Next generations deserve new heroes

ANNUAL REPORT 2022

cfe | CHANGING FOR GOOD

Annual report 2022

Pursuant to the Belgian Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market, Compagnie d'Entreprises CFE is required to make its annual financial report available to its shareholders. This report includes:

- the combined statutory and consolidated annual report of the Board of Directors, drawn up in accordance with Article 3:32,§1, last paragraph, of the Code of Companies and Associations;
- a condensed version of the statutory financial statements, drawn up in accordance with Article 3:17 of the Code of Companies and Associations; and
- the full version of the consolidated financial statements.

The complete statutory financial statements, the annual report of the Board of Directors and the auditor's report are filed with the National Bank of Belgium in accordance with Articles 3:10 and 3:12 of the Code of Companies and Associations. The statutory auditor has issued an unqualified opinion on the statutory and consolidated financial statements.

Pursuant to Article 12, §2, 3° of the Royal Decree of 14 November 2007, Trorema SRL, represented by Raymund Trost, CEO and Chairman of the Executive Committee, and MSQ SRL, represented by Fabien De Jonge, Chief Financial Officer, certify that, to their knowledge:

a. the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, financial position and results of Compagnie d'Entreprises CFE and of the companies included in its scope of consolidation;
b. the directors' report contains a true and fair presentation of the business, results and position of Compagnie d'Entreprises CFE and of the companies included in its scope of consolidation, along with a description of the main risks and uncertainties to which they are exposed.

The annual report, the full versions of the statutory and consolidated financial statements, and the statutory auditor's report on those financial statements are available on the website (www.cfe.be) or can be obtained free of charge and on request at this address:

Herrmann-Debrouxlaan 42 – 1160 Brussels (Belgium)
Tel. +32 2 661 18 15 - info@cfe.be.

Contents

This is an interactive report. When you see this icon, click for more information.

Shareholder information

Financial calendar

4 May 2023:	annual general meeting
17 May 2023:	Interim statement 31 March 2023
30 August 2023:	half-year results 2023
21 November 2023:	Interim statement 30 September 2023

Proposed dividend

The general meeting of 4 May 2023 will be asked to approve the profit appropriation for the financial year 2022, namely a gross amount of 0.40 euros per CFE share, the equivalent of 0.28 euros net per share (after deduction of the 30% withholding tax).

This dividend shall be payable from 24 May 2023, either by bank transfer to the holders of registered shares, or by crediting the bank account of the owners of shares in electronic form. The financial service is provided by Banque Degroof Petercam (System Paying Agent).

Investor relations

Additional information is available on our website (www.cfe.be), such as:

- the annual and half-yearly reports, as well as the quarterly interim statements;
- other press releases;
- presentations for analysts and investors;
- online subscription to receive investor information (notices of publications, press releases, etc.).

Profile of the CFE Group

Preliminary comments - Partial demerger

On 29 June 2022, the Company carried out a partial demerger whereby its fully-owned subsidiary DEME, and all of DEME's activities were transferred to a newly incorporated company called DEME Group. In this transaction, each CFE shareholder received one share in the DEME Group for each CFE share held at the time of the demerger.

General description of the CFE Group

CFE is a multidisciplinary group developing global solutions for complex societal challenges in the fast-growing sustainable building markets, smart industries and tomorrow's energy and mobility infrastructures. To achieve this, the group combines the strengths of its four segments: Real Estate Development, Multitechnics (including building management, industrial automation and energy and mobility infrastructure), Construction & Renovation and Sustainable Investments.

CFE aims to play a leading role in these key markets by challenging the status quo and changing what is unsustainable for future generations. The group has therefore placed innovation, sustainability and safety at the heart of its activities. Its mission is to bring people, skills, materials and technology together in a community of "Changing for good". This orientation has enabled the group to assume a pioneering role in sustainable building materials, large-scale renovation, advanced energy management and other areas of critical societal value. CFE was then ranked Top ESG company by Sustainalytics, placing it in the top 10 of its sector worldwide.

CFE's SPARC strategy serves as a compass for the group's entities. It guides the Shift towards innovation and sustainability, the desire to Perform and achieve operational excellence, the Acceleration of its growth through an integrated group approach, the creation of value and Returns for all shareholders, and the creation of a true Community of change-makers both inside and outside the organisation.

CFE is active in Belgium, Luxembourg and Poland, and started its first project in Germany in 2023. The group has more than 3,000 passionate employees and is headquartered in Brussels, with local offices in Warsaw and Luxembourg City. Its main shareholders are Ackermans Van Haeren (62.12%) and VINCI Construction (12.11%).

Meet the new CFE

How we change for good

Our Manifesto

The next generations deserve new heroes.

They deserve hope.

That's why we at CFE are stepping up our ambition to challenge the status quo. To seek out what is not sustainable and change it.

Because when you are active in industries that have the potential to shape the future world, you have a responsibility to take care of the next generations.

The responsibility to be their new heroes.

Yes, we pledge it here.

By bringing together people, skills, materials and technology in a community of change for good.

We're not afraid to share our ambitions with the world. Nor will anything stop us from trying to achieve our goals.

Because together, our community is infinite. Everybody who wants change and believes in it, can join.

Because as history teaches us: if enough of us believe that we can change the world together, there's no limit to what we can achieve.

cfe | CHANGING FOR GOOD

1 ambition, 4 segments, 3 markets

As a multidisciplinary group, we're active in industries that have the potential to shape the world of tomorrow. We therefore have a responsibility to change what is unsustainable for the sake of future generations. Our four complementary segments - Real Estate Development, Multitechnics, Construction & Renovation and Sustainable Investments - offer global solutions to complex societal challenges. With our portfolio of 15 subsidiaries, we aim to be a leader in the high-growth markets of sustainable buildings and cities, smart industries, and infrastructure for the energy and mobility of tomorrow. With one ultimate goal: Changing for good.

Our ambition

We bring people, skills, materials and technology together in a community of change for good.

Our 3 markets

1

Sustainable buildings and cities

2

Smart Industries

3

Infrastructure for the energy and mobility of tomorrow

Our 4 segments

Real estate development

Active in Poland, Luxembourg and Belgium, BPI Real Estate is a leading player in real estate development. Its approach to development is resolutely focused on the urban projects of the future, with a desire to rethink spaces by defending the values of sustainability, high architectural quality, respect for the environment and social commitment.

Multitechnics

Building the mobility infrastructure of tomorrow, developing smart technology solutions for optimising the energy efficiency of buildings, and accelerating automation and robotisation to offer solutions at the cutting edge of Industrialisation 4.0. With VMA and Mobix, CFE's multitechnics segment is an essential player in transforming society.

Construction & Renovation

In Belgium, Poland and Luxembourg, CFE's companies in the Construction & Renovation segment share the same vision, resolutely anchored in the future. Operational excellence, innovation and digitalisation of processes are put to use in sustainable and circular projects. Large-scale renovations and wood or hybrid constructions are the best examples and demonstrate the pioneering role played by CFE.

Sustainable Investments

Through its participation in Rent-A-Port and Green Offshore, the CFE Group invests in sustainable initiatives in Belgium and Vietnam. Offshore wind farms, battery farms to store green energy, developing ports and related industrial zones... Numerous projects now responding fully to the challenges of tomorrow's society.

bpi

bpi LUXEMBOURG

bpi POLAND

vma

mobix

arthur vandendorpe

lts

benelmat

mbg

bpc group

van laere

cle

wood shapers

cfe

cfe

Rent-A-Port (50%)

Green Offshore (50%)

Message from the Chairman and CEO

Making a difference for future generations

2022 was a pivotal year for CFE. With the partial demerger of DEME, the multidisciplinary group has gained agility by focusing on four main and complementary segments: Real Estate Development, Multitechnics, Construction & Renovation, and Sustainable Investments. The group aims to use its various entities' competences and synergies to be a leader in the high-growth markets of sustainable buildings and cities, smart industries, and infrastructure for the energy and mobility of tomorrow.

Click here to watch our corporate movie

Luc Bertrand, Chairman of the Board of Directors
Raymund Trost, CEO of the CFE Group

The CFE Group concludes the year on a positive note, with a record order book and very good prospects.

> **"The partial demerger with DEME offers a unique opportunity for CFE to clarify its positioning and to refocus on its four segments."**
>
> Luc Bertrand

Raymund Trost, CEO of CFE: We have achieved strong operating results for the second consecutive year, with all four business lines contributing significantly. We have strengthened our financial position despite extreme macroeconomic volatility and significant investment in our growth businesses. This is the result of the strength of our multidisciplinary business model and the outstanding work of our employees. We're improving our project management for clients on a daily basis and are more selective than ever in pursuing only projects with the right risk/reward ratio.

Luc Bertrand, Chairman of the Board of Directors: "Our good health owes much to the strategic decisions we have made over the past several years, which are now proving their relevance. The complementary nature of our businesses and our multidisciplinary approach are more than ever proving to be our strengths, allowing us to compensate for market fluctuations and, above all, to offer particularly competitive integrated solutions. Our approach to sustainability - which has been at the heart of our value-creation model for several years - is also proving its worth, with convincing results in all entities. All of this allows us to approach 2023 with renewed energy, under our renewed brand image and internal structure."

Luc Bertrand also discusses the partial split with DEME and insists on the new ambitions which result from it: "This partial demerger offers a unique opportunity for CFE to clarify its positioning, both internally and with respect to its partners, shareholders and clients, and to refocus on its four segments. This will enable us to strengthen our leading position in markets with high growth potential. In Belgium, Luxembourg and Poland, the synergies between our entities and the resulting integrated solutions make us even more competitive. All this contributes to a dynamic that we will continue, with the support of our experienced Executive Committee and the strength of our qualified teams, by restoring the nobility of our professions and the legitimate pride of our employees.

One brand - one team - one strategy

This new start is marked by a group rebranding, unifying all entities under a common banner. The credo 'Changing for good', emblematic of CFE's ambitions to make a difference for future generations, is supported by the implementation of the SPARC strategy, based on a proven value creation system. This strategy has five pillars: Shift, Perform, Accelerate, Return, Community. Shift embodies transformation through and towards innovation and sustainability. Operational excellence, symbolised by the P in Perform, supported by Accelerator platforms and integrated solutions, brings everything to its logical conclusion: Return - creating long-term value for stakeholders - and Community - with positive impacts on living together.

"The full title is SPARC as a HERO," says **Raymund Trost**, CEO. "Because we rely on the skills of our employees, whom we consider to be heroes. Our businesses are shaping people's lives and the world of tomorrow, so we take full responsibility for changing what needs to be changed for future generations. Our ambition is to create a community for positive change, by the people, for the people, by bringing together internal and external talents around shared ambitions, innovations and technologies to achieve them. Happener, Engaged, Reliable, One. These are our values, we wear them with pride and we apply them every day because they say who we are, in the most authentic way possible."

Strengthened synergies

Several projects already demonstrate the relevance of the group's new orientations and the strength of a multidisciplinary approach. Whether it is ZIN in Brussels - an example of circularity on a large scale - or Wooden in Luxembourg and Monteco

> “By strengthening the synergies within our own family, we offer our clients total solutions capable of meeting the most complex challenges.”
>
> Raymund Trost

in Brussels - pioneering sites of hybrid and wood construction, these impressively illustrate the potential of synergies between CFE entities. “This will be one of the keys to the future”, continues **Raymund Trost**. “By strengthening the synergies within our own family, we can increase the efficiency of our value chain and offer our clients total solutions capable of meeting the most complex challenges.”

Sustainability and innovation at the heart of our strategy

A pioneer and leader in the field of sustainability, the CFE group has been recognised as a Top Rated ESG Company 2023 by the international organisation Sustainalytics. “This is a recognition of the hard work of our teams, we’re very proud of them”, acknowledges **Raymund Trost**.

“This award validates our global approach to ESG issues, in particular the safety and well-being of our employees, reducing CO_2 emissions, limiting waste and using bio-based or circular materials. It also confirms the relevance of our commitments in three essential areas that support our clients in their energy transition: VMANAGER - the market demands intelligent solutions of this type - expertise in large-scale renovation and Wood Shapers. Sustainability - both as a goal and as an accelerator - cannot be achieved without innovation. Our choice to support large-scale wood/hybrid construction in Belgium, where it is not yet sufficiently recognised, is part of this reflection. However, this is not an end in itself, and we are primarily looking at embodied and operational carbon - i.e. the CO_2 weight of the entire building over its entire life cycle. This is why we favour renovation over destruction/construction. We are also increasing our focus on bio-based materials and the strict management of waste streams. It is important to understand that these principles do not only apply to the Construction & Renovation segment, but are implemented from the design stage by the Real Estate Development segment and are carried out on the building sites and in maintenance and energy monitoring by the Multitechnics segment.

This sustainable vision corresponds perfectly to the company’s current expectations, which strengthens CFE’s position on the various markets and makes its offers all the more relevant and attractive for its partners. Wood Hub, the new headquarters into which the group will move at the end of 2023, is the most telling symbol of this, as **Raymund Trost** points out: “It will be an exemplary building, particularly in its energy performance and design, with such a high level of ambition that I’m confident in 20 years it will still be at a high level and we will still be proud of it. It also embodies the strength of the synergies between our entities and demonstrates the full range of our group’s know-how, capable of offering global solutions throughout the life cycle of a building, from its development to its maintenance. BPI Real Estate, BPC Group, Wood Shapers and VMA have combined their talents to create a place to live and work where our employees will be able to flourish and continue to give their best.

Changing the way we work

The sustainability, innovation and accelerator platforms that are creating the positive momentum of the CFE Group today could not be fully realised without appropriate governance and operational excellence. “We realised a few years ago that we needed to improve our operations from order-taking to site delivery. We have used several tools to achieve this: continuing digitalisation, the implementation of a new ERP resource management tool and the deployment of several major analysis and process improvement plans: Fit 4 Future for construction and renovation, Way of Working at VMA, and Smile at Mobix. The adoption of selective bidding when choosing our submissions and the strengthening of synergies between our businesses have had positive effects in terms of return on investment, but also on the quality of the working conditions of our employees and the final service to our clients.

"In 2023, we will face several challenges," adds **Raymund Trost**. "The first of these will be, as always, safety. Every minute of every day, we must continue to do everything we can collectively and individually to make sure there are no accidents. The lives and health of our employees are precious assets that must not be put at risk under any circumstances. Talent management will also be fundamental. Ongoing training, particularly through the CFE Academy, will be one of our greatest assets in this regard."

Luc Bertrand concludes: "We must finally solidify and extend our successes in the areas of sustainability, innovation and performance. The excellent results from 2022 and the substantial volume of our order book are the best validation signals of our long-term strategy."

Why invest in CFE?

Six competitive advantages

1

We are an integrated multidisciplinary group with extensive experience in markets with high growth potential.

2

We master the entire life cycle of a building, from development to maintenance.

3

We adopt a solid, future-proof strategy based on creating value for all stakeholders through our synergies, disciplined resource allocation and excellence in execution.

4

Our pioneering mentality, innovative spirit and commitment to societal impact make us the sustainability leaders in our markets.

5

We have a strong financial profile and a historically high order book.

6

Our employees - passionate people supported by experienced management - are our heroes of tomorrow.

How we create value

How we operate

Shift
We change by putting sustainability & innovation at the core of our strategy.

Perform
We strive for excellence for our customers in risk management, operational processes and resource productivity.

Accelerate
We accelerate through platforms for sustainable growth thanks to a group integrated approach.

Return
We create attractive long-term value for our stakeholders.

Community
We put our people and stakeholders at the heart of what we do. We act as a close community internally and externally.

HAPPENER
ENGAGED
RELIABLE
ONE

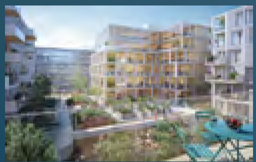
SPARC AS A H.E.R.O

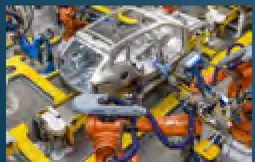
Our assets

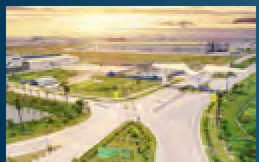
- Knowledge & expertise
- Materials & suppliers
- Employees
- Digital technologies
- Equipment & capital

What we do


Real Estate Development


Construction & Renovation


Multitechnics


Sustainable Investments

Where we go

- Leading in **Sustainable buildings**
- Leading in **Smart industries**
- Leading in **Tomorrow's mobility & energy**

Our performance

Safety (severity rate)*	-14%
CO_2 emissions (scope 1+2)*	-30%
Waste*	-15%
Training*	+24%
Green electricity*	+40%
Sustainalytics rating	26.1
Wood or hybrid buildings	53,355 m²
CO_2 friendly developments	164,732 m²

* Compared to 2020 (reference year)

Our impact

- People
- Energy
- Mobility
- Materials
- Governance

SDGs

3, 4, 6, 7, 8, 11, 12, 13, 16

Year at a glance

Facts and figures 2022

Key figures of the year

Financial results: a strengthened group

"After the partial demerger with DEME in June, the CFE Group began to write a new page in its history. We can definitely say that the beginning is successful. The main financial indicators are showing a positive trend. Despite a particularly turbulent economic environment, our results are very solid and our order book has reached a record level. The complementary nature of our business lines and the diversification of our activities are more than ever our group's strengths. We are therefore able to compensate for any temporary difficulties in one segment with the performance of another.

We would like to salute all our employees whose efforts have not only enabled us to achieve these good results but also to increase our operational cash flows and significantly reduce our debt. With a 68% increase in our equity and a net income of more than €38 million, the CFE Group has emerged stronger from its recent change in direction and is perfectly equipped for the future."

Fabien De Jonge
Chief Financial Officer

(in million €)	2018	2019	2020	2021	2022
Revenue	994.8	1,002.8	1,026.1	1,125.3	**1,167.2**
EBITDA	29.1	14.2	45.2	68.5	**63.1**
EBIT	29.6	22.9	38.1	58.0	**51.0**
Result for the period - share of the group	17.9	12.0	17.7	39.5	**38.4**
Equity - share of the group	87.9	84.8	95.3	133.8	**224.7**
Net financial debt	107.8	89.6	112.4	113.0	**48.9**

* Excluding DEME

ORDER BOOK
1,715.1 M.

REVENUE
1,167.2 M.

NET FINANCIAL DEBT
48.9 M.

NET RESULT
38.4 M.

Development and training: investing in people

"Our new SPARC as a HERO strategy clearly states: the group is driven by the talents and know-how of its employees. We want to invest in their development and skills. In 2022, we saw a net increase in the number of training hours completed - in this case 2,300 hours more than in the previous year. We will strengthen and extend these career development opportunities in 2023 with the launch of the CFE Academy, a unique, user-friendly and diversified training platform, accessible to all, able to meet all needs and demands. At the same time, we will continue to encourage internal mobility within the CFE group. Digitalisation is also allowing us to improve the employee journey, in order to be able to help them quickly and qualitatively and thus allow them to focus on their personal development. These commitments and progress show a real desire to develop our community and strengthen the bonds that unite us around our projects."

Valérie Van Brabant
Chief People Officer

> "We will strengthen and extend these career development opportunities in 2023 with the launch of the CFE Academy"

Training *Number of hours by type of training*	2020	2021	2022	Men 2022	Women 2022
Technical	16,435	18,493	22,862	21,130	1,732
Health and safety	12,070	19,839	17,160	15,620	1,540
Environment	807	66	699	550	149
Management	1,434	3,183	4,554	3,482	1,072
IT	3,354	1,890	1,910	1,368	542
Admin/Accounting/Management/Legal	2,589	2,848	2,227	1,025	1,202
Languages	3,271	3,434	2,783	1,719	1,064
Diversity	3,320	126	101	0	101
Other	2,993	1,794	1,697	1,211	486
Total	**46,273**	**51,673**	**53,993**	**46,105**	**7,888**
Number of hours training per FTE	14.2	16.5	17.6	17.8	16.2
Number of training days per FTE (based on 8h/day)	1.8	2.1	2.2	2.2	2.0

NUMBER OF EMPLOYEES

3,074

NUMBER OF TRAINING HOURS

53,993

SEVERITY RATE

0.53

Sustainability and innovation: the drivers of change

"In 2022, sustainability and innovation truly took their place in the CFE Group's strategy. We are justifiably proud of the results we have achieved and of the recognition of these results by the rating agency Sustainalytics, which ranked us Top ESG Company 2023. The groundwork laid over the past several years is taking shape and we can now build on an integrated approach in which sustainability and innovation play a leading role. But above all, we must be delighted with the opportunities offered by this new strategy, which will be a real accelerator for all our entities.

We are already reaping the benefits with concrete results: 30% fewer CO_2 emissions and a 15% reduction in waste volume compared to 2020. We are also significantly improving our safety record. These are excellent figures and we still have a lot of room for improvement! Several flagship projects have driven this progress, notably wood construction and the circular construction sites of ZIN and Usquare in Brussels. But nothing would be possible without the active participation of all our partners, suppliers and clients. We are laying the groundwork for a change that will grow and become the norm in the construction industry. The CFE Group is an important pioneer in this transformation."

Isabelle De Bruyne
Chief Sustainability Officer

"We are laying the groundwork for a change that will grow and become the norm in the construction industry"

				2020	2021	2022	Target 2030
People	Safety	Severity rate	ratio	0.61	0.69	0.53	0.52
Mobility	Green fleet	% of electric or hybrid vehicles	%	-	4	7	90
	Direct CO_2 emissions (scope 1 and 2)	Carbon intensity	tonne/ k€	19.4	15.9	13.5	11.6
Energy	Green energy	Proportion of green energy	%	40	55	80	100
Materials	Waste reduction	Waste intensity	tonne/ M€	25.36	28.13	21.60	17.75
	Use of biobased materials	Surface area of buildings built or developed in wood	m²	-	-	53,355	tbc
	Reasonable water consumption	Percentage of pumping water that is reused	%	-	-	-	100%
Governance	Transparency and risk management	Sustainalytics Rating	-	43.8 (severe)	27.8 (medium)	26.1 (medium)	tbc

For more information about the KPIs, we refer to the Statement of Non-financial information on page 109.

Innovation and technology: Digitalisation for performance

"Innovation and digitalisation are more than ever at the heart of CFE's strategy. First and foremost, we are improving the efficiency of the activities in the Construction and Renovation segment by implementing a new ERP system, which will be rolled out in early 2024 in a multi-year plan. Last year we were able to automate and standardise our CRM applications - everything related to customer relationship management - and at the same time we set up the entire digital structure of the CFE Academy to offer our employees a range of easily accessible training courses. Our efforts are also focused on further virtualisation and cloudification, on the development of automation in the digital workplace and on the innovation of connectivity technologies, with the aim of offering comfortable, safe and reliable solutions to everyone at all times. At the same time, our global strategy leaves room for local initiatives in our various entities, particularly in the areas of LEAN management and specific safety requirements. We have developed our own QR code certification tool for the sites of our rail entity. Digitalisation is also present on the construction sites, especially on the state-of-the-art sites such as ZIN in Brussels, where the management of the consolidated BIM model was awarded the Best Innovative Building Award for our client."

Hans Van Dromme
Chief Digital Officer

> "Safety, operational excellence, training or digital structure: innovation and digitalisation are more than ever at the heart of CFE's strategy."

ZIN : The Best Tech Innovative Building

2022 highlights


Kanal

January - February - March

BPC Group starts, in partnership, on **renovating** the former Citroën garage located in Yser (Brussels) and will build a new cultural centre called "**Kanal**." BPC Group will carry out the structural work, roofs, façades, special techniques and finishing.

VMA significantly strengthened its engineering capacity in the field of robotics with the acquisition of **Rolling Robotics**. Rolling Robotics specialises in the **simulation and offline programming of robots**. This specialisation allows it to design the robots' programmes before assembly of the robotic cell. This allows for a **faster and more reliable** start-up on site.

The construction of the "**Serenity Valley**" housing project in Auderghem started at the beginning of the year. On the same site, construction of "**Wood Hub**", the new headquarters of CFE, BPI Real Estate, BPC Group and Wood Shapers, has also begun. **Sustainable from design to operational use**, it will also guarantee the comfort of its users. CFE is thereby pooling the skills of the group: BPI Real Estate is responsible for developing the project, while BPC Group, in partnership with Wood Shapers, has started construction. VMA will work on the special techniques and VMANAGER software.


Wood Hub


Rolling Robotics


Wood Hub

An exemplary circular office project - built on a mixed wood/concrete CREE structure - **future proof and NZEB** (Nearly Zero Energy Building), Wood Hub will be heated and cooled by geothermal energy and heat pumps coupled with 120 kWh of solar panels. Its operation will not require **any fossil energy**.

April - May - June

The **EStor-Lux consortium** inaugurates its **first battery storage park** connected to the Belgian high voltage network. With an installed capacity of 10 MW and a storage capacity of 20 MWh, the 480 lithium-ion battery park, installed at a Kyndryl data centre in Bastogne, is the **largest active battery site in the Benelux** region in terms of storage capacity.

On **29 June 2022**, the extraordinary general meeting of shareholders unanimously approved the **partial demerger of CFE**, whereby the holding in DEME is transferred to a newly created DEME GROUP NV. This partial demerger will allow both companies to **further develop their activities** and to clarify their **respective objectives and ambitions**. It should also ensure that the stock market price of the two listed companies fully reflects their intrinsic value.

July - August - September

On **20 September 2022**, CFE revealed its **new mission**: bringing people, skills, materials and technology together in a community of change for good. CFE thereby places sustainability, innovation, and operational excellence at the heart of its strategy. The new mission is the result of a **strategic repositioning** exercise, which is also reflected in a **new visual identity** that is now shared by all its business lines.

In Poland, **BPI Real Estate completed the acquisition of a site in Gdansk**, in the dynamic Shipyard District. BPI Real Estate will develop a **micro-living concept** there, intended for letting. The programme will comprise **455 housing units** (15,000 m²). In addition, **four residential projects** have received building permits: **Bernadovo** (13,000 m²) located in the Gdansk region, **Panoramiqa** (20,000 m²) in Poznan, **Czysta** (10,000 m²) in Wroclaw and **Chmielna** (17,000 m²) in the heart of Warsaw.

Van Laere starts construction of the "**BAN**" project in Antwerp (Nieuw Zuid), which consists of two separate buildings that together represent **295 residential units**. The 'BAN' project has been designed by Japanese architect Shigeru Ban, a wood artist and master in the use of renewable materials. The project is mainly characterised by its **wooden façade**.

Heroes Day

Heroes Day


Wooden

October - November - December

October was marked by the first **Heroes Day**, bringing together all the employees of the various CFE entities. The event focuses all the energy resulting from our new positioning. Employees feel part of a larger group and rediscover **the multidisciplinary strength of the CFE Group**.

BPI Real Estate and its partner have successfully delivered the "**Wooden**" property and sold the stake in Wooden S.A. to ACRON Lux Real Estate I Holding.

With a surface area of 9,500 m², it is the **first wooden office building** of this size in Luxembourg. Its supporting structure is made of **PEFC-certified** wood from sustainably managed forests in the greater region. The exceptional sustainability standards implemented in this project allow it to aim for **BREEAM® Excellent** certification. It is also following the **WELL Building Standard®** certification process, guaranteeing an exemplary work environment designed for the well-being of its occupants.

"**Wooden**" was built by experts in wood and low-carbon construction, including **CLE** and **Wood Shapers**. In addition to the main tenant, insurance company Baloise Luxembourg, CLE and BPI Real Estate Luxembourg are also moving into the building.

Aiming for the lead

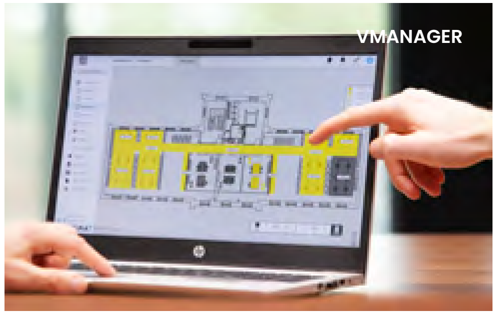
Focus on 3 high-growth markets

Sustainable buildings

Our ability to manage the entire life cycle of a building makes us leaders in sustainable real estate development. We are resolutely committed to reducing CO_2 emissions by giving priority to renovation, being a pioneer in the use of bio sourced materials and converting the largest buildings in Belgium into circular projects. As experts in energy optimisation, we are actively contributing to the fight against waste in industries and buildings with our VMANAGER platform.


Knopy

With the **Knopy, Chancellery, ZIN, Usquare** and **Vancouver** projects, BPC Group, MBG, Van Laere and the entire CFE Group are making the resolute choice of renovation rather than demolition.


VMANAGER

30% energy savings achieved on the campus of the **PXL University of Applied Sciences** in Hasselt, thanks to VMA's intelligent building management solution **VMANAGER**.


Erasmus Gardens

15 minutes maximum travel time. By developing integrated urban projects such as **Erasmus Gardens, Domaine des Vignes** and **Gravity**, BPI Real Estate is inventing the **city and mobility of tomorrow**.


Monteco

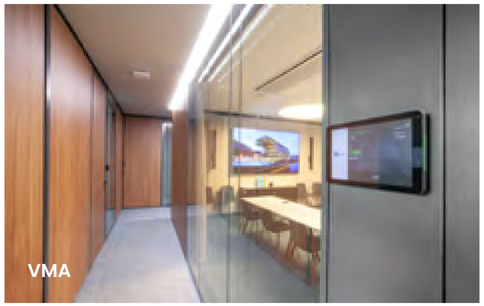

ZIN

53,335 m² of wooden constructions. With the **Monteco** project, the tallest wooden building in Brussels, and **Wooden**, the largest wooden office complex in Luxembourg, the CFE Group is confirming its role as a forerunner in this future-orientated field. This is not to mention **Wood Hub** in Brussels, the **new Van Laere headquarter** in Antwerp, and **Weener XL** in the Netherlands.

65% reused materials and **95% cradle-to-cradle certified materials** on the 110,000 m² of the **ZIN** circular building site in Brussels.


Usquare

An example of **circular renovation and construction**, the **Usquare** project led by **BPC Group** will see the transformation of the former Ixelles barracks into a mixed-use district combining housing, a university centre, meeting spaces and a food hall.


VMA

The **new VMA headquarters** in Sint-Martens-Latem is a showcase of the company's know-how. It is an **ultra-smart, connected building** that manages energy flows as well as the use of the car park and meeting rooms.

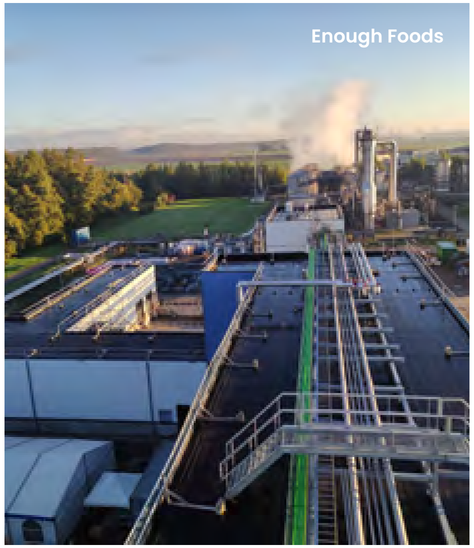
Smart Industries

We offer integrated solutions to various leading industrial sectors. We aim to be leaders in the fields of robotisation and automation as well as in smart technologies applied to industry.

By using **ammonia** - a natural gas - **VMA** offers **sustainable and energy-efficient refrigeration solutions** to small and large retailers.


Poco Loco

The new Tex Mex **Poco Loco** plant is equipped by **VMA** with a complete **production operations management system**.


Enough Foods

Implementation of electrical infrastructure, automation processes and MOM (Manufacturing Operations Management) for the largest protein factory in the world, **Enough Foods**, producer of sustainable vegetable proteins.

VMA, a major player in the automation of **electric vehicle and battery production plants in Europe.**

Mydibel, a family-owned potato processing company, is relying on **VMA** to **automate its second 'Green Factory', which operates with 100% green energy**.


Mydibel

By contributing to the electrification, instrumentation and automation of projects in the agri-food industry, **VMA is enabling the repurposing of waste flows and reduction of waste**.


Belcolade

MOM (Manufacturing Operations Management), **WMS** (Warehouse Management System) and **MES** (Manufacturing Execution System): **VMA** masters the entire **process of automated solutions for the industry of tomorrow**.

Infrastructure for the energy and mobility of tomorrow

The CFE Group has been a pioneer in the field of rail mobility for more than 140 years. With Mobix, our Rail & Utilities branch, we have a unique expertise that makes us the largest integrated infrastructure provider in Belgium, with know-how and operational excellence at all levels: track, catenaries and signalling. Our investments in Europe and Asia, with their focus on sustainability, support the development of the energy solutions of the future.

17 kilometres of catenaries replaced by Mobix teams on the **Bruges-Ostend** rail connection.

Implementation of LED lighting on major motorways in Wallonia, within the **LuWa** consortium.

Investment in the **sustainable development** of **port areas around Haiphong, Vietnam**.

700 metres of tunnel in Anderlecht for the **Erasmus depot** and the **STIB** metro train maintenance workshop.

700,000 homes supplied with electricity from the two **Rentel** and **SeaMade** wind farms, located in the North Sea**.**

Installation of **intelligent lighting** on the **runways** of Brussels National Airport.

Participation in **BSTOR**, the largest **battery energy storage system in the Benelux region**, with a capacity of 20 MWh.

Construction of the largest **battery assembly plant in Europe** in Gdansk, Poland, for Northvolt.

Our SPARC strategy

Our compass for impact

SPARC AS A H.E.R.O.

Happener Engaged Reliable One

Shift

We change by putting sustainability & innovation at the core of our strategy.

Perform

We strive for excellence for our customers in risk management, operational processes and resource productivity.

Accelerate

We accelerate through platforms for sustainable growth thanks to a group integrated approach.

Return

We create attractive long-term value for our stakeholders.

Community

We put our people and stakeholders at the heart of what we do. We act as a close community internally and externally.

To make its commitments concrete, the CFE Group has developed a cross-departmental strategy capable of catalysing the energies of all its teams. By building on our core values - we act, we commit, we are reliable and we work together - we accelerate positive change.

The SPARC strategy defines a common compass for all group entities. The goal? To achieve our five major objectives: Shift - the transformation towards innovation and sustainability, Perform - operational excellence, Accelerate - sustainable growth through integrated approaches, Return - value creation for all stakeholders, Community - the ambition to bring together a ‘Changing for good’ community.


Wood Hub

Shift

An ambition for the future

We're changing, putting sustainability and innovation at the heart of our strategy. More than just words, these commitments are leading to concrete actions and results. On the sustainability front, this means respecting our people, staying at the forefront of safety in our industry, and protecting the planet.
By prioritising renovations, improving the energy and carbon performance of infrastructures and buildings, mobilising them as carbon sinks and decarbonising the construction process, we'll have reduced our CO_2 emissions by 40% by 2030. We're also promoting the reuse of materials and helping to create the mobility of the future, applying our integrated approach to rail infrastructure. On the innovation front, we're investing in cutting-edge technologies and creating partnerships with the most advanced companies.

ZIN

ZIN, an example of circularity

65% of the building kept and **30,000 tonnes** of dismantled concrete reused in the new concrete. On the 110,000 m² **ZIN** site in Brussels, **BPC Group, Van Laere** and **VMA** are applying the principles of circularity on a large scale. Across the board, waste reduction and recycling are fundamental to the CFE Group's strategy, right from the development phase, as Jacques Lefèvre, CEO of BPI Real Estate, points out: "**Circularity is one of the ways of combatting** the programmed obsolescence of buildings. We take this into account at every stage of our projects, integrating it into every plan and process. This can take many different forms, given that no gesture for the environment is too small. We've been able to **recover 18,000 m² of floors**, which we will recycle on other sites. Another excellent example of this mindset is the establishment of **consolidation centres - logistical platforms for centralising the supply of materials** at a single location - including one in Brussels, used by the **ZIN** and **Kanal** sites. The circle is complete!

Wood Hub

Wood Hub, a new paradigm

The energy revolution is under way. The sustainability of buildings over their entire life cycle requires improved energy performance at all levels. **CFE is a pioneer** in this area, and is demonstrating its **know-how** with the emblematic **Wood Hub** project in Brussels, the group's future headquarters, which is scheduled for completion in 2023. The wooden project built by using the **CREE** system is **BREAAM certified for its durability** and **WELL certified for its standards of human well-being**. Heated and cooled by **geothermal energy** and heat pumps, in combination with **120 kW of solar panels**, it does not rely on any fossil energy sources. Its energy consumption of no more than **10 kWh per m²** makes it a **Nearly Zero Energy Building** (NZEB).

Van Laere

Biobased materials: the right choice

On average, over the entire life of a building, construction accounts for about **60% of total CO_2 emissions**. The materials used have a significant impact on this figure, as shown by the comparison between wood and concrete. Depending on the calculation method used, producing **one cubic metre of concrete** takes between **200 kg and 450 kg of CO_2**. For the same volume, wood can **store up to 450 kg of CO_2** as it's 'produced'. The carbon balance is largely in favour of wood and can be extrapolated to other materials such as insulation. With this in mind, the **CFE** group has resolutely committed itself to **changing its approach** and to **favouring the use of bio-based materials**. We are starting to democratise wood construction on a large scale. We are convinced that it will play an important role in the years to come. **Monteco** in Brussels, the **new Van Laere headquarter** in Zwijndrecht and **Wooden** in Luxembourg offer the best examples of this environmental commitment where **wood** plays the **role of transformer**.

Robotisation gathers momentum

From mechanical engineering to implementing execution and control systems, via setting-up and maintaining process installations, **VMA has been mastering** the entire **industrial automation chain** for many years. This enables it to offer **integrated solutions** that are used in numerous growth sectors, including the **automotive industry**. Robotisation is a key part of these projects. To remain at the forefront of innovation in this fast-moving field, VMA acquired Rolling Robotics in 2022. Using a **virtual 3D model** and the VMA simulation software, **each robot's** PLC interface and programmes are **tested virtually** before installation. This ensures that the production line is functionally checked in full, enabling faster and more reliable start-up on site.

Energy, VMA is changing the game

PXL wants to **save 846 tonnes** of CO_2 over a period of **10 years.** To achieve this ambitious project, the Limburg institution carried out an educational energy performance contract with **VMA** for one of its buildings. This guarantees **savings** of around **30% on electricity and natural gas** and **reduced CO_2 emissions by 846 tonnes**, thanks to the VMANAGER software. What's special about this project? Students will be able to participate in monitoring installations and maintenance plans for such things as solar panels, boiler room renovation, LED lights and a battery.

Mobix lights up the motorway of the future

Supported by the **LuWa** consortium, of which **Mobix** is a stakeholder, the Lumières 4.0 Plan is modernising **lighting along the 2,700 kilometres** of roadways in Wallonia, with the aim of improving **safety**, making **significant energy savings** and setting up **Europe's first connected motorway**. The road and motorway network in the south of the country will now have lights that adapt their intensity to traffic and weather conditions, and a network of sensors capable of communicating with vehicles. Among other things, this will result in 76% energy savings, which will **reduce the network's consumption** by 1.3 billion kWh, i.e. A **166,000 tonne reduction in CO_2 emissions over 20 years**. All within the same budget as the old network. This is a real revolution in the field of mobility and a direct positive impact lasting a very long time.

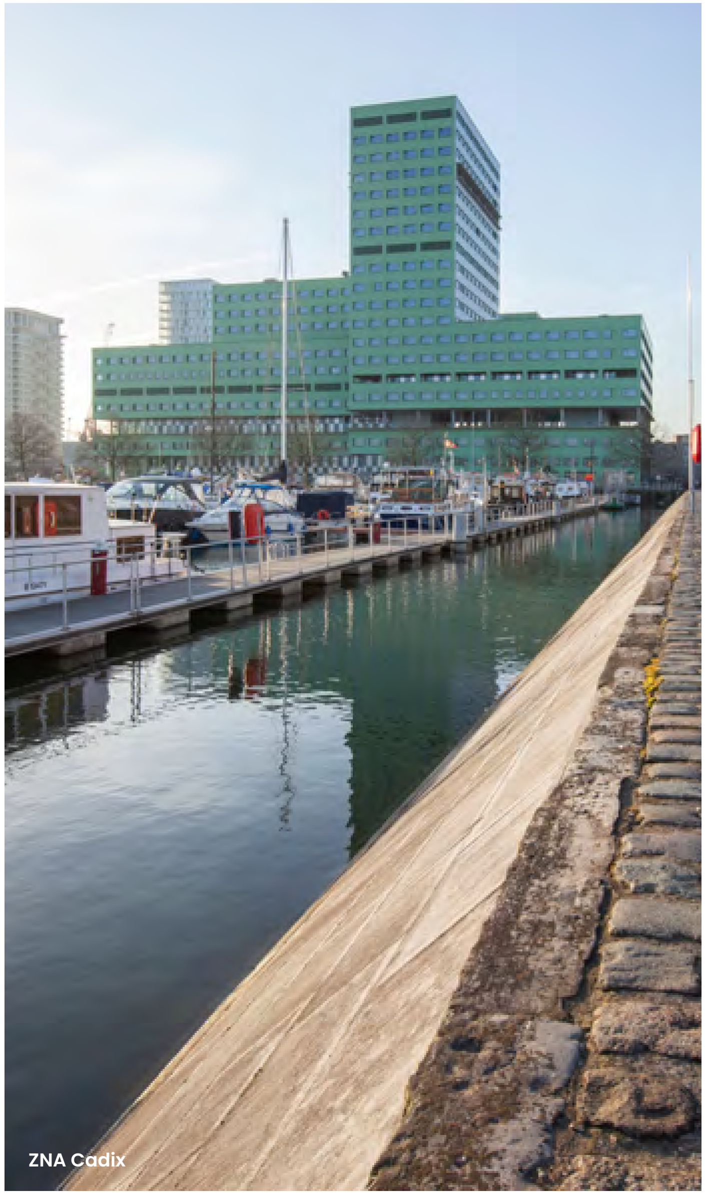
Excellence across the board

Perform

We strive for excellence for our customers in risk management, business processes and resource productivity. We're therefore resolutely selective in our choice of projects and apply the principles of selective bidding. We capitalise on our best practices, creating group synergies and monitoring our processes to the highest standards. Thanks to the CFE Group's resilient and proven business model, we benefit from additional working capital and a broad spectrum of collective expertise that allows us to take advantage of cross-selling opportunities. These commitments translate into strong value creation. We allocate capital rigorously and make relevant acquisitions to accelerate the development of our growing businesses.

Digitalisation for performance

The continuous improvement of operational processes is a key element in the CFE Group's strategy. To equip itself with the necessary tools to achieve this performance target, the **Fit4Future** initiative was implemented throughout the Construction & Renovation segment. By asking the various teams for their thoughts and contributions, it has identified ways of **increasing** both the **profitability** and **efficiency of operating methods** and **improving the well-being** of all employees. A **number of projects** were launched as a result of these conclusions, including **organisational and digital projects**. The adoption of new **ERP** software in 2024 is in line with this thinking. Enterprise Resource Planning software is capable of **handling all the functions of a company**, whether it be human resources, accounting and financial management, procurement processes or decision support, and will bring CFE into a **new digital era**.



Strengthened synergies

Bringing together the right **people, skills, materials** and **technologies**, with the same enlightened vision of the challenges of the future, sustainability and excellence… By relying on the **synergies between its entities** and the resulting **integrated solutions**, the CFE Group is able to take up this challenge to come up with and carry out **innovative projects from A to Z**. The partial split with DEME has strengthened these links, as Alexander Hodac, CEO Construction & Renovation Belgium, points out: "The new governance, with an Executive Committee bringing together all the entities, brings us closer together and facilitates **the design of joint integrated projects**. Within the construction and renovation segment, while retaining the separate identities of BPC Group, Van Laere and MBG, we now have a unified management structure that is clearer and more efficient, particularly in terms of synergies."

An academy for a positive community

cfe ACADEMY | LEARNING FOR GOOD

"The strength of a company lies in the **women and men** who belong to it".
In one sentence, Isabelle De Bruyne, Chief Sustainability Officer, sums up the importance of people in the CFE Group's corporate culture. "The **safety** and **well-being** of all employees remains a **priority**, but **continuous training** is also essential in all areas of development. The launch of the **CFE Academy** last January will reinforce this commitment." The new digital learning platform offers all employees a **wide range of online training courses** - Webinars, TED Talks, e-learning - and face-to-face courses, opening multiple options for **personal and professional development**.

Accelerate

The drivers of change

Usquare

To confirm its commitment to sustainable transformation while supporting its growth, the CFE Group has created integrated platforms to accelerate change. This includes developing sustainable, decarbonised, intelligent and healthy real estate, a clear positioning in favour of 100% wood or hybrid construction and the use of state-of-the-art technologies in the fields of simulation, automation and visualisation. Two key drivers are our integrated project management expertise, from the early stages of design through to long-term monitoring and maintenance, and our ability to consider the sustainability of a building over its entire lifespan - using our VMANAGER solution, which embodies the next generation of integrated building management.


