



INTERIM REPORT

FOR THE HALF-YEAR ENDING 30 JUNE 2023



DEFINITIONS	3
CONSOLIDATED FINANCIAL STATEMENTS	4
CONSOLIDATED STATEMENT OF INCOME	4
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	7
SHARE CAPITAL AND RESERVES	7
EARNINGS PER SHARE	7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	8
INTRODUCTION	8
MAIN TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2023 AND 2022 WITH EFFECT ON THE SCOPE OF THE CFE GROUP	8
1. GENERAL POLICIES	11
2. CONSOLIDATION METHODS	12
3. SIGNIFICANT ACCOUNTING POLICIES	13
4. SEGMENT REPORTING	14
5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES	18
6. OTHER OPERATING INCOME	18
7. FINANCIAL RESULT	18
8. INCOME TAX	18
9. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD	19
10. CHANGE IN TRADE RECEIVABLES AND OTHER OPERATING RECEIVABLES	19
11. PROVISIONS OTHER THAN THOSE RELATING TO NON-CURRENT EMPLOYEE BENEFIT OBLIGATIONS	20
12. INFORMATION RELATED TO STOCK OPTION PLANS ON OWN SHARES	21
13. CONTINGENT ASSETS AND LIABILITIES	22
14. DERIVATIVE FINANCIAL INSTRUMENTS	22
15. NET FINANCIAL DEBT	22
16. OTHER COMMITMENTS GIVEN	23
17. OTHER COMMITMENTS RECEIVED	23
18. LITIGATION	24
19. RELATED PARTIES	24
20. SUBSEQUENT EVENTS	25
21. IMPACT OF FOREIGN CURRENCIES	25
22. SEASONAL NATURE OF THE BUSINESS	25
ALTERNATIVE PERFORMANCE MEASURES RECONCILIATION	26
STATEMENT ON THE TRUE AND FAIR NATURE OF THE FINANCIAL STATEMENTS	28
GENERAL INFORMATION ABOUT THE COMPANY	28
STATUTORY AUDITOR'S REPORT ON THE REVIEW OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION AS AT 30 JUNE 2023 AND FOR THE SIX-MONTH PERIOD THEN ENDED	29

DEFINITIONS

Working capital requirement	Inventories + trade and other operating receivables + contract assets + other current non-operating assets – trade and other operating payables – current tax liabilities – contract liabilities – other current 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 financial liabilities + current financial liabilities – cash and cash equivalents
Net financial surplus	Cash and cash equivalents – non-current financial liabilities – current financial liabilities
Income from operating activities	Revenue + other operating income + raw materials, consumables, services and subcontracted work + personnel expenses + 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

For the period ended June 30 (in € thousands)	Notes	2023	2022 restated ¹
Revenue	4	641,695	586,205
Other operating income	6	17,233	26,151
Raw materials, consumables, services and subcontracted work		(487,678)	(438,647)
Personnel expenses		(125,470)	(119,633)
Other operating expenses		(25,736)	(26,321)
Depreciation and amortisation		(10,018)	(10,647)
Income from operating activities		10,026	17,108
Share of profit (loss) of investments accounted for using equity method	9	7,172	3,959
Operating income		17,198	21,067
Cost of financial debt	7	992	(962)
Other financial expenses and income	7	(646)	(1,845)
Financial result	7	346	(2,807)
Result before tax		17,544	18,260
Income tax expenses	8	(4,969)	(4,806)
Result for the period from continuing operations		12,575	13,454
Result for the period from discontinued operations ²		0	193,270
Result for the period		12,575	206,724
Non-controlling interests - continuing operations		(98)	0
Non-controlling interests - discontinued operations ²		0	(2,297)
Result for the period - share of the group		12,477	204,427
Result from continuing operations - share of the group		12,477	13,454
Result from discontinued operations - share of the group ²		0	190,973
Earnings per share (share of the group) (EUR) (diluted and basic)		0.50	8.08
Earnings per share (share of the group) from continuing operations (EUR) (diluted and basic)		0.50	0.53
Earnings per share (share of the group) from discontinued operations (EUR) (diluted and basic) ²		0	7.55

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended June 30 (in € thousands)	Notes	2023	2022
Result for the period - share of the group		12,477	204,427
Result for the period		12,575	206,724
Changes in fair value related to financial derivatives ³	14	443	85,874
Exchange differences on translation ³	21	3,608	(746)
Deferred taxes ³		(111)	(12,482)
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		3,940	72,646
Re-measurement on defined benefit and contribution plans		0	1,460
Deferred taxes		0	(245)
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods		0	1,215
Total other elements of the comprehensive income recognized directly in equity		3,940	73,861
Comprehensive income :		16,515	280,585
- Share of the group		16,436	278,228
- Attributable to non-controlling interests		79	2,357
Comprehensive income (share of the group) per share (EUR) (diluted and basic)		0.66	10.99

¹ The consolidated statement of income for the period ended 30 June 2022 has been restated as described in note 3.3. « Restatement of comparative figures for financial year 2022 » of this report.

² As of 30 June 2022, the contribution of discontinued operations to the CFE group's consolidated results relates exclusively to DEME.

