, represented by Stéphane Burton	10	10	0	1.5	21.5
An Herremans	10	7.5	0	0	17.5
Piet Dejonghe	10	10	4	0	24
Total	260	127.5	26	13.5	427

2.2. Remuneration of the Managing Director until 29 June 2022

Until 29 June 2022, the Managing Director of the Company was a member of the Executive Committee of AvH. Accordingly, his remuneration with the Company consisted solely of the following elements, in accordance with section 1.3 of the remuneration policy in effect until that date:

- (i) a fixed annual remuneration for his membership on the Company's Board of Directors, attendance fees and remuneration for his participation in certain committees as described in the previous point and
- (i) any remuneration granted in the context of non-executive Directorships in certain subsidiaries of the CFE Group

In accordance with the remuneration policy in force at the time, the Managing Director did not receive any variable remuneration, nor benefits in kind such as a pension plan, insurance or a company car.

All remuneration indicated in this section has been retroceded by the Managing Director to AvH, in accordance with a binding agreement between them.

Until 29 June 2022, there were no other executive Directors or officers falling within the scope of the remuneration policy then in force.



(in € thousands)	Fixed remuneration			Variable compensation			Extraordinary elements	Cost of the pension	Total	Proportion of fixed and variable compensation
	Fixed, basic management remuneration	Additional benefits	Total	Short Term	Long Term	Total				
Piet Dejonghe	10	7.5	17.5	0	0	0	0	0	17.5	N/A

* These additional benefits took the form of attendance fees for the Managing Director's participation in Board meetings

2.3. Remuneration of the CEO and the members of the Executive Committee from 29 June 2022 to 31 December 2022

Following the partial demerger on 29 June 2022, a new organisation has been put in place characterised by the presence of a CEO and an Executive Committee.

The remuneration of the CEO and the members of the Executive Committee has been governed by a new Remuneration Policy since that date and is as follows.

2.3.1. Total remuneration of the CEO and the Executive Committee

The total remuneration broken down by component, paid by the Company or by a company belonging to its group, is as follows for the persons concerned:

(in € thousands)	Fixed remuneration			Variable compensation			Extraordinary elements	Cost of the pension	Total	Proportion of fixed and variable compensation
	Basic remuneration	Additional benefits	Total	Short Term	Long Term	Total				
Trorema SRL, rep. Raymund Trost (Ex. 2022)	281	0	281	225	0	225	0	0	506	55-45
Executive Comitee**	995	53.5	1,048.5	522.75	275	797.75	0	6.75*	1,853	56.5-43

* Contributions paid under a Defined Benefit pension plan

** Excluding CEO

2.3.2. Explanation of performance during the year 2022

The Remuneration Policy for the CEO and the members of the Executive Committee was adopted during the year. Similarly, the CEO and the members of the Executive Committee only held their positions during the part of the financial year covered by this remuneration report.

In these circumstances, neither the performance criteria used under the current Remuneration Policy nor those used under the previous policy could be applied. In the interest of fairness, the performance criteria applicable to the CEO and the members of the Executive Committee in their previous functions will be applied and, insofar as these have not been established with a view to contributing to the performance of the Company but to that of certain subsidiaries, it is not possible to explain how the remuneration of these executive managers contributes to the Company's performance for the financial year or over the long term. Notwithstanding this, the Company's executive officers remain exposed to the Company's performance, in particular through the shareholding of some.



2.3.3. Share-based remuneration of the CEO and the Executive Committee

	Main provisions of the Stock Option Plan						Information relating to the financial year covered by the Report			
	Identification of the plan	Award date	Vesting date	End of the retention period	Exercise period	Exercise price	Opening balance	In the course of the financial year covered by the Report		Closing balance
							Number of options at the beginning of the year	A) Number of options awarded B) Value of underlying shares on the Award date	A) Number of options granted B) Value of underlying shares @ vesting date C) Value @ exercise price D) Gain on vesting date	Number of options awarded but not yet granted
Valérie Van Brabant	CFE 2022 Option Plan	17/10/22	01/12/22	31/12/25	01/01/26 16/10/29	€10.31	0	A) 60,000 options B) €10.31	A) 60,000 options B) €9.40	0
Bruno Lambrecht	CFE 2022 Option Plan	17/10/22	15/12/22	31/12/25	01/01/26 16/10/29	€10.31	0	A) 140,000 options B) €10.31	A) 140,000 options B) €9.01	0

2.4. Annual changes in remuneration and Company performance

The table below gives an overview of the annual change in the remuneration of each non-executive Director, the managing director, the CEO, members of the Executive Committee and employees (average on a full-time equivalent basis). It also provides an overview of annual changes in the Company's performance.

	2018	2019	2020	2021	2022
Changes in the remuneration of the CEO and the Executive Committee (% compared to previous year)					
Luc Bertrand	0%	0%	0%	0%	+1.46%
Philippe Delusinne	-22.50%	+12.29%	+12.50%	-11.77%	*-48.53%
Christian Labeyrie	-15.79%	+0%	+12.50%	0%	+9.72%
Ciska Servais SPRL, represented by Ciska Servais	-2.44%	-17.5%	-3.04%	0%	*-45.31%
Koen Janssen	-11.76%	+0%	+6.25%	0%	+17.19%
PAS DE MOTS BVBA, represented by Leen Geirnaerd	+2.86%	-13.89%	+6.45%	+9%	*-40.28%
Jan Suykens	-11.76%	+0%	+6.67%	0%	*-45.31%
John.-Eric Bertrand	-5.00%	-5.00%	-5.00%	0%	*-43.75%
Much SPRL, represented by Muriel De Lathouwer	/	+55.22%	+9%	+2.78%	*-64.32%
Hélène Bostoën	/	/	/	/	+75.3%
Lieve Creten BV, represented by Lieve Creten	/	/	/	/	**N/A
B Global Management SRL, represented by Stéphane Burton	/	/	/	/	**N/A
An Herremans	/	/	/	/	**N/A
Piet Dejonghe	-6.25%	-6.25%	+6.25%	0%	**N/A
Trorema SRL, represented by Raymund Trust	/	/	/	/	**N/A
Executive Committee	/	/	/	/	**N/A
Change in average employee compensation					
	2018	2019	2020	2021	2022
CFE SA employee (average)	€81,236.35	€85,012.02	€86,061.31	€80,180.10	€80,118.92
Ratio between the highest and lowest compensation					14.12

**Company performance**

<i>(in € thousands)</i>	2018	2019	2020	2021	2022
Criterion 1: Net consolidated income of the CFE Group (pre-tax)	24,650	21,343	29,438	51,937	47,360
Criterion 2: Return on equity of CFE SA	20.9%	13.6%	20.9%	41.5%	22.0%
Criterion 3: Return on Capital Employed for Real Estate segment	9.9%	9.9%	16.1%	15.7%	9.2%
Criterion 4: Result before tax for the Multitechnics segment				18,337	10,520
Criterion 5: Result before tax for the Construction & Renovation segment				6,850	12,762

* The extent of the change is explained by the termination of functions during the financial year or the previous one

** Change not applicable due to the absence of data for the year in question because the persons concerned took up their functions during the financial year or changed their status.

V STATEMENT OF NON-FINANCIAL INFORMATION

Pursuant to Article 3:32, §2 of the Code of Companies and Associations, the annual report must include a Statement of Non-financial Information. This statement is contained in the next section of this annual report, of which it forms an integral part.

On behalf of the Board of Directors, 24 March 2022.

Luc BERTRAND

Chairman of the Board of Directors