Erasmus Gardens

Strengthening the energies of tomorrow

Together we must **accelerate the energy transition**. The IPCC Sixth Assessment Report, published in 2022, leaves no doubt that this radical change is essential. Aware of its social responsibility and of the role it plays in the energy sobriety of buildings, **CFE** also wants to be **proactive** in the field of **producing** and **storing sustainable energy**. This is why the group has continued to increase its involvement in both areas in 2022: by strengthening its participation in **BSTOR**, the largest battery energy storage system in the Benelux region (Bastogne), with a capacity of 20 MWh, and by confirming its investments in the **SeaMade** and **Rentel** wind farms, which provide the renewable energy needs of 700,000 households, reducing CO_2 emissions by 1.2 million tonnes per year.

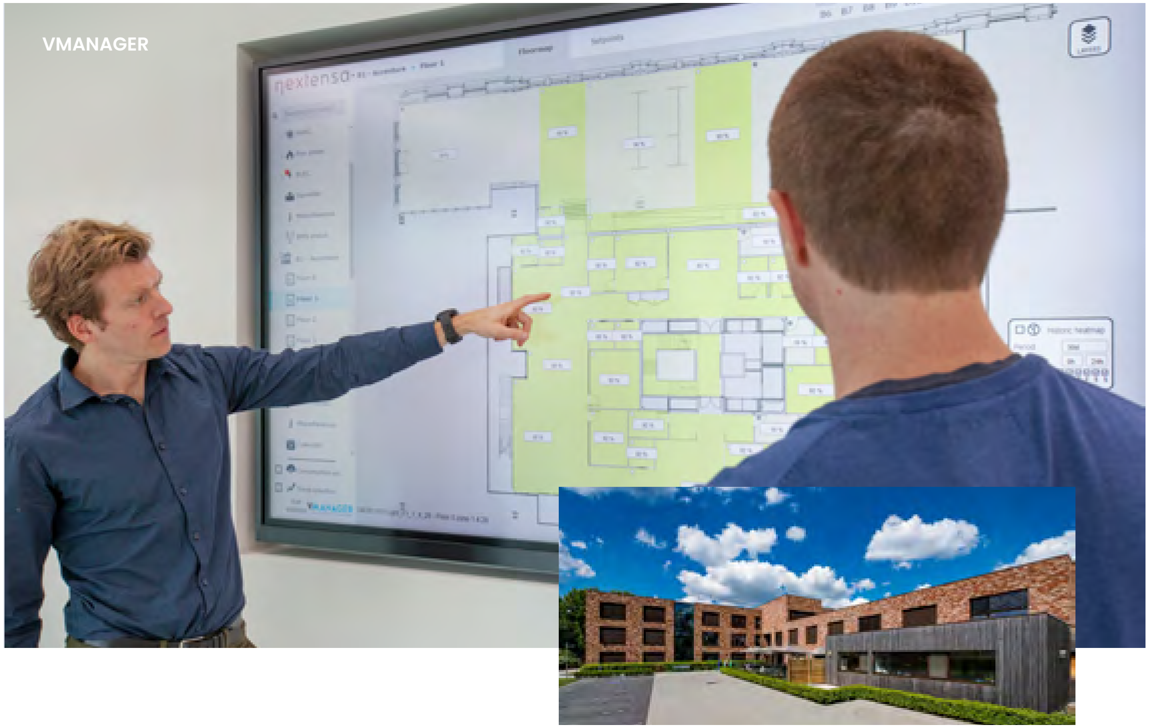
A sustainable living environment

With projects such as **Arboreto, Erasmus Gardens, Usquare, Wooden** and **Arlon 53**, to name but a few, **CFE** is contributing significantly to the **development of sustainable housing and workplaces**. Sustainability is expressed from an energy point of view, an environmental point of view, and also from a human point of view. These **buildings**, designed to have a **positive impact** on the urban fabric throughout their life, are intended to be fully integrated into their ecosystem, creating natural links with it. Their design focuses on the **well-being of occupants**, the **functionality of common areas**, the **proximity of services** and **innovation**. Mobility is a key issue here, with a focus on soft and active alternatives. The **aim** is to **boost shared mobility** as much as possible, to move closer to multimodal nodes and public transport and to add pedestrian paths to develop real estate projects with a **MobiScore** approaching **10/10**.


Bstor

VMANAGER, the virtues of integrated maintenance

Improving the energy performance of a building depends on a range of factors. Taking into account all the operating data from the very first stages of design, over the entire life cycle, and putting in place the analysis tools necessary for intelligent maintenance monitoring, are among the essential steps to achieving this objective. With this in mind, **VMA** has developed **VMANAGER**, a new-generation technological tool that interconnects independent systems from various suppliers and manufacturers, regardless of the technical field, thereby **enabling centralised management of lighting, heating, cooling, ventilation, fire detection, access control, geothermal energy, charging stations**, etc. By evaluating the data from all technical installations, we can get an accurate view of the building's operation. This mapping allows us to **optimise energy consumption** on the basis of guaranteed results, with positive impacts on the **sustainability** and **energy sobriety of the building**, as well as on **comfort and habitability**.


VMANAGER


Wood Academy

Wood, material of the future

Designing and building carbon neutral buildings? It is possible, by using wood. The CFE Group is a trailblazer in Belgium and Luxembourg when it comes to this material of the future, both in development and in construction. **Wood Shapers** and **LTS**, its entities dedicated to **wood and hybrid construction**, rely on the most advanced **technologies**, in particular **Cross Laminated Timber** or **CREE** (for which CFE holds the exclusive licence in Belgium), to offer **totally innovative solutions** that increase the **ecological qualities of wood**. On the one hand, during implementation, is its **capacity to store** the CO_2 accumulated during its life cycle. On the other hand, its **carbon footprint** is much lower than that of concrete, both during production and transport to the construction site. Finally, its great adaptability makes it particularly suitable for prefabrication. The result is less **invasive construction sites, easier handling for the workers** and a **positive carbon footprint**.

To boost the sharing of innovation and knowledge both internally and with external partners, the **Wood Academy** has been active within the CFE Group since 2022. A **real think tank** on **wood construction**, it is committing on the collective intelligence and consolidates the synergies between the various trades to consider together the future of construction.

Relevance in action

Return

Like all companies, the CFE Group's mission is to prosper, grow and create long-term value for all its stakeholders. Our global strategy, synergies and expertise in our various business lines are allowing us to achieve these goals and already make us leaders in numerous sectors such as large-scale wood and hybrid construction, the provision of railway infrastructure or real estate development covering the entire construction cycle. Our presence in buoyant, high-growth markets is opening up ever more opportunities and reinforcing our desire to reinvent models that create value. This is why, together with financial indicators, sustainability indicators are fundamental for us. Together they form new performance indicators that we integrate to create a balance between people, planet and profit.

To find out more about indicators of sustainability see page 107.

477,000 m² under development

The **order book** is increasing and reaching **record** levels. This is undoubtedly one of the best indicators of the sound health of the CFE Group and the relevance of its new strategic orientations. The particularly attractive **property development portfolio** is another example, with **477,000 m²** currently under development. "However, this figure is not an end in itself," says Arnaud Regout, Chief Investment Officer and new development real estate. "Above all, the most revealing sign is the notable diversity of projects in terms of size. We alternate large-scale, long-term projects with smaller, shorter-cycle projects. This balance allows us to manage our risks as best we can, and to invest more in sustainable and innovative solutions. "

Complementary business lines

"Our **multidisciplinary** nature is an **undeniable asset** in many ways, especially when it comes to dealing with market turbulence". Bruno Lambrecht, CEO Construction & Renovation Poland, looks back on the solid results of the CFE Group in Poland, in a complex socio-political context. "It is the synergies between **BPI Real Estate** and **CFE** that have allowed us to strengthen each other and end the year on a positive note, with **four major residential projects**, despite the uncertainties generated by the Russian-Ukrainian conflict. The same is true in Luxembourg and Belgium, where the new **SPARC** strategy is also bearing fruit and **ensuring** the group's **stability** despite the crisis.

The CFE Group at the forefront of sustainability

CFE has been certified as a '**Top Rated ESG Company**' by Sustainalytics, an independent global ESG research and rating company. This recognition underlines **CFE's commitment** to sustainable business practices and **responsibly managing** the performance of **environmental, social and corporate governance**. The Sustainalytics rating is based on an independent and in-depth assessment of companies' ESG practices and is widely recognised as a **leading benchmark** of **corporate sustainability performance**. Certificates are awarded following a comprehensive analysis of publicly available data, as well as site visits, meetings with senior management and a review of company policies and procedures.

Community

Positive impacts

Domaines des Vignes

The CFE Group is fully aware of its social responsibility and capacity to help improve our lives together, in areas as diverse as housing, the working environment, mobility, energy and infrastructure. We want to be a trailblazer and leader, putting our employees and stakeholders at the centre of our business and reaffirming the pride we take in our task as builders. We want to be relevant to people. We want to inspire and unite them. For all these reasons, the CFE Group is fully committed to its ambition to create an infinite community around its values. A movement of people who are ready to work for positive change and who know that the possibility of a better future is being built today.

Arboreto

Kanal, Usquare, Arboreto: game-changing projects

The transformation of a garage into a museum of modern and contemporary art, a former barracks into a student campus, a disused school into a sustainable housing complex... **Kanal, Usquare** and **Arboreto** are just three **projects** that embody the CFE Group's influence on the **development of local communities**. "Our projects have a strong impact on society as a whole," says Alexander Hodac, CEO Construction & Renovation Belgium. "The renovation of the Citroën garages in Brussels, which we're carrying out with BPC Group, will profoundly **change a developing district and enrich the cultural variety of the entire city**. The new **Kanal** - Centre Pompidou museum will give the capital an international profile, while also giving the canal area a boost."

Arlon 53

CFE is helping Ukrainian refugees

In two of its projects, **Erasmus Gardens** and **Arlon 53**, BPI Real Estate has been able to make **premises** available to associations supporting **Ukrainian refugees**, which have been able to organise **collections**, **cultural activities** and **schooling** for the children. "Unfortunately, this type of temporary occupation before the permit is obtained does not legally allow us to offer accommodation - which is what we would have liked to do," says Jacques Lefèvre, CEO BPI Real Estate. "But we've still been able to **support the community** and these people in crisis."

CFE celebrates its heroes

Reconnecting all the group's employees after the difficult period of Covid, explaining the **SPARC** strategy and **H.E.R.O.** value model, and having a good time together. The three objectives of the **Together Heroes** event were largely achieved. On 25 October 2022, CFE chose to **celebrate its heroes** by bringing together hundreds of people from all entities in Tours & Taxis. As the evening progressed, presented by four colleagues rather than professional speakers, our community spirit was more than reinforced. **Meeting people, sharing** and just the right amount of music to cheer everyone up: **CFE** was able to demonstrate its **willingness to move forward collectively**. One team, united, moving in the same direction.

A circular farm for Deep C Farm

Through its investment, the CFE Group is a shareholder in **DEEP C**, a Belgian developer and operator, present in the port area of **Haiphong in Vietnam**. In addition to its core business, DEEP C also runs its own fully **sustainable farm**, in which staff are heavily involved. Located on a converted **former rice field**, the farm operates on the principles of **circularity, integrating vegetable production**, **poultry farming and fish farming**. The result is a farm that **generates no waste** and uses **no pesticides, herbicides or chemical fertilisers**, being fully integrated into its ecosystem and which preserves biodiversity. The **impact** on the community is also **positive**. The farm trains **local farmers** in **sustainable methods**. DEEP C's employees can benefit from the farm's products at very low prices, or even free of charge, depending on their income.

With YouthStart, CFE is supporting the development of young talent

Each year, the **YouthStart** organisation supports just over **800 young people aged 18 to 30** in difficulty, through an original programme. Over eight days, these young people are surrounded by specialists to help them discover their talent and believe in their potential. The results are impressive: **80.2% of young people** are back on track after this intensive training! **55.7% went back to school, 19.8% found employment** and **4.7% started their own business**. As a long-term partner of this operation, the CFE Group is not only involved financially but also participates on the panel that advises the young people on their business plan.

Annual Report of the Board of Directors

CONTENTS

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).

	Pro-forma [1]			IFRS Financial Statements [2]		
(in million €)	**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]	63.1	*68.5*	-7.9%	63.1	*68.5*	-7.9%
% of revenue	*5.4%*	6.1%		*5.4%*	*6.1%*	
Operating income (EBIT) [3]	51.0	58.0	-12.1%	51.0	58.0	-12.1%
% of revenue	*4.4%*	*5.2%*		*4.4%*	*5.2%*	
Result for the period - share of the group	38.4	*39.5*	-2.8%	229.4	150.0	n.s.
% of revenue	*3.3%*	*3.5%*		*19.7%*	*13.3%*	
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, Panoramiqa (20,000 m²) in Poznan, Czysta (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

(in million €)	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

(in million €)	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

(in million €)	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 granter, 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, maintaining 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 CO_2 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 Bostoen	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 Anfima
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 IEFSI (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 Biolectric 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 Bostoen

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 Bostoen (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 Bostoen
- 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 (*) (*) Directors shown in blue are active members as of 31 December 2022	**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**
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 Bostoen	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 Geirnaerdt	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
- Hélène Bostoen (*)

(*) 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.

Hélène Bostoen 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 (*) (*) The members of the Audit Committee shown in blue are the active members as of 31 December 2022	**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**
Piet Dejonghe	-	-	2/2
Hélène Bostoen	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 Geirnaerdt	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 (*) (*) The members of the Nomination and Remuneration Committee shown in blue are the active members as of 31 December 2022	**Attendance / Number of meetings from 01/01/2022 to 28/06/2022**	**Attendance / Number of meetings from 29/06/2022 to 31/12/2022**
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 Bostoen	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

TROREMA SRL/BV **Permanent Representative: Raymund Trost** Chairman of the Executive Committee	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). 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.
MSQ SRL/BV **Permanent Representative: Fabien De Jonge** Member of the Executive Committee	Fabien De Jonge (born 1972, Belgian) holds a Master's degree in Management (Leuven School of Management - 1995). 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.
Focus2LER SRL/BV **Permanent Representative: Valérie Van Brabant** Member of the Executive Committee	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). 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.
ARTIST VALLEY SA/NV **Permanent Representative: Jacques Lefèvre** Member of the Executive Committee	Jacques Lefèvre (born 1962, Belgian) holds a degree in Commercial Engineering (ICHEC - 1988). 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.
AHO Consulting SRL/BV **Permanent Representative: Alexander Hodac** Member of the Executive Committee	Alexander Hodac (born 1981, Belgian) holds a Master's degree in Commercial Engineering (Solvay Business School - 2005). 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), Immobel (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.

Bruno Lambrecht Member of the Executive Committee	Bruno Lambrecht (born 1971, Belgian) holds a degree in Civil Engineering (Katholieke Universiteit Leuven, 1996) and a degree in Industrial Engineering (VIVES, 1993). 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.
COEDO SRL/BV **Permanent Representative: Arnaud Regout** Member of the Executive Committee	Arnaud Regout (born 1978, Belgian) holds an MBA in Corporate Finance (Solvay Brussels School - 2004). 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.
8822 SRL/BV **Permanent Representative: Yves Weyts** Member of the Executive Committee (until 31/12/2022)	Yves Weyts resigned from all his roles and left the CFE Group on 31 December 2022.

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:

(in € thousands)	**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 Geirnaerdt	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 Bostoen	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			
							Opening balance	In the course of the financial year covered by the Report		Closing balance
	Identification of the plan	Award date	Vesting date	End of the retention period	Exercise period	Exercise price	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 Geirnaerdt	+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 Bostoen	/	/	/	/	+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

(in € thousands)	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

Statement of non-financial information

1. INTRODUCTION

Since CFE and its entities are included in the directors' report prepared by Ackermans & van Haaren, they are in principle exempt from the obligation to draw up a statement of non-financial information. Nevertheless, bearing in mind the importance that CFE and its entities attach to sustainability, we have decided not to avail ourselves of this legal exemption and to prepare our own statement of non-financial information to complement AvH's statement of non-financial information, and to inform CFE's shareholders - or anyone interested in our business - in more detail about the policies applied in the area of ESG (Environmental, Social, Governance) throughout the CFE Group, the actions taken in this respect, and the outcomes of those actions.

Climate, energy, reuse of materials and limiting the production of waste are all global issues to which CFE wants to provide sustainable solutions. A relevant materiality analysis has enabled CFE to define the ESG themes for which it can have a real impact. Combined with clear policies and ambitions, this analysis enables the group's different subsidiaries to be real actors of sustainable change.

Changing for good

CFE has summarised this ambition in the form of a commitment: "Changing for good". At CFE, our ambition is to challenge the status quo, identify what is unsustainable and change it. As a group active in four business lines (Real Estate Development, Multitechnics, Construction & Renovation, Investments), we have the potential to shape the world and a responsibility to take care of future generations.

For us, sustainability and innovation are not just buzzwords, for the age of words is over.
These are real commitments that we make together, with our community, with our heroes! Employees, customers, partners, suppliers, investors, passionate women and men who, thanks to their expertise, professionalism and determination, contribute daily to having an impact in our businesses.

In short, CFE's ambition is to bring people, skills, materials and technology together in a community for positive change.
These words were not chosen at random. Indeed, by creating this community, we are accelerating positive change much more than each individual can.This is really about change because, being active in industries that have the potential to shape the world, we have a great responsibility to fulfil. We need to challenge the status quo and change what is unsustainable.
We want to reinvent value creation. This is why, together with the financial indicators, sustainability indicators are at the heart of our business: they become one. We are now integrating these new performance indicators to create a balance between people, planet and profit and thereby generate sustainable development in our activities.

SPARC

To be able to realise this ambition, and to go beyond mere words, CFE has developed an ambitious strategy under the acronym SPARC. Sustainability, innovation, and operational excellence are at the heart of this strategy.

SHIFT

The first focus, "Shift", consists of putting sustainability and innovation at the heart of our strategy.
In terms of sustainability, the focus is first and foremost on people, but also on reusing materials, and reducing our CO_2 emissions. These themes were selected after a materiality exercise which is described in detail in Chapter 4. The actions undertaken as well as the specific objectives of CFE are described in more detail in chapter 5.
Innovation will target the same themes and will be backed by partnerships with pioneering companies or startups that share our values. For example, we are investing in low carbon buildings and mobility, optimising energy performance, bio-sourced materials, the circularity of the materials used and waste management, optimised site logistics, smart buildings, virtual commissioning and digital twins.

PERFORM

The second focus, "Perform", consists of striving for excellence for our customers in risk management, business processes and resource productivity. Sharing and standardising best practices, group synergies, process monitoring and control, rigorous resource allocation and the development of growing businesses are all ways of ensuring performance.

ACCELERATE
To bring about lasting and radical change, we cannot limit ourselves to optimising what has been done traditionally. The strategic focus called "accelerate" represents this need to rethink how we do things and dare to change, via strong intra-group synergies and partnerships.
And by investing significantly in platforms for sustainable growth like Wood Shapers or VMANAGER.

RETURN
Through these three strategic dimensions, we're creating long-term value for all our stakeholders.

COMMUNITY
Finally, we place our employees and stakeholders at the heart of our businesses. We act as a real community both internally and externally.

2. BRIEF DESCRIPTION OF THE GROUP'S ACTIVITIES

2.1. AMBITION
The ambition of the CFE Group is clear. It is to be leaders in developing sustainable buildings, 4.0 industrialisation projects and infrastructure for the mobility and energy sources of tomorrow.

In concrete terms, this ambition is expressed as follows:

Sustainable buildings:
- to become a leader in constructing low-carbon, biobased buildings (wood or hybrid) and in large-scale renovation
- to be the first Belgian developer to cover the entire construction cycle with decarbonised development
- to convert Belgium's largest buildings into intelligent and circular buildings

Smart industries:
- to be a leader in the field of automation and robotisation
- to be a leader in smart technologies for construction and industry
- to combat energy waste and be an expert in energy optimisation

Infrastructure for tomorrow's mobility and energy:
- to be the leading integrated supplier of railway infrastructure in Belgium with three areas of expertise under one roof (track, catenaries, and signalling)
- to be a pioneer in developing large-scale battery storage parks

This ambition is fully in line with current trends. The climate emergency implies a need to rethink traditional business models to accelerate the energy transition and rational use of raw materials by integrating the principles of the circular economy upstream, among other things.

Today's society urgently needs intelligent, energy-efficient buildings. However, these changing needs cannot be achieved at the expense of access to housing for all. This challenge has become more urgent due to the rapid population increase and densification of urban centres.

The shift towards cleaner mobility requires accelerated electrification of the network and significant investment in upgrading current infrastructure.

Finally, increasing the efficiency of industry requires the automation of production centres and more regional production chains.

2.2. CFE'S STRENGTHS IN ACHIEVING ITS AMBITIONS

Expertise and knowledge
This ambition can be based on CFE's current position as a leader in the construction and renovation, real estate development and multitechnics market, as well as its multidisciplinary know-how.
Indeed, CFE is one of the top three construction companies in Belgium and is the leader in the construction of wood/hybrid buildings in Belux. CFE is currently converting Belgium's largest buildings into intelligent and circular buildings. Examples include the Maritime Station and the ZIN project in Brussels.

Its real estate development division is recognised as a leader in projects covering the entire development cycle with a CO_2 friendly approach.

In terms of mobility, CFE is the largest integrator of railway infrastructure in Belgium, with three key areas of expertise including laying track, catenaries and signalling.

Its various multitechnics subsidiaries allow for an integrated one-stop-shop approach combining engineering, installation and maintenance in the fields of electricity, HVAC, refrigeration, data management and smart building management.

Thanks to the synergies between its different entities, CFE is seizing the opportunity to combine its capabilities in real estate development, delivering major projects and an advanced knowledge of energy optimisation, offering a unique integrated business model.

Committed, high-calibre employees

CFE's greatest asset is its employed staff and workers. More than 3,100 passionate men and women work for the group. Their well-being and safety are CFE's primary concerns.

The values that drive CFE employees are reflected in the acronym H.E.R.O.

Happener **E**ngaged **R**eliable **O**ne

CFE employees are "**H**appeners". Solution-orientated, they dare to think that they can make a difference and change the world.
They are also "**E**ngaged" and passionate people. They actively fight to satisfy their customers and their colleagues.
Trust and respecting our principles are essential values for CFE. We say what we do and do what we say. CFE employees are "**R**eliable".
Finally, we believe in the strength of our group and act as a team. We are all simply stronger when we act together as "**O**ne" team.

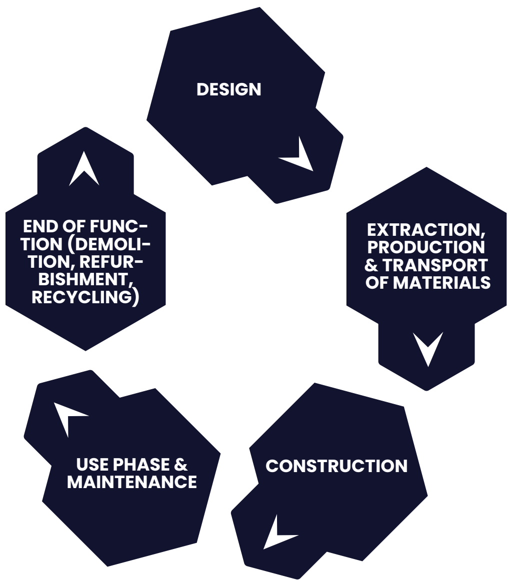
To permanently increase the potential of its employees, this year CFE has deployed a training platform called the CFE Academy. Thanks to this tool, everyone can follow tailor-made training courses at the most opportune time, in highly varied fields. The platform also allows for publishing joint training courses.

Strong partnerships with the entire value chain

The life of a project isn't limited to the construction phase. To make a project truly sustainable, you need to take into account every stage of a project's lifecycle: design, material production (from extracting the raw materials to transport on site), construction itself, use and maintenance of the asset and finally the end of life.

Throughout the lifecycle of a project, CFE is in touch with numerous stakeholders. From the customer to the architect, via suppliers and material manufacturers, CFE favours long-term partnerships with companies that share its values.

To deliver its projects, CFE seeks to use circular and environmentally friendly materials, depending on the technical and logistical possibilities.



Strong integration of new technologies and digitalisation

Innovation and digitalisation are an integral part of the group's strategy. CFE can count on its multiple in-house talents. In particular, CFE has unique capabilities in the field of IT and digital technology, such as BIM, smart BMS and virtual factory commissioning.
In addition, CFE promotes partnerships with start-ups and proptechs in the target fields.

Financial resources and investments for the future

The financial stability of the CFE Group and its business model allows it to invest for the future.

2.3. FOUR COMPLEMENTARY BUSINESS LINES

To meet this ambition, CFE has structured itself around four business lines (to shape the future: Real Estate Development, Multitechnics, Construction & Renovation and finally Sustainable Investments.
CFE is a multidisciplinary group with operations in Belgium, Luxembourg, Poland, Germany and the Netherlands.

Real Estate

BPI Real Estate, company of the property development division, has developed its real estate business in Belgium, Luxembourg and Poland.
BPI Real Estate focuses on developments in city and town centres with high growth potential, a positive environmental impact, real opportunities for soft mobility and which ensure social well-being. BPI Real Estate thereby focuses on mixed projects combining housing, offices, commercial space and services.
All these ambitions are achievable thanks to the multiple talents that make up the BPI Real Estate teams and their focus on innovation and sustainable approaches.

Multitechnics

CFE's multitechnics activities are split into two divisions (business divisions, BD): VMA and Mobix.
The CFE Group is at the forefront of 4.0 industrialisation thanks to VMA. VMA is a one-stop-shop for intelligent technological solutions for the construction and industry sector and in the field of automation and robotics. VMA is also the leader in Belgium for intelligent technological solutions to optimise the energy efficiency of buildings. This growing market is served by the VMANAGER activity, which uses its own internally developed intelligent Building Management System.

The VMA activities split into two business units (BU): building technologies and industrial automation.

The building technologies division includes commercial electricity and HVAC (Heating, Ventilation, Air Conditioning). With experienced multidisciplinary teams, VMA is able to provide comprehensive engineering, design, installation and maintenance solutions mainly in four key sectors: offices, schools, healthcare and industry.
The industrial automation division covers both robotisation and automation, or Manufacturing Operations Management (MOM). A centre of excellence based in Poland allows VMA to specialise in particular in "virtual factory commissioning".
Innovation and a customer-focused approach have earned VMA a reputation as a long-term partner of choice.

The Rail & Utilities activities are carried out by the Mobix Cluster. Mobix consists of two BUs, Rail and Utilities. The Rail BU includes rail engineering works (track and catenary installation) and signalling. The Utilities BU includes energy transport and public lighting in Belgium. This makes Mobix the number one provider of global solutions for intelligent infrastructure in Belgium.
This ability, a sense of innovation and the desire to build long-term relationships with its customers make Mobix a partner of choice.

Construction & Renovation

The Construction & Renovation segment, active in Belgium, Luxembourg and Poland, specialises in building and refurbishing office buildings, residential properties, hotels, schools, universities, car parks, shopping and leisure centres, hospitals and industrial buildings.

In Belgium, there are five local business units that are grouped together in a Business Division called Construction & Renovation Belgium. In Luxembourg there is CLE and in Poland, CFE Polska. This local approach allows us to provide tailor-made solutions for our customers, whom we consider to be long-term partners.

Operational excellence is applied to all construction and renovation sites, thanks in particular to the LEAN, BIM and logistics intelligence methods. This quest for excellence and customer satisfaction is accompanied by strong partnerships and the constant pursuit of improvements.

In particular, the Wood Shapers BU provides an integrated approach to healthy and sustainable space solutions. From property development to design, production and construction, Wood Shapers offers an integrated and efficient solution based on wood and bio-based materials, with all the advantages of modularity and off-site manufacturing.

Sustainable Investments

Together with Ackermans & van Haaren, the CFE Group invests in sustainable initiatives through its holding in Rent-A-Port and Green Offshore.

Rent-A-Port develops greenfield projects for developing ports and related industrial zones, mainly in Vietnam.
In addition to its port activities, Rent-A-Port is also developing battery parks to accelerate the energy transition, including BStor,

which is located in Bastogne and, in terms of storage capacity, is the largest in Belgium.

Green Offshore has interests in developing and operating Belgian offshore wind farms.

Construction & Renovation

arthur vandendorpe
lts
benelmat
mbg
bpc group
van laere
cle
wood shapers
cfe

Real Estate

bpi
bpi LUXEMBOURG
bpi POLAND

Multitechnics

vma
mobix

Sustainable Investments

cfe

Rent-A-Port (50%)

Green Offshore (50%)

3. POLICIES IN THE AREA OF ESG

AN ESG POLICY AT THE HEART OF THE COMPANY'S STRATEGY

The CFE Group's SPARC strategy puts sustainability, innovation and operational excellence directly in the foreground. To ensure this strategy goes beyond words and has a real impact, it is essential that we structure and communicate the group's sustainable approach around a clear and transparent ESG policy.

A COMPLETE PROCESS AND A COMMITMENT TO CONTINUOUS IMPROVEMENT

Back in 2019, AvH started a process within its main subsidiaries, including CFE, to align the ESG policies and related reporting of the subsidiaries with the renewed ESG policy of the AVH Group. CFE has therefore performed a materiality analysis. This involved identifying its main ESG risks and opportunities and linking them to a strategic vision, key performance indicators ("KPIs") and concrete targets and actions to achieve them. These were then approved by the CFE Board of Directors at the end of 2019. For further details on the above process, please refer to the Company's Non-Financial Statement as published in the Annual Report 2019 (Appendices 1 to 4). In the interests of continuous improvement, this process is reviewed annually, while keeping in mind the level of ambition set.

This sustainable approach consists of both the desire to continuously improve operations and to minimise the negative impacts of operations. It also provides opportunities to continually seek to create new sustainable values and to explore and develop new markets.

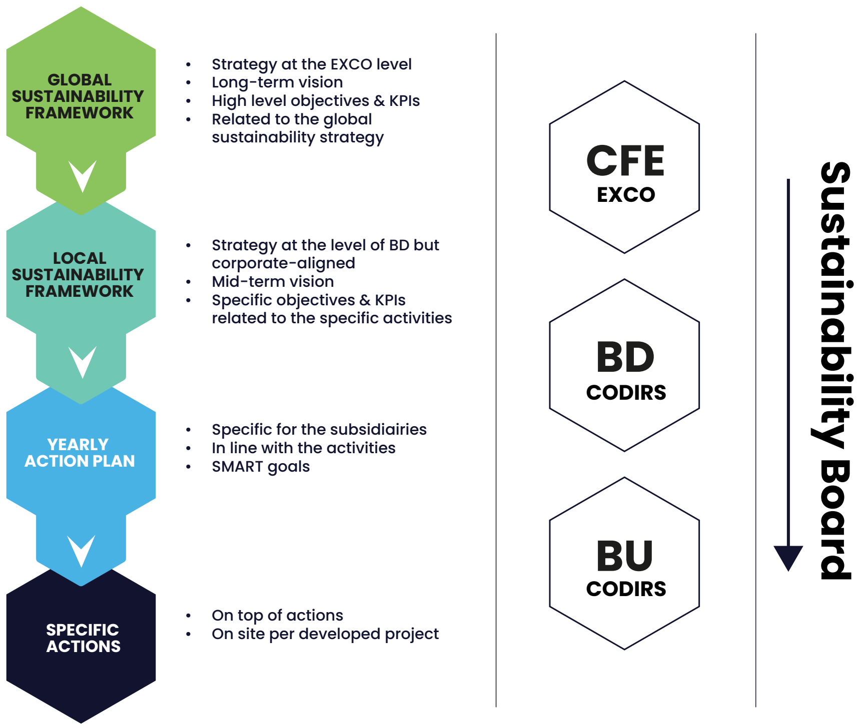
In 2022, more than ever, this ESG policy is confirmed through the group's SPARC strategy.

A GLOBAL AND INTEGRATED STRATEGY THAT MAINTAINS THE LINK WITH THE BUSINESS AT ALL TIMES

To remain in touch with the field and business while guaranteeing a global and integrated strategic approach despite its decentralised business model, CFE has put in place clear governance.

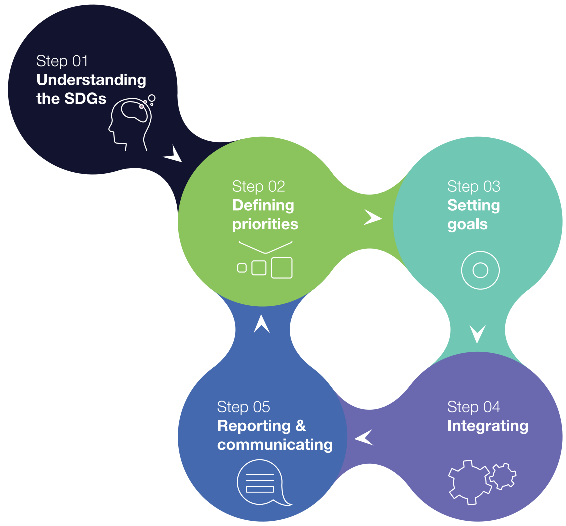
The overall strategy, long-term vision and target setting is the responsibility of the Executive Committee.
Every three years, the various business divisions (BD) are required to carry out a strategic exercise. They then implement the group's strategy according to their own business lines in a medium-term vision. This ambition is validated by the Executive Committee.

Finally, every year the business units (BUs) are asked to define their specific action plan with SMART objectives. These action plans and their relevance are assessed by the sustainability board, a cross-functional body made up of the sustainability managers of the various subsidiaries and led by the Chief Sustainability Officer. Some actions are left to the discretion of the projects and work sites, which must carry out a series of specific innovative actions, while others are included in a list of possible actions.



A PROCESS BASED ON THE 17 SDGs

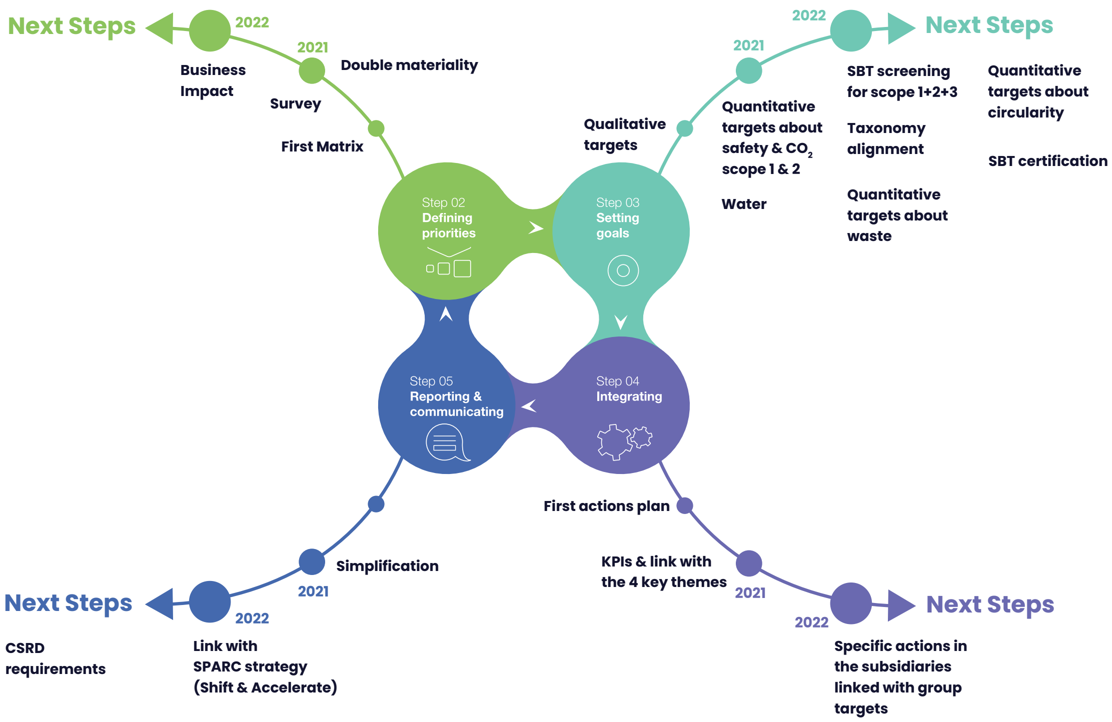
CFE is committed to aligning its sustainability approach to the seventeen Sustainable Development Goals (SDGs) of the United Nations.
The CFE Group as a whole believes it is the responsibility of every individual, and in particular every business, to help meet the great challenges facing the world. The CFE Group endorses the UN Agenda 2030 and the accompanying SDG methodology and uses it as an international framework for its policy. Choosing the SDGs also makes it possible to draw inspiration from the GRI (Global Reporting Initiative) methodology, given the existing correspondence tables.



Sustainable Development Goals (SDGs) 3, 4, 6, 7, 8, 11, 12, 13, 16 and 17 have been selected as the guideline for this policy.

CFE has therefore based its sustainable strategy on the following process: integrating the SDGs into its sustainable policy, defining its priorities, setting key objectives, integrating these objectives through targeted actions and, finally, defining relevant KPIs and communicating the results of the actions undertaken.

Since 2019, CFE has greatly improved this process by refining its priorities, working on the relevance and quality of its KPIs, but also by improving and simplifying the communication around its sustainable strategy.



Further improvements are expected in the coming months and years. In particular, as a listed company, CFE anticipates Europe's expectations in terms of non-financial reporting. In particular, the CSRD (Corporate Sustainability Reporting Directive) and the European taxonomy are tackled with a desire for clear communication and transparency.
In particular, the double materiality approach is already being applied to define priority ESG issues and a first external audit of the main non-financial KPIs is being conducted this year.

EUROPEAN TAXONOMY

The aim of the European Taxonomy is to create a classification system for what is considered "sustainable" from an environmental and social point of view. It creates a framework and principles for assessing economic activities in relation to six environmental objectives: "climate change mitigation", "climate change adaptation", "the sustainable use and protection of water and marine resources", "the transition to a circular economy", "pollution prevention and control" and "the protection and restoration of biodiversity and ecosystems". It works as follows: an activity can be considered "sustainable" if it contributes substantially to one of the six environmental objectives, without causing significant harm to any of the other five objectives. An activity must also meet basic social criteria to be considered "sustainable". This analysis of CFE's activities is included in chapter 7.

PARTNERSHIP FOR CHANGE

Finally, and above all, the CFE Group believes that this approach can only work with the cooperation of all the different parties involved in our activities: employees, suppliers, subcontractors, public authorities, customers, etc. Partnership for change is key to the success of a sustainable strategy. SDG 17 shows the path to follow in this respect. With this in mind, the CFE Group has from the outset involved different stakeholders (both internal and external) in its thinking about sustainability.

IMPACT AND MATERIALITY

As it cannot have a decisive impact on all ESG challenges worldwide, CFE focuses on material issues that can make a difference in the sectors in which the group operates. In addition, particular attention is paid to ESG aspects that could represent a significant risk or opportunity for the group. Through its representatives in the management bodies, CFE ensures that these analyses are integrated into the strategic and political plans of its divisions and that these plans are evaluated periodically. Subsidiaries then implement the policy approved by their Board of Directors and report on its significant aspects.

The detailed materiality analysis as described in chapter 4 has allowed CFE to define four key themes: people, energy, materials and mobility.

THREE TOOLS FOR SUSTAINABLE ACTION

Three tools enable CFE to achieve its sustainable ambitions:

BEING SUSTAINABLE IN OUR OPERATIONS (HOW WE BUILD): CFE aims for operational excellence and a sustainable approach in its construction methods. Improving construction processes, digitalisation, optimising the resources and energy used on our sites, etc. are all ways of reducing the carbon footprint of our work while improving quality and profitability.

DELIVERING SUSTAINABLE PROJECTS (WHAT WE BUILD): the buildings developed by BPI Real Estate, or built by CFE's subsidiaries, as well as the railways built by Mobix's teams or the installations built by multitechnics teams, are all ways to create a real, positive impact for society.

DEVELOPING INNOVATIVE AND SUSTAINABLE SOLUTIONS (OUR TOTAL SOLUTIONS & INNOVATIONS): CFE also looks to develop innovative global energy management solutions, for example, for new or renovated projects.
Taking into account the key societal issues and CFE's means of action have made it possible to formalise the sustainable strategy through a simplified vision:

<table>
<tr><td rowspan="5">Governance</td><td>Change for GOOD through:</td><td rowspan="5">Partnerships</td></tr>
<tr><td>Sustainable operations</td></tr>
<tr><td>Sustainable products</td></tr>
<tr><td>Sustainable innovations & solutions</td></tr>
<tr><td>and have a positive impact on:
people, energy, mobility and materials</td></tr>
</table>

To achieve these sustainable ambitions, monitoring is carried out using key indicators and ten-year objectives have been defined.

People Health, safety & well-being	**Severity Rate (SR)**	**Go for 0** SR Construction < 0.4 SR Multitech < 0.5 SR Rail&Utilities < 0.9
Mobility Green fleet Logistics on & to the site	**CO_2 Fleet Intensity**	**-40% in 2030*** -90% for company cars -25% for the vans - 15% for the trucks
Energy Energy on site optimisation Green machines	**CO_2 Energy Intensity**	**-40% in 2030*** 100% green energy by 2025
Materials Waste reduction Reuse of materials	**Waste intensity** **NO pumped water to the sewer**	**-30% in 2030*** **100% in 2030**

(*) compared to 2020 values (reference year)

FORMALISING THIS SUSTAINABLE STRATEGY IN CLEAR POLICIES

CFE's structure and general governance is included in the corporate governance charter available on the CFE website (www.cfe.be). A clear explanation of the four business divisions is also available.

The group's ESG approach and sustainable objectives are set out in the group's Sustainability Charter.

A code of ethics and integrity (internal and external), distributed to all staff, covers the main policies of the group (anti-corruption, respect for human rights, non-discrimination, data protection, GDPR, etc.).

Specific training for all the group's policies is planned for the beginning of 2023 through the CFE Academy training platform for all staff.

Finally, certain specific policies such as the human rights policy are publicly available on the CFE Group website (www.cfe.be). More details on these policies are also available in Chapter 5.

4. MAIN RISKS RELATED TO ESG

4.1. Introduction

For CFE and all its subsidiaries, analysing the opportunities is just as important as analysing the risks associated with our businesses. The development of sustainable strategies - including the materiality exercise allowing us to determine the themes in which CFE has the greatest impact - was carried out with this in mind.

Certain risks or opportunities are common to all of the Group's activities. Others are more specifically linked to one or another business sector. CFE has carried out a consolidation exercise to define a single materiality matrix common to the entire group. The objective of this consolidation exercise is to define, as a group, the themes where CFE can have the strongest impact.

4.2. Link to the SDGs

There is no doubt that the world is facing multiple challenges that could have serious social and environmental impacts if we do not act now. With its 17 Sustainable Development Goals (SDGs), the UN has defined its priorities for creating a better world by 2030. While these objectives address different themes and aspects of sustainability, they are all interconnected. Together, they will help us defeat global poverty, stop climate change and fight inequality so we can all live in a better world.

At CFE, we are fully committed to helping achieve the SDGs. These objectives have helped us to understand the economic, environmental and social impact of our operations, but also the answers that our projects can provide for current societal issues (affordable housing, infrastructure for mobility and energy, optimising energy consumption etc.).

Sustainable Development Goals (SDGs) , 3, 4, 6, 7, 8, 11, 12, 13, 16 and 17 have been selected as those for which CFE can have the greatest impact.

4.3. Consultation with different stakeholders

The various CFE businesses have a very large number of stakeholders in common, who collaborate in all their projects. This notion of collaboration and even partnership is key to CFE's strategy. Indeed, we sincerely believe that achieving our ambitions can only be done successfully by involving the entire value chain of our projects and by sharing a common vision of sustainability and a real desire to have an impact.

From the design to the maintenance of our works, including the implementation phase, it is essential that we involve all project players. Strong partnerships require trust, transparency, listening and a common desire to understand the issues of all parties in order to find sustainable solutions in all areas of ESG.

To engage in this dialogue, it is first necessary to distinguish the main categories of stakeholders and determine the best way to understand their issues and the opportunities that may arise from these collaborations.

This analysis starts by taking into account the internal stakeholders:

The employees of the CFE Group
Our employees are our highest priority. The commitment of all our employees to our sustainable vision is therefore essential. We expect our employees to behave as H.E.R.O.s (see chapter 2.2).

To carry out its strategic repositioning exercise, CFE has chosen to involve all its employees by conducting a survey on the values they hold dear and which they consider to be the group's DNA. Specific workshops per category supplemented this survey. Employees were kept constantly informed and their feedback helped refine an ambitious vision for the group that was supported by everyone.

The results of this strategic exercise were then presented to all employees through specific roadshows.
This feedback culture was also applied in order to conduct an employee satisfaction survey (eNPS).

In general, employees are directly involved in the group's strategic issues and are represented by employees from each entity on a number of specific cross-departmental boards (Safety board, Innovation board, Sustainability board, Human Resources board, etc.).

The search for future talent remains a highly important issue. CFE comes into contact with the younger generation through internships or by being present at company presentation days in colleges and universities.

Secondly, CFE engages in dialogue as much as possible with the main direct players in its projects:

Our clients
Our customers are our first partners. We are looking for trusting and balanced relationships that last over the long term. We are solution-orientated and constantly seek dialogue and continuous improvement. This dialogue and trust must prevail throughout the entire duration of our projects. A debriefing at the end of the project allows us to look for ways to improve.

We listen to our clients' needs and favour an approach aimed at optimising the Total Cost of Ownership of projects.

