Financial statements

DEFINITIONS

Working capital requirement	Inventories + trade and other operating receivables + contracts assets + other current non-operating assets – trade and other operating payables – current tax liabilities – contracts 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 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

For the period ended December 31 (in € thousands)	**Notes**	**2023**	**2022 restated**[1]
Revenue	**4**	**1,248,470**	**1,167,221**
Other operating income	6	54,487	54,572
Raw materials, consumables, services and subcontracted work		(929,988)	(846,587)
Personnel expenses	7	(236,497)	(230,435)
Other operating expenses	6	(86,939)	(81,641)
Depreciation and amortisation	12-14	(21,348)	(20,870)
Income from operating activities		**28,185**	**42,260**
Share of profit (loss) of investments accounted for using equity method	15	4,839	8,754
Operating income		**33,024**	**51,014**
Cost of financial debt	8	839	73
Other financial expenses and income	8	(2,832)	(3,727)
Financial result		**(1,993)**	**(3,654)**
Result before tax		**31,031**	**47,360**
Income tax expenses	11	(8,305)	(8,962)
Result for the period from continuing operations		**22,726**	**38,398**
Result for the period from discontinued operations[2]		0	193,270
Result for the period		**22,726**	**231,668**
Non-controlling interests - continuing operations	9	53	36
Non-controlling interests - discontinued operations[2]		0	(2,297)
Result for the period - share of the group		**22,779**	**229,407**
Result from continuing operations - share of the group		22,779	38,434
Result from discontinued operations - share of the group[2]		0	190,973
Earnings per share (share of the group) (EUR) (diluted and basic)	10	0.91	9.15
Earnings per share (share of the group) from continuing operations (EUR) (diluted and basic)	10	0.91	1.53
Earnings per share (share of the group) from discontinued operations (EUR) (diluted and basic)[2]		0	7.62

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 (in € thousands)	**Notes**	**2023**	**2022**
Result for the period - share of the group		**22,779**	**229,407**
Result for the period		**22,726**	**231,668**
Changes in fair value related to financial derivatives[3]		(5,441)	93,999
Exchange differences on translation[3]		1,681	(2,688)
Deferred taxes[3]	11	1,360	(13,658)
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		**(2,400)**	**77,653**
Re-measurement on defined benefit and contribution plans	21	(2,400)	2,184
Deferred taxes	11	414	(301)
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods		**(1,986)**	**1,883**
Total other elements of the comprehensive income recognized directly in equity		**(4,386)**	**79,536**
Comprehensive income :		**18,340**	**311,204**
- Share of the group		18,423	308,883
- Attributable to non-controlling interests		(83)	2,321
Comprehensive income (share of the group) per share (EUR) (diluted and basic)	10	0.74	12.32

1 The consolidated statement of income for the period ended 31 December 2022 has been restated as described in note 2.3. « Restatement of comparative figures for financial year 2022 » of this report.
2 As of 31 December 2022, the contribution of discontinued operations to the CFE group's consolidated results relates exclusively to DEME.
3 As of 31 December 2022, comprehensive income items subsequently recyclable in profit or loss mainly include the impact of discontinued operations (DEME).

Consolidated statement of financial position

For the period ended December 31 (in € thousands)	**Notes**	**2023**	**2022 restated[1]**
Intangible assets	12	3,881	2,347
Goodwill	13	23,894	23,723
Property, plant and equipment	14	95,087	77,709
Investments accounted for using equity method	15	185,365	110,865
Other non-current financial assets	16	142,790	138,294
Non-current financial derivatives	25	336	422
Other non-current assets		11,321	11,659
Deferred tax assets	11	8,529	7,123
Non-current assets		**471,203**	**372,142**
Inventories	17	161,844	168,467
Trade and other operating receivables		313,580	284,608
Contract assets	18	68,411	100,714
Other current non-operating assets		5,637	4,487
Current financial derivatives	25	2,657	206
Current financial assets		3,162	306
Cash and cash equivalents	19	154,092	127,149
Current assets		**709,383**	**685,937**
Total assets		**1,180,586**	**1,058,079**
Share capital		8,136	8,136
Share premium		116,662	116,662
Retained earnings		122,962	105,696
Treasury shares	20	(4,410)	(3,735)
Defined benefit and contribution pension plans	21	(12,035)	(10,050)
Reserves related to financial derivatives		5,606	9,687
Exchange differences on translation		(151)	(1,743)
Equity – share of the group		**236,770**	**224,653**
Non-controlling interests		(377)	(127)
Equity		**236,393**	**224,526**
Employee benefit obligations	21	9,401	8,526
Non-current provisions	22	42,044	32,327
Other non-current liabilities		26,499	26,203
Non-current financial liabilities	24	190,965	154,048
Non-current financial derivatives	25	125	0
Deferred tax liabilities	11	3,150	2,671
Non-current liabilities		**272,184**	**223,775**
Current provisions	22	15,274	14,777
Trade and other operating payables		317,761	309,204
Contract liabilities	17	201,618	193,480
Current tax liabilities		9,358	6,816
Current financial liabilities	24	56,394	21,994
Current financial derivatives	25	0	124
Other current non-operating liabilities		71,604	63,383
Current liabilities		**672,009**	**609,778**
Total equity and liabilities		**1,180,586**	**1,058,079**

1 The consolidated statement of financial position for the period ended 31 December 2022 has been restated as described in note 2.3. « Restatement of comparative figures for financial year 2022 » of this report.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended December 31 (in € thousands)	Notes	2023	2022 restated[1]
Operating activities			
Income from operating activities		**28,185**	42,260
Depreciation and amortisation of (in)tangible assets and investment property	12-14	21,348	20,870
(Decrease)/increase of provisions		(4,639)	(1,366)
Impairments on assets and other non-cash items		(4,721)	(2,037)
Loss/(profit) on disposal of tangible and financial fixed assets		(929)	(2,916)
Dividends received from investments accounted for using equity method	15	16,115	13,641
Cash flows from (used in) operating activities before changes in working capital		**55,359**	**70,452**
Decrease/(increase) in trade receivables and other current and non-current receivables		(71,724)	(40,902)
Decrease/(increase) in inventories		(12,623)	(8,563)
Increase/(decrease) in trade payables and other current and non-current payables		37,612	58,565
Income tax (paid)/received		(8,375)	(9,658)
Cash flows from (used in) operating activities		**249**	**69,894**
Investment activities			
Proceeds from sales of intangible assets and property, plant and equipment		3,013	2,905
Purchases of intangible assets and of property, plant and equipment		(19,696)	(18,572)
Change of the investment percentage net of cash acquired/sold			8,203
Capital decrease/(increase) of investments accounted for using equity method	15	(1,550)	0
Repayment of borrowings (new borrowings) given to investments accounted for using equity method	15	7,197	(15,661)
Cash flows from (used in) investing activities		**(11,036)**	**(23,125)**
Financing activities			
Interest paid		(11,041)	(6,081)
Interest received		11,281	6,154
Other financial expenses and income received/(paid)		(2,287)	(1,994)
Receipts from new borrowings	24	86,327	15,011
Repayment of borrowings	24	(37,996)	(104,817)
Buy back of own shares	20	(835)	(11,686)
Dividends received/(paid)		(9,969)	40,843
Cash flows from (used in) financing activities		**35,480**	**(62,570)**
Net increase/(decrease) in cash position		**24,693**	**(15,801)**
Cash and cash equivalents, opening balance	19	127,149	143,587
Effects of exchange rate changes on cash and cash equivalents		2,250	(637)
Cash and cash equivalents, closing balance	**19**	**154,092**	**127,149**

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.

1 The consolidated statement of cash flows for the period ended 31 December 2022 has been restated as described in note 2.3. « 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			**22,779**		**(1,985)**	**(4,081)**	**1,710**	**18,423**	**(83)**	**18,340**
Dividends paid to shareholders			(9,969)					(9,969)		(9,969)
Movements related to treasury shares and share-based payments				(675)				(675)		(675)
Change in consolidation scope and other movements			4,456				(118)	4,338	(167)	4,171
December 2023	**8,136**	**116,662**	**122,962**	**(4,410)**	**(12,035)**	**5,606**	**(151)**	**236,770**	**(377)**	**236,393**

Changes in the fair value of defined benefit or contribution pension plans and of derivative instruments are explained in notes 21 “Employee benefits” and 15 “Investments accounted for using equity method” respectively while the movements related to treasury shares are explained in note 20 "Information on the stock option plans", respectively. The changes in consolidation scope and other movements are described in the section 5. Acquisitions and disposals of subsidiaries.

(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**

SHARE CAPITAL AND RESERVES

The share capital on 31 December 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 €9,921 thousand, corresponding to €0.40 gross per share (less treasury shares held on 31 December 2023) 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 2023.

In respect of the 2022 financial year, a dividend of € 9,969 thousand , corresponding to € 0.40 gross per share (after deduction of treasury shares held as at 31 December 2022), was distributed in 2023.

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 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 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 26 March 2024.

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

MAIN TRANSACTIONS IN 2023 AND 2022 WITH AN IMPACT ON THE SCOPE OF THE CFE GROUP

TRANSACTIONS IN 2023

1. Real Estate Development segment

During the year 2023, 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 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 Luxembourg SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired a 57,45% stake in the newly created Kronos RE S.à r.l., subsequently renamed JFK Real Estate S.à.R.L.. This companies has been consolidated 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 (40%) in the Barbarahof NV 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, 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";
- BPI Real Estate Poland Sp. z o.o., a wholly-owned subsidiary of the CFE group and fully consolidated, sold 50% of its shares in BPI Chmielna Sp. z o.o., reducing its stake from 100% to 50%. This company was fully consolidated until 31 December 2023, and the income statement was fully consolidated for the year 2023. However, following the change in the percentage of control during the fourth quarter, in the consolidated statement of financial position as at 31 December 2023, CFE exclusively includes its share in the equity of BPI Chmielna under investments accounted for using the equity method (see note 15 "Investments accounted for using the equity method" in this report).
- 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 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.

2. Multitechnics segment

During the year 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. Following this merger by absorption, the legal name of the Mobix Engema SA company was changed to Mobix SA;
- 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 year 2023, the company CFE Contracting SA, a 100% subsidiary of CFE Group sold its entire stake in the company Compagnie Tunisienne d'entreprise (49.90%). This company was 100% consolidated using the global integration method.

4. Investments & Holding segment

During the year 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 €4,171 thousand 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 »).
- The company Construction Management Tunisie SA, held at 99.96% by the group CFE were sold. This company was consolidated using the global integration method.
- The company CFE Hungary Epitoipari KFT held at 100% by the group CFE were dissolved. This company was consolidated using the global integration method.

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 Deep C Holding (formerly Rent-A-Port) 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" of the 2022 financial report. This transaction reduced the CFE group's equity by €2,036 million.

