ANNUAL REPORT 2021

# TOGETHER SHAPING TOMORROW'S WORLD

# ANNUAL REPORT 2021

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

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

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

Pursuant to Article 12, §2, 3° of the Royal Decree of 14 November 2007, Piet Dejonghe, Managing Director, and MSQ SRL, represented by Fabien De Jonge, Chief Financial Officer, certify that, to their knowledge:

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

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

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

## SHAREHOLDER INFORMATION

### PROPOSED DIVIDEND

The partial demerger of CFE will automatically lead to a transfer of a substantial part of CFE's equity and distributable reserves to DEME Group. The Board of Directors considers that CFE's equity must be strengthened and therefore proposes not to distribute a dividend for the 2021 financial year.

CFE will distribute a dividend as from 2023.

### INVESTOR RELATIONS

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

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

## FINANCIAL CALENDAR

| | |
|---|---|
| 5 May 2022: | Ordinary General Meeting |
| 19 May 2022: | Quarterly information at 31 March 2022 |
| Summer 2022: | Extraordinary General Meeting |
| 31 August 2022: | Half-year results 2022 |
| 23 November 2022: | Quarterly information at 30 September 2022 |

## PROFILE OF THE CFE GROUP

On Thursday 2 December 2021, The Board of Directors announced its intention to split the group into two separate listed companies: CFE and DEME. The purpose of this operation is to create two leading players in their respective businesses.
As DEME and CFE operate in different segments and geographical markets, each with their own distinct strategic priorities, the Board of Directors believes it is in the interest of all its stakeholders to split the group in two. This demerger should allow the marine engineering on the one hand and contracting and real estate development activities on the other to develop as two independent, solid and separately listed companies, each with their own governance. This operation will also allow the respective purpose and ambitions to be articulated better to our shareholders, our employees and other stakeholders. By doing so we will ensure that each entity further develops its leadership position. Finally, the transaction will help the stock market to fully recognise the true value of both entities.

The planned transaction involves the partial demerger of CFE by transferring its 100% stake in DEME NV to a Newco, which will be called DEME Group. At the time of the partial demerger, all the shareholders of CFE will receive one DEME Group share for each CFE share in their possession. Preparation for this transaction is under way and is expected to take several months. It is subject to obtaining a tax ruling from the Belgian Service for Advance Tax Rulings, the approval of the various partners and the extraordinary general meeting of CFE at which at least 75% of the capital represented must vote in favour of the partial demerger. The aim is to close the transaction in the summer of 2022.
Ackermans & van Haaren, the majority shareholder, and VINCI, who own 62.1% and 12.1% respectively of CFE, support the split. VINCI, which already works together with CFE and DEME on several projects, such as the Fehmarnbelt link, wishes to continue this partnership in the coming years.

The announcement of the intention to proceed with a partial demerger implies that DEME's activities will be transferred to DEME Group. In accordance with the requirements of IFRS 5 these are to be accounted for as 'discontinued operations'.

# CONTENTS

## Why and who we are



## How we shape the world



## Annual report



## Statement of non-financial information



## Financial statements




This report is also available online with downloadable sections in PDF

**Please consult: annualreport.cfe.be**

# WELCOME TO (Y)OUR WORLD

THE CFE GROUP, WHICH IS ACTIVE IN THE AREAS OF MARINE ENGINEERING, CONSTRUCTION AND REAL ESTATE DEVELOPMENT, IS A MAJOR PLAYER IN THE TRANSFORMATION OF OUR LIVING ENVIRONMENTS, OUR CITIES, OUR COMMUNITIES. OUR COMMITMENT: TO INVENT THE FUTURE BY WHOLEHEARTEDLY ACCEPTING OUR SOCIAL RESPONSIBILITY AND MAXIMISING OUR POSITIVE IMPACT. THIS ANNUAL REPORT PRESENTS AND CLARIFIES THIS VISION, WHICH IS ILLUSTRATED BY OUR CREDO "TOGETHER SHAPING TOMORROW'S WORLD".

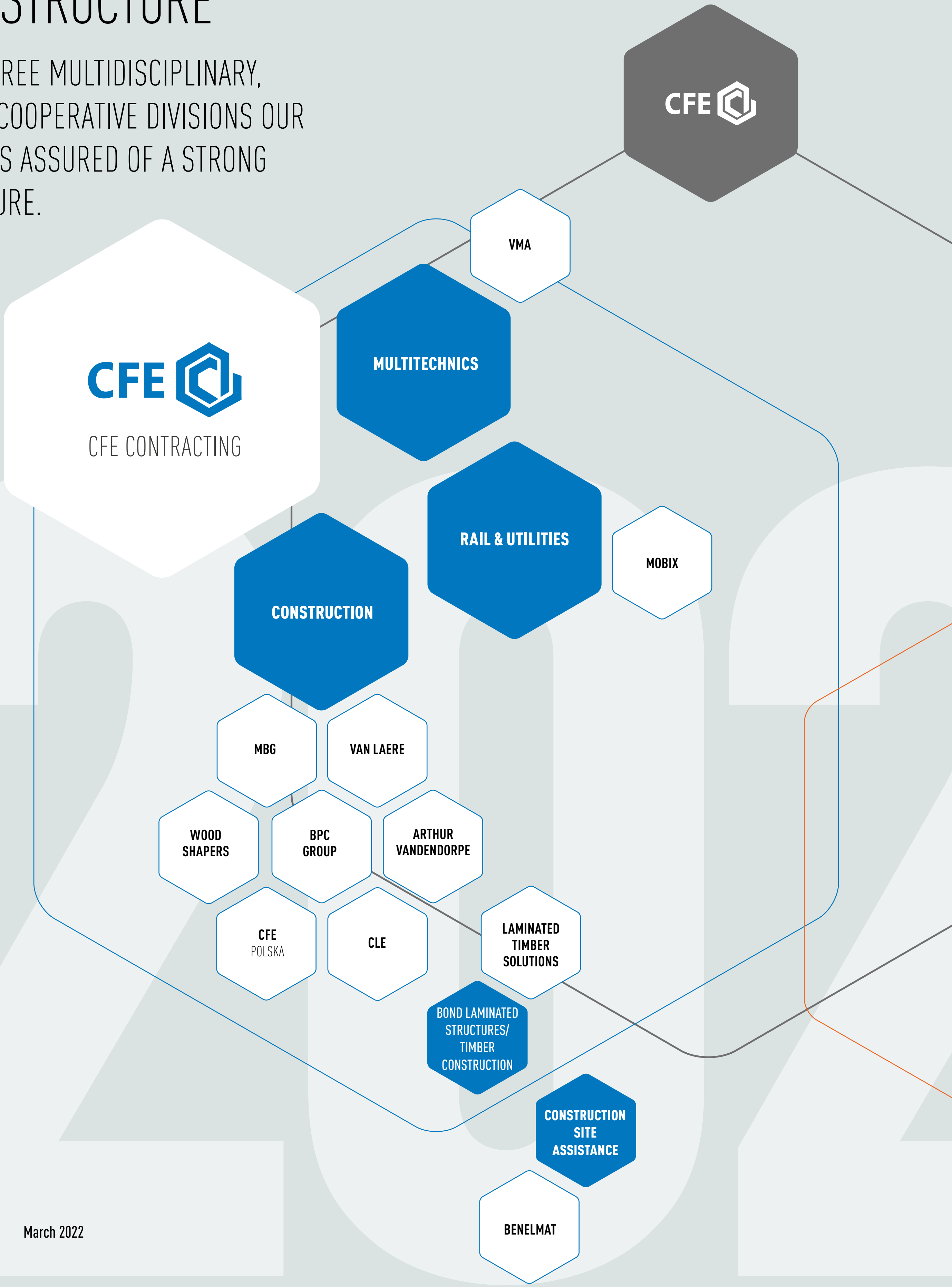
**DEME** *(discontinued operations due to the planned partial demerger)*: with a worldwide fleet of over one hundred vessels, DEME is one of the international leaders in marine engineering. Its four activity segments - dredging, environment, offshore and infrastructure - meet the essential needs of our society and our planet. By offering ever more innovative solutions, DEME lays the foundations for a sustainable future.

**CFE CONTRACTING** *(continuing operations)*: in the heart of our cities, CFE Contracting transforms our living environment and builds the essential infrastructures of our daily life. Construction, Multitechnics and Rail & Utilities are the three divisions of this pole, which is consistently dedicated to sustainability and innovation in order to address today's challenges. Future projects for a world in constant development.

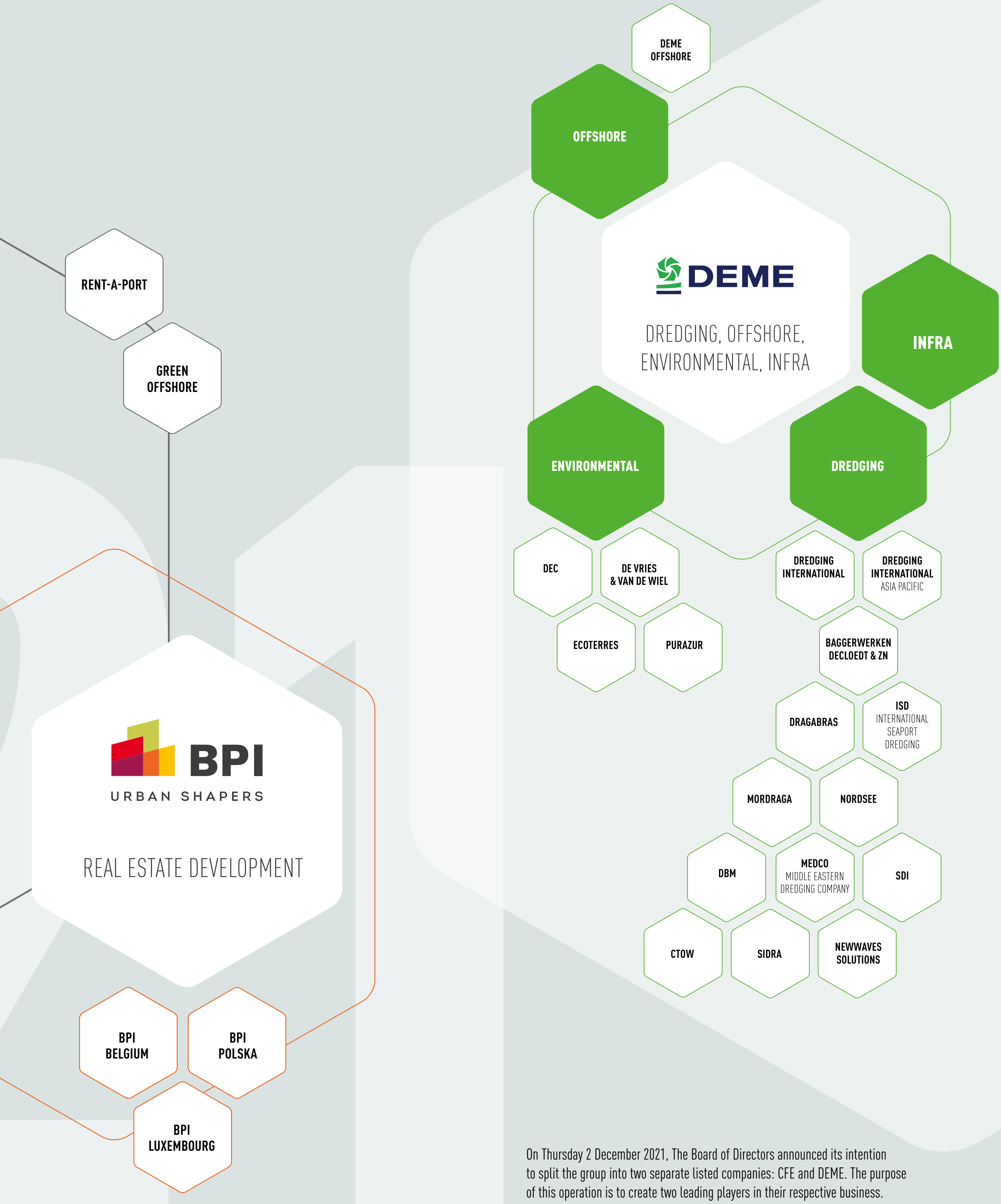
**BPI Real Estate** *(continuing operations)*: Developing the projects that will define the outlines of tomorrow's cities, inventing new forms of living together, conceiving the co-living spaces of the future, etc. Through its real estate development activity, BPI Real Estate positions itself as a major driver of change by defending basic values: sustainability, high architectural quality, respect for the environment, and community involvement.

# OUR STRUCTURE

WITH THREE MULTIDISCIPLINARY, HIGHLY-COOPERATIVE DIVISIONS OUR GROUP IS ASSURED OF A STRONG STRUCTURE.




March 2022




On Thursday 2 December 2021, The Board of Directors announced its intention to split the group into two separate listed companies: CFE and DEME. The purpose of this operation is to create two leading players in their respective business. The aim is to close the transaction in the summer of 2022.

# MESSAGE FROM THE CEOs

# (Y)OUR FUTURE BEGINS WITH SUSTAINABLE THINKING

THROUGH ITS VARIOUS BUSINESS LINES, THE CFE GROUP PLAYS AN ESSENTIAL ROLE IN THE EVOLUTION OF OUR ENVIRONMENT, IN A BROAD SENSE, AND OF OUR LIVING TOGETHER. A SOCIAL RESPONSIBILITY THAT THE THREE DIVISIONS – DEME, CFE CONTRACTING AND BPI REAL ESTATE – TAKE TO HEART, AS EVIDENCED BY THEIR SUSTAINABILITY COMMITMENTS AND THEIR DESIRE TO BUILD A BETTER FUTURE FOR ALL. A LOOK BACK AT THE YEAR 2021, WHICH WAS MARKED BY RECONQUEST AND TRANSFORMATION.

**PIET DEJONGHE & LUC BERTRAND**
MANAGING DIRECTOR OF THE CFE GROUP
& CHAIRMAN OF THE BOARD OF DIRECTORS

Sustainable and innovative, the achievements of the CFE Group are part of a long-term vision of our society. Building the future is the goal of all the divisions, whose different business lines and know-how combine through ever-stronger synergies. Luc Bertrand, Chairman of the Board of Directors, Piet Dejonghe, Managing Director, and the managers of the three divisions, Jacques Lefèvre (BPI Real Estate), Raymund Trost (CFE Contracting) and Luc Vandenbulcke (DEME), take stock of the past year and explain to us the renewed ambitions of all the entities.

"The largely positive results of the last twelve months and the record results that we are reporting confirm the relevance of our governance and allow us to approach the future with serenity», notes Luc Bertrand, Chairman of the Board of Directors. "Despite a difficult context, marked by a global pandemic that has affected all sectors of the economy, the CFE Group as a whole has been able to continue to develop and achieve its objectives. The restructuring efforts undertaken over the past six years, and the sometimes courageous decisions that we have taken have borne fruit. Our strategic approach to sustainability has also demonstrated its importance in even more concrete terms, particularly at CFE Contracting and BPI Real Estate. These developments led us to take the decision in 2021 to split our Group into two independent companies. DEME will separate from the other two divisions from 2022."

## A NEW CHAPTER

Piet Dejonghe, Managing Director, underlines the importance of this major transformation: "This demerger makes it possible to more clearly define the identities and

corporate projects of DEME and of what is now called CFE 3.0. As the two companies work in distinct markets and sectors, they will be able to adapt their governance even better to these specificities and to position themselves even more clearly vis-à-vis their customers, partners and shareholders, but also vis-à-vis current and future employees. From the spring of 2022, we are going to enter into a new dynamic situation that has been made possible by the excellent results of the Group as a whole and, in particular, by the excellent development of BPI Real Estate and CFE Contracting in recent years. The net result for 2021 is three times higher than that of 2016, which is undeniably a great achievement and confirms the validity of our commitments".

"DEME will continue its momentum and, of course, will remain a key player in the fields of dredging and offshore wind power. The award of a second major contract in the United States for the installation of the foundations and cables of the largest offshore wind farm in the country to date, is the reward for 15 years of investment and development by DEME in this sector, while also demonstrating the strong potential of this market internationally. Offshore wind power is coming of age on the other side of the Atlantic, and we are participating in its development in the same way we have done in Europe and will soon do in Asia, which bodes very well for the future. For their part, BPI Real Estate and CFE Contracting will strengthen their links and synergies, in line with the progress made, in particular, in 2021».

## TOWARDS A SUSTAINABLE FUTURE

"More than ever, operational excellence is at the heart of our business plan. The Fit 4 Future initiative is a part of this strategy, and is one of the most telling examples.

Despite a difficult context, marked by a global pandemic that has affected all sectors of the economy, the CFE Group as a whole has been able to continue to develop and achieve its objectives.

LUC BERTRAND

This approach to analysing our processes has the objective of structurally improving our results, by making them more stable and more predictable. All the Belgian entities of the construction segment are taking part in this large-scale project, through working groups bringing together teams from Van Laere, BPC Group and MBG. This has already enabled us to develop new working methods and, in particular, to implement a new integrated management software package (PGI), in addition to a whole series of common digital tools. Here, we are laying the solid foundations of what CFE 3.0 will be, with an efficient development platform that will allow us to work on all our assignments and all our projects in a fully integrated manner."

These developments are also based on a sustainability policy that is still anchored in the DNA of the Group: "Putting sustainability at the heart of our work is not a matter of opportunism but the result of careful thought. It is a strategy that drives out waste and non-quality, promotes innovation, opens up business opportunities for us, strengthens our growth, and permits us to assume our social responsibility to the full. The work of identifying the elements that best match the nature of our activities - among the 17 sustainable development goals (SDGs) defined by the United Nations Organisation - resulted in the formulation of key performance indicators (KPIs) by which we can clearly measure the progress made. 2021 marked the concrete implementation of a whole series of measures in the various entities of CFE Contracting and at BPI Real Estate, as well as the appointment of new sustainability officers. The stronger integration that will result from the split of the Group in 2022 will allow the various sustainability initiatives to be aligned even better."

## A GLOBAL VISION

In 2021, BPI Real Estate confirmed its driving role in the construction of the urban spaces of the future, and reaffirmed its long-term vision, as explained by its CEO Jacques Lefèvre: "We anticipate the developments in the market by relying, in particular, on innovation. This means that we conceive our projects as real estate activities that must offer real services that allow us to adapt over time to the needs of our clients and to urban transformations.
The approach, which is linked to the Sustainable Development Goals, is now anchored in our procedures and allows us to analyse and determine the precise structuring criteria for the selection and the design of each project. This includes, in particular, two essential aspects, namely the carbon footprint and the rational use of resources. There is a great demand in the market for buildings that integrate these issues throughout their life cycle, and BPI Real Estate is a pioneer here. We have been obtaining BREEAM certificates on all our developments for several years now, and are systematically aiming for even higher levels."