Suppliers and manufacturers of materials and subcontractors
A project's entire value chain must be taken into consideration. In addition to the expectations related to ongoing projects, we encourage specific relationships to reduce waste production and seek to reduce the carbon footprint of our projects together.
Innovative solutions are also put in place together depending on the project (logistics, circular alternatives, second life of materials, specific certifications, etc.).

Banks and the financial sector
CFE has adapted all its lines of credit by subscribing to sustainability linked loans. The conditions of these loans, the KPIs and their degree of ambition were defined during specific meetings. These discussions continue throughout the year at specific meetings or seminars.

The authorities
As a listed company, CFE complies with its legal reporting obligations and communicates relevant non-financial information in a transparent manner. This communication is done through the annual report and ad hoc press releases.
Throughout the development of its projects, during the process of obtaining permits or various authorisations for the projects, CFE is in constant contact with the local and regional authorities.

Technical advisers, architects and design offices
Besides collaborating on current projects, more informal contact with engineering offices, architects and other consultants is favoured.

For example, CFE conducts specific seminars to promote the use of wood structures, called Wood Academy.

Finally, it is important to be aware of the main issues for all the other stakeholders affected by our projects and activities:

The whole community (from the direct vicinity of our work sites to society at large)
The neighbourhoods in which we carry out our work are strongly impacted by what we do. Although we are constantly trying to limit nuisances (noise, dust, mobility etc.) it is important to inform people in the neighbourhood as much as possible. A nuisance study is carried out at the start of each project. The purpose of this study is to determine the sensitive phases of the project and to seek solutions to limit the nuisances.

Documents are distributed door to door before each critical phase of the work. For some of the more sensitive projects, regular meetings are held with representatives of the neighbourhood committee to facilitate dialogue between the parties.

While waiting for permits, BPI Real Estate is constantly looking for ways to use the empty buildings for the company's benefit. These occupations may have sports, cultural or humanitarian purposes.

More generally, CFE develops, builds and renovates buildings and infrastructure that meet the needs of society: housing, offices, hospitals, schools, sports facilities, and many others. In addition to these buildings, CFE also participates in developing infrastructure for mobility and energy: repairing railways, installing lighting on highways etc. So many responses to the needs of society.
CFE and its subsidiaries are also actively involved in a number of charitable and volunteer organisations.

The sector and our peers
CFE is active in all sector associations such as Embuild, ADEB, UPSI and BA4SC. This involvement through numerous working groups allows us to stay in constant contact with our peers and the sector, but also to define common sustainable objectives for the whole sector.

Investors
Transparency is an essential value for the CFE Group. We communicate regularly with our investors through our website and press releases. These communications cover not only our financial results, but also our exemplary achievements and progress in terms of ESG. The presentation of interim and annual results is also an opportunity to remain in direct contact with analysts, to inform them and to answer their questions and concerns.

Following the demerger with DEME, CFE carried out an important strategic repositioning exercise (which is presented in detail in this report). Numerous presentations of this strategy, press releases and specific meetings and roadshows were carried out.

CFE also carried out a detailed ESG rating exercise with Sustainalytics. This exercise allowed for constructive dialogue, highlighting CFE's ESG policies and its results, and also ensured that the material themes in the eyes of investors corresponded to those prioritised by CFE.

CFE maintains permanent dialogue with its main shareholders. Dialogue is formalised through formal meetings of the Board of Directors and the various monitoring committees.

Knowledge centres
CFE is active in numerous sector working groups. These groups deal with innovation, new working methods, operational excellence, digitalisation, etc. This regular contact allows CFE to stay informed of developments and innovations.

Each year, CFE strengthens its links with the main schools and universities in Belgium and Luxembourg. This is done through internships and by attending career days. Several of the group's employees also give lectures and seminars.

Finally, CFE is active on the board of directors of the ECAM Academy.

In conclusion, CFE favours permanent dialogue with all its stakeholders. Dialogue means listening and informing. It is important that information flows seamlessly in both directions.

CFE has supplemented this analysis with specific studies carried out by consultants to fully understand all the current societal challenges and to ensure that the analysis is both outside-in and inside-out.

4.4. Main risks and opportunities

Several categories of risks and opportunities therefore emerge:

Global trends and their relation to our activities (outside-in approach):

The risks and opportunities linked to climate change require us to radically rethink our lifestyles and ways of consuming. This translates into a new vision of ownership, business models and the way we consume in general. We think of circularity, shared consumption, the notion of service rather than product "as a service", to the notions of Total Cost of Ownership and energy sobriety.
This also concerns buildings, for which it is urgent to rethink construction methods in order to move towards smart buildings, energy efficiency and more sustainable materials. The objective remains carbon neutrality for 2050 and the use of circular materials as recommended by the European Green Deal.

The risks and opportunities related to the demographic explosion, urbanisation and densification of cities. The challenge is to meet the needs of a growing population (housing, hospitals, schools etc.) while ensuring well-being and affordability.
The risks and opportunities associated with increasing industry efficiency. The digitalisation and automation of industry and the entire supply chain are the solutions.

Risks and opportunities related to infrastructure. There is an urgent need to connect everything to the electricity network but also to diversify mobility offers.

Risk trends specific to the construction, real estate and multitechnics sector (inside-out approach):

- **"Safety"**: There are numerous risks on construction sites. They are incurred both by employees and by third parties. Accidents at work can be serious and have serious consequences. This is why applying safety rules on construction sites is essential.
- **"The War for Talent"**: People remain, more than ever, at the heart of our business. Nevertheless, it remains difficult to recruit and retain qualified people for a job in the construction industry on account of image problems and working conditions that may seem less appealing (night and weekend shifts, interventions and outdoor work sites). Moreover, young starters often lack sufficient qualifications and need additional training.
- **"Complex collaborations"**: The construction industry is both fascinating and complex, particularly in terms of the number of parties involved (architects, engineering firms, institutions, customers, suppliers, etc.) and the relations between them throughout the design and execution process.
- **"Lack of long-term vision"**: At the moment, it is still very difficult for the construction division to convince the parties involved to have a long-term global view of "life cycle costs". This sometimes too short-term vision still too often inhibits innovation, technological optimisation and the use of more environmentally friendly materials. Fortunately, BPI Real Estate has made sustainability its priority in developing its projects, which greatly facilitates the innovative joint approach with the other business lines of the group.
- **"Resource Scarcity and Waste Generation Management"**: Managing resources and waste, either by limiting waste or by re-use or recycling, is a crucial issue. More than ever, circularity is a major challenge for our businesses.
- **"Complex Legislation"**: The various stringent European, national or regional regulations often overcomplicate our activities and restrict opportunities for innovation.
- **"Transport"**: In Belgium and Luxembourg in particular, the transport of personnel and materials is a complicating factor in our work. Employees, subcontractors and suppliers lose a lot of time in transport. The problem will only get worse as more cars and trucks come onto the road each year. This means discouraging, long travel time for staff and difficulties with efficient planning of deliveries.
- **"Cybersecurity"**: In the digital and teleworking era, IT risks increasingly constitute threats that are liable to slow down the activities of the Group's companies or compromise the integrity of their most valuable resources and data. The most significant IT risks are: viruses and malware, fraudulent e-mails, hacking (cyber attacks), loss of confidential information, operating errors, risk of physical loss or theft, and misappropriation. This particular risk is described in more detail in the IT Security Risk chapter II.1.2 of the consolidated annual financial statements.

Many ESG-related opportunities can also be highlighted: innovation and digitalisation, off-site manufacturing of construction elements, reuse of materials, use of innovative or bio-based materials, etc.
We must also pay special attention to the risks and positive and negative impacts of our work: production of CO_2 and other greenhouse gases, creation of waste, consumption of energy and raw materials, development of energy optimisation tools, improvement of rail transport, etc.

4.5. Outside-in/Inside-out

It is therefore a two-way and holistic approach that has enabled us to analyse the situation comprehensively. This comprehensive exercise was carried out in consultation with all of the Group's subsidiaries and resulted in identifying more than thirty concrete sustainability objectives (for more information, please see the 2021 annual report).

Methodology:

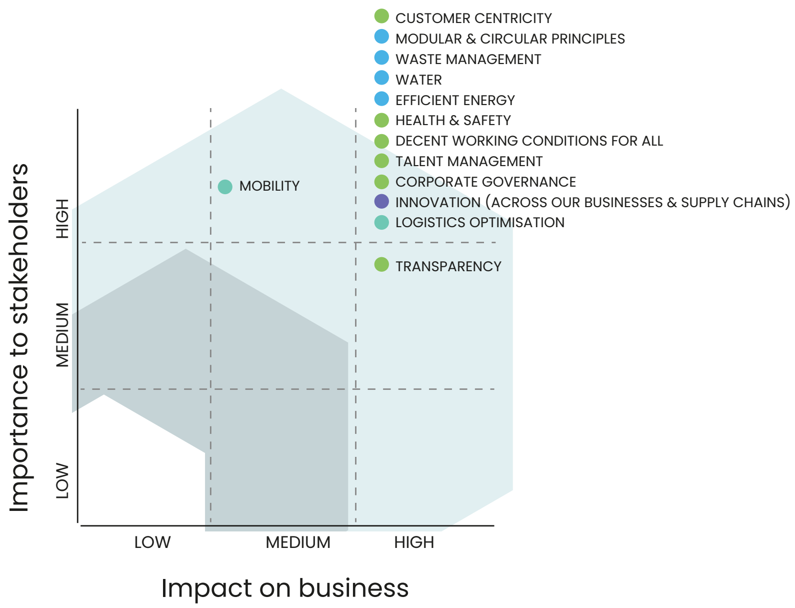
This exercise was conducted for the first time in 2019. All ESG themes have been classified in two matrices, one for the Construction & Renovation and Multitechnics activities and the other for the BPI Real Estate activities. Each goal has been integrated into a materiality matrix taking into account the importance for the different stakeholders and the impact on the business. So it is first of all a matter of assessing the importance of a particular goal for the different stakeholders. This level of importance is shown through three values: low, medium and high. This assessment is the result of dialogue with stakeholders as described above. The importance of the goal in terms of business impact was also assessed. This analysis was performed in consultation with CFE's Executive Committees and those of the subsidiaries. On the basis of their detailed knowledge of the business, the impact of each goal was rated as low, medium or high. All the high materiality goals (priority goals), i.e. those having a high impact on CFE's business while being of high importance for its stakeholders, will be closely monitored. Short-, medium- and long-term actions are defined for each of those goals. By means of specific KPIs, the impact of those actions will be monitored and clearly communicated internally to all stakeholders. Certain medium materiality goals will be treated in the same way as high materiality goals. The other medium materiality goals and the low materiality goals will at first not be closely monitored. This exercise resulted in 11 material themes.

Continuous improvement

In 2021, the theme of water was selected as a complementary material theme.

In 2022, the Group's strategic exercise allowed us to bring together all the business lines in a common vision. A single materiality matrix has therefore been validated. The notion of "customer centricity" was chosen as a material result of this exercise. Although not considered to be highly material, the "communities" theme will also be closely monitored to respond to investors' recommendations.

Each time the materiality matrix is revised, it has been validated by the CFE Group's Board of Directors during a full presentation of the ESG strategy.



High materiality themes:

HUMAN RESOURCES: People are a central concern of the CFE Group. Attention to safety is part of the group's DNA, since all people come to work to earn their living, not to lose it! The same applies to the health and well-being, in the broad sense, of all employees. Prevention, awareness-building and training are the key tools to achieve this. In the same sense, the mental and physical health of all employees must be preserved. The priority goal linked to this theme is: "**Health & safety**".

The same attention should be paid to the different parties involved in our projects, and subcontractors in particular. The corporate governance charter and the procedures specify the minimum measures in the area of ethics, non-discrimination and respect for human rights. Beyond that, it is our responsibility as a company to ensure that every person involved in our projects is treated with dignity. The priority goal linked to this theme is: "**Decent working conditions for all**".

The training and development of our employees is also a priority. The priority goal linked to this theme is: "**Talent management**".

Finally, we do our utmost to satisfy our customers and provide them with customised solutions. The priority goal linked to this theme is: "**Customer centricity**".

ENVIRONMENTAL MATTERS: CFE is also aware of the impact of its activities on society and the environment. The field of transport looks to be a major challenge for the future, and for that reason we are now developing an innovative mobility strategy for our people as well as for materials and waste. The priority objectives are: "**Logistics optimisation**" and "**Mobility**". Special attention should go to the balanced management of raw materials, water and energy on our construction sites and in our offices. More particularly, the synergy between the two divisions makes it possible from the outset to design innovative buildings from an architectural and stability point of view, as well as the use of special techniques. In this sense, the introduction of new materials and of modular or circular construction is a goal in itself. The priority objectives are: "**Waste management**", "**Modular & circular principles**", "**Efficient energy**" and "**Water**".

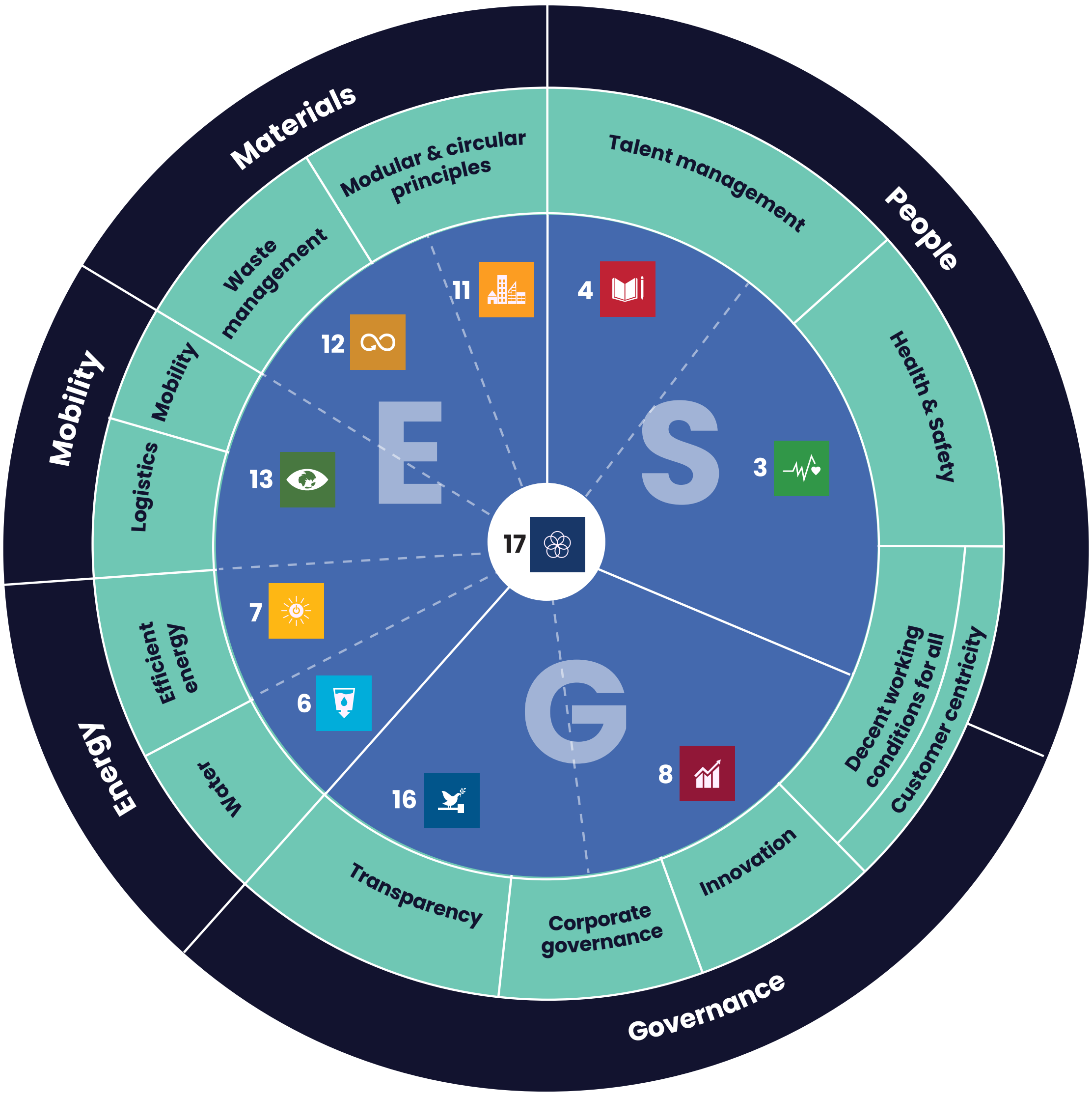
GOVERNANCE: CFE ensures strong governance by means of a charter and specific procedures. The priority goal linked to this theme is: "**Corporate governance**". To ensure total transparency and satisfy the goal of clear sustainability reporting, regular internal communication with all employees will be put in place. The implementation of specific KPIs for each goal allows for real transparency as well as the regular assessment of progress made and the effects of the actions taken. The priority goal linked to this theme is: "**Transparency**".

INNOVATION. All these goals call for close collaboration between the entities, but above all with all other partners. It is also necessary to stimulate innovation in our lines of business as well as across the whole value chain. Opening up to the outside world and to other partners should not be neglected. The priority goal linked to this theme is: "**Innovation**".

4.6. Message simplification and complementarity

To ensure that these principles are followed on our projects, it is essential to simplify the message. All material themes for CFE can be found in five categories: people, materials, energy, mobility and governance.

This can be seen in the following figure:



4.7. Link to the SDGs

The link between the material themes and the SDGs can be summarised as follows:

	SDG3	SDG4	SDG6	SDG7	SDG8	SDG11	SDG12	SDG13	SDG16	SDG17
Customer centricity	x				x					x
Modular & circular principles						x	x			x
Waste Management							x			x
Water			x							x
Efficient energy				x				x		x
Health and safety	x									x
Decent working conditions for all	x				x					x
Talent Management	x	x								x
Corporate governance					x				x	x
Innovation					x					x
Logistics optimisation								x		x
Mobility								x		x
Transparency									x	x

5. OUTCOMES OF THOSE POLICIES

5.1. A GLOBAL APPROACH

PROOF BY EXAMPLE

The examples and projects shown on pages 28 to 40 highlight the impact of the ESG policies for CFE's different activities. Once again this year, whether through actions on our construction sites or through carrying out sustainable projects in itself, the CFE Group is asserting its sustainability ambitions.

CERTIFICATIONS AND AWARDS TO CONFIRM THIS COMMITMENT TO SUSTAINABILITY

This sustainable approach and effective ESG risk management enabled the CFE Group to achieve remarkable results in the ESG risk analysis exercise carried out by the rating agency Sustainalytics. On a global scale, with a score of 26.1 (Medium Risk), the CFE Group is improving on its 2021 results and is among the frontrunners in its sector. This result stems from a detailed analysis of the various ESG policies and procedures of the CFE Group and its numerous key indicators, as well as concrete actions put in place within the group. Even better, in recognition of its excellent results, CFE has been recognised as an "ESG TOP RATED company" in its sector.

Secondly, Isabelle De Bruyne, the group's Chief Sustainability Officer, was named "Sustainability Professional 2023" by Time for Society and VBO FEB. The award recognises professionals who implement a progressive sustainability policy within their organisation and take a leadership role in their sector.

This year, Proptechlab handed out its awards. The ZIN project, designed by the teams of BPC Group, Van Laere and VMA and developed by Befimmo, won the prize for the most innovative building. This award is largely due to the widespread use of BIM, both for construction and prefabrication and as a basis for the building materials passport.
The Key West mixed-use project, developed by the BPI Real Estate and Immobel teams, won the prize for the most innovative business model.

Also at BPI Real Estate, the Arlon 53 project under development won the Renolab call for projects with Brussels Environment.

Finally, the innovative approach to logistics applied by the CLE teams in Luxembourg in partnership with LIST was selected for presentation at the SBE22 conference in Berlin, bringing together international universities and specialists in sustainability.

MEASURING THE EFFECT OF ACTIONS

For all the group's divisions, closely monitoring clear KPIs and concrete actions is a priority. Indeed, this monitoring makes it possible to evaluate the effect of the actions undertaken as soon as possible and to take any appropriate measures. The main KPIs are presented in detail in chapter 6 p 107.
This data collection goes hand in hand with aligning actions by division in the different entities to ensure it has a significant impact. Quantified objectives and structured actions are put in place.

At BPI Real Estate, two tools have been developed: on the one hand, to measure the CO_2 impact of each project developed and, on the other hand, the impact on the SDGs in the broader sense. The aim of these tools is not only to measure the current portfolio, but also and above all to design and challenge the projects under development. The objective of the tools developed is to be as "agile" as possible to take into account ESG criteria that could evolve over time and thereby remain in line with social developments. Indeed, understanding the results of these tools and integrating the European Taxonomy criteria will allow BPI Real Estate to design truly sustainable projects.

A QUESTION OF MINDSET

Finally, CFE is committed to embedding sustainability in all employees and making it a real corporate culture. To this end, the targeted actions will concern both large-scale projects and small, simple everyday gestures. However simple, these will help to raise awareness among all employees.

Secondly, it is also fundamental to integrate all the links in the production chain in this approach and to create real, sustainable partnerships.

In our various subsidiaries, dedicated sustainability and innovation teams monitor ESG policies, the progress of KPIs against targets and the specific action plans put in place. These teams are directly supported by their management committees. Finally, the heads of Sustainability, Digitalisation and Communication are always active on the Executive Committee where they are present as permanent guests. This clear governance ensures that these themes are integrated into the group's strategy.

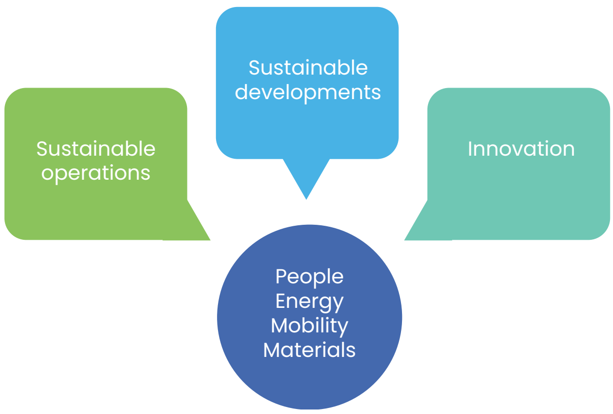
WALK THE TALK

To give concrete expression to its social and sustainability commitments, CFE has integrated ESG criteria into the majority of its credit agreements, which are taken into account in determining the margin applied to bank loans. The ESG criteria used are, on the one hand - in terms of safety - reducing the severity rate by 15% and, on the other, reducing direct CO_2 emissions (scopes 1 and 2) by 40% by 2030 (compared to 2020).

Secondly, the short and long term executive reward system also takes into account sustainability-related results.
The Wood Hub project - the new headquarters of CFE and its subsidiaries BPC Group, BPI Real Estate and Wood Shapers - truly showcases the know-how of and synergies within the CFE Group. It highlights the circularity of materials, the use of bio-sourced materials and the optimisation of energy consumption. The mixed wood and concrete structure thereby makes it possible to reduce the CO_2 emissions linked to building structure by 30%. Heated and cooled by geothermal energy and heat pumps, in combination with 120 kW of solar panels, it does not rely on any fossil energy sources. Its energy consumption of no more than 10 kWh per m^2 makes it a Nearly Zero Energy Building (NZEB). In addition, CFE is targeting BREEAM Outstanding and WELL Platinum certification for this project.

A JOINT AND MULTIDISCIPLINARY APPROACH

The real impact on the major ESG themes of People, Energy, Mobility and Materials is ensured by the joint and multidisciplinary approach of its different entities. Sustainability is therefore taken into account from the design stage by BPI Real Estate and Wood Shapers, but is also central to the various Construction & Renovation and Multitechnics entities completing their projects. Innovation and joint actions by the different entities reinforce this impact.



PILOT PROJECTS TO MONITOR MORE COMPLEX ISSUES

Several pilot projects are allowing us to monitor the most complex issues such as material transport or the circular economy.
Thus, the very successful experience in Belgium and Luxembourg of optimising site logistics through the use of consolidation centres is being extended to new projects.

5.2. VISIBLE RESULTS FOR ALL THEMES

5.2.1. Social Commitment

People are at the heart of CFE's construction process. CFE contributes to significant direct employment (3,074 employees), as well as indirectly through its various subcontractors and suppliers. In 2020, CFE launched an employer branding campaign highlighting the "Framily" (family & friends) that characterises it. The modest size of the subsidiaries and the soundness of the group, as well as the numerous synergies are what make CFE strong and unique. Attracting new talent is a major challenge for the group.

HEALTH & SAFETY

CFE wants to pay full attention to safe and healthy workplaces. The severity and frequency of accidents at work are given priority attention by each board of directors. CFE performs better in this area than the sector average in Belgium. This does not prevent CFE from improving its score every year. A policy of awareness raising, training and prevention are important tools in this respect. The integration of safety into site methodology and preparation also contribute to this. Regular site visits are carried out to check compliance with procedures.
To take into account the specificity and level of risk of the CFE teams' various activities, specific objectives have been set. CFE has chosen to use the severity rate (LTIGR) as an indicator to monitor the effect of safety actions.

CFE is thereby aiming for a severity rate of less than 0.4 for Construction & Renovation activities, less than 0.5 for Multitechnics activities and less than 0.9 for Rail & Utilities activities. It aims to achieve all this by 2030 at the latest.

To do so, proactive approaches are favoured. A monthly dashboard is used to measure the actions undertaken on our sites and the effect of these actions on the frequency and severity of accidents. Safety is the responsibility of every employee and proactive and constructive interventions are strongly encouraged.

The objectives of the HSEQ (Health, Safety, Environment, Quality) board are multiple. It seeks above all to translate the strategic objectives of the CFE Group into concrete actions and clear priorities. The principle of 'think global, act local' governs these decisions, with a view to ensuring security for all at all times. To achieve zero accidents/zero incidents, the board relies on continuous process improvement and the sharing of best practices through constructive consultations, with sustainability as a common thread. In 2020, the Board defined a common vision and policy for all entities and implemented unified reporting of HSEQ statistics. This enabled it to develop a multi-layered strategy in 2021, including the long-term Awareness training project, which will strengthen the safety skills of managers, but also awareness-raising on Life Saving Rules and a prevention campaign on alcohol and drug use.
Well-being on the construction sites is also measured in a concrete way. A pilot project has been set up at MBG's Tweewaters site where a well-being barometer allows employees to indicate how they feel.

An eNPS survey was also conducted. In addition to the positive results of this survey, identifying the points of improvement put forward by employees allowed us to respond rapidly to these expectations.

DECENT WORKING CONDITIONS FOR ALL

Respect for people applies not only to our own employees, but also to those involved with subcontractors and suppliers. This philosophy is contained in a code of integrity that includes respect for human rights. For example, procedures for selecting and interacting with subcontractors are written for this purpose. In 2022, no human rights violations were noted.
All safety rules naturally apply to our own staff as well as to the various subcontractors and other stakeholders on our sites. The same vigilance is therefore applied to compliance with safety instructions and working conditions. The monthly safety scorecards therefore also include incidents and accidents involving our subcontractors and temporary workers.

BESPOKE TRAINING

In 2022, more than 53,000 hours of training were delivered to CFE employees. These training courses are highly varied and cover technical, management and safety related themes as well as languages and IT, for example.

By 2030, CFE aims to significantly increase the number of hours of training provided to reach five days per person.

At the end of 2022, CFE launched its "CFE Academy". This is an online training platform that allows each employee to find customised training courses, both in terms of content and format. The digital approach (while keeping the option of attending face-to-face training) allows for greater flexibility for employees to train when it suits them best.

5.2.2. Environmental Impact

At the end of 2020, CFE joined the Belgian Alliance for Climate Action. In doing so, CFE is undertaking to subscribe to the Science Based Targets (SBT) initiative. This course of action will allow it to attain sustainable goals that meet the ambitions of the Paris agreements.

In 2021, CFE was therefore able to confirm its calculation of greenhouse gas emissions for scopes 1 and 2 and carried out a complete mapping exercise on its scope 3 emissions.

CFE has validated its concrete objectives for scope 1 and 2 in line with the SBT and is committed to reducing the intensity of its direct CO_2 emissions (scope 1 and 2) by 40% by 2030, compared to 2020.

Greening its vehicle fleet, optimising logistics on construction sites, monitoring and optimising energy consumption, using 100% green energy on sites and rational management of water on its projects and raw materials are all tactics for achieving these objectives.

RETHINKING MOBILITY

Transporting people and materials has a considerable effect on direct CO_2 emissions. Almost 70% of direct CO_2 emissions (scope 1 and 2) are in fact due to employee transport alone.

For this reason, a new policy related to greening the vehicle fleet of the different entities has been put in place.
Electric vehicles, alternative transport solutions (bicycle, public transport etc.), occupancy rate of vans, renewing the fleet of heavy vehicles are some of the solutions being implemented. To facilitate this transition, electrical terminals are being installed on the various construction sites.

CFE's objective is to reduce its fleet-related carbon intensity by 40% by 2030.

By nature, the projects developed by BPI Real Estate, as an Urban Shaper, are located in the heart of cities and each integrate multimodal mobility. In addition to site logistics and the mobility of its own employees, BPI Real Estate is also working towards low-carbon mobility for its clients and urban partners.
The Mobix teams continue to renovate the Belgian railways and are therefore playing a major role in soft mobility in Belgium. These large-scale works are made possible by Mobix's expertise, acquired over decades (railways were CFE's first business line in 1880) but also by its ability to offer total solutions: track repairs, electrification, and signalling repairs. Mobix is also investing in greening its fleet of machinery. From this year, a new hybrid machine is being used for catenary work.

AS WELL AS SITE LOGISTICS

Reconsidering the need to transport materials and waste can also help to reduce this impact. The Lean construction processes used at the various sites also contribute to this.

Since 2020, several construction sites in Belgium and Luxembourg have rethought their site logistics by using consolidation centres. These logistics hubs make it possible to considerably limit the number of lorries supplying the sites, thereby making delivery schedules more reliable. In Brussels, alternative delivery methods such as waterway deliveries are also used. The impact on CO_2 emissions is immediate. Extensive studies carried out on the Auréa site in Luxembourg have shown that the use of logistics hubs has made it possible to reduce CO_2 production linked to the transport of materials by up to 46%. The success of these pilot projects has led to repeating the experiment on new projects in Belgium and Luxembourg. In the Luxembourg projects, the experience is even being complemented by optimising the return journey of lorries to take care of construction waste, thereby optimising its sorting, treatment and recycling.

Transport-linked CO_2 analysis is increasingly being taken into account in selecting suppliers and subcontractors.

THE RATIONAL USE OF MATERIALS

Studies show that the choice of materials is a major factor in analysing the CO_2 cost of a building. Renovation, the use of recycled materials and reuse are all ways of improving the carbon impact. The choice of more durable materials also contributes to this reduction.

The expertise in materials (wood in particular) and building methods for an improved structure and an integrated vision of the projects are central to the sustainable approach of Wood Shapers. In 2021, Wood Shapers joined forces with BPC Group and VMA for the

Monteco project, currently the tallest wooden building in the Brussels region. In 2022, more than 53,000 m² were built or developed using a wood or hybrid structure. Of particular note are the Wooden, Monteco and Wood Hub projects.

Through its three subsidiaries Van Laere, BPC Group and VMA, CFE has launched the ZIN construction site in the North district of Brussels. This innovative project of more than 110,000 m² revolves around circularity. This circular approach starts with preserving 65% of existing WTC towers, which significantly reduces the amount of waste during dismantling and the use of new materials for construction. It is the first project in Belgium to apply circular principles on this scale. More specifically, a total of 95% of the materials will be preserved, reused or recycled, and 95% of the new office materials must be Cradle 2 Cradle certified. This expertise in circularity also enables Construction & Renovation teams to specialise in materials passports and urban mining.

And this is not CFE's only exemplary project in terms of circularity. Indeed, BPC Group is also busy working on the Usquare project in Brussels. This project is a real laboratory for circularity.

CFE is also leading by example with the development of its new offices. In Brussels, the headquarters of BPC Group, BPI Real Estate, Wood Shapers and CFE is being built using a mixed wood and concrete structure and includes numerous bio-sourced and reused materials: false floor, toilet facilities, furniture etc. - various materials now experiencing a second life. Also at Van Laere, the new headquarters has been developed with a wooden structure.

To facilitate circularity within the group, BPC Group has developed an app, Bazaar, which allows construction sites to connect and exchange materials. And it's not just between Construction & Renovation companies. For example, BPI Real Estate has enabled BPC Group to find reused false floors for several of its projects.

BPI Real Estate also integrates the reuse of materials into the design of its projects. As such, before renovating or demolishing old buildings, an inventory is made of the materials or products that could be reused, either on site or in other projects.

WATER, A RESOURCE TO BE PROTECTED

Special attention is paid to the water consumed or pumped on our sites.

CFE is committed to zero discharge of pumped water into sewers by 2030.

Some great initiatives along these lines saw the light of day back in 2021. For example, the teams at the Tweewater site in Leuven had the ingenious idea of teaming up with the Stella Artois breweries to reuse the water pumped from the site. This year, pumped water from MBG's Park Lane project was used to fill the decorative ponds at the nearby ferry terminal.

In general, water consumption is monitored on numerous construction sites. This analysis makes it possible to optimise consumption and detect abnormal consumption or even some leaks.

It is also very important to pay attention to the quality of the water that is discharged to sewers. So, on several sites, including the Wood Hub site, for example, the concreting tanks are cleaned via decantation tanks, making it possible to limit concrete waste in the discharged water, and to even reuse this water.

Cisterns are also used during the construction phase to collect rainwater and use it to clean trucks and machinery or to limit dust.

LIMITING ENERGY CONSUMPTION

Another tool for limiting CO_2 production is to reduce energy consumption, both for buildings and site installations.
As such, on sites, we monitor energy consumption which allows us to optimise consumption by tracking down abnormal over-consumption in particular. Understanding of this consumption is supported by improvements in the insulation of the building site containers, as well as various corrective measures. Solar panels are also installed on many construction sites.

CFE is committed to using only green electricity on its sites in Belgium and Luxembourg by 2025 and to reduce its carbon intensity linked to energy consumption by 40% by 2030.

CFE, through its subsidiary VMA, offers ESCO services that provide guaranteed energy performance to clients who so desire.
In 2020, CFE launched VMANAGER, a piece of software and an app targeting energy savings, energy flow management and, in general, construction technology management. This innovative tool facilitates intelligent and sustainable management of new and renovated buildings by combining VMA's technical expertise with intensive monitoring and tools to supervise and control their actu-

al energy performance. The development of VMANAGER combined with VMA's know-how makes it possible to offer a global solution for energy management. For example, VMANAGER will save 846 tonnes of CO_2 over a period of ten years for the PXL University. To achieve this ambitious project, the Luxembourg institution carried out an educational energy performance contract with VMA for the buildings on its campus. This guarantees savings of around 30% on electricity and natural gas while involving students in the process.

In its real estate developments, BPI Real Estate seeks to optimise the energy consumption of its buildings and, above all, to use heating methods that do not use fossil fuels (gas, coal and oil). This year, 164,732 m^2 of projects under study or in development propose cogeneration, a biomass/pellet heating network or geothermal energy, and 90,574 m^2 integrate a strictly "fossil free" heating system.

CFE is also investing in sustainable energy initiatives. The future of green energy in Belgium lies in the development of battery fleets. In 2021, the EStor-Lux consortium (CFE, SRIW, Ackermans & van Haaren, BEWATT, SOCOFE, IDELUX, SOFILUX) started full commercial operation of the first battery storage park connected to the Belgian high-voltage grid. With an installed capacity of 10 MW and a storage capacity of 20 MWh, the 480-module lithium-ion battery park, installed at a Kyndryl data centre in Bastogne, is the largest active battery site in the Benelux region in terms of storage capacity. CFE is also investing in offshore wind farms through its holding in Green Offshore.

LIMITING WASTE PRODUCTION

Monitoring the main fractions of waste on site has made all the teams aware of the importance of limiting waste production and seeking solutions for reuse.
Prefabrication therefore makes it possible to limit waste production. This not only concerns the structural work. VMA has therefore launched the prefabrication of technical elements (Skids). For certain finishing elements such as plaster partitions, for example, optimising orders (the height of the boards, for example) makes it possible to drastically limit waste.
Partnerships with certain material manufacturers also help us give waste a second life. On MBG's construction sites, for example, UNILIN recovers wood waste to make recycled chipboard panels.

CFE is committed to reducing its waste production by 30% by 2030.

5.2.3. Impact in terms of Governance and Innovation

A TOOL TO BOOST INNOVATION

This year, CFE launched an online tool to collect ideas from staff in terms of innovation. This tool, dubbed Innovate-it, thereby allows us to follow up on and develop promising ideas that have been chosen by a selection panel.

The work of this panel and process for developing ideas have been defined in the CFE Group's innovation governance policy.
To maximise the impact in terms of innovation, a survey was conducted through the subsidiaries to select which themes to focus on in terms of innovation. These include data scanning, quality defect management, prefabrication and on-site automation.

ON THE ROAD TO DIGITALISATION

Digitalisation is a key issue for all companies. At CFE this concerns both projects with the integration of BIM, for example, but also the management of CFE as a company. CFE has therefore embarked on a major project to modernise and standardise its ERP throughout all its subsidiaries.
In addition, on-site innovations in terms of digitalisation are appearing, notably through numerous partnerships with start-ups.

TRANSPARENCY

CFE believes that transparency is very important among all of its stakeholders. All of the Group's financial and non-financial information is therefore included in the annual report.
All important information is communicated via press releases and on the group's website.

CORPORATE GOVERNANCE

A corporate governance charter with concrete and understandable procedures should ensure the greatest possible impact of the actions undertaken. In 2022, the corporate governance charter and all key policies and procedures were updated.
The charter therefore defines the structure of CFE, the roles and responsibilities of the different boards and committees, as well as the minimum applicable procedures, and breaks down into several internal policies.

Specific policies include respect for human rights and the fight against fraud and corruption.

Respect for human rights
Respect for human rights is one of the core values on which the general policy of the Real Estate Development, Multitechnics and Construction & Renovation segments is based. This respect is embodied in a formulated policy with a specific code of conduct focused on the integrity of employees, which constitutes the general framework of which the implementation is ensured by individual reports and internal audits. This policy is publicly available on the CFE website: https://www.cfe.be/en/company-documents.

Any discrimination - whether in hiring, day-to-day labour relations or training opportunities - based on criteria related to gender, age, nationality, ethnic origin, beliefs or disability is strictly prohibited. The group's general policy also encompasses compliance with staff privacy laws, which is reflected in ICT-related measures at the subsidiaries to protect the security of the personal data of employees.

This general policy is also reflected in the contractual clauses of our agreements with suppliers, in which we require compliance with the current laws on human rights. In the selection of foreign suppliers, the necessary audits are carried out, for example with regard to social security and minimum pay conditions.

So far, no violation of our human rights policy has been reported.

Fight against fraud and corruption
A Code of Ethics and Integrity was updated in 2022 and approved by the Executive Committee. It is intended for all employees, regardless of their function. It clearly states that all forms of corruption or influence peddling, direct or indirect, by companies and individuals is prohibited. To ensure that the ethical rules that have been issued are effective and properly understood, the code gives specific details of customary business practices, such as benefits, gifts, privileges and tokens of hospitality: it specifies what is allowed or not, the limits to adhere to, etc., taking into account national (Belgian and/or foreign) and international regulations. The commitment of the subsidiaries and their staff, a sense of propriety and a willingness to work in a spirit of cooperation and trust, and the establishment of a set of internal procedures aimed at limiting the risk of fraud and corruption, are all elements that have guaranteed proper compliance with the anti-fraud and anti-corruption rules. CFE redoubled its efforts in 2020 and 2021 to train its operational staff in knowing and understanding social legislation. To ensure a solid understanding of the regulations in force concerning contracts and social laws, a training course entitled "Best practices: contract management & social law" was delivered to more than 450 operational employees of the various CFE subsidiaries.

Internal audit
Each entity regularly undergoes an analysis of risks and procedures by the internal audit unit. Intern audit is an independent function, and its main task is to support management and help it improve the management of risks.

Internal audit reports functionally to the Audit Committee of CFE by submitting the annual audit plan and presenting the main findings of the audits carried out and a follow-up of the action plans. If necessary, additional audit assignments may be carried out at the request of the Audit Committee or of the Executive Committee of CFE.

5.3. A STRONG CSR POLICY, A REAL PLUS FOR A PEOPLE-CENTRIC COMPANY
Although the materiality exercise did not identify volunteering and charity support as highly material, CFE is aware that these topics are very important to its employees. For all these reasons, and being fully aware of the impact that CFE can have on society, many superb actions were again carried out this year across the group and in all entities.

This concerns long-term actions such as CFE's partnership with Youthstart, for example, which aims to help young people who have dropped out of school to regain the confidence they need to enter the professional world.

BPI Real Estate also runs sports, cultural and community support activities in its buildings under development where work has not yet begun.

And in all of the group's subsidiaries, incredible actions are being set up.

CFE also supports emergency measures, for example, by providing logistical support to Ukraine or by supporting earthquake victims in Turkey.

To have an even greater impact in the future, CFE is currently finalising a new, stronger, well-structured CSR policy. This policy is called "community engagement".

5.4. SUSTAINABLE PARTNERSHIPS

By definition, we are in the partnership business. No project could be delivered without our partners (clients, architects, design offices, banks, suppliers etc.).

It is therefore only natural that we collaborate with several committees in the sectoral working group: BA4SC, UPSI, ADEB, UASW, Embuild, Ecobuild, Faast and others.

But also multi-sectoral: The shift, BACA, CCI among others.

6. NON-FINANCIAL KEY PERFORMANCE INDICATORS (KPIS)

Defining, collecting and analysing KPIs is an integral part of CFE's sustainable strategy. For each high materiality theme, at least one KPI was chosen. For some more complex issues, such as transport, analysing through pilot projects was preferred. The analysis and regular monitoring of all these KPIs via specific dashboards makes it possible to validate as closely as possible the effect of the action plans put in place.

The selected indicators cover all aspects of ESG.

Each year, a critical analysis of the quality of the data collected is carried out to support continuous improvement.

6.1. Key figures & sustainable ambition

For CFE, the core sustainability subjects are People, Mobility, Energy, Raw Materials and Governance. This concerns both the development of BPI Real Estate's projects and the performance of the work by CFE's Construction & Renovation and Multitechnics teams. For these themes, strategic KPIs and concrete targets have been defined.

				2020	2021	2022	Target 2030
People	Safety	Severity rate (1)	ratio	0.61	0.69	0.53	0.52 (8)
	Training	Number of training days per employee (2)	d/FTE	1.78	2.06	2.20	5
Mobility	Green fleet	% of electric or hybrid vehicles	%	-	4	7	90
Mobility / **Energy**	Direct CO_2 emissions (scope 1 and 2)	Carbon intensity (3)	ton/ k€	19.4	15.9	13.5	11.6 (40% decrease from 2020 values)
Energy	Green energy	Proportion of green energy (4)	%	40	55	80	100*
Materials	Waste reduction	Waste intensity (5)	ton/M€	25.36	28.13	21.60	17.75
	Use of biobased materials	Surface area of buildings built or developed in wood (6)	m²	-	-	53,355	tbc
	Reasonable water consumption	Percentage of pumping water that is reused (7)	%	-	-	-	100%
Governance	Transparency and risk management	Sustainalytics Rating	-	43.8 (severe)	27.8 (medium)	26.1 (medium)	tbc

(1) Severity rate = number of calendar days of absence x 1,000 divided by the number of working hours. Due to the specific nature of the business lines, different targets were set for construction, multitechnics and rail. This target corresponds to a 50% reduction compared to the Belgian sectoral averages in 2020.
(2) The number of training days per employee is calculated on the assumption of 8 working hours per day. The objective is to have at least 5 days of training (all categories) per employee.
(3) Carbon intensity is calculated by dividing the quantity of scope 1 and 2 emissions produced by CFE by turnover for the past year on CO_2-producing activities (Construction & Renovation and Multitechnics) in the past year. The objective is therefore to reduce this carbon intensity by 40% by 2030 compared to the data for the reference year 2020.
(4) The proportion of green energy is the ratio of green energy to the total energy consumed (on the building sites and in the various headquarters).
* The 100% target is set for 2025.
(5) Waste intensity is calculated by dividing the quantity of waste produced by CFE by turnover for the past year on waste-producing activities (Construction & Renovation and Multitechnics). The objective is therefore to reduce this carbon intensity by 30% by 2030 compared to the reference year 2020.
(6) These are projects that have been delivered, were under construction, or were in the final stages of development during the year 2022 and contain a wood or wood-concrete frame.
(7) Currently, pumped water from construction sites is often discharged directly into the sewer. CFE's ambition is to no longer discharge any pumped water to the sewer and therefore to find a way to reuse 100% of the pumped water. This data will be monitored from 2023 onwards.
(8) Average based on specific business lines: Construction & Renovation < 0.4; VMA< 0.5; Mobix < 0.9.

6.2. Social KPIs

6.2.1. People Indicators

Employees are the most important part of a company. Having healthy, fulfilled and adequately trained employees is an ongoing challenge for human resources teams. Several key performance indicators allow them to monitor these elements closely.

6.2.1.1 Indicators related to talent management

Some 3,074 employees worked for CFE in 2022.