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 2023 comply with the IFRS standards and interpretations as endorsed in the European Union on 31 December 2023.

The accounting principles used at 31 December 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.

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 Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. We refer to the note 11. Income tax.
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately – disclosures are required for annual periods beginning on or after 1 January 2023). We refer to the note 11. Income tax.

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 2023

The Group did not apply early any of the following new standards and interpretations, application of which was not mandatory at 31 December 2023.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024)
- 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)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025, but not yet endorsed in the EU)

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. 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 personnel expenses (we refer to the note 7. Personnel expenses) allocated to construction sites ;
- the cost of financing following the rise in interest rates both in the Euro zone and in Poland (we refer to note 8. Financial result).

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.

2.2. ADDITIONAL INFORMATION ON THE ENVIRONMENTAL IMPACT OF THE GROUP

When assessing climate-related issues, the following points should be taken into account:

- **The CFE Group has set itself clear objectives to limit its direct negative impact on the climate by focusing on its direct CO_2 emissions (scope 1 and 2), its water consumption and its waste production.**

CFE's first objective is to reduce CO_2 emissions linked to the **transport of employees and materials by 40%** before 2030 (compared with 2020).

The fleet of cars and equipment is regularly being replaced by electric vehicles, for example. CFE has not identified any assets whose economic lifetime should be reduced. These are mainly leasing contracts valued under property, plant and equipment (note 14 - rights of use). The other actions concern raising awareness or switching to alternative means of transport, which are included in the Group's mobility plan. This plan takes into account all aspects of mobility (TCO, taxes, etc.) and does not involve any particular costs or investments.

Reducing energy consumption is a challenge for both construction sites and head offices. Here too, the aim is to reduce $C0_2$ emissions by 40% by 2030. To limit this, on-site consumption is monitored daily to prevent energy wastage, solar panels are being installed on the site barracks and more efficient generators are being used. There are no major costs associated with these actions, as the reduction in consumption roughly offsets the investment in equipment. These amounts are marginal. At the same time, a switch to green energy has already been in place since 2020.
The relocation of CFE and its subsidiaries BPC, BPI, CLE, VMA and Van Laere to new buildings that consume very little energy (notably Wood Hub), as well as the renovation of other group headquarters, has also significantly reduced the group's energy consumption. CFE has not identified any assets whose economic lifetime should be reduced.

In terms of reducing water consumption and waste production, the actions undertaken on site do not entail any significant costs or specific investments.

- **At the same time, the CFE group's activities** will be developed to reduce costs in terms of CO2 emissions, particularly in terms of the choice of materials and transporting materials and waste in the Construction & Renovation and Multi-technical segments. It is also expected that the proportion of renovation and energy-efficiency renovation work will increase as the regulatory framework evolves.

The financial impact of the choice of materials or the development of new approaches to transport is estimated at the project submission stage and then incorporated into the commercial offer submitted to the customer. This study is carried out on a project-by-project basis, so margins are re-evaluated at the start of each new order. On the other hand, a residual risk is the cost of the inefficiencies inherent in learning new production techniques or new approaches to logistics. This is because it is not always possible to anticipate (both at contractual level and when preparing for project implementation) and quantify with sufficient accuracy.

The real estate development business systematically includes solutions for reducing the energy consumption of buildings during the development of new projects. In addition, renovation projects for existing buildings are becoming increasingly common. Once the land has been acquired to develop a project, a feasibility study is carried out. The cost price of the project is estimated and incorporated into the commercial offer made to customers.

The assets related to these activities are therefore the Mobix fleet of vehicles and equipment, as well as the head office buildings of the CFE group entities. Given the factors described above, at the end of 2023 the CFE group does not anticipate replacing assets used in the operation of its business through an investment plan or allocating provisions for the decommissioning of assets.

For the purposes of impairment testing, the cash flows generated by these three segments were estimated on the basis of a three-year plan. The aforementioned factors have been taken into account to estimate sales and margin trends based on information currently available.

2.3. 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 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 December 2022, these expenses have been reclassified from "Other operating expenses" to "Personnel expenses" for a total amount of €29,059;
- 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 December 2022, these expenses have been reclassified from "Other operating expenses" to "Raw materials, consumables, services and subcontracted work" for a total amount of €37,875 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 December 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 (€1,983) 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 (€1,983) thousand at December 31, 2022.

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 (we refer to the disclosure 12 Intangible assets and 14 Tangible assets) ;
- the measurement of provisions and post-employment obligations (we refer to the disclosure 21 Employee benefits) ;
- the measurement of income or losses on construction contracts using the percentage of completion method. We refer to the disclosure 17 Construction contracts. Income from construction contracts is calculated on the basis of the percentage of completion of the project multiplied by the estimated income on completion. This includes identified additional costs as well as any penalties for delay or compensation provided for contractually in accordance with Group rules. Salary and equipment expenses not allocated to projects are excluded from the percentage-of-completion calculation;
- estimates used in impairment tests (we refer to the disclosure 13 Goodwill) ;
- the valuation of financial instruments at fair value (we refer to the disclosure 25 Financial risk management) ;
- 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 (we refer to the disclosure 14 Tangible assets).

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 2023	Average rate 2023	Closing rate 2022	Average rate 2022
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
Vietnamese Dong	26,883.0	25,773.48	25,233.0	24,636.87

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. In 2023, no material acquisition took place.

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
renovation 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.

(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. The discount rate is revised 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.

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.

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.

(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.

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

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

Number of entities	2023	2022
Global integration	66	68
Equity method	91	90
Total	**157**	**158**

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 Terryn Timber Products (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, Green-Offshore, GreenStor and in two Design Build Finance and Maintenance contracts in Belgium.

Consolidated statement of income

For the period ended December 31, 2023 (in € thousands)	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Eliminations between segments**	**Consolidated total**
Revenue	**157,696**	**337,951**	**872,647**	**2,274**	**(122,098)**	**1,248,470**
EBITDA	**30,422**	**5,383**	**9,666**	**4,799**	**(737)**	**49,533**
% Revenue	*19.29%*	*1.59%*	*1.11%*			*3.97%*
Depreciation and amortisation	(1,053)	(9,708)	(9,715)	(872)	0	(21,348)
Income from operating activities	**29,369**	**(4,325)**	**(49)**	**3,927**	**(737)**	**28,185**
Share of profit (loss) of investments accounted for using equity method	(11,952)	28	(171)	16,934	0	4,839
Operating income (EBIT)	**17,417**	**(4,297)**	**(220)**	**20,861**	**(737)**	**33,024**
% Revenue	*11.04%*	*(1.27%)*	*(0.03%)*			*2.65%*
Financial result	(821)	(1,205)	2,827	(2,794)	0	(1,993)
Income tax expenses	(4,980)	(769)	(2,675)	(64)	183	(8,305)
Result from continuing operations - share of the group	**11,669**	**(6,271)**	**(68)**	**18,003**	**(554)**	**22,779**
% Revenue	*7.40%*	*(1.86%)*	*(0.01%)*			*1.82%*
Result from discontinued operations - share of the group						0
Result for the period - share of the group	**11,669**	**(6,271)**	**(68)**	**18,003**	**(554)**	**22,779**
% Revenue	*7.40%*	*(1.86%)*	*(0.01%)*			

For the period ended December 31, 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%*			

As required by IFRS 5.34, DEME has been presented as a discontinued operation and its contribution to the 2022 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 the 2022 financial report.

In 2023, income from construction and service contracts and real estate development contracts (with the exception of real estate development in Poland) is essentially recognised based on the percentage of completion. There are, however, a few contracts for which revenue is recognised upon completion, mainly real estate development projects in Poland for € 1,267 thousand (2022: EUR 0).

If the same accounting rules as those applied in Belgium and Luxembourg had been applied to the Polish projects, these being recognition of income based on the progress of completion of sales and construction, additional operating income of € 4.2 million would have been recognised.

BREAKDOWN OF REVENUE

Breakdown by geographical area

Year ended 31 December (in € thousands)	2023	2022
Belgium	990,003	828,635
Poland	105,144	134,889
Luxembourg	114,670	174,403
Others	38,653	29,294
Consolidated total	**1,248,470**	**1,167,221**

The breakdown of revenue by country is based on the countries in which services are provided.
In 2023, no customer accounted for more than 10% of group revenue.

Breakdown by business area

Year ended 31 December (in € thousands)	2023	2022
Real estate development	**157,696**	**85,392**
VMA	252,788	225,819
MOBIX	85,285	113,606
Eliminations intra segment	(122)	(603)
Multitechnics	**337,951**	**338,822**
Construction & Renovation	**872,647**	**798,661**
Investments & Holding and eliminations between segments	**(119,824)**	**(55,654)**
Consolidated total	**1,248,470**	**1,167,221**

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)	2023	2022	Change
Real estate development	**11,868**	**74,262**	**-84.0%**
VMA	163,205	244,881	-33.4%
MOBIX	103,314	124,015	-16.7%
Multitechnics	**266,519**	**368,896**	**-27.8%**
Construction & Renovation	**983,172**	**1,264,085**	**-22.2%**
Investments & Holding	**7,067**	**7,888**	**-10.4%**
Consolidated total	**1,268,626**	**1,715,131**	**-26.0%**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period ended December 31, 2023 (in € thousands)	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Eliminations between segments**	**Consolidated total**
ASSETS						
Goodwill	0	22,982	912	0	0	**23,894**
Property, plant and equipment	5,642	45,988	39,469	4,012	(24)	**95,087**
Non-current loans to consolidated group companies	0	0	0	44,000	(44,000)	**0**
Other non-current financial assets	113,345	0	171	29,274	0	**142,790**
Investments accounted for using equity method	104,502	182	3,531	77,150	0	**185,365**
Other non-current assets	9,839	2,085	11,307	180,107	(179,271)	**24,067**
Inventories	145,285	7,349	10,010	25	(825)	**161,844**
Cash and cash equivalents	4,390	3,249	78,045	68,408	0	**154,092**
Internal cash position - Cash pooling - assets	17,749	42,529	167,981	23,753	(252,012)	**0**
Other current assets	25,346	136,210	241,129	14,864	(24,102)	**393,447**
Total assets	**426,098**	**260,574**	**552,555**	**441,593**	**(500,234)**	**1,180,586**
LIABILITIES						
Equity	**159,141**	**88,897**	**90,975**	**77,500**	**(180,120)**	**236,393**
Non-current borrowings to consolidated group companies	40,000	0	4,000	0	(44,000)	**0**
Non-current financial liabilities	53,424	26,054	18,838	92,649	0	**190,965**
Other non-current liabilities	53,710	1,882	21,093	4,534	0	**81,219**
Current financial liabilities	10,341	5,835	4,951	35,267	0	**56,394**
Internal cash position - Cash pooling - liabilities	18,435	14,386	9,368	209,823	(252,012)	**0**
Other current liabilities	91,047	123,520	403,330	21,820	(24,102)	**615,615**
Total liabilities	**266,957**	**171,677**	**461,580**	**364,093**	**(320,114)**	**944,193**
Total equity and liabilities	**426,098**	**260,574**	**552,555**	**441,593**	**(500,234)**	**1,180,586**

For the period ended December 31, 2022 restated[1] (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 2.3. « Restatement of comparative figures for financial year 2022 » of this report.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended December 31, 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	*28,596*	*4,944*	*14,645*	*7,174*	***55,359***
Cash flows from (used in) operating activities	(33,668)	7,630	27,139	(852)	**249**
Cash flows from (used in) investing activities	(830)	(5,581)	(9,160)	4,535	**(11,036)**
Cash flows from (used in) financing activities	34,377	(5,482)	(11,528)	18,113	**35,480**
Net increase/(decrease) in cash position	**(121)**	**(3,433)**	**6,451**	**21,796**	**24,693**

For the period ended December 31, 2022 restated[1] (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*	*18,629*	*23,693*	*3,395*	***70,452***
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)**

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 2023 (in € thousands)	**Real estate development**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Consolidated total**
Depreciation and amortisation	(1,053)	(9,708)	(9,715)	(872)	**(21,348)**
Investments	4,616	12,828	21,556	3,665	**42,665**

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**

The investments include the acquisitions of intangible assets and property, plant and equipment and the discounted rents related to the right-of-use of assets under the scope of IFRS 16 Leases.