³ As of 30 June 2022, comprehensive income items subsequently recyclable in profit or loss mainly include the impact of discontinued operations (DEME).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € thousands)	Notes	June 2023	December 2022 restated ¹
Intangible assets		2,449	2,347
Goodwill		23,841	23,723
Property, plant and equipment		83,736	77,709
Investments accounted for using equity method	9	114,363	110,865
Other non-current financial assets		137,113	138,294
Non-current financial derivatives	14	1,440	422
Other non-current assets		11,761	11,659
Deferred tax assets		7,965	7,123
Non-current assets		382,668	372,142
Inventories		186,991	168,467
Trade and other operating receivables	10	344,317	284,608
Contract assets		97,133	100,714
Other current non-operating assets		5,126	4,487
Current financial derivatives	14	1,706	206
Current financial assets		1,174	306
Cash and cash equivalents	15	144,087	127,149
Current assets		780,534	685,937
Total assets		1,163,202	1,058,079
Share capital		8,136	8,136
Share premium		116,662	116,662
Retained earnings		112,538	105,696
Treasury shares	12	(3,655)	(3,735)
Defined benefit and contribution pension plans		(10,050)	(10,050)
Reserves related to financial derivatives	14	10,019	9,687
Exchange differences on translation		1,884	(1,743)
Equity – share of the group		235,534	224,653
Non-controlling interests		(218)	(127)
Equity		235,316	224,526
Employee benefit obligations		8,526	8,526
Non-current provisions	11	36,323	32,327
Other non-current liabilities		23,208	26,203
Non-current financial liabilities	15	183,307	154,048
Deferred tax liabilities		2,647	2,671
Non-current liabilities		254,011	223,775
Current provisions	11	13,544	14,777
Trade and other operating payables		332,293	309,204
Contract liabilities		202,420	193,480
Current tax liabilities		5,259	6,816
Current financial liabilities	15	51,270	21,994
Current financial derivatives	14	102	124
Other current non-operating liabilities		68,987	63,383
Current liabilities		673,875	609,778
Total equity and liabilities		1,163,202	1,058,079

¹ The consolidated statement of financial position for the period ended 31 December 2022 has been restated as described in note 3.3. « Restatement of comparative figures for financial year 2022 » of this report.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended June 30 (in € thousands)	Notes	2023	2022 restated ¹
Operating activities			
Income from operating activities		10,026	17,108
Depreciation and amortisation of (in)tangible assets and investment property		10,018	10,647
(Decrease)/increase of provisions		(1,536)	(781)
Impairments on assets and other non-cash items		1,285	(3,197)
Loss/(profit) on disposal of tangible and financial fixed assets		(520)	(629)
Dividends received from investments accounted for using equity method	9	11,830	11,991
Cash flows from (used in) operating activities before changes in working capital		31,103	35,139
Decrease/(increase) in trade receivables and other current and non-current receivables		(63,401)	(55,872)
Decrease/(increase) in inventories		(14,632)	(2,271)
Increase/(decrease) in trade payables and other current and non-current payables		26,270	50,810
Income tax (paid)/received		(6,415)	(3,563)
Cash flows from (used in) operating activities		(27,075)	24,243
Investment activities			
Proceeds from sales of intangible assets and property, plant and equipment		723	983
Purchases of intangible assets and of property, plant and equipment		(12,165)	(8,475)
Capital decrease/(increase) of investments accounted for using equity method		(1,550)	0
Repayment of borrowings (new borrowings) given to investments accounted for using equity method		11,039	3,143
Cash flows from (used in) investing activities		(1,953)	(4,349)
Financing activities			
Interest paid		(4,456)	(3,382)
Interest received		5,448	2,420
Other financial expenses and income received/(paid)		(1,058)	(772)
Receipts from new borrowings	15	67,759	2,761
Repayment of borrowings	15	(13,299)	(65,940)
Dividends received/(paid)		(9,969)	40,843
Cash flows from (used in) financing activities		44,425	(24,070)
Net increase/(decrease) in cash position			
Cash and cash equivalents, opening balance		127,149	143,587
Effects of exchange rate changes on cash and cash equivalents		1,541	(458)
Cash and cash equivalents, closing balance	15	144,087	138,953

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

¹ The consolidated statement of cash flows for the period ended 30 June 2022 has been restated as described in note 3.3. « Restatement of comparative figures for financial year 2022 » of this report.

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 2022	8,136	116,662	105,696	(3,735)	(10,050)	9,687	(1,743)	224,653	(127)	224,526
Comprehensive income for the period			12,477			332	3,627	16,436	79	16,515
Dividends paid to shareholders			(9,969)					(9,969)		(9,969)
Movements related to treasury shares and share-based payments				80				80		80
Change in consolidation scope and other movements			4,334					4,334	(170)	4,164
June 2023	8,136	116,662	112,538	(3,655)	(10,050)	10,019	1,884	235,534	(218)	235,316

(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 2021	41,330	800,008	1,184,100	(41,976)	(31,160)	(15,967)	1,936,335	19,691	1,956,026
Comprehensive income for the period			204,427	1,215	73,297	(711)	278,228	2,357	280,585
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)
Change in consolidation scope and other movements			(3,250)				(3,250)		(3,250)
June 2022	8,136	116,662	79,435	(10,718)	3,223	200	196,938	0	196,938

SHARE CAPITAL AND RESERVES

The share capital on 30 June 2023 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) was proposed by the Board of Directors and approved by the ordinary general meeting on May 4, 2023. This dividend was paid in May 2023.

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 :

For the period ended June 30	2023	2022
Result for the period from continuing operations - share of the group (in € thousands)	12,477	13,454
Result for the period from discontinued operations - share of the group (in € thousands)	0	190,973
Result for the period - share of the group (in € thousands)	12,477	204,427
Comprehensive income - share of the group (in € thousands)	16,436	278,228
Number of ordinary shares at balance sheet date	25,314,482	25,314,482
Weighted average number of ordinary shares outstanding during the period	24,922,324	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 (€)	0.50	0.53
Earnings per share (share of the group) from discontinued operations (€)	0	7.55
Earnings per share (share of the group) (€)	0.50	8.08
Comprehensive income per share (share of the group) (€)	0.66	10.99

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 period ended 30 June 2023 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 21 August 2023.