« BPI Real Estate's ability to focus on long cycles allows the Group to provide real answers to the crucial questions of housing and the evolution of the urbanisation of cities. Our experience in the field of redevelopment – and I'm thinking in particular of the Grand Poste project in Liège – or in the field of wooden construction – for which the new headquarters of CFE, BPI Real Estate, BPC Group and Wood Shapers in Brussels will be the showcase – are real assets in a market that is increasingly demanding innovation and sustainability. The synergies with the other entities, which will be reinforced in the new structure resulting from the split with DEME, are essential in this sense. The sharing of experiences, a flowing coordination, a methodology and a



common logic … are so many constituent elements of an ever stronger identity. In order to meet the challenges of tomorrow's real estate development and construction, digital tools have now become a necessity. BPI Real Estate has undergone a real digital transformation, the first stage of which was an overhaul of Customer Relationship Management (CRM) in 2021, in terms of both sales and marketing. This significant progress foreshadows other transformations in the years to come, which will also be driven by our internal synergies."

## PEOPLE AT THE CENTRE

"Just like BPI Real Estate, CFE Contracting experienced a tremendous upswing in business in 2021 that far exceeded our expectations," continues Raymund Trost, CEO of CFE Contracting. "The developments in Poland, in particular, are excellent, and have contributed significantly to this improvement. But it is above all the synergies between the entities that have driven this success. We achieve high levels of excellence on our sites thanks to the close cooperation between our various business lines. By working hand in hand with BPI Real Estate and Wood Shapers, we were able to realise the innovative Wooden project in Luxembourg, and, by pooling their skills, BPC Group, Van Laere and VMA have contributed to the sustainable ZIN site in Brussels."

"These synergies are coupled with a desire to transform and improve our businesses. We have given ourselves the means to do so with the Fit 4 Future operation, which brings together a series of programmes aimed at redefining the management of our construction activities. We want to sustain the considerable progress made in the field of sustainability over the past two years by further improving our operational excellence and combining it with digitisation and innovation. In order to do this, we are also banking on several growth vectors, in particular wood construction and industrial automation."

"It's important to underline the concrete and pro-active aspect of our sustainability policy. The substantial investments that have been dedicated to this over the past three years are the proof. This is not just window dressing, but a profound change, simultaneously linked to the needs of our society, our entrepreneurial responsibility and the demands of the market. CFE is a pioneer in these fields, particularly in its global approach, which integrates a vision of buildings in the broadest sense, from their design to their impact on their environment. I would add the human factor, which is at the heart of our business and without which we could not accomplish anything. These are above all our teams, which are essential to the success of our projects, but also include our partners. In all these relationships, sustainability also depends on people, on talent and on know-how."

## ACTORS OF CHANGE

Luc Vandenbulcke, CEO of DEME agrees: "2021 has once again demonstrated the strength and resilience of our employees,

**RAYMUND TROST**
(CFE CONTRACTING)

Just like BPI Real Estate, CFE Contracting experienced a tremendous upswing in business in 2021 that far exceeded our expectations.

RAYMUND TROST

thanks to whom we have been able to ensure the continuity of our projects around the world. Order books have reached an all-time high, which would in itself be a tremendous success in normal times, but which takes on even more value in the context of a global pandemic. The decision to split the CFE Group into two separate companies gives DEME the opportunity to develop its own governance and better promote its potential and ambitions to its shareholders, employees and partners."

"Sustainability remains a fundamental theme, in which DEME continues to play a leading role, with positions on the subject perfectly aligned between the three poles of the Group. Underlying trends such as climate change, increased pollution, rising sea levels and population growth require solutions. After the global threat of the pandemic, an even greater emphasis should be placed on these issues. DEME is well placed in these areas, thanks in particular to our diversified portfolio of solutions."

"Innovation is a key driver of these changes. Our investment program incorporates the latest technologies on board our vessels, which allows us to offer even more sustainable solutions and to significantly reduce environmental impacts. Our four activity lines - dredging, offshore, environment and infra - all play an essential role for the community and for the future of our planet. We have a social responsibility in the strict sense here, which we are assuming to the full. As proof, more than one billion of DEME's turnover relates to renewable energies or de-pollution."

KEY FIGURES

# YEAR AT A GLANCE

ORDER BOOK

**7,526.6** MLN.

| DEME | CONTRACTING |
|---|---|
| 5,906.0 | 1,567.0 |

* BPI, Holding and other elements 53.6

REVENUE

**3,636.0** MLN.

| DEME | CONTRACTING | BPI REAL ESTATE |
|---|---|---|
| 2,510.6 | 1,039.7 | 106.3 |

* Holding and other element -20.6

NET FINANCIAL DEBT

**505.7** MLN.

| DEME | CONTRACTING | BPI REAL ESTATE | HOLDING |
|---|---|---|---|
| 392.7 | -85.9 | 86.0 | 112.9 |

EBIT

**206.5** MLN.

| DEME | CONTRACTING | BPI REAL ESTATE |
|---|---|---|
| 148.5 | 25.3 | 30.1 |

* Holding 2.6

EBITDA

**537.8** MLN.

| DEME | CONTRACTING | BPI REAL ESTATE |
|---|---|---|
| 469.3 | 43.9 | 25.6 |

* Holding and other elements -1.0

NET RESULT

**150.0** MLN.

| DEME | CONTRACTING | BPI REAL ESTATE |
|---|---|---|
| 110.5 | 13.9 | 23.0 |

* Holding and other elements 2.6

## 2021, A SIGNIFICANT GROWTH

In 2021, CFE recorded a very strong growth in its revenue and its results while the pandemic situation has not yet stabilised. All the segments and divisions contributed to this remarkable performance.

The order book once again reached a record level at no less than 7.5 billion euros, thanks in particular to several exceptional orders in offshore wind in the United States.

Significantly lower financial debt completes this extremely positive picture.

Continuing operations include the activities in real estate development, construction, multi-technics and rail, reported an operating margin of 5.15% and a net profit of 39.5 million euros, a level never reached before. Equity increased significantly: +40% in one year.

**Fabien De Jonge**
CFO of the CFE Group

| *In million €* | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|
| Revenue | 3,239.4 | 2,797.1 | 3,066.5 | 3,640.6 | 3,624.7 | 3,222.0 | 3,636.0 |
| EBITDA | 504.9 | 465.9 | 500.7 | 488.0 | 451.2 | 414.7 | 537.8 |
| EBIT | 265.7 | 226.8 | 249.4 | 227.2 | 177.7 | 119.5 | 206.5 |
| Result for the period - share of the group | 175.0 | 168.4 | 180.4 | 171.5 | 133.4 | 64.0 | 150.0 |
| Equity - share of the group | 1,423.3 | 1,521.6 | 1,641.9 | 1,720.9 | 1,748.7 | 1,787.1 | 1,936.3 |
| Net financial debt | 322.7 | 213.1 | 351.9 | 648.3 | 798.1 | 601.4 | 505.7 |

## EMPLOYEES, A CENTRAL VALUE

"After a difficult year in 2020, marked by the health crisis, 2021 allowed us to get back on track with our strategic objectives in the area of human resources. We have worked hard to redefine our procedures by focusing on the needs of our employees. Digitalisation has been a key element, with a series of new applications to facilitate leave requests or recruitment. Investment in training has been stepped up, particularly around leadership and sustainability. We want to help our talents to face today's challenges and we have therefore laid the foundations for the future CFE Academy, which will be launched during 2022. The human aspect remains at the centre of our concerns, so we have also developed a teleworking framework that allows us to meet the current expectations of our colleagues. Our commitment to eco-responsibility is more than ever affirmed with the start of the renewal of our vehicle fleet. We have already significantly increased orders for hybrid and electric vehicles and are aiming for 50% green vehicles in the short term.

**Valérie Van Brabant**
Chief Human Resources Officer

| NUMBER OF EMPLOYEES BY DIVISION | CFE | DEME | TOTAL |
|---|---|---|---|
| 2019 | 3,276 | 5,134 | **8,410** |
| 2020 | 3,250 | 4,976 | **8,226** |
| 2021 | 3,137 | 5,090 | **8,227** |

**TRAINING**

| Number of hours | Total 2020 | Total 2021 | Men | Women |
|---|---|---|---|---|
| Techniques | 38,020 | 59,315 | 57,738 | 1,577 |
| Health and safety | 44,919 | 63,446 | 61,620 | 1,826 |
| Environnement | 1,022 | 526 | 502 | 24 |
| Management | 6,953 | 12,967 | 12,194 | 773 |
| IT | 12,445 | 84,578 | 84,137 | 441 |
| Admin/Accounting/Management/Legal | 12,001 | 23,401 | 22,000 | 1,401 |
| Languages | 6,498 | 8,570 | 7,730 | 840 |
| Diversity | 8,128 | 244 | 117 | 127 |
| Other | 14,342 | 7,392 | 7,041 | 351 |
| **Total** | **144,328** | **260,439** | **253,079** | **7,360** |

## PRIORITY SUSTAINABLE GOALS

"Since 2019, the CFE Group has been working to clarify its own sustainable development objectives based on the 17 UN Sustainable Development Goals (SDGs). The Group has a clear desire to emphasise sustainable aspects both in the construction process and in the projects themselves. This has made it possible to define a policy structured around ESG which has already found its first concrete forms in 2020 with, in particular, the creation of a dashboard of non-financial indicators and, for CFE Contracting, much more regular reporting (4x/year instead of 1x/year). Several pilot projects allow the monitoring of the most complex themes such as the transport of materials, circularity or the protection of the environment. Each indicator ensures regular monitoring of the priority objectives set. The pandemic crisis has confirmed the relevance of the latter, in particular the acceleration of digitalisation as well as the focus on operational excellence which have proven to be essential for the continuation of activities on site, in offices or in homeworking."

**Isabelle De Bruyne**
Chief Sustainability Officer

Several pilot projects allow the monitoring of the most complex themes such as the transport of materials, circularity or the protection of the environment.

DEME

Climate Neutral operations by 2050

Maintain $LTIFR_{WW}$ < 0,2

-40% GHG (scope 1 -2) by 2030 relative to 2008

CFE Contracting

-40% GHG (scope 1 -2) by 2030 relative to 2020

0 pumped water rejected in the sewer by 2030

By 2030
LTISR Constr < 0.4
LTISR Multitech <0.5
LTISR Rail&utilities < 0.9

BPI URBAN SHAPERS

35,580 tonnes of reused materials in our projects in 2021

83,200m² constructions « Fossil Free*» in 2021

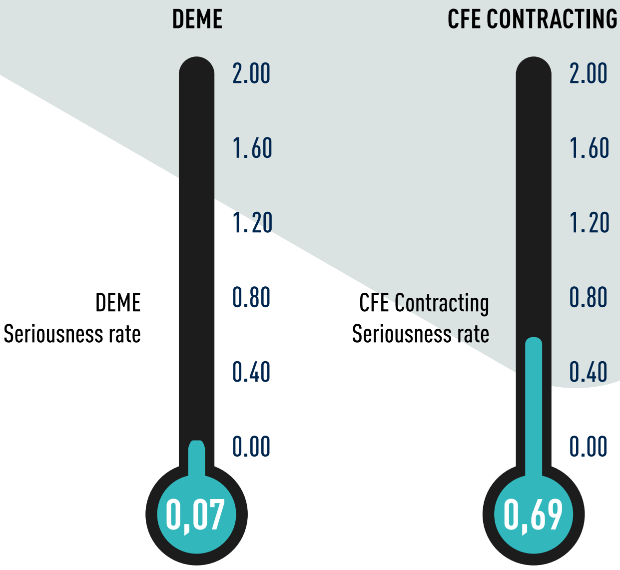
*LTIFR: lost time injury frequency rate*
*LTISR: lost time injury severity rate*

*GHG: Greenhouse Gas*
** no gas, fuel or coal for heating*

## DIGITALISATION AND INNOVATION GO HAND IN HAND

"Digitisation plays an increasingly important role in our sector in general and for our Group in particular. Digitisation enables us to respond correctly and efficiently to current and future challenges for all our activities. In 2021, we were able to make significant progress with a number of initiatives. Firstly, we launched the 'Search It' platform for construction companies. Search It contributes greatly to collaboration in our group because it is an umbrella knowledge database that allows us to share our procedures and expertise with each other in a simple manner. In addition, in 2021 we put all our efforts into analysing and preparing our future ERP solution within the Fture program. This builds the foundations of our organisation and allows us to look with a clear view to a 'future proof' integrated management software package, for which implementation is scheduled to start at the end of 2022. The evolution of our digital tools for the human resources departments in the Group has also started. After a joint analysis, a choice was made for the recruitment application that will be implemented for the entire group in 2022. At the same time, we will be looking for a common platform with which e-learning and development can be offered efficiently across the Group. Besides all this digitalisation, innovation is also at the heart of our philosophy. We have made all the preparations to launch the 'Innovate it' platform in 2022 where we can involve everyone in our innovation ideas while also keeping an overview of what is going on.»

**Hans Van Dromme**
Chief Information Officer




## WORKING SAFELY

" The objective of zero accidents/zero incidents remains the central goal of CFE and is supported by the HSEQ (Health, Safety, Environment, Quality) board, with a focus on all the elements of well-being and prevention that are inseparable from genuine safety for everyone at all times in the workplace. To this end, we have established clear priorities that are translated into concrete actions. After defining a common vision and policy for all entities and introducing unified reporting of HSEQ statistics, we were able to develop a four-pronged approach in 2021: developing and implementing an alcohol and drug strategy, increasing the number of reports of high-risk acts or situations, launching a campaign on Life Saving Rules focusing on working at heights, and setting up a Safety Awareness training programme for management. Prevention and awareness remain essential. The 24% increase in the number of pro-active reports of acts or situations at risk compared to 2019 is evidence of a good collective awareness that forms the basis of our safety policy."

# OUR TIMELINE

## JANUARY 2021

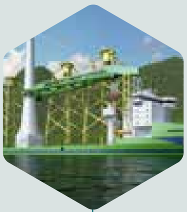
DEME and Van Laere participate in the construction of the Scheldt Right Bank project, on the Oosterweel link in Antwerp.

A study published by the Hydrogen Import Coalition - a collaboration between DEME, ENGIE, Exmar, Fluxys, the port of Antwerp, the port of Zeebrugge and WaterstofNet - confirms the potential for hydrogen imports.

## FEBRUARY 2021

Construction begins on the Femern project, the world's longest underwater tunnel, which will link Denmark and Germany.

DEME Offshore has been awarded a substantial EPCI (engineering, procurement, construction and installation) contract for the foundations of Parkwind's Arcadis Ost 1 offshore wind farm. The new generation XXL monopiles, each weighing almost 2,000 tonnes, will be the largest in Europe.



## MARCH 2021

Laying the keel marks a major milestone for Taiwan's first new generation offshore installation vessel, the "Green Jade".

MBG and its partner pump water from the Vivid & Lucid sites in Leuven via underground pipes to the neighbouring Stella Artois brewery. The pumped water is used for technical processes in the brewery.

## APRIL 2021

Vineyard Wind selects DEME Offshore US LLC to transport and install offshore wind turbine generators for its Vineyard Wind 1 project, the first large-scale offshore wind facility in the US.

## MAY 2021

DEME organises the christening ceremony of the 'Spartacus', the world's most powerful cutter suction dredger.

## JUNE 2021

BPI Real Estate and AG Real Estate, together with the Brussels master architect, have selected a team of architects to transform the iconic 1970s building "Arlon-Treves" in the European Quarter into an innovative and user-friendly office building, while preserving its existing characteristic architecture.

Belgian Federal Minister of Energy Tinne Van der Straeten christens the "Groenewind", the first DP2, twin-hulled Service Operation Vessel that marks a new era in offshore wind turbine maintenance..

## JULY 2021

BPC Group, Wood Shapers and VMA start construction work on the tallest wooden building in the Brussels Region. Located in the heart of the European Quarter, the "Monteco" office project is considered the tallest building due to its eight-storey timber frame design. The wood used is PEFC certified and comes from within a 500km radius of the site.

## AUGUST 2021

DEME Offshore prepares for the new generation of turbines with a major upgrade of the crane for the DP2 jack-up installation vessel 'Sea Installer'. The crane's capacity will increase from 900 tonnes to 1,600 tonnes.

## SEPTEMBER 2021

After more than four years of work, La Grand Poste announces its official opening to the public. A collaborative environment that aims to bring together and federate the city's energies, La Grand Poste offers five spaces combining: a (co)working space with various packages; a food market, a bar and a rooftop open to all; an artisan brewery (Brasseries de Liège); a place to host start-up support programmes and a media campus for students of the University of Liège's master's degree in journalism.

## OCTOBER 2021

On the ZIN site in the North Quarter of Brussels, CFE Contracting has taken an important step with the symbolic laying of the foundation stone for the Flemish authorities' new offices, the Marie-Elisabeth Belpaire building. This involved positioning the first slanted column, made of 100% circular concrete, which will form the main entrance to the circular building.

DEME Offshore installs the 165th and last monopile foundation for the Hornsea Two offshore wind farm, the world's largest offshore wind farm

## NOVEMBER 2021

DEME Offshore US LLC, the world's leading specialist in offshore wind farm projects, has been awarded a USD 1.1 billion Balance of Plant (BoP) project with Dominion Energy Group to construct the Coastal Virginia Offshore Wind Farm (CVOW) in consortium with Prysmian. The largest offshore wind farm in the US, worth a total of USD 1.9 billion, is expected to provide energy to 660,000 homes.

DEME Offshore confirms that the installation of the Saint-Nazaire offshore wind farm is halfway to completion. Having started construction in the spring of 2021, 40 foundations out of a total of 80 XL foundations have now been installed in record time.

DEME Group signs a partnership agreement with CIP and joins the NJORD Group for the construction of an energy island in the Danish North Sea. This agreement represents a major step towards developing the world's first energy island.

## DECEMBER 2021

DEME Offshore is awarded a major interconnector cable contract for the Dogger Bank C wind farm in the UK, a 3.6 GW wind farm that is currently the largest offshore wind farm under development in the world.