Number of employees by status

	Workers	Employees	Total
2020	1,709	1,541	3,250
2021	1,620	1,517	3,137
2022	1,505	1,569	3,074

Number of employees by type of contract

	Open-ended contract	Fixed-term contract	Work & studies	Total
2020	3,098	148	4	3,250
2021	3,009	115	13	3,137
2022	2,937	126	11	3,074

Age pyramid

	2020	2021	2022
< 25	199	183	192
26-30	404	355	338
31-35	417	428	429
36-40	439	438	416
41-45	417	391	394
46-50	420	394	360
51-55	436	421	394
56-60	345	375	374
> 60	173	152	177

Seniority

	2020	2021	2022
< 1	379	349	380
1-5	1,150	1,135	1,074
6-10	508	512	445
11-15	453	426	355
16-20	287	264	304
21-25	145	134	196
> 25	328	317	320

Number of men/women

	Employees	Female employees	Male workers	Female workers	% Men	% Women
2020	1,105	436	1,691	18	86.0%	14.0%
2021	1,077	440	1,599	21	85.3%	14.7%
2022	1,100	469	1,487	18	84.2%	15.8%

All HR indicators have been relatively stable over the last three years, which is remarkable after periods of COVID.

Training

Training is another important aspect of talent management. At CFE, our goal is to offer at least five days of training per employee in 2030. This significant increase in training will be facilitated by a digitalised training programme that complements the face-to-face programme. Each employee can therefore train at their own pace and at the time that suits them best. All of these training courses are accessible via the training management platform called CFE Academy, which was launched at the end of 2022.

Number of hours by type of training	2020	2021	2022	Men 2022	Women 2022
Technical	16,435	18,493	22,862	21,130	1,732
Health and safety	12,070	19,839	17,160	15,620	1,540
Environment	807	66	699	550	149
Management	1,434	3,183	4,554	3,482	1,072
IT	3,354	1,890	1910	1,368	542
Admin/Accounting/Management/Legal	2,589	2,848	2,227	1,025	1,202
Languages	3,271	3,434	2,783	1,719	1,064
Diversity	3,320	126	101	0	101
Other	2,993	1,794	1,697	1,211	486
Total	**46,273**	**51,673**	**53,993**	**46,105**	**7,888**
Number of hours training per FTE	14.2	16.5	17.6	17.8	16.2
Number of training days per FTE (based on 8h/day)	1.8	2.1	2.2	2.2	2.0

6.2.1.2 Indicators related to well-being, health and safety

Absenteeism

	2020	2021	2022
Number of days of absence due to illness	40,387	39,574	41,735
Number of days of absence due to work-related accidents	4,145	2,833	3,158
Number of days of absence due to commuting accidents	0	248	7
Number of days of absence due to occupational disease	0	0	0
Number of days worked	518,306	526,764	522,446
Absenteeism rate	8.59%	8.10%	8.59%

Safety related KPIs (incl. Sub-contracting)

Since safety is a paramount concern, CFE has developed QHSE dashboards to keep close track of the trend in the figures and to take the necessary remedial action as soon as possible. Severity rate (one of the traditional security indicators) was chosen to be one of the KPIs governing our sustainability linked loans with the banks.

The dashboards, which contain the main information for each subsidiary, are updated at least once a month to keep track of the safety data. They include traditional safety information (frequency and severity rates), as well as indicators of proactive safety actions (tool box meetings, management involvement, taking into account incidents and feedback, etc.)

The safety of subcontractors and temporary workers is of course taken into account in the same way as of our own employees. All safety indicators include subcontractors

Safety for CFE	2020	2021	2022	Industry average*
Frequency rate	26.12	22.37	21.92	29.33
Severity rate	0.61	0.69	0.53	1.04

*sector average 2021, source: fedris.be (average calculated on NACE codes 41, 42 and 43)

Frequency rate = number of accidents with incapacity x 1,000,000 divided by the number of working hours
Severity rate = number of calendar days of absence x 1,000 divided by the number of working hours

Despite all the measures taken and an open and pro-active safety culture, there remains an inherent risk of having incomplete reporting. Reporting is in fact dependent on the information transmitted by the victim of an accident. The 2022 results are better than the previous year and still significantly better than the industry.
However, we must remain vigilant because safety must remain the priority at all times. For this reason, a survey on the safety culture will be conducted, involving all group personnel, in the first month of 2023.

6.3. Environmental KPIs

The issues of climate and energy are crucial.
As such, we are measuring the reduction in CO_2 emissions produced by CFE's operations. These are Scopes 1 and 2 according to the Greenhouse Gas Protocol approach:

SCOPE 1
The direct greenhouse gas (GHG) emissions are linked to the use of fossil fuels. Only the CO_2 emissions are taken into account, not the other greenhouse gas emissions. It only concerns fossil fuels purchased and used for our own installations, machinery and fleet or for our own projects. The fuel used in our own power generators is also included in Scope 1.

SCOPE 2
The indirect greenhouse gas (GHG) emissions are linked to the consumption of electricity purchased. Only the CO_2 emissions are taken into account, not the other greenhouse gas emissions. The electricity that the entities purchase originates in many cases from both renewable and non-renewable sources. A breakdown for each part can only be given if the quantity of renewable energy purchased by an entity is expressly specified by contract. We have therefore adopted the "market-based" method of calculating scope 2 and take into account the green contracts signed by the various subsidiaries.

We follow the ADEME carbon balance method. The CO_2 conversion coefficients used are publicly available on the website https://www.facteursdemissionco2.be/. These have been validated by our CO2LOGIC consultant.

	2020	2021	2022	2022 vs 2021	Target 2030
CO_2 (tonnes CO_2)					
CO_2 emissions Scope 1	15,812	14,570	13,914	-4.50%	
CO_2 emissions Scope 2	1,872	1,919	1,395	-27.31%	
CO_2 emissions Scope 1+2	**17,684**	**16,489**	**15,309**	**-7.15%**	
CO_2 intensity (tonnes CO_2/k€)					
CO_2 intensity (per productive activity*)	19.4	15.9	13.5	-15.14%	11.63

* divided by the turnover of Construction & Renovation and Multitechnics

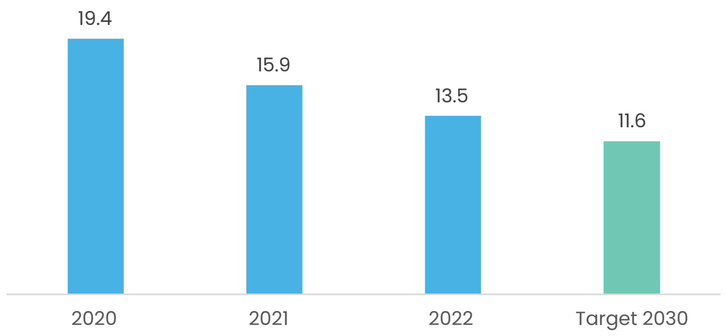
We have found that the CO_2 emissions of the construction entities of CFE are particularly influenced by the type of projects and works carried out during the year. Projects involving large-scale structural works in particular consume a lot of electricity and fuel to make all the construction machinery and tower cranes work. Building projects nearing completion during the winter period require a significant supply of energy to heat and dry the buildings.
The fuel consumption of vehicles will also be strongly influenced by the distance between home and workplace. All those factors are highly variable from one year to the next.

We are seeing a significant decrease in direct CO_2 emissions. This is mainly due to a decrease in scope 2. This decrease is largely due to a significant shift towards green energy. Detailed changes by emission source are given in points 6.3.2.1 and 6.3.3.1.

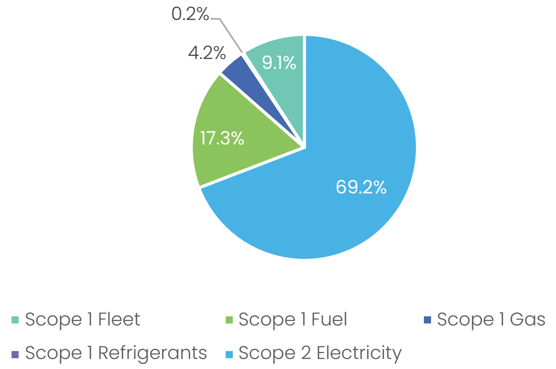
CO_2 scope 1+2	**Absolute (tonnes CO_2)**			**Intensity* (tonnes CO_2/k€)**				
	2020	**2021**	**2022**	**2020**	**2021**	**2022**	**2022 vs 2021**	**2022 vs 2020**
Scope 1	**15812.17**	**14569.95**	**13914.14**	**17.34**	**14.01**	**12.23**	**-12.71%**	**-29.45%**
Fleet	11,713.19	10,522.46	10,589.99	12.84	10.12	9.31	-8.01%	-27.52%
Fuel	3,319.34	3,157.32	2,649.43	3.64	3.04	2.33	-23.30%	-36.01%
Gas	779.64	881.77	637.17	0.85	0.85	0.56	-33.95%	-34.48%
Refrigerants	0.00	8.39	37.55	0.00	0.01	0.03		
Scope 2	**1872.00**	**1919.06**	**1394.96**	**2.05**	**1.85**	**1.23**	**-33.56%**	**-40.26%**
Electricity	1,872.00	1,919.06	1,394.96	2.05	1.85	1.23	-33.56%	-40.26%
General total	**17684.17**	**16489.01**	**15309.10**	**19.39**	**15.86**	**13.46**	**-15.14%**	**-30.60%**

* divided by the turnover of Construction & Renovation and Multitechnics

CO_2 Intensity Evolution



Share of the direct emissions by category in 2022



The largest share of direct CO_2 emissions (69.2%) is due to the fleet (company cars, vans and trucks). This is where the greatest attention must be paid to our direct emissions.

In parallel, CFE has been working since 2021 on understanding its indirect CO_2 emissions (scope 3). By mapping scope 3 we have been able to highlight the largest sources of CO_2 production, i.e. structural materials such as concrete and steel, and to give an initial quantified estimate of this scope 3.
In fact, level 3 (or scope 3) corresponds to other indirect emissions, such as the extraction of materials purchased by the company for producing the product or emissions linked to transporting these materials, emissions linked to waste or emissions linked to the use of its products (in our case, the use of the buildings for 50 years). This is the most significant part of a production company's emissions.

This mapping work highlights the importance of the choice of materials in a project. To limit its carbon footprint, it is therefore advisable to give priority to renovation, the use of bio-sourced materials, prefabrication and even reused or recycled materials.

Priority will be given to the structural components of buildings as this is where the impact can be greatest.

The second important element is the consumption of the buildings during the operational phase. The choice of non-fossil fuel techniques, insulation and optimisation of consumption are key to reducing the impact.

The Real Estate division uses a tool that allows it to take CO_2 into account in the design of buildings and to assess the carbon footprint of its current portfolio. This tool facilitates sustainable choices at the design stage.

Numerous construction and renovation projects are also carried out in joint association. For these projects, it is sometimes difficult to obtain the environmental information requested (energy consumption, waste production, etc.). The impact of this lack of data is explained in more detail in Chapter 6.5.1.

6.3.1. Energy indicators

6.3.1.1 Water management indicators

Since the end of 2021, we have started to monitor water consumption on our construction sites. Since most water supply contracts are annual, tracking this data is not explicit enough. The new sites are therefore equipped with smart consumption units to continuously monitor consumption.

Nevertheless, the data collected are not yet sufficient to be interpreted.
Several pilot projects have been set up to limit consumption (rainwater tanks, decantation water treatment, etc.).

Pumped water is also a major concern. The CFE Group's objective is to reuse 100% of the pumping water from its construction sites from 2030 onwards. Until then, several pilot projects have been successfully completed.

6.3.1.2 Energy consumption indicators

For this issue, we measure energy consumption on CFE sites and in the head offices of our subsidiaries, as well as the use of sustainable heating systems on BPI Real Estate projects.

In its real estate developments, BPI Real Estate seeks to optimise the energy consumption of its buildings and, above all, to use heating methods that do not use fossil fuels (gas, coal and oil). Thus, this year, 164,732 m² of projects under study or in development offer cogeneration, a biomass/pellet heating network or geothermal energy, and 83,200 m² integrate a strictly "fossil free" heating system. This data is updated regularly and available on the BPI Real Estate website
(https://bpi-realestate.com/en/sustainability-environmental-commitment-societal-commitment/).

Energy consumption is monitored directly on building sites, which are mostly equipped with smart meters.

Energy (kWh)	2020	2021	2022
Electricity	12,990,826.00	15,369,337.00	12,433,214.99
Gas	3,195,251.00	4,844,905.00	3,500,947.38
Fuel	11,064,479.00	12,050,850.00	11,066,302.33
Total	**27,250,556.00**	**32,265,092.00**	**27,000,464.70**
Intensity * (kWh/k€)	29.88	31.03	23.74

At the same time, we are seeing an even greater shift to green energy on our construction sites and in our offices.

% green energy	2020	2021	2022
HQs	27.0%	55.0%	73.0%
Sites	28.0%	60.0%	80.0%
Total	**28.0%**	**59.8%**	**79.7%**

For some of our offices that are leased where energy contracts are taken out for the entire building, we have not been able to receive confirmation of the type of electricity contracts taken out by the managers. We have therefore taken a conservative approach by considering that this is grey energy.

6.3.2. Material Indicators

6.3.2.1 Waste management indicators

The theme of materials concerns both the reuse and limitation of waste and the rational management of natural resources.

Since the beginning of 2020, a new indicator has been monitored for waste in all CFE subsidiaries. The five main waste fractions are measured four times per year and integrated into the environmental dashboard.

Waste	Unit	2020	2021	2022
Mixed (ton)	tonne	9,498	10,672	8,489.26
Wood (ton)	tonne	3,855	2,896	2,669.35
Inert (ton)	tonne	9,498	6,222	10,990.12
Hazardous (ton)	tonne	38	33.6	548.17
Steel (ton)	tonne	542	6,750.21	1,874.91
Total	**tonne**	**23,431**	**28,595**	**24,571.81**
Intensity*	**tonne/€M**	**25.7**	**27.5**	**21.6**

The significant increase in hazardous waste corresponds to a specific activity in the railway sector.

The Group's objective is therefore to reduce its waste intensity by 30% by 2030 compared to 2022 (year of reference).

6.3.2.2 Modularity and circularity indicators

As far as reuse is concerned, this can be monitored both from the point of view of the developer (BPI Real Estate) and site teams.

For the on-site analysis, CFE analyses all the data from the ZIN and Usquare project, which serves as a kind of pilot project to define the SMARTest KPIs and realistic stretch targets. CFE is also participating in the Buildwise circular economy working group to find solutions to industrialise the circular economy and allow it to grow.

BPI Real Estate monitors precisely which materials are reused in its projects. This starts with pre-demolition inventories of pre-existing buildings. This year, some 17,795 tonnes of materials were reused. The numbers are very dependent on the type of projects under way.

Finally, CFE monitors the use of wood and hybrid structures. This year, 53,355 m² were built or developed using wood.

6.3.3. Mobility Indicators

6.3.3.1 Staff mobility indicators

The mobility of employees and workers is an important issue given that it represents nearly 70% of Scope 1 and 2 emissions (see chapter 6.3).

Specific targets have therefore been set to reduce CO_2 emissions from company cars, vans and trucks. Given the technology currently available on the automotive market, these objectives differ for these three categories. Overall, the goal is to reduce total emissions by 40% by 2030 (with 2020 as the reference year). This year, there has been an increase in the number of electric and hybrid vehicles, but this has not yet had any effect on total fleet consumption, which remains at pre-Covid levels.

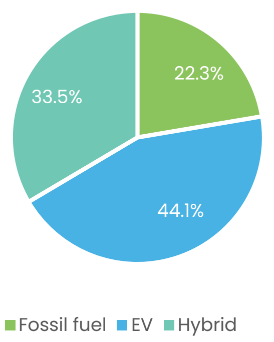
Fleet (litre)

<table>
<tr><th></th><th></th><th>2020</th><th>2021</th><th>2022</th></tr>
<tr><td rowspan="3">Diesel</td><td>Cars</td><td rowspan="2">2,755,474</td><td rowspan="2">3,155,234</td><td>1,927,973</td></tr>
<tr><td>Vans</td><td>1,134,007</td></tr>
<tr><td>Trucks</td><td>670,768</td><td>732,281</td><td>709,639</td></tr>
<tr><td rowspan="3">Unleaded</td><td>Cars</td><td rowspan="2">287,367</td><td rowspan="2">384,526</td><td>496,379</td></tr>
<tr><td>Vans</td><td>28,191</td></tr>
<tr><td>Trucks</td><td>4,198</td><td>3,914</td><td>6,406</td></tr>
<tr><td rowspan="3">Hybrid</td><td>Cars</td><td rowspan="2">1,870</td><td rowspan="2">7,168</td><td>20,584</td></tr>
<tr><td>Vans</td><td>0</td></tr>
<tr><td>Trucks</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Total</td><td></td><td>3,719,677</td><td>4,283,123</td><td>4,323,182</td></tr>
</table>

As far as company cars are concerned, a mobility plan has been set up. It is based on several pillars: reducing the list of authorised vehicles to less polluting vehicles, switching to electric vehicles, promoting alternative means of travel (bicycle, public transport, etc.). This plan is based on the realities and optimised needs of the various subsidiaries. To facilitate the switch to electric vehicles, construction sites in Belgium are equipped with temporary charging stations whenever technically possible.

While the results are not yet directly translating to the 2022 numbers, there is a real shift in vehicles ordered. Of the 188 new vehicles ordered in Belgium, 77.6% are electric or hybrid vehicles. These 188 vehicles represent 20% of the fleet renewal. The impact of this development should already be felt next year.

Ordered vehicles in 2022 (BE) (188 cars)



6.3.3.2 Site logistics indicators

Due to a lack of reliable data in the value chain, at this stage there are no KPIs related to the transport of materials, although this theme has a high degree of materiality. The preferred approach has been that of pilot projects using logistics consolidation centres to provide a comprehensive view of the issue at project level. The first results are highly encouraging as the very detailed study carried out in Luxembourg indicates a theoretical reduction of 46% of CO_2 linked to the transport of materials relying on the optimisation and use of a consolidation centre.

This assessment, carried out in collaboration with the LIST technical centre in Luxembourg, has been extended to take into account two new factors: pooling a consolidation centre for several sites and taking into account return journeys for transporting waste in order to generate economies of scale and facilitate its reuse or recycling.

The very encouraging results of the logistics studies were presented in September 2022 at the "Sustainable Built Environment" conference in Berlin (SBE22).

In Brussels, pilot projects are also being carried out in collaboration with the Buildwise innovation centre. Here, inland waterway transport is being integrated into the pilot projects.

6.4. Governance KPIs

6.4.1. Governance indicators

6.4.1.1 Transparency and corporate governance indicators

Since 2021, Sustainalytics' analysis of ESG risk management identified areas for improvement in ESG policies. They have therefore been revised for this purpose.

In general, all governance documents are regularly reviewed to ensure they conform with current legislation. For the sake of transparency, the main policies are publicly available on the group's website.

The changes in Sustainalytics' ratings demonstrates this rigorous monitoring, the desire for transparency and continuous improvement.

Rating ESG by Sustainalytics	2020	2021	2022
	43.8	27.8	26.1
	Severe	Medium	Medium

This work has paid off because this year CFE was recognised as an "ESG Top rated industry" by Sustainalytics.

As in previous years, a series of audits are carried out by our internal auditor to ensure compliance with the policies and procedures in place.

No major infringements were found.

For the purpose of continuous improvement, the results of the audits are presented to the members of both CFE's Audit Committee and Executive Committee to agree the corrective actions to be taken.

In the interests of transparency, dashboards relating to safety, human resources and the environment are published on a regular basis (monthly or four times a year depending on the subject) and sent to CFE and to the management committees of all the entities.

These dashboards allow for transparent communication with the various management levels and inform all employees as frequently as possible. Regular monitoring also makes it possible to readjust the actions undertaken as quickly as possible.

6.4.1.2 Innovation KPIs

The year 2020 has enabled CFE to make progress in developing a strategy structured around innovation. A board called the "innovation core team" common to all entities meets at least ten times a year.

In 2021, governance concerning innovation (role and responsibilities of each) as well as the clear process for structuring innovation has been defined. This exercise has helped determine the areas in which innovation should be prioritised and the necessary resources allocated.

In 2022, a tool to collect and centralise innovative ideas from employees and to define the follow-up to be given to these ideas has been developed and was made available to employees at the beginning of 2022. It has been dubbed "Innovate it".

6.4.1.3 Indicators related to respecting working conditions for all

With regard to respect for working conditions in general, all rules and procedures are included in the governance policies (ethics, respect for human rights, etc.) and are publicly available on the Group's website.

6.4.1.4 Customer centricity indicators

The various subsidiaries favour continuous contact with their customers to ensure their satisfaction. Nevertheless, debriefings are carried out at the end of the projects to define ways to improve these collaborations. At this stage, there is no SMART KPI common to all CFEs to measure customer centricity.

6.5. Data quality and audit

6.5.1. Is the data complete?

As explained in chapter 6.3, numerous projects are carried out as joint ventures. For this reason, it is not always possible to obtain environmental data from our partners.

From the point of view of the ADEME CO_2 calculation methods, the missing data can be assimilated into scope 3. Calculation of CO_2 (scope 1+2) can therefore be considered complete.

Nevertheless, an estimate is made to measure the value of missing data. This estimate is made by pro-rating the turnover of projects for which data is complete against the total turnover of construction & renovation projects.

Since the lack of data only concerns energy (which represents only 30% of CO_2 scope 1+2) and the percentage of projects for which we did not obtain data represents only 15%, we estimate the influence at 5% for 2022. This value is of the same order as 2021. The independent external auditor (EY) performed a compliance check on the entire non-financial statement. This exercise confirms that the non-financial statement is complete and meets the requirements as provided by the NFRD.

6.5.2. Data quality

Non-financial environmental data is transmitted to the sustainability department four times a year by each subsidiary via a "sustainability app". The data is then consolidated.

Any value that is significantly different from that reported for the same period in the previous year must be explained.
In each subsidiary, one person is responsible for collecting data, and the quality of the data transmitted. To ensure the correct definition and quality of the data, we have written a manual. It also includes best practice in environmental reporting. This environmental reporting must be validated by the subsidiaries' management committees before being sent for consolidation.

An internal audit was carried out to ensure the quality of the data transmitted by the subsidiaries. No major errors were found. The points of improvement have been included in the manual.

6.5.3. Data audit

In 2022, the KPIs relating to safety and calculating carbon intensity (scope 1+2) were audited by the external auditor (EY) as part of a limited assurance audit.

All non-financial KPIs as well as the results of the taxonomy analysis (see chapter 7) were presented to and validated by the Audit Committee and the Board of Directors.

Finally, the CO_2 data of the Belgian construction & renovation companies has been audited and validated in the framework of the "CO_2-prestatieladder" certification.

7. EUROPEAN TAXONOMY

7.1. Introduction

The EU taxonomy aims to transform the economy into a low-carbon economy by defining and reporting "sustainable" activities. The aim of the European Taxonomy is therefore to create a classification system for what is considered "sustainable" from an environmental and social point of view. It creates a framework and principles for assessing economic activities in relation to six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

It works as follows: an activity can be considered "sustainable" if it contributes substantially to one of the six environmental objectives, without causing significant harm to any of the other five objectives. An activity must also meet basic social criteria to be considered "sustainable".

At this stage, concrete performance thresholds (so-called Technical Screening Criteria (TSCs)) have only been developed for a first set of economic activities that contribute substantially to climate change mitigation and adaptation. The criteria for significant harm are already known for all six categories.

Climate change mitigation	✔
Climate change adaptation	✔
Sustainable use and protection of water and marine resources	
Transition to a circular economy	
Pollution prevention and control	
Protection and restoration of biodiversity and ecosystems	

For 2022, the CFE Group must indicate whether its activities are "eligible" as "green", i.e. whether they fall under the European taxonomy. CFE must therefore publish three key performance indicators (KPIs):

- % share of "eligible" revenue
- Share of "eligible" capital expenditure (CapEX)
- Share of "eligible" operating expenditure (OpEX)

Furthermore, CFE must indicate which part of these activities (turnover, CapEX and OpEX) "aligns" with the EU taxonomy, by testing them against TSCs without causing significant harm (Do not significantly harm - DNSH) to the other objectives defined in the EU taxonomy. As the legislation formulates TSCs in a very ambitious way, many activities that make a positive contribution to the climate will not necessarily be recognised as "aligned".

CFE reports the European taxonomy based on the scope of its consolidated accounts. A conservative approach has been applied by the different divisions to determine whether or not an activity qualifies for the EU taxonomy.

7.2. Classification of activities according to the European taxonomy definitions and methodology

Starting from the consolidated financial statements, an overview was made of the group's different entities with regard to the nature of their activities and their NACE codes. The list of NACE codes is a European framework that divides all economic activities into different codes. As it is integrated into the EU taxonomy, it serves as a basis for distinguishing between the group's eligible and non-eligible activities.

Due to the different segments in which the CFE Group is active, there are different approaches. Four different approaches can be observed according to the different eligible activities.

1. BPI Real Estate:

- Construction of new buildings
- Renovation of existing buildings

2. Construction and Renovation:

- Construction of new buildings
- Renovation of existing buildings

3. Multitechnics (VMA):

- Installation, maintenance and repair of electric vehicle charging stations in buildings (and parking spaces attached to buildings)
- Installation, maintenance and repair of energy efficiency equipment
- Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings
- Installation, maintenance and repair of renewable energy technologies
- Computer programming, consulting and related activities

4. Multitechnics (Mobix):

- Infrastructure for rail transport
- Infrastructure for road and public transport

It should be noted that the reported alignment statements do not fully represent the actual situation at CFE. Given the delay between publication of the delegated actions and the annual report, we had to select the projects/activities for which the assessment had real added value to substantially contribute to sustainability in the context of the EU taxonomy.

It should also be noted that the assessment was performed using best practices and interpretations available on the market at the time of the analysis. In cases of uncertainty or where some evidence could not be collected, a conservative approach was taken by reporting the final figures. Therefore, without formal proof or in case of reasonable doubt, the activity will be considered as non-aligned.

Overall, the figures for aligned investments (CAPEX) are significantly higher than those for aligned turnover, which is explained by the construction of new headquarters by some subsidiaries.

7.3. Eligibility & alignment

	ELIGIBLE TURNOVER	ELIGIBLE CapEX	ELIGIBLE OpEX	ALIGNED TURNOVER	ALIGNED CapEX	ALIGNED OpEX
BPI Real Estate	96.28%	100.00%	(1)	31.07%	65.97%	(1)
Construction & Renovation + Multitechnics	79.71%	88.00%	(1)	12.24%	25.10%	(1)
Total	**80.92%**	**89.76%**	**(1)**	**13.56%**	**29.06%**	**(1)**

(1) Operating expenses (OPEX), as defined under the EU taxonomy, include a restrictive list of non-capital expenses. Since the financial statements are prepared in accordance with the IFRS, these expenses are already included in capital expenditure (CAPEX). For this reason, OPEX eligibility and alignment are not presented in this report.

Income by line of business:

1. BPI REAL ESTATE

BPI Real Estate's activity is largely focused on the development (construction & renovation) of real estate projects. This translates into 96.3% eligibility, with the remainder being overhead. For eligibility and alignment, only consolidated group projects (fully-owned by BPI Real Estate) had to be taken into account. Three approaches were applied:

- Pre-construction projects: The projects under development were compared to the various TSC requirements. The projects were found to meet the TSC criteria overall with their sound design. When necessary and if still possible, some adjustments were made to the project. When it became clear that, despite the sustainability of the project and better achievement of some CST criteria, some TSCs could not be met in certain analysed projects. These projects were therefore irrevocably classified as non-alignable.

- Project in pre-construction phase: The necessary risk analysis was performed to estimate the criteria that could still be aligned despite the start of construction. TSCs that have not been met but are still achievable have been implemented.

- Post-construction projects: These are projects that have already been completed and sold to clients. The remaining turnover cannot therefore be aligned.

Since BPI Real Estate is the project developer and therefore also the decision maker in terms of sustainable projects, the alignment is remarkably higher than for the rest of CFE's activities. During the assessment, we found that the projects being developed by BPI Real Estate were well designed and could therefore be easily aligned once the taxonomy regulations were in place, and that the teams welcomed the taxonomy's proposed structure as a common framework for the industry.

2. CONSTRUCTION & RENOVATION

Since the taxonomy only requires reporting for projects with turnover during the year, the alignment process leads to a less favourable result. This consequence is due to the nature of the general contracting profession. Since it is only considered the project contractor and therefore only appears late in the entire project development cycle, its impact on alignment is very limited.

It should also be noted that projects that may be reported on in 2022 are already in the construction phase. This eliminates many projects that could be aligned if certain steps were taken at the time of bidding.

For the next reports, this number will increase, knowing that business units like Wood Shapers fully promote sustainability in their projects and already show an alignment above 66%. Under the SPARC strategy, renovation will also be highlighted, which will stimulate alignment as some criteria are more favourable.

3. MULTITECHNICS (VMA)

VMA is a technology group active in various building and industrial automation technologies. The outcome of eligibility and alignment is therefore not project-based, but cross-divisional.

For the business units related to building technologies, the turnover from the different projects has been consolidated and the eligible parts have been attributed to the corresponding taxonomic activity. This includes innovative technologies such as the VMANAGER building management system, the installation of solar panels and fossil-free heating, ventilation and air conditioning solutions.

Industrial automation business units are fully eligible for computer programming, consulting and related activities. Unfortunately, since there is no direct contribution to climate change adaptation within the meaning described by the European directive, the alignment is 0%.

4. MULTITECHNICS (Mobix)

The main activity related to taxonomy for Mobix is infrastructure for rail transportation. This includes work on tracks, catenaries and signalling. Most of the criteria can be demonstrated by client studies and permits. Because these are not always available to Mobix, the necessary evidence for some criteria could not be gathered to demonstrate alignment. The alignment presented for Mobix is therefore 0% instead of the potential 70%.

A second category of Mobix eligibility is "Infrastructure enabling road and public transport", most of which is related to the LuWa project. For this year, it was decided not to perform the assessment and to report a 0% alignment level.

Financial statements

TABLE OF CONTENT

DEFINITIONS

Working capital requirement	Inventories + trade and other operating receivables + other current operating/non-operating assets – trade and other operating payables – current tax liabilities – other current operating/non-operating liabilities
Capital employed	Equity of real estate development segment + net financial debt of real estate development segment
Net financial debt (NFD)	Non-current bonds + non-current financial liabilities + current bonds + current financial liabilities - cash and cash equivalents
Net financial surplus	Cash and cash equivalents **–** non-current bonds – non-current financial liabilities – current bonds – current financial liabilities
Income from operating activities	Revenue + other operating income + purchases + remunerations and social security payments + other operating expenses + depreciation and amortisation
Operating Income (EBIT)	Income from operating activities + share of profit (loss) of investments accounted for using equity method
EBITDA	Income from operating activities + depreciation and amortisation
Return on equity (ROE)	Net income, share of the group / equity, share of the group (opening)
Order book	Revenue to be generated by the projects for which the contract has been signed and has come into effect (after notice to proceed has been given or conditions precedent have been fulfilled) and for which project financing is in place.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December (in € thousands)	**Notes**	**2022**	**2021**
Revenue	4	**1,167,221**	**1,125,346**
Other operating income	6	54,572	50,749
Purchases		(806,729)	(793,536)
Remuneration and social security payments	7	(201,376)	(202,665)
Other operating expenses	6	(150,558)	(111,356)
Depreciation and amortisation	12-14	(20,870)	(20,217)
Income from operating activities		**42,260**	**48,321**
Share of profit (loss) of investments accounted for using equity method	15	8,754	9,655
Operating income		**51,014**	**57,976**
Cost of financial debt	8	73	(3,448)
Other financial expenses and income	8	(3,727)	(2,591)
Financial result		**(3,654)**	**(6,039)**
Result before tax		**47,360**	**51,937**
Income tax expenses	11	(8,962)	(12,431)
Result for the period from continuing operations		**38,398**	**39,506**
Result for the period from discontinued operations	5	193,270	113,260
Result for the period		**231,668**	**152,766**
Non-controlling interests - continuing operations	9	36	0
Non-controlling interests - discontinued operations	5	(2,297)	(2,758)
Result for the period - share of the group		**229,407**	**150,008**
Result from continuing operations - share of the group		38,434	39,506
Result from discontinued operations - share of the group	5	190,973	110,502
Earnings per share (share of the group) (EUR) (diluted and basic)	10	9.15	5.93
Earnings per share (share of the group) from continuing operations (EUR) (diluted and basic)	10	1.53	1.56
Earnings per share (share of the group) from discontinued operations (EUR) (diluted and basic)	10	7.62	4.37

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December (in € thousands)	**Notes**	**2022**	**2021**
Result for the period - share of the group		**229,407**	**150,008**
Result for the period		**231,668**	**152,766**
Changes in fair value related to financial derivatives		93,999	21,373
Exchange differences on translation		(2,688)	6,393
Deferred taxes	11	(13,658)	(3,000)
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		**77,653**	**24,766**
Re-measurement on defined benefit and contribution plans	23	2,184	(248)
Deferred taxes	11	(301)	98
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods		**1,883**	**(150)**
Total other elements of the comprehensive income recognized directly in equity		**79,536**	**24,616**
Comprehensive income :		**311,204**	**177,382**
- Share of the group		308,883	174,536
- Attributable to non-controlling interests		2,321	2,846
Comprehensive income per share (share of the group) (EUR) (diluted and basic)	10	12.32	6.89

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December (in € thousands)	**Notes**	**2022**	**2021**
Intangible assets	12	2,347	1,943
Goodwill	13	23,723	23,763
Property, plant and equipment	14	77,709	82,283
Investments accounted for using equity method	15	110,865	103,418
Other non-current financial assets	16	138,294	79,313
Non-current financial derivatives	27	422	0
Other non-current assets		11,659	13,861
Deferred tax assets	11	7,123	8,257
Non-current assets		**372,142**	**312,838**
Inventories	18	168,467	160,381
Trade and other operating receivables	19	284,608	281,256
Other current operating assets	19	100,714	85,555
Other current non-operating assets	19	4,487	2,416
Current financial derivatives	27	206	874
Current financial assets		306	15,691
Cash and cash equivalents	20	127,149	143,587
Current assets		**685,937**	**689,760**
Assets held for sale	5	0	4,297,401
Total assets		**1,058,079**	**5,299,999**
Share capital		8,136	41,330
Share premium		116,662	800,008
Retained earnings		105,696	1,184,100
Treasury shares	22	(3,735)	0
Defined benefit and contribution pension plans		(10,050)	(41,976)
Reserves related to financial derivatives		9,687	(31,160)
Exchange differences on translation		(1,743)	(15,967)
Equity – share of the group		**224,653**	**1,936,335**
Non-controlling interests		(127)	19,691
Equity		**224,526**	**1,956,026**
Employee benefit obligations	23	8,526	11,916
Non-current provisions	24	18,283	12,279
Other non-current liabilities		26,203	38,267
Non-current financial liabilities	26	154,048	77,599
Deferred tax liabilities	11	2,671	2,129
Non-current liabilities		**209,731**	**142,190**
Current provisions	24	41,755	40,744
Trade and other operating payables	19	309,204	277,009
Current tax liabilities		6,816	8,300
Current bonds	26	0	29,899
Current financial liabilities	26	21,994	149,084
Current financial derivatives	27	124	1,442
Other current operating liabilities	19	180,546	141,723
Other current non-operating liabilities	19	63,383	78,376
Current liabilities		**623,822**	**726,577**
Liabilities associated with assets held for sale	5	0	2,475,206
Total equity and liabilities		**1,058,079**	**5,299,999**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December (in € thousands)	**Notes**	**2022**	**2021**
Operating activities			
Income from operating activities		**42,260**	48,321
Depreciation and amortisation of (in)tangible assets and investment property	12-14	20,870	20,217
(Decrease)/increase of provisions		617	(5,118)
Impairments on assets and other non-cash items		(2,037)	8,098
Loss/(profit) on disposal of tangible and financial assets		(2,916)	(2,099)
Dividends received from investments accounted for using equity method	15	13,641	7,937
Cash flows from (used in) operating activities before changes in working capital		**72,435**	**77,356**
Decrease/(increase) in trade receivables and other current and non-current receivables		(40,902)	(22,873)
Decrease/(increase) in inventories		(8,563)	(12,989)
Increase/(decrease) in trade payables and other current and non-current payables		56,582	5,816
Income tax paid/received		(9,658)	(13,220)
Cash flows from (used in) operating activities		**69,894**	**34,090**
Investment activities			
Proceeds from sales of intangible assets and property, plant and equipment		2,905	3,371
Purchases of intangible assets and of property, plant and equipment		(18,572)	(14,557)
Acquisition of subsidiaries net of cash acquired		0	(2,240)
Change of the investment percentage net of cash acquired/sold	5	8,203	0
Capital decrease/(increase) of investments accounted for using equity method	15	0	(5,750)
Repayment of borrowings (new borrowings) given to investments accounted for using equity method	16	(15,661)	1,366
Cash flows from (used in) investing activities		**(23,125)**	**(17,810)**
Financing activities			
Interest paid		(6,081)	(6,765)
Interest received		6,154	3,317
Other financial expenses and income		(1,994)	(1,885)
Receipts from new borrowings	26	15,011	33,483
Repayment of borrowings	26	(104,817)	(33,511)
Buy back of own shares	22	(11,686)	0
Dividends received/(paid)	5	40,843	(4,893)
Cash flows from (used in) financing activities		**(62,570)**	**(10,254)**
Net increase/(decrease) in cash position		**(15,801)**	**6,026**
Cash and cash equivalents, opening balance		143,587	137,756
Effects of exchange rate changes on cash and cash equivalents		(637)	(195)
Cash and cash equivalents, closing balance	**20**	**127,149**	**143,587**

Acquisitions and disposals of subsidiaries net of cash acquired do not include entities that are not a business combination (Real Estate segment). They are not considered as investment operations and are directly reflected in cash flows from operating activities.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € thousands)	Share capital	Share premium	Retained earnings	Treasury shares	Defined benefit and contribution pension plans	Reserves related to financial derivatives	Exchange differences on translation	**Equity – share of the group**	Non-controlling interests	**Equity**
December 2021	**41,330**	**800,008**	**1,184,100**	**0**	**(41,976)**	**(31,160)**	**(15,967)**	**1,936,335**	**19,691**	**1,956,026**
Comprehensive income for the period			**229,407**		**1,883**	**80,247**	**(2,654)**	**308,883**	**2,321**	**311,204**
Dividends paid to shareholders										
Dividends from non-controlling interests									(629)	(629)
Effect of partial demerger of DEME	(33,194)	(683,346)	(1,305,842)		30,043	(38,914)	16,878	(2,014,375)	(21,419)	(2,035,794)
Movements related to treasury shares			705	(3,735)				(3,030)		(3,030)
Change in consolidation scope and other movements			(2,674)			(486)		(3,160)	(91)	(3,251)
December 2022	**8,136**	**116,662**	**105,696**	**(3,735)**	**(10,050)**	**9,687**	**(1,743)**	**224,653**	**(127)**	**224,526**

Changes in the fair value of defined benefit or contribution pension plans and of derivative instruments are explained in notes 23 “Employee benefits” and 15 “Investments accounted for using equity method” respectively while the effect of the partial demerger of DEME and movements related to treasury shares are explained in notes 5 "Acquisitions and disposals of subsidiaries" under "Assets and liabilities held for sale for the period ended 31 December 2022" and 22 "Information on the stock option plans", respectively.

(in € thousands)	Share capital	Share premium	Retained earnings	Defined benefit and contribution pension plans	Reserves related to financial derivatives	Exchange differences on translation	**Equity – share of the group**	Non-controlling interests	**Equity**
December 2020	**41,330**	**800,008**	**1,059,406**	**(41,783)**	**(49,715)**	**(22,133)**	**1,787,113**	**17,835**	**1,804,948**
Comprehensive income for the period			**150,008**	**(193)**	**18,555**	**6,166**	**174,536**	**2,846**	**177,382**
Dividends paid to shareholders			(25,314)				(25,314)		(25,314)
Dividends from non-controlling interests								(1,008)	(1,008)
Change in consolidation scope and other movements								18	18
December 2021	**41,330**	**800,008**	**1,184,100**	**(41,976)**	**(31,160)**	**(15,967)**	**1,936,335**	**19,691**	**1,956,026**

SHARE CAPITAL AND RESERVES

The share capital on 31 December 2022 was divided into 25,314,482 ordinary shares. These shares are without nominal value. The owners of ordinary shares have the right to receive dividends and have one vote per share in Shareholders’ General Meetings.

A dividend of €9,969 thousand, corresponding to €0.40 gross per share (less treasury shares held on 31 December 2022) was proposed by the Board of Directors and will be submitted to the shareholders’ for approval at the general meeting. The appropriation of income was not included in the financial statements at 31 December 2022.

In the context of the partial demerger of 29 June 2022, which resulted in the transfer of a substantial part of CFE's equity and distributable reserves to the DEME Group, on 5 May 2022 - on the proposal of the Board of Directors - the Ordinary General Meeting decided not to distribute a dividend for the financial year 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

Compagnie d'Entreprises CFE SA (hereinafter referred to as the "Company" or "CFE") is a public limited company incorporated under Belgian law and headquartered in Belgium. The consolidated financial statements for the year ended 31 December 2022 include the financial statements of the company, its subsidiaries and its interests in companies accounted for using equity method (the "CFE group"). CFE is 62.12% controlled by the Belgian investment group Ackermans & van Haaren (XBRU BE0003764785) whose ultimate controlling shareholder is Stichting Administratiekantoor "Het Torentje". CFE and Ackermans & van Haaren are companies listed on Euronext Brussels.

The Board of Directors authorised the publication of the CFE group's consolidated financial statements on 24 March 2023.

The consolidated financial statements should be read in conjunction with the management report of the Board of Directors.

MAIN TRANSACTIONS IN 2022 AND 2021 WITH AN IMPACT ON THE SCOPE OF THE CFE GROUP

TRANSACTIONS IN 2022

1. Real Estate Development segment

During the year of 2022, the main changes in scope within the real estate development segment of the CFE group are the following :

- The BPI Real Estate Luxembourg SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired a 100% stake in the newly created Immo Kirchberg S.à r.l. company. This company has been consolidated using the global integration method ;
- The BPI Real Estate Luxembourg SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired a 50% stake in the newly created Emely S.à r.l. company. This company has been integrated using the equity method ;
- The BPI Real Estate Luxembourg SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, sold its stake (50%) in the Wooden SA company. This company was integrated using the equity method ;
- The BPI Real Estate Belgium SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, liquidated its stake (100%) in the Développements d'Habitations Bruxelloises SA company. This company was consolidated using the global integration method;
- The BPI Real Estate Belgium SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, sold its stake (50%) in the Wood Shapers SA company to the CFE Contracting SA company, a fully-owned subsidiary of the CFE group, which already held 50%. This company remains consolidated using the global integration method ;
- The BPI Real Estate Poland Sp. z o.o. company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, sold 20% of its shares in the BPI Jaracza Sp. z o.o. company to decrease its stake from 100% to 80%. This company remains consolidated using the global integration method ;
- The BPI Real Estate Poland Sp. z o.o. company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, liquidated its stake (47%) in the Immomax Sp. z o.o. company. This company was integrated using the equity method ;
- The BPI Real Estate Poland Sp. z o.o. company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, liquidated its stake (100%) in the BPI Sadowa Sp. z o.o. company. This company was integrated using the equity method ;
- The BPI Real Estate Belgium SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, sold its stake (24,97%) in the Grand Poste SA company. This company was integrated using the equity method.

2. Multitechnics segment

During the year of 2022, the main changes in scope within the multitechnics segment of the CFE group are the following :

- The VMA West NV and VMA Food & Pharma NV companies, fully-owned subsidiaries of the CFE group and consolidated using the global integration method, have been absorbed, with retroactive effect as of 1 January 2022, by the company VMA NV, itself a fully-owned subsidiary of the CFE group and consolidated using the global integration method ;
- The Rolling Robotics Sp. z o.o., Rolling Robotics Sp. komandytowa, Power Automation Sp. z o.o., Power Automation Sp. komandytowa and VMA R. Robotics Sp. z o.o. companies, fully-owned subsidiaries of the CFE group and consolidated using the global integration method, have been absorbed, with retroactive effect as of 1 January 2022, by the VMA Polska Sp. z o.o. company, itself a fully-owned subsidiary of the CFE group and consolidated using the global integration method ;
- The VMA NV company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, liquidated its stake (100%) in the VMA Slovakia SRO company. This company was consolidated using the global integration method.

3. Construction & Renovation segment

During the year of 2022, the main changes in scope within the construction & renovation segment of the CFE group are the following :

- The Bâtiments et Ponts Construction SA (BPC SA) company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, contributed, with retroactive effect as of 1 January 2022, its "Construction" segment to the company BPC Wallonie SA, itself a fully-owned subsidiary of the CFE group. Following this demerger by absorption and without dissolution of the demerged company, the legal name of the company BPC Wallonie SA was changed to BPC Group SA. Those companies remain consolidated using the global integration method ;
- The Van Laere NV company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, sold 65% of its shares in the Hofkouter NV company to decrease its stake from 100% to 35%. This company, which was integrated using the equity method, is now consolidated using the global integration method. We refer to note 5 of this report.