MAIN TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2023 AND 2022 WITH EFFECT ON THE SCOPE OF THE CFE GROUP

MAIN TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2023

1. Real Estate Development segment

During the first half of 2023, the main changes in the consolidation scope in the Real Estate Development segment of the CFE Group are as follows :

- The BPI-Revive Matejki Sp. z o.o. company, a 50% owned subsidiary of the CFE group and integrated using the equity method is renamed Cavallia Sp. z o.o. ;
- 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 10% of its shares in the BPI Obrzezna Sp. z o.o. company to decrease its stake from 100% to 90%. This company remains consolidated using the global integration method. The impact of this transaction is presented in the consolidated statement of changes in shareholders' equity under "Changes in consolidation scope and other movements" ;
- The LRP Development BVBA company, a 33% owned subsidiary of the CFE group and integrated using the equity method, has been absorbed by the La Réserve Promotions NV company, itself a 33% subsidiary of the CFE group and 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, acquired a 100% stake in the newly created JFK Développement 1 S.à r.l. and JFK Développement 2 S.à r.l. companies. These companies have been 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 (40%) in the Barbarahof NV company. This company was integrated using the equity method.

2. Multitechnics segment

During the first half of 2023, the main changes in the consolidation scope in the Multitechnics segment of the CFE Group are as follows :

- The VMA Nizet SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, has been absorbed by the VMA Druart SA company, itself a fully-owned subsidiary of the CFE group and consolidated using the global integration method. Following this merger by absorption, the legal name of the VMA Druart SA company was changed to VMA Sud SA ;
- The Mobix Remacom NV and Mobix Stevens 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 2023, by the Mobix Engema SA company, itself a fully-owned subsidiary of the CFE group and consolidated using the global integration method ;
- The CFE Contracting 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 VMA Sustainability Fund I NV company. This company has been consolidated using the global integration method.

3. Construction & Renovation segment

During the first half of 2023, no changes in the consolidation scope affected the Construction & Renovation segment of the CFE Group.

4. Investments & Holding segment

During the first half of 2023, the main changes in the consolidation scope in the Investments & Holding segment of the CFE Group are as follows :

- Rent-A-Port, 50% owned by the CFE group and integrated using the equity method, sold its stake in BSTOR NV to the newly created company GreenStor NV, 50% owned by the CFE group and integrated using the equity method. Following this sale, Rent-A-Port was renamed Deep C Holding ;
- The stake of Deep C Holding, 50% owned by the CFE group and integrated using the equity method, in Infra Asia Investment Hong Kong Ltd was diluted from 94% to 84% following the \$23.8 million capital increase in which it did not take part of. The impact of this transaction had a positive effect of €4.2 million on the CFE group's shareholders' equity, as presented in the consolidated statement of changes in shareholders' equity (on the line « Changes in consolidation scope and other movements »).

MAIN TRANSACTIONS FOR THE FIRST SIX MONTHS OF 2022

1. Real Estate Development segment

During the first half of 2022, the main changes in the consolidation scope in the Real Estate Development segment of the CFE Group are as follows :

- BPI Real Estate Luxembourg SA acquired 100% of the newly created company Immo Kirchberg S.à r.l. This company has been fully consolidated ;
- BPI Real Estate Luxembourg SA company sold 6% of its shares in the Wooden SA company to decrease its stake from 50% to 44%. This company remained integrated under the equity method ;
- BPI Real Estate Belgium SA sold all of its shares (50%) in Wood Shapers SA to CFE Contracting SA, a fully-owned subsidiary of the CFE group, which already held 50%. This company remained fully consolidated.

2. Multitechnics segment

During the first half of 2022, the main changes in the consolidation scope in the Multitechnics segment of the CFE Group are as follows :

- VMA West NV and VMA Food & Pharma NV, fully owned subsidiaries of the CFE group and consolidated under the global integration method, had 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 under the global integration method.

3. Construction & Renovation segment

During the first half of 2022, the main changes in the consolidation scope in the Construction & Renovation segment of the CFE Group are as follows :

- CFE Contracting SA 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 remained fully consolidated. 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 ;
- Bâtiments et Ponts Construction SA (BPC SA), a fully-owned subsidiary of the CFE group, 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 remained fully consolidated.

4. Investments & Holding segment

During the first half of 2022, the main change in the consolidation scope in the Investments & Holding segment of the CFE Group is as follows :

- Rent-A-Port, 50% owned by CFE SA and integrated under the equity method, acquired 32.59% of the minority shares of Infra Asia Investment Hong Kong Ltd increasing its stake to 94.00%. Under IFRS, the purchase of minority interests does not give rise to an allocation of goodwill. The excess paid over the net assets acquired is therefore incorporated directly into equity. This transaction had a negative impact of €3.2 million on the CFE group's equity.

5. Demerger of CFE Group

On 29 June 2022, CFE SA was split into two separate listed companies : CFE et DEME Group. This transaction reduced the CFE group's equity by €2,036 million.

1. GENERAL POLICIES

1.1. IFRS AS ENDORSED BY THE EUROPEAN UNION

The interim report for the period ended 30 June 2023 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report does not include all the information of the annual report and its annexes, and should be read in conjunction with the CFE's annual report of 31 December 2022.

The accounting principles used at 30 June 2023 are the same as those used for the consolidated financial statements at 31 December 2022, except for the standards and/or amendments to standards described below as endorsed in the European Union, mandatorily applicable as of 1 January 2023.

1.2. STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2023

- IFRS 17 Insurance contracts
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS 2 Practice Statement : Disclosure of Accounting Policies. The impact of applying this amendment will be assessed on the CFE group's IFRS consolidated financial statements at December 31, 2023.
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Material
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The impact of the application of this amendment on property, plant and equipment recognized as right-of-use within the meaning of IFRS 16 has a net immaterial effect on the CFE group's IFRS consolidated financial statements at June 30, 2023. As of 31 December 2023, the impact of the application of this amendment will be visible in the deferred tax assets and liabilities section of the note on income tax.
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately but not yet endorsed in the EU – disclosures are required for annual periods beginning on or after 1 January 2023)

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

1.3. STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2023

The Group did not apply early any of the following new standards and interpretations, application of which was not mandatory at 30 June 2023.