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 are mainly based in Belgium.

1 The presentation of segment information in the consolidated statement of cash flows for the period ended 31 December 2022 has been restated as described in note 2.3. « Restatement of comparative figures for financial year 2022 » of this report.

5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS AND DISPOSALS FOR THE PERIOD ENDED 31 DECEMBER 2023

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 €4,171 thousand 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 »).

As far as the multitechnics, construction & renovation and investments & holding segments are concerned, no material 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 2023.

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.

6. OTHER OPERATING INCOME AND EXPENSES

Other operating income, which amounted to €54,487 thousand (2022 : €54,572 thousand) as at 31 December 2023, are mainly related to :

- other compensation and miscellaneous rebilling amounting to €36,193 thousand (2022 : €49,392 thousand) ;
- capital gains on disposals of financial shares amounting to €17,146 thousand, (2022: €13.668 thousand) of which €14,250 thousand related to the disposal of 50% of the stake in BPI Chmielna and to the positive exchange differences recycled (€2,443 thousand) following the sale of the entire stakes in CMT and CTE and the liquidation of CFE Hungary ;
- capital gains on disposals of intangible assets and property, plant and equipment amounting to €1,148 thousand (2022 : €2,179 thousand).

Other operating expenses are made up of the following elements :

Year ended 31 December (in € thousands)	**2023**	**2022[1]**
Miscellaneous services and goods	(81,237)	(78,568)
Impairment of assets		
- Inventories	(387)	(185)
- Trade and other operating receivables	(6,587)	(1,314)
Net additions to provisions (excluding provisions for retirement benefit obligations)	2,793	297
Other operating expenses	(1,521)	(1,871)
Consolidated total	**(86,939)**	**(81,641)**

Miscellaneous services and goods and other operating expenses mainly include overheads, various taxes, sales commissions and miscellaneous fees.

1 The comparative figures of the other operating expenses at December 31, 2022 were restated as described in note 2.3. Restatement of comparative figures for financial year 2022.

7. PERSONNEL EXPENSES

Year ended 31 December (in € thousands)	2023	2022[1]
Remuneration	(148,459)	(139,300)
Mandatory social security contributions	(45,315)	(42,925)
Other wage costs	(39,556)	(44,204)
Service cost related to defined-benefit pension plans	(3,167)	(4,006)
Consolidated total	**(236,496)**	**(230,435)**

The average full-time equivalent number of staff in 2023 was 2,914 (2022 : 3,003), which represents 3,074 people as at 1 January 2023 (2022: 3,137) and 2,990 as at 31 December 2023 (2022 : 3,074).
Personnel expenses increased by 2.6% compared with 2022. The cost of salary indexation, particularly in Belgium, is partially offset by a reduction in the number of employees.

8. FINANCIAL RESULT

Year ended 31 December (in € thousands)	2023	2022
Cost of financial debt	**839**	**73**
Loans and receivables - Interest income	11,880	6,154
Liabilities at amortised cost - Interest expenses	(11,041)	(6,081)
Other financial expenses and income	**(2,832)**	**(3,727)**
Realized / unrealized translation gains/(losses)	388	(1,764)
Defined benefit plan financial cost	(323)	136
Impairment of financial assets	0	0
Other	(2,897)	(2,099)
Financial result	**(1,993)**	**(3,654)**

Unrealised foreign exchange gains on the Polish subsidiaries had a favourable impact on other financial expenses and income.

The sharp rise in interest rates in 2023 resulted in a significant increase in financial expenses. However, this was fully offset by the increase in financial income generated by shareholder loans to jointly controlled subsidiaries.

9. NON-CONTROLLING INTERESTS

As of December 31, 2023, the share of non-controlling interests in the result for the period amounted to €53 thousand (2022 : €36 thousand) and is related to the real estate development segment.

1 The comparative figures at December 31, 2022 of the personnel expenses were restated as described in note 2.3. Restatement of comparative figures for financial year 2022.

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 :

For the period ended December 31	2023	2022
Result for the period from continuing operations - share of the group (in € thousands)	22,779	38,434
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)	22,779	229,407
Comprehensive income - share of the group (in € thousands)	18,423	308,883
Number of ordinary shares at balance sheet date	25,314,482	25,314,482
Weighted average number of ordinary shares outstanding during the period	24,905,237	25,068,231
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 (€)	0.91	1.53
Earnings per share (share of the group) from discontinued operations (€)	0	7.62
Earnings per share (share of the group) (€)	0.91	9.15
Comprehensive income per share (share of the group) (€)	0.74	12.32

During 2023, the stock option plans had no dilutive effect.

11. INCOME TAX

RECOGNIZED IN COMPREHENSIVE INCOME

Year ended 31 December (in € thousands)	**2023**	**2022**
Current taxes		
Tax expense for the period	8,630	7,336
Additions to / (release from) provisions in previous periods	17	335
Total current tax expenses	**8,647**	**7,671**
Deferred taxes		
Additions to and releases from deferred taxes relating to losses from previous periods	(27)	(11)
Additions to and releases from temporary differences	(315)	1,302
Total deferred tax expenses/(income)	**(342)**	**1,291**
Income tax for the period	**8,305**	**8,962**
Tax income/expense recognized in other elements of the comprehensive income	1,774	(13,959)
Total tax expense/(income) recognized in comprehensive income	**10,079**	**(4,997)**

RECONCILIATION OF THE EFFECTIVE TAX RATE

Year ended 31 December (in € thousands)	**2023**	**2022**
Pre-tax income for the period	**31,031**	**47,360**
of which share in the profit/(loss) from investments accounted for using equity method	4,839	8,754
Pre-tax income for the period, excluding investments accounted for using equity method	**26,192**	**38,606**
Income taxes at 25%	**6,548**	**9,652**
Tax impact of non-deductible expenses	2,477	2,682
Tax impact of non-taxable revenue	(3,246)	(3,687)
Tax credit and impact of notional interest	-	-
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	(1,031)	(362)
Tax impact of using previously unrecognized losses	(1,470)	(2,265)
Tax impact of adjustments to current and deferred tax relating for previous periods	11	335
Tax impact of deferred tax assets on unrecognized losses for the period	5,016	2,607
Tax expense	**8,305**	**8,962**
Effective tax rate for the period	**31.71%**	**23.21%**

The income tax expenses amounted to €8,305 thousand as at 31 December 2023, compared to €8,962 thousand at the end of 2022. The effective tax rate amounted to 31.71% compared to 23.21% in 2022.

RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

Year ended 31 December (in € thousands)	ASSETS		LIABILITIES	
	2023	**2022**	**2023**	**2022**
Property, plant and equipment and intangible assets	9,807	0	(10,961)	(963)
Employee benefits	1,833	1,746	0	0
Provisions	2,290	2,188	0	0
Fair value of derivative instruments	0	0	0	0
Working capital	5,694	4,429	(3,545)	(3,304)
Other items	307	113	(46)	(98)
Tax losses	41,707	40,298	0	0
Gross deferred tax assets/(liabilities)	**61,638**	**48,774**	**(14,552)**	**(4,365)**
Unrecognized deferred tax assets	(41,707)	(39,963)	0	0
Tax netting	(11,402)	(1,688)	11,402	1,688
Net deferred tax assets/(liabilities)	**8,529**	**7,123**	**(3,150)**	**(2,677)**

Tax loss carried forward and other temporary differences for which no deferred tax assets are recognized amounted to €168,161 thousand as at 31 December 2023. As tax losses are mainly recognized by Belgian companies, these do not have an expiration date.

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.

POTENTIAL IMPACT OF PILLAR II LEGISLATION

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which CFE operates (ao. Belgium). Ackermans en van Haaren NV (AvH NV) is the Ultimate Parent Entity ('UPE') for Pillar Two purposes of the CFE Group's constituent entities. These constituent entities will therefore be in scope of the Pillar Two consequences applicable to the AvH Group.

The Pillar Two legislation will be effective for the AvH Group's financial year beginning 1 January 2024.

As a consequence of the fact that CFE is part of the AvH Group, the outcome of Pillar Two impact can only be assessed at the level of the AvH Group. It is impossible for CFE to reasonably estimate the impact of the (expected) Pillar Two legislation.

Based on an assessment made by the AVH Group, the AvH Group has identified potential exposure to Pillar Two top-up-taxes in certain jurisdictions. The exact exposure can currently not reasonably be estimated, a.o. since the outcome of the assessment will still be influenced by the outcome of the expected OECD Administrative Guidance to be published in the course of 2024. However, based on historical data, the AvH Group currently does not expect that such exposure may be significant in view of the consolidated financial statements.

As from financial year 2024 it is possible that, if the Pillar Two rules applied by the AvH Group lead to top-up-taxes in a certain jurisdiction, CFE will need to record part of the top-up-tax exposure in this jurisdiction in its own consolidated financial statements of.