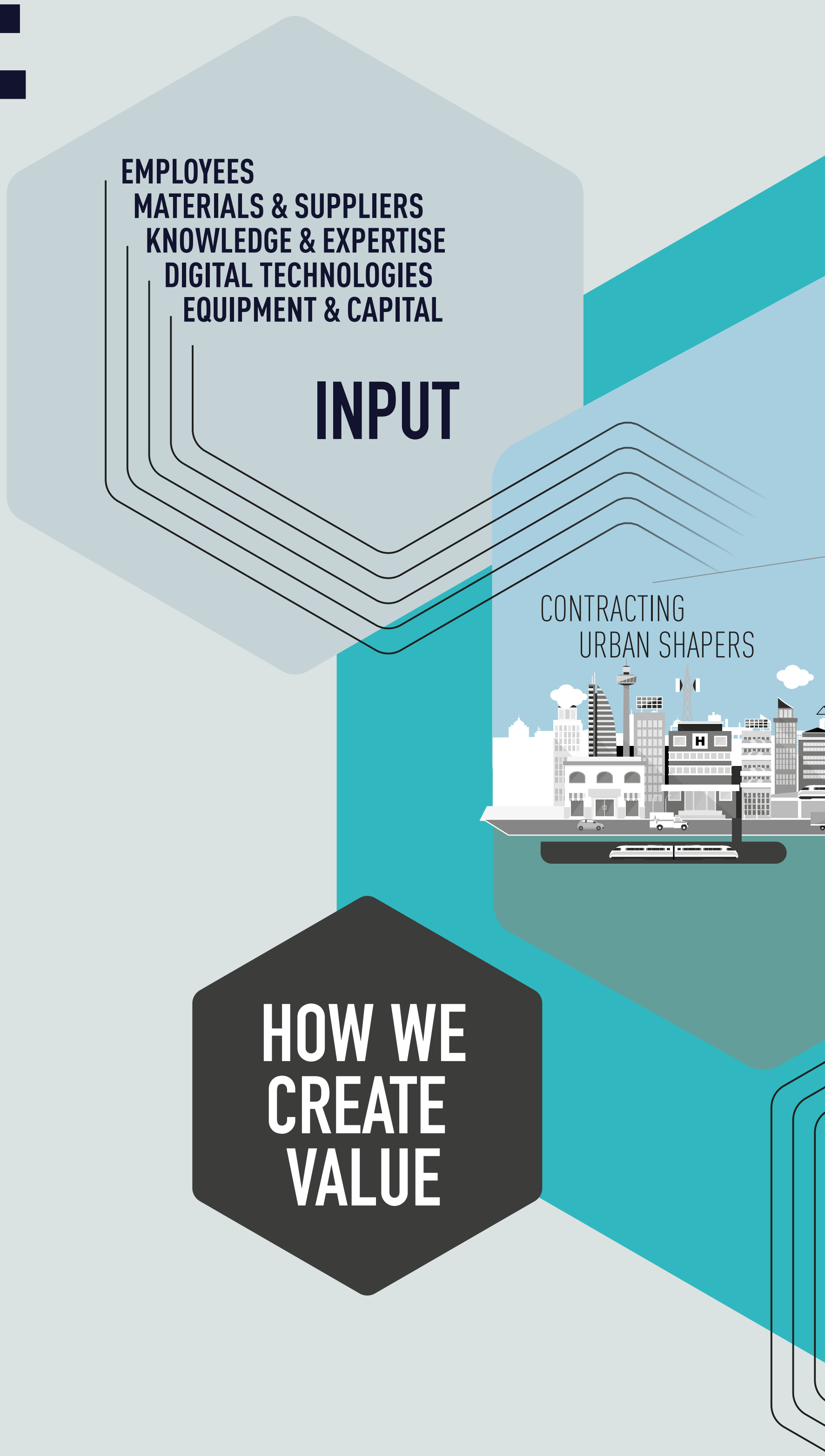
The Board of Directors of Compagnie d'Entreprises CFE SA announces its intention to split the group into two separate listed entities: CFE and DEME. The purpose of this partial demerger is to create two leading players in their respective business lines.

2

# HOW WE SHAPE THE WORLD

# 021

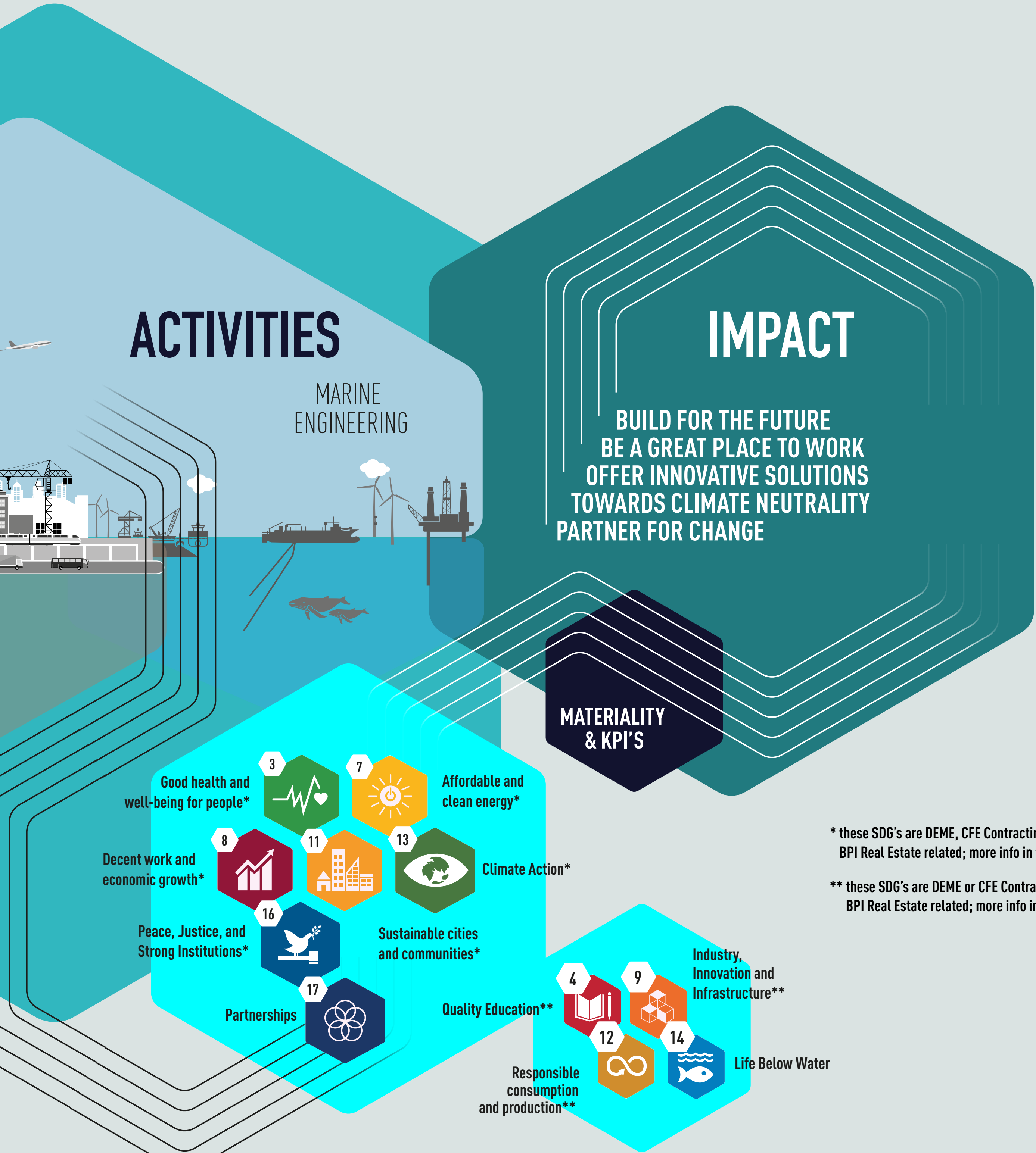
# HOW WE CREATE VALUE




## VALUES AND SOCIETAL CONTRIBUTION

Real estate development, dredging and marine engineering, construction, technical installations and rail & utilities. The group CFE is active in multiple domains whose common point is to have a major impact on society. The strength of the Group lies in its diversity and its complementarity to build from today, the world of tomorrow. The analysis of the 17 sustainable development goals established by the United Nations has made it possible to identify, both for DEME as well as for CFE Contracting and BPI Real Estate, their own prioritsed objectives. Aware of its social responsibility, CFE is ready to take up the crucial challenges of climate change, circular economy, production and responsible consumption of green energy, mobility, safety and well-being of our employees and all the stakeholders on our projects or access to affordable housing. The Group has a clear desire to focus on these maximal sustainable impact both in the construction process and in the projects themselves. And CFE does not hesitate to innovate to create a maximum lasting impact.

This sustainable impact can thus be written down around five complementary ambitions, namely: “build for the future”, “be a great place to work”, “offer innovative solutions”, “drive the energy transition towards climate neutrality” and “create sustainable shareholder value”. These five pillars represent the whole of the ESG themes: Environment, Human (social), and Governance. In doing so, sustainability is at the heart of the strategy of the CFE Group. The continuous dialogue with all stakeholders and the development of solid partnerships support this sustainable approach and form the foundations necessary for the achievement of our ambitions.




* these SDG's are DEME, CFE Contracting and BPI Real Estate related; more info in the annexes

** these SDG's are DEME or CFE Contracting and BPI Real Estate related; more info in the annexes


# BUILD FOR THE FUTURE

Project ZIN - Brussels

THE FIGHT AGAINST GLOBAL WARMING IS A MAJOR CHALLENGE OF OUR TIME. THE CFE GROUP IS FULLY AWARE OF THE CURRENT CHALLENGES, AND FULLY ASSUMES ITS ROLE AS BUILDER OF A RESPONSIBLE FUTURE FOR ALL. WHETHER THROUGH THE DEVELOPMENT OF PIONEERING PROJECTS, THE USE OF SUSTAINABLE MATERIALS OR THE DESIGN OF ENVIRONMENTALLY-FRIENDLY BUILDINGS, EVERYTHING IS DONE TO BE PART OF A DYNAMIC FOR THE FUTURE. THE REDUCTION, RECYCLING AND REUSE OF WASTE, THE CONTROL OF ENERGY CONSUMPTION, WATER MANAGEMENT: THERE ARE SO MANY CONCRETE AREAS OF ACTION THAT SUPPORT THIS VERY LONG-TERM VISION.

Given that the nature of its activities is directly linked to renewable energies, DEME has integrated environmental, social and governance (ESG) criteria into all of its processes for several years now. CFE Contracting and BPI Real Estate have in turn embarked on a new proactive policy in this area from 2019. This took off in 2020, with the introduction of clear and relevant key performance indicators (KPIs). The year 2021 was marked by a global awareness within all entities, at all levels of responsibility, and by the appointment of several sustainability officers in the various structures of the group. Through regular meetings, the synergies and work groups have led to the emergence of many initiatives. Each business unit has been allowed a great deal of freedom of reflection, in order to stimulate the collective intelligence without upsetting the specificities of each business unit. The foundation for an even more coherent common line is already in place, and will allow the CFE Group to define even more ambitious objectives from 2022.

The first fruits of this vision are already clearly visible, as evidenced by the remarkable results obtained during the analysis exercise carried out by the Sustainalytics rating agency. With a score of 27.8 (Medium Risk), the CFE Group is one of the best companies in its sector in the field of ESG risk management. This is not only about applying the principles of the circular economy in the operating processes of construction sites, but also about enlightened governance and resolute investment in innovative construction methods in terms of sustainability. CFE Contracting and BPI Real Estate have thereby combined their know-how to create Wood Shapers. After the iconic Wooden project in Luxembourg, Wood Shapers this time teamed up with BPC Group for the Monteco project, the tallest wooden building in the Brussels Region.

## PRESERVING NATURAL ENVIRONMENTS

As a pioneer in the ESG approach, DEME is also improving the analysis of its energy data through the development of control panels for the greenhouse gas emissions and energy consumption for all its business units. Given the nature of the operations of the CFE Group's maritime hub, the protection of biodiversity and respect for marine balances are at the heart of its concerns. To guarantee those principles in a general and consistent manner, a QHSE (Quality, Health, Safety and Environment) risk management system is implemented at all sites and in all operations. A KPI is linked to the system. According to its index, this initiates responses in the form of 'green initiatives', namely one or several modifications to processes, equipment or installations with the aim of reducing the environmental impact of the project, in particular by limiting any waste and unnecessary discharges. The KPIs raise the awareness of the involved team members in a very specific way. They are better able to identify the environmental impacts and to formulate creative ways to reduce these effects. A recent initiative was to replace the oil and grease used on the hydraulic and lubrication systems of the floating equipment with biodegradable alternatives.

## ANTICIPATING THE FUTURE

Imagining the buildings and living spaces of the future is the credo of BPI Real Estate. Beyond the construction process, the concepts of living together linked to the types of buildings are today already determining the contours of our future. A long-term vision that anticipates the needs of tomorrow, with results today. In 2021, BPI Real Estate projects under design or execution represent 83.200 m$^2$ of 'fossil free' constructions, 50.360 m$^2$ of wooden constructions and 206.870 m$^2$ of 'eco friendly' constructions.

**GRAND POSTE**
A NEW LEASE OF LIFE FOR LIEGE

**Developed by: BPI Real Estate and BPC Group**

A vast project to enhance the listed heritage in the urban centre with the development of co-working spaces, start-ups, several business incubators, shops (covered market selling local products), hotels and restaurants, microbrewery, etc. to develop a digital and creative district in the former building of the Grand Poste, all in conjunction with the University of Liège.

With projects such as BrouckR in Brussels, a multifunctional realisation which for the residential part and offices is entirely heated and cooled by means of open geothermal energy, without any fossil energy, and which will accommodate housing, a hotel, offices and shops in the very centre of the Belgian capital, these are the foundations that have been laid for a new way of living in the city.

## RECYCLE, IMAGINE, INNOVATE

BPC Group and Van Laere have paved the way for the use of recycled concrete on the **ZIN site in Brussels**. This is an approach that is still experimental and will require standardisation in the years to come, but which promises real progress. The principle consists of reducing part of the materials resulting from the demolition in the form of aggregates, and then adding them to the new concrete. A virtuous cycle with an extremely positive impact on the reduction of $CO_2$ emissions at all levels. In general, the awareness of the need for recycling is now part of the DNA of the CFE Group.

The management of energy sources is at the heart of all reflections on the future of our planet. VMA has developed a tool that makes it possible to combine SMART and sustainability. It is called VMANAGER. This intelligent energy management solution for buildings marks a major technological advance. It interconnects independent systems from several suppliers and manufacturers, regardless of the technical field (lighting, heating, cooling, ventilation, fire detection, access control, geothermal energy, management of charging stations, etc.)

Combined with an optimisation of consumption based on guaranteed results, VMANAGER is a truly comprehensive energy management tool for buildings.

and gives an accurate view of the operation of the building, while providing the tools for its efficient maintenance. Combined with an optimisation of consumption based on guaranteed results, VMANAGER is a truly comprehensive energy management tool for buildings. Although intended for buildings under construction or renovation, the intelligence of VMANAGER is now also used internally on the construction sites, with very tangible successes. The 24/24 monitoring makes it possible to optimise the electrical consumption of site installations and has also made it possible, for example, to identify a water leak on sanitary equipment on a site in the middle of the weekend and to stop it, thereby saving some 12,000 litres of water in a day.

Mobility, which is central to the resolution of environmental issues, is not left behind. This is demonstrated by the participation of MOBIX in the LuWa consortium, which is modernising the lighting equipment of the Walloon road network and laying the foundations for the first connected motorways.

The construction site of the Oosterweel link in Antwerp, thanks to which the major port city will have a complete ring road and the necessary bypass to absorb international traffic, is another example of this. DEME and Van Laere are partners in this, demonstrating once again how the Group's entities complement each other and their ability to provide real solutions for the future.

**ZIN**
LARGE-SCALE CIRCULARITY

**Developed by: BPC Group, Van Laere and VMA**

An innovative multifunctional project redeveloping the existing WTC 1 and 2 towers in the northern district of Brussels. The 110,000 $m^2$ area above ground will include 75,000 $m^2$ of office and coworking space, 14,000 $m^2$ of housing, and 16,000 $m^2$ of hotel space as well as sports, leisure, hospitality and retail space. Van Laere and BPC Group are responsible for the construction and VMA for the multi-technical aspects.

ZIN is a bold project both in terms of its architecture and its design or its impact on the environment. It will indeed be energy-neutral. An important place was also given to circularity. 65% of the existing towers are preserved and 95% of the materials will be kept, reused or recycled, while 95% of the new office materials will have to be C2C (cradle to cradle) certified.

# BE A GREAT PLACE TO WORK

PROVIDING A SAFE AND FULFILLING WORK ENVIRONMENT. ENABLING EVERYONE TO DEVELOP THEIR TALENTS, AND TO PROGRESS IN THEIR CAREERS. PROVIDING ADEQUATE TRAINING OPPORTUNITIES FOR ALL, WITHIN A CARING ENVIRONMENT. THESE VALUES ARE ESSENTIAL FOR THE CFE GROUP, WHICH HIGHLIGHTS THE COLLEGIALITY OF ITS TEAMS THROUGH THE CONCEPT OF 'TOGETHERNESS'. WELL-BEING AT WORK, HEALTH AND SAFETY ARE, OF COURSE, FUNDAMENTAL, IN PARTICULAR IN THE CONTEXT OF THE HEALTH CRISIS THAT HAS STRONGLY MARKED THE PAST YEAR, BUT THE CFE GROUP GOES FURTHER IN ITS DESIRE FOR INCLUSION AND EMPOWERMENT WITHIN ALL ITS ENTITIES.

Safety is both a right and a duty at all times and on all construction sites of the CFE Group. Ensuring a safe work environment for employees is absolutely fundamental at all levels and in all entities, regardless of their activity. In this context, Benelmat has completely revised the risk analyses of jobs and tasks, with a new framework and quantified evaluations. A 5-year global prevention plan and an annual action plan with concrete objectives have been launched, as well as a specific health and safety plan integrating the different possible interventions on site and the specific risks or situations. The synergy with BPC Group in terms of the Quality-Safety-Environment standards has been further strengthened and improved.