- Amendments 2020 and 2022 to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Noncurrent Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- 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)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

2. CONSOLIDATION METHODS

2.1. 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 Deep C Holding, GreenStor, Green Offshore and certain subsidiaries of BPI.

The change in the scope of consolidation of the CFE group between June 2023 and December 2022 is summarised as follows:

Number of entities	June 2023	December 2022
Global integration	68	68
Equity method	89	90
Total	157	158

2.2. 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.

2.3. 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.

2.4. FOREIGN CURRENCY TRANSACTIONS

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.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. USE OF ESTIMATES, JUDGMENTS 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.

3.2. ADDITIONAL INFORMATION ON THE IMPACT OF THE MACROECONOMIC ENVIRONMENT ON THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The unfavorable effects of current market conditions are mainly observable in :

- the sharp rise in the cost of building materials, subcontracting and personnel expenses allocated to construction sites ;
- the cost of financing following the rise in interest rates both in the Euro zone and in Poland.

This environment is prompting some of CFE's customers, particularly property developers, to postpone the start-up of projects for which building permits have already been obtained, and calls for tender for new projects.

3.3. RESTATEMENT OF COMPARATIVE FIGURES FOR FINANCIAL YEAR 2022

The CFE group has decided to change the presentation of operating expense categories, as well as the presentation of liabilities related to operating activities. The comparative financial statements for June 2022 and December 2022 have been restated to reflect these changes. The reclassifications have no impact on the CFE group's shareholders' equity, operating income or net income, or cash flows from operating activities.

With regard to operating expenses, as from January 1, 2023, the following changes have been applied :

- expenses relating to the invoicing of services provided by self-employed and temporary staff are presented under "Personnel expenses". In the comparative statement of income at the end of June 2022, these expenses have been reclassified from "Other operating expenses" to "Personnel expenses" for a total amount of €14,853 ;
- expenses relating to site equipment rentals, energy supplies, services and miscellaneous goods allocated to construction sites are presented under "Raw materials, consumables, services and subcontracted work". In the comparative statement of income at the end of June 2022, these expenses have been reclassified from "Other operating expenses" to "Raw materials, consumables, services and subcontracted work" for a total amount of €17,789 thousand.

With regard to liabilities relating to operating activities, the following changes have been applied with effect from January 1, 2023 :

- provisions for after-sales service are broken down into current provisions (€1,560 thousand at December 31, 2022) and non-current provisions (€14,044 thousand at December 31, 2022). Previously, they were fully recognized as current provisions ;
- the line items "Other current operating assets" and "Other current operating liabilities" have been renamed "Contract assets" and "Contract liabilities" respectively ;

- provisions for losses on completion (€12,933 thousand at December 31, 2022) are presented under "Contract liabilities" in the consolidated statement of financial position. Consequently, in the comparative consolidated statement of income at the end of June 2022, provisions made for losses on completion have been reclassified from "Other operating expenses" to "Raw materials, consumables, services and subcontracted work" for a total amount of €5,419 thousand. Hence, in the consolidated statement of cash flows, the change in provisions for losses on completion has been reclassified from "(Decrease)/increase of provisions" to "Increase/(decrease) in trade payables and other current and non-current payables", with an impact of €5,419 thousand at June 30, 2022.

4. SEGMENT REPORTING

4.1. 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 Deep C Holding, GreenStor, Green-Offshore and in one Design Build Finance and Maintenance contract in Belgium ;
- non-transferred construction activities, which concern only a few projects for which delivery has taken place.

4.2. CONSOLIDATED STATEMENT OF INCOME

For the period ended June 30, 2023 (in € thousands)	Real estate development	Multi- technics	Construction & Renovation	Investments & Holding	Eliminations between segments	Consolidated total
Revenue	73,059	171,229	455,116	1,038	(58,747)	641,695
EBITDA	11,134	3,168	5,364	713	(335)	20,044
<i>% Revenue</i>	<i>15.24%</i>	<i>1.85%</i>	<i>1.18%</i>			<i>3.12%</i>
Depreciation and amortisation	(566)	(4,404)	(4,645)	(403)	0	(10,018)
Income from operating activities	10,568	(1,236)	719	310	(335)	10,026
Share of profit (loss) of investments accounted for using equity method	(1,876)	(9)	5	9,052	0	7,172
Operating income (EBIT)	8,692	(1,245)	724	9,362	(335)	17,198
<i>% Revenue</i>	<i>11.90%</i>	<i>(0.73%)</i>	<i>0.16%</i>			<i>2.68%</i>
Financial result	453	(534)	1,163	(736)	0	346
Income tax expenses	(2,310)	(639)	(2,083)	(20)	83	(4,969)
Result from continuing operations - share of the group	6,738	(2,418)	(196)	8,606	(253)	12,477
<i>% Revenue</i>	<i>9.22%</i>	<i>(1.41%)</i>	<i>(0.04%)</i>			<i>1.94%</i>
Result from discontinued operations - share of the group						0
Result for the period - share of the group	6,738	(2,418)	(196)	8,606	(253)	12,477
<i>% Revenue</i>	<i>9.22%</i>	<i>(1.41%)</i>	<i>(0.04%)</i>			