CFE has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Deferred tax income (expense) recognized in comprehensive income

Year ended 31 December (in € thousands)	**2023**	**2022**
Deferred taxes on the effective portion of changes in the fair value of cash flow hedge	1,360	(13,658)
Deferred taxes on the revaluation of defined benefit liabilities	414	(301)
Total	**1,774**	**(13,959)**

As of December 31, 2023, deferred taxes recognized in other comprehensive income amounted to €1,774 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 2023 (in € thousands)	**Licenses**	**Development costs**	**Total**
Acquisition costs			
Balance at the end of the previous period	**7,457**	**415**	**7,872**
Effects of changes in foreign exchange rates	76	0	76
Acquisitions	798	1,807	2,605
Disposals	(495)	0	(495)
Transfers between asset items	0	(1)	(1)
Balance at the end of the period	**7,751**	**2,221**	**9,972**
Depeciation and amortisation			
Balance at the end of the previous period	**(5,110)**	**(415)**	**(5,525)**
Effects of changes in foreign exchange rates	(54)	0	(54)
Depeciation and amortisation	(888)	0	(888)
Disposals	291	0	291
Transfers between asset items	0	0	0
Balance at the end of the period	**(5,676)**	**(415)**	**(6,091)**
Net carrying amount			
As at January 1, 2023	**2,347**	**0**	**2,347**
As at December 31, 2023	**2,075**	**1,806**	**3,881**

As of December 31, 2023, acquisitions of intangible assets amounted to €2,605 thousand (2022 : €1,340 thousand) and primarily concern the capital expenditure relating to the implementation of a new ERP system in Construction & Renovation.

Depreciation and amortisation of intangible assets amounted to €(888) thousand as at 31 December 2023 (2022 : €(869) thousand).

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 2022 (in € thousands)	**Concessions, patents and licenses**	**Development costs**	**Total**
Balance at the end of the previous period			
Effects of changes in foreign exchange rates	**6,575**	**468**	**7,043**
Acquisitions	(16)	0	(16)
Disposals	1,340	0	1,340
Transfers between asset items	(351)	0	(351)
Balance at the end of the period	(91)	(53)	(144)
Balance at the end of the previous 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**

13. GOODWILL

Year ended 31 December (in € thousands)	**2023**	**2022**
Acquisition costs		
Balance at the end of the previous period	**29,745**	**29,785**
Changes in consolidation scope	0	0
Transfers between asset items	0	0
Other changes	171	(40)
Balance at the end of the period	**29,916**	**29,745**
Depreciation		
Balance at the end of the previous period	**(6,022)**	**(6,022)**
Depreciation during the period	0	0
Transfers between asset items	0	0
Changes in consolidation scope	0	0
Balance at the end of the period	**(6,022)**	**(6,022)**
Net carrying amount at December 31	**23,894**	**23,723**

In accordance with IAS 36 *Impairment of assets*, this goodwill was tested for impairment at 31 December 2023.

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)	**2023**	**2022**	**Growth rate (terminal value)**	**Discount rate**	**Sensitivity rate**		
VMA	14,955	14,784	0.50%	10.20%	5%	18,844	0
MOBIX	8,028	8,028	0.50%	10.20%	5%	10,161	0
BPC Group	911	911	0.50%	10.20%	5%	911	0
Total	**23,894**	**23,723**				**29,916**	**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 10.2% (compared to 9.4% as at 31 December 2022) and corresponds to the weighted average cost of capital applicable to the CFE group. As of December 31, 2023, 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 2023 (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	**64,717**	**107,298**	**59,088**	**5,597**	**236,700**
Effects of changes in foreign exchange rates	113	73	168	2	356
Changes in consolidation scope	0	(100)	(300)	0	(400)
Acquisitions	13,548	5,886	15,367	5,260	40,061
Transfers between asset items	3,425	(8,437)	2,028	(8,916)	(11,900)
Disposals	(1,753)	(19,058)	(7,348)	(52)	(28,211)
Balance at the end of the period	**80,050**	**85,662**	**69,003**	**1,891**	**236,606**
Depeciation and amortisation					
Balance at the end of the previous period	**(26,422)**	**(91,147)**	**(41,422)**	**0**	**(158,991)**
Effects of changes in foreign exchange rates	(66)	(58)	(89)	0	(213)
Changes in consolidation scope	0	100	298	0	398
Depeciation and amortisation	(4,956)	(5,233)	(10,271)	0	(20,460)
Transfers between asset items	3,819	7,663	422	0	11,904
Disposals	1,215	17,799	6,829	0	25,843
Balance at the end of the period	**(26,410)**	**(70,876)**	**(44,233)**	**0**	**(141,519)**
Net carrying amount					
As at January 1, 2023	**38,295**	**16,151**	**17,666**	**5,597**	**77,709**
As at December 31, 2023	**53,640**	**14,786**	**24,770**	**1,891**	**95,087**

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, 2023, acquisitions of property, plant and equipment amounted to €40,061 thousand, the most important of which relates to the construction costs of the new headquarters of Van Laere NV, the acquisition of equipment at mobix, the furnishing work on the WoodHub buildings and discounted rents related to the WoodHub right-of-use. As of December 31, 2022, acquisitions of property, plant and equipment amounted to €26,651 thousand.

In 2022, effects of changes in consolidation scope mainly concerned 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 €(20,460) thousand (2022 : €(20,001) thousand.

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	**71,831**	**105,211**	**60,247**	**1,076**	**238,365**
Effects of changes in foreign exchange rates	(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	(216)	(4,120)	(10,009)	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 rates	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	**47,175**	**15,802**	**18,230**	**1,076**	**82,283**
As at December 31, 2022	**38,295**	**16,151**	**17,666**	**5,597**	**77,709**

The net book value of property, plant and equipment recognized as right of use amounted to €47,828 thousand as at 31 December 2023 compared to €36,772 thousand as at 31 December 2022. 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, 2023, 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 2023 (in € thousands)	Land and buildings	Fixtures and equipment	Furniture, fittings and vehicles	Total
Acquisition costs				
Balance at the end of the previous period	**28,463**	**14,706**	**26,124**	**69,293**
Effects of changes in foreign exchange rates	97	0	91	188
Changes in consolidation scope	0	0	0	0
Acquisitions	12,516	721	11,435	24,672
Transfers between asset items	(3,751)	(6,559)	3,488	(6,822)
Disposals	(4,966)	(1,735)	(6,373)	(13,074)
Balance at the end of the period	**32,359**	**7,133**	**34,764**	**74,256**
Depeciation and amortisation				
Balance at the end of the previous period	**(10,770)**	**(8,386)**	**(13,365)**	**(32,521)**
Effects of changes in foreign exchange rates	(64)	0	(30)	(94)
Changes in consolidation scope	0	0	0	0
Depeciation and amortisation	(3,925)	(1,478)	(7,500)	(12,903)
Transfers between asset items	3,635	3,607	(739)	6,503
Disposals	4,799	1,735	6,053	12,586
Balance at the end of the period	**(6,325)**	**(4,522)**	**(15,581)**	**(26,428)**
Net carrying amount				
As at January 1, 2023	**17,693**	**6,320**	**12,759**	**36,772**
As at December 31, 2023	**26,034**	**2,611**	**19,183**	**47,828**

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	(3,265)	7,481	(4,285)	(69)
Depeciation and amortisation	(4)	(10,134)	(1,690)	(11,828)
Transfers between asset items	1,349	(3)	(4)	1,342
Disposals	157	936	4,208	5,301
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**

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)	**2023**	**2022**
Balance at the end of the previous period	**110,865**	**103,418**
Transfers between asset items	10,766	5,499
Share of profit (loss) of investments accounted for using equity method	4,839	8,754
Capital increase/(decrease)	71,421	6
Dividends	(16,115)	(13,641)
Changes in consolidation scope	10,628	(8,759)
Other changes	(7,039)	15,588
Balance at the end of the period	**185,365**	**110,865**

All entities in which the CFE Group has a significant influence are accounted for using equity method, mainly the stakes in Deep C Holding and Green Offshore under the investments & holding segment, and in project companies held in joint control in the real estate development segment, mainly JFK Real Estate. As of December 31, 2023, the contributions of Deep C Holding, Green Offshore and JFK Real Estate to investments accounted for using equity method amounted to €46,472 thousand, €25,176 thousand and €63.817 thousand, respectively. The CFE Group has no stakes accounted for using equity method that are listed on a public market.

As of December 31, 2023, the CFE Group's share of profit (loss) of investments accounted for using equity method amount to €4,839 thousand (compared to €8,754 thousand in 2022) and is mainly due to the activities of the real estate development segment (€(11,952) thousand as at 31 December 2023, as CFE's share) and the investments in port concessions through Deep C Holding (€4,363 thousand as at 31 December 2023, as CFE's share) as well as in the concessionary companies of offshore wind farms such as Rentel and SeaMade through Green Offshore (€9,903 thousand as at 31 December 2023, as CFE's share).

As of December 31, 2023, the contributions of Deep C Holding and Green Offshore in the consolidated statement of comprehensive income post-tax amounted to €972 thousand and €7,086 thousand, respectively.

Year ended on December 31 (in € thousands)	**2023**		**2022**	
	Deep C	**Green Offshore**	**Deep C**	**Green Offshore**
Share of profit (loss) of investments accounted for using equity method	**4,363**	**9,903**	**4,052**	**1,849**
Changes in fair value related to financial derivatives	(46)	(3,756)	67	15,682
Exchange differences on translation	(3,357)	-	1,132	-
Deferred taxes	12	939	(17)	(3,920)
Comprehensive income	**972**	**7,086**	**5,234**	**13,610**

Dividends distributed by equity accounted investments amounted to €16,115 thousand and derives from Deep C Holding (€2,650 thousand), Green Offshore (€2,300 thousand) and certain project companies in the real estate development segment.

Capital increases in investments accounted for using the equity method amounted €71,421 thousand and relate to real estate development activities: JFK Real Estate (€64,344 thousand, investment in the Kronos property complex), Joma 2060 (€ 5,224 thousand), The Roots Office (€ 1,743 thousand) and Cavallia (€ 110 thousand).

In 2023, Changes in the scope of consolidation mainly relate to the impact of the capital increase by Infra Asia Investment Hong Kong Ltd, in which Deep C Holding did not participate, the positive financial impact of which (€ 4,171 thousand) can be seen under "Changes in scope and other movements" in the "Consolidated statement of changes in equity", the change in consolidation method for BPI Chmielna from full consolidation to equity accounting following the disposal of 50% of the shares, and the acquisition of interests in the newly created company Green Stor.

In 2022, 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 Deep C Holding, partially offset by the change in consolidation method applied to Hofkouter NV, which is now accounted for using equity method.

The item "Transfers from one asset category to another" mainly relates to the reclassification of equity-accounted investments with a negative value to "Non-current provisions" (see note 22).

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 (mainly Deep C Holding).

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.