4. Investments & Holding segment

During the year of 2022, the main changes in scope within the investments & holding segment of the CFE group are the following :

- The CFE Contracting SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired 50% of the shares held by BPI Real Estate Belgium SA in Wood Shapers SA to increase its stake from 50% to 100%. This company remains consolidated using the global integration method. Consequently, whereas until the end of 2021 Wood Shapers SA and its subsidiaries constituted a joint venture between the construction & renovation and real estate development segments, these companies are now fully part of the construction & renovation segment ;
- The Contractors Overseas Ltd company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, has been absorbed by the Société Financière d'Entreprises SFE SA company, itself a fully-owned subsidiary of the CFE group and consolidated using the global integration method ;
- The Rent-A-Port NV group, 50% owned by CFE SA and integrated using the equity method, acquired 32.59% of the non-controlling interests of Infra Asia Investment Hong Kong Ltd increasing its stake to 94.00%. Under IFRS, the purchase of non-controlling interests does not give rise to an allocation of goodwill. The excess paid in regard to the net assets acquired is therefore directly deducted from equity. This transaction has a negative impact of €3.2 million on the CFE Group's equity as presented in the consolidated statement of changes in equity (in the item "change in consolidation scope and other movements").

5. Demerger of CFE group

On 29 June 2022, CFE SA was split into two separate listed companies : CFE and DEME Group – we refer to section "Assets and liabilities held for sale for the period ended 31 December 2022" in note 5 "Acquisitions and disposals of subsidiaries". This transaction reduces the CFE group's equity by €2,036 million.

TRANSACTIONS IN 2021

1. Real Estate Development segment

During the year of 2021, the main changes in scope within the real estate development segment of the CFE group are the following:

- The BPI Real Estate Poland Sp. z o.o. company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired :
  - 100% of the newly created BPI Project VIII Sp. z o.o. company ;
  - 100% of the newly created BPI Project IX Sp. z o.o. company.

  The acquired entities listed above were consolidated using the global integration method ;
- The BPI Real Estate Luxembourg SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired :
  - a 50% stake in the newly created The Roots Real Estate S.à r.l. company ;
  - a 50% stake in the newly created The Roots Office S.à r.l. company.

  The acquired entities listed above were integrated using the equity method ;
- The BPI Real Estate Poland Sp. z o.o. company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, liquidated all its shares (100%) in the Immo Wola Sp. z o.o. company. This company was consolidated using the global integration method ;
- The BPI Real Estate Poland Sp. z o.o. company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, sold 50% of its shares in the BPI Project V Sp. z o.o. company to decrease its stake from 100% to 50%. This company was renamed BPI-Revive Matejki Sp. z.o.o. This company, which was consolidated using the global integration method, is now integrated using the equity method ;
- The company names of BPI Project III Sp. z o.o., BPI Project VI Sp. z o.o. and BPI Project VII Sp. z o.o. were changed to BPI Obrzezna Sp. z o.o., BPI Jaracza Sp. z o.o. and BPI Chmielna Sp. z o.o., respectively ;
- The BPI Real Estate Luxembourg SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired 100% of the shares of the Livingstone Retail S.à r.l. company, previously held by the M1 SA company, a 33.33% subsidiary of the CFE group integrated using the equity method. Following this transfer, the name of this company was changed to Mimosas Real Estate S.à r.l. This company, which was integrated using the equity method, is now consolidated using the global integration method ;
- The BPI Real Estate Belgium SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired 37.5% of the shares of the newly created company Tervuren Square NV. This company was integrated using the equity method ;
- The BPI Real Estate Belgium SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, sold 50% of its shares in the Samaya Development SA company to decrease its stake from 100% to 50%. This company, which was consolidated using the global integration method, is now integrated using the equity method;
- The BPI Real Estate Belgium SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, sold its stake (50%) in the Ernest 11 company. This company was integrated using the equity method.

2. Multitechnics segment

During the year of 2021, the main changes in scope within the multitechnics segment of the CFE group are the following :

- The Mobix Coghe NV company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, was absorbed, with retroactive effect as of 1 January 2021, by the Mobix Remacom NV company, itself a fully-owned subsidiary of the CFE group and consolidated using the global integration method ;
- The Procool SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, was absorbed, with retroactive effect as of 1 January 2021, by the VMA Druart SA company, itself a a fully-owned subsidiary of the CFE group and consolidated using the global integration method ;
- The VMA NV company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, increased its stake in the VMA R. Robotics Sp z o.o. company from 51% to 100%. This company, which was integrated using the equity method, is now consolidated using the global integration method ;
- The VMA NV company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired 100% of the shares of Rolling Robotics Sp. z o.o., Rolling Robotics Sp. komandytowa, Power Automation Sp. z o.o. and Power Automation Sp. komandytowa. These companies were consolidated using the global integration method.

3. Construction & Renovation segment

During the year of 2021, the main changes in scope within the construction & renovation segment of the CFE group are the following :

- The CFE Bau GmbH company, a 100% subsidiary of the CFE group, was incorporated. This company has been consolidated using the global integration method ;
- The Anmeco NV company, a 100% subsidiary of the CFE group, was liquidated. This company was consolidated using the global integration method ;
- The CFE Senegal SASU company, a 100% subsidiary of the CFE group, was liquidated. This company was consolidated using the global integration method.

4. Wood Shapers – joint venture between the Construction & Renovation segment and the Real Estate Development segment

During the year of 2021, the Wood Shapers SA company has acquired a 50% stake in the newly created Wood Gardens SA company. This company was integrated using the equity method.

5. Investments & Holding segment

During the year of 2021, the main changes in scope within the investments and holding segment of the CFE group are the following:

- The CFE Tchad SA company, a 100% subsidiary of the CFE group, was sold. This company was consolidated using the global integration method ;
- The Franco-Belge de Constructions Internationales SAS company, a 100% subsidiary of the CFE group, was liquidated. This company was consolidated using the global integration method.

1. GENERAL POLICIES

IFRS AS ENDORSED BY THE EUROPEAN UNION

The accounting principles used for the preparation and presentation of the consolidated financial statements of CFE at 31 December 2022 comply with the IFRS standards and interpretations as endorsed in the European Union on 31 December 2022.

The accounting principles used at 31 December 2022 are the same as those used for the consolidated financial statements at 31 December 2021, except for the standards and/or amendments to standards described below as endorsed in the European Union, mandatorily applicable as of 1 January 2022.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2022

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework
- Annual Improvements to IFRS Standards 2018–2020

The application of these standards and interpretations had no material impact on the consolidated financial statements of CFE.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2022

The Group did not apply early any of the following new standards and interpretations, application of which was not mandatory at 31 December 2022.

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (applicable for annual periods beginning on or after 1 January 2023)
- Amendments 2020 and 2022 to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed by the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS 2 Practice Statement : Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Material (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

2. SIGNIFICANT ACCOUNTING POLICIES

ADDITIONAL INFORMATION ON THE IMPLICATIONS OF THE RUSSIA-UKRAINE CONFLICT AND THE CONSEQUENCES ON THE MACROECONOMIC ENVIRONMENT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

CFE's operational activities are mainly located in Belgium, Luxembourg and Poland and to a lesser extent in Vietnam. As CFE is not present on the Russian or Ukrainian markets, the direct impacts of the Russian-Ukrainian conflict and the international sanctions imposed on Russia are not having a significant direct impact on the CFE group's operations and financial results.

The indirect impacts of the conflict and the macroeconomic environment in which the CFE Group operates are mainly observable in terms of :

- the significant increase in the costs of construction materials, subcontracting and wages (we refer to note 7 "Remunerations and social security payments") allocated to the construction sites. As CFE's activities are not dependent on production plants or other heavy industrial infrastructure, the increase in energy costs is also having a limited direct impact. On the basis of the contractual conditions defined contract by contract, any compensation granted or, conversely, penalties charged for delays are also incorporated in the estimated revenue at completion in line with the valuation rules of the CFE group ;
- costs of services and other goods and other operating expenses which are highly sensitive to price inflation (we refer to note 6 "Other operating income and expenses") ;
- occasional disruptions to supply chains for building materials ;
- the cost of financing due to the increase in interest rates both in the Eurozone and in Poland (see refer to note 8 "Financial result").

These impacts also result in the adjustment of certain parameters underlying the valuation of defined benefit and early retirement plan liabilities in the consolidated financial position, such as the discount rate, the long-term inflation rate and the average real return on plan assets (we refer to note 23 “Employee benefits”). The increase in interests rates is also reflected in the discount rate used for goodwill impairment tests (we refer to note 13 “Goodwill”).

CHANGE IN SEGMENT INFORMATION

On 29 June 2022, CFE was split into two companies: CFE and DEME Group We therefore no longer present a segment of discontinued “DEME” operations as these have been transferred to the DEME Group.

CFE’s activities are divided into four operating segments: real estate development, multitechnics, construction & renovation, and investments & holding. Consequently, the segment information presented in the consolidated financial statements of CFE until 31 December 2021 had to be adapted accordingly. The main changes compared to 2021 are:

- the creation of the “Construction & Renovation” and “Multitechnics" segments (presented until the end of December 2021 under the Contracting segment);
- the aggregation of CFE Contracting SA and the “Holding” branch of CFE SA under the “Investments & Holding" segment.

We refer to note 4 for the new presentation of segment information (including comparatives aligned to the new structure).

ACCOUNTING POLICIES AND METHODS

(A) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union.

(B) BASIS OF PRESENTATION

The financial statements are stated in thousands of euros, rounded to the nearest thousand.

Equity instruments and equity derivatives are stated at cost where they do not have a quoted market price in an active market and where other methods of reasonably estimating fair value are clearly inappropriate and/or inapplicable.

Accounting policies are applied consistently.

The financial statements are presented before the appropriation of parent-company income proposed to the Shareholders' General Meeting.

(C) MAIN JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements according to the IFRS standards requires the use of estimates, as well as the formulation of judgments and assumptions that affect the amounts shown in those financial statements, particularly with regard to the following items:

- the period over which non-current assets are depreciated or amortized ;
- the measurement of provisions and post-employment obligations ;
- the measurement of income or losses on construction contracts using the percentage of completion method ;
- estimates used in impairment tests ;
- the valuation of financial instruments at fair value ;
- the assessment of control ;
- the qualification of the nature of the transaction as a business combination or an acquisition of assets when a company is acquired ; and
- the assumptions used to determine the financial liabilities in accordance with the IFRS 16 standard.

These estimates assume the operation is a going concern and are made on the basis of the information available at the time they were established. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

(D) CONSOLIDATION PRINCIPLES

The consolidated financial statements include the financial statements of the CFE group and the financial statements of its subsidiaries and the entities over which it has control. The CFE group controls an entity if :

- it has power over the entity ;
- it is exposed to, or entitled to, variable returns from the controlled entity ;
- it has the ability to exert power over the entity in order to influence the returns obtained.

If the CFE group does not have the majority of voting rights in an entity, it is presumed to have enough rights to exert power over the entity if it has the ability to manage the core businesses of the entity on its own. The CFE group takes into account all facts and circumstances when it assess whether the voting rights held are sufficient to give the power to manage the entity, including the following:

- the voting rights held by the CFE group compared to the voting rights held by the other partners and how there are spread among them ;
- the potential voting rights held by the CFE group and by other stakeholders or other parties ;
- the rights arising from other agreements ;
- other facts and circumstances, if any, that prove that the CFE group has the ability (or otherwise) to manage the entity’s core businesses when decisions have to be taken, including voting trends at previous shareholder meetings.

The CFE group consolidates the subsidiary from the date on which it obtains control, and ceases to consolidate it when the group no longer controls the entity. In particular, the income and expenses of a subsidiary acquired or sold during the financial year are included in the consolidated statement of income and in other elements of the consolidated statement of comprehensive income from the date the CFE group acquires control of the subsidiary until the date on which it ceases to control it.

If necessary, adjustments are made to statutory accounts of subsidiaries in order to align their accounting methods with those used by the group. All assets and liabilities, equity, revenue, expenses and cash flows related to transactions between group companies are eliminated in the consolidated financial statements.

Changes to the group’s interest in a subsidiary that do not result in a loss of control are recognized as equity transactions. The carrying amounts of the group’s interests and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

When the CFE group grants an option to sell to the non-controlling interests of a subsidiary (i.e. where the non-controlling interests have a "put"), the related financial liability is initially deducted from non-controlling interests in equity.

Associated companies are entities in which the CFE group exercises a significant influence. Significant influence is the power to take part in financial and operating policy decisions of a company without, however, exercising control or joint control over these policies.

A joint venture is an arrangement whereby the parties having joint control over the entity have rights to the entity's net assets. A joint control is the sharing of the control over an entity among different parties based on legal agreements and where all decisions related to core businesses require the agreement of all parties.

Assets, liabilities, revenue and expenses from associates and joint ventures are accounted for using equity method in the consolidated financial statements unless the interest in the associate is, partly or fully, classified as held-for-sale. In that case, it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or joint venture is first recorded at cost in the consolidated financial statements and then adjusted to record the share of the group in the net result and in the comprehensive income of the associate or joint venture. If the group's share in the losses of an associate or joint venture is greater than its participation, the CFE group ceases to recognize its share in the future losses. Additional losses are recognized only to the extent that the CFE group has entered into a legal or implicit obligation, or has made payments on behalf of the associate or joint venture.

A participation in an associate or a joint venture is recognized under the equity method from the date when the entity becomes an associate a joint venture. When acquiring the participation in an associate or a joint venture, any surplus of the cost of the participation over the share of the net fair value of the identifiable assets and liabilities of the entity is recognized as goodwill, which is included in the carrying amount of the participation. Any surplus of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the participation, after revaluation, is immediately recognized in the consolidated statement of income of the financial year in which the participation was acquired.

A joint operation is a partnership in which the parties who exercise joint control over the company have rights to the assets and obligations with respect to the entity's liabilities. Joint control is the contractually agreed sharing of control over an entity, which only exists if decisions with regard to the relevant activities require the unanimous consent of the parties sharing control. When an entity of the CFE group entity starts its activities in the context of a joint operation, the CFE group, as a co-participant, recognizes the following items in respect to its interests in the joint operation:

- its assets, including its share of any assets held jointly ;
- its liabilities, including its share of any liabilities incurred jointly ;
- its revenue from the sale of its share of the output arising from the joint operation ;
- its share of the revenue from the sale of its share of the output by the joint operation ;
- its expenses, including its share of any expenses incurred jointly.

(E) FOREIGN CURRENCIES

(1) TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in currencies other than the euro are recognized at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the closing rate. Gains and losses resulting from these transactions, as well as the conversion of monetary assets and liabilities denominated in foreign currencies, are recognized in the consolidated statement of income.

Non-monetary assets and liabilities denominated in foreign currencies are converted at the foreign exchange rate on the transaction date.

(2) FINANCIAL STATEMENTS OF FOREIGN ENTITIES

The assets and liabilities of the companies of the CFE group whose functional currencies are other than the euro are converted into euros at the exchange rate on the balance sheet date. The income statements of foreign entities, excluding foreign entities in hyperinflationary economies, are converted into euros at an average exchange rate for the year (approximating the foreign exchange rates prevailing at the dates of the transactions).

Components of shareholders' equity are converted at historical rates.

The conversion differences arising from this conversion are recognized in the other elements of the comprehensive income, and are accumulated in a separate equity reserve, i.e., 'exchange differences on translation'. These differences are recognized in the consolidated statement of income of the financial year during which the entity is sold or liquidated.

(3) EXCHANGE RATES

Currencies	Closing rate 2022	Average rate 2022	Closing rate 2021	Average rate 2021
Polish Zloty	4.68	4.69	4.60	4.56
U.S. Dollar	1.07	1.05	1.13	1.18
Tunisian Dinar	3.32	3.25	3.25	3.29
Hungarian forint	400.87	391.84	369.19	358.48
Romanian Leu	4.95	4.93	4.95	4.92
British Pound	0.89	0.85	0.84	0.86

Units of foreign currency per euro

(F) INTANGIBLE ASSETS

(1) RESEARCH AND DEVELOPMENT COSTS

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the consolidated statement of income as an expense as incurred.

Development costs, whereby research results are applied to the planning or design of new or improved processes such as IT tools, are recognised as an asset if the process is technically and commercially feasible, the company has sufficient resources to complete the development, the attributable expenditure can be reliably identified, the CFE Group intends to complete and use the related intangible asset, and the intangible asset will generate future financial benefits through internal use.

Capitalized expenditures include all costs directly attributable to the asset necessary for its creation, production and preparation in view of its intended use. Other development expenditures are recognized as an expense as incurred.

Development costs recognized as an asset are included in the consolidated statement of financial position at their acquisition cost less accumulated depreciation (see below) and impairment.

(2) RECOGNITION AND MEASUREMENT OF LICENSES

All intangible assets are capitalized only if it is probable that future economic benefits will flow to the entity and if its cost can be measured reliably. These criteria are applicable on initial recognition and for subsequent expenditures.

All intangible assets are accounted for at historical cost less accumulated depreciation and impairment losses.

Historical cost includes the purchase price of licenses as well as costs incurred during the implementation period of the software. Implementation costs include the costs of suppliers or consultants working on the project as well as the direct salary costs of staff members whose main task is the implementation of the tool.

(3) SUBSEQUENT EXPENDITURES

Subsequent expenditures on intangible assets are recognized as an asset only if it allows the asset to generate future economic benefits beyond the performance level that was defined at the outset. All other expenditures are recognized when incurred.

(4) DEPRECIATION

Intangible fixed assets are amortised on a straight-line basis over their estimated useful life. Across the CFE group, these are essentially made up of software licences with an estimated useful life ranging from 3 to 5 years.

(G) BUSINESS COMBINATIONS

Acquisitions of subsidiaries and companies are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, and expenses related to the acquisition are recognized in the consolidated statement of income when incurred.

When a consideration transferred by the group in the context of a business combination includes a contingent consideration agreement, this contingent consideration is measured at its fair value on the acquisition date. Changes in the fair value of a contingent consideration that relate to adjustments in the measurement period (see below) are recognized retrospectively; other changes in the fair value of the contingent consideration are recognized in the consolidated statement of income.

In a business combination that takes place in stages, the group must reassess the stake it previously held in the acquired company to fair value on the date of acquisition (i.e. the date on which the group obtained control), and recognise any profit or loss in the consolidated statement of income.

On the date of acquisition, identifiable assets acquired and liabilities assumed are recognized at fair value on that date with the exception of :

- deferred tax assets or liabilities and assets and liabilities related to employee benefit arrangements, which are recognized and measured in accordance with IAS 12 (Income taxes) and IAS 19 (Employee benefits) respectively ;
- liabilities or equity instruments related to payment agreements based on shares in the acquired company or payment agreements based on shares in the group formed to replace payment agreements based on shares in the acquired company, which are measured in accordance with IFRS 2 (Share-based payment) on the date of acquisition ;
- assets (or groups intended to be sold) classified as held-for-sale under IFRS 5 (Non-current assets held for sale and discontinued operations), which are measured in accordance with this standard.

If the initial recognition of a business combination is unfinished at the end of the financial reporting period during which the business combination occurs, the group must present provisional amounts relating to the items for which recognition is unfinished. These provisional amounts are adjusted during the measurement period (see below), or the additional assets or liabilities are recognized to take into account new information obtained about the facts and circumstances prevailing at the acquisition date and which, if they had been known, would have had an impact on the amounts recognized at that date.
Adjustments in the measurement period are a consequence of additional information about the facts and circumstances prevailing at the date of acquisition obtained during the "measurement period" (up to one year from the acquisition date).

(1) POSITIVE GOODWILL

Goodwill arising from a business combination is recognized as an asset on the date on which control was obtained (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the number of non-controlling interests in the acquired company and the fair value of the stake previously owned by the group in the acquired company (if any) on the net balance of the amounts of identifiable assets acquired and liabilities assumed on the acquisition date.

Non-controlling interests are initially measured either at fair value or at the share of the non-controlling participation in the identifiable net assets recognized of the acquired company. The basis of measurement is selected on a transaction-by-transaction basis.

Goodwill is not amortized, but is subject to impairment tests that take place annually or more frequently if there is an indication that the cash-generating unit to which it is allocated (usually a subsidiary) could have suffered a drop in value. Goodwill is expressed in the currency of the subsidiary to which it relates. If the recoverable amount of the cash-generating unit is less than its carrying amount, the loss of value is first charged against any goodwill allocated to this unit, and then to any other assets of the unit in proportion to the carrying amount of each of the assets included in the unit. Goodwill is stated on the consolidated statement of financial position at cost less impairment. Impairment of goodwill is not reversed in future periods. When a subsidiary is divested from the group, the resulting goodwill and other comprehensive income relating to the subsidiary are taken into account in determining the net gain or loss on disposal.

For companies accounted for by the equity method, the carrying amount of goodwill is included in the carrying amount of this participation.

(2) BARGAIN PURCHASE

If, at the acquisition date, the net balance of identifiable assets acquired and liabilities assumed is higher than the sum of the consideration transferred, the non-controlling interests in the acquired company and the fair value of the stake in the acquired company previously owned by the group (if any), the surplus is recognized immediately in the consolidated statement of income as a profit on an acquisition under favorable conditions.

(H) PROPERTY, PLANT AND EQUIPMENT

(1) RECOGNITION AND MEASUREMENT

All property, plant and equipment are capitalized only if it is probable that future economic benefit will flow to the entity and its cost can be measured reliably. These criteria are applicable at initial recognition and in relation to subsequent expenditures.

All property, plant and equipment are included in the consolidated statement of financial position at their historical acquisition cost less accumulated depreciation and impairment losses.

Historical cost includes the original purchase price, borrowing costs incurred during the construction period, and related direct costs (e.g. non recoverable taxes and transport costs). The cost of assets produced by the company includes the cost of materials, direct labor costs and an appropriate proportion of overheads.

(2) SUBSEQUENT EXPENDITURES

Subsequent expenditures are only recorded as an asset only if it allows the asset to generate future economic benefits beyond the performance level that was defined at the outset. Repairs and maintenance costs, which do not increase the future economic benefits of the asset to which they relate, are recognized as costs when incurred.

(3) DEPRECIATION

Depreciation is calculated from the date on which the asset is ready to be used. Depreciation is calculated according to the straight-line method, and on the basis of the estimated useful economic life of these assets, i.e.:

trucks :	5 years
other vehicles :	3 to 5 years
other equipments :	5 years
IT hardware :	3 years
office equipment :	5 years
office furniture :	10 years
renovatin of buildings/new buildings :	20-33 years
cranes :	8-12 years with/without residual value of 1%
excavators :	7 years without residual value
tracklayers :	10 years with residual value of 5%
containers and site installations :	5 years
various site equipments :	5 years

Land is not depreciated as it is deemed to have an indefinite life.

Borrowing costs directly linked to the acquisition, construction or production of an asset that requires a long time of preparation are included in the cost of the asset.

(I) LEASES

The CFE group acts mainly as a lessee under lease contracts. Leases are recognized in the consolidated statement of financial position as rights of use and lease obligations at the present value of the future lease payments at a pre-determined discount rate.

The CFE Group uses an incremental borrowing rate that differs depending on the nature of the asset underlying the contract. In 2022, the discount rate was revised for each asset class following a significant increase in the reference interest rates (Euribor). The revised discount rate has been applied to the remaining rents in either of the following situations to revalue the rental liability:

- to each lease where a substantial change in the term of the lease has occurred but has not resulted in the recognition of a separate lease ;
- to new contracts booked after the date on which this rate was revised.
-

Accrued rights of use are depreciated on a straight-line basis over their useful life, or over the term of the lease if the lease does not provide for transfer of ownership at the end of the lease term, while the corresponding obligations are recognized as financial debts.

The lease payments associated for lease contracts of up to 12 months' duration and lease contracts of low-value underlying assets are expensed over the period in which the asset is used.

All minimum lease payments are recorded partly as financing cost and partly as depreciation of the outstanding obligation, which results in a constant periodic interest on the remaining balance of the obligation. Financial expenses are charged directly in the consolidated statement of income.

Where a lease contract is terminated before the lease term has expired, any compensation paid to the lessor is expensed in the period in which the lease contract is terminated.

(J) FINANCIAL ASSETS

Each category of investments is recognized at its fair value upon the initial recognition of the asset. The measurement method will evolve according to the categories stated below :

(1) INVESTMENTS IN DEBT SECURITIES AND OTHER INVESTMENTS

Investments in debt securities are presented as financial assets and are measured at their amortized cost, determined on the basis of the "effective interest rate method" if the two conditions below are met:

- the "Solely payments of principal and interests" criterion as defined by IFRS 9;
- the assets are held for collection.

The effective interest rate method is used to calculate the amortized cost of a financial asset or liability and to allocate financial income or financial expense during the period under review. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the future expected life of the financial instrument or, where appropriate, over a shorter period, in order to obtain the net book value of the financial asset or liability. Profit or loss is recognized in the consolidated statement of income. Impairment losses are recognized in the consolidated statement of income.

(2) TRADE RECEIVABLES

We refer to paragraph (L)

(3) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS

Derivative instruments are recognized at fair value through the consolidated statement of income, unless there is documentation of hedge accounting (we refer to paragraph X).

(K) INVENTORIES

Inventories are measured at weighted average cost or at net realizable value, if the latter is lower.

The cost of finished products and work in progress comprises raw materials, other production materials, direct labour, other direct costs, borrowing costs incurred where the product requires a long period of construction, and an allocation of fixed and variable production overheads based on the normal capacity of production facilities.

The net realizable value is the estimated selling price in the normal course of business, less estimated completion costs and costs necessary to complete the sale.

(L) TRADE RECEIVABLES

Current trade receivables are measured at amortized cost, which is generally identical to their nominal value less any impairment losses. The measurement of financial assets is made on the basis of the estimated loss model, which requires taking the discounted value of the estimated losses into account if the debtor proves to be in default. The estimated losses are calculated on the basis of the weighted average of the losses to be incurred according to several occurrence scenarios. This analysis is carried out on a case-by-case basis for project.

(M) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and term deposits with an original maturity date of less than three months.

(N) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of non-current assets (with the exception of financial assets that fall within the scope of IFRS 9, deferred taxes and non-current assets held for sale) are reviewed at each closing date to determine whether there is any indication that an asset has lost value. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets with an indefinite useful life and goodwill, the recoverable amount is estimated at each closing date. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of income.

(1) ESTIMATES OF RECOVERABLE AMOUNTS

The recoverable amount of non-financial assets is the greater of the fair value less costs for selling the asset and its value in use. Value in use is the present value of estimated future cash flows.

In order to determine the value in use, estimated future cash flows are discounted using a pre-tax interest rate that reflects both current market interest rates and risks specific to the asset.

For assets that do not generate cash flows themselves, the recoverable amount is determined for the cash-generating unit to which the assets belong.

(2) REVERSAL OF IMPAIRMENT

With the exception of goodwill for which impairment losses are never reversed, impairments on non-financial assets are only reversed if there has been a change in the estimates used to determine the recoverable amount.

An asset impairment can only be reversed to the extent that the asset's carrying amount, which has increased after the reversal of an impairment loss, does not exceed the net carrying amount of the amortization that would have been determined, if no amortization would have been recognized for this asset.

(O) PURCHASE OF TREASURY SHARES

When CFE shares are bought back by the company or a company of the CFE group, the amount paid, including costs directly attributable to the acquisition, is recognized as a deduction from equity. The proceeds from the sale of shares are directly included in the total equity, with no impact on consolidated statement of income.

if treasury shares are reissued, any difference between the carrying amount and the consideration is recognized as share premium.

(P) PROVISIONS

Provisions are made if the company has a legal or an implicit obligation as a result of events that have occurred in the past, if it is probable that an outflow of resources generating economic benefits will be required to settle the obligation, and if the amount of the obligation can be reliably estimated.

The amount recorded as provision corresponds to the best estimate of the necessary expenditure to settle the current obligation at the balance sheet date. This estimate is obtained by using a pre-tax interest rate that reflects both the current market assessments and the specific debt risks.

Provisions for restructuring are made if the company has approved a detailed and formal restructuring plan, if the restructuring has either started or has been announced publicly, and if the employees affected have been notified of the plan main features. Provisions are not set aside for costs that relate to the company's normal activities.

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of settlement of the obligation.

Provisions for after-sales service cover the obligations of the entities of the CFE group within the framework of the statutory guarantees relating to completed projects. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically identified problems. Provisions for after-sales services are provided from the start of the work.

A provision for onerous contracts is made if the expected economic benefits from a contract are lower than the unavoidable costs of meeting the contractual obligations. Unavoidable contract costs reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from the failure to fulfil it. The cost of fulfilling a contract includes the costs directly related to the contract ('full direct costs'), these being:

- the incremental costs of fulfilling the contract ; and
- an allocation of other costs directly related to fulfilling the contract.

Provisions for litigation with regard to activities mainly relate to disputes with customers, subcontractors, co-contractors or suppliers. Other provisions for current risks mainly consist of provisions for delay penalties and other risks related to operations.

Non-current provisions correspond to provisions not directly linked to the operating cycle and whose maturity generally exceeds one year.

(Q) EMPLOYEE BENEFITS

(1) POST-EMPLOYMENT BENEFITS

Post-employment benefits include pension plans and life insurance.

The company operates a number of defined-benefit and defined-contribution pension plans throughout the world.

In Belgium, some pension schemes based on defined contribution plans are subject to a minimum guaranteed return by the employer and are therefore qualified as defined benefit plans.

The assets of these plans are generally held by separate institutions and are generally financed through contributions from the subsidiaries concerned and from employees. These contributions are determined on the basis of recommendations from independent actuaries.

Post-employment benefits are either funded or non-funded.

a) Defined contributions plans

Contributions to these pension plans are recognized as an expense in the consolidated statement of income when incurred.

b) Defined benefits plans

For these pension plans, costs are estimated separately for each plan using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately.

Under this method, the cost of providing pensions is charged to the consolidated statement of income so as to spread the cost evenly over the remaining careers of employees covered by the plan, in accordance with the advice of actuaries who carry out a full assessment of these plans every year. The amounts charged to the consolidated statement of income consist of current service cost, interest cost, the expected return on plan assets and past service cost.

The pension obligations recognized on the consolidated statement of financial position are measured as the present value of the estimated future cash outflows, discounted at a rate corresponding to the yield on high-quality corporate bonds with a maturity similar to that of the pension obligations, less any unrecognized past service costs and the fair value of plan assets.

Actuarial gains and losses are calculated separately for each defined-benefit plan. Actuarial gains and losses comprise the effects of differences between actuarial assumptions and actual figures, and the effects of changes in actuarial assumptions.
Actuarial gains and losses on commitments or assets related to post-employment benefits and resulting from adjustments based on experience and/or changes in actuarial assumptions are recognized in other elements of the consolidated statement of comprehensive income in the period in which they arise, and are the object of a separate reserve in equity. These differences and the changes in the recognized asset limit are presented in the consolidated statement of comprehensive income.

Interest expenses resulting from the accretion effect relating to pension obligations and similar liabilities, and financial income resulting from the expected return on plan assets, are recognized in the consolidated statement of income under financial items.

The introduction of or changes to a new post-employment benefit plan or other long-term plans may increase the present value of the obligation with respect to defined-benefit plans for services rendered in previous periods, i.e. the past service cost. The past service cost related to post-employment benefit plans is recognized in income on a straight-line basis over the average period until the related benefits are received by employees. Benefits received after the adoption of or changes to a post-employment benefit plan, and past service costs relating to other long-term benefits, are immediately taken to income.

Actuarial calculations related to post-employment obligations and other long-term benefits are carried out by independent actuaries.

(2) BONUS

Bonuses granted to company employees and senior executives are based on targets relating to key financial and non-financial indicators. The estimated amount of bonuses is recognized as an expense in the year to which they relate.

(R) FINANCIAL LIABILITIES

(1) LIABILITIES AT AMORTIZED COST

Interest-bearing borrowings are recognized at their fair amount less attributable transaction costs. Any difference between this net amount (after transaction costs) and repayment value is recognized in the consolidated statement of income over the life of the loan, using the effective interest-rate method. See paragraph J (2) for the definition of this method.

(2) FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS

Derivative instruments are recognized at fair value through the consolidated statement of income, unless there is documentation of hedge accounting (we refer to paragraph X).

(S) TRADE AND OTHER PAYABLES

Trade and other current payables are recognized at amortized cost.

(T) INCOME TAXES

Income tax for the financial year comprises current and deferred tax. Income tax is recognized in the consolidated statement of income, except to the extent that it relates to items recognized directly in equity or in the other elements of the consolidated statement of comprehensive income. In this case, deferred tax is also recognized in these elements.

Current tax is the expected tax payable on the taxable income for the past year, as well as any adjustment to taxes paid or payable with regard to previous years. It is calculated using the valid tax rates at the balance sheet date.

Deferred tax is calculated using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The applicable tax rates at the closing date are used to calculate deferred tax assets and liabilities.

Under this method, the company is required to make a provision for deferred taxes for the difference between the fair value of the net assets acquired and their tax base, in the event of a business combination.

The following temporary differences are not taken into account: non-deductible goodwill, the initial recognition of assets or liabilities that do not affect accounting profit or taxable profit, and differences relating to participations in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

A deferred tax asset is only recognized to the extent that it is probable that future taxable profit will be available to offset the tax advantage. A deferred tax asset is reduced to the extent that it is no longer likely that the related tax benefit will be realized.

(U) REVENUE FROM CONSTRUCTION AND SERVICE CONTRACTS

If the profit and loss that result from a construction contract can be estimated reliably, contract revenue and expenses, including borrowing costs incurred if the contract exceeds the accounting period, are recognized in the consolidated statement of income over time, in proportion to the contract's percentage of completion at the closing date. The percentage of completion is calculated as the proportion between the contract costs at the closing date and the total estimated contract costs. Most of the income is gradually recognized if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits generated by the service provided by the company as it is implemented;
- the service provided by the company creates or enhances an asset over which the customer obtains control progressively as it is being created or enhanced;
- the service provided by the company creates an asset without possible alternative use by the company, and the latter has an enforceable right to payment for the service completed to date.

(1) CONTRACT COSTS

Contract costs are recognized as an expense in the consolidated statement of income for the financial year in which the services to which they relate are provided, and the incurred costs that relate to future contract activities are capitalized if the entity is expecting to recover them. A correction will be made for the cost of equipment that has been purchased but not yet manufactured, or that is being manufactured, at the reporting date. In the event that the forecast at the completion of the construction work shows a deficit, the expected loss on completion is immediately recognized as an expense.

(2) CONTRACT REVENUE

Revenue from a construction contract includes the revenue initially defined in the contract, as well as any modifications to the work specified in the contract, claims and performance bonuses to the extent that it is highly probable that there will be no significant reversal in the cumulative recognized revenue when the uncertainty associated with the variable components is subsequently resolved. If the outcome of a construction contract cannot be reliably estimated, contract revenue is recognized to the extent that the contract costs incurred are likely to be recovered.

The transaction price is determined as the fair value of the consideration that the company is expecting to receive, and it is allocated to the performance obligation based on stand-alone selling prices. Stand-alone selling prices are estimated according to the estimated costs.

A modification to the contract may lead to an increase or decrease in the transaction price. It relates to an instruction from the customer with regard to the scope of the work defined by the contract. In applying this principle, performance bonuses and claims are generally considered to be included in the transaction price only if an agreement has been made with the customer. The most common variable components, such as the price of the materials and remuneration of site personnel should only be included in the transaction price if it is highly probable that there will be no subsequent significant downward adjustment to the revenue recognized.

Performance bonuses constitute a part of the contract revenue if the contract's percentage of completion indicates that the specified performance level will actually be reached or exceeded, and the amount of the performance bonus can be reliably determined.

(3) CONTRACT BALANCES

A contract asset is the entity's right to a consideration in exchange for the transfer of the goods or services to a customer. If the entity provides goods or services to a customer before the customer has paid for the consideration, or before the consideration is due, a contract asset is recognized for the contingent consideration acquired.

A contract liability is the entity's obligation to transfer goods or services to a customer, for which the group has received a consideration prior to the transfer of goods or services to that customer. A contract liability is recognized when the consideration is received in advance, or when the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the entity has completed the contract.

(4) COSTS TO FULFILL OR OBTAIN A CONTRACT

CFE has assessed that the cost of obtaining contract (e.g. commissions paid), as well as the related costs of fulfilling that are not covered by a specific IFRS standard, which should normally be capitalized as defined in IFRS 15 if they meet certain specific criteria, have no significant impact on the recognition of revenue and margins of projects. As such, these costs of winning or implementing a contract are not recognized separately in accordance with IFRS 15, but are included in the recognition of the project and therefore recognized when they are incurred.

(5) SPECIFIC CONSIDERATIONS RELATING TO REVENUE BY SEGMENT

a) Revenue from construction and multitechnics contracts

CFE is responsible for the overall management of a project in which various goods and services are included, such as demolition, earthworks, soil remediation, foundation work, procurement of materials, construction of the shell and facades, installation of technical facilities (electricity, HVAC, etc.), and the finishing works.
The performance obligations aimed at transferring goods and services are not treated separately in the context of the contract, as the entity provides a significant service of integrating goods and services (the inputs) into the building (the combined output) for which the customer has concluded a contract. This is why the goods and services are not treated separately. The entity recognises all the goods and services under the contract as one and the same performance obligation.
Revenue from construction contracts are recognized according to the percentage of completion using the cost-based method, i.e., according to the share of the contract costs incurred for its completion to date relative to the total estimated costs. To the extent that the contract explicitly identifies each unit individually, and the customer can benefit from each unit individually, the construction of each unit should be considered as a separate performance obligation, and revenue are recognized separately for each performance obligation.
For some contracts, mainly in the multitechnics division, the installation and execution works cover a very short period of time. For such contracts, revenue is recognized at the exact moment that the work is completed.

b) Real estate developments

CFE is responsible for the overall management of real estate projects in which several building blocks under construction (or to be constructed) are sold to the customers. Taking into account the local regulator that governs the transfer of ownership to the end customer, the performance obligation is satisfied progressively or at a specific point in time. Revenue is recognized when the material risks and rewards of ownership have been substantially transferred to the buyer, and no uncertainty remains regarding the recovery of the amounts due, the associated costs or the possible return of goods.

In so-called mixed projects, and in particular real estate developments including residential, office and/or retail units, they will be subdivided in one or more performance obligations, depending on whether the different units that are developed are separate or not within the meaning of the IFRS 15 standard. Moreover, depending on the contractual framework, the development of the project and the monitoring of its construction will be considered as either a single performance obligation or as two separate obligations.

The income is recognized when each performance obligation, taken individually, is satisfied, i.e.:

- if the local regulator makes the ownership of the construction gradually transferable throughout the execution of the construction work, and if the group is contractually restricted from redirecting the properties to other customers, and has an enforceable right to payment for the work carried out, the revenue from the construction of these residential properties will therefore be gradually recognized according to the cost-based method, i.e. based on the share of contract costs incurred for its realisation to date relative to the estimated total costs, and according to the degree of ownership transferred at the closing date. This concerns projects developed in Belgium and Luxembourg ;
- if the legislator provides that the transfer of risks and benefits, as well as the right to enforceable payment, is only established when the residential unit is fully built and delivered, revenue is only recognized at a specific point in time, i.e. upon the signing of the notarial deed or the transfer protocol between CFE and the end customer. This applies only to projects developed in Poland.

If the development of a project and the monitoring of its construction are considered as two separate obligations, the income relating to the development of the project will generally be recognized at a specific time when it is sold, and the income relating to the monitoring of the construction will be recognized as a percentage of completion, as previously explained.

(V) OTHER INCOME

(1) RENTAL INCOME AND FEES

Rental income and costs are recognized on a straight-line basis over the term of the lease.

(2) PUBLIC GRANTS

An income-related grant is initially recognized as deferred income in the consolidated statement of financial position if there is a strong assumption that the income will be received and that the company will comply with the conditions attached to it. These grants are systematically recognized as other income from operational activities in the consolidated statement of income over the same period during which these expenses are covered by the grant.

Capital grants that compensate the company for the cost of an asset are systematically recognized as a deduction in the cost of these fixed assets. They are recognized at their expected value on the date of initial recognition in the consolidated statement of financial position, and as a deduction from the depreciation cost of the underlying asset over its useful life in the consolidated statement of income.

(W) CHARGES

(1) FINANCIAL EXPENSES

Financial expenses comprise interest payable on borrowings, foreign exchange losses, and losses on hedging instruments that are recognized in the consolidated statement of income.

All interest and other costs incurred in connection with borrowings, except those that were eligible for capitalisation, are recognized in the consolidated statement of income as financial expenses. Interest costs relating to lease contracts are recognized in the consolidated statement of income using the effective interest rate method.

(2) COSTS FOR RESEARCH AND DEVELOPMENT, ADVERTISING AND PROMOTIONAL COSTS AND COSTS RELATING TO THE DEVELOPMENT OF IT SYSTEMS

Research, advertising and promotional costs are recognized in the consolidated statement of income of the financial year in which they were incurred. Development costs and development costs for IT systems are recognized as an expense when they are incurred if they do not meet the criteria for intangible assets.

(X) HEDGE ACCOUNTING

The company uses derivative financial instruments primarily to reduce exposure to adverse fluctuations in interest rates, foreign exchange rates, commodity prices and other market risks. The company's policy prohibits the use of such instruments for speculation purposes.

The company does not hold or issue financial instruments for trading purposes. Derivatives that do not qualify as hedging instruments under the IFRS 9 standard, however, are presented as instruments held for trading.

Derivative financial instruments are initially measured at their fair value. Subsequent to initial recognition, derivative financial instruments are measured at their fair value. Recognition of any resulting unrealized gain or loss depends on the nature of the derivative and the effectiveness of the hedge.

The fair value of interest rate swaps is the estimated value that the company would receive or pay when exercising the swap at the closing date, taking current interest rate curves and the solvency of the counterparty of the swap into account.
The fair value of a forward exchange contract is the quoted value on the stock exchange on closing date, i.e. the present value of the quoted forward price.

Hedge accounting is applicable if the conditions of the IFRS 9 standard are met :

- the hedging relationship must be clearly designated and documented on the date the hedging instrument is put in place ;
- the economic link between the hedged item and the hedging instrument must be documented, as well as the potential sources of inefficiency ;
- the retrospective ineffectiveness must be measured at each closing ;
- the hedging relationship consists only of eligible hedging instruments and eligible hedged items ;
- the hedge ratio of the hedging relationship is consistent with that resulting from the quantity of the hedged item that is actually hedged by the entity, and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

Changes in the fair value from one period to another are recognized differently depending on the accounting qualification of the instrument.

(1) CASH-FLOW HEDGES

Where a derivative financial instrument hedges variations in the cash flow of a recognized liability, a firm commitment or an expected transaction of the company, the effective part of any profit or loss resulting from the derivative financial instrument is recognized directly in other elements of the consolidated statement of comprehensive income and is the object of a reserve that is separate from equity.

If the firm commitment or the expected future transaction leads to the recognition of a non-financial asset or liability, the cumulative profits or losses are extracted from the 'equity' heading and are included in the initial assessment of the value of the asset or liability.

Otherwise, the cumulative profits or losses are extracted from the 'equity' heading and recognized in the consolidated statement of income at the same time as the hedged transaction.

The non-effective portion of the profit or loss on the financial instrument is recognized in the consolidated statement of income. Profits or losses arising from the temporary value of the financial derivative instrument are recognized in the consolidated statement of income.

If a hedging instrument or a hedging relationship has expired, but the hedged transaction has yet to take place, the cumulative unrealized profit or loss at that time remains under the 'equity' heading and is recognized according to the principle explained above at the time the transaction takes place.
If the hedged transaction is not expected to take place, the cumulative unrealised profit or loss recognized under 'equity' is immediately recognized in the consolidated statement of income.

(2) FAIR VALUE HEDGES

For any derivative financial instrument hedging variations in the fair value of a recognized receivable or debt, any profit or loss resulting from the remeasurement of the hedging instrument is recognized in the consolidated statement of income. The value of the hedged item is also measured at the fair value attributable to the hedged risk. The related loss or profit is recognized in the consolidated statement of income.

The fair value of the hedged items, in respect of the hedged risk, is their carrying amount on the closing date converted into euros at the exchange rate in effect on the closing date.

(3) HEDGE OF AN INVESTMENT IN A FOREIGN COUNTRY

If a foreign currency debt hedges a net investment in a foreign entity, conversion differences arising from the conversion of the debt into euros are recognized directly as "exchange differences on translation" under the other elements of the consolidated statement of comprehensive income.

If a derivative financial instrument hedges a net investment relating to foreign operations, the effective portion of the profit or loss on the hedging instrument is recognized directly in "exchange differences on translation" under the other elements of the comprehensive income statement, and the ineffective portion is recognized in the consolidated statement of income.

(4) INSTRUMENTS RELATED TO CONSTRUCTION CONTRACTS

If a derivative financial instrument hedges exposure to variations in the cash flow of a recognized obligation, a firm commitment or a planned transaction of the company in the context of a construction contract (mainly forward purchases of raw materials, or forward purchases or sales of foreign currencies), this instrument will not be the object of cash flow hedging documentation as described in point (1) above. Any profit or loss resulting from the derivative financial instrument is recognized in the consolidated statement of income as a financial income or financial expense.