For the period ended June 30, 2022 (in € thousands)	Real estate development	Multi- technics	Construction & Renovation	Investments & Holding	Eliminations between segments	Consolidated total
Revenue	31,134	172,193	397,449	3,622	(18,193)	586,205
EBITDA	3,622	8,659	12,393	2,997	84	27,755
<i>% Revenue</i>	<i>11.63%</i>	<i>5.03%</i>	<i>3.12%</i>			<i>4.73%</i>
Depreciation and amortisation	(404)	(4,246)	(5,530)	(467)	0	(10,647)
Income from operating activities	3,218	4,413	6,863	2,530	84	17,108
Share of profit (loss) of investments accounted for using equity method	2,686	0	(2)	1,275	0	3,959
Operating income (EBIT)	5,904	4,413	6,861	3,805	84	21,067
<i>% Revenue</i>	<i>18.96%</i>	<i>2.56%</i>	<i>1.73%</i>			<i>3.59%</i>
Financial result	(1,421)	(159)	(1,672)	445	0	(2,807)
Income tax expenses	(766)	(2,306)	(1,699)	(34)	(1)	(4,806)
Result from continuing operations - share of the group	3,717	1,948	3,490	4,216	83	13,454
<i>% Revenue</i>	<i>11.94%</i>	<i>1.13%</i>	<i>0.88%</i>			<i>2.30%</i>
Result from discontinued operations - share of the group						190,973
Result for the period - share of the group	3,717	1,948	3,490	4,216	83	204,427
<i>% Revenue</i>	<i>11.94%</i>	<i>1.13%</i>	<i>0.88%</i>			

4.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended June 30, 2023 (in € thousands)	Real estate development	Multi- technics	Construction & Renovation	Investments & Holding	Eliminations between segments	Consolidated total
ASSETS						
Goodwill	0	22,930	911	0	0	23,841
Property, plant and equipment	2,647	43,941	35,386	1,762	0	83,736
Non-current loans to consolidated group companies	0	0	0	30,521	(30,521)	0
Other non-current financial assets	111,507	0	166	25,440	0	137,113
Investments accounted for using equity method	31,061	146	3,703	79,453	0	114,363
Other non-current assets	10,546	1,929	9,295	189,656	(187,811)	23,615
Inventories	170,321	6,966	10,504	25	(825)	186,991
Cash and cash equivalents	7,792	5,053	72,192	59,050	0	144,087
Internal cash position - Cash pooling - assets	3,254	34,117	134,743	33,041	(205,155)	0
Other current assets	25,354	152,855	288,715	16,984	(34,452)	449,456
Total assets	362,482	267,937	555,615	435,932	(458,764)	1,163,202
LIABILITIES						
Equity	122,643	89,869	74,750	136,474	(188,420)	235,316
Non-current borrowings to consolidated group companies	20,000	0	10,521	0	(30,521)	0
Non-current financial liabilities	33,095	25,302	14,589	110,321	0	183,307
Other non-current liabilities	43,250	1,884	20,310	5,260	0	70,704
Current financial liabilities	41,540	4,859	4,470	401	0	51,270
Internal cash position - Cash pooling - liabilities	13,294	18,029	15,228	158,604	(205,155)	0
Other current liabilities	88,660	127,994	415,747	24,872	(34,668)	622,605
Total liabilities	239,839	178,068	480,865	299,458	(270,344)	927,886
Total equity and liabilities	362,482	267,937	555,615	435,932	(458,764)	1,163,202
For the period ended December 31, 2022 restated¹ (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	42,544	1,711	20,089	5,383	0	69,727
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	82,328	119,810	373,968	29,619	(17,941)	587,784
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

¹ The presentation of segment information in the consolidated statement of financial position for the period ended 31 December 2022 has been restated as described in note 3.3. « Restatement of comparative figures for financial year 2022 » of this report.

4.4. CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended June 30, 2023 (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	19,336	2,933	6,341	2,493	31,103
Cash flows from (used in) operating activities	(5,305)	(3,691)	(12,147)	(5,932)	(27,075)
Cash flows from (used in) investing activities	(696)	(3,097)	(6,706)	8,546	(1,953)
Cash flows from (used in) financing activities	9,336	5,124	20,141	9,824	44,425
Net increase/(decrease) in cash position	3,335	(1,664)	1,288	12,438	15,397

For the period ended June 30, 2022 restated' (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	12,871	8,274	11,498	2,496	35,139
Cash flows from (used in) operating activities	21,056	(15,309)	20,390	(1,894)	24,243
Cash flows from (used in) investing activities	(626)	(2,540)	(4,294)	3,111	(4,349)
Cash flows from (used in) financing activities	(21,540)	20,121	(7,910)	(14,741)	(24,070)
Net increase/(decrease) in cash position	(1,110)	2,272	8,186	(13,524)	(4,176)

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.

4.5. OTHER INFORMATION

For the period ended June 30, 2023 (in € thousands)	Real estate development	Multi- technics	Construction & Renovation	Investments & Holding	Consolidated total
Depreciation	(566)	(4,404)	(4,645)	(403)	(10,018)
Investments	918	5,093	9,338	1,009	16,358

For the period ended June 30, 2022 (in € thousands)	Real estate development	Multi- technics	Construction & Renovation	Investments & Holding	Consolidated total
Depreciation	(404)	(4,246)	(5,530)	(467)	(10,647)
Investments	1,017	4,374	7,913	80	13,384

The investments include the acquisitions of intangible assets and property, plant and equipment. These mainly concern assets recognized as right of use within the meaning of IFRS 16 (equipment, offices and vehicles), equipment for the Mobix division and fittings for new offices of Van Laere NV, CFE SA, BPC Group SA, BPI Real Estate Belgium SA and Wood Shapers SA. Acquisitions through business combinations are not included in these amounts.

4.6. GEOGRAPHICAL INFORMATION

The breakdown of revenue by country is based on the countries in which services are provided. The revenue of the CFE group breaks down as follows :

For the period ended June 30 (in € thousands)	2023	2022
Belgium	493,429	411,389
Luxembourg	73,584	68,466
Poland	61,184	88,273
Others	13,498	18,077
Consolidated total	641,695	586,205

¹ The presentation of segment information in the consolidated statement of cash flows for the period ended 30 June 2022 has been restated as described in note 3.3. « Restatement of comparative figures for financial year 2022 » of this report.

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the first half of 2023, the stake of Deep C Holding, 50% owned by the CFE group and integrated using the equity method, in Infra Asia Investment Hong Kong Ltd was diluted from 94% to 84% following the \$23.8 million capital increase in which it did not take part of. The impact of this transaction had a positive effect of €4.2 million on the CFE group's shareholders' equity, as presented in the consolidated statement of changes in shareholders' equity (on the line « Changes in consolidation scope and other movements »).