In the real estate development, multitechnics and construction & renovation segments, non-current assets and current assets mainly relate to JFK Real Estate: €352,261 thousand (100%), Cavallia Sp. Z.o.o : €39,046 thousand (100%), The Roots Office SàRL : €31,742 thousand (100%), BPI Chmielna Sp. z o.o. : €26,614 thousand (100%), Debrouckère Land SA : €26,025 thousand (100%), Bavière Développement SA : €25,412 thousand (100%), Erasmus Gardens SA: €25,050 thousand, MG Immo SRL : €24,696 thousand (100%), Arlon 53 SA : €22,706 thousand (100%), Goodways SA : €21,550 thousand (100%).

December 2023 (in € thousands)	**Real estate development**		**Multitechnics and Construction & Renovation**		**Investments & Holding**		**Total**	
	100%	% Share	100%	% Share	100%	% Share	**100%**	**% Share**
Income Statement								
Revenue	148,541	66,858	11,450	2,862	48,476	23,537	208,467	93,257
Result for the period - share of the group	3,788	480	(363)	(142)	39,433	16,768	42,858	17,106
Financial position								
Non-current assets	63,937	32,383	12,271	3,922	188,001	87,197	264,209	123,502
Current assets	805,054	404,232	2,372	840	193,983	93,661	1,001,408	498,733
Equity	147,207	79,642	10,819	3,710	167,881	87,883	325,907	171,235
Non-current liabilities	448,046	237,224	343	171	114,573	52,265	562,962	289,660
Current liabilities	273,737	119,750	3,481	881	99,529	40,710	376,748	161,341
Net Financial Debt	**222,749**	**111,145**	**(5,452)**	**(1,469)**	**113,353**	**46,043**	**330,650**	**155,719**

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)	**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**

The information in the segment Investments and Holding is described hereunder:

December 2023 (in € thousands)	**Deep C Holding**		**Green Offshore**		**Others**		**Total Investments & Holding**	
	100%	% Share	100%	% Share	100%	% Share	**100%**	**% Share**
Income Statement								
Revenue	46,025	23,013	0	0	2,451	524	48,476	23,537
Result for the period - share of the group	9,640	4,820	19,669	9,835	10,124	2,113	39,433	16,768
Financial position								
Non-current assets	115,070	57,535	50,253	25,127	22,677	4,535	188,000	87,197
Current assets	165,086	82,543	9,255	4,628	19,642	6,490	193,983	93,661
Equity	119,712	59,856	55,040	27,520	(6,871)	507	167,881	87,883
Non-current liabilities	93,889	46,945	3,938	1,969	16,746	3,351	114,573	52,265
Current liabilities	66,555	33,278	530	265	32,444	7,167	99,529	40,710
Net Financial Debt	**85,055**	**42,528**	**(2,799)**	**(1,400)**	**31,097**	**4,915**	**113,353**	**46,043**

December 2022 (in € thousands)	**Deep C Holding**		**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	83,539
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**

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 2023 (in € thousands, CFE's % share)	**Real estate development**	**Multitechnics and Construction & Renovation**	**Investments & Holding**	**Total**
Net assets of partners before reconciliation items	79,642	3,710	87,883	171,235
Exclusion of non-controlling interests			(15,153)	(15,153)
Reconciliation items	29	0	4,418	4,447
Negative investments accounted for using equity method	24,833	3	0	24,836
CFE Group's carrying amount of the investment	**104,504**	**3,713**	**77,148**	**185,365**

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
Exclusion of non-controlling interests			(8,242)	(8,242)
Reconciliation items	5,596	0	4,685	10,281
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**

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, 2023, other non-current financial assets amounted to €142,790 thousand, an increase compared to December 2022 (€138,294 thousand). As of December 31, 2023, they only include loans granted to investments accounted for using the equity method.

In 2023, the increase in the account balance of these non-current financial receivables is mainly due to :

- the loan of € 9,677 thousand granted by BPI Real Estate Poland Sp. z o.o. for the Chmielna project in Warsaw, in respect of which BPI sold 50% of its shares held at the end of the financial year in order to reduce its stake from 100% to 50% and thereby change its consolidation method to the equity method;
- the granting of loans to project companies in the real estate development segment, which mainly concern Cavallia (€1,899 thousand), Brouck'R (€4,001 thousand), Move'hub (€1,511 thousand), Bavière Développement (€1,126 thousand), Key West (€804 thousand) and Immo Kirchberg, the entity holding the share of JFK Real Estate for the Kronos project (€1,840 thousand) ;
- the granting of loans to LuWa SPV (€3,236 thousand);

  offset by
- the partial repayment of the loans granted to Arlon 53 (€7,752 thousand), MG Immo (€4,950 thousand), Deep C Holding (€9,518 thousand) and PPP Schulen Eupen (€1,641 thousand).

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 Deep C Holding NV within the context of settling the additional 32.6% stake in Infra Asia Investment ;
- the reclassification of certain loans to Deep C Holding NV 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.

Year ended 31 December (in € thousands)	2023	2022
Balance at the end of the previous period	**138,294**	**79,313**
Changes in consolidation scope	9,677	0
Increases	20,042	52,076
Decreases	(25,063)	(5,238)
Transfers between asset items	(1,233)	12,404
Impairment / reversals of impairment	(326)	0
Effects of changes in foreign exchange rates	1,399	(261)
Balance at the end of the period	**142,790**	**138,294**

17. CONSTRUCTION CONTRACTS

The Group carries out a diversity of projects, all with different aspects regarding e.g. nature and scope, type of clients, type of contract and payment conditions and geographical location. Most of the turnover is paid by milestone payments after execution of the work and approval by the client.

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.

Contract assets represent the excess of costs incurred and recognized profits and losses over progress billing. They include accrued income and deferred costs relating to work in progress included in the line item "Contracts 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 deferred income and accrued costs relating to construction work in progress and provisions for expected losses on construction contracts included included in the line item "Contracts liabilities" of the consolidated statement of financial positionAdvances and payments on account are amounts received by the group before the related work is performed.

(in € thousands)	31 December 2022[1]	Business related changes	Other changes	31 December 2023
Advances and payments on account	(7,195)	(2,961)	(217)	(10,373)
Contract assets	100,714	(32,538)	235	68,411
Contract liabilities	(193,480)	(21,185)	13,047	(201,618)
Construction contracts in progress - net	**(92,766)**	**(53,723)**	**13,283**	**(133,207)**

(in € thousands)	31 December 2021	Business related changes	Other changes	31 December 2022[1]
Advances and payments on account	(6,080)	(1,131)	14	(7,195)
Contract assets	85,555	15,397	(239)	100,714
Contract liabilities	(152,678)	(40,417)	(387)	(193,480)
Construction contracts in progress - net	**(67,123)**	**(25,019)**	**(626)**	**(92,766)**

'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 net contract as at 31 December 2023 is primarily attributable to the multitechnics and construction & renovation segments.
Due to the high number of individual projects (with all different aspects regarding nature, type of clients, contract and payment conditions) a more detailed description of changes in contract assets and contract liabilities compared to prior year is not deemed relevant.

In 2023, the item "Other changes" mainly relates to the impact of the change in consolidation method for BPI Chmielna (€ 13,948 thousand), from full consolidation to equity accounting following the sale of 50% of the shares.

The remaining performance obligations, i.e. the revenue to be generated in the next few years for the projects in progress at 31 December 2023 amount to €1,104 million (2022 : €961 million), of which €457 million should be executed in 2024 (as of December 31, 2022, €471 million were to be executed in 2023)..

1 Contracts assets and contracts liabilities for the period ended 31 December 2021 and 31 December 2022 have been restated as described in section 2.3. « Restatement of comparative figures for financial year 2022 » of this report.

18. INVENTORIES

As of December 31, 2023, inventories amounted to €161,844 thousand (2022 : €168,467 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	Business related changes	Allowances / reversals of impairment losses	Other changes	2023
Raw materials and auxiliary products	9,859	1,227	0	29	11,115
Impairments on inventories of raw materials and auxiliary products	(33)	0	(5)	7	(31)
Finished products and properties held for sale	160,113	11,396	0	(18,895)	152,614
Impairments on inventories of finished products and properties held for sale	(1,472)	0	(382)	0	(1,854)
Inventories	**168,467**	**12,623**	**(387)**	**(18,859)**	**161,844**

Year ended 31 December (in € thousands)	2021	Business related changes	Allowances / reversals of impairment losses	Other changes	2022
Raw materials and auxiliary products	9,600	262	0	(3)	9,859
Impairments on inventories of raw materials and auxiliary products	(29)	0	(4)	0	(33)
Finished products and properties held for sale	152,102	8,767	0	(756)	160,113
Impairments on inventories of finished products and properties held for sale	(1,292)	0	(181)	1	(1,472)
Inventories	**160,381**	**9,029**	**(185)**	**(758)**	**168,467**

In 2023, "Other changes" (€ 18,859 thousand) include exchange-rate variations (€ 6,706 thousand) as well as the impact of the change in consolidation method for BPI Chmielna (€ 25,565 thousand), from full consolidation to investments accounted for using equity method following the sale of 50% of the shares.

Business related changes (€12,623 thousand) are mainly explained by :

- The increase in Poland where BPI Real Estate is continuing construction on the projects Bernardovo located in the Gdansk region, Panoramiqa in Poznan, Czysta in Wroclaw and Chmielna in the heart of Warsaw ; offset by,
- the sale of Wood hub.

19. CASH AND CASH EQUIVALENTS

Year ended 31 December (in € thousands)	2023	2022
Short-term bank deposits	27,215	15,035
Cash in hand and at bank	126,877	112,114
Cash and cash equivalents	**154,092**	**127,149**

The cash position includes €67.4 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 Ester rates with a floor at 0%.

20. 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 2022, 200,000 options were granted to two beneficiaries, members of the Executive Committee, who accepted them in full. In 2023, no new options were granted.

	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
2023	0	0	0	200,000	0	10.31	01/01/2026 – 10/16/2029

	Number of years
December 2022	6,8
December 2023	5,7

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**

The total value of the options granted in 2022 amounts to €481 thousand. As no additional stock options were issued during 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 31 December 2023, an expense of €160 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

TREASURY SHARES

During the financial year, CFE acquired 120,399 of its own shares. This share buy-back programme was conducted by an independent intermediary in accordance with the applicable regulations.

At the end of the financial year 2023, the number of own shares held was 512,557 , at an average price of €8.91 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	120,399	0	**512,557**

21. 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, 2023, the CFE group's net liability relating to obligations for 'post-employment' benefits for pensions and early-retirement amounted to €9,198 thousand (2022 : €8,372 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 €203 thousand as at 31 December 2023.