Any profit or loss realized on the derivative financial instrument is considered to be a cost under the construction contract (see section (U) above). This element is, however, not considered for determining the percentage of completion of the construction contract.

(Y) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Fixed assets and groups of assets that are disposed of are classified as held for sale if their carrying amount will be realized on disposal and not through continued use. This condition is only considered to be met if the disposal of these assets, by sale or otherwise, is highly probable and the asset or group of assets disposed of is immediately available for sale in its present condition. Management must be committed to completing the sale within one year of the classification date.

Assets held for sale are valued at the lower of carrying amount and fair value less selling costs. They are presented separately with their associated liabilities in the consolidated statement of financial position. Net result for the period and cash flows from discontinued operations are presented separately in the consolidated statement of income and the consolidated cash flow statement respectively. Non-current assets classified as held for sale are no longer amortized or impaired.

As at 31 December 2021, these were the DEME division's operations. On 2 December 2021, the Board of Directors announced its intention to split the group into two separate listed companies: CFE and DEME. The purpose of this demerger was to create two leading players in their respective business lines. The partial demerger took place on June 29, 2022. On June 30, 2022, DEME Group started its listing on Euronext Brussels as a separate entity.

(Z) SEGMENT REPORTING

A segment is a distinguishable component of the CFE group that generates revenue and incurs expenses and whose operating income and losses are regularly reviewed by management in order to take decisions or determine its performance. The CFE group's continuing operations consist of four operating segments : real estate development, multitechnics, construction & renovation and investments & holding.

Discontinued operations consist exclusively of the DEME group's operations.

3. CONSOLIDATION METHODS

Scope of consolidation

Companies in which the group, directly or indirectly, holds the majority of voting rights enabling control to be exercised, are fully consolidated.

Companies over which the group exercises joint control with other shareholders are consolidated using the equity method. This applies in particular to Rent-A-Port, Green Offshore and certain subsidiaries of BPI.

The change in the scope of consolidation of the CFE group between December 2021 and December 2022 is summarised as follows:

Number of entities	2022	2021
Global integration	68	80
Equity method	90	93
Total	**158**	**173**

Intra-group operations

Reciprocal operations and transactions relating to assets and liabilities and income and expenses between integrated companies are eliminated in the consolidated financial statements. This elimination is carried out :

- in full if the operation is carried out between two subsidiaries; and
- up to the holding percentage of the company accounted for using the equity method for the internal result realised between a fully consolidated company and a company accounted for using the equity method.

Translation of the financial statements of foreign companies & establishments

In most cases, the operating currency of companies and establishments corresponds to the currency of the country concerned.

The financial statements of foreign companies whose operating currency is different from that used in preparing the group's consolidated financial statements are translated at the closing rate for the items of the consolidated statement of financial position and at the average rate for the period for the items of the consolidated statement of income. Any resulting conversion differences are recognised as exchange differences resulting from the translation in the consolidated reserves. Goodwill relating to foreign companies is considered to be part of the assets and liabilities acquired and, as such, is converted at the exchange rate applicable on the closing date.

Foreign currency translations

Transactions in foreign currency are converted into euros at the exchange rate on the transaction date. Financial assets and monetary liabilities denominated in foreign currencies are converted into euros at the exchange rate applicable at the closing date of the period. The resulting exchange profits and losses are recognised in the 'foreign exchange income' heading, and are presented under 'other financial income and expenses' in the consolidated statement of income.

Foreign exchange profits and losses on loans denominated in foreign currencies or on foreign exchange derivatives used to hedge participations in foreign subsidiaries are recorded under the heading 'exchange differences on translation' resulting from the conversion in 'other elements' of the consolidated statement of comprehensive income, and are the object of a separate reserve in equity.

4. SEGMENT REPORTING

OPERATING SEGMENTS

Segment reporting is presented in respect of the group's operating segments. Segment results and assets and liabilities include items that can be directly attributed to a segment.

The CFE group can be divided into four operating segments :

Real Estate Development

The real estate development segment develops real estate projects in Belgium, Luxembourg and Poland.

Multitechnics

The multitechnics segment includes the activities of the VMA and MOBIX divisions:

- VMA specializes in developing technical building installations, their automated management (smart buildings) and long-term maintenance as well as in automating production lines in the automotive, chemical and food industries;
- MOBIX is a leading player in Belgium for carrying out railway works (laying tracks, catenaries and signalling) and public lighting.

Construction & Renovation

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

Investments & Holding

Besides the holding activities, this segment includes :

- participations in Rent-A-Port, Green-Offshore and in two Design Build Finance and Maintenance contracts in Belgium ;
- non-transferred construction activities, which concern only a few projects for which delivery has taken place.

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December 2022 (in € thousands)	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Eliminations between segments**	**Consolidated total**
Revenue	**85,392**	**338,822**	**798,661**	**5,369**	**(61,023)**	**1,167,221**
EBITDA	**15,269**	**19,883**	**25,826**	**1,868**	**284**	**63,130**
% Revenue	*17.88%*	*5.87%*	*3.23%*			*5.41%*
Depreciation and amortisation	(1,034)	(8,554)	(10,533)	(749)	0	(20,870)
Income from operating activities	**14,235**	**11,329**	**15,293**	**1,119**	**284**	**42,260**
Share of profit (loss) of investments accounted for using equity method	3,322	4	(322)	5,750	0	8,754
Operating income (EBIT)	**17,557**	**11,333**	**14,971**	**6,869**	**284**	**51,014**
% Revenue	*20.56%*	*3.34%*	*1.87%*			*4.37%*
Financial result	(1,659)	(813)	(2,209)	1,027	0	(3,654)
Income tax expenses	(1,539)	(3,605)	(3,778)	(34)	(6)	(8,962)
Result from continuing operations - share of the group	**14,395**	**6,915**	**8,984**	**7,862**	**278**	**38,434**
% Revenue	*16.86%*	*2.04%*	*1.12%*			*3.29%*
Result from discontinued operations - share of the group						190,973
Result for the period - share of the group	**14,395**	**6,915**	**8,984**	**7,862**	**278**	**229,407**
% Revenue	*16.86%*	*2.04%*	*1.12%*			

Year ended 31 December 2021 (in € thousands)	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Eliminations between segments**	**Consolidated total**
Revenue	**106,300**	**321,380**	**723,682**	**9,789**	**(35,805)**	**1,125,346**
EBITDA	**25,573**	**27,632**	**18,673**	**(3,658)**	**318**	**68,538**
% Revenue	*24.06%*	*8.60%*	*2.58%*			*6.09%*
Depreciation and amortisation	(878)	(8,917)	(9,412)	(1,010)	0	(20,217)
Income from operating activities	**24,695**	**18,715**	**9,261**	**(4,668)**	**318**	**48,321**
Share of profit (loss) of investments accounted for using equity method	5,399	110	(5)	4,151	0	9,655
Operating income (EBIT)	**30,094**	**18,825**	**9,256**	**(517)**	**318**	**57,976**
% Revenue	*28.31%*	*5.86%*	*1.28%*			*5.15%*
Financial result	(4,134)	(488)	(2,406)	989	0	(6,039)
Income tax expenses	(2,990)	(5,307)	(4,008)	(31)	(95)	(12,431)
Result from continuing operations - share of the group	**22,970**	**13,030**	**2,842**	**441**	**223**	**39,506**
% Revenue	*21.61%*	*4.05%*	*0.39%*			*3.51%*
Result from discontinued operations - share of the group						110,502
Result for the period - share of the group	**22,970**	**13,030**	**2,842**	**441**	**223**	**150,008**
% Revenue	*21.61%*	*4.05%*	*0.39%*			

As required by IFRS 5.34, DEME has been presented as a discontinued operation and its contribution to the consolidated statement of income of the CFE group has been recognized on a separate line (item "Result from discontinued operations – share of the group"). We refer to note 5 of this report.

In 2022, no property development projects were subject to revenue recognized at a specific point in time (2021 : €20,450 thousand).

Breakdown of revenue

Breakdown by geographical area

Year ended 31 December (in € thousands)	**2022**	**2021**
Belgium	828,635	803,152
Poland	134,889	156,295
Luxembourg	174,403	137,735
Others	29,294	28,164
Consolidated total	**1,167,221**	**1,125,346**

The breakdown of revenue by country is based on the countries in which services are provided.

In 2022, no customer accounted for more than 10% of group revenue.

Breakdown by business area

Year ended 31 December (in € thousands)	**2022**	**2021**
Real estate development	**85,392**	**106,300**
VMA	225,819	196,375
MOBIX	113,606	125,005
Eliminations intra segment	(603)	0
Multitechnics	**338,822**	**321,380**
Construction & Renovation	**798,661**	**723,682**
Investments & Holding and eliminations between segments	**(55,654)**	**(26,016)**
Consolidated total	**1,167,221**	**1,125,346**

The CFE group's revenue from construction & renovation segment includes revenue generated for the benefit of the real estate development segment.

The elimination of the revenue common to the construction & renovation segment and the real estate development segment, is carried out at the level of eliminations between segments.

As the construction and the sales of the real estate development segment do not take place simultaneously, internally generated revenue is accounted for under work in progress and reversed at the time of sale.

Order book

Year ended 31 December (in € thousands)	**2022**	**2021**	**Change**
Real estate development	**74,262**	**43,510**	**+70.7%**
VMA	244,881	236,359	+3.6%
MOBIX	124,015	164,620	-24.7%
Multitechnics	**368,896**	**400,979**	**-8.0%**
Construction & Renovation	**1,264,085**	**1,166,070**	**+8.4%**
Investments & Holding	**7,888**	**10,060**	**-21.6%**
Consolidated total	**1,715,131**	**1,620,619**	**+5.8%**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2022 (in € thousands)	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Eliminations between segments**	**Consolidated total**
ASSETS						
Goodwill	0	22,812	911	0	0	**23,723**
Property, plant and equipment	2,171	43,455	30,700	1,383	0	**77,709**
Non-current loans to consolidated group companies	0	0	0	31,558	(31,558)	**0**
Other non-current financial assets	101,653	0	161	36,480	0	**138,294**
Investments accounted for using equity method	38,018	154	3,697	68,996	0	**110,865**
Other non-current assets	10,445	1,918	8,780	188,225	(187,817)	**21,551**
Inventories	152,438	6,096	10,732	26	(825)	**168,467**
Cash and cash equivalents	4,266	6,639	69,630	46,614	0	**127,149**
Internal cash position - Cash pooling - assets	1,748	38,763	152,994	28,610	(222,115)	**0**
Other current assets	23,394	137,317	231,990	15,333	(17,713)	**390,321**
Total assets	**334,133**	**257,154**	**509,595**	**417,225**	**(460,028)**	**1,058,079**
LIABILITIES						
Equity	**118,749**	**89,243**	**73,543**	**131,414**	**(188,423)**	**224,526**
Non-current borrowings to consolidated group companies	20,000	0	11,558	0	(31,558)	**0**
Non-current financial liabilities	41,186	25,809	11,892	75,161	0	**154,048**
Other non-current liabilities	41,388	1,711	7,765	4,819	0	**55,683**
Current financial liabilities	11,167	4,942	5,357	528	0	**21,994**
Internal cash position - Cash pooling - liabilities	18,159	15,639	13,188	175,120	(222,106)	**0**
Other current liabilities	83,484	119,810	386,292	30,183	(17,941)	**601,828**
Total liabilities	**215,384**	**167,911**	**436,052**	**285,811**	**(271,605)**	**833,553**
Total equity and liabilities	**334,133**	**257,154**	**509,595**	**417,225**	**(460,028)**	**1,058,079**

Year ended 31 December 2021 (in € thousands)	**DEME**	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Eliminations between segments**	**Consolidated total**
ASSETS							
Goodwill	0	0	22,852	911	0	0	**23,763**
Property, plant and equipment	0	1,121	42,922	36,368	1,872	0	**82,283**
Non-current loans to consolidated group companies	0	0	0	0	26,049	(26,049)	**0**
Other non-current financial assets	0	68,350	0	9	10,954	0	**79,313**
Investments accounted for using equity method	0	48,259	149	88	54,922	0	**103,418**
Other non-current assets	0	9,873	2,207	9,406	1,234,516	(1,231,941)	**24,061**
Inventories	0	141,222	6,158	10,736	3,090	(825)	**160,381**
Cash and cash equivalents	0	6,326	4,984	57,898	74,379	0	**143,587**
Internal cash position - Cash pooling - assets	0	49,675	49,584	104,936	26,561	(230,756)	**0**
Other current assets	0	25,199	121,654	229,236	24,369	(14,666)	**385,792**
Assets held for sale	4,297,401	0	0	0	0	0	**4,297,401**
Total assets	**4,297,401**	**350,025**	**250,510**	**449,588**	**1,456,712**	**(1,504,237)**	**5,299,999**
LIABILITIES							
Equity	**1,822,195**	**104,362**	**91,742**	**70,834**	**1,103,200**	**(1,236,307)**	**1,956,026**
Non-current borrowings to consolidated group companies	0	20,000	0	6,049	0	(26,049)	**0**
Non-current financial liabilities	0	43,954	26,375	6,731	539	0	**77,599**
Other non-current liabilities	0	36,426	2,234	9,211	16,720	0	**64,591**
Current bonds	0	29,899	0	0	0	0	**29,899**
Current financial liabilities	0	29,350	4,613	4,628	110,493	0	**149,084**
Internal cash position - Cash pooling - liabilities	0	18,845	8,100	17,440	186,369	(230,754)	**0**
Other current liabilities	0	67,189	117,446	334,695	39,391	(11,127)	**547,594**
Liabilities associated with assets held for sale	2,475,206	0	0	0	0	0	**2,475,206**
Total liabilities	**2,475,206**	**245,663**	**158,768**	**378,754**	**353,512**	**(267,930)**	**3,343,973**
Total equity and liabilities	**4,297,401**	**350,025**	**250,510**	**449,588**	**1,456,712**	**(1,504,237)**	**5,299,999**

Consolidated statement of cash flows

Year ended 31 December 2022 (in € thousands)	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Consolidated total**
Cash flows from (used in) operating activities before changes in working capital	*24,735*	*18,821*	*25,495*	*3,384*	***72,435***
Cash flows from (used in) operating activities	9,587	1,192	65,984	(6,869)	**69,894**
Cash flows from (used in) investing activities	(983)	(5,138)	(1,289)	(15,715)	**(23,125)**
Cash flows from (used in) financing activities	(10,559)	5,664	(52,492)	(5,183)	**(62,570)**
Net increase/(decrease) in cash position	**(1,955)**	**1,718**	**12,203**	**(27,767)**	**(15,801)**

Year ended 31 December 2021 (in € thousands)	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Consolidated total**
Cash flows from (used in) operating activities before changes in working capital	*34,117*	*27,105*	*20,226*	*(4,092)*	***77,356***
Cash flows from (used in) operating activities	28,243	17,109	(26,272)	15,010	**34,090**
Cash flows from (used in) investing activities	(692)	(9,632)	(3,075)	(4,411)	**(17,810)**
Cash flows from (used in) financing activities	(26,879)	(7,883)	19,267	5,241	**(10,254)**
Net increase/(decrease) in cash position	**672**	**(406)**	**(10,080)**	**15,840**	**6,026**

The cash flow from (used in the context of) financing activities includes the amounts of cash pooling compared to other segments. A positive amount corresponds to a use of liquidity in the cash pooling. This item also includes cash-flows related to external financing, especially and primarily in real estate development and investments & holding segments.

Other information

Year ended 31 December 2022 (in € thousands)	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Consolidated total**
Depreciation and amortisation	(1,034)	(8,554)	(10,532)	(750)	**(20,870)**
Investments	2,705	8,585	16,304	397	**27,991**

Year ended 31 December 2021 (in € thousands)	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Consolidated total**
Depreciation and amortisation	(878)	(8,917)	(9,412)	(1,010)	**(20,217)**
Investments	1,190	11,515	8,121	229	**21,055**

The investments include the acquisitions of intangible assets and property, plant and equipment. Acquisitions through business combinations are not included in these amounts.

Geographical information

The operations of the group in the construction & renovation and real estate development segments are mainly based in Belgium, Luxembourg and Poland.

The property, plant and equipment in the construction & renovation, multitechnics and real estate development segments are mainly based in Belgium.

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS AND DISPOSALS FOR THE PERIOD ENDED 31 DECEMBER 2022

During the first quarter of 2022, the group Rent-A-Port NV, 50% owned by CFE SA and accounted for using equity method, acquired 32.59% of the non-controlling interests of Infra Asia Investment Hong Kong Ltd, increasing its stake to 94.00%. Under IFRS, the purchase of non-controlling interests does not give rise to an allocation of goodwill. The excess paid in regard to the net assets acquired is therefore directly deducted from equity. This transaction has a negative impact of €3.2 million on the CFE Group's equity as presented in the consolidated statement of changes in equity (in the item "change in consolidation scope and other movements").

On 22 December 2022, the company Van Laere NV, a fully-owned subsidiary of the CFE Group and fully consolidated, sold 65% of its shares in Hofkouter NV, itself a fully-owned subsidiary of the CFE Group and fully consolidated, to Ackermans & van Haaren NV for €8,203 thousand. The net assets sold amounted to €7,409 thousand (at 65%). The consolidated capital gain (€795 thousand) was recorded in other operating income. We refer to note 6 "Other operating income and expenses".
As a result of this transaction, Hofkouter NV changed its consolidation method from global integration to the equity method. We refer to note 15 "Investments accounted for using equity method". The main impact of this change of method is the derecognition of the company's property, plant and equipment. We refer to note 14 "Property, plant and equipment".

As far as the multitechnics, construction & renovation and investments & holding segments are concerned, apart from the transaction related to Hofkouter NV, no other acquisition or disposal within the meaning of IFRS 3 *Business Combinations* and having a significant impact on the CFE Group's financial statements were carried out in 2022.

Acquisitions and disposals in the real estate development segment are not considered as business combinations; therefore the consideration paid is allocated to the land and buildings accounted for in inventories. The main acquisitions and disposals that have occurred in the real estate development segment are described in the introduction of this report.

ASSETS AND LIABILITIES HELD FOR SALE FOR THE PERIOD ENDED 31 DECEMBER 2022

On 2 December 2021, the Board of Directors announced its intention to split the group into two separate listed companies: CFE and DEME Group. The purpose of this demerger was to create two leading players in their respective business lines. As a result of this announcement, the DEME activities that were to be transferred to the DEME Group in 2022 were to be accounted for as 'discontinued operations' as at 31 December 2021 in accordance with the requirements of IFRS 5. In practice, this means that the assets and liabilities associated with DEME's activities had been presented on a single line under the assets and liabilities on the consolidated statement of financial position as at 31 December 2021 as assets and liabilities held for sale in 2022.

The partial demerger was reached on 29 June 2022. It led to the initial listing of DEME Group on Euronext Brussels as a separate entity on 30 June 2022.

As a result of the demerger, CFE derecognised all assets and liabilities of DEME, including the restatements resulting from the recognition of DEME's identifiable assets and liabilities at their fair value. It was determined that the demerger did not fall within the scope of IFRIC 17 'Distributions of Non-cash Assets to Owners' as the controlling shareholder does not change after the transaction (the non-cash asset is ultimately controlled by the same party before and after the distribution). CFE has chosen not to account for the distribution at fair value, but to account for non-cash intra-group distributions (i.e. the demerger) by derecognising DEME's assets and liabilities at their book value against equity.

Assets held for sale

Year ended 31 December (in € thousands)	**2022**	**2021**
Balance at the end of the previous period	**4,297,401**	**0**
Reclassified to assets held for sale for the period	683,171	4,297,401
Disposals	(4,980,572)	0
Balance at the end of the period	**0**	**4,297,401**

Liabilities associated with assets held for sale

Year ended 31 December (in € thousands)	**2022**	**2021**
Balance at the end of the previous period	**2,475,206**	**0**
Reclassified to liabilities associated with assets held for sale for the period	469,572	2,475,206
Disposals	(2,944,778)	0
Balance at the end of the period	**0**	**2,475,206**

Consolidated statement of financial position from discontinued operations

The assets and liabilities of DEME presented as held for sale as at 31 December 2021 and demerged as at 29 June 2022 are detailed in the table below :

(in € thousands)	**June 2022**	**December 2021**
ASSETS		
Goodwill	153,793	153,793
Property, plant and equipment	2,594,181	2,363,428
Other non-current financial assets	26,518	33,450
Investments accounted for using equity method	170,409	141,527
Other non-current assets	269,741	249,842
Inventories	17,765	12,168
Cash and cash equivalents	675,245	528,632
Other current assets	1,072,920	782,105
Assets held for sale	0	32,456
Total assets	**4,980,572**	**4,297,401**
LIABILITIES		
Equity	**2,035,794**	**1,822,195**
Non-current financial liabilities	868,868	577,970
Other non-current liabilities	235,076	194,024
Current financial liabilities	380,029	343,340
Other current liabilities	1,460,805	1,359,872
Total liabilities	**2,944,778**	**2,475,206**
Total equity and liabilities	**4,980,572**	**4,297,401**
Amounts included in accumulated other comprehensive income :		
Reserves measured at fair value	(3,663)	(89,816)
Deferred taxes on reserves	1,112	22,661
Exchange differences on translation	(11,743)	(8,881)
Total of amounts included in accumulated other comprehensive income	**(14,294)**	**(76,036)**

Consolidated statement of income from discontinued operations

As required by IFRS 5.25, the results from discontinued operations up to the effective date of the partial demerger have been recognised on a separate line in the consolidated statement of income : "Result from discontinued operations". In addition, from the moment that DEME's activities were presented as discontinued operations, the intangible assets and property, plant and equipment should no longer be amortised. As a result, DEME's contribution to CFE's net income excludes depreciation and amortisation charges relating to the first half of 2022.

The table below presents the reconciliation between the result for the period (share of the group) realised by the activities of the DEME Group (€39.5 million as at 30 June 2022 compared to €114.6 million as at 31 December 2021) and the result from discontinued operations (share of the group) in CFE's financial statements.

(in € thousands)	June 2022	December 2021
Result for the period of DEME - share of the group	39,470	114,581
Restatements (*)	(2,039)	(4,079)
Result for the period of DEME (including restatements) - share of the group	**37,431**	**110,502**
Cancellation of amortisation and depreciation on intangible assets and property, plant and equipment	153,542	0
Result from discontinued operations - share of the group	**190,973**	**110,502**

(*) Restatements to take account of the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% of the DEME shares on 24 December 2013.

The following table summarises the results of the discontinued operations in CFE's financial statements before the cancellation of depreciation on intangible assets and property, plant and equipment.

(in € thousands)	June 2022	December 2021
Revenue	**1,291,688**	**2,510,607**
Operating expenses (excluding depreciation and amortisation)	(1,100,383)	(2,041,299)
EBITDA	**191,305**	**469,308**
Depreciation and amortisation	(153,542)	(330,616)
Income from operating activities	**37,763**	**138,692**
Share of profit (loss) of investments accounted for using equity method	6,782	9,818
Operating income (EBIT)	**44,545**	**148,510**
Financial result	4,329	**(5,412)**
Result before tax	**48,874**	**143,098**
Income tax expenses	(9,146)	(29,839)
Result for the period - share of the group	**37,431**	**110,502**

Consolidated statement of cash flows from discontinued operations

The DEME Group's contribution to the CFE group's cash flow during the first half of 2022 is limited to the receipt of a dividend of €40.8 million at the end of March 2022.

Cash flows from operating, investing and financing activities of DEME are summarised as follows :

(in € thousands)	June 2022	December 2021
Cash and cash equivalents, opening balance	**528,632**	**621,937**
Cash flows from (used in) operating activities	73,663	422,447
Cash flows from (used in) investing activities	(206,912)	(266,412)
Cash flows from (used in) financing activities	277,144	(250,827)
Net increase/(decrease) in cash position	**143,895**	**(94,792)**
Effects of exchange rate changes on cash and cash equivalents	2,718	1,487
Cash and cash equivalents, closing balance	**675,245**	**528,632**

6. OTHER OPERATING INCOME AND EXPENSES

Other operating income, which amounted to €54,572 thousand (2021 : €50,749 thousand) as at 31 December 2022, are mainly related to :

- other compensation and miscellaneous rebilling amounting to €38,725 thousand (2021 : €49,392 thousand) ;
- capital gains on disposals of financial shares amounting to €13,668 thousand, of which €9,336 thousand related to the disposal of the entire stake in Wooden SA, €795 thousand related to the disposal of 65% of the shares held in Hofkouter NV and €3,537 thousand related to the recognition of the gain on the stake in CFE Nederland that was disposed to DEME in 2015 and neutralised as it was an intra-group transaction. Following the partial demerger and the removal of DEME from the consolidation scope, this capital gain could be recognized in the financial statements of the CFE Group ;
- capital gains on disposals of intangible assets and property, plant and equipment amounting to €2,179 thousand (2021 : €1,357 thousand).

Other operating expenses are made up of the following elements :

Year ended 31 December (in € thousands)	**2022**	**2021**
Miscellaneous services and goods	(145,502)	(107,892)
Impairment of assets		
- Inventories	(185)	(1,072)
- Trade and other operating receivables	(1,314)	(5,331)
Net additions to provisions (excluding provisions for retirement benefit obligations)	(1,686)	4,149
Other operating expenses	(1,871)	(1,210)
Consolidated total	**(150,558)**	**(111,356)**

Miscellaneous services and goods and other operating expenses mainly include overheads, various taxes, sales commissions and miscellaneous fees. The increase is mainly due to the high inflation rate that affected the 2022 financial year. We refer to the comments on the macroeconomic environment in note 2 "Significant accounting policies".

7. REMUNERATIONS AND SOCIAL SECURITY PAYMENTS

Year ended 31 December (in € thousands)	**2022**	**2021**
Remuneration	(139,300)	(140,925)
Mandatory social security contributions	(42,925)	(41,308)
Other wage costs	(15,145)	(16,214)
Service cost related to defined-benefit pension plans	(4,006)	(4,218)
Consolidated total	**(201,376)**	**(202,665)**

The average full-time equivalent number of staff in 2022 was 3,003 (2021 : 3,043), which represents 3,137 people as at 1 January 2022 (2021: 3,250) and 3,074 as at 31 December 2022 (2021 : 3,137).

The impact of the slight decrease in the number of employees on wages and social security payments was offset by the revaluation of wages to take account of inflation.

8. FINANCIAL RESULT

Year ended 31 December (in € thousands)	**2022**	**2021**
Cost of financial debt	**73**	**(3,448)**
Loans and receivables - Interest income	6,154	3,317
Liabilities at amortised cost - Interest expenses	(6,081)	(6,765)
Other financial expenses and income	**(3,727)**	**(2,591)**
Realized / unrealized translation gains/(losses)	(1,764)	(549)
Defined benefit plan financial cost	136	(38)
Impairment of financial assets	0	(14)
Other	(2,099)	(1,990)
Financial result	**(3,654)**	**(6,039)**

The change in the line items 'Realized/unrealized translation gains/(losses)' and 'Other' as at 31 December 2022 is mainly explained by the devaluation of the zloty against the euro.

CFE has significantly increased its shareholder loans to its subsidiaries held in joint control (in particular, an additional €19 million paid to Rent-A-Port). These loans generate significant additional financial income.

9. NON-CONTROLLING INTERESTS

As of December 31, 2022, the share of non-controlling interests in the result for the period amounted to €36 thousand (2021 : €0 thousand) and is related to the real estate development segment.

10. EARNINGS PER SHARE

Basic earnings per share are the same as diluted earnings per share due to the absence of any potentially dilutive ordinary shares in circulation. It is calculated as follows :

Year ended 31 December	**2022**	**2021**
Result for the period from continuing operations - share of the group (in € thousands)	38,434	39,506
Result for the period from discontinued operations - share of the group (in € thousands)	190,973	110,502
Result for the period - share of the group (in € thousands)	229,407	150,008
Comprehensive income - share of the group (in € thousands)	308,883	174,536
Number of ordinary shares at balance sheet date	25,314,482	25,314,482
Weighted average number of ordinary shares outstanding during the period	25,068,231	25,314,482
Earnings per share, based on the weighted average number of ordinary shares outstanding during the period (basic) :		
Earnings per share (share of the group) from continuing operations (€)	1.53	1.56
Earnings per share (share of the group) from discontinued operations (€)	7.62	4.37
Earnings per share (share of the group) (€)	9.15	5.93
Comprehensive income per share (share of the group) (€)	12.32	6.89

As of December 31, 2022, the stock option plans have no dilutive effect.

11. INCOME TAX

RECOGNIZED IN COMPREHENSIVE INCOME

Year ended 31 December (in € thousands)	**2022**	**2021**
Current taxes		
Tax expense for the period	7,336	11,248
Additions to / (release from) provisions in previous periods	335	107
Total current tax expenses	**7,671**	**11,355**
Deferred taxes		
Additions to and releases from deferred taxes relating to losses from previous periods	(11)	1,867
Additions to and releases from temporary differences	1,302	(791)
Total deferred tax expenses/income	**1,291**	**1,076**
Income tax for the period	**8,962**	**12,431**
Tax income/expense recognized in other elements of the comprehensive income	(13,959)	(2,902)
Total tax expense recognized in comprehensive income	**(4,997)**	**9,529**

RECONCILIATION OF THE EFFECTIVE TAX RATE

Year ended 31 December (in € thousands)	**2022**	**2021**
Pre-tax income for the period	**47,360**	**51,937**
of which share in the profit/(loss) from investments accounted for using equity method	8,754	9,655
Pre-tax income for the period, excluding investments accounted for using equity method	**38,606**	**42,282**
Income taxes at 25%	**9,652**	**10,571**
Tax impact of non-deductible expenses	2,682	4,027
Tax impact of non-taxable revenue	(3,687)	(3,061)
Tax credit and impact of notional interest	0	(157)
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	(362)	(586)
Tax impact of using previously unrecognized losses	(2,265)	(3,048)
Tax impact of adjustments to current and deferred tax relating for previous periods	335	1,134
Tax impact of deferred tax assets on unrecognized losses for the period	2,607	3,551
Tax expense	**8,962**	**12,431**
Effective tax rate for the period	**23.21%**	**29.40%**

The income tax expenses amounted to €8,962 thousand as at 31 December 2022, compared to €12,431 thousand at the end of 2021. The effective tax rate amounted to 23.21% compared to 29.40% in 2021.

Recognized deferred tax assets and liabilities

Year ended 31 December (in € thousands)	ASSETS		LIABILITIES	
	2022	**2021**	**2022**	**2021**
Property, plant and equipment and intangible assets	0	0	(963)	(1,058)
Employee benefits	1,746	2,243	0	0
Provisions	2,188	1,796	0	0
Fair value of derivative instruments	0	0	0	0
Working capital	4,429	4,420	(3,304)	(1,352)
Other items	113	137	(98)	(98)
Tax losses	40,298	66,481	0	0
Gross deferred tax assets/(liabilities)	**48,774**	**75,079**	**(4,365)**	**(2,508)**
Unrecognized deferred tax assets	(39,963)	(66,441)	0	0
Tax netting	(1,688)	(379)	1,688	379
Net deferred tax assets/(liabilities)	**7,123**	**8,259**	**(2,677)**	**(2,129)**

Tax loss carried forward and other temporary differences for which no deferred tax assets are recognized amounted to €159,852 thousand as at 31 December 2022. As tax losses are mainly recognized by Belgian companies, these do not have an expiration date. The decrease in tax losses carried forward for which no deferred tax assets are recognized is mainly attributable to the partial demerger between DEME and CFE resulting in the transfer of a large part of the tax losses carried forward from CFE SA to DEME Group.

The "tax netting" item reflects the netting of deferred tax assets and liabilities per entity.

Tax losses for which no deferred tax assets are recognized

Deferred tax assets are not recognized in cases where it is not probable that a future taxable profit will be sufficient to enable subsidiaries to recover their tax losses.

Deferred tax income (expense) recognized in comprehensive income

Year ended 31 December (in € thousands)	**2022**	**2021**
Deferred taxes on the effective portion of changes in the fair value of cash flow hedge	(13,658)	(3,000)
Deferred taxes on the revaluation of defined benefit liabilities	(301)	98
Total	**(13,959)**	**(2,902)**

As of December 31, 2022, deferred taxes recognized in other comprehensive income amounted to €(13,959) thousand and are mainly related to changes in the market values of the hedging instruments (exchange rates hedges) in the operating companies of offshore wind farms such as Rentel and SeaMade (Green Offshore).

12. INTANGIBLE ASSETS OTHER THAN GOODWILL

Year ended 31 December 2022 (in € thousands)	**Licenses**	**Development costs**	**Total**
Acquisition costs			
Balance at the end of the previous period	**6,575**	**468**	**7,043**
Effects of changes in foreign exchange rates	(16)	0	(16)
Acquisitions	1,340	0	1,340
Disposals	(351)	0	(351)
Transfers between asset items	(91)	(53)	(144)
Balance at the end of the period	**7,457**	**415**	**7,872**
Depeciation and amortisation			
Balance at the end of the previous period	**(4,669)**	**(431)**	**(5,100)**
Effects of changes in foreign exchange rates	12	0	12
Depeciation and amortisation	(869)	0	(869)
Disposals	351	0	351
Transfers between asset items	65	16	81
Balance at the end of the period	**(5,110)**	**(415)**	**(5,525)**
Net carrying amount			
As at January 1, 2022	**1,906**	**37**	**1,943**
As at December 31, 2022	**2,347**	**0**	**2,347**

As of December 31, 2022, acquisitions of intangible assets amounted to €1,340 thousand (2021 : €2,881 thousand, of which €973 thousand for continuing operations and €1,908 thousand for discontinued operations) and primarily concern the capital expenditures in software licences.

Depreciation and amortisation of intangible assets amounted to €(869) thousand as at 31 December 2022 (2021 : €(4,291) thousand, of which €(879) thousand for continuing operations and €(3,412) thousand for discontinued operations).

Intangible assets meeting the definition of IAS 38 *Intangible Assets* are only recognized to the extent that future economic benefits are probable.

Year ended 31 December 2021 (in € thousands)	**Concessions, patents and licenses**	**Development costs**	**Total**
Acquisition costs			
Balance at the end of the previous period	**152,276**	**4,454**	**156,730**
Effects of changes in foreign exchange rates	(6)	0	(6)
Changes in consolidation scope	54	0	54
Acquisitions	2,858	23	2,881
Disposals	(1,772)	(2)	(1,774)
Transfers between asset items (*)	(146,835)	(4,007)	(150,842)
Balance at the end of the period	**6,575**	**468**	**7,043**
Depeciation and amortisation			
Balance at the end of the previous period	**(41,059)**	**(4,412)**	**(45,471)**
Effects of changes in foreign exchange rates	4	0	4
Depeciation and amortisation	(4,263)	(28)	(4,291)
Changes in consolidation scope	0	0	0
Disposals	1,772	2	1,774
Transfers between asset items (*)	38,877	4,007	42,884
Balance at the end of the period	**(4,669)**	**(431)**	**(5,100)**
Net carrying amount			
As at January 1, 2021	**111,217**	**42**	**111,259**
As at December 31, 2021	**1,906**	**37**	**1,943**

(*) Transfers between asset items are mainly related to the separate presentation in the consolidated statement of financial position of intangible assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. As a result, the 2021 transfers include DEME's intangible assets classified as assets held for sale at 31 December 2021 for a net book value of €110,040 thousand. We refer to note 5 of this report.

13. GOODWILL

Year ended 31 December (in € thousands)	**2022**	**2021**
Acquisition costs		
Balance at the end of the previous period	**29,785**	**401,731**
Changes in consolidation scope	0	2,221
Transfers between asset items (*)	0	(374,149)
Other changes	(40)	(18)
Balance at the end of the period	**29,745**	**29,785**
Depreciation		
Balance at the end of the previous period	**(6,022)**	**(229,604)**
Depreciation during the period	0	(311)
Transfers between asset items (*)	0	223,893
Changes in consolidation scope	0	0
Balance at the end of the period	**(6,022)**	**(6,022)**
Net carrying amount at December 31	**23,723**	**23,763**

(*) Transfers between asset items are solely related to the separate presentation in the consolidated statement of financial position of goodwill held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. Therefore, the 2021 transfers represent the goodwill recognised at DEME classified as held for sale as at 31 December 2021. We refer to note 5 of this report.

At year-end 2021, the effects of changes in consolidation scope related exclusively to the acquisition of 100% of the shares of Rolling Robotics Sp. z o.o., Rolling Robotics Sp. komandytowa, Power Automation Sp. z o.o. and Power Automation Sp. komandytowa, all of which were absorbed by VMA Polska Sp. z o.o. during the financial year 2022.

In accordance with IAS 36 *Impairment of assets*, this goodwill was tested for impairment at 31 December 2022.

The following assumptions were used in the impairment tests :

Business	**Net goodwill value**		**Parameters of the model applied to cash flow projections**			**Gross goodwill value**	**Impairment losses recognized in the period**
Year ended 31 December (in € thousands)	**2022**	**2021**	**Growth rate (terminal value)**	**Discount rate**	**Sensitivity rate**		
VMA	14,784	14,824	0.50%	9.40%	5%	18,673	0
MOBIX	8,028	8,028	0.50%	9.40%	5%	10,161	0
BPC Group	911	911	0.50%	9.40%	5%	911	0
Total	**23,723**	**23,763**				**29,745**	**0**

Cash-flows figures used in the impairment tests were taken from the budgets presented to the CFE Board of Directors. A growth rate of 0.5% was used in determining the terminal value. The discount rate used is 9.4% (compared to 8.5% as at 31 December 2021) and corresponds to the weighted average cost of capital applicable to the CFE group. As of December 31, 2022, this takes into account the increase in risk-free interest rates in the euro zone.

A sensitivity analysis was carried out by varying cash flows and discount rate figures by 5%. Since the value in use of the entities is still higher than their carrying amount including goodwill, there was no indication of impairment.

14. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2022 (in € thousands)	Land and buildings	Fixtures and equipment	Furniture, fittings and vehicles	Under construction	Total
Acquisition costs					
Balance at the end of the previous period	**71,832**	**105,211**	**60,246**	**1,076**	**238,365**
Effects of changes in foreign exchange rate	(14)	(23)	(41)	1	(77)
Changes in consolidation scope	(11,090)	0	0	(158)	(11,248)
Acquisitions	5,782	7,654	8,530	4,685	26,651
Transfers between asset items	(1,576)	(1,424)	361	(7)	(2,646)
Disposals	(217)	(4,120)	(10,008)	0	(14,345)
Balance at the end of the period	**64,717**	**107,298**	**59,088**	**5,597**	**236,700**
Depeciation and amortisation					
Balance at the end of the previous period	**(24,656)**	**(89,409)**	**(42,017)**	**0**	**(156,082)**
Effects of changes in foreign exchange rate	5	20	33	0	58
Changes in consolidation scope	1,016	0	0	0	1,016
Depeciation and amortisation	(4,317)	(6,831)	(8,853)	0	(20,001)
Transfers between asset items	1,367	1,388	226	0	2,981
Disposals	163	3,685	9,189	0	13,037
Balance at the end of the period	**(26,422)**	**(91,147)**	**(41,422)**	**0**	**(158,991)**
Net carrying amount					
As at January 1, 2022	**47,176**	**15,802**	**18,229**	**1,076**	**82,283**
As at December 31, 2022	**38,295**	**16,151**	**17,666**	**5,597**	**77,709**

Property, plant and equipment mainly include the net book values of the headquarters of several Belgian subsidiaries of the group, the fleet of equipments and vehicles.

As of December 31, 2022, acquisitions of property, plant and equipment amounted to €26,651 thousand, the most important of which relates to the new headquarters of Van Laere NV, which is currently under construction (delivery expected in March 2023). As of December 31, 2021, acquisitions of property, plant and equipment amounted to €341,521 thousand of which €20,082 thousand for continuing operations and €321,439 thousand for discontinued operations.

In 2022, effects of changes in consolidation scope mainly concern the derecognition of Hofkouter NV's properties, plants and equipments, the company that owns the current Van Laere NV headquarters and workshops. Indeed, CFE sold 65% of its stake, resulting in a change in consolidation method from global integration of Hofkouter, to the equity method.

Depreciation and amortisation of property, plant and equipment amounted to €(20,001) thousand (2021 : €(346,230) thousand of which €(19,338) thousand for continuing operations and €(326,892) thousand for discontinued operations).

Year ended 31 December 2021 (in € thousands)	**Land and buildings**	**Fixtures and equipment**	**Furniture, fittings and vehicles**	**Under construction**	**Total**
Acquisition costs					
Balance at the end of the previous period	**244,206**	**4,163,313**	**109,589**	**506,270**	**5,023,378**
Effects of changes in foreign exchange rates	1,128	5,605	42	0	6,775
Changes in consolidation scope	0	35	121	0	156
Acquisitions	41,375	149,807	23,018	127,321	341,521
Transfers between asset items (*)	(199,140)	(4,071,769)	(56,303)	(632,167)	(4,959,379)
Disposals	(15,737)	(141,780)	(16,221)	(348)	(174,086)
Balance at the end of the period	**71,832**	**105,211**	**60,246**	**1,076**	**238,365**
Depeciation and amortisation					
Balance at the end of the previous period	**(88,153)**	**(2,350,014)**	**(70,159)**	**0**	**(2,508,326)**
Effects of changes in foreign exchange rates	(465)	(4,249)	41	0	(4,673)
Changes in consolidation scope	0	0	(92)	0	(92)
Depeciation and amortisation	(19,288)	(307,238)	(19,704)	0	(346,230)
Transfers between asset items (*)	74,826	2,454,820	32,218	0	2,561,864
Disposals	8,424	117,272	15,679	0	141,375
Balance at the end of the period	**(24,656)**	**(89,409)**	**(42,017)**	**0**	**(156,082)**
Net carrying amount					
As at January 1, 2021	**156,053**	**1,813,299**	**39,430**	**506,270**	**2,515,052**
As at December 31, 2021	**47,176**	**15,802**	**18,229**	**1,076**	**82,283**

(*) Transfers between asset items are mainly related to the separate presentation in the consolidated statement of financial position of property, plant and equipment held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. Accordingly, the 2021 transfers include DEME's property, plant and equipment classified as assets held for sale as at 31 December 2021 for a net book value of €2,363,428 thousand. We refer to note 5 of this report.

The net book value of property, plant and equipment recognized as right of use amounted to €36,772 thousand as at 31 December 2022 compared to €35,272 thousand as at 31 December 2021. These assets mainly include the group's vehicle fleet, as well as the headquarters of certain subsidiaries of the multitechnics and construction & renovation segments.

Changes in property, plant and equipment recognized under the right of use are presented in the table on next page.

The CFE Group has a limited number of leases with renewal options and exercises significant judgement in determining whether that is reasonable certain that these extension and termination options will be exercised. As of December 31, 2022, the Group has no leases with renewal options that are reasonably certain not to be exercised or termination options that are reasonably certain to be exercised.

Year ended 31 December 2022 (in € thousands)	**Land and buildings**	**Fixtures and equipment**	**Furniture, fittings and vehicles**	**Total**
Acquisition costs				
Balance at the end of the previous period	**26,532**	**11,556**	**24,459**	**62,547**
Effects of changes in foreign exchange rates	(11)	0	(9)	(20)
Changes in consolidation scope	0	0	0	0
Acquisitions	3,757	4,074	5,875	13,706
Transfers between asset items	(1,606)	12	477	(1,117)
Disposals	(209)	(936)	(4,678)	(5,823)
Balance at the end of the period	**28,463**	**14,706**	**26,124**	**69,293**
Depeciation and amortisation				
Balance at the end of the previous period	**(9,012)**	**(6,666)**	**(11,597)**	**(27,275)**
Effects of changes in foreign exchange rates	5	0	3	8
Changes in consolidation scope	0	0	0	0
Depeciation and amortisation	(3,268)	(2,653)	(5,975)	(11,896)
Transfers between asset items	1,349	(3)	(4)	1,342
Disposals	156	936	4,208	5,300
Balance at the end of the period	**(10,770)**	**(8,386)**	**(13,365)**	**(32,521)**
Net carrying amount				
As at January 1, 2022	**17,520**	**4,890**	**12,862**	**35,272**
As at December 31, 2022	**17,693**	**6,320**	**12,759**	**36,772**

Year ended 31 December 2021 (in € thousands)	**Land and buildings**	**Fixtures and equipment**	**Furniture, fittings and vehicles**	**Total**
Acquisition costs				
Balance at the end of the previous period	**102,430**	**18,975**	**49,289**	**170,694**
Effects of changes in foreign exchange rates	1,121	295	98	1,514
Changes in consolidation scope	0	0	0	0
Acquisitions	27,168	4,377	18,078	49,623
Transfers between asset items (*)	(91,314)	(9,279)	(36,936)	(137,529)
Disposals	(12,873)	(2,812)	(6,070)	(21,755)
Balance at the end of the period	**26,532**	**11,556**	**24,459**	**62,547**
Depeciation and amortisation				
Balance at the end of the previous period	**(26,473)**	**(11,080)**	**(19,553)**	**(57,106)**
Effects of changes in foreign exchange rates	(456)	(115)	(48)	(619)
Changes in consolidation scope	0	0	0	0
Depeciation and amortisation	(13,690)	(4,246)	(14,349)	(32,285)
Transfers between asset items (*)	24,376	6,006	16,809	47,191
Disposals	7,231	2,769	5,544	15,544
Balance at the end of the period	**(9,012)**	**(6,666)**	**(11,597)**	**(27,275)**
Net carrying amount				
As at January 1, 2021	**75,957**	**7,895**	**29,736**	**113,588**
As at December 31, 2021	**17,520**	**4,890**	**12,862**	**35,272**

(*) Transfers between asset items are mainly related to the separate presentation in the consolidated statement of financial position of property, plant and equipment held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. Accordingly, the 2021 transfers include DEME's property, plant and equipment recognized under the right of use classified as assets held for sale as at 31 December 2021.