VMA has extended the actions of its 'VMA VCA' project, through which all the health and safety advisers joined forces in order to implement a VCA system in all VMA units by the beginning of 2022, coupled with a safety strategy adapted to each sector of the entity. MBG, which has confirmed its ISO-9001, VCA and VCA-P certifications, has also stepped up its awareness-raising policy by including a welcome video covering safety on all sites, following which people wish-

MAJALAND

**Developed by: CFE Polska**

The second theme park dedicated to Maya the Bee, carried out by CFE Polska, after that of Kownaty east of Poznań, Majaland in Warsaw will be one of the largest amusement parks of its kind in the metropolitan region. A plot of 50,000 m$^2$ of land for a built area of almost 10,000 m$^2$, including, among other things, all reception areas for the many attractions and a parking lot with more than 700 places. The project is also strongly linked to the social fabric and to local communities, including the sponsorship of a kindergarten, a donation of € 20,000 to the municipality of Wiazowna to support the renovation of its school and a partnership with the Embassy of Belgium to set up of beehives to promote honey production.

ing to access the site must answer a series of questions before access is authorised. At MOBIX, all the board members and managers have attended a Safety Awareness training programme, and the functionality of the safety app has been extended to include site inspections and the reporting of incidents and accidents at work.

## SAFETY AND WELL-BEING, WITHOUT RESPITE

The complete revision of the Safety Awareness training programme in 2021, which is now tailored to reflect the seniority and position of each participant, has been enhanced by a series of concrete action plans aimed at reducing the number of incidents in the very short term. Specific attention is paid to working at height, as well as to the Life Saving Rules common to all the entities of CFE Contracting.

In order to measure and improve the well-being, as well as the motivation and performance of its teams, MBG and VMA have jointly introduced a site barometer on the Tweewaters project in Leuven. On this table, which shows a series of points related to the work on the site, employees can indicate how they feel about each subject, using a colour code: green, orange or red. The possibility for everyone to express themselves, and the decision to put people at the centre of considerations, have led to concrete improvements in the working conditions, for the benefit of all.

As pioneers in many fields, the DEME teams are often required to work under complex conditions or environments. Safety and well-being are equally essential on vessels, on construction sites and in offices. In addition to constant monitoring through

The focus within several entities of the CFE Group was placed in particular on skill development in 2021.

strict KPIs, DEME developed several actions in 2021, in particular the Safety Stand Down and the Safety Moment Day, during which 214 success stories in the area of safety were shared. The 'Resilience and well-being at DEME' prevention programme was the main tool that allowed the teams to continue to work and to maintain the projects in complete safety, despite the pandemic.

## LONG-TERM TRAINING

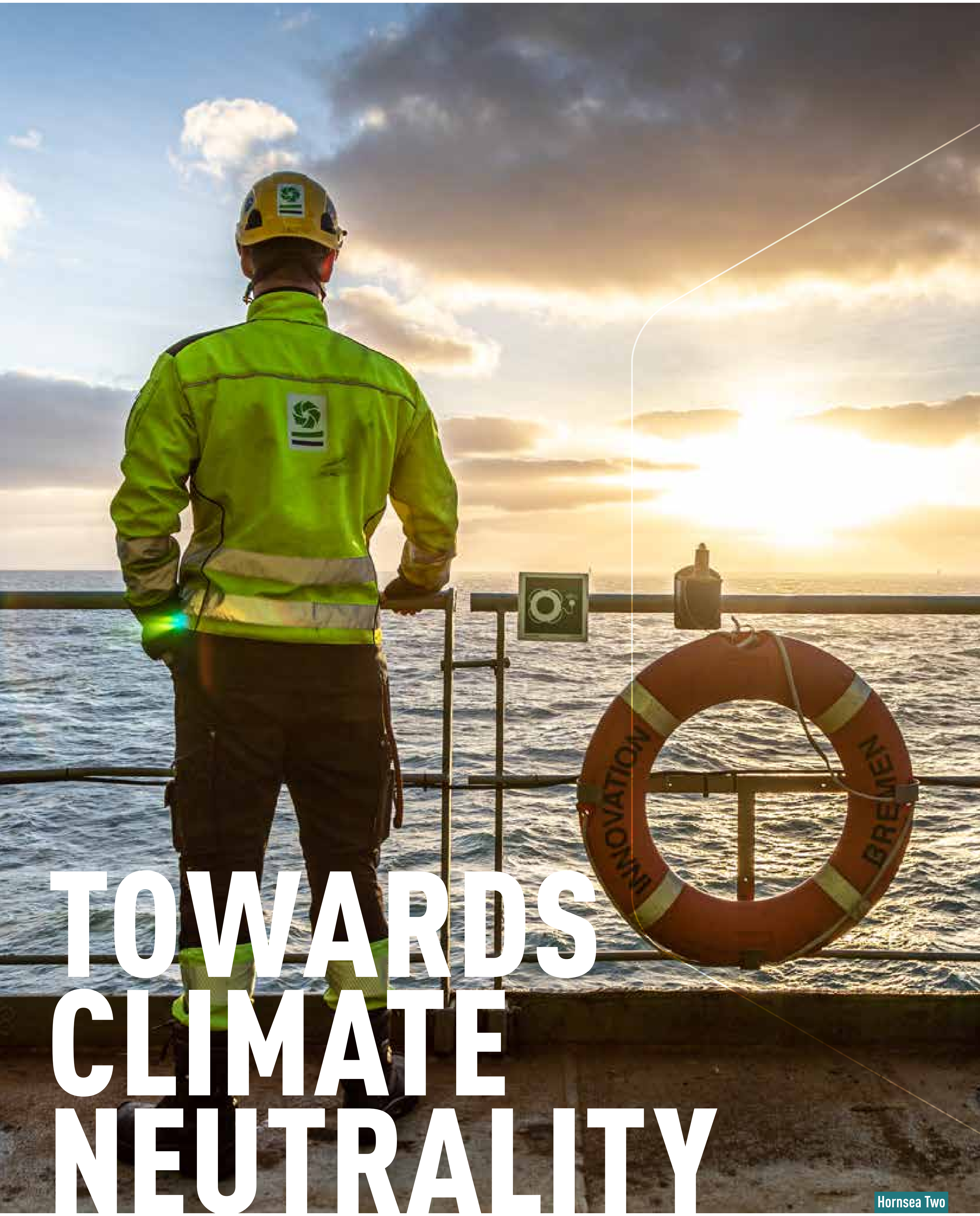
The focus within several entities of the CFE Group was placed in particular on skill development in 2021. This was especially the case at Van Laere through the implementation of the Van Laere Academy, which provides a wide range of global training modules that are accessible to everyone, supplemented by more specific training programmes aimed at specialised technical activities. The latter programmes also call upon the support of the most experienced staff members, who pass on their know-how and knowledge in this way. The approach is largely the same at MBG, through the 'mentor' training projects, and at MOBIX, where project managers can take advantage of projects adapted to their position over a period of nine months. CFE also launched its "Trainership for Young Project Leaders" programme in 2021. This is a comprehensive training programme covering not only project management and construction site planning, but also sustainability and finance, with all this incorporated in interactive modules led by experts and complemented by field visits.

## ATTRACTING TALENT

At Group level, the foundations of the future CFE Academy, which will be launched in 2022, have been laid. It will support the career development of all employees and will also make it possible to attract outside talent even better. The recruitment of new qualified employees remains one of the major challenges of the CFE Group, like all players in the construction world. The digitalisation of many human resources departments also improves everyone's working comfort and strengthens the team spirit present in all entities. A community with strong ties which expressed its values of solidarity at all levels, both in Poland with the social actions around the **Majaland** project or in Belgium with the aid for victims of the floods of 2021. A collection in favour of **the Cross -Rouge** thus made it possible to collect nearly 15,000 euros, an amount doubled by CFE which made it possible to pay the NGO no less than 30,000 euros.


**RED CROSS**
CFE SOLIDARITY

After the terrible floods in eastern Belgium in 2021, funds were raised among employees to make a donation to the Red Cross. CFE then doubled the amount collected - € 14,890 - paying a total of € 30,000 to the NGO helping the victims. Not to mention the many volunteer colleagues who came to help in the field in their spare time.




# TOWARDS CLIMATE NEUTRALITY

Hornsea Two

TWO YEARS AGO, CFE CONTRACTING AND BPI REAL ESTATE INITIATED A NEW SUSTAINABILITY POLICY BASED ON THE 17 SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS, FOLLOWING THE LONG-STANDING WORK CARRIED OUT BY DEME. CARBON NEUTRALITY IS ONE OF THE MAJOR POINTS OF THIS STRATEGY. AFTER THE ANALYSIS AND ESTABLISHMENT OF THE RELEVANT KPIS, 2021 WAS THE YEAR OF IMPLEMENTATION, WITH ACTION PLANS INITIATED IN ALL THE ENTITIES, AS WELL AS A CLEAR AMBITION TO REDUCE DIRECT CARBON EMISSIONS BY 40% BY 2030. THE COMMITMENT OF THE CFE GROUP IS REFLECTED IN THE DESIRE TO DO EVERYTHING POSSIBLE TO REDUCE THE IMPACTS FROM THE EARLY DESIGN STAGE OF THE PROJECTS.

Within the CFE Group, DEME is both a pioneer and a driving force in the field of carbon neutrality. The impact of its offshore wind activities is huge, both locally and at the international level. The beginnings of the Coastal Virginia Offshore Wind (CVOW) project – with a capacity of 2.6 gigawatt, making it the largest offshore wind farm ever carried out in the United States – demonstrates the validity of DEME's commitment of more than 15 years to this type of renewable energy. Other projects include, among other things, the laying of 40 of the 80 foundations of the wind farm in **Saint-Nazaire** in France, the installation of the last of the 165 monopile foundations of **Hornsea Two** off the British coast, which will be the largest offshore wind farm in the world, the laying of the foundations for the Parkwind Arcadis Ost1 project in Germany, etc.

DEME also aims to reduce its GHG emissions by 40% (compared to 2008) by 2040 through the adoption of new technologies, and to become "climate neutral" in its operations by 2050, contributing to carbon neutrality. This primarily concerns the improvement of the ships of the Fleet of the Future, whose greenhouse gas emissions are constantly being reduced, but also the establishment of a zero emissions network – the Emission Free Infrastructure Network – which will accelerate the energy transition of the infrastructure sector. With its participation in the two HYPORT projects for the production of green hydrogen in the Sultanate of Oman and in Ostend, within the framework of the European Clean Hydrogen Alliance, DEME further confirms its desire to contribute to the objective of carbon neutrality set for 2050 by the European Council. The Belgian site alone will enable a $CO_2$ reduction of nearly 500,000 to 1,000,000 tonnes per year.

Achieving carbon neutrality is a goal that calls for humility. The various members of the Sustainability Board – which brings together the sustainability officers of the various units of CFE Contracting and BPI Real Estate – have understood this, and place the emphasis first and foremost on raising awareness of environmental issues and on practical and concrete approaches. This awareness is now a fact throughout the CFE Group, and is driving a whole series of initiatives aimed, in particular, at reducing emissions of $CO_2$. The various entities have been allowed a great deal of freedom with regard to the application methods for these initiatives, in order to anchor the principles of sustainability to the specificities of each trade. Next step for the year 2022: an even more concerted and unified policy, for which the foundations are now firmly laid, and clear objectives for all. The mobility of personnel, the transport of materials and the optimisation of energy consumption on construction sites and in the development of projects are all levers to be activated.

## BETTER FORECASTING FOR BETTER REDUCTION

In 2021, MBG began the certification process aiming to reach Level 3 on the performance scale for $CO_2$, which has already been achieved by Van Laere. This ambition is based on a switch to green energy, which now represents 95% of the energy mix of construction sites, as well as on an intelligent monitoring of consumption. The collaboration with Benelmat has also played a major role, with a focus on the environmental impact of the equipment used and the choice of more energy-efficient equipment to reduce the carbon emissions. Waste-water recovery projects, the installation of photovoltaic panels and even more efficient ventilation are underway, and will see the light of day during the year.


**HORNSEA TWO**
RENEWABLE ENERGY ON THE MOVE

**Developed by: DEME**

The 'Innovation', a vessel of DEME's fleet, is involved in the construction of what will soon be the world's largest wind farm. Off the coast of Yorkshire, Hornsea Two will surpass its predecessor Hornsea One by producing 1.4 GW of clean energy by 2022. No less than 165 monopile foundations and transition pieces were installed to accommodate the turbines with 82-metre blades that will each generate 8.4 MW. A further step towards the conversion to renewable energy, where DEME once again demonstrates its long-term vision and pioneering role.

On certain crucial aspects of the overall environmental report of Belux, the specific technical skills of the CFE Group have made it possible to make a significant difference.

In the case of BPC Group, monitoring consumption on site was also the cornerstone in reducing emissions. A network of sensors and alarms, installed, among other places, in offices, workers' premises and on cranes, makes it possible to analyse consumption in order to improve energy performance on the one hand, and to immediately alert the teams in the event of an incident, for example a water leak, on the other. The Construction Consolidation Centre (CCC) pilot project – a logistics system where delivery flows are regulated according to the needs of the site – inspired by the one used by CLE on the Aurea site, has contributed to greatly reducing the environmental impacts linked to deliveries and to the routing of materials, while simplifying storage as a whole.

The CCC is used in particular on ZIN, another exemplary site on which BPC Group, Van Laere and VMA jointly demonstrate the merits of circular construction. Designed to be almost energy neutral, the redevelopment project of the WTC 1 and 2 towers in Brussels is carried out by retaining, reusing or recycling 95% of the weight of the pre-existing buildings. The new materials used are 95% Cradle to Cradle (C2C) certified. An approach that dramatically reduces the carbon footprint of the works, as well as that of the final buildings over their entire lifespan.

## LOCAL ACTIONS FOR THE FUTURE

On certain crucial aspects of the overall environmental report of Belux, the specific technical skills of the CFE Group have made it possible to make a significant difference. One example among many others is Procool, a specialist in industrial refrigeration and air conditioning within the VMA multi-technical cluster, which replaces old harmful cooling gases with sustainable gases such as ammonia and carbon dioxide. As a pioneer in this field, Procool is not only happy to offer these solutions to its customers – including many players in food distribution – but also participates in the training of technicians in partnership with the schools.

BPI Real Estate believes that climate ambition begins at the source, from the design of projects, by systematically taking into account the ecological impact of each construction, and by integrating a focus on possible sustainable solutions at each stage

**GRAVITY**
THE FUTURE OF LIVING TOGETHER

**Developed by: BPI Real Estate and CLE**

The Gravity project, located at the entrance to Differdange, embodies all the values of long-term vision held by BPI Real Estate. From the design stage, integrating the specific needs of the urban environment and the impact of living together have made it possible to design a complex of 80 housing units associated with 125 co-living studios, all on a 3,500 m$^2$ commercial base comprising offices and services. A global concept that modernises the way of life in the third largest city of the Grand Duchy of Luxembourg.

**SAINT-NAZAIRE**
WIND POWER, THE ATLANTIC FORCE

**Developed by: DEME**

With 80 wind turbines supplying 20% of the Loire-Atlantique department's electricity consumption, the Saint-Nazaire offshore wind farm is a major step forward for France in the field of renewable energy. In 2021, DEME transported and installed the first electrical substation, a 1,200-tonne construction capable of collecting the electricity produced and sending it to the mainland via two underground cables.

of the development. This approach has given rise to projects that partially or totally dispense with fossil fuels, being based on geothermal energy – such as BrouckR and Serenity in Brussels – or on biomass and pellets, such as **Gravity** in Luxembourg. One of the strengths of the CFE Group, specific to real estate development, is this ability to position itself over the long term and to take global issues into account.

Whether through reuse – 35,580 tonnes of materials reused over the last 12 months – through the integration of mobility elements, through the choice of upgrading – 60,160 m$^2$ to be renovated or under renovation during the past year – or by the use of sustainable technologies – resulting in 206,870 m$^2$ of '$CO_2$ friendly' buildings in 2021 – BPI Real Estate is paving the way for our carbon-free future.

Serenity Brussels

# OFFER INNOVATIVE SOLUTIONS

INNOVATING IN ORDER TO MOVE FORWARD, TO PROGRESS, TO RESPOND EVEN BETTER TO THE NEEDS OF A WORLD THAT IS CONSTANTLY EVOLVING, BUT ALSO INNOVATING AS A CONTRIBUTION TO LIVING TOGETHER IN A SUSTAINABLE MANNER. BY ADOPTING NEW PROCESSES ON ITS CONSTRUCTION SITES, IMAGINING THE HOUSING OPTIONS OF THE FUTURE, AND DEVELOPING TECHNOLOGICAL SOLUTIONS TO ENVIRONMENTAL CHALLENGES, THE CFE GROUP IS ASSERTING ITS DESIRE TO BE A CONSCIOUS AND RESPONSIBLE PROTAGONIST IN THE CONSTRUCTION OF OUR FUTURE TOGETHER. THIS ALSO REQUIRES A REASONED GOVERNANCE AND INCREASED DIGITALISATION OF OPERATING METHODS.

DEME's commitment to new technologies that enable the construction of a more sustainable future is expressed in a very concrete manner in various sectors. Global Sea Mineral Resources (GSR) – the DEME division dedicated to the exploration of the seabed – is continuing its research into the collection of metal-rich nodules found on the ocean floor. Under the supervision of a panel of independent scientists, the Patania II prototype module was deployed at a depth of 4,500 metres in order to verify the possible ecological impacts, while at the same time perfecting this method of collecting essential and rare metals. A big step forward for the future.

DEME actively contributes to the development of green hydrogen, within the European Clean Hydrogen Alliance, and is involved in the construction of two green hydrogen production plants through partnerships entered into with the Port of Ostend and PMV for HYPORT® Ostend on the one hand, and with OQ Alternative Energy for HYPORT® Duqm Green Energy in the Sultanate of Oman on the other. Produced from renewable energy sources, 'green' hydrogen is an innovation with a significant long-term potential in the context of the energy transition. It can, in fact, be used as an energy source for electricity, mobility, heat and combustion, or as a raw material for the assurance of industrial conversion.

DEME continues to rely on innovation and on alternative fuels such as LNG and biodiesel, or even green hydrogen and methanol, in order to make progress towards its goal of reducing its greenhouse gas emissions. It is also improving the


**RENT-A-PORT GREEN ENERGY**
ELECTRICAL STORAGE: A STEP AHEAD

**Developed by: Rent-A-Port Green Energy**

The development of large electricity storage capacities is one of the keys to a successful energy transition. On the one hand, it ensures a sustainable, secure and $CO_2$-neutral supply, especially during periods without wind and sun, and on the other hand, enhances the stability of the grid, especially when renewable energy is abundant.

The ESTOR-LUX consortium, of which Rent-A-Port Green Energy is a member, has started full operation of the first battery storage park connected to the Belgian high-voltage grid. Located in Bastogne, the 480 lithium-ion modules have an installed capacity of 20 MWh and a storage capacity of 10 MW. It is also one of the first battery parks in Europe to offer a long duration of electrical restitution (around 120 minutes, i.e. 2 to 4 times more than existing systems). A decisive advantage for keeping the network stable.

energy efficiency of its entire fleet thanks to technological advances, using waste gas heat recovery systems for electrical energy and by implementing tools for tracking and monitoring energy data.