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)	**2023**	**2022**
Provisions taken for defined-benefit and early retirement plan obligations	**(9,198)**	**(8,372)**
Accrued rights, partly or fully funded	(59,270)	(54,962)
Fair value of plan assets	50,072	46,590
Provisions taken for obligations in the consolidated statement of financial position	**(9,198)**	**(8,372)**
Liabilities	(9,198)	(8,372)
Assets	0	0

CHANGES IN PROVISIONS TAKEN FOR DEFINED-BENEFIT AND EARLY RETIREMENT PLAN OBLIGATIONS

Year ended 31 December (in € thousands)	**2023**	**2022**
As at January 1	**(8,372)**	**(11,762)**
Expenses recognized in profit or loss	(3,490)	(3,870)
Expenses recognized in other elements of the comprehensive income	(2,400)	2,184
Contributions to plan assets	4,927	4,934
Other movements	137	142
Transfers to liabilities associated with assets held for sale	0	0
As at December 31	**(9,198)**	**(8,372)**

EXPENSES RECOGNIZED IN INCOME IN RESPECT OF DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

Year ended 31 December (in € thousands)	**2023**	**2022**
Expenses recognized in profit or loss	**(3,490)**	**(3,870)**
Service cost	(3,167)	(4,006)
Discounting effects	(1,929)	(580)
Return on plan assets (-)	1,713	500
Unrecognized past service cost	(107)	216

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)	**2023**	**2022**
Expenses recognized in other elements of the comprehensive income	**(2,400)**	**2,184**
Actuarial gains and losses	(2,765)	15,618
Return on plan assets (excluding amounts recognized in profit or loss)	365	(13,433)
Effect of changes in foreign exchange rates	0	0

CHANGES IN PROVISIONS TAKEN FOR DEFINED-BENEFIT AND EARLY RETIREMENT PLAN OBLIGATIONS

Year ended 31 December (in € thousands)	**2023**	**2022**
As at January 1	**(54,962)**	**(69,997)**
Service cost	(3,167)	(4,006)
Discounting effects	(1,929)	(580)
Contributions to plan assets	(581)	(547)
Benefits paid to beneficiaries	3,589	3,688
Revaluation of liabilities (assets)	(2,872)	15,834
Actuarial gains and losses resulting from changes to demographic assumptions	*0*	*0*
Actuarial gains and losses resulting from changes to financial assumptions	*(2,491)*	*19,056*
Actuarial gains and losses resulting from experience adjustments	*(381)*	*(3,222)*
Unrecognized past service cost	0	0
Other movements	652	647
As at December 31	**(59,270)**	**(54,962)**

CHANGES IN DEFINED-BENEFIT AND EARLY RETIREMENT PLAN ASSETS

Year ended 31 December (in € thousands)	**2023**	**2022**
As at January 1	**46,590**	**58,235**
Return on plan assets (excluding amounts recognized in profit or loss)	365	(13,433)
Return on plan assets	1,713	500
Contributions to plan assets	5,641	5,623
Benefits paid to beneficiaries	(3,589)	(3,688)
Other movements	(648)	(647)
As at December 31	**50,072**	**46,590**

MAIN ACTUARIAL ASSUMPTIONS AT THE END OF THE PERIOD (EXPRESSED AS WEIGHTED AVERAGES)

	2023	**2022**
Discount rate at December 31	3.15%	3.60%
Expected rate of salary increases	3.20%	3.20%
Inflation rate	2.20%	2.20%
Mortality tables	MR-5/FR-5	MR-5/FR-5

Taking into account the current macroeconomic environment which has led to a slight decrease in long term interest rates, the rates prevailing on the financial markets have led the CFE group to apply a discount rate of 3.15% (compared to 3.60% at 31

December 2022) 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 (duration of 11 years).

OTHER CHARACTERISTICS OF DEFINE-BENEFIT PLANS

	2023	2022
Duration (in years)	11.00	11.00
Average real return on plan assets	4.40%	-21.97%
Contributions expected to be made to the plans in the next financial year (in € thousands)	4,090	4,177

SENSITIVITY ANALYSIS (IMPACT ON THE AMOUNT OF OBLIGATIONS)

	2023	2022
Discount rate		
25bp increase	-2.52%	-2.48%
25bp decrease	2.64%	2.59%
Salary growth rate		
25bp increase	1.79%	1.72%
25bp decrease	-1.70%	-1.63%
Inflation rate		
25bp increase	1.15%	1.13%
25bp decrease	0.35%	0.30%

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

As of December 31, 2023, these provisions amounted to €57,318 thousand, which represents an increase of €10,214 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 period[1]	**15,604**	**14,070**	**17,430**	**47,104**
Effects of changes in foreign exchange rates	147	0	348	495
Transfers between items	0	10,766	1,746	12,512
Additions to provisions	2,574	0	3,778	6,352
Used/reversed provisions	(2,612)	0	(6,533)	(9,145)
Balance at the end of the period	**15,713**	**24,836**	**16,769**	**57,318**
of which current:	1,522	0	13,752	15,274
non-current:	14,191	24,836	3,017	42,044

The provision for after-sales service increased by €109 thousand and amounted to €15,713 thousand as at 31 December 2023. The change in 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 increased by €661 thousand and amounted to €16,769 thousand as at 31 December 2023.

Provisions for other current risks (€13,752 thousand) mainly include provisions for current litigation (€8,548 thousand) as well as provisions for other current liabilities (€5,105 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.

23. 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.

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 2.3 "Restatement of comparative figures for financial year 2022" of this report.

24. NET FINANCIAL DEBT

BREAKDOWN OF THE NET FINANCIAL DEBT AS DEFINED BY THE GROUP

(in € thousands)	2023			2022		
	Non-current	Current	Total	Non-current	Current	Total
Bank loans and other financial debts	42,519	37,679	80,198	89,040	2,573	91,613
Bonds	0	0	0	0	0	0
Drawings on credit facilities	112,492	0	112,492	40,000	0	40,000
Lease debts	35,954	10,465	46,419	25,008	10,421	35,429
Total long-term financial debt	**190,965**	**48,144**	**239,109**	**154,048**	**12,994**	**167,042**
Short-term financial debts	0	8,250	8,250	0	9,000	9,000
Cash equivalents	0	(27,215)	(27,215)	0	(15,035)	(15,035)
Cash	0	(126,877)	(126,877)	0	(112,114)	(112,114)
Net short-term financial debt/(cash)	**0**	**(145,842)**	**(145,842)**	**0**	**(118,149)**	**(118,149)**
Total net financial debt	**190,965**	**(97,698)**	**93,267**	**154,048**	**(105,155)**	**48,893**
Derivative instruments used as interest-rate hedges	**(211)**	**0**	**(211)**	**(422)**	**(206)**	**(628)**

Bank loans and other financial debts (€80,198 thousand) mainly concern the medium-term bank loans of the real estate development segment and allocated to the financing of certain projects, treasury notes issued by CFE SA and BPI Real Estate Belgium SA as well as the financing of the headquarters of Van Laere NV and VMA NV.

As of December 31, 2023, the lease debts amounted to €46,419 thousand and relate to contracts that meet the criteria of the scope of application of IFRS 16 *Leases*.

As of December 31, 2023, short-term financial debts amounted to €8,250 thousand and relate to treasury notes issued by BPI Real Estate Belgium SA.

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 (including interests)
Bank loans and other financial debts	38,639	13,853	18,197	2,797	6,858	5,305	85,648
Drawings on credit facilities	0	20,479	17,708	75,930	0	0	114,117
Lease debts	11,845	9,421	7,662	11,750	11,132	2,302	54,112
Total long-term financial debt	**50,484**	**43,752**	**43,566**	**90,477**	**17,991**	**7,607**	**253,877**
Short-term financial debts	8,250	0	0	0	0	0	8,250
Cash equivalents	(27,215)	0	0	0	0	0	(27,215)
Cash	(126,877)	0	0	0	0	0	(126,877)
Net short-term financial debt/(cash)	**(145,842)**	**0**	**0**	**0**	**0**	**0**	**(145,842)**
Total net financial debt	**(95,358)**	**43,752**	**43,566**	**90,477**	**17,991**	**7,607**	**108,035**

CASH FLOWS RELATING TO FINANCIAL LIABILITIES

(in € thousands)	2022	Cash flow	Non-cash movements *Transfers*	*Other changes*	Total non-cash movements	2023
Non-current financial liabilities						
Other non-current financial debts	154,048	55,508	(36,213)	17,622	(18,591)	190,965
Current financial liabilities						
Bonds	0	0	*0*	*0*	0	0
Other current financial debts	21,994	(7,177)	*36,213*	*5,364*	41,577	56,394
Total	**176,042**	**48,331**	***0***	***22,986***	**22,986**	**247,359**

As of December 31, 2023, the CFE Group's financial debts amounted to €247,359 thousand, an increase of €71,317 thousand compared to December 31, 2022 mainly explained by the acquisition of the Kronos site and the investments of the year.

Cashflows mainly include the increase of the drawings on corporate credit facilities (€72,492 thousand), the reimbursement of the loan by BPI Serenity (€(18,000) thousand) and the principal repayments on leasing liabilities (€(12,781) thousand). In 2023, interests paid on leases amounted to (€(7,693) thousand.

CREDIT FACILITIES AND BANK TERM LOANS

As of December 31, 2023, CFE SA held confirmed long-term bank credit facilities of €170 million, of which €90 million was drawn as at 31 December 2023. 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 2023. To limit the interest rate risk, interest rate hedging contracts have been put in place for a notional amount of €70 million; the fair value of these derivatives amounts to €(336) thousand.

As of December 31, 2023, BPI Real Estate Belgium SA and its subsidiary BPI Real Estate Luxembourg SA together have confirmed long-term bank credit facilities of €60 million, of which €22.5 million are drawn at 31 December 2023. BPI Real Estate Belgium SA also has the facility of issuing treasury notes up to an amount of €40 million. An amount of €16.5 million was drawn from this source of funding as of December 31, 2022. To limit the interest rate risk, interest rate hedging contracts have been put in place for a notional amount of €32,4 million; the fair value of these derivatives amounts to €125 thousand.

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 2023 and are detailed below.

Ratio name	Formula	Requirement	December 2023
CFE SA, consolidated financial statements IFRS			
Solvency ratio	Net financial debt / (Equity - intangible assets - goodwill)	<1.65	0.45
Long-term net financial debt	Non-current financial debt / Property, plant and equipment	<1	0.74
Coverage of financial debt by cash flow	Operating cash flow + net current financial debt /(cash) >0	>0	133.5 M€
CFE SA, statutory financial statements, Belgian accounting standards			
Equity	Equity	>125 M€	142.3 M€
BPI Real Estate Belgium SA, consolidated financial statements IFRS – Stand Alone			
Minimum equity	Group equity + Subordinated Debts	>70 M€	203 M€
Solvency ratio	Net financial debt / (Equity + subordinated debts)	<1.65	0.49

25. FINANCIAL RISK MANAGEMENT

CAPITAL MANAGEMENT

At year-end 2023, the capital structure of the CFE group is made up of a net financial debt €93,267 thousand (we refer to note 24) and of a net equity position of €236,393 thousand. Moreover, CFE SA also has confirmed bank credit facilities (we refer note 24), 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 renovation activities are characterized by a cash surplus. Cash management is mainly centralized through the cash pooling.