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

CHANGES OVER THE PERIOD

The interests in investments accounted for using equity method are detailed as follows:

Year ended 31 December (in € thousands)	**2022**	**2021**
Balance at the end of the previous period	**103,418**	**204,095**
Transfers between asset items (*)	5,499	(139,401)
Share of profit (loss) of investments accounted for using equity method	8,754	19,473
Capital increase/(decrease)	6	19,077
Dividends	(13,641)	(18,416)
Changes in consolidation scope	(8,759)	2,456
Other changes	15,588	16,134
Balance at the end of the period	**110,865**	**103,418**

(*) Transfers between asset items are mainly related to the separate presentation in the consolidated statement of financial position of investments accounted for using the equity method held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. As a result, the 2021 transfers include DEME's investments accounted for using the equity method classified as assets held for sale as at 31 December 2021 for a net book value of €141,527 thousand. We refer to note 5 of this report. As of December 31, 2022, these transfers relate only to amounts reclassified during the year as provisions for negative investments accounted for using equity method.

All entities in which the CFE Group has a significant influence are accounted for using equity method, mainly the stakes in Rent-A-Port and Green Offshore under the investments & holding segment, and in project companies held in joint control in the real estate development segment. As of December 31, 2022, the contributions of Rent-A-Port and Green Offshore to investments accounted for using equity method amounted to €43,983 thousand and €20,389 thousand, respectively. The CFE Group has no stakes accounted for using equity method that are listed on a public market.

As of December 31, 2022, the CFE Group's share of profit (loss) of investments accounted for using equity method amount to €8,754 thousand (compared to €19,473 thousand in 2021, including €9,655 thousand for continuing operations and €9,818 thousand for discontinued operations) and is mainly due to the activities of the real estate development segment and the investments in port concessions through Rent-A-Port (€4,052 thousand as at 31 December 2022, as CFE's share) as well as in the concessionary companies of offshore wind farms such as Rentel and SeaMade through Green Offshore (€1,849 thousand as at 31 December 2022, as CFE's share). As of December 31, 2022, the contributions of Rent-A-Port and Green Offshore in the consolidated statement of comprehensive income pre-tax amounted to €5,234 thousand and €13,610 thousand, respectively.

Dividends distributed by equity accounted investments amounted to €13,641 thousand and derives from Green Offshore and certain project companies in the real estate development segment.

The changes in consolidation scope are mainly related to the disposal of the entire stake in Wooden NV and Grand Poste NV and the impact of the acquisition of non-controlling interests in Infra Asia Investment Hong Kong Ltd by Rent-A-Port, partially offset by the change in consolidation method applied to Hofkouter NV, which is now accounted for using equity method.

The other changes are mainly due to the change in the market value of the interest rate hedging instruments in the Rentel and SeaMade offshore wind farm concession companies as well as the change in the exchange rate differences when integrating foreign currency investments.

Financial information relating to investments accounted for using equity method

The list of the most significant investments accounted for using the equity method is set out in note 34, based on their percentage of interests in the CFE group, the segment in which they operate and the geographical area of their head office.

The condensed financial statements by segment presented below are based on the accounts prepared on the basis of the IFRS accounting methods for investments accounted for using the equity method, or, failing this, on the basis of their statutory accounts. Intercompany transactions are not eliminated. The reconciliation between the statutory equity and the contribution to the consolidated accounts is presented after the financial indicators.

December 2022 (in € thousands)	**Real estate development**		**Multitechnics and Construction & Renovation**		**Investments & Holding**		**Total**	
	100%	% Share	100%	% Share	100%	% Share	**100%**	**% Share**
Income Statement								
Revenue	118,645	51,634	13,507	3,377	61,968	29,837	194,120	84,848
Result for the period - share of the group	9,915	2,980	(1,005)	(357)	11,411	5,745	20,321	8,368
Financial position								
Non-current assets	53,545	25,369	9,226	3,224	249,767	96,362	312,538	124,955
Current assets	478,374	212,096	12,011	3,241	177,644	83,540	668,029	298,877
Equity	45,215	18,395	11,183	3,852	138,132	72,510	194,530	94,757
Non-current liabilities	151,778	70,745	0	0	188,490	69,779	340,268	140,524
Current liabilities	334,926	148,325	10,054	2,613	100,789	37,613	445,769	188,551
Net Financial Debt	**168,262**	**84,653**	**(7,087)**	**(1,876)**	**192,629**	**66,572**	**353,804**	**149,349**

In the real estate development, multitechnics and construction & renovation segments, non-current assets and current assets mainly relate to Gravity SA : €77,026 thousand (100%), M1 SA : €33,097 thousand (100%), The Roots Office SàRL : €31,624 thousand (100%), BPI-Revive Matejki Sp. z o.o. : €29,007 thousand (100%), Erasmus Gardens SA : €25,308 thousand (100%), Debrouckère Land SA : €24,001 thousand (100%), Bavière Développement SA : €23,671 thousand (100%), MG Immo SRL : €23,034 thousand (100%), Arlon 53 SA : €21,347 thousand (100%), Goodways SA : €20,235 thousand (100%), Emely SàRL : €16,896 thousand (100%), Debrouckère Office SA : €15,306 thousand (100%), Key West SA : €14,665 thousand (100%), Bataves 1521 SA : €12,078 thousand (100%), Victor Estate SA : €10,968 thousand (100%) and Debrouckère Development SA : €10,523 thousand (100%).

December 2022 (in € thousands)	**Rent-A-Port**		**Green Offshore**		**Others**		**Total Investments & Holding**	
	100%	% Share	100%	% Share	100%	% Share	**100%**	**% Share**
Income Statement								
Revenue	58,027	29,014	0	0	3,941	823	61,968	29,837
Result for the period - share of the group	8,104	4,052	3,560	1,780	(253)	(87)	11,411	5,745
Financial position								
Non-current assets	109,730	54,865	47,275	23,638	92,762	17,859	249,767	96,362
Current assets	150,835	75,418	2,836	1,418	23,973	6,704	177,644	83,540
Equity	99,998	49,999	45,604	22,802	(7,470)	(291)	138,132	72,510
Non-current liabilities	104,858	52,429	4,128	2,064	79,504	15,286	188,490	69,779
Current liabilities	55,709	27,855	379	190	44,701	9,568	100,789	37,613
Net Financial Debt	**97,063**	**48,532**	**2,853**	**1,427**	**92,713**	**16,613**	**192,629**	**66,572**

In the investments & holding segment, the net financial debt mainly relates to the concession companies PPP Schulen in Eupen (included in 'Others' in the table above) : €62,764 thousand (100%), Rent-A-Port NV : €97,063 thousand (100%) and Green Offshore NV : €2,853 thousand (100%).

December 2021 (in € thousands)	**Real estate development**		**Multitechnics and Construction & Renovation**		**Investments & Holding**		**Total**	
	100%	% Share	100%	% Share	100%	% Share	**100%**	**% Share**
Income Statement								
Revenue	93,956	37,095	16,886	4,900	54,388	26,093	165,230	68,088
Result for the period - share of the group	21,301	7,265	365	145	9,009	4,269	30,675	11,679
Financial position								
Non-current assets	116,862	51,282	69	17	237,229	89,248	354,160	140,547
Current assets	422,111	182,643	10,464	2,626	174,423	82,449	606,998	267,718
Equity	73,604	31,158	912	237	144,746	75,904	219,262	107,299
Non-current liabilities	131,490	59,965	0	0	149,493	49,079	280,983	109,044
Current liabilities	333,879	142,802	9,621	2,406	117,413	46,714	460,913	191,922
Net Financial Debt	**137,145**	**65,250**	**(4,984)**	**(1,259)**	**153,006**	**44,189**	**285,167**	**108,180**

In the real estate development, multitechnics and construction & renovation segments, non-current assets and current assets mainly relate to Gravity SA: €52,839 thousand (100%), Wooden SA: €44,641 thousand (100%), M1 SA: €43,883 thousand (100%), The Roots Office SàRL: €31,624 thousand (100%), Erasmus Gardens SA: €31,441 thousand (100%), BPI-Revive Matejki Sp. z o.o.: €27,993 thousand (100%), Grand Poste SA: €24,239 thousand (100%), Debrouckère Land SA: €23,469 thousand (100%), Bavière Development SA: €19,883 thousand (100%), Goodways SA: €19,681 thousand (100%), MG Immo SRL: €16,726 thousand (100%), Pré de la Perche Construction SA: €15,853 thousand (100%), Debrouckère Office SA: €15,387 thousand (100%), Key West SA: €13,161 thousand (100%), Arlon 53 SA: €12,924 thousand (100%) and Victor Estate SA: €10,973 thousand (100%).

December 2021 (in € thousands)	**Rent-A-Port**		**Green Offshore**		**Others**		**Total Investments & Holding**	
	100%	% Share	100%	% Share	100%	% Share	**100%**	**% Share**
Income Statement								
Revenue	50,527	25,264	0	0	3,861	829	54,388	26,093
Result for the period - share of the group	3,578	1,789	4,831	2,416	600	64	9,009	4,269
Financial position								
Non-current assets	109,667	54,834	32,059	16,030	95,503	18,384	237,229	89,248
Current assets	145,416	72,708	6,552	3,276	22,455	6,465	174,423	82,449
Equity	125,746	62,873	26,621	13,311	(7,621)	(280)	144,746	75,904
Non-current liabilities	54,540	27,270	11,538	5,770	83,415	16,040	149,493	49,079
Current liabilities	74,797	37,399	452	226	42,164	9,089	117,413	46,714
Net Financial Debt	**44,029**	**22,015**	**8,073**	**4,037**	**100,904**	**18,137**	**153,006**	**44,189**

In the investments & holding segment, the net financial debt mainly relates to the concession companies PPP Schulen in Eupen (included in 'Others' in the table above) : €70,619 thousand (100%), Rent-A-Port NV : €44,029 thousand (100%) and Green Offshore NV : €8,073 thousand (100%).

The reconciliation between the share of the CFE group in the statutory net assets of these companies and the carrying amount of the investments accounted for using equity method is as follows :

December 2022 (in € thousands, CFE's % share)	**Real estate development**	**Multitechnics and Construction & Renovation**	**Investments & Holding**	**Total**
Net assets of partners before reconciliation items	18,395	3,852	72,510	94,757
Reconciliation items	5,596	0	(3,557)	2,039
Negative investments accounted for using equity method	14,027	0	42	14,069
CFE Group's carrying amount of the investment	**38,018**	**3,852**	**68,995**	**110,865**

December 2021 (in € thousands, CFE's % share)	**Real estate development**	**Multitechnics and Construction & Renovation**	**Investments & Holding**	**Total**
Net assets of partners before reconciliation items	31,158	237	75,904	107,299
Reconciliation items	8,531	0	(20,982)	(12,451)
Negative investments accounted for using equity method	8,570	0	0	8,570
CFE Group's carrying amount of the investment	**48,259**	**237**	**54,922**	**103,418**

The reconciliation elements presented at the level of the real estate development are mainly due to the recognition of the income in accordance with the CFE group accounting policies and the intercompany eliminations.

16. OTHER NON-CURRENT FINANCIAL ASSETS

As of December 31, 2022, other non-current financial assets amounted to €138,294 thousand, an increase compared to December 2021 (€79,313 thousand). As of December 31, 2022, they only include loans granted to investments accounted for using the equity method.

In 2022, the increase in the account balance of these non-current financial receivables is mainly due to :

- the granting of an additional shareholder loan of €19,000 thousand to Rent-A-Port NV within the context of settling the additional 32.6% stake in Infra Asia Investment ;
- the reclassification of certain loans to Rent-A-Port as long-term loans for an amount of €9,864 thousand ;
- the granting of loans to project companies in the real estate development segment, which mainly concern Seco (€11,092 thousand), Brouck'R (€4,057 thousand), The Roots (€3,508 thousand) and Emely (€3,159 thousand) ; offset by
- the partial repayment of the loans granted to Green Offshore NV for an amount of €(3,704) thousand.

In 2021, the decrease in the account balance of these non-current financial receivables was mainly due to :

- transfers between assets items that were mainly related to the separate presentation in the consolidated statement of financial position of other non-current financial assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations.* As a result, these included DEME's other non-financial assets classified as assets held for sale as at 31 December 2021 for an amount of €33,450 thousand. We refer to note 5 of this report. Moreover, this decrease was partially offset by :
- the loans granted by BPI Real Estate Poland Sp. z o.o. for the Matejki urban project in Poznan, in which BPI disposed 50% of its shares held during the year to decrease its stake from 100% to 50% and thus change its consolidation method to the equity method ;
- the granting and repayment of loans to the project companies in the real estate development segment and to the wind farm concession companies at DEME.

Year ended 31 December (in € thousands)	**2022**	**2021**
Balance at the end of the previous period	**79,313**	**89,196**
Changes in consolidation scope	0	14,130
Increases	52,076	19,534
Decreases	(5,238)	(9,572)
Transfers between asset items	12,404	(33,957)
Impairment / reversals of impairment	0	(14)
Effects of changes in foreign exchange rates	(261)	(4)
Balance at the end of the period	**138,294**	**79,313**

17. CONSTRUCTION CONTRACTS

Contract assets and contract liabilities in compliance with IFRS 15 *Revenue from contracts with customers* relate to the work in progress of construction projects executed by the Group and services rendered. Work in progress shows the balance of revenue recognized on those contracts less progress billings, advance payments and potential provisions for losses. The net amount due by or to customers is determined on a contract-by-contract basis as the difference between these items.

As described in paragraphs (L) and (U) of the section relating to significant accounting policies, the costs and revenues of construction contracts are recognized in expenses and revenue respectively based on the percentage of completion of the contract activity at the closing date. The percentage of completion is calculated based on the "cost to cost" method. An expected loss on a construction contract is recognized as an expense immediately. We refer in this respect to note 24 "Provisions other than those relating to non-current employee benefit obligations".

Contract assets represent the excess of costs incurred and recognized profits and losses over progress billing. They include (a) the unbilled portion of contracts in the line item "Trade and other operating receivables" of the consolidated statement of financial position, and (b) accrued income and deferred costs relating to work in progress included in the line item "Other current operating assets" of the consolidated statement of financial position.

Contract liabilities represent the excess of progress billing over costs incurred and recognized profits and losses. They include the unbilled portion of contract costs in the line item "Trade and other operating payables" of the consolidated statement of financial position, deferred income and accrued costs relating to construction work in progress included in the line item "Other current operating liabilities" of the consolidated statement of financial position, and provisions for expected losses on construction contracts included in the line item 'Non-current provisions' (we refer in this respect to note 24 "Provisions other than those relating to non-current employee benefit obligations").

Advances and payments on account are amounts received by the group before the related work is performed. We refer to note 19 "Change in trade receivables and payables, and other operating receivables and payables".

(in € thousands)	31 December 2021	Business related changes	Other changes	31 December 2022
Advances and payments on account	(6,080)	(1,131)	15	(7,195)
Contract assets	150,352	3,210	(259)	153,303
Contract liabilities	(218,028)	(39,489)	(264)	(257,781)
Construction contracts in progress - net	**(67,676)**	**(36,279)**	**(522)**	**(104,478)**

(in € thousands)	31 December 2020	Business related changes	Other changes	31 December 2021
Advances and payments on account	(65,034)	(19,637)	78,590	(6,080)
Contract assets	357,048	100,747	(307,443)	150,352
Contract liabilities	(713,419)	(76,091)	571,482	(218,028)
Construction contracts in progress - net	**(356,371)**	**24,656**	**264,039**	**(67,676)**

'Business-related changes' relate to cumulative catch up adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification.

The increase in contract liabilities as at 31 December 2022 is primarily attributable to advances received in both real estate development and construction & renovation segments.

In 2021, the other changes were mainly related to the reclassification of DEME's assets and liabilities into "Assets held for sale" and "Liabilities associated with assets held for sale" in accordance with the requirements of IFRS 5.

The remaining performance obligations, i.e. the revenue to be generated in the next few years for the projects in progress at 31 December 2022 amount to €961 million (2021 : €1,143 million), of which €471 million should be executed in 2023 (as of December 31, 2021, €398 million were to be executed in 2022).

18. INVENTORIES

As of December 31, 2022, inventories amounted to €168,467 thousand (2021 : €160,381 thousand) and are mainly derived from real estate projects developed by BPI and its fully consolidated subsidiaries. The inventories are detailed as follows :

Year ended 31 December (in € thousands)	**2022**	**2021**
Raw materials and auxiliary products	9,859	9,600
Impairments on inventories of raw materials and auxiliary products	(33)	(29)
Finished products and properties held for sale	160,113	152,102
Impairments on inventories of finished products and properties held for sale	(1,472)	(1,292)
Inventories	**168,467**	**160,381**

The increase in finished products and properties held for sale (€8,011 thousand) is primarily attributable to the activities of the real estate development segment.

19. CHANGE IN TRADE RECEIVABLES AND PAYABLES AND OTHER OPERATING RECEIVABLES AND PAYABLES

Year ended 31 December (in € thousands)	**2022**	**2021**
Trade receivables' gross carrying amount	*219,365*	*208,496*
Less : expected credit losses	*(19,895)*	*(19,044)*
Trade receivables' net carrying amount	199,470	189,452
Other operating receivables	85,138	91,804
Consolidated total	**284,608**	**281,256**
Other current operating assets	**100,714**	**85,555**
Other current non-operating assets	**4,487**	**2,416**
Trade and other operating payables	309,204	277,009
Other current operating liabilities	180,546	141,723
Other current non-operating liabilities	63,383	78,376
Consolidated total	**553,133**	**497,108**
Net position of trade and operating receivables and payables	**(163,324)**	**(127,881)**

We refer to note 27 “Financial risk management” for an analysis of the credit and counterparty risk. Trade receivables of entities included in note 17 “Construction contracts” amounted to €140,860 thousand as at 31 December 2022.

Other current operating assets (€100,714 thousand as at 31 December 2022) include accrued income and deferred charges relating to the group's construction projects.
Other operating receivables (€85,138 thousand as at 31 December 2022) mainly include invoices to be issued, social security and tax receivables, cash advances to temporary companies and other operating receivables.
Other current non-operating liabilities (€63,383 thousand) mainly include social security and employee-related liabilities.

20. CASH AND CASH EQUIVALENTS

Year ended 31 December (in € thousands)	**2022**	**2021**
Short-term bank deposits	15,035	13,596
Cash in hand and at bank	112,114	129,991
Cash and cash equivalents	**127,149**	**143,587**

The cash position includes €44.3 million available at CFE SA. The cash-position balance is broken down into temporary companies and foreign entities not included in the cash pooling.

Short-term bank deposits consist of money placed with financial institutions with an original maturity of less than three months. These deposits are subject to a floating rate interest, which is usually linked to Euribor or Eonia rates with a floor at 0%.

21. CAPITAL GRANTS

The CFE group did not receive any capital grant in 2022.

22. INFORMATION RELATED TO STOCK OPTION PLANS ON OWN SHARES

STOCK OPTION PLANS

In the second half of 2022, the Board of Directors approved a stock option plan to involve the members of the Executive Committee in the long-term growth of the Group. The plan provides that each option is for one CFE share and is granted free of charge. Options have a term of seven years. Options are cancelled if the contractual relationship is terminated before the vesting date. The Remuneration Committee is responsible for monitoring the plan and designating beneficiaries.

During the year, 200,000 options were granted to two beneficiaries, members of the Executive Committee, who accepted them in full.

	During the financial year			At year-end			
Year granted	Options granted	Options exercised	Expired options	Number of options	Number of exercisable options	Strike price (in euros)	Exercise period
2022	200,000	0	0	200,000	0	10.31	01/01/2026 – 10/16/2029

The value of the options, calculated on the basis of their value when granted, is determined by an independent expert on the basis of the following assumptions :

Year granted	Quoted market price	Number of options exercised	Dividend yield	Volatility	Interest rate	Expected duration	Value according to the Black & Scholes method	
							(€/share)	**Total value (k€)**
2022	10.46	0	4.31%	33.10%	2.66%	7.0	**2.406**	**481**

There are no listed options on CFE shares. A comparison method with comparable companies has been chosen to measure the volatility of options. The comparable companies are construction companies listed in Europe. CFE's debt/equity and assets/equity ratios are equivalent to those of comparable companies. The long-term historical volatility of comparable companies is between 25.9% and 33.1%. Taking into account the size of CFE compared to the group of comparable companies, the top of the range was chosen as the best estimate for valuing CFE's stock options.

The strike price is determined as the average price of the last 30 days.

The total value of the options granted in 2022 amounts to €481 thousand. This amount will be recognised as an expense on a straight-line basis over the vesting period (3 years). As the plan was accepted by the beneficiaries at the end of December 2022, the impact on the 2022 results is negligible and has therefore not been taken into account in 2022.

TREASURY SHARES

During the financial year, CFE acquired 1,241,650 of its own shares as part of the long-term incentive plan. 849,492 treasury shares were sold to certain members of the Executive Committee. This share buy-back programme was conducted by an independent intermediary in accordance with the applicable regulations.

At the end of the financial year 2022, the number of own shares held was 392,158, at an average price of €9.52 per share.

Year	Balance at start of year	During the financial year		Year-end balance
		Purchases	Sales	
2022	0	1,241,650	849,492	**392,158**

23. EMPLOYEE BENEFITS

The CFE group contributes to pension and early retirement plans in several of the countries in which it operates. These benefits are recognised in accordance with IAS 19 and are regarded as "post-employment" and "long-term benefit plans".

As of December 31, 2022, the CFE group's net liability relating to obligations for 'post-employment' benefits for pensions and early-retirement amounted to €8,526 thousand (2021 : €11,916 thousand) and corresponds to the item "Employee benefit obligations" in the consolidated statement of financial position. This item also includes provisions for other employee benefits for an amount of €154 thousand as at 31 December 2022.

MAIN CHARACTERISTICS OF THE CFE GROUP'S POST-EMPLOYMENT BENEFIT PLANS

Post-employment benefit plans are classified either as defined-contribution or defined-benefit plans.

Defined-contribution plans

Defined-contribution pension plans are those under which the company makes certain contributions to an entity or separate fund in accordance with the plan arrangements. Where contributions have been made, the company has no additional obligation.

Defined-benefit plans

All plans that are not defined-contribution plans are presumed to be defined-benefit plans. These plans are either funded externally through pension funds or insurance companies ("funded plans") or funded within the CFE group ("unfunded plans"). For the main plans, an actuarial valuation is carried out every year by independent actuaries.

Post-employment benefit plans in which the CFE group takes part confer benefits to staff on retirement and death. All plans are funded externally through an insurance company unrelated to the CFE group. Obligations under defined-benefit plans for are exclusively in Belgium.

Belgian post-employment benefit plans are invested in "Class 21" type plans, which implies that the insurer guarantees a minimum interest rate on the contributions paid.

All plans comply with local regulations and minimum funding requirements.

Most of the CFE group's post-employment benefit plans are defined-benefit.

MAIN CHARACTERISTICS OF DEFINED-BENEFIT PLANS

Belgian retirement plans « Class 21 » type

A number of staff members are covered by a "Class 21" type insurance-funded defined-contribution plan.
Belgian law requires the employer to guarantee for insured defined-contribution plans a minimum return of 3.25% on employer contributions and a minimum return of 3.75% on employee contributions paid prior to January 1, 2016, and a minimum return equal to a proportion (currently 85%) of the average of the last 24 months of the 10-year OLO rates. The rate is a minimum of 1.75% and a maximum of 3.75%. So far, the minimum rate of 1.75% has always applied, but this rate is subject to change in the future. As a result of the modification of this law at the end of 2015, these pension schemes have been accounted for as defined-benefit plans.

Construction workers are covered by the defined-contribution pension plan funded by the "fbz-fse Constructiv" multi-employer pension fund. This pension plan is also governed by Belgian law, requiring a minimum return as mentioned above.

Risk relating to defined-benefit plans

Defined-benefit plans generally expose the employer to actuarial risks such as changes in interest rates, wages and inflation. The potential impact of these risks is illustrated by a sensitivity analysis, details of which are set out below.

The risk arising from benefits being spread over time is limited, since most plans involve a lump-sum payment. However, there is an option to pay annuities. If this option is used, the payment of annuities is handled through an insurance policy that converts the lump sum into an annuity. The risk of death in service is entirely covered through insurance. The insolvency risk of insurance companies is taken into account in the calculation of the fair value of plan assets.

Governance of defined-benefit plans

The administration and governance of insured plans are handled by the insurance company. CFE ensures that insurance companies comply with all retirement laws.

Defined-benefit plan assets

Plan assets invested with an insurance company are not subject to the fluctuations of an active market as they are "Class 21" insurance policies (with interest rate guarantees). These are mainly debt instruments such as government and corporate bonds and real estate. Plan assets do not include the CFE group's own financial instruments or any building used by the CFE group.
The fair value of the insurance policies corresponds to the discounted value of contributions paid, taking into account the return contractually agreed with the insurance company (Belgium).

INFORMATION RELATING TO DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

Year ended 31 December (in € thousands)	**2022**	**2021**
Provisions taken for defined-benefit and early retirement plan obligations	**(8,372)**	**(11,762)**
Accrued rights, partly or fully funded	(54,962)	(69,997)
Fair value of plan assets	46,590	58,235
Provisions taken for obligations in the consolidated statement of financial position	**(8,372)**	**(11,762)**
Liabilities	(8,372)	(11,762)
Assets	0	0

CHANGES IN PROVISIONS TAKEN FOR DEFINED-BENEFIT AND EARLY RETIREMENT PLAN OBLIGATIONS

Year ended 31 December (in € thousands)	**2022**	**2021**
As at January 1	**(11,762)**	**(73,362)**
Expenses recognized in profit or loss	(3,870)	(18,500)
Expenses recognized in other elements of the comprehensive income	2,184	(276)
Contributions to plan assets	4,934	18,069
Other movements	142	94
Transfers to liabilities associated with assets held for sale	0	62,213
As at December 31	**(8,372)**	**(11,762)**

The item “Transfers to liabilities associated with assets held for sale” relates exclusively to commitments provisioned at DEME which are presented under “Liabilities associated with assets held for sale” at the end of December 2021.

Expenses recognized in income in respect of defined-benefit and early retirement plans

Year ended 31 December (in € thousands)	**2022**	**2021**
Expenses recognized in profit or loss	**(3,870)**	**(4,256)**
Service cost	(4,006)	(4,218)
Discounting effects	(580)	(281)
Return on plan assets (-)	500	238
Unrecognized past service cost	216	5

As of December 31, 2021, the expenses recognized through profit and loss for DEME's defined benefit and early retirement plans amounted to €14,243 thousand.

Expenses recognized in the other elements of the comprehensive income in respect of defined-benefit and early retirement plans

Year ended 31 December (in € thousands)	**2022**	**2021**
Expenses recognized in other elements of the comprehensive income	**2,184**	**(276)**
Actuarial gains and losses	15,617	7,550
Return on plan assets (excluding amounts recognized in profit or loss)	(13,433)	(4,784)
Effect of changes in foreign exchange rates	0	(3,042)

Changes in provisions taken for defined-benefit and early retirement plan obligations

Year ended 31 December (in € thousands)	**2022**	**2021**
As at January 1	**(69,997)**	**(323,083)**
Service cost	(4,006)	(18,134)
Discounting effects	(580)	(1,504)
Contributions to plan assets	(548)	(794)
Benefits paid to beneficiaries	3,688	19,660
Revaluation of liabilities (assets)	15,834	4,415
Actuarial gains and losses resulting from changes to demographic assumptions	*0*	*(7,270)*
Actuarial gains and losses resulting from changes to financial assumptions	*19,056*	*14,020*
Actuarial gains and losses resulting from experience adjustments	*(3,222)*	*(2,335)*
Unrecognized past service cost	0	0
Other movements	647	249,443
As at December 31	**(54,962)**	**(69,997)**

As of December 31, 2021, the item "other movements" is mainly related to obligations on discontinued operations (DEME) for an amount of €246,857 thousand.

Changes in defined-benefit and early retirement plan assets

Year ended 31 December (in € thousands)	**2022**	**2021**
As at January 1	**58,235**	**249,721**
Return on plan assets (excluding amounts recognized in profit or loss)	(13,433)	(4,643)
Return on plan assets	500	1,220
Contributions to plan assets	5,623	18,863
Benefits paid to beneficiaries	(3,688)	(19,660)
Other movements	(647)	(187,266)
As at December 31	**46,590**	**58,235**

Main actuarial assumptions at the end of the period (expressed as weighted averages)

	2022	**2021**
Discount rate at December 31	3.60%	0.89%
Expected rate of salary increases	3.20%	3.29%
Inflation rate	2.20%	1.90%
Mortality tables	MR-5/FR-5	MR-5/FR-5

Taking into account the current macroeconomic environment which has led to a tightening of European monetary policy and an increase in interest rates, the rates prevailing on the financial markets have led the CFE group to apply a discount rate of 3.60% (compared to 0.89% at 31 December 2021) in determining its commitments to be provisioned in the consolidated statement of financial position for defined-benefit and early retirement plans as at 31 December 2022 (maturity of 11 years). In addition, the long-term inflation rate has been revised upwards (2.20% as at 31 December 2022 compared with 1.90% as at 31 December 2021) to take account of the latest macroeconomic forecasts (Planning Bureau, ECB, etc.) at the beginning of 2023.

Other characteristics of define-benefit plans

	2022	**2021**
Duration (in years)	11.00	13.50
Average real return on plan assets	-21.97%	-2.40%
Contributions expected to be made to the plans in the next financial year (in € thousands)	4,177	4,264

Sensitivity analysis (impact on the amount of obligations)

	2022	**2021**
Discount rate		
25bp increase	-2.48%	-3.02%
25bp decrease	2.59%	3.15%
Salary growth rate		
25bp increase	1.72%	2.15%
25bp decrease	-1.63%	-2.03%

24. PROVISIONS OTHER THAN THOSE RELATING TO NON-CURRENT EMPLOYEE BENEFIT OBLIGATIONS

As of December 31, 2022, these provisions amounted to €60,038 thousand, which represents an increase of €7,015 thousand compared to year-end 2021 (€53,023 thousand).

(in € thousands)	After-sales service	Provisions for negative investments accounted for using equity method	Other risks	Total
Balance at the end of the previous period	**14,470**	**8,571**	**29,982**	**53,023**
Effects of changes in foreign exchange rates	(33)	0	(109)	(142)
Transfers between items	0	5,499	(28)	5,471
Additions to provisions	3,051	0	6,601	9,652
Used provisions	(1,884)	0	(6,082)	(7,966)
Balance at the end of the period	**15,604**	**14,070**	**30,364**	**60,038**
of which current:	15,604	0	26,151	41,755
non-current:	0	14,070	4,213	18,283

The provision for after-sales service increased by €1,134 thousand and amounted to €15,604 thousand as at 31 December 2022. The change in 2022 was mainly the result of additions to and/or reversals of provisions recognized in relation to 10-year warranties.

When the CFE group's share in the losses from investment accounted for using equity method exceeds the carrying amount of the investment, the latter amount is reduced to zero. The losses beyond this amount are not recognized, except for the amount of the CFE group's commitments to these investments accounted for using equity method. The amount of these commitments is accounted for in the non-current provisions, as the group considers having the obligation to support those entities and their projects.

Provisions for other risks increased by €382 thousand and amounted to €30,364 thousand as at 31 December 2022.

Provisions for other current risks (€26,151 thousand) mainly include :

- provisions for current litigation (€6,245 thousand) as well as provisions for other current liabilities (€6,873 thousand). As regards other current liabilities, we cannot provide more information on the assumptions made, or on the time of the probable cash outflow, given that negotiations with the customers are in still in progress ;
- provisions for losses on completion (€12,933 thousand) are recognised when the expected economic benefits of certain contracts are lower than the inevitable costs associated with meeting the obligations under these contracts. The use of provisions for losses on completion is linked to the execution of the associated contracts.

Provisions for other non-current risks include the provisions for risks not directly related to construction site operations in progress.

25. CONTINGENT ASSETS AND LIABILITIES

Based on available information at the date on which the financial statements were approved by the Board of Directors, CFE is not aware of any significant contingent assets or liabilities, with the exception of contingent assets or liabilities related to construction contracts (for example, the group's claims against customers or claims by subcontractors), which can be described as normal in the construction & renovation and multitechnics sectors and are handled by applying the percentage of completion method when the revenue is recognized.

CFE also sees to it that the companies of the group take the necessary organisational measures to ensure that the current laws and regulations are observed, including the rules on compliance.

26. NET FINANCIAL DEBT

BREAKDOWN OF THE NET FINANCIAL DEBT AS DEFINED BY THE GROUP

(in € thousands)	2022			2021		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans and other financial debts	89,040	2,573	91,613	53,172	45,682	98,854
Bonds	0	0	0	0	29,899	29,899
Drawings on credit facilities	40,000	0	40,000	0	60,000	60,000
Lease debts	25,008	10,421	35,429	24,427	9,402	33,829
Total long-term financial debt	**154,048**	**12,994**	**167,042**	**77,599**	**144,983**	**222,582**
Short-term financial debts	0	9,000	9,000	0	34,000	34,000
Cash equivalents	0	(15,035)	(15,035)	0	(13,596)	(13,596)
Cash	0	(112,114)	(112,114)	0	(129,991)	(129,991)
Net short-term financial debt/(cash)	**0**	**(118,149)**	**(118,149)**	**0**	**(109,587)**	**(109,587)**
Total net financial debt	**154,048**	**(105,155)**	**48,893**	**77,599**	**35,396**	**112,995**
Derivative instruments used as interest-rate hedges	**(422)**	**(206)**	**(628)**	**0**	**568**	**568**

Bank loans and other financial debts (€91,613 thousand) mainly concern the medium-term bank loans of the real estate development segment and allocated to the financing of certain projects, medium term treasury notes issued by CFE SA and BPI Real Estate Belgium SA as well as the financing of the new headquarters of Van Laere NV and VMA NV.

The corporate bond issued by BPI Real Estate Belgium SA on 19 December 2017 for an amount of €30 million was paid off on 19 December 2022.

As of December 31, 2022, the lease debts amounted to €35,429 thousand and relate to contracts that meet the criteria of the scope of application of IFRS 16 *Leases*.

As of December 31, 2022, short-term financial debts amounted to €9,000 thousand and relate to treasury notes issued by BPI Real Estate Belgium SA.

As of December 31, 2021, the financing put in place at the level of CFE SA, i.e. the drawings on bank credit facilities and debts linked to the issue of treasury notes, had been presented as current debts, given that the partial demerger mechanically entailed the early reimbursement of these.
During the second quarter of 2022, CFE set up new credit lines by integrating sustainability criteria or obtained waivers. As the majority of the maturities of the bank credit facilities and treasury notes are beyond 2023, most of the drawings on bank credit facilities and treasury note issuances are presented as non-current.

DEBT MATURITY SCHEDULE

(in € thousands)	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Total
Bank loans and other financial debts	2,573	41,411	26,134	12,334	6,250	2,911	91,613
Drawings on credit facilities	0	0	0	40,000	0	0	40,000
Lease debts	10,421	6,303	4,475	5,877	7,457	896	35,429
Total long-term financial debt	**12,994**	**47,714**	**30,609**	**58,211**	**13,707**	**3,807**	**167,042**
Short-term financial debts	9,000	0	0	0	0	0	9,000
Cash equivalents	(15,035)	0	0	0	0	0	(15,035)
Cash	(112,114)	0	0	0	0	0	(112,114)
Net short-term financial debt/(cash)	**(118,149)**	**0**	**0**	**0**	**0**	**0**	**(118,149)**
Total net financial debt	**(105,155)**	**47,714**	**30,609**	**58,211**	**13,707**	**3,807**	**48,893**

CASH FLOWS RELATING TO FINANCIAL LIABILITIES

(in € thousands)	2021	Cash flow	Non-cash movements *Transfers*	*Other changes*	Total non-cash movements	2022
Non-current financial liabilities						
Other non-current financial debts	77,599	(5,196)	72,997	8,648	81,645	154,048
Current financial liabilities						
Bonds	29,899	(30,000)	*0*	*101*	101	0
Other current financial debts	149,084	(54,610)	*(72,997)*	*517*	(72,480)	21,994
Total	**256,582**	**(89,806)**	***0***	***9,266***	**9,266**	**176,042**

As of December 31, 2022, the CFE Group's financial debts amounted to €176,042, a decrease of €80,540 compared to December 31, 2021. This decrease is mainly due to :

- significant operating cash flows and the receipt of the DEME dividend ; partially offset by
- investments made during the year.

CREDIT FACILITIES AND BANK TERM LOANS

As of December 31, 2022, CFE SA held confirmed long-term bank credit facilities of €170 million, of which €40 million was drawn as at 31 December 2022. For some of them, sustainability and safety criteria for which (non-)compliance has an effect on the margin applied by the bank have been included. CFE SA also has the facility of issuing treasury notes up to an amount of €50 million. This source of financing was used to an amount of €35 million as at 31 December 2022. To limit the interest rate risk, interest rate hedging contracts have been put in place for a notional amount of €40 million; the fair value of these derivatives amounts to €(628) thousand. As of December 31, 2022, the amount drawn on the credit facilities is fully covered.

As of December 31, 2022, BPI Real Estate Belgium SA and its subsidiary BPI Real Estate Luxembourg SA together have confirmed long-term bank credit facilities of €60 million, which are undrawn at 31 December 2022.

BPI Real Estate Belgium SA also has the facility of issuing treasury notes up to an amount of €40 million. An amount of €17.25 million was drawn from this source of funding as of December 31, 2022.

FINANCIAL COVENANTS

Bilateral credit facilities are subject to specific covenants that take into account factors such as financial debt and the ratio of debt to equity or non-current assets, as well as generated cash flows.

The covenants applicable to the IFRS consolidated financial statements of CFE group, the statutory financial statements of CFE SA and the IFRS stand-alone financial statements of BPI Real Estate Belgium have been fully met at the end of December 2022 and are detailed below.

Ratio name	Formula	Requirement	December 2022
CFE SA, consolidated financial statements IFRS			
Solvency ratio	Net financial debt / (Equity - intangible assets - goodwill)	<1.65	0.25
Long-term net financial debt	Non-current financial debt / Property, plant and equipment	<1	0.63
Coverage of financial debt by cash flow	Operating cash flow + net current financial debt > 0	>0	163.7 M€
CFE SA, statutory financial statements, Belgian accounting standards			
Equity	Equity	>125 M€	141.2 M€
BPI Real Estate Belgium SA, consolidated financial statements IFRS – Stand Alone			
Minimum equity	Group equity + Subordinated Debts	>70 M€	142 M€
Solvency ratio	Net financial debt / (Equity + subordinated debts)	<1.65	0.59

27. FINANCIAL RISK MANAGEMENT

CAPITAL MANAGEMENT

At year-end 2022, the capital structure of the CFE group is made up of a net financial debt €48,893 thousand (we refer to note 26) and of a net equity position of €224,526 thousand. Moreover, CFE SA also has confirmed bank credit facilities (we refer note 26), whereas CFE SA and BPI SA have the option of issuing treasury notes. The CFE Group's equity includes share capital, share premium, retained earnings, treasury shares and non-controlling interests. The CFE group does not own any convertible bonds. The entire equity is used to finance the operations described in the corporate purposes of CFE and its subsidiaries.

INTEREST RATE RISK

The interest rate risk management is assured within the group at the level of the operating segments.

Construction and multitechnics activities are characterized by a cash surplus. Cash management is mainly centralized through the cash pooling.

On the other hand, CFE SA also uses derivative instruments (IRS) to hedge the interest rate risk relating to drawings on its confirmed credit facilities.

Effective average interest rate before considering derivatives products

	Fixed rate			Floating rate			Total		
Type of debts	**Amounts**	**Quota**	**Rate**	**Amounts**	**Quota**	**Rate**	**Amounts**	**Quota**	**Rate**
Bank loans and other financial debts	58,203	100.00%	1.64%	33,410	45.51%	3.92%	91,613	69.61%	2.47%
Drawings on credit facilities	0	0.00%	0.00%	40,000	54.49%	3.17%	40,000	30.39%	3.17%
Total	**58,203**	**100%**	**1.64%**	**73,410**	**100%**	**3.51%**	**131,613**	**100%**	**2.68%**

Effective average interest rate after considering derivatives products

	Fixed rate			Floating rate			Floating rate capped + inflation			Total		
Type of debts	**Amounts**	**Quota**	**Rate**	**Amounts**	**Quota**	**Rate**	**Amounts**	**Quota**	**Rate**	**Amounts**	**Quota**	**Rate**
Bank loans and other financial debts	58,203	59.27%	1.64%	33,410	100.00%	3.92%	0	0.00%	0.00%	91,613	69.61%	2.47%
Drawings on credit facilities	40,000	40.73%	1.96%	0	0.00%	0.00%	0	0.00%	0.00%	40,000	30.39%	1.96%
Total	**98,203**	**100%**	**1.77%**	**33,410**	**100%**	**3.92%**	**0**	**0.00%**	**0.00%**	**131,613**	**100%**	**2.31%**

SENSITIVITY TO THE INTEREST RATE RISK

The CFE group is subject to the risk of interest rate fluctuations on its result for the period, taking into account :

- cash flows relating to financial instruments at floating rate after hedging ;
- financial instruments at fixed rate, recognised at fair value in the consolidated statement of financial position through profit and loss ;
- derivative instruments not qualified as hedges.

On the other hand, the variation in the value of derivatives qualified as cash flow hedges does not directly impact the consolidated statement of comprehensive income, and is recognized in 'other elements of the comprehensive income'. In the event that the value of the derivatives has to be restated, the impact is recognized in the consolidated statement of income.

In the analysis below, it is assumed that the figures for the financial debt and the derivative instruments as at 31 December 2022 remain constant over the year.

The consequence of a variation of 50 basis points in the interest rate at the closing date would be an increase or decrease in the equity and result for the period, as indicated by the figures below. For the purposes of this analysis, it is assumed that the other parameters remain constant.

(in € thousands)	12/31/2022			
	Result for the period		Equity	
	Impact of the sensitivity calculation	Impact of the sensitivity calculation	Impact of the sensitivity calculation	Impact of the sensitivity calculation
	+50bp	-50bp	+50bp	-50bp
Non-current debts (+ portion due in the year) with variable rates after accounting hedge	835	(835)		
Net short-term financial debt (*)	45	(45)		
Derivatives not qualified as hedge				
Derivatives qualified as highly potential or certain cash flow			172	(188)

(*) excluding cash at bank and in hand.

DESCRIPTION OF CASH FLOW HEDGE OPERATIONS

At the closing date, the instruments qualified as cash flow hedges relate to CFE SA and have the following characteristics:

(in € thousands)	12/31/2022						
	< 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Notional	Fair value asset	Fair value liability
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives - highly probable projected cash flow hedges							**0**
Swap of interest rate receive floating rate and pay fixed rate	0	0	40,000	0	40,000	628	-
Interest rate options (cap, collar)							
Interest rate derivatives - certain cashflow hedge	**0**	**0**	**40,000**	**0**	**40,000**	**628**	**-**

(in € thousands)	12/31/2021						
	< 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Notional	Fair value asset	Fair value liability
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives - highly probable projected cash flow hedges							**0**
Swap of interest rate receive floating rate and pay fixed rate	50,000	0	0	0	50,000	0	(568)
Interest rate options (cap, collar)							
Interest rate derivatives - certain cashflow hedge	**50,000**	**0**	**0**	**0**	**50,000**	**0**	**(568)**

EXCHANGE RATE RISKS

Nature of the risks to which the group is exposed

The CFE group and its subsidiaries make use of exchange rate hedging for their construction operations in Poland and for a specific project in the United States.

Distribution of the long term financial debts by currency

The breakdown of outstanding long-term debts (without considering lease debts which are mainly in euros) by currency is as follows :

(in € thousands)	2022	2021
Euro	131,613	188,753
U.S. dollar	0	0
Other currencies	0	0
Total long-term debts	**131,613**	**188,753**

As of December 31, 2022, the outstanding long-term financial debts (excluding lease debts) amounted to €131,613 thousand compared to €188,753 thousand as of December 31, 2021.

The following table discloses the fair value and the notional amount of exchange rate instruments issued (forward sales/purchase agreements) (+ : asset / - : liability) :

12/31/2022 (in € thousands)	USD - U.S. Dollar		PLN - Zlotys	
	Notional	**Fair value**	**Notional**	**Fair value**
Forward purchases	0	0	0	0
Forward sales	1,607	(124)	28,375	298

The fair value variation of exchange rate instruments is considered as construction costs. This variation is presented as an operating result.

The CFE group, is exposed to exchange rate fluctuation risk on its result for the period.

The following analysis is performed supposing that the amount of financial assets/liabilities and derivatives as at 31 December 2022 is constant over the year.