## COLLECTIVE INTELLIGENCE

The sharing of best practices and technological solutions between the various entities of the CFE Group plays an important role in the concrete implementation of innovations in the field. Meetings focusing on sustainable development issues have enabled BPC Group and Benelmat to optimise the electrical equipment on construction sites, using batteries capable of absorbing consumption peaks and enabling a reduction in power – and therefore the carbon footprint – of conventional generators. The cooperation between Benelmat, VMA, BPC Group and MBG for the installation of smart meters and for the continuous, accurate and remote monitoring of energy consumption is another interesting example.

The development of Building Information Modelling (BIM) is now a priority at the construction sites. This method of digital modelling of construction information profoundly changes the work of the teams, both upstream and during field operations, and clarifies all the processes from property development to final completion, while reducing the risk of errors at every stage. The Arlon-Trèves project in Brussels, an ambitious renovation project covering 18,000 m² of buildings that were earmarked for demolition but have been transformed into offices, provides a perfect illustration of this.

In general, digitalisation is becoming the rule for a growing number of administrative formalities, including the electronic signature in 2021. The development of IT tools has made it possible to reduce or even virtually eliminate paper archives. This 'paperless' operation is beneficial from an environmental point of view, and has now

**SPARTACUS**
AN ECOLOGICAL GIANT OF THE SEAS

**Developed by: DEME**

DEME's new ship, the 'Spartacus', inaugurated in May 2021, is a true miracle of innovation and sustainability. This 164-metre-long cutter suction dredger has a total capacity of 44,180 kW and can dredge to a depth of 45 metres. It is also the first in the world to run on liquefied natural gas. Its two auxiliary engines have biofuel technology. The 'Spartacus' has a waste heat recovery system that converts the heat from the engine exhaust into electrical energy. A revolutionary and environmentally friendly design that makes it the new benchmark for the global dredging market.

been adopted by BPC Group, among other entities. In all entities, the simplification and digitisation of documents, reports and technical data sheets are laying the foundations for the interconnected construction of the future, with a focus on improved rationalisation and greater efficiency.

## ENTERING THE WORLD OF TOMORROW

At the same time, BPI is strengthening its skills in the area of smart buildings. The PURE project in Auderghem offers apartments connected to the Internet of Things (IoT), whereby several aspects can be managed remotely. This type of housing anticipates our daily life in the future, as does the choice to increasingly invest in geothermal energy, a sustainable and efficient technological solution that increases user comfort while limiting carbon emissions. In Brussels, Serenity, an exemplary mixed housing-office project, which can be dismantled at the end of its life, will be heated and cooled using geothermal energy and cogeneration, with no fossil fuels for the office part. In view of its location on a metro station, it will also offer Smart Office and Smart Parking systems. The innovation in the CFE group is largely supported by the principles of sustainability, as illustrated by the **Rent-A-Port** project for electrical storage - and of circular economy. Wooden, the most recent achievement of Wood Shapers, the Group entity that is entirely dedicated to timber construction, is proof of this. Another example is the site of the Aurea tower in Luxembourg, which is managed by CLE. The innovative Hydro Circal 75R system used for the composition of the aluminium of the exterior body has, in fact, enabled a reduction of the carbon footprint by a factor of eight. A third interesting example is the ZIN project in Brussels, an ambitious redevelopment of the WTC 1 & 2 buildings.

ETCS2

# PARTNER FOR CHANGE

THE CFE GROUP SYSTEMATICALLY SEEKS TO PUT ITSELF AT THE SERVICE OF THE COMMUNITY, AND TO USE THE KNOW-HOW AND THE SKILLS OF ITS TEAMS TO FURTHER IMPROVE OUR LIVING TOGETHER. THE STRENGTHENING OF SOCIAL LINKS, THE CONSIDERATION OF ENVIRONMENTAL ISSUES AND THE INTEGRATION OF NEW TECHNOLOGIES ARE ALL ELEMENTS PRESENT IN EACH PROJECT, WITH THE GOAL OF TRANSFORMING OUR LIVING ENVIRONMENT IN A POSITIVE MANNER. THE INFRASTRUCTURES CREATED BY THE DIFFERENT ENTITIES LITERALLY SHAPE OUR DAILY LIVES. THE CFE GROUP IS POSITIONING ITSELF AS A PARTNER OF CHANGE, IN BOTH THE SHORT AND THE LONG TERM.

The positive impact of the CFE Group on our society is particularly visible through the contribution of DEME to infrastructure projects such as the Oosterweel Link in Antwerp. The latter will provide this major port city with a ring road link that will improve traffic flow, as well as the quality of life of all the residents of the region. Continuing in the same spirit, the start of the works on the Fehmarnbelt Fixed Link, the world's longest immersed tunnel linking Denmark and Germany, to which DEME is contributing all its technical expertise, marks the start of a new era of mobility in northern Europe.

It is equally relevant to underline the importance of the multiple cooperations and synergies between the entities, which foreshadows the consolidation of the CFE Group – bringing together contracting and real estate development – separate from DEME. A change that will become effective in 2022. The close exchanges of know-how and joint projects between MBG, BPC Group, VMA and, of course, Benelmat, with regard, among others, to the reduction targets for $CO_2$, is the best evidence of this.

## INTERNAL AND EXTERNAL LINKS

In the same spirit of cooperation and taking advantage of technical advances, CFE Contracting and BPI Real Estate have pooled their know-how to create Wood Shapers. This entity, which is entirely dedicated to timber and modular construction, perfectly embodies the Group's thinking on the mastery of materials and the optimisation of construction methods. The sustainable approach of Wood Shapers and its integrated vision of construction sites have already been applied on numerous construction sites in Belgium and Luxembourg. The highlight in 2021 will be the **Monteco** project, which, with its eight floors, will be the highest wooden office building in the Brussels-Capital region.

Following a survey among 80 suppliers, MBG was able to analyse the overwhelmingly positive responses and expectations of its partners, and could identify areas for improvement to make these relationships even more sustainable. The measures adopted made it possible to refine certain processes, strengthen the bonds of trust, and improve

**ENVES – ETCS2**
BELGIUM ON TRACK

**Developed by: MOBIX**

By 2025, the lines of the Belgian conventional rail network will be equipped with level two of the European Train Control System (ETCS). MOBIX is intensively involved in this large-scale project initiated by the network manager INFRABEL, with the task of upgrading 2,000 kilometres of track to ETCS 2 and switching on 1,500 kilometres. With this new system, signalling data is continuously transmitted via the GSM-R or GPRS network. This is a major step forward in safety, which will also make traffic flow more smoothly and improve the public transport offer.

**VMANAGER**
ENERGY UNDER CONTROL

VMANAGER is a next-generation integrated solution developed by VMA that interconnects independent systems from various suppliers and manufacturers, regardless of the technical field. It allows you to centrally manage lighting, heating, cooling, ventilation, fire detection, access control, geothermal energy, recharging stations, etc. The use of data from all the technical installations gives a precise view of how the building is functioning and makes it possible to map and improve energy consumption based on guaranteed results. The associated tools also make maintenance easier and more efficient. This monitoring, which is based on cutting-edge technological solutions, is an essential tool for the energy performance and sustainability of buildings, but also for their comfort and habitability.

operations at several levels. A testimony of the need to fully integrate partnerships into the global vision of the CFE Group, and to make them true ecosystems based on interaction and mutual respect.

## AN AWARENESS OF GLOBAL ISSUES

As a member of the HYVE consortium, which is led by the Institute for Microelectronics and Components (Imec) and by the Flemish Institute for Technological Research (VITO), DEME is actively participating in the emergence of real solutions for the production of green hydrogen through electrolysis, in gigawatt volumes. The HYPORT concept will be one of the levers in this perspective, permitting the import of inexpensive green hydrogen to complement what European production can provide. A clear marker on the road to decarbonisation.

CFE has also extended its own partnership with VITO with regard to **VMANAGER**, and supports this independent research organisation, which has set itself the goal of making sustainability the standard in our company by developing global projects that facilitate the ecological transition through technological innovations. An approach that provides concrete answers, but also emphasises the sharing of knowledge and synergies between the private sector and the world of research.

As a symbol of its desire to actively participate in building a sustainable future, the CFE Group has a commitment with the Belgian Alliance for Climate Action. This NGO, founded jointly by The Shift and WWF Belgium, brings together private sector companies, non-profit organisations and academic institutions around a series of joint sustainability objectives. Through the sharing of knowledge, networking and workshops, the Belgian Alliance for Climate Action enables its members to interact and strengthen their actions for the benefit of the climate, based on rational, scientific elements.

As a symbol of its desire to actively participate in building a sustainable future, the CFE Group has a commitment with the Belgian Alliance for Climate Action.

**MONTECO**
A WOODEN CONSTRUCTION IN THE CAPITAL

**Developed by: Wood Shapers and BPC Group**

The largest wooden building in the Brussels-Capital Region to date, the Monteco project is a perfect example of the innovative technology used by Wood Shapers. 3,674 m$^2$ of office space over eight floors, including a large terrace, in the heart of the European district. With the exception of the prefabricated concrete core, the entire structure is built of exposed wood. All the wood used is not only PEFC certified but also comes from suppliers located within a 500 km radius of the site. An example of innovation and technology.

## CONCRETE SOCIAL COMMITMENTS

The CFE Group is socially involved in several fields in order to support local communities. Pending the demolition of the Key West site in Brussels, the buildings were thus made available to the non-profit organisation Biesterbroeck, which was able to set up the co-creation and co-working project "Hangar du Kanaal". BPI Real Estate has also provided financial support for the Pool is Cool initiative, which aims to reintroduce public outdoor swimming in Brussels. The employees of the CFE Group are not left out and are also involved in solidarity actions. Two telling examples with Operation Shoebox – food donations packed in decorated boxes organised by the association Les Samaritans, in which several colleagues took part – and with the aid for flood victims set up by an employee of BPI Real Estate supported by Benelmat for the logistics part. This last operation made it possible to collect numerous donations of furniture, household appliances, mattresses, childcare equipment, etc. for people affected by the floods of the summer of 2021.

2

2021

# ANNUAL REPORT

# CONTENTS

Dear shareholders,

It is our privilege to report to you on the activities of our company during the past financial year and to submit to you for approval the statutory and consolidated financial statements for the year ended 31 December 2021. In accordance with Article 3:32. §1, last paragraph of the Code of Companies and Associations, the directors' reports on the statutory and consolidated financial statements have been integrated into one report.

# I. STATUTORY FINANCIAL STATEMENTS

## 1. EQUITY AND SHAREHOLDER BASE

There have been no changes in the Company's share capital during the past financial year. At the end of the financial year, the Company's share capital amounted to € 41,329,482.42, divided into 25,314,482 shares, with no declared par value. All shares are fully paid up. Each share gives the right to one vote. There are no holders of securities with special control or voting rights.

At the end of the 2021 financial year, the shareholders owning 3% or more of the voting rights relating to the shares they hold are:

| | | |
|---|---|---|
| **Ackermans & van Haaren SA**<br>Begijnenvest. 113. B-2000 Antwerp | - | 15,720,684 shares (or 62.10%) |
| **VINCI Construction SAS**<br>1973 Boulevard de la Défense<br>F-92000 Nanterre | - | 3,066,460 shares (or 12.11%) |

During the 2021 financial year, the Company received no transparency notification.

On 24 December 2013, the Company received a transparency notification pursuant to the Act of 2 May 2007 on the disclosure of significant holdings in listed companies, in which Ackermans & van Haaren SA and VINCI Construction SAS stated that they held a stake in the Company of 60.39% and 12.11% respectively. The full text of this notification can be found on the website of CFE (www.cfe.be).

On 7 March 2014, the Company received a transparency notification from which it emerged that the concerted action between VINCI SA, VINCI Construction SAS and Ackermans & van Haaren SA, within the meaning of the Act of 2 May 2007 on the disclosure of significant holdings in issuers whose securities are admitted to trading on a regulated market, came to an end after the close of the acceptance period of the mandatory public takeover bid launched by AvH on the Company.

## 2. COMMENTS ON THE STATUTORY FINANCIAL STATEMENTS

### 2.1. FINANCIAL STATEMENTS AT 31/12/2021

Profit and loss account of CFE SA (Belgian standards)

| *In € thousands* | **2021** | 2020 |
|---|---|---|
| Revenue | 10,192 | 19,065 |
| Operating income | (4,570) | (5,071) |
| Net financial result, excluding non-recurring financial results | 35,993 | 15,890 |
| Non-recurring financial income | 268 | 2,178 |
| Non-recurring financial expense | (2,692) | (6,999) |
| Result before tax | 28,999 | 5,998 |
| Income tax expenses | 0 | (77) |
| **Net result** | **28,999** | **5,921** |

The Brussels-South wastewater treatment plant project, which was completed in October 2021, represents a substantial share of the revenue for the year.

Financial income increased significantly in 2021 thanks to the proceeds of dividends from the subsidiaries DEME (€ 20.4 million), CFE Contracting (€ 8 million) and BPI Real Estate (€ 4 million).

Balance sheet of CFE SA after appropriation (Belgian standards)

| *In € thousands* | 2021 | 2020 |
|---|---|---|
| **Assets** | | |
| Non-current assets | 1,326,014 | 1,335,220 |
| Current assets | 105,267 | 97,005 |
| **Total assets** | **1,431,281** | **1,432,225** |
| **Liabilities** | | |
| Equity | 1,197,943 | 1,168,944 |
| Provisions for liabilities and charges | 10,340 | 12,197 |
| Liabilities at more than 1 year | 248 | 115,248 |
| Liabilities at up to 1 year | 222,750 | 135,836 |
| **Total equity and liabilities** | **1,431,281** | **1,432,225** |

Fixed assets primarily consist of the stakes in DEME (€ 1.1 billion), CFE Contracting and BPI.

Financial debts at less than one year include € 60 million drawn down on the confirmed bilateral credit lines, and € 50 million of commercial papers and Medium Term Notes.

## 2.2. APPROPRIATION OF PROFIT

| | |
|---|---|
| Net earnings for financial year 2021 | € 28,999,392 |
| Profit brought forward | € 38,909,528 |
| **Profit to be appropriated** | **€ 67,908,920** |
| Profit to be distributed | € 0 |
| Profit to be carried forward | € 67,908,920 |

## 2.3. OUTLOOK 2022

The results for the 2022 financial year will depend to a large extent on the dividends paid by the three main subsidiaries of CFE, namely DEME, CFE Contracting and BPI Real Estate Belgium.
At the time of the partial demerger and the transfer of DEME's activities to a new entity, the financial fixed assets and equity of CFE will decrease by € 1.1 billion.

## 2.4. MAIN RISKS AND UNCERTAINTIES

We refer to Chapter II.1.2 of the consolidated financial statements.

## 2.5. MAJOR EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

We refer to point II.1.3 of the consolidated financial statements.

## 2.6. FINANCIAL INSTRUMENTS

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

## 2.7. NOTICES

- **Research and development**
  CFE SA has no research and development activity.
- **Branches**
  At year-end 2021, the Company had the following branches ("business units"): CFE Algeria and CFE Tunisia. Those branches have no more significant operational activities.
- **Application of Article 7:96. §1 of the Code of Companies and Associations**
  The provisions of Article 7:96 of the Code of Companies and Associations concerning conflicts of interest did not have to be applied in 2021.
- **Transactions between CFE and affiliated companies (Article 7:97. §4/1. par. 4)**
  No transactions took place between the company and its affiliated companies in the 2021 financial year that necessitated the application of Article 7:97. par. 4/1. al. 4.
- **Remuneration relating to the audit of the financial statements and additional remuneration for the auditor**
  The remuneration of EY Réviseurs d'Entreprises SRL for the audit of the annual and consolidated financial statements of CFE SA amounted to € 121,700.

Pursuant to Article 3:65. §3 of the Code of Companies and Associations, an additional fee of € 14,000 was paid to EY Réviseurs d'Entreprises SRL for various assignments.

- **Acquisition or disposal of treasury shares**
The Company did not acquire or dispose of any treasury shares during the 2021 financial year.
The Company did not award any performance bonuses in shares, options or other rights to acquire shares of the Company in 2021.

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

- **Protection schemes in case of a public takeover bid**
On 2 May 2019, the extraordinary general meeting renewed the authorisation of the Board of Directors to proceed, in the event of a public takeover bid for the securities of the Company, with a capital increase of up to € 5 million within the limits of, and in accordance with, the provisions of Article 7:202 of the Code of Companies and Associations. The Board of Directors is allowed to use these powers if notice of a takeover bid is given to the Company by the Financial Services and Markets Authority (FSMA) no later than three years after the date of the aforementioned extraordinary general meeting (i.e. 2 May 2022). The Board of Directors is also authorised, for a period of three years from the date of publication in the Annexes to the Belgian Official Gazette (i.e. until 22 May 2022), to dispose or acquire up to 20% of the treasury shares in the event that such action is necessary to safeguard the Company from serious and imminent harm.

# II. CONSOLIDATED FINANCIAL STATEMENTS

## 1. COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

### 1.1. FINANCIAL POSITION AT 31/12/2021

**INTRODUCTORY COMMENT**

The announcement of the intention to proceed with a partial demerger implies that DEME's activities will be transferred to DEME Group. In accordance with the requirements of IFRS 5 these are to be accounted for as 'discontinued operations'. In practice, this means that DEME's assets and liabilities are presented on a single line under the assets and liabilities of the consolidated statement of financial position as at 31 December 2021 as assets and liabilities held for sale. The same applies to the income and cash flow statements, where DEME-related items are grouped together for both 2021 and 2020. To help understand the key figures for 2021 and 2020, two columns of pro-forma figures have been added. The pro-forma columns show the key figures as they would have been published if DEME's operations were still considered by CFE as continuing operations.

### A. KEY FIGURES 2021

| | Pro-forma (*) | | | IFRS Financial Statements (**) | | |
|---|---|---|---|---|---|---|
| *In million €* | 2021 | 2020 | Change | 2021 | 2020 | Change |
| Revenue | 3,636.0 | 3,222.0 | +12.8% | 1,125.3 | 1,026.6 | +9.6% |
| EBITDA (***)<br>*% of revenue* | 537.8<br>*14.79%* | 414.7<br>*12.87%* | +29.7% | *68.5*<br>*6.09%* | 45.3<br>*4.41%* | +51.2% |
| Operating income (EBIT) (***)<br>*% of revenue* | 206.5<br>*5.68%* | 119.5<br>*3.71%* | +72.8% | 58.0<br>*5.15%* | 38.1<br>*3.71%* | +52.,2% |
| Result for the period - share of the group<br>*% of revenue* | 150.0<br>*4.13%* | 64.0<br>*1.99%* | +134.4% | 150.0<br>*n.s.* | 64.0<br>*n.s.* | +134.4% |
| Earnings per share (share of the group) (in euro) | 5.93 | 2.53 | +134.4% | 5.93 | 2.53 | +134.4% |
| Dividend per share (in euros) | 0.00 | 1.00 | n.s. | 0.00 | 1.00 | n.s. |

| *In million €* | 2021 | 2020 | Change | 2021 | 2020 | Change |
|---|---|---|---|---|---|---|
| Equity - share of the group | 1,936.3 | 1,787.1 | +8.3% | 1,936.3 | 1,787.1 | +8.3% |
| Net financial debt (***) | 505.7 | 601.4 | -15.9% | 113.0 | 601.4 | n.s. |
| Order book (***) | 7,526.6 | 6,049.1 | +24.4% | 1,620.6 | 6,049.1 | n.s. |

(*) Proforma key figures as they would have been published if DEME's operations were still considered as continuing operations.
(**) In the IFRS financial statements, the activities of DEME are disclosed as 'discontinued' in accordance with IFRS 5.
(***) The definitions are included in the 'Consolidated Financial Statements' section of the financial report.

## B. KEY FIGURES – CONTINUING OPERATIONS

| Year ended December 31 | | | |
|---|---|---|---|
| *In million €* | 2021 | 2020 | Change |
| Revenue | 1,125.3 | 1,026.6 | +9.6% |
| EBITDA (*)<br>*% of revenue* | 68.5<br>*6.09%* | 45.3<br>*4.41%* | +51.2% |
| Operating income (EBIT) (*)<br>*% of revenue* | 58.0<br>*5.15%* | 38.1<br>*3.71%* | +52.2% |
| Result for the period - share of the group<br>*% of revenue* | 39.5<br>*3.51%* | 17.7<br>*1.72%* | +123.2% |
| Earnings per share (share of the group) (in euro) | 1.56 | 0.70 | +122.9% |
| Equity | 133.8 | 95.3 | +40.4% |
| Net financial debt (*) | 113.0 | 112.4 | +0.5% |
| Order book (*) | 1,620.6 | 1,549.1 | +4.6% |

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

### GENERAL INTRODUCTION

Continuing operations include the activities of the Contracting, Real Estate Development and Holding segments.
The 2021 financial statements show strong increases in revenue compared to both 2020 and 2019.
The group's share of net income was € 39.5 million, a level never before achieved.
All of the group's segments reported positive results with strong growth.
Equity increased significantly and net financial debt remained stable.

### CONTRACTING SEGMENT

#### Key figures

| *In million €* | 2021 | 2020 | Change |
|---|---|---|---|
| Revenue | 1,039.7 | 911,9 | +14.0% |
| Operating income (EBIT) (*) | 25.3 | 14.9 | +69.8% |
| Result for the period - share of the group | 13.9 | 5.5 | +152.7% |
| Net financial debt (*) | 85.9 | 123.4 | -30.4% |
| Order book (*) | 1,567.0 | 1,492.6 | +5.0% |

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

#### Revenue

CFE Contracting revenue was € 1,039.7 million, which is up 14% on 2020, and 4.1% compared to 2019.

Within the Construction division, the increase in activity is particularly noticeable in Poland, where CFE has managed to diversify by successfully positioning itself on the market for the construction of logistics centres and industrial buildings. In Belgium, revenue increased slightly but remained lower than in 2019. More than ever, the focus is on project selectivity and operational excellence.

The Multitechnics division (VMA) also recorded a significant increase in revenue (+19.1%). This growth is driven by a number of large projects where VMA has succeeded in combining its various business lines to offer a global technological solution to its clients.

Business for the Rail & Utilities segment (MOBIX) also increased in 2021 thanks in particular to several major rail projects and the ramp-up of the LuWa project (replacement of the public lighting on the Walloon region's main road network).

| *In million €* | 2021 | 2020 | Change |
|---|---|---|---|
| Construction | 718.3 | 634.8 | +13.2% |
| *Belgium* | *482.4* | *459.0* | *+5.1%* |
| *International (Luxembourg. Poland)* | *235.9* | *175.8* | *+34.2%* |
| Multitechnics (VMA) | 196.4 | 164.9 | +19.1% |
| Rail & Utilities (MOBIX) | 125.0 | 112.2 | +11.4% |
| **Total Contracting** | **1,039.7** | **911.9** | **+14.0%** |

**Operating income**
Operating income was € 25.3 million, an increase of 69.8% compared to the previous year. The operating margin was 2.4%. The direct impact of the pandemic was much less pronounced in 2021, but the indirect effects of the pandemic, mainly involving soaring material prices and disruptions in supply chains, weighed on the results.

The growth in operating income was mixed in Construction:
In Poland and Luxembourg, income continues to improve. In 2021, CFE Poland achieved its best ever results. In Brussels and Wallonia, BPC returned to profit after two difficult years. However, business in Flanders remains loss-making due to operational difficulties on several sites, most of which are nearing completion.
Overall, the operating margin for Construction rose from 0.3% in 2020 to 1.3% in 2021.

VMA generated stable operating income compared to 2020, while MOBIX's increased supported by several major rail projects carried out to the customer's satisfaction, including the roll-out of an automatic train stop system in the event of crossing a red light.

The combined operating margin of VMA and MOBIX amounts to 5.8% in 2021.

**Net result**
Net income was € 13.9 million in 2021, displaying an upturn of 152.7% compared to 2020. It also rose significantly compared to 2019: + 46.3%.

**Order book**
The order book amounted to € 1.57 billion as at 31 December 2021, which is up 5% compared to 31 December 2020.

Among the commercial successes achieved by CFE Contracting, the most significant were:
- the major renovation of a semi-industrial building that will house the collections of the Kanal-Pompidou Museum in Brussels;
- the construction of a manufacturing plant for battery systems and modules in Poland;
- construction of a university in West Flanders;
- the installation of technical facilities of the Grand Hôpital de Charleroi;
- several framework agreements for replacing overhead lines in Flanders.

| *In million €* | **2021** | **2020** | **Change** |
|---|---|---|---|
| Construction | 1,166.0 | 1,058.7 | +10.1% |
| *Belgium* | *918.1* | *839.8* | *+9.3%* |
| *International (Luxembourg. Poland)* | *247.9* | *218.9* | *+13.3%* |
| Multitechnics (VMA) | 236.4 | 251.1 | -5.9% |
| Rail & Utilities (MOBIX) | 164.6 | 182.8 | -10.0% |
| **Total Contracting** | **1,567.0** | **1,492.6** | **+5.0%** |

**Net financial surplus**
The division's net financial surplus was € 85.9 million as at 31 December 2021, which is down € 37 million compared to 31 December 2020. This decline is explained by the investments made in 2021 (€ 13.4 million, excluding the application of IFRS 16, including the renovation and extension of the VMA headquarters in Sint-Martens-Latem) and by the increase in working capital requirements.

**Acquisition**
In December 2021, VMA strengthened its Industrial Automation division by acquiring the Polish companies of the Rolling Robotics group. This acquisition significantly strengthens the engineering capability in robot programming in particular for the design and offline programming of automated production lines. Rolling Robotics has about 50 employees and will contribute to the division's income from 1 January 2022.

## REAL ESTATE DEVELOPMENT SEGMENT

### Key figures

| *In million €* | 2021 | 2020 | Change |
|---|---|---|---|
| Revenue | 106.3 | 131.1 | -18.9% |
| Operating income (EBIT) (*) | 30.1 | 22.9 | +31.4% |
| Result for the period - share of the group | 23.0 | 13.2 | +74.2% |
| Net financial debt (*) | 86.0 | 106.2 | -19.0% |

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

### Evolution of the capital employed(*)
### Breakdown by stage of project development

| *In million €* | 2021 | 2020 |
|---|---|---|
| Unsold units post completion | 0 | 0 |
| Properties under construction | 6 | 36 |
| Properties in development | 184 | 156 |
| Total capital employed | 190 | 192 |

### Breakdown by country

| *In million €* | 2021 | 2020 |
|---|---|---|
| Belgium | 101 | 104 |
| Grand Duchy of Luxembourg | 36 | 54 |
| Poland | 53 | 34 |
| Total capital employed | 190 | 192 |

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

Capital employed amounted to € 190 million as of 31 December 2021, which is stable compared to 31 December 2020. Some forty projects are currently under development, covering 477,000 m² (BPI share), of which 68,000 m² are under construction. After 2020 being marked by the acquisition of numerous new projects, 2021 was characterised by the consolidation of capital employed and portfolio rotation.

In the Brussels Region, several major residential projects were delivered in the first half of 2021: Ernest The Park (Ixelles), the final phase of Hauts Prés (Uccle), and the Park West residence (European district). More than 95% of the apartments of those projects are sold.

The construction of the Patio building (Erasmus Gardens, Anderlecht) is progressing at a steady pace, as is marketing. Several projects received their planning permission in the second half of the year: the PURE and Serenity Valley projects in Auderghem (Brussels region) and Brouck'R (Brussels city). Marketing, demolition and earthworks have started.

At the end of December, BPI sold 50% of the Samaya project to AG Real Estate. This is an industrial site of approximately 11 hectares located near the Ottignies train station that will be transformed into a sustainable mixed-use project with new apartments, retail spaces and other services to meet the changing needs of the neighbourhood. Demolition work has been completed and sanitation and infrastructure work is underway on part of the site.

In Liège, BPI and its partner concluded the sale of the company Ernest 11 in July, which owns a 5,000 m² office building let on a long lease to FOREM (Renaissance project).

BPI obtained planning permission for the John Martin's site in Antwerp. The partial sale of a block to the city has been finalised.

In Luxembourg, four projects are currently in the course of construction and marketing. Take-up rates for the housing units are close to 100%. In June 2021, BPI Luxembourg and its co-development partner won a public call for tenders for the acquisition of a building plot on the Belval site, in the south of Luxembourg City. A mixed-use project will be developed on this site with 2,100 m² of retail space. 7,000 m² of office space, 10,500 m² of housing units, and 260 parking spaces. Construction and marketing are expected to start in 2023 once planning permission has been obtained. The construction of the office buildings (3,700 m²) for the ORIGIN project was completed at the end of 2021. Delivery is scheduled for the first quarter of 2022.

In Poland, BPI sold a building plot in Gdansk (Sadowa project) as well as all the retail space (5,000 m²) for the Bulwary Ksiazece project (Wroclaw) which will be delivered at the end of 2020. Furthermore, three new sites were acquired during the year:

- a building plot on which around 240 housing units will be put up (17,000 m²). This project is ideally situated, very close to the central railway station of Warsaw;
- a site situated in the Mokotow neighbourhood, in the centre of one of the main business districts of Warsaw. Planning permission has already been granted. BPI will develop a micro-living concept intended for letting. The programme will comprise around 600 housing units;
- a building plot situated on the edge of the city centre of Wroclaw for the development of 10,000 m² of residential premises, or around 185 housing units. The planning permission was submitted in the second half of 2021 with a view to developing a sustainable project of high architectural quality.

**Net financial debt**
Net financial debt was € 86 million as at 31 December 2021, which is down 19% compared to 2020.

**Net result**
BPI's net result amounts to € 23 million, an increase of 74.2% compared to 2020. This excellent performance is explained by the good quality of the programmes being marketed and by the result on the sale of the Samaya (sale of 50%), Renaissance and Sadowa projects.

## HOLDING AND ELIMINATIONS BETWEEN SEGMENTS

**Key figures**

| *In million €* | 2021 | 2020 | Change |
|---|---|---|---|
| Revenue excluding eliminations between segments | 9.8 | 21.9 | -55.3% |
| Eliminations between segments | -30.4 | -38.3 | n.s. |
| Revenue including eliminations between segments | -20.6 | -16.4 | n.s. |
| Operating income (EBIT) (*) | 2.6 | 0.3 | n.s. |
| Result for the period - share of the group | 2.6 | -1.0 | n.s. |
| Net financial debt (*) | 112.8 | 129.6 | -13.0% |

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

**Revenue**
Revenue, excluding eliminations between segments, amounted to € 9.8 million in 2021.
Activity is essentially confined to the Brussels-South wastewater treatment plant project, where work was completed at the end of October 2021.

**Operating income**
For the first time in several years, the Holding division contributed positively to CFE's results. Two factors explain this change: firstly, residual operational activities - causing significant losses - ended in 2021 and secondly, the jointly controlled subsidiaries. Rent-A-Port and Green Offshore, generated profits of € 1.8 million and € 2.5 million (CFE's share).

<u>Rent-A-Port (CFE share: 50%)</u>
Through its 61.5% subsidiary Infra Asia Investment (IAI), Rent-A-Port continues to develop its five port concessions in northern Vietnam, in the provinces of Haiphong and Quang Ninh. The COVID-19 pandemic, from which Vietnam had been relatively spared until the beginning of 2021, has seen a resurgence, forcing the authorities to take drastic measures such as lockdowns, border closures and tight travel restrictions between provinces. Those measures prevented prospective investors and customers from travelling to Haiphong, resulting in delays in finalising contracts for the sale of industrial land. Those sales were limited to 64 hectares in 2021 compared to 89 hectares in 2020. The sales of industrial land that could not be realised in 2021 have, for the most part, been postponed to 2022. The industrial customer service business grew strongly in 2021 and is expected to continue to grow in future years.

In December 2021, Rent-A-Port entered into an agreement to acquire an additional 32.6% stake in IAI, bringing its total stake to 94%. The closing of the transaction is planned for the first quarter of 2022.

<u>Green-Offshore (CFE share: 50%)</u>
Green Offshore owns minority interests in the Belgian offshore wind farms Rentel (12.5%) and SeaMade (8.75%), situated off the Belgian coast. The two wind farms together produced approximately 2,500 GWh in renewable electricity in 2021.
In 2020, Green Offshore's income was positively impacted by non-current deferred tax income and better weather conditions.

**Net financial debt**
As at 31 December 2021, the division's net financial debt was a € 112.8 million decrease of 13% compared with 31 December 2020. This debt reduction is essentially explained by the receipt of € 11.3 million paid by Credendo relating to the receivables in respect of the Grand Hotel furniture in N'Djamena (Chad).

## C. ANALYSIS OF DEME OPERATIONS

**Key figures**

| *In million €* | Pro-forma 2021 (*) | | | Pro-forma 2020 (*) | | | Change |
|---|---|---|---|---|---|---|---|
| | DEME | Restatements DEME (**) | Total | DEME | Restatements DEME (**) | Total | |
| Revenue | 2,510.6 | 0.0 | 2,510.6 | 2,195.8 | 0.0 | 2,195.8 | +14.3% |
| EBITDA (***) | 469.3 | 0.0 | 469.3 | 369.5 | 0.0 | 369.5 | +27.0% |
| *% of revenue* | *18.69%* | | *18.69%* | *16.83%* | | *16.83%* | |
| Operating income (EBIT) (***) | 153.8 | -5.3 | 148.5 | 86.7 | -5.3 | 81.4 | +82.4% |
| *% of revenue* | *6.13%* | | *5.91%* | *3.95%* | | *3.71%* | |
| Result for the period - share of the group | 114.6 | -4.1 | 110.5 | 50.4 | -4.1 | 46.3 | +138.7% |
| *% of revenue* | 4.56% | | 4.40% | *2.30%* | | *2.11%* | |
| Equity | 1,599.2 | 223.0 | 1,822.2 | 1,481.8 | 227.8 | 1,709.6 | +6.6% |
| Net financial debt (***) | 392.7 | 0.0 | 392.7 | 489.0 | 0.0 | 489.0 | -19.7% |
| Order book (***) | 5,906.0 | 0.0 | 5,906.0 | 4,500.0 | 0.0 | 4,500.0 | +31.2% |

(*) Proforma key figures as they would have been published if DEME's operations were still considered as continuing operations.
(**) Amounts restated to take account of the recognition at fair value of the identifiable assets and liabilities of DEME following the acquisition of an additional 50% of the DEME shares on 24 December 2013.
(***) The definitions are included in the 'Consolidated Financial Statements' section of the financial report.

**Revenue**
DEME made a good recovery in 2021 from the downturn in 2020. The turnover increased again by 14.3% to € 2,510.6 million, although this is just short of the € 2,622.0 million recorded in 2019. It should be pointed out, however, that the turnover figure for 2019 contained a substantial sum of procurement, which was less the case in 2021. If just the turnover on DEME's own works is compared with 2019, the turnover for 2021 was more than 10% higher than in the pre-COVID year 2019.
The recovery was strongest in DEME's dredging activity: the turnover increased by 29% to € 1,132.9 million. In Egypt, several of DEME's vessels were deployed on the large-scale works for the extension of the port of Abu Qir, a project that is in fact still continuing in 2022. The deepening works on the Elbe were successfully completed, while work on the Szczecin (Poland) project has already made substantial progress. Maintenance dredging mainly took place in Belgium, Germany, Papua New Guinea and in several places in Africa. The intense activity is also illustrated by the high utilisation rate of the fleet: 41.4 weeks for the hoppers compared to 38.4 weeks in 2020 and 25.3 weeks for the cutters compared to 11.1 weeks in 2020. In 2021. DEME's dredging fleet was joined by the 'Spartacus', the world's most powerful cutter suction dredger, which was deployed in Egypt immediately upon delivery and which lives up to the high expectations.

DEME Offshore realised a turnover of € 899.6 million in 2021, which is € 35 million less than in 2020, although the decrease of procurement mentioned earlier has an impact here as well. The turnover of own projects, however, increased slightly, and the utilisation rate of DEME Offshore's fleet was 42.2 weeks. As is known. DEME Offshore did not have its new installation vessel 'Orion' available yet in 2021, which meant that for certain complex projects it had to deploy other vessels, even from outside DEME's fleet. Although this was a major challenge logistically and technically, it all went satisfactorily. The largest projects on which DEME Offshore was engaged in 2021 were Hornsea II in the United Kingdom (1.4 GW, the world's largest offshore wind farm with 165 turbines with a capacity of 8 MW) and Saint-Nazaire in France (480 MW, the first commercial offshore wind farm to be installed in French territorial waters). Several projects involving cable-laying works, rock placement and installation of wind turbines also ensured a high level of activity.
Although DEME Offshore has already begun planning and preparing for the large-scale projects in the United States and in Asia (Japan, Taiwan), 2021 and 2022 are years of transition pending the actual start-up of those projects and the higher activity level as from 2023.
DEME Infra realised a vigorous turnover increase to € 263.0 million (2020: € 208.8 million), mainly as a result of the progress made on the works on three major infrastructure projects in the Netherlands, along with the start-up works on the Fehmarnbelt (tunnel link between Denmark and Germany) and on the Oosterweel Link around Antwerp.