On the other hand, CFE SA and BPI Real Estate Belgium SA also uses derivative instruments (IRS & CAP) 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	59,958	100.00%	1.72%	20,240	15.25%	6.35%	80,198	41.62%	2.89%
Drawings on credit facilities	0	0.00%	0.00%	112,492	84.75%	5.40%	112,492	58.38%	5.40%
Total	**59,958**	**100%**	**1.72%**	**132,732**	**100%**	**5.55%**	**192,690**	**100%**	**4.35%**

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	59,958	53.32%	1.72%	20,240	25.23%	6.35%	0	0.00%	0.00%	80,198	41.62%	2.89%
Drawings on credit facilities	52,500	46.68%	3.19%	59,992	74.77%	6.16%	0	0.00%	0.00%	112,492	58.38%	3.19%
Total	**112,458**	**100%**	**2.41%**	**80,232**	**100%**	**6.21%**	**0**	**0.00%**	**0.00%**	**192,690**	**100%**	**3.06%**

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 2023 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)	31/12/2023			
	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	1,196	(1,196)		
Net short-term financial debt (*)	41	(41)		
Derivatives not qualified as hedge				
Derivatives qualified as highly potential or certain cash flow			1,348	(1,256)

(*) 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)	31/12/2023						
	< 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	10,000	72,416	0	82,416	158	(125)
Interest rate options (cap, collar)		10,000	10,000		20,000	178	
Interest rate derivatives - certain cashflow hedge	**0**	**20,000**	**82,416**	**0**	**102,416**	**336**	**(125)**

(in € thousands)	31/12/2022						
	< 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**	**0**

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.

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)	2023	2022
Euro	187,612	131,613
Polish zloty	5,078	0
Other currencies	0	0
Total long-term debts	**192,690**	**131,613**

As of December 31, 2023, the outstanding long-term financial debts (excluding lease debts) amounted to €192,690 thousand compared to €131,613 thousand as of December 31, 2022.

The following table discloses the fair value and the notional amount of exchange rate instruments issued (forward sales/purchase agreements) (+ : asset / - : liability) :

31/12/2023 (in € thousands)	**PLN - Zlotys**	
	Notional	**Fair value**
Forward purchases	0	0
Forward sales	12,625	2,657

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 2023 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)	**31/12/2023 (in € thousand)**	
	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	5,520	(4,994)
Net short term financial debt	(1,481)	1,340
Working capital	767	(694)

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.

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 2023 and 2022 is as follows :

Situation as of December 31, 2023 (in € thousands)	**Closing**	**Not due**	**< 3 months**	**< 1 year**	**> 1 year**
Trade and other operating receivables	338,571	251,297	43,912	9,934	33,428
Total gross carrying amount	**338,571**	**251,297**	**43,912**	**9,934**	**33,428**
Expected credit losses - Trade and other operating receivables	(24,991)	0	0	(3,286)	(21,705)
Total expected credit losses	**(24,991)**	**0**	**0**	**(3,286)**	**(21,705)**
Total net carrying amount	**313,580**	**251,297**	**43,912**	**6,648**	**11,723**

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**

The following table discloses the changes in expected credit losses on trade and other operations receivables :

(in € thousands)	**2023**	**2022**
Cumulated expected credit losses - opening balance	**(23,208)**	**(22,547)**
Change in consolidation scope	4,821	0
Expected credit losses (reversal/recognized) during the period	(6,587)	(1,314)
Translation differences and transfers between asset items	(17)	653
Cumulated expected credit losses - closing balance	**(24,991)**	**(23,208)**

As of December 31, 2023, expected credit losses reversed and recognised during the year amounted to €(6,587) thousand and mainly concerned two construction projects (2022: €(1,314) thousand).

As of December 31, 2023, the item ‘Changes in consolidation scope’ related exclusively to the derecognition of the CFE Hungary and CTE write-downs (and associated receivables) following, respectively, the liquidation and the sale of CFE’s stake.

LIQUIDITY RISK

CFE SA and BPI Real Estate Belgium SA have bilateral credit facilities that allow them to significantly reduce the liquidity risk.

CARRYING AMOUNTS AND FAIR VALUE BY ACCOUNTING POLICY

December 31, 2023 (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**	**336**	**142,790**	**143,126**		**143,126**
Financial loans and receivables (1)	0	0	142,790	**142,790**	Level 2	**142,790**
Derivatives	0	336	0	**336**	Level 2	**336**
Current financial assets	**0**	**2,657**	**467,672**	**470,329**		**470,329**
Trade and other operating receivables	0	0	313,580	**313,580**	Level 2	**313,580**
Derivatives	0	2,657	0	**2,657**	Level 2	**2,657**
Cash Equivalents (2)	0	0	27,215	**27,215**	Level 1	**27,215**
Cash at bank and in hand (2)	0	0	126,877	**126,877**	Level 1	**126,877**
Total assets	**0**	**2,993**	**610,462**	**613,455**		**613,455**
Non-current financial liabilities	**0**	**125**	**190,965**	**191,090**		**205,549**
Financial liabilities	0	0	190,965	**190,965**	Level 2	**205,424**
Derivatives	0	125	0	125	Level 2	125
Current financial liabilities	0	0	374,155	**374,155**		**376,495**
Trade and other operating payables	0	0	317,761	**317,761**	Level 2	**317,761**
Financial liabilities	0	0	56,394	**56,394**	Level 2	**58,734**
Derivatives	0	0	0	**0**	Level 2	**0**
Total liabilities	**0**	**125**	**565,120**	**565,245**		**582,044**

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**	Niveau 2	**138,294**
Derivatives	0	422	0	422	Niveau 2	422
Current financial assets	**0**	**206**	**411,757**	**411,963**		**411,963**
Trade and other operating receivables	0	0	284,608	**284,608**	Niveau 2	**284,608**
Derivatives	0	206	0	**206**	Niveau 2	**206**
Cash Equivalents (2)	0	0	15,035	**15,035**	Niveau 1	**15,035**
Cash at bank and in hand (2)	0	0	112,114	**112,114**	Niveau 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 liabilities	0	0	154,048	**154,048**	Niveau 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**	Niveau 2	**309,204**
Financial liabilities	0	0	21,994	**21,994**	Niveau 2	**21,994**
Derivatives	0	124	0	**124**	Niveau 2	**124**
Total liabilities	0	124	485,246	**485,370**		**485,370**

(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 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.

26. OTHER COMMITMENTS GIVEN

Other commitments given by the CFE group for the financial year ended 31 December 2023, other than real security interests, amounted to €357,628 thousand (2022 : €389,426 thousand) and break down as follows :

Year ended 31 December (in € thousands)	**2023**	**2022**
Performance guarantees and performance bonds (a)	263,051	247,382
Bid bonds (b)	-	771
Retentions (c)	1,749	1,790
Other commitments given (d)	92,828	139,483
Total other commitments given	**357,628**	**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 significant fall in other commitments given is mainly due to the release of completion guarantees (Breyne Act), mortgages and mortgage mandates for the Serenity project following the delivery of apartments and also the sale of the Wood Hub building.

27. OTHER COMMITMENTS RECEIVED

Other commitments received by the CFE group as of 31 December 2023 amounted to €48.589 thousand (2022 : €54.971 thousand) and break down as follows:

Year ended 31 December (in € thousands)	**2023**	**2022**
Performance guarantees and performance bonds	43,175	50,663
Other commitments received	5,414	4,308
Total	**48,589**	**54,971**

28. LITIGATION

CFE group is exposed to a number of claims that may be regarded as normal in the construction and multitechnics sectors, of which the litigation Médiacité.

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.

LITIGATION MEDIACITE

The Médiacité dispute concerns a legal action initiated by Property One N.V., Louvigny Pictures B.V./S.A., CPC S.A., and Eurowest Holding S.A. (hereinafter referred to as the 'Wilhelm Group') against CFE SA, BPI Real Estate SA, and BPC Group SA.

The claim seeks to order CFE, BPI, and BPC (jointly and severally) to pay damages to compensate the Wilhem Group for the loss of earnings that the Wilhem Group would have suffered due to an alleged breach by CFE/BPI/BPC of a business contribution clause in connection with the development of the "Médiacité Shopping Center" in Liège.

The first instance judgment, which ruled entirely in favor of CFE, BPI and BPC, was rendered on December 5th, 2014 by the Commercial Court of Brussels. Following an appeal procedure lodged against this judgment by the Wilhelm Group, a timetable for the exchange of conclusions was set and the oral hearing took place on March 4th and 5th , 2024. A decision is expected to be rendered by the Brussels Court of Appeal by summer 2024.

29. RELATED PARTIES

Ackermans & van Haaren (AvH) owns 15,725,684 CFE shares as at 31 December 2023, being the main shareholder of the CFE group with a stake of 62.12%.

CFE SA entered into a service contract with Ackermans & van Haaren. The remuneration due by CFE SA under this contract amounted to €350 thousand for the financial year ended 31 December 2023 (2022 : €538 thousand).

As of December 31, 2023, the CFE Group has joint control with Ackermans & van Haaren over Deep C Holding NV, Green Offshore NV, GreenStor NV and Hofkouter NV.

As of December 31, 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 22 "Information on stock option plans")

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)	**2023**	**2022**
Fixed remuneration	2,790	2,655
Short-term variable remuneration	1,684	1,440
Other benefits	0	60
Total	**4,474**	**4,155**

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 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 :

Year ended 31 December (in € thousands)	**2023**	**2022**
Assets with related parties	**166,699**	**158,335**
Non-current financial assets	143,955	138,294
Trade and other operating receivables	15,874	13,725
Other current assets	6,870	6,316
Liabilities with related parties	**15,154**	**13,690**
Other non-current liabilities	14,936	13,666
Trade and other operation payables	218	24

The increase in non-current financial assets is mainly explained by:

- the loan granted by BPI Real Estate Poland Sp.Z.o.o to Cavallia (€1,988 thousand) and the loan granted to BPI Chmielna (€9,677 thousand) for which BPI sold 50% of its stake to decrease its share from 100% to 50%. The consolidation method changed accordingly from fully integrated to equity method.
- the granting of a loan of €3,236 thousand to LuWa SPV, offset by
- the reimbursment of a loan of €9,518 thousand by Deep C Holding NV.

Year ended 31 December (in € thousands)	**2023**	**2022**
Expenses and income with related parties	**52,407**	**76,472**
Revenue and other operating income	44,362	71,503
Purchases and other operating expenses	(445)	(250)
Financial expenses and income	8,490	5,220

Revenue and other operating income with investments accounted for using equity method mainly increased at CLE SA (Gravity and M1 clients).