A variation of 5% of exchange rate (appreciation of the EUR) at closing date would have as a consequence an increase or a decrease of the equity and the result for the period for the amounts disclosed here below. For the purposes of this analysis, it is assumed that the other parameters remain constant.

(in € thousands)	12/31/2022	
	Result for the period	
	Impact of sensitivity calculation - depreciation of 5% of the EUR	**Impact of sensitivity calculation - appreciation of 5% of the EUR**
Non-current debts (+ portion due within the year) with variable rates after accounting hedge	6,537	(5,915)
Net short term financial debt	(1,383)	1,251
Working capital	727	(658)

RISK RELATED TO RAW MATERIALS

Raw materials and consumables incorporated into the works constitute an essential element of the cost price.

Although some contracts include price revision clauses or revision formulas, the risk of price fluctuation of raw materials remains significant.

CREDIT AND COUNTERPARTY RISK

The CFE group is exposed to credit risk in the event of insolvency of its clients. It is exposed to the counterparty risk in the context of cash deposits, subscription of negotiable debt securities, financial receivables and derivative products.

In addition, the CFE group set up procedures in order to avoid and limit the concentration of credit risk.

Financial instruments

The CFE 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.

Customers

With regard to the risk on trade receivables, the group has set up procedures to limit this risk. It should be noted that a significant part of the consolidated revenue is realized with public or semi-public customers. In addition, the CFE group considers that the concentration of the counterparty risk for customers is limited due to the large number of customers.

In order to reduce the current risk, the CFE group regularly monitors its outstanding trade receivables and adapts its position towards them.

The analysis of credit risk exposure at year-end 2022 and 2021 is as follows :

Situation as of December 31, 2022 (in € thousands)	Closing	Not due	< 3 months	< 1 year	> 1 year
Trade and other operating receivables	307,816	235,023	30,465	8,347	33,981
Total gross carrying amount	**307,816**	**235,023**	**30,465**	**8,347**	**33,981**
Expected credit losses - Trade and other operating receivables	(23,208)	0	(105)	(423)	(22,680)
Total expected credit losses	**(23,208)**	**0**	**(105)**	**(423)**	**(22,680)**
Total net carrying amount	**284,608**	**235,023**	**30,360**	**7,924**	**11,301**

Situation as of December 31, 2021 (in € thousands)	Closing	Not due	< 3 months	< 1 year	> 1 year
Trade and other operating receivables	303,803	226,565	28,072	20,089	29,077
Total gross carrying amount	**303,803**	**226,565**	**28,072**	**20,089**	**29,077**
Expected credit losses - Trade and other operating receivables	(22,547)	(117)	0	(4,800)	(17,630)
Total expected credit losses	**(22,547)**	**(117)**	**0**	**(4,800)**	**(17,630)**
Total net carrying amount	**281,256**	**226,448**	**28,072**	**15,289**	**11,447**

The following table discloses the changes in expected credit losses on trade and other operations receivables :

(in € thousands)	2022	2021
Cumulated expected credit losses - opening balance	**(22,547)**	**(66,825)**
Change in consolidation scope	1	39,360
Expected credit losses (reversal/recognized) during the period	(1,314)	(8,517)
Translation differences and transfers between asset items	653	13,435
Cumulated expected credit losses - closing balance	**(23,207)**	**(22,547)**

As of December 31, 2022, expected credit losses reversed and recognised during the year amounted to €(1,314) thousand (2021: €(8,517) thousand, of which €(5,332) thousand for continuing operations and €(3,185) thousand for discontinued operations).

As of December 31, 2021, the item 'Translation differences and transfers between asset items' mainly related to the reclassification of DEME's receivables to the item 'Assets held for sale' (€18,423 thousand).

As of December 31, 2021, the item 'Changes in consolidation scope' related exclusively to the derecognition of the CFE Tchad write-downs (and associated receivables) following the sale of CFE's stake.

LIQUIDITY RISK

CFE SA and BPI SA have bilateral credit facilities that allow them to significantly reduce the liquidity risk.

CARRYING AMOUNTS AND FAIR VALUE BY ACCOUNTING POLICY

December 31, 2022 (in € thousands)	**FAMMFVV / FLFVPL (3) - Derivatives not designated as hedging instruments**	**FAMMFVV / FLFVPL (3) - Derivatives designated as hedging instruments**	**Assets/ liabilities measured at amortised cost**	**Total of net carrying amount**	**Fair value measurement by level**	**Fair value of the class**
Non-current financial assets	**0**	**422**	**138,294**	138,716		138,716
Financial loans and receivables (1)	0	0	138,294	**138,294**	Level 2	**138,294**
Derivatives	0	422	0	**422**	Level 2	**422**
Current financial assets	**0**	**206**	**411,757**	411,963		411,963
Trade and other operating receivables	0	0	284,608	**284,608**	Level 2	**284,608**
Derivatives	0	206	0	**206**	Level 2	**206**
Cash Equivalents (2)	0	0	15,035	**15,035**	Level 1	**15,035**
Cash at bank and in hand (2)	0	0	112,114	**112,114**	Level 1	**112,114**
Total assets	**0**	**628**	**550,051**	550,679		550,679
Non-current financial liabilities	**0**	**0**	**154,048**	154,048		154,048
Financial debts	0	0	154,048	**154,048**	Level 2	**154,048**
Current financial liabilities	0	124	331,198	331,322		331,322
Trade and other operating payables	0	0	309,204	**309,204**	Level 2	**309,204**
Financial debts	0	0	21,994	**21,994**	Level 2	**21,994**
Derivatives	0	124	0	**124**	Level 2	**124**
Total liabilities	**0**	**124**	**485,246**	485,370		485,370

December 31, 2021 (in € thousands)	**FAMMFVV / FLFVPL (3) - Derivatives not designated as hedging instruments**	**FAMMFVV / FLFVPL (3) - Derivatives designated as hedging instruments**	**Assets/ liabilities measured at amortised cost**	**Total of net carrying amount**	**Fair value measurement by level**	**Fair value of the class**
Non-current financial assets	**0**	**0**	**79,313**	79,313		79,313
Financial loans and receivables (1)	0	0	79,313	**79,313**	Level 2	**79,313**
Current financial assets	**0**	**874**	**424,843**	425,717		425,717
Trade and other operating receivables	0	0	281,256	**281,256**	Level 2	**281,256**
Derivatives	0	874	0	**874**	Level 2	**874**
Cash Equivalents (2)	0	0	13,596	**13,596**	Level 1	**13,596**
Cash at bank and in hand (2)	0	0	129,991	**129,991**	Level 1	**129,991**
Total assets	**0**	**874**	**504,156**	505,030		505,030
Non-current financial liabilities	**0**	**0**	**77,599**	77,599		77,599
Financial debts	0	0	77,599	**77,599**	Level 2	**77,599**
Current financial liabilities	**0**	**1,442**	**455,992**	457,434		457,434
Trade and other operating payables	0	0	277,009	**277,009**	Level 2	**277,009**
Bond	0	0	29,899	**29,899**	Level 1	**29,899**
Financial debts	0	0	149,084	**149,084**	Level 2	**149,084**
Derivatives	0	1,442	0	**1,442**	Level 2	**1,442**
Total liabilities	**0**	**1,442**	**533,591**	535,033		535,033

(1) Included in item "Other non-current financial assets"

(2) Included in item "Cash and cash equivalents"

(3) FAMMFV : Financial assets mandatorily measured at fair value through profit and loss
FLFVPL : Financial liabilities measured at fair value through profit and loss

The fair value of financial instruments can be classified according to three levels (1 to 3) based on the degree to which the inputs to the fair value measurements are observable :

- Fair value measurements of level 1 are based on quoted prices (unadjusted) in active markets for identical assets or liabilities ;
- Fair value measurements of level 2 are based on inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (through prices) or indirectly (through input derived from prices) ;
- Fair value measurements of level 3 are based on valuation techniques comprising inputs which are unobservable for the asset or liability.

The fair value of financial instruments has been determined using the following methods :

- For short-term financial instruments, such as trade receivables and payables, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost ;
- For floating rate liabilities, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost ;
- For derivative financial instruments (foreign currency, interest rate or forecasted cash flows), the fair value is determined using valuation models discounting future cash flows based on future interest rate curves, foreign currency curves or other forward prices ;
- For the other derivative instruments, the fair value is determined by discounting future estimated cash flows ;
- For the quoted bonds issued by BPI, the fair value is based on the quoted price at reporting date ;
- For fixed rate liabilities, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost due to the fact that fixed and variables rates are not significantly different.

28. OTHER COMMITMENTS GIVEN

Other commitments given by the CFE group for the financial year ended 31 December 2022, other than real security interests, amounted to €389,426 thousand (2021 : €246,810 thousand) and break down as follows :

Year ended 31 December (in € thousands)	**2022**	**2021**
Performance guarantees and performance bonds (a)	247,382	239,681
Bid bonds (b)	771	559
Retentions (c)	1,790	1,700
Other commitments given (d)	139,483	4,870
Total other commitments given	**389,426**	**246,810**

(a) Guarantees given in relation to the performance of works contracts. If the construction entity fails to perform, the bank (or insurance company) undertakes to compensate the customer to the extent of the guarantee.
(b) Guarantees provided as part of tenders relating to works contracts.
(c) Security provided by a bank to a client to replace the use of retention money.
(d) Letters of credit – completion guarantee, Breyne Act – mortgage mandates and mortgages

The change in other commitments given is mainly related to the completion guarantees given by BPI Serenity SA and BPI Pure SA in the context of the Breyne Act, as well as mortgages granted in the context of project financing in the real estate development segment (mainly Pure and Serenity).

29. OTHER COMMITMENTS RECEIVED

Other commitments received by the CFE group for the financial year ended 31 December 2022, amounted to €54,971 thousand (2021 : €73,547 thousand) and break down as follows :

Year ended 31 December (in € thousands)	**2022**	**2021**
Performance guarantees and performance bonds	50,663	69,870
Other commitments received	4,308	3,677
Total other commitments received	**54,971**	**73,547**

30. LITIGATION

CFE group is exposed to a number of claims that may be regarded as normal in the construction and multitechnics sectors. In most cases, the CFE group seeks to conclude a transaction agreement with the counterparty, which substantially reduces the number of lawsuits.

CFE group tries to recover outstanding receivables from its customers. However, it is not possible to estimate these potential assets.

31. RELATED PARTIES

Ackermans & van Haaren (AvH) owns 15,725,684 CFE shares as at 31 December 2022, being the main shareholder of the CFE group with a stake of 62.12% (compared to 15,720,684 shares held as at 31 December 2021, or a stake of 62.10%).

CFE SA entered into a service contract with Ackermans & van Haaren. The remuneration due by CFE SA under this contract amounted to €538 thousand for the financial year ended 31 December 2022 (2021 : €674 thousand).

As of December 31, 2022, the CFE Group has joint control with Ackermans & van Haaren over Rent-A-Port NV, Green Offshore NV and Hofkouter NV following the sale of 65% of the CFE Group's interest to Ackermans & van Haaren in December 2022. We refer to note 5 "Acquisitions and disposals of subsidiaries" and 15 "Investments accounted for using equity method".

From January 1 to June 29, 2022, the management of CFE was structured as follow :

- DEME's activities are managed by an Executive Committee, composed of a CEO, Luc Vandenbulcke and four other members, Philip Hermans, Eric Tancré, Els Verbraecken and Hugo Bouvy ;
- The construction & renovation, multitechnics and Investments & Holding segments are managed by an Executive Committee composed of six members, the CEO, Trorema SRL, represented by Raymund Trost, MSQ SRL represented by Fabien De Jonge, 8822 SRL represented by Yves Weyts, AHO Consulting SRL, represented by Alexander Hodac, Focus2LER SRL represented by Valérie Van Brabant and Almacon SRL, represented by Manu Coppens ;
- The real estate development segment (BPI) is headed by a Managing Director, Artist Valley SA, represented by Jacques Lefèvre.

Since 29 June 2022, the day-to-day management of CFE has been carried out by Trorema SRL represented by Raymund Trost, CEO and Chairman of the Executive Committee. The other seven members of the Executive Committee are MSQ SRL represented by Fabien De Jonge, 8822 SRL represented by Yves Weyts, AHO Consulting SRL represented by Alexander Hodac, Artist Valley SA represented by Jacques Lefevre, COEDO SRL represented by Arnaud Regout, Focus2LER SRL represented by Valérie Van Brabant and Bruno Lambrecht. Having resigned from the Executive Committee on 31 December 2022, all mandates of 8822 SRL, represented by Yves Weyts, ended on that date.

The only transactions between CFE and the members of the Executive Committee are :

- invoicing for their services through their management company (or their remuneration in the case of Bruno Lambrecht);
- transactions under the long-term incentive plans (we refer to note 22 "Information on stock option plans")

In the wake of the partial demerger and the establishment of the Executive Committee, the existing stock option plans at BPI Real Estate Belgium and CFE Contracting were partially settled.

The amount of remuneration and other benefits granted directly or indirectly to the management of CFE, mentioned above, is as follows (amounts expressed globally and in € thousands) :

Year ended 31 December (in € thousands)	**2022**	**2021**
Fixed remuneration	2,655	3,965
Short-term variable remuneration	1,440	4,973
Other benefits	60	458
Total	**4,155**	**9,396**

For 2021, the management of CFE was composed of the members of the Executive Committee of DEME and CFE Contracting and the CEO of BPI.

For the first half of 2022, the management of CFE was composed of Torema SRL represented by Raymund Trost, MSQ SRL represented by Fabien De Jonge, 8822 SRL represented by Yves Weyts, AHO Consulting SRL represented by Alexander Hodac, Focus2LER SRL represented by Valérie Van Brabant, Almacon SRL represented by Manu Coppens, and Artist Valley SA represented by Jacques Lefèvre.

For the second half of 2022, CFE's management was composed of the 8 members of CFE's Executive Committee constituted on June 29, 2022 as listed above.

Transactions with related parties mainly concerned transactions with companies in which CFE has a significant influence or a joint control. Such transactions are carried out on a market price basis. There were no significant changes in the nature of transactions with associated parties during the financial year 2022 compared to financial year 2021.

Commercial and financing transactions between the CFE group and investments accounted for using equity method are summarized as follows :

Year ended 31 December (in € thousands)	2022	2021
Assets with related parties	**158,335**	**99,922**
Non-current financial assets	138,294	79,313
Trade and other operating receivables	13,725	15,154
Other current assets	6,316	5,455
Liabilities with related parties	**13,690**	**15,085**
Other non-current liabilities	13,666	15,061
Trade and other operation payables	24	24

The increase in non-current financial assets is mainly explained by the granting of an additional loan of €19 million to Rent-A-Port NV, the reclassification from short-term to long-term of certain loans previously granted to Rent-A-Port NV, and by the evolution of the loans granted to the project companies of the real estate development segment, partially offset by the repayments of the loans granted to Green Offshore NV.

Year ended 31 December (in € thousands)	2022	2021
Expenses and income with related parties	**76,472**	**50,736**
Revenue and other operating income	71,503	48,090
Purchases and other operating expenses	(250)	(49)
Financial expenses and income	5,220	2,695

Revenue and other operating income with investments accounted for using equity method mainly increased at CLE SA (Gravity and M1 clients) and BPC Group SA (Erasmus Gardens and Tervuren Square clients).

32. AUDIT FEES

The remuneration of the auditor for the whole group, including CFE SA, for the financial year 2022 breaks down as follows :

(in € thousands)	**Ernst & Young**	
	Amount	%
Audit		
Audit fees	759	89.5%
Other attestation missions	36	4.2%
Other missions outside the audit	45	5.3%
Subtotal audit	**840**	**99.1%**
Non-audit		
Tax consulting missions	8	0.9%
Subtotal non-audit	**8**	**0.9%**
Total audit and non-audit fees	**848**	**100%**

33. SUBSEQUENT EVENTS

No significant changes have occurred in the financial and commercial situation of the CFE group since 31 December 2022.

34. COMPANIES OWNED BY THE GROUP

MAIN ENTITIES ACCOUNTED FOR USING GLOBAL INTEGRATION

NAME	HEAD OFFICE	OPERATING SEGMENT	GROUP INTEREST (%)
EUROPE			
Belgium			
BPI PURE SA	Brussels	Real estate development	100%
BPI REAL ESTATE BELGIUM SA	Brussels	Real estate development	100%
BPI SAMAYA SA	Brussels	Real estate development	100%
BPI SERENITY VALLEY SA	Brussels	Real estate development	100%
BPI PARK WEST SA	Brussels	Real estate development	100%
PROJECTONTWIKKELING VAN WELLEN NV	Brussels	Real estate development	100%
WOLIMMO SA	Brussels	Real estate development	100%
ZEN FACTORY SA	Brussels	Real estate development	100%
BRANTEGEM NV	Aalst	Multitechnics	100%
MOBIX ENGEMA SA	Brussels	Multitechnics	100%
MOBIX ENGETEC SA	Manage	Multitechnics	100%
MOBIX REMACOM NV	Lochristi	Multitechnics	100%
MOBIX STEVENS NV	Halen	Multitechnics	100%
VMA NV	Sint-Martens-Latem	Multitechnics	100%
VMA DRUART SA	Jumet	Multitechnics	100%
VMA BE.MAINTENANCE SA	Brussels	Multitechnics	100%
VMA NIZET SA	Louvain-la-Neuve	Multitechnics	100%
ARTHUR VANDENDORPE NV	Zedelgem	Construction & Renovation	100%
BATIMENTS ET PONTS CONSTRUCTION (BPC) SA	Brussels	Construction & Renovation	100%
BPC GROUP SA	Brussels	Construction & Renovation	100%
BENELMAT SA	Gembloux	Construction & Renovation	100%
DESIGN & ENGINEERING SA	Brussels	Construction & Renovation	100%
GROEP TERRYN NV	Moorslede	Construction & Renovation	100%
GROEP TERRYN CONSTRUCT NV	Moorslede	Construction & Renovation	100%
KORLAM NV	Moorslede	Construction & Renovation	100%
LAMCOL SA	Marche-en-Famenne	Construction & Renovation	100%
MBG NV	Wilrijk	Construction & Renovation	100%
TERRYN TIMBER PRODUCTS NV	Moorslede	Construction & Renovation	100%
VAN LAERE NV	Zwijndrecht	Construction & Renovation	100%
WEFIMA NV	Zwijndrecht	Construction & Renovation	100%
WOOD SHAPERS SA	Brussels	Construction & Renovation	100%
CFE CONTRACTING SA	Brussels	Investments & Holding	100%
HDP CHARLEROI SA	Brussels	Investments & Holding	100%
Grand Duchy of Luxembourg			
BPI REAL ESTATE LUXEMBOURG S.À R.L.	Strassen	Real estate development	100%
CENTRAL PARC S.À R.L.	Luxembourg	Real estate development	100%
HERRENBERG S.À R.L.	Strassen	Real estate development	100%
IMMO KIRCHBERG S.À R.L.	Strassen	Real estate development	100%
MIMOSAS REAL ESTATE S.À R.L.	Strassen	Real estate development	100%
POURPELT SA	Strassen	Real estate development	100%
PRINCE HENRI S.À R.L.	Luxembourg	Real estate development	100%
COMPAGNIE LUXEMBOURGEOISE D'ENTREPRISES CLE SA	Strassen	Construction & Renovation	100%
IMMO-BECHEL CLE S.À R.L.	Strassen	Construction & Renovation	100%
WOOD SHAPERS LUXEMBOURG SA	Strassen	Construction & Renovation	100%
SOCIETE FINANCIERE D'ENTREPRISES SFE SA	Strassen	Investments & Holding	100%
Poland			
BPI BERNADOWO SP. Z O.O.	Warsaw	Real estate development	100%
BPI PROJECT II SP. Z O.O.	Warsaw	Real estate development	100%
BPI OBRZEZNA SP. Z O.O.	Warsaw	Real estate development	100%
BPI WAGROWSKA SP. Z O.O.	Warsaw	Real estate development	100%
BPI JARACZA SP. Z O.O.	Warsaw	Real estate development	80%
BPI CHMIELNA SP. Z O.O.	Warsaw	Real estate development	100%
BPI PROJECT VIII SP. Z O.O.	Warsaw	Real estate development	100%

BPI PROJECT IX SP. Z O.O.	Warsaw	Real estate development	100%
BPI VILDA PARK SP. Z O.O.	Warsaw	Real estate development	100%
BPI BARSKA SP. Z O.O.	Warsaw	Real estate development	100%
BPI CZYSTA SP. Z O.O.	Warsaw	Real estate development	100%
BPI REAL ESTATE POLAND SP. Z O.O.	Warsaw	Real estate development	100%
BPI WOLARE SP. Z O.O.	Warsaw	Real estate development	100%
BPI WROCLAW SP. Z O.O.	Warsaw	Real estate development	100%
VMA POLSKA SP. Z O.O.	Warsaw	Multitechnics	100%
CFE POLSKA SP. Z O.O.	Warsaw	Construction & Renovation	100%
Other European countries			
CFE BAU GMBH	Berlin, Germany	Construction & Renovation	100%
VMA MIDLANDS LTD	Yorkshire, UK	Multitechnics	100%
CFE CONTRACTING AND ENGINEERING SRL	Bucharest, Romania	Investments & Holding	100%
CFE HUNGARY EPITOIPARI KFT	Budapest, Hungary	Investments & Holding	100%
AFRICA			
Tunisia			
COMPAGNIE TUNISIENNE D'ENTREPRISES SA	Tunis	Construction & Renovation	100%
CONSTRUCTION MANAGEMENT TUNISIE SA	Tunis	Investments & Holding	100%
AMERICA			
United States			
VMA US INC	South Carolina	Multitechnics	100%

MAIN ENTITIES ACCOUNTED FOR USING EQUITY METHOD

NAME	HEAD OFFICE	OPERATING SEGMENT	GROUP INTEREST %
EUROPE			
Belgium			
ARLON 53 SA	Brussels	Real estate development	50%
BARBARAHOF NV	Leuven	Real estate development	40%
BAVIERE DEVELOPPEMENT SA	Liège	Real estate development	30%
BATAVES 1521 SA	Brussels	Real estate development	50%
DEBROUCKERE DEVELOPMENT SA	Brussels	Real estate development	50%
DEBROUCKERE LAND SA	Brussels	Real estate development	50%
DEBROUCKERE LEISURE SA	Brussels	Real estate development	50%
DEBROUCKERE OFFICE SA	Brussels	Real estate development	50%
ERASMUS GARDENS SA	Brussels	Real estate development	50%
ESPACE ROLIN SA	Brussels	Real estate development	33.33%
EUROPEA HOUSING SA	Brussels	Real estate development	33%
FONCIERE DE BAVIERE SA	Liège	Real estate development	30%
FONCIERE DE BAVIERE A SA	Liège	Real estate development	30%
FONCIERE DE BAVIERE C SA	Liège	Real estate development	30%
GOODWAYS SA	Antwerp	Real estate development	50%
IMMOANGE SA	Brussels	Real estate development	50%
IMMO PA 33 1 SA	Brussels	Real estate development	50%
IMMO PA 44 1 SA	Brussels	Real estate development	50%
IMMO PA 44 2 SA	Brussels	Real estate development	50%
JOMA 2060 NV	Brussels	Real estate development	70%
KEYWEST DEVELOPMENT SA	Brussels	Real estate development	50%
LA RESERVE PROMOTION NV	Gent	Real estate development	33%
LES JARDINS DE OISQUERCQ SA	Brussels	Real estate development	50%
LES 2 PRINCES DEVELOPMENT SA	Brussels	Real estate development	50%
LIFE SHAPERS NV	Brussels	Real estate development	70%
LRP DEVELOPMENT BVBA	Gent	Real estate development	33%
MG IMMO SRL	Brussels	Real estate development	50%
PRE DE LA PERCHE CONSTRUCTION SA	Brussels	Real estate development	50%
PROMOTION LEOPOLD SA	Brussels	Real estate development	30.44%
SAMAYA DEVELOPMENT SA	Brussels	Real estate development	50%
TERVUREN SQUARE SA	Brussels	Real estate development	37.5%
TULIP ANTWERP NV	Brussels	Real estate development	70%
VICTOR BARA SA	Brussels	Real estate development	50%
VICTOR SPAAK SA	Brussels	Real estate development	50%
VICTOR ESTATE SA	Brussels	Real estate development	50%
VICTOR PROPERTIES SA	Brussels	Real estate development	50%
VAN MAERLANT RESIDENTIAL SA	Brussels	Real estate development	40%
LUWA MAINTENANCE SA	Wierde	Multitechnics	25%
HOFKOUTER NV	Zwijndrecht	Construction & Renovation	35%

LIGHTHOUSE PARKING NV	Gent	Construction & Renovation	33.33%
WOOD GARDENS SA	Brussels	Construction & Renovation	50%
BPG CONGRES SA	Brussels	Investments & Holding	49%
BPG HOTEL SA	Brussels	Investments & Holding	49%
LUWA SA	Wierde	Investments & Holding	12%
PPP BETRIEB SCHULEN EUPEN SA	Eupen	Investments & Holding	25%
PPP SCHULEN EUPEN SA	Eupen	Investments & Holding	19%
GREEN OFFSHORE NV and its subsidiaries	Antwerp	Investments & Holding	50%
RENT-A-PORT NV and its subsidiaries	Antwerp	Investments & Holding	50%
Grand Duchy of Luxembourg			
BAYSIDE FINANCE SRL	Luxembourg	Real estate development	40%
BEDFORD FINANCE SRL	Luxembourg	Real estate development	40%
CHATEAU DE BEGGEN S.À R.L.	Luxembourg	Real estate development	50%
EMELY S.À R.L.	Strassen	Real estate development	50%
GRAVITY SA	Luxembourg	Real estate development	50%
IMMO MARIAL S.À R.L.	Strassen	Real estate development	50%
M1 SA	Luxembourg	Real estate development	33.33%
M7 S.À R.L.	Strassen	Real estate development	33.33%
THE ROOTS REAL ESTATE S.À R.L.	Luxembourg	Real estate development	50%
THE ROOTS OFFICE S.À R.L.	Luxembourg	Real estate development	50%
Poland			
BPI-REVIVE MATEJKI SP. Z O.O.	Warsaw	Real estate development	50%
AFRICA			
Tunisia			
BIZERTE CAP 3000 SA and its subsidiary	Tunis	Investments & Holding	20%

ALTERNATIVE PERFORMANCE MEASURES RECONCILIATION

As shown below, the CFE group uses alternative performance measures to assess the group's financial performance. The definitions of those performance measures are presented in the 'Definition' section of this report.

The net financial debt an EBITDA have been computed using the consolidated statement of income and the consolidated statement of financial position :

Net financial debt **Year ended 31 December 2022** (in € thousands)	Real Estate	Multi-technics	Construction & Renovation	Investments & Holding	Eliminations between segments	Consolidated total
Non-current borrowings from consolidated companies of the group (*)	20,000	0	11,558	0	(31,558)	0
+ Non-current financial liabilities	41,186	25,809	11,892	75,161	0	154,048
+ Current financial liabilities	11,167	4,942	5,357	528	0	21,994
+ Internal cash position - Cash pooling - liabilities (*)	18,159	15,639	13,188	175,120	(222,106)	0
Financial liabilities	**90,512**	**46,390**	**41,995**	**250,809**	**(253,664)**	**176,042**
- Non-current loans to consolidated companies of the group (*)	0	0	0	(31,558)	31,558	0
- Cash and cash equivalents	(4,266)	(6,639)	(69,630)	(46,614)	0	(127,149)
- Internal cash position - Cash pooling - assets (*)	(1,748)	(38,763)	(152,994)	(28,610)	222,115	0
Cash and cash equivalents	**(6,014)**	**(45,402)**	**(222,624)**	**(106,782)**	**253,673**	**(127,149)**
Net financial debt	**84,498**	**988**	**(180,629)**	**144,027**	**9**	**48,893**

Net financial debt **Year ended 31 December 2021** (in € thousands)	Real Estate	Multi-technics	Construction & Renovation	Investments & Holding	Eliminations between segments	Consolidated total
Non-current borrowings from consolidated companies of the group (*)	20,000	0	6,049	0	(26,049)	0
+ Non-current financial liabilities	43,954	26,375	6,731	539	0	77,599
+ Current bonds	29,899	0	0	0	0	29,899
+ Current financial liabilities	29,350	4,613	4,628	110,493	0	149,084
+ Internal cash position - Cash pooling - liabilities (*)	18,845	8,100	17,440	186,369	(230,754)	0
Financial liabilities	**142,048**	**39,088**	**34,848**	**297,401**	**(256,803)**	**256,582**
- Non-current loans to consolidated companies of the group (*)	0	0	0	(26,049)	26,049	0
- Cash and cash equivalents	(6,326)	(4,984)	(57,898)	(74,379)	0	(143,587)
- Internal cash position - Cash pooling - assets (*)	(49,675)	(49,584)	(104,936)	(26,561)	230,756	0
Cash and cash equivalents	**(56,001)**	**(54,568)**	**(162,834)**	**(126,989)**	**256,805**	**(143,587)**
Net financial debt	**86,047**	**(15,480)**	**(127,986)**	**170,412**	**2**	**112,995**

(*) These account balances relate to the cash positions with regard to group entities belonging to other group operating segments (mainly CFE SA and CFE Contracting SA).

Working capital requirement **Year ended 31 December** (in € thousands)	2022	2021
Inventories	168,467	160,381
+ Trade and other operating receivables	284,608	281,256
+ Current operating assets	100,714	85,555
+ Other current non-operating assets	4,487	2,416
- Trade and other operating receivables	(309,204)	(277,009)
- Current tax liabilities	(6,816)	(8,300)
- Other current operating liabilities	(180,546)	(141,723)
- Other current non-operating liabilities	(63,383)	(78,376)
Working capital requirement	**(1,673)**	**24,200**

EBITDA **Year ended 31 December** (in € thousands)	**2022**	**2021**
Income from operating activities	**42,260**	**48,321**
Depreciation and amortisation of intangible assets and property, plant and equipment	20,870	20,217
Consolidated EBITDA	**63,130**	**68,538**

The capital employed from the real estate development segment has been computed using the consolidated statement of financial position per segment :

Capital employed **Year ended 31 December** (in € thousands)	**2022**	**2021**
Equity - real estate development segment	118,749	104,362
Net financial debt - real estate development segment	84,498	86,047
Capital employed	**203,247**	**190,409**

STATEMENT ON THE TRUE AND FAIR NATURE OF THE FINANCIAL STATEMENTS AND THE TRUE AND FAIR NATURE OF THE PRESENTATION IN THE MANAGEMENT REPORT

Article 12, paragraph 2, 3° of the Royal Decree of 14.11.2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market)

We certify, in the name and on behalf of Compagnie d'Entreprises CFE SA and on that company's responsibility, that, to our knowledge,

1. the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, financial position and results of Compagnie d'Entreprises CFE SA and of the companies included in its scope of consolidation;

2. the management report contains a true and fair presentation of the business, results and position of Compagnie d'Entreprises CFE SA and of the companies included in its scope of consolidation, along with a description of the main risks and uncertainties to which they are exposed.

SIGNATURES

Name :	Fabien De Jonge *Acting on behalf of a BV/SRL	Raymund Trost *Acting on behalf of a BV/SRL
Role :	Chief Financial Officer	Chief Executive Officer and Chairman of the Executive Committee

Date : *24 March 2023*

GENERAL INFORMATION ABOUT THE COMPANY

Company name :	Compagnie d'Entreprises CFE
Head office :	Avenue Herrmann-Debroux 42, 1160 Brussels (Belgium)
Telephone :	+ 32 2 661 12 11
Legal form :	Public limited company (société anonyme (SA))
Incorporated under Belgian law	
Date of incorporation :	21 June 1880
Duration :	Indefinite
Accounting period :	From 1 January to 31 December
Trade Register entry :	RPM Brussels 0400 464 795 – VAT 400.464.795
Place where legal documentation can be consulted :	Head office

CORPORATE PURPOSE (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

" The purpose of the company is to study and execute any work or construction within each and every of its specialist areas, in particular electricity and the environment, in Belgium or abroad, singly or jointly with other natural or legal persons, for its own account or on behalf of third parties belonging to the public or private sector.

It may also perform services related to these activities, directly or indirectly operate them or license them out or carry out any purchase, sale, rent or lease operation whatsoever in respect of such undertakings.

It may directly or indirectly acquire, hold or sell equity interests in any company or undertaking existing now or in the future by way of acquisition, merger, spin-off or any other means.

It may carry out any commercial, industrial, administrative or financial operations or operations involving movable or immovable property that are directly or indirectly related to its purpose, even partially, or that could facilitate or develop that purpose, either for itself or for its subsidiaries.

The general meeting may change the corporate purpose subject to the conditions specified in Article five hundred and fifty-nine of the Belgian Companies Code. "

EY Bedrijfsrevisoren
EY Réviseurs d'Entreprises
De Kleetlaan 2
B - 1831 Diegem

Tel: +32 (0) 2 774 91 11
ey.com

Independent auditor's report to the general meeting of Compagnie d'Entreprises CFE SA/ Aannemingsmaatschappij CFE NV for the year ended 31 December 2022

In the context of the statutory audit of the Consolidated Financial Statements of Compagnie d'Entreprises CFE SA/ Aannemingsmaatschappij CFE NV (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of financial position as at 31 December 2022, the consolidated statement of income and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cashflows for the year ended 31 December 2022 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 6 May 2021, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2023. We performed the audit of the Consolidated Financial Statements of the Group during 2 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Compagnie d'Entreprises CFE SA/ Aannemingsmaatschappij CFE NV, that comprise of the consolidated statement of financial position on 31 December 2022, the consolidated statement of income and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cashflows of the year and the disclosures, which show a consolidated balance sheet total of € 1.058.079.000 and of which the consolidated income statement shows a profit for the year of € 231.668.000.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2022, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Revenue recognition and contract accounting (segments Construction & Renovation and Multitechnics)

Description of the key audit matter

For the majority of its contracts (hereafter the "contracts" or the "projects"), the Group recognizes revenue and profit on the stage of completion based on the proportion of contract costs incurred for the work performed to the balance sheet date, relative to the estimated total costs of the contract at completion. The recognition of revenue and profit therefore relies on estimates in respect of the forecasted total costs on

Building a better working world

Audit report dated 30 March 2023 on the Consolidated Financial Statements of Compagnie d'Entreprises CFE SA/ Aannemingsmaatschappij CFE NV as of and for the year ended 31 December 2022 (continued)

each contract. Cost contingencies may also be included in these estimates to take into account specific uncertain risks, or disputed claims against the Group. The revenue of contracts may also include variations and claims, which are recognized on a contract-by-contract basis when the additional revenue can be measured reliably.

Revenue recognition and contract accounting often involves a high degree of judgment due to the complexity of projects, uncertainty about costs to complete and uncertainty about the outcome of discussions with clients on variation orders and claims. This is a key audit matter because there is a high degree of risk and related management judgement in estimating the amount of revenue and associated profit or loss to be recognized, and changes to these estimates could give rise to important variances.

Summary of the procedures performed

- We obtained an understanding of the process related to the contract follow-up, the revenue and margin recognition and when applicable the provisions for losses at completion, and we considered the design of the related key internal controls, including management review controls.
- Based on quantitative and qualitative criteria, we selected a sample of contracts to challenge the most significant and complex project estimates and judgments. As part of this testing, we gained an understanding of the current status and history of the projects, and discussed the judgments inherent to these projects with senior executive and financial management. We analyzed differences with prior project estimates and assessed consistency with the developments of the project during the year.
- We determined the proper calculation of the percentage of completion and the related revenue and margin recognized for a sample of projects.
- We compared the financial performance of projects against budget and historical trends.
- We completed site visits for certain projects, observed the stage of completion of these projects, and discussed with site personnel the status and complexities of the project that could impact its' total forecasted cost.
- We analyzed correspondence with customers around variation orders and claims and considered whether this information is consistent with the estimates made by management.
- We inspected selected contracts for key clauses. We identified relevant contractual clauses impacting the (un)bundling of contracts, delay penalties, bonuses or success fees, and we assessed whether these key clauses have been appropriately reflected in the amounts recognized in the Consolidated Financial Statements.
- We assessed the adequacy of the information disclosed in notes 2 and 17 to the Consolidated Financial Statements.

Revenue recognition and valuation of inventories (Real Estate Development segment)

Description of the key audit matter

The valuation of the land positions and the incurred constructions costs for residential property developments are based on the historical cost or lower net realizable value. The assessment of the net realizable values involves assumptions relating to future market developments, permit decisions of governmental bodies, discount rates and future changes in costs and selling prices. These estimates are sensitive to scenarios and assumptions used and involve as such significant management judgement. Risk exists that potential impairments of inventories are not appropriately accounted for in the Consolidated Financial Statements.

Revenues and results are recognized to the extent that components (housing units) have been sold and based on the percentage of completion of the development. The recognition of revenue and profit therefore relies on estimates in relation to the forecast total costs on each project.

This often involves a high degree of judgment due to the complexity of projects and uncertainty about costs to complete. This is a key audit matter because there is a high degree of risk associated with estimating the amount of revenue and related profit to be recognized for the period, and changes to these estimates could give rise to important variances.

Summary of the procedures performed

- We obtained an understanding of the process related to the contract follow-up, the revenue and margin recognition, and we considered the design of the related key internal controls, including management review controls.
- We have selected a sample of project developments and verified the costs incurred to date for land purchases and work in progress. We also recalculated the percentage of completion at balance sheet date, agreed sales values to contracts, and verified the accuracy of the revenue recognition formula.
- We performed an assessment of the calculations of net realizable values and challenged the

Audit report dated 30 March 2023 on the Consolidated Financial Statements of Compagnie d'Entreprises CFE SA/ Aannemingsmaatschappij CFE NV as of and for the year ended 31 December 2022 (continued)

reasonableness and consistency of the assumptions and model used by management.

- We evaluated the financial performance of specific projects against budget and historical trends, specifically in view of assessing the reasonableness of the costs to complete.
- We assessed the adequacy of the information disclosed in notes 2 and 18 to the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned

Building a better working world

Audit report dated 30 March 2023 on the Consolidated Financial Statements of Compagnie d'Entreprises CFE SA/ Aannemingsmaatschappij CFE NV as of and for the year ended 31 December 2022 (continued)

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

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

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements and the non-financial information attached to the Board of Directors' report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements and the non-financial information attached to the Board of Directors' report, as well as to report on these matters.

Aspects relating to Board of Directors' report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Key figures
- Alternative performance measures
- Parent company financial statements

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on Global Reporting Initiative ("GRI") reporting framework. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the GRI reporting framework.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter "Delegated Regulation").

The Board of Directors is responsible for the preparation, in accordance with the ESEF requirements, of the Consolidated Financial Statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Building a better working world

Audit report dated 30 March 2023 on the Consolidated Financial Statements of Compagnie d'Entreprises CFE SA/ Aannemingsmaatschappij CFE NV as of and for the year ended 31 December 2022 (continued)

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of the Company per 31 December 2022 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Other communications

This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 30 March 2023

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Marnix Van Dooren *
Partner
*Acting on behalf of a BV/SRL

Patrick Rottiers *
Partner
*Acting on behalf of a BV/SRL

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME (BEGAAP)

Year ended 31 December (in € thousands)	**2022**	**2021**
Start-up costs	**0**	**0**
Non-current assets	**268,546**	**1,326,014**
Intangible assets	171	72
Property, plant and equipment	780	742
Financial assets	267,595	1,325,200
- Related parties	267,585	1,325,195
- Other	10	5
Current assets	**62,026**	**105,267**
Receivables at more than 1 year	0	2,334
Inventories and work in progress	0	3,325
Receivables at up to 1 year	8,545	24,621
- Trade receivables	4,659	9,015
- Other receivables	3,886	15,606
Cash investments	3,735	0
Cash equivalents	46,603	74,334
Prepaid expenses	3,143	653
Total assets	**330,572**	**1,431,281**
Equity	**141,190**	**1,197,943**
Share capital	8,136	41,330
Share premium	116,662	592,651
Revaluation surplus	0	487,399
Reserves	5,438	8,654
Retained earnings/(losses)	10,954	67,909
Provisions and deferred taxes	**6,046**	**10,340**
Liabilities	**183,336**	**222,998**
Non-current liabilities	75,248	248
Current liabilities	105,214	222,501
- Financial debt	0	110,000
- Trade payables	6,599	6,852
- Tax liabilities, social liabilities and down payments on orders	809	4,645
- Other payables	97,806	101,004
Prepaid income	2,874	249
Total equity and liabilities	**330,572**	**1,431,281**

Year ended 31 December (in € thousands)	**2022**	**2021**
RESULT		
Sales of goods and services	13,072	14,441
Costs of goods sold and services provided	(14,482)	(19,014)
- Merchandise	*(2,129)*	*(7,670)*
- Services and other goods	*(10,225)*	*(8,035)*
- Remuneration and social security payments	*(2,572)*	*(4,293)*
- Depreciation, amortisation, impairment and provisions	*1,191*	*1,515*
- Other	*(747)*	*(531)*
Operating income	**(1,410)**	**(4,573)**
Financial income	79,427	35,667
Financial expenses	(24,793)	(2,095)
Result before tax	**53,224**	**28,999**
Tax (current and adjustments)	(8)	0
Result for the period	**53,216**	**28,999**
APPOPRIATION OF INCOME		
Result for the period	53,216	28,999
Retained earnings from previous period	(28,558)	38,910
Dividend	(9,969)	0
Legal reserve	0	0
Other reserves	(3,735)	0
Retained earnings carried forward	10,954	67,909

ANALYSIS OF STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME

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

As of December 31, 2022, non-current liabilities include €40 million drawn down on the confirmed bilateral credit facilities, and €35 million in medium-term treasury notes.

Financial income increased significantly in 2022 thanks to the proceeds of dividends paid by DEME NV (€40.8 million), CFE Contracting SA (€8 million), BPI Real Estate Belgium SA (€5 million) and Green Offshore NV (€4.05 million). Financial income and expenses include non-recurring income and expenses that mainly relate to offsetting intra-group transactions.

GENERAL INFORMATION ABOUT THE COMPANY

Registered office:

Avenue Herrmann-Debroux 42, 1160 Brussels
RLP Brussels n° 0400.464.795
Email address: info@cfe.be
Website: https://www.cfe.be

Date of incorporation, latest amendments to the articles of association

The Company was incorporated by notarial deed of 24 June 1880, published in the Annexes to the Belgian Official Gazette of 27 June 1880 under number 911. The articles of association have been amended several times, most recently by notarial deed of 29 June 2022, published in the Annexes to the Belgian Official Gazette of 8 September 2022 under number 22107465.

Duration of the Company

Indefinite

Company form - Applicable law

Public Limited Company incorporated under Belgian law

Purpose of the Company

The purpose of the Company is to study and provide any work or construction within each and every of its specialist areas, in particular electricity and the environment, in Belgium or abroad, singly or jointly with other natural or legal persons, for its own account or on behalf of third parties belonging to the public or private sector. It may also perform services related to these activities, directly or indirectly operate them or license them out or carry out any purchase, sale, rent or lease operation whatsoever in respect of such undertakings.

It may directly or indirectly acquire, hold or sell equity interests in any company or undertaking existing now or in the future by way of acquisition, merger, spin-off or any other means.

It may carry out any commercial, industrial, administrative or financial operations or operations involving movable or immovable property that are directly or indirectly related to its purpose, even partially, or that could facilitate or develop that purpose, either for itself or for its subsidiaries.

Share capital

Issued capital

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 declared par value. All shares are fully paid up.

Capital reduction

On 29 June 2022, the Company reduced the Company's share capital by €33,193,861.28 without cancellation of existing shares, following the partial demerger of the Company on that date.

Authorised capital

In virtue of the decision of the extraordinary general meeting of shareholders of 2 May 2019, the Board of Directors is authorised, in the five-year period starting on 22 May 2019, to increase the Company's capital – in one or more operations – by up to € 5,000,000, with or without the issue of new shares or by the issue of convertible bonds, subordinated or not, or of warrants or other securities, whether or not linked to other securities of the Company.
In virtue of the decision of the extraordinary general meeting of shareholders of 29 June 2022, the Board of Directors may also make use of the authorised capital, in the event of a public bid for the shares issued by the Company, on the conditions and within the limits 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 capital increase decided upon by virtue of this authorisation may be carried out in accordance with the terms and conditions to be determined by the Board of Directors, such as, in particular, by contribution in cash or in kind, with or without issue premiums, by means of conversion of available or unavailable reserves and premiums and profits carried forward, with or without the issue of new shares in accordance with the imperative provisions prescribed by the Companies and Associations Code.

Type of shares

The Company's shares are fully paid up and are registered or in electronic form. Any holder of shares may at any time, at their own expense, request the conversion of their fully paid-up shares into another form, within the limits of the law. The co-owners, usufructuaries and bare owners are required to have themselves represented by a common representative and to notify the Company thereof. In the case of usufruct, the bare owner of the share shall be represented vis-à-vis the Company by the usufructuary, unless the parties agree otherwise.

Place where the Company's documents may be consulted

The statutory and consolidated financial statements of the Company are filed with the National Bank of Belgium. The coordinated version of the Company's articles of association can be consulted at the office of the Commercial Court of Brussels, Brussels division. The annual financial report is sent to the registered shareholders and any person who so requests. The coordinated version of the articles of association and the annual financial report are also available on the website (www.cfe.be).