In the multitechnics, construction & renovation and investments & holding segments, no disposal transaction within the meaning of the IFRS 3 Business combinations standard having a significant impact took place during the first six months of 2023.

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

6. OTHER OPERATING INCOME

Other operating income, which amounted to €17,233 thousand (June 2022 : €26,151 thousand), are primarily related to :

- miscellaneous rebilling and other compensation amounting to €16,677 thousand compared to €21,979 thousand for the period ended 30 June 2022 ;
- capital gains on disposals of intangible assets and property, plant and equipment amounting to €556 thousand compared to €635 thousand for the period ended 30 June 2022.

The decrease in other operating income is mainly due to a reduction in miscellaneous rebillings and other compensations, and to the recognition, in 2022, of the gain on the stake in CFE Nederland (€3,537 thousand) that was disposed to DEME in 2015 and neutralized 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.

7. FINANCIAL RESULT

As of 30 June 2023, the financial result amounted to €346 thousand compared to €(2,807) thousand as of 30 June 2022. This increase is primarily related to :

- the increase in expenses and income associated with financing activities, mainly due to higher interest income on loans granted to project companies in the real estate development segment and to Deep C Holding which are accounted for using the equity method ;
- the decrease in other financial expenses and income, mainly due to changes in realized/unrealized foreign exchange gains (losses), as a result of the appreciation of the zloty against the euro.

8. INCOME TAX

The tax expense amounted to €4,969 thousand for the first half of 2023, compared to €4,806 thousand for the first half of 2022. The effective tax rate amounted to 47.9%, compared to 33.6% as at 30 June 2022. The effective tax rate is defined as the income tax expense over result before tax from which the share of profit (loss) of investments accounted for using equity method have been deducted.

9. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

As of 30 June 2023, investments accounted for using equity method amounted to €114,363 thousand compared to €110,865 thousand as of 31 December 2022. The increase mainly concerns :

- the integration of the share of the CFE group in the result of investments accounted for using equity method which amounted to €7,172 thousand as of 30 June 2023 (compared to €3,959 thousand as of 30 June 2022) ;
- the reclassification as provisions for negative investments accounted for using equity method in the amount of €3,645 thousand ;
- the capital increase of Infra Asia Investment Hong Kong Ltd in which Deep C Holding did not participate, resulting in the dilution of the CFE group's stake from 47% to 42% for an impact of €4,167 thousand against shareholders' equity ;
- partially compensated by the dividends distributed by investments accounted for using equity method in the amount of €11,830 thousand that mainly arise from project companies of the real estate development segment and the investments in Deep C Holding and Green Offshore.

The share of the CFE group in the result of investments accounted for using the equity method is mainly derived from the activities of the real estate development segment and the participations of Deep C Holding in harbour concessions and Green Offshore in concessionary companies of offshore wind farms Rentel and SeaMade.

10. CHANGE IN TRADE RECEIVABLES AND OTHER OPERATING RECEIVABLES

As of 30 June 2023, trade receivables and other operating receivables amounted to €344,317 thousand (December 2022 : €284,608 thousand). Other operating receivables mainly include invoices to be issued, social security and tax receivables, and cash advances to temporary companies. The change in this item in the first half of 2023 is essentially related to the activities of the construction & renovation and multitechnics segments.

Regarding the risk on trade receivables, the group defined procedures in order to limit the risk. It should be noted that a significant part of the consolidated sales is realized with public or semi-public customers. In addition, CFE considers that the concentration of the counterparty risk for customers is limited due to the large number of customers.

II. PROVISIONS OTHER THAN THOSE RELATING TO NON-CURRENT EMPLOYEE BENEFIT OBLIGATIONS

As of 30 June 2023, these provisions amounted to €49,867 thousand, which represents an increase of €2,763 thousand compared to year-end 2022 (€47,104 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 period¹	15,604	14,070	17,430	47,104
Effects of changes in foreign exchange rates	100	0	240	340
Transfers between items	424	3,645	(110)	3,959
Additions to provisions	1,407	0	1,644	3,051
Used provisions	(1,273)	0	(3,314)	(4,587)
Provisions reversed unused	0	0	0	0
Balance at the end of the period	16,262	17,715	15,890	49,867
of which current:	1,595	0	11,949	13,544
non-current:	14,667	17,715	3,941	36,323

The provision for after-sales service increased by €658 thousand and amounted to €16,262 thousand as at 30 June 2023. The change during the first six months of 2023 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 decreased by €(1,540) thousand and amounted to €15,890 thousand as at 30 June 2023.

Provisions for other current risks (€11,949 thousand) mainly include provisions for current litigation (€5,984 thousand) as well as provisions for other current liabilities (€5,866 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 other non-current risks include the provisions for risks not directly related to construction site operations in progress.

¹ The opening balance for financial year 2023 relating to provisions other than those relating to non-current employee benefit obligations has been restated as described in section 3.3 "Restatement of comparative figures for financial year 2022" of this report.

12. INFORMATION RELATED TO STOCK OPTION PLANS ON OWN SHARES

12.1. STOCK OPTION PLANS

During the year 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 2022, options were granted to two beneficiaries, members of the Executive Committee, who accepted them in full. In the first half of 2023, no options were granted, exercised or cancelled.