30. AUDIT FEES

The remuneration of the auditor for the whole group, including CFE SA, for the financial year 2023 breaks down as follows :

(in € thousands)	**Ernst & Young**	
	Amount	**%**
Audit		
Audit fees	770	89.1%
Other attestation missions	46	5.5%
Other missions outside the audit	54	5.4%
Subtotal audit	**870**	**100.0%**
Non-audit		
Tax consulting missions	0	0.0%
Subtotal non-audit	**870**	**0.0%**
Total audit and non-audit fees	**870**	**100%**

31. SUBSEQUENT EVENTS

No significant changes have occurred in the financial and commercial situation of the CFE group since 31 December 2023.

32. 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 NV	Mechelen	Multitechnics	100%
MOBIX ENGETEC SA	Manage	Multitechnics	100%
VMA NV	Sint-Martens-Latem	Multitechnics	100%
VMA Sud SA	Jumet	Multitechnics	100%
VMA BE.MAINTENANCE SA	Brussels	Multitechnics	100%
VMA SUSTAINABILITY FUND I NV	Brussels	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.	Leudelange	Real estate development	100%
CENTRAL PARC S.À R.L.	Luxembourg	Real estate development	100%
HERRENBERG S.À R.L.	Leudelange	Real estate development	100%
IMMO KIRCHBERG S.À R.L.	Leudelange	Real estate development	100%
JFK DEVELOPPEMENT 1 S.À R.L.	Leudelange	Real estate development	100%
JFK DEVELOPPEMENT 2 S.À R.L.	Leudelange	Real estate development	100%
MIMOSAS REAL ESTATE S.À R.L.	Leudelange	Real estate development	100%
POURPELT SA	Leudelange	Real estate development	100%
PRINCE HENRI S.À R.L.	Leudelange	Real estate development	100%
COMPAGNIE LUXEMBOURGEOISE D'ENTREPRISES CLE SA	Leudelange	Construction & Renovation	100%
IMMO-BECHEL CLE S.À R.L.	Leudelange	Construction & Renovation	100%
WOOD SHAPERS LUXEMBOURG SA	Leudelange	Construction & Renovation	100%
SOCIETE FINANCIERE D'ENTREPRISES SFE SA	Leudelange	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 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.	Kobierzyce	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%
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%
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%
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%
GREENSTOR NV and its subsidiaries	Antwerp	Investments & Holding	50%

DEEP C HOLDING 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.	Leudelange	Real estate development	50%
GRAVITY SA	Luxembourg	Real estate development	50%
IMMO MARIAL S.À R.L.	Leudelange	Real estate development	50%
JFK REAL ESTATE S.À R.L.	Luxembourg	Real estate development	57.45%
M1 SA	Luxembourg	Real estate development	33.33%
M7 S.À R.L.	Leudelange	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			
CAVALLIA SP. Z O.O.	Warsaw	Real estate development	50%
BPI CHMIELNA 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 2023 (in € thousands)	**Real Estate**	**Multi-technics**	**Construction & Renovation**	**Investments & Holding**	**Eliminations between segments**	**Consolidated total**
Non-current borrowings from consolidated companies of the group (*)	40,000	0	4,000	0	(44,000)	0
+ Non-current financial liabilities	53,424	26,054	18,838	92,649	0	190,965
+ Current financial liabilities	10,341	5,835	4,951	35,267	0	56,394
+ Internal cash position - Cash pooling - liabilities (*)	18,435	14,386	9,368	209,823	(252,012)	0
Financial liabilities	**122,200**	**46,275**	**37,157**	**337,739**	**(296,012)**	**247,359**
- Non-current loans to consolidated companies of the group (*)	0	0	0	(44,000)	44,000	0
- Cash and cash equivalents	(4,390)	(3,249)	(78,045)	(68,408)	0	(154,092)
- Internal cash position - Cash pooling - assets (*)	(17,749)	(42,529)	(167,981)	(23,753)	252,012	0
Cash and cash equivalents	**(22,139)**	**(45,778)**	**(246,026)**	**(136,161)**	**296,012**	**(154,092)**
Net financial debt	**100,061**	**497**	**(208,869)**	**201,578**	**0**	**93,267**

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 bonds	0	0	0	0	0	0
+ 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 requirement **Year ended 31 December** (in € thousands)	2023	2022[1]
Inventories	161,844	168,467
+ Trade and other operating receivables	313,580	284,608
+ Contracts assets	68,411	100,714
+ Other current non-operating assets	5,637	4,487
- Trade and other operating receivables	(317,761)	(309,204)
- Current tax liabilities	(9,358)	(6,816)
- Contracts liabilities	(201,618)	(193,480)
- Other current non-operating liabilities	(71,604)	(63,383)
Working capital requirement	**(50,869)**	**(14,607)**

EBITDA **Year ended 31 December** (in € thousands)	2023	2022
Income from operating activities	**28,185**	**42,260**
Depreciation and amortisation of intangible assets and property, plant and equipment	21,348	20,870
Consolidated EBITDA	**49,533**	**63,130**

Return on equity (ROE)	2023	2022[2]
Equity - share of the group, at opening	224,653	174,674
Net result from continuing operations - share of the group	22,779	38,434
Return on equity (ROE)	**10.1%**	**22.0%**

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)	2023	2022
Equity - real estate development segment	159,141	118,749
Net financial debt - real estate development segment	100,061	84,498
Capital employed	**259,202**	**203,247**

1 Working capital requirements for the period ended 31 December 2022 have been restated as described in section 2.3. « Restatement of comparative figures for financial year 2022 » of this report.
2 Equity at opening of the financial year 2022 used for the calculation of return on equity includes the dividend paid by DEME Group (€40.8 million)

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 : *26 March 2024*

GENERAL INFORMATION ABOUT THE COMPANY

Company name :	Compagnie d'Entreprises CFE
Head office :	Avenue Edmond Van Nieuwenhuys 30, 1160 Bruxelles (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
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Independent auditor's report to the general meeting of Compagnie d'Entreprises CFE SA/ Aannemingsmaatschappij CFE NV for the year ended 31 December 2023

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 2023, 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 2023 and the disclosures including material accounting policy information (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 3 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 2023, 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 ,including material accounting policy information, which show a consolidated balance sheet total of € 1.180.586.000 and of which the consolidated income statement shows a profit for the year of € 22.726.000.

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 2023, 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 ("ISA's") 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 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 and implementation 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 and implementation 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 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 ISA's 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 ISA's, 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 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 ISA's 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 contain 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"). However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with Global Reporting Initiative ("GRI").

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 the 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).

In 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.

Based on the work performed by us, we conclude that the format and tagging of information in 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) of Compagnie d'Entreprises CFE SA/Aannemingsmaatschappij CFE NV per 31 December 2023 are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Due to the technical limitations inherent in the tagging of consolidated financial statements using the ESEF format, it is possible that the content of certain tags in the accompanying notes is not reproduced in an identical manner as in the consolidated financial statements attached to this report.

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, 29 March 2024

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Marnix Van Dooren *
Partner
*Acting on behalf of a BV/SRL

Unique sequential number of EY reports tracking database

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME (BEGAAP)

Year ended 31 December (in € thousands)	**2023**	**2022**
Start-up costs	**0**	**0**
Non-current assets	**310,461**	**268,546**
Intangible assets	112	171
Property, plant and equipment	1,611	780
Financial assets	308,739	267,595
- Related parties	308,732	267,585
- Other	7	10
Current assets	**86,221**	**62,026**
Receivables at more than 1 year	0	0
Inventories and work in progress	0	0
Receivables at up to 1 year	8,892	8,545
- Trade receivables	7,319	4,659
- Other receivables	1,573	3,886
Cash investments	5,009	3,735
Cash equivalents	67,961	46,603
Prepaid expenses	4,359	3,143
Total assets	**396,682**	**330,572**
Equity	**142,322**	**141,190**
Share capital	8,136	8,136
Share premium	116,662	116,662
Revaluation surplus	0	0
Reserves	6,274	5,438
Retained earnings/(losses)	11,251	10,954
Provisions and deferred taxes	**4,006**	**6,046**
Liabilities	**250,353**	**183,336**
Non-current liabilities	90,408	75,248
Current liabilities	156,923	105,214
- Current portion of amounts payable after more than one year falling due within one year	53	0
- Financial debt	35,000	0
- Trade payables	5,241	6,599
- Tax liabilities, social liabilities and down payments on orders	922	809
- Other payables	115,707	97,806
Prepaid income	3,022	2,874
Total equity and liabilities	**396,682**	**330,572**

Year ended 31 December (in € thousands)	**2023**	**2022**
RESULT		
Sales of goods and services	19,632	13,072
Costs of goods sold and services provided	(22,653)	(14,482)
- Merchandise	*(225)*	*(2,129)*
- Services and other goods	*(15,127)*	*(10,225)*
- Remuneration and social security payments	*(6,321)*	*(2,572)*
- Depreciation, amortisation, impairment and provisions	*315*	*1,191*
- Other	*(1,295)*	*(747)*
Operating income	**(3,021)**	**(1,410)**
Financial income	23,351	79,427
Financial expenses	(9,268)	(24,793)
Result before tax	**11,062**	**53,224**
Tax (current and adjustments)	(9)	(8)
Result for the period	**11,053**	**53,216**
APPOPRIATION OF INCOME		
Result for the period	11,053	53,216
Retained earnings from previous period	10,954	(28,558)
Dividend	(9,921)	(9,969)
Legal reserve	0	0
Other reserves	(835)	(3,735)
Retained earnings carried forward	11,251	10,954

ANALYSIS OF STATUTORY STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME

As of December 31, 2023, non-current liabilities include €90 million drawn down on the confirmed bilateral credit facilities, while the current financial liabilities include mainly €35 million in medium-term treasury notes and the intra-group liabilities.
Financial liabilities rose mainly to finance the capital increase and the subordinated loan towards BPI Real Estate Belgium SA. Non-current assets increased mainly as a consequence of these transactions.

In 2023, Financial income include mainly the proceeds of dividends paid by CFE Contracting SA (€6 million), BPI Real Estate Belgium SA (€6 million), Green Offshore NV (€2.3 million), Deep C Holding (€ 2.7 million), PPP Schuelen (€1.7 million) and PPP Betrieb (€0.8 million).
In 2022, the statutory result of CFE SA was positively impacted by the dividend paid by DEME Group (€40.8 million).

GENERAL INFORMATION ABOUT THE COMPANY

Registered office:

Avenue Edmond Van Nieuwenhuyse 30, 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 Moniteur Belge of 27 June 1880 under number 911, of which the articles of association have been amended several times, most recently by notarial deed of 29 June 2022, published in extracts in the Annexes to the Moniteur Belge 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 and 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 company's 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 CAC. 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 CAC.

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, suspend ownership, usufruct or bare. 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).