### Evolution of activity by business area

| *In %* | 2021 | 2020 |
|---|---|---|
| Capital dredging | 34% | 29% |
| Maintenance dredging | 11% | 11% |
| Offshore | 36% | 43% |
| Infra | 10% | 9% |
| Environment | 6% | 5% |
| Others | 3% | 3% |

### Evolution of activity by geographical area

| *In %* | 2021 | 2020 |
|---|---|---|
| Europe (EU) | 50% | 77% |
| Europe (non-EU) | 24% | 6% |
| Africa | 19% | 6% |
| Other geographical areas | 7% | 2% |

### Ebitda and operating income (excluding restatements)
DEME realised an EBITDA in 2021 of € 469.3 million (18.7% of the turnover), which is not only a significant increase compared to € 369.5 million in 2020, but is also markedly higher than the € 437.0 million (16.7%) reported in 2019.

### Net result (excluding restatements)
The net profit for 2021 amounted to € 114.6 million, which is more than double that of 2020. However, it is still slightly below the net result of 2019.

### Order book
Hence, DEME's order backlog increased in 2021 to € 5.9 billion, compared to € 4.5 billion at the end of 2020. This figure does not include projects for which final contracts have yet to be concluded (such as the works in Taiwan, for which DEME is preferred bidder, and the works on the Right Bank of the Oosterweel Link).

DEME Offshore won major contracts in Europe and in the United States in 2021:
- Coastal Virginia Offshore Wind Farm (US. 2.6 GW): BoP contract for the transport and installation of 176 monopile foundations with transition pieces, three offshore substations, erosion protection and the procurement and installation of subsea export and infield cable systems ($ 1.1 billion);
- Vineyard Wind 1 (US. 800 MW): installation of offshore wind turbine generators for the first large-scale offshore wind installation in the US (order of magnitude: between € 50-150 million), transport and installation of the monopile foundations, transition pieces and erosion protection for the wind turbine foundations, as well as the foundation and platform for the offshore electrical substation (order of magnitude: between € 150-300 million);
- Arcadis Ost 1 (Germany. 257 MW): EPCI for 28 XXL monopile foundations, the biggest ever in Europe (order of magnitude: between € 150-300 million);
- the installation of the water intake points of the nuclear power plant of Hinkley Point (United Kingdom).The contract is worth more than € 200 million;
- Dogger Bank C (UK. 3.6 GW): engineering, procurement, construction and installation of inter-array cables (order of magnitude: between € 50-150 million);
- Leucate (30 MW): first EPCI contract for floating offshore wind farm in France.

| Year ended December 31 | | | |
|---|---|---|---|
| (in million €) | 2021 | 2020 | Change |
| Dredging | 1,740 | 2,187 | -20.4% |
| Offshore | 2,807 | 1,131 | +148.2% |
| Infra | 875 | 896 | -2.3% |
| Environment | 256 | 190 | +34.7% |
| Others | 228 | 96 | +137.5% |
| **Total** | **5,906** | **4,500** | **+31.2%** |

**Investments**

In 2021, DEME invested € 282.0 million in the renewal and expansion of its fleet (excluding the application of IFRS 16). At the beginning of August, DEME took delivery of the 'Spartacus', the world's most powerful and innovative cutter suction dredger. The 'Groenewind' (a service operation vessel for the maintenance of Belgian wind farms) was launched at the end of June. This vessel is being deployed on the Rentel and SeaMade offshore wind farms. The 'Orion' and the 'Green Jade' are still under construction, and delivery is expected in 2022 and 2023 respectively.

Moreover, the 'Sea Installer' and the 'Sea Challenger', DP2 jack-up installation vessels of DEME Offshore, will get a major crane upgrade. The hoisting capacity will be increased from 900 tonnes to 1,600 tonnes, which will enable the ship to install next-generation wind turbines and DEME Offshore to maintain the leadership position in the installation of wind turbines.

**Net financial debt**

Notwithstanding the markedly higher level of activity at DEME and the sustained investments, DEME nevertheless succeeded in reducing its net financial debt by € 96.3 million to € 392.7 million at year-end 2021.

**DEME concessions**

In July, Hyport Coordination Company LLC, a 50% subsidiary of DEME Concessions located in Oman, signed a cooperation agreement with German energy giant Uniper. In its first phase, it will develop a green hydrogen plant of 500 MW (HYPORT Duqm) on that site. The green hydrogen produced from electricity from solar panels and on-shore wind turbines will then be converted into green ammonia and transported to Europe.

DEME Concessions continues to invest in deep-sea mineral mining through its subsidiary Global Sea Mineral Resources (GSR). In April, the 'Patania II', GSR's deep-sea robot, successfully demonstrated that it can ride on the seabed and collect polymetallic nodules at a depth of 4,500 metres. As in previous periods, all costs relating to GSR were charged to profit and loss, which for DEME means a negative impact on the result (before tax) of € 16 million in 2021.

# D. OVERVIEW OF THE FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

| **Year ended December 31** *(in € thousands)* | **2021** | **2020** |
|---|---|---|
| **Revenue** | **1,125,346** | **1,026,600** |
| Other operating income | 50,749 | 64,616 |
| Purchases | (793,536) | (745,686) |
| Remuneration and social security payments | (202,665) | (189,074) |
| Other operating expenses | (111,356) | (109,221) |
| Depreciation and amortisation | (20,217) | (19,674) |
| Goodwill depreciation | 0 | 0 |
| **Income from operating activities** | **48,321** | **27,561** |
| Share of profit (loss) of investments accounted for using equity method | 9,655 | 10,574 |
| **Operating income** | **57,976** | **38,135** |
| Cost of financial debt | (3,448) | (3,706) |
| Other financial expenses and income | (2,591) | (4,991) |
| **Financial result** | **(6,039)** | **(8,697)** |
| **Result before tax** | **51,937** | **29,438** |
| Income tax expenses | (12,431) | (11,749) |
| **Result for the year from continuing operations** | **39,506** | **17,689** |
| Result for the year from discontinued operations | 113,260 | 47,134 |
| **Result for the year** | **152,766** | **64,823** |
| Non-controlling interests - continuing operations | 0 | 0 |
| Non-controlling interests - discontinued operations | (2,758) | (803) |
| **Result - share of the group** | **150,008** | **64,020** |
| Result from continuing operations - share of the group | 39,506 | 17,689 |
| Result from discontinued operations - share of the group | 110,502 | 46,331 |
| Earnings per share (share of the group) (EUR) (diluted and basic) | 5.93 | 2.53 |
| Earnings per share (share of the group) from continuing operations (EUR) (diluted and basic) | 1.56 | 0.70 |
| Earnings per share (share of the group) from discontinued operations (EUR) (diluted and basic) | 4.37 | 1.83 |

| **Year ended December 31** *(in € thousands)* | **2021** | **2020** |
|---|---|---|
| **Result - share of the group** | **150,008** | **64,020** |
| **Result for the year** | **152,766** | **64,823** |
| Changes in fair value related to financial derivatives | 21,373 | (9,033) |
| Exchange differences on translation | 6,393 | (11,592) |
| Deferred taxes | (3,000) | 446 |
| **Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods** | **24,766** | **(20,179)** |
| Re-measurement on defined benefit and contribution plans | (248) | (6.239) |
| Deferred taxes | 98 | 1,472 |
| **Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods** | **(150)** | **(4,767)** |
| **Total other elements of the comprehensive income recognized directly in equity** | **24,616** | **(24,946)** |
| **Comprehensive income:** | **177,382** | **39,877** |
| - Share of the group | 174,536 | 38,810 |
| - Attributable to non-controlling interests | 2,846 | 1,067 |
| Result for the period (share of the group) per share (EUR) (diluted and basic) | 6.89 | 1.53 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| **Year ended December 31** *(in € thousands)* | **2021** | **2020** |
|---|---|---|
| Intangible assets | 1,943 | 111,259 |
| Goodwill | 23,763 | 172,127 |
| Property, plant and equipment | 82,283 | 2,515,052 |
| Investments accounted for using equity method | 103,418 | 204,095 |
| Other non-current financial assets | 79,313 | 89,196 |
| Non-current financial derivatives | 0 | 1,433 |
| Other non-current assets | 13,861 | 15,052 |
| Deferred tax assets | 8,257 | 127,332 |
| **Non-current assets** | **312,838** | **3,235,546** |
| Inventories | 160,381 | 184,565 |
| Trade and other operating receivables | 281,256 | 867,761 |
| Other current operating assets | 85,555 | 57,454 |
| Other current non-operating assets | 2,416 | 21,731 |
| Current financial derivatives | 874 | 7,831 |
| Current financial assets | 15,691 | 2,900 |
| Cash and cash equivalents | 143,587 | 759,695 |
| **Current assets** | **689,760** | **1,901,937** |
| Assets held for sale | 4,297,401 | 0 |
| **Total assets** | **5,299,999** | **5,137,483** |
| Share capital | 41,330 | 41,330 |
| Share premium | 800,008 | 800,008 |
| Retained earnings | 1,184,100 | 1,059,406 |
| Defined benefit and contribution pension plans | (41,976) | (41,783) |
| Reserves related to financial derivatives | (31,160) | (49,715) |
| Exchange differences on translation | (15,967) | (22,133) |
| Equity – share of the group | 1,936,335 | 1,787,113 |
| Result attributable to non-controlling interests | 19,691 | 17,835 |
| **Equity** | **1,956,026** | **1,804,948** |
| Employee benefit obligations | 11,916 | 76,686 |
| Non-current provisions | 12,279 | 13,239 |
| Other non-current liabilities | 38,267 | 32,287 |
| Non-current bonds | 0 | 29.794 |
| Non-current financial liabilities | 77,599 | 918,681 |
| Non-current financial derivatives | 0 | 10,095 |
| Deferred tax liabilities | 2,129 | 96,961 |
| Non-current liabilities | 142,190 | 1,177,743 |
| Current provisions | 40,744 | 44,163 |
| Trade and other operating payables | 277,009 | 1,178,012 |
| Current tax liabilities | 8,300 | 75,283 |
| Current bonds | 29,899 | 0 |
| Current financial liabilities | 149,084 | 412,649 |
| Current financial derivatives | 1,442 | 7,750 |
| Other current operating liabilities | 141,723 | 192,424 |
| Other current non-operating liabilities | 78,376 | 244,511 |
| Current liabilities | **726,577** | **2,154,792** |
| Liabilities associated with assets held for sale | 2,475,206 | 0 |
| **Total equity and liabilities** | **5,299,999** | **5,137,483** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| **Year ended December 31** *(in € thousands)* | **2021** | **2020** |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Operating income from continuing operations | 48,321 | 27,561 |
| Operating income from discontinued operations | 138,692 | 59,692 |
| **Income from operating activities** | **187,013** | **87,253** |
| Depreciation and amortisation of (in)tangible assets and investment property | 20,217 | 19,674 |
| (Decrease)/increase of provisions | (5,118) | (1,874) |
| Impairments on assets and other non-cash items | 8,098 | (104) |
| Loss/(profit) on disposal of tangible and financial fixed assets | (2,099) | (1,341) |
| Dividends received from investments accounted for using equity method | 7,937 | 14,047 |
| Discontinued operations: cash flow from operating activities | 335,880 | 250,229 |
| **Cash flows from (used in) operating activities before changes in working capital** | **551,928** | **367,884** |
| Decrease/(increase) in trade receivables and other current and non-current receivables | (22,873) | 1,514 |
| Decrease/(increase) in inventories | (12,989) | (30,388) |
| Increase/(decrease) in trade payables and other current and non-current payables | 5,816 | (5,370) |
| Income tax paid/received | (13,220) | (7,204) |
| Discontinued operations: change in working capital | (52,125) | 91,898 |
| **Cash flows from (used in) operating activities** | **456,537** | **418,334** |
| **INVESTMENT ACTIVITIES** | | |
| Proceeds from sales of intangible assets and property, plant and equipment | 3,371 | 3,778 |
| Purchases of intangible assets and of property, plan and equipment | (14,557) | (12,324) |
| Acquisition of subsidiaries net of cash acquired | (2,240) | 0 |
| Variation of the investment percentage in investment accounted for using equity method | 0 | 0 |
| Capital decrease/(increase) of investments accounted for using equity method | (5,750) | 0 |
| Proceeds from sales of subsidiaries | 0 | 60 |
| Repayment of borrowings (new borrowings) given to investments accounted for using equity method | 1,366 | (3,763) |
| Discontinued operations: cash flow from investment activities | (266,412) | (147,139) |
| **Cash flows from (used in) investing activities** | **(284,222)** | **(159,388)** |
| **FINANCING ACTIVITIES** | | |
| Interest paid | (6,765) | (6,463) |
| Interest received | 3,317 | 2,757 |
| Other financial expenses and income | (1,885) | (1,987) |
| Receipts from new borrowings | 33,483 | 40,976 |
| Repayment of borrowings | (33,511) | (36,312) |
| Dividends paid | (4,893) | 0 |
| Discontinued operations: cash flow from financing activities | (250,827) | (103,821) |
| **Cash flows from (used in) financing activities** | **(261,081)** | **(104,850)** |
| **Net increase/(decrease) in cash position from continuing operations** | **6,026** | **3,237** |
| **Net increase/(decrease) in cash position from discontinued operations** | **(94,792)** | **150,859** |
| Cash and cash equivalents, opening balance | 759,695 | 612,206 |
| Effects of exchange rate changes on cash and cash equivalents | (195) | (2,550) |
| Discontinued operations: effects of exchange rate changes on cash and cash equivalents | 1,485 | (4,057) |
| Transfer to assets held for sale | (528,632) | 0 |
| **Cash and cash equivalents, closing balance** | **143,587** | **759,695** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Introductory comment**
As indicated in the introduction, the announcement of the intention to proceed with a partial demerger implies that DEME's activities have to be accounted for as discontinued operations in accordance with the requirements of IFRS 5 – Assets held for sale and discontinued operations.

The impacts on the presentation of the financial statements can be summarised as follows:
In terms of the consolidated income statement, the amounts relating to DEME are grouped and presented on three separate lines: profit or loss from discontinued operations, non-controlling interests - discontinued operations and profit or loss from discontinued operations, group share. This presentation applies to both 2021 and 2020, resulting in a restatement of the 2020 consolidated income statement.

In terms of the consolidated statement of financial position, and only for 2021, the asset items relating to DEME are grouped on one line (assets held for sale) and debt and provision items are also grouped on one line (liabilities associated with assets held for sale). It should be noted that i) DEME's equity remains part of CFE's consolidated equity until the effective date of the partial demerger and ii) the consolidated statement of financial position of 2020 is not restated.

In terms of the consolidated cash flow statement, the amounts related to DEME are aggregated and presented on eight separate lines: operating income from discontinued operations, discontinued operations: cash flow from operating activities, discontinued operations: change in working capital, discontinued operations: cash flow from investing activities, discontinued operations: cash flow from financing activities, net increase (decrease) in cash and cash equivalents from discontinued operations, discontinued operations: effect of exchange rate changes on cash and cash equivalents and transfer to assets held for sale. This presentation applies to both 2021 and 2020, which involves a restatement of the 2020 consolidated cash flow statement.

**Comments on consolidated statement of financial position as of 31 December 2021**
Excluding assets held for sale, the statement of financial position total was € 1 billion.

Fixed assets consist mainly of the net book values of the head offices of several Belgian subsidiaries of the group, machinery, equipment and vehicles.
Equity-accounted investments and other financial assets mainly include the shareholdings and shareholder loans towards Rent-A-Port, Green Offshore and the jointly controlled real estate development project companies.

Inventories consist mainly of property projects developed by BPI and its fully consolidated subsidiaries.
The cash position includes € 72.8 million available at CFE SA. The balance of the cash position is broken down between joint ventures and foreign entities not included in the cash pooling.

Equity is broken down into € 1,822.2 million for discontinued operations (DEME) and € 133.8 million for continuing operations (CFE excluding DEME). Non-controlling interests amounting to € 19.7 million relate exclusively to discontinued operations.

Financial debts and bonds totalled € 256.6 million.

The financial covenants of the parent company and its subsidiaries are fully met.

As at 31 December 2021, CFE SA had € 174 million in unused confirmed credit lines.

## 1.2. MAIN RISKS

The Managing Director of CFE is responsible for the preparation of a framework for internal control and risk management, which is submitted to the Board of Directors for approval. The Board of Directors is responsible for assessing the implementation of this framework, taking the recommendations of the Audit Committee into account. At least once a year, the Audit Committee evaluates the internal control systems that the Managing Director has set up, in order to ascertain that the main risks have been properly identified, reported and managed. The subsidiaries of CFE are responsible for the management of their own operational and financial risks. These risks, which vary according to the sector, are not centrally managed by CFE. The management teams of the subsidiaries in question report to their Board of Directors on their risk management.

This section describes, in general terms, the risks facing CFE as a holding company on the one hand, and the operational and financial risks associated with the various segments in which it is active (either directly or indirectly) through its subsidiaries on the other.

### 1.2.1. RISKS AT THE LEVEL OF CFE

**Liquidity risk**
CFE ensures that it always has sufficient financial resources to meet its obligations towards its creditors. Its confirmed credit lines amount to € 234 million. € 60 million of which has been drawn down as of 31 December 2021. In addition. CFE has € 72.8 million available in cash.

CFE complied with all of its financial covenants at 31 December 2021.

The confirmed credit lines will be either amended or replaced by new credit lines and, where appropriate, other forms of financing that will be put in place before the partial demerger planned in the summer of 2022.

**Interest rate risk**
CFE is exposed to the effect of interest rate fluctuations on its variable rate financial debt.
This risk is partly mitigated by the implementation of 'Interest Rate Swap' (IRS) type interest rate hedges. The notional amount of the IRS amounted to € 50 million as at 31 December 2021.

**Exchange rate risk**
Apart from a minor residual exposure to the Tunisian dinar, CFE is no longer exposed to exchange rate risks.

**Counterparty risk**
CFE has no significant exposure to the counterparty risk.

As regards the operational risks of the non-transferred activities of CFE other than those described above, we refer to 1.2.2 below.

### 1.2.2. RISKS AT THE SUBSIDIARY LEVEL

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

#### RISKS COMMON TO THE THREE DIVISIONS

**Preliminary remark**
All risks relating to DEME's activities will no longer affect CFE from the day of the partial demerger.

**Risks related to project execution**
The main characteristic of the businesses of the CFE Group is the commitment made when submitting a proposal (or selling a property) to perform a task that is by its nature unique, for a price with predetermined terms and within an agreed time schedule.

The risk factors therefore relate to:
- the price of the task to be performed and in the event of divergence between the anticipated price and the actual price as a result of variations in the unit prices and/or quantities stated in the tender;
- the possibility (or not) of obtaining coverage for additional costs and price increases;
- design, if this is the contractor's responsibility;
- performance of the contract;
- control of the elements included in the cost price;
- project time schedule and deadlines, internal and external factors that may influence the delivery time;
- performance obligations (quality, deadlines) and the related direct and indirect consequences;
- warranty obligations (10-year guarantee, maintenance);
- compliance with safety and other workforce-related obligations that are also extended to service providers.

The procedures for managing the aforementioned risks are:

- In the early stages, during the study phase:
  - preliminary analysis;
  - review of projects that exceed a certain threshold by the Risk Committee, prior to tendering;
  - assessment of the right size of the teams involved;
  - incorporation of feedback in the study phase.
- In the later stages, during the execution phase:
  - organisation of the preparation of the construction sites;
  - setting up specific and appropriate management systems;
  - application of price revision formulas;
  - transfer of risk to subcontractors and suppliers;
  - prior choice of technical solutions or equipment;
  - dialogue with the customer and the project owner;
  - drafting of contractual clauses containing reciprocal commitments;
  - provision of payment guarantees;
  - arranging insurance policies.

**Economic risks**

The different divisions of CFE are, by their very nature, subject to strong cyclical fluctuations. Nevertheless, this observation must be qualified for each segment or sub-segment of activity, since the key factors can vary between them.

For example:

- dredging and marine civil engineering activities are sensitive to the international economic climate, trends in world trade and government investment policy as concerns major infrastructure and sustainable development works. Slower growth in one or more of DEME's markets may adversely affect its business levels and earnings;
- construction activities and real-estate development activities related to the office property market move in line with the traditional economic cycle, while the residential business depends more directly on general economic conditions, consumer confidence and interest rates.

**Risks related to the management and workforce**

CFE Contracting suffers from a chronic shortage of qualified supervisory staff and workers. The success of projects, in the study, preparation and execution phases, depends both on employees' qualifications and skills and on their availability in the labour market.

On the talent market. DEME must be able to attract, motivate and retain highly qualified staff to manage projects abroad.

**Market risks**

*Interest rate risk*

DEME and BPI make major investments extending over long periods of time. In this context and in terms of the availability of long-term credit, project finance or major capital expenditure, those entities apply a policy of interest rate hedging where necessary. Nevertheless, interest-rate risk cannot be entirely eliminated.

*Change risk*

Given the international nature of its activities and the fact that some contracts are performed in foreign currencies, the different divisions of the group are exposed to exchange-rate risk. For the Contracting and Real Estate Development divisions, this is limited to the Polish Zloty (PLN). To mitigate this risk, they engage in exchange-rate hedging and forward foreign exchange contracts. Nevertheless, exchange-rate risk cannot be entirely eliminated.

*Credit risk*

To reduce underlying solvency risk, DEME and CFE Contracting check the solvency of their customers when submitting quotations, regularly monitor accounts receivable, and adjust their positions with them where necessary. For customers presenting a material credit risk, down payments and/or bank guarantees are required before the work starts.
In markets outside Europe, if a country is eligible and the risk can be covered by credit insurance, DEME obtains coverage from organisations specialising in this area, such as Credendo Group. Nevertheless, credit risk cannot be entirely eliminated.

*Liquidity risk*

In order to limit the liquidity risk, the entities of the CFE Group increased their sources of financing, of which there are four:

- a bond of € 30 million issued by BPI (maturing in 2022);
- confirmed medium-term bilateral credit lines available to DEME and BPI;
- 'project-finance' loans or leasing contracts, as used by DEME to finance some of its vessels and set up by BPI to fund its real estate projects;
- bank loans or treasury notes to cover short and medium-term cash requirements.

DEME, CFE Contracting and BPI complied with all of their financial covenants at 31 December 2021.

**Price risk of commodities, equipment and subcontractors**
DEME and CFE Contracting are potentially exposed to increases in the prices of certain raw materials, equipment and work done by subcontractors. Such increases are liable to have a negative impact on the profitability of the projects. It is also worth noting that DEME hedges against rising diesel prices for contracts that do not contain price revision mechanisms.

**Risk of dependency on customers or suppliers**
Given the Group's activities and its organisational structure, which reflects the local nature of its markets. CFE considers that, overall, it is not dependent on a small number of customers, suppliers or subcontractors.

**Environmental risks**
Like any company involved in dredging and marine activities. DEME pays particular attention to environmental risks, which fall into two categories:
- disruption to flora and/or fauna or accidental pollution, which can never be totally ruled out despite the very strict prevention measures that the company takes in performing its dredging work;
- DEME subsidiaries operating in the environmental field have to decontaminate highly polluted soil, the extent and exact composition of which is not always easy to establish before the contract starts. In addition, the innovative technologies that DEME uses to remediate soils also carry a degree of risk.

In view of the type of work it is asked to do, CFE Contracting may be involved in handling hazardous materials.
CFE Contracting takes all possible safety and health precautions for its workers and takes particular care regarding this point, although this risk cannot be entirely eliminated.

Respect for the environment is one of the fundamental values upheld by the different divisions of CFE, which make every effort to limit the negative environmental impact of their activities.

**Legal risks**
Given the diversity of their activities and geographical locations, DEME, CFE Contracting and BPI are exposed to a complex regulatory environment as concerns the places where services are performed and the fields of activity involved. In particular, they are subject to the rules relating to administrative contracts, public and private works contracts, civil liability, and to the regulations in the area of social and labour law.

**Political risks**
DEME is exposed to political risks, which may take different forms: political instability, wars (including civil wars), armed conflicts, terrorism, hostage-taking, extortion and sabotage.

They represent potential threats to the security of staff and property. As a result, these risks are monitored closely and, if necessary, a project may be stopped if basic security conditions are no longer met. In this case, staff and equipment are transferred to a safer location.

DEME has appointed an *Enterprise Security Officer* to:
- provide regular updates on potential threats to the security of staff and property;
- help to set up security procedures;
- verify compliance with those procedures;
- coordinate emergency situations when necessary.

**Risks relating to the protection of intellectual property and know-how**
DEME has developed specific know-how and innovative technologies in various areas.

To protect its trade secrets and intellectual property relating to its innovations. DEME has filed numerous patent applications covering over 100 specific applications.

**Risks related to special-purpose companies**
DEME and BPI participate in carrying out some of their real estate, public-private partnerships or concession activities, and will continue to participate in special-purpose companies (SPVs) that provide real guarantees in support of their credit facilities. The risk, in the event of the failure of this type of company and exercise of the guarantees, is that the proceeds from such exercise are not sufficient to cover some or all of the amount of shareholders' equity or equivalent used as collateral for setting up the credit facilities.

**Risks related to COVID-19**
In order to protect everyone's health, the management of the different poles and divisions has taken the necessary measures in response to the COVID-19 pandemic, in particular travel restrictions, teleworking, strict adherence to social distance rules and holding virtual meetings. The Group is committed to limiting the adverse effects of the pandemic. Nevertheless, they still had a negative impact on the results of the group in 2021, albeit to a far lesser extent than in 2020. The pandemic caused:
- productivity losses and delays on some construction sites due to lockdown and quarantine measures and major disruptions in the supply chain;
- quarantining of certain vessels following the detection of positive COVID-19 cases;

- at the time of writing this report, the consequences of COVID-19 on the operation of the group's entities based in Europe are tending to fade. However, it cannot be excluded that a new variant of the virus may appear.

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

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

As and when they are identified, a series of specific measures are taken for each type of risk in order to minimise the occurrence of those risks and, where appropriate, the consequences that could arise.

For example:
- a professional antivirus software has been installed on all workstations, with regular updates;
- regular training and awareness-building sessions in social engineering are organised for all the staff, focusing on human and technical detection tools;
- a professional service has been added to Outlook to report and analyse "phishing" e-mails;
- a strategy of complex passwords and a well-configured and up-to-date multi-factor authentication system have been put in place;
- the Group hires external service providers to carry out a penetration test;
- the Group calls in external service providers to analyse the systems, and to alert the company with regard to incidents that could have a negative impact;
- the Group works with the Chief Information Security Officers to carry out audits regarding the implementation of our security policies;
- access to confidential and sensitive records is restricted according to the user profiles, and records and resources are partitioned by department, with authentication required;
- an efficient backup system has been put in place;
- the employees are systematically trained in the use of applications and software.

The financial year 2021 was characterised by numerous interventions by dedicated IT teams, without any significant consequences for the subsidiaries concerned.

## OPERATIONAL RISKS SPECIFIC TO THE DREDGING, ENVIRONMENT, OFFSHORE AND INFRA DIVISION

**Operational risks relating to dredging and offshore works**
In its dredging, wind farm installation, subsea cable-laying and civil engineering projects, DEME faces various specific operational risks related to:
- determining the type and composition of the soil;
- climatic and weather conditions, including extreme events such as storms, tsunamis and earthquakes;
- wear and tear affecting equipment;
- technical incidents and breakdowns that may affect the performance of vessels;
- default of subcontractors or suppliers, particularly in the context of EPCI type contracts;
- project design and engineering;
- changes in the regulatory framework during the contract;
- relations with subcontractors, suppliers and partners.

**Operational risks related to the development of concessions**
DEME has for several years been developing a concessions and public-private partnership business. In this business. DEME faces specific risks related to:
- the evolution of electricity prices (offshore wind farm concessions);
- the evolution of maritime traffic (port concessions);
- maintenance and servicing activities;
- the ability to finance these large projects.

**Risks related to fleet investments**
DEME is primarily engaged in maritime activities, which are characterised by their *capital-intensive* nature, due to the need for regular investment in new vessels in order to keep the fleet at the cutting edge of technology. For this reason, DEME is faced with complex investment decisions and specific operational risks relating to:
- technical design of the investment (type of vessel, capacity, power, etc.) and expertise in new technologies;
- time between the investment decision and commissioning of the vessel, and anticipating future market developments;
- control over construction by the shipyard once the investment decision has been made (cost, performance, conformity, etc.);
- utilisation of the fleet and scheduling of activities;
- financing.

DEME has qualified staff with the capacity to design new vessels and design and execute large-scale projects. Given the very nature of the activity and the many external factors to be taken into account, the risks inherent in this business cannot be completely eliminated.

**Fraud and integrity risks**
DEME closely follows its procedures for the avoidance of fraud and integrity risks. A centralisation at the headquarters of the global financial payments in the DEME group is being worked out. The framework of the internal audit function was also centralised, and a new internal audit manager was appointed.

**Sabetta case file**
As publicly known, the Public Prosecutor's office started an investigation in 2016 into the circumstances under which a contract was awarded in April 2014 in the context of a private tender to Mordraga, a Russian joint venture company of the DEME group, for the execution of dredging works in the port of Sabetta (Russia). The works were carried out in the summer months of 2014 and 2015. The contract was completed in 2016.

The investigation was initiated after a complaint was filed by a competitor who was not awarded the contract in question, and is based exclusively on selective information provided by this competitor.

The Public Prosecutor summoned certain companies and (former) staff members of the DEME group at the end of December 2020 to appear before the Council Chamber. The Council Chamber decided on February 21, 2022 to refer the case to the competent court. An appeal will be lodged against the decision of the Council Chamber.
It should be emphasised that the Council Chamber does not pronounce any judgment on the merits of the case, but merely rules on the question whether or not there are sufficient incriminating elements to have a case judged on its merits by the competent court.

DEME remains confident about the further development of the procedure.

In light of the foregoing, DEME cannot for the time being make a reliable assessment of the possible financial impact of the pending investigation. Therefore, no provision has been recorded as of 31 December 2021, in accordance with the requirements of IAS 37.

## OPERATIONAL RISKS SPECIFIC TO THE CONTRACTING DIVISION

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

The measures to manage the risks related to partnership contracts include:
- discussion in Risk Committee prior to tendering;
- setting up the operation in a special purpose vehicle with financing that is for the most part provided through debt without recourse or with limited recourse against the shareholders;
- involvement of the lenders in the early stages of the projects;
- seeking advice from external consultants.

**Legal risks related to social and labour law**
Social risks
The social risks facing CFE Contracting are situated in the context of the cross-border subcontracting chain mainly in the construction sector. The main risks identified for the construction sites in Belgium are: the re-qualification of top-tier subcontracting contracts, the employment and the absence of the checkin@work declaration.
Any breach of social law is likely to constitute a risk at both the legal and the reputational level.

Risk management measures
In order to prevent the occurrence of such risks, subcontractor policies, as well as training programmes, are provided within CFE Contracting, and are applicable in all its entities. Their implementation at the level of the Contracting divisions is ensured by the management of the subsidiaries.
In addition to those structural procedures aimed at strengthening the effectiveness of the prevention mechanism, social audits with regard to subcontractors have been carried out on the construction sites from 2018 onwards. During those audits, special attention was paid to compliance with social security obligations.
Social risks are analysed every six months, and action plans are drawn up.

Litigation
BPC SA, a subsidiary of CFE Contracting SA was convicted on May 19, 2020, for alleged violations of employment law allegedly committed by one of its subcontractors in 2017. BPC SA strongly refuted the allegations made against it in the decision at first and appealed against this decision.

## OPERATIONAL RISKS SPECIFIC TO THE REAL ESTATE DEVELOPMENT DIVISION

**Risks related to the economic environment**
The division is exposed to local, regional, national and international economic conditions and to other events that affect the markets on which BPI operates. The division's projects are currently situated exclusively in Belgium, Luxembourg and Poland.

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

Variations in mortgage rates may affect the ability of households and private investors to acquire residential properties and, consequently, diminish the demand for such class of assets.
On the office market, variations in long-term interest rates may also affect the return on which the price of office properties is calculated. Such variations may also have a significant impact on the division's ability to sell residential or office properties.

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

**Risks related to real estate development**
All projects are dependent on planning, building and environmental permits being granted. Consequently, any project may be affected by (i) the division being unable to obtain, maintain or renew the necessary permits or (ii) any delay in obtaining, maintaining or renewing those permits, as well as (iii) BPI being unable to comply with the conditions of those permits.
Furthermore, changes made by the competent authorities to the legal framework and the administrative procedures surrounding the filing for, delivery or validity of, such permits may have a negative impact on the financial result of a project.

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

Additional costs and penalties may be incurred if a project cannot be developed in a timely manner or in accordance with the agreed terms and conditions.
This risk is mitigated by the fact that BPI almost systematically entrusts the construction of its projects to one of the companies of CFE Contracting (lump-sum contracts) and arranges appropriate insurance coveraget.

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

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

However, and in view of the increase in capital employed over the past few years, BPI pursued its policy of diversifying its sources of financing by increasing its confirmed credit lines, using its treasury notes and medium-term promissory notes programme, and by setting up new project financing in Belgium and Luxembourg on terms that are virtually equivalent to those in effect before the health crisis. On 31 December 2021. BPI has € 50 million of unused confirmed bilateral credit lines.

**Risks related to the ability to sell projects**
BPI's activity, financial position, results and prospects are almost entirely dependent on the sale of its projects.
Investments in real estate projects for which no planning permission has been obtained yet are relatively illiquid. BPI is unable to find a suitable buyer for this type of asset if it needs cash. Moreover, market conditions may force BPI to sell its projects at lower prices than planned. The division's inability to generate positive cash flow from project sales can adversely affect its capacity to repay its debts.
Nevertheless, this risk is mitigated by a careful market survey prior to any investment and in the course of its development, as well as by the elasticity of demand on the residential market. The take-up rate of real estate projects in progress remains at a very satisfactory level in 2021.

**Risk of portfolio concentration**
The division tries to constitute a diversified project portfolio. Nevertheless, more than 50% of its projects are situated in Belgium and are acquired on the residential market. Consequently, any slowdown or regulatory changes in Belgium or any market changes affecting the residential market may have a considerable negative impact on the division's results and operations. Nevertheless. BPI's policy is to diversify its portfolio.

**Risks related to stakeholders**
The division maintains contractual relations with several parties, such as partners, investors, tenants, entrepreneurs, financial institutions and architects. Those stakeholders may experience disruptions in their operations or be confronted with financial difficulties that may cause a delay or total inability to meet their contractual obligations.
Although contractual agreements usually contain guarantees, default or bankruptcy of a stakeholder could render the guarantees entirely or partially inapplicable.

As was mentioned above, the risk is largely mitigated by the fact that BPI almost systematically entrusts the construction of its projects to the companies of CFE Contracting.

**Risks related to competition**
The division faces competition from other property developers on the markets where it is active. This competition can affect the division's ability to sell and rent projects at attractive rates and prices and can therefore have an adverse impact on the division's activity, financial situation, results and prospects.

This activity is also characterised by long operating cycles, which means that operators need to anticipate decisions and make long-term commitments.

## 1.3. MAJOR EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

### 1.3.1. CONTINUING OPERATIONS
The Ukrainian crisis has no direct impact on CFE's continued operation as CFE has no presence in these two countries. However, this conflict has major indirect consequences: the sharp rise in most materials prices and disruption to supply chains will affect CFE's continued operation in 2022. However, as the duration and extent of the crisis are not known, it is not possible to quantify the impact at this stage.

### 1.3.2. DISCONTINUED OPERATIONS
The Russia-Ukraine crisis, which destabilised both countries and global financial markets, will put further pressure on our global economy, which has already been weakened by inflation, rising energy prices, the ongoing pandemic and a constrained supply chain. At the date of this report, we assess that this crisis and the restrictive measures taken by Europe and the US against Russia do not have a substantial direct impact on the activities of DEME. The indirect impact is difficult to predict at the moment.

## 1.4. RESEARCH AND DEVELOPMENT
DEME carries out ongoing research to increase the efficiency of its fleet. In addition, in partnership with universities and the Flemish region of Belgium, it carries out research into the production of sustainable marine energy. In partnership with private-sector companies, it also carries out research into techniques to harvest polymetallic nodules.

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

## 1.6. OUTLOOK 2022 - CONTINUING OPERATIONS
Excluding exceptional items. CFE expects moderate growth in revenue and to maintain a high level of net profit for its continuing activities.

With a full order book. CFE