Year granted	During the financial year			At year-end			Exercise period
	Options granted	Options exercised	Expired options	Number of options	Number of exercisable options	Strike price (in euros)	
2022	200,000	0	0	200,000	0	10.31	01/01/2026 – 10/16/2029
2023	0	0	0	200,000	0	10.31	01/01/2026 – 10/16/2029

For stock options outstanding at the end of the period, the weighted average remaining contractual life is as follows :

	Number of years
December 2022	6.8
June 2023	6.3

As of 31 December 2022, the value of the options, calculated on the basis of their value when granted, was 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

The total value of the options granted amounted to €481 thousand as of 31 December 2022. As no additional stock options were issued during the first half of 2023, the assumptions have not been reassessed and the fair value remains unchanged. The fair value is recognized in the consolidated statement of income on a straight-line basis over the vesting period (3 years). Consequently, during the period ending 30 June 2023, an expense of €80 thousand was recognized in this respect, the impact of which is presented on the line "Movements related to treasury shares and share-based payments" in the consolidation statements of changes

12.2. TREASURY SHARES

During the first half of 2023, CFE has not acquired any additional treasury shares compared with the end of December 2022.

As of 30 June 2023, the number of own shares held amounts to 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
2023	392,158	0	0	392,158

13. 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.

14. DERIVATIVE FINANCIAL INSTRUMENTS

The company uses derivative financial instruments primarily to reduce exposure to adverse fluctuations in interest and foreign exchange rates. 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.

As of 30 June 2023, non-current financial derivatives are used to hedge interest-rate risk on corporate financing of CFE SA. Current financial derivatives relate to the hedging of exchange rates (mainly the zloty) on the group's operating activities.

The change in fair value linked to hedging instruments in the CFE group's consolidated shareholders' equity also concerns those of companies consolidated using the equity method. This mainly concerns the IRS hedging instruments from concessionary companies of offshore wind farms, SeaMade and Rentel.

As of 30 June 2023, derivative financial instruments have been estimated at their fair value. The carrying amount of other financial instruments not booked at fair value approaches the fair value as of 30 June 2023.

15. NET FINANCIAL DEBT

15.1. BREAKDOWN OF THE NET FINANCIAL DEBT AS DEFINED BY THE GROUP

(in € thousands)	June 2023			December 2022		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans and other financial debts	78,134	2,661	80,795	89,040	2,573	91,613
Drawings on credit facilities	80,000	20,000	100,000	40,000	0	40,000
Lease debts	25,173	9,189	34,362	25,008	10,421	35,429
Total long-term financial debt	183,307	31,850	215,157	154,048	12,994	167,042
Short-term financial debts	0	19,420	19,420	0	9,000	9,000
Cash equivalents	0	(18,800)	(18,800)	0	(15,035)	(15,035)
Cash	0	(125,287)	(125,287)	0	(112,114)	(112,114)
Net short-term financial debt/(cash)	0	(124,667)	(124,667)	0	(118,149)	(118,149)
Total net financial debt	183,307	(92,817)	90,490	154,048	(105,155)	48,893
Derivative instruments used as interest-rate hedges	(1,440)	0	(1,440)	(422)	(206)	(628)

Bank loans and other financial debts (€80,795 thousand as at 30 June 2023) 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.

Lease debts (€34,362 thousand as at 30 June 2023) relate to contracts that meet the criteria of the scope of application of IFRS 16 *Leases*.

Short-term financial debts (€19,420 thousand as at 30 June 2023) relate to the financing of the Serenity Valley project, scheduled for completion by the end of 2023, and the treasury notes issued by BPI Real Estate Belgium SA.

The change in the total of financial debts is mainly due to :

- loans granted (€67,759 thousand) that mainly concern the increase in drawings on the confirmed bank credit facilities of CFE SA (€35 million) and BPI Real Estate Belgium SA (€25 million);
- repayments of borrowings (€13,299 thousand) that mainly concern repayments of BPI Real Estate Belgium SA's treasury notes maturing in the first half of 2023 (€7 million) and repayments of leasing debts (€5,895 thousand).

15.2. CREDIT FACILITIES AND BANK TERM LOANS

As of 30 June 2023, CFE SA held confirmed long-term bank credit facilities of €170 million, of which €75 million was drawn as at 30 June 2023 (€40 million as at 31 December 2022). 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 30 June 2023. 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 €(1.440) thousand. As of 30 June 2023, the amount drawn on the credit facilities is covered to the extent of €40 million.

As of 30 June 2023, BPI Real Estate Belgium SA and its subsidiary BPI Real Estate Luxembourg SA together have confirmed bank credit facilities of €60 million, of which €25 million was drawn as at 30 June 2023 (unused as 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 €10.25 million was drawn from this source of funding as of June 30, 2023 (€17,25 million as at 31 December 2022).

15.3. 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. These covenants are fully complied with as of 30 June 2023.

16. OTHER COMMITMENTS GIVEN

Other commitments given by the CFE Group as of 30 June 2023, other than real security interests, amounted to €396,922 thousand (December 2022 : €389,426 thousand) and break down as follows :

(in € thousands)	June 2023	December 2022
Performance guarantees and performance bonds (a)	250,755	247,382
Bid bons (b)	771	771
Retentions (c)	1,714	1,790
Other commitments given (d)	143,682	139,483
Total	396,922	389,426

(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 line item '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).

17. OTHER COMMITMENTS RECEIVED

Other commitments received by the CFE group as of 30 June 2023 amounted to €50,273 thousand (December 2022 : €54,971 thousand) and break down as follows :

(in € thousands)	June 2023	December 2022
Performance guarantees and performance bonds	45,822	50,663
Other commitments received	4,451	4,308
Total	50,273	54,971

18. 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.

19. RELATED PARTIES

Ackermans & van Haaren (AvH) owns 15,725,684 CFE shares as at 30 June 2023, being the main shareholder of the CFE group with a stake of 62.12% (no change from December 31, 2022).

CFE SA entered into a service contract with Ackermans & van Haaren. The remuneration due by CFE SA under this contract amounted to €175 thousand for the first half of 2023 (compared to €364 thousand for the first half of 2022).

As of 30 June 2023, the CFE Group has joint control with Ackermans & van Haaren over Deep C Holding NV, Green Offshore NV, GreenStor NV and Hofkouter NV following the sale of 65% of the CFE Group's interest to Ackermans & van Haaren in December 2022.

As of 30 June 2023, 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 six members of the Executive Committee are MSQ SRL represented by Fabien De Jonge, 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 LAMCO represented by Bruno Lambrecht.

The only transactions between CFE and the members of the Executive Committee are :

- invoicing for their services through their management company ;
- transactions under the long-term incentive plans (we refer to note 12 "Information on stock option plans")

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 first half of 2023 compared to financial year 2022.

Commercial and financing transactions between the CFE group and investments accounted for using equity method are summarized as follows :

(in € thousands)	June 2023	December 2022
Assets with related parties	154,173	158,335
Non-current financial assets	137,114	138,294
Trade and other operating receivables	10,623	13,725
Other current assets	6,436	6,316
Liabilities with related parties	11,918	13,690
Other non-current liabilities	11,791	13,666
Trade and other operating payables	127	24

(in € thousands)	June 2023	June 2022
Expenses and income with related parties	24,996	42,197
Revenue and other operating income	21,250	40,168
Purchases and other operating expenses	(199)	0
Financial expenses and income	3,945	2,029

The change in non-current financial assets includes partial repayment of loans granted to Deep C Holding (€10 million), repayment of the loan granted to PPP Schuelen (€1.6 million), and new loans granted to SPVs of the real estate development segment that are accounted for using equity method (€8.9 million). The decrease in revenue and other operating income with investments accounted for using equity method is mainly due to the Gravity, M1 and Erasmus Gardens co-promotion projects.

20. SUBSEQUENT EVENTS

No significant changes have occurred in the financial and commercial situation of the CFE group since 30 June 2023.

21. IMPACT OF FOREIGN CURRENCIES

The activities of the CFE group are mainly within the Euro zone and Poland. Consequently, the exposure to exchange risk is limited. The impact of translating the financial statements of entities whose functional currency is the zloty is recorded in the consolidated statement of comprehensive income under the item "Exchange differences on translation", with a corresponding adjustment to the shareholders' equity of the CFE group which present the cumulative translation differences.

22. SEASONAL NATURE OF THE BUSINESS

The construction activity is seasonal and susceptible to the climatic conditions of winter.

Revenue and income achieved in the first half year cannot be extrapolated over the full year. The seasonal nature of the business is reflected in a higher use of cash in the first half year.

No adjustments were made to take account of the impact of seasonal factors on the group's financial statements for the first half year.

Income and expenses of the group from normal business operations which are subject to a seasonal, cyclical or occasional nature were recognised following the same valuation rules as at year-end. They were neither anticipated nor deferred in the interim financial statements.

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 For the period ended June 30, 2023 (in € thousands)	Real estate development	Multi- technics	Construction & Renovation	Investments & Holding	Eliminations between segments	Consolidated total
Non-current borrowings from consolidated companies of the group (*)	20,000	0	10,521	0	(30,521)	0
+ Non-current financial liabilities	33,095	25,302	14,589	110,321	0	183,307
+ Current financial liabilities	41,540	4,859	4,470	401	0	51,270
+ Internal cash position - Cash pooling - liabilities (*)	13,294	18,029	15,228	158,604	(205,155)	0
Financial liabilities	107,929	48,190	44,808	269,326	(235,676)	234,577
- Non-current loans to consolidated companies of the group (*)	0	0	0	(30,521)	30,521	0
- Cash and cash equivalents	(7,792)	(5,053)	(72,192)	(59,050)	0	(144,087)
- Internal cash position - Cash pooling - assets (*)	(3,254)	(34,117)	(134,743)	(33,041)	205,155	0
Cash and cash equivalents	(11,046)	(39,170)	(206,935)	(122,612)	235,676	(144,087)
Net financial debt	96,883	9,020	(162,127)	146,714	0	90,490
Net financial debt For the period ended December 31, 2022 (in € thousands)	Real estate development	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

(*) 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 requirements (in € thousands)	June 2023	December 2022 restated¹
Inventories	186,991	168,467
+ Trade and other operating receivables	344,317	284,608
+ Contract assets	97,133	100,714
+ Other current non-operating assets	5,126	4,487
- Trade and other operating receivables	(332,293)	(309,204)
- Current tax liabilities	(5,259)	(6,816)
- Contract liabilities	(202,420)	(193,480)
- Other current non-operating liabilities	(68,987)	(63,383)
Working capital requirement	24,608	(14,607)

¹ Working capital requirements for the period ended 31 December 2022 have been restated as described in section 3.3. « Restatement of comparative figures for financial year 2022 » of this report.

EBITDA (in € thousands)	June 2023	June 2022
Income from operating activities	10,026	17,108
Depreciation and amortisation of intangible assets, property, plant and equipment	10,018	10,647
Consolidated EBITDA	20,044	27,755

The capital employed from the real estate development segment has been computed using the consolidated statement of financial position per segment :

Capital employed (in € thousands)	June 2023	December 2022
Equity - real estate development segment	122,643	118,749
Net financial debt - real estate development segment	96,883	84,498
Capital employed	219,526	203,247

STATEMENT ON THE TRUE AND FAIR NATURE OF THE FINANCIAL STATEMENTS

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	Raymund Trost
	<small>*Acting on behalf of a BV/SRL</small>	<small>*Acting on behalf of a BV/SRL</small>
Role :	Chief Financial Officer	Chief Executive Officer and Chairman of the Executive Committee

Date : 21 August 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

STATUTORY AUDITOR'S REPORT ON THE REVIEW OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION AS AT 30 JUNE 2023 AND FOR THE SIX-MONTH PERIOD THEN ENDED

Introduction

We have reviewed the accompanying consolidated statement of financial position of Compagnie d'Entreprises CFE NV/SA as at 30 June 2023, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and notes ("the consolidated condensed interim financial information"). The board of directors is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information as at 30 June 2023 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Diegem, 28 August 2023

EY Bedrijfsrevisoren BV/EY Réviseurs d'Entreprises SRL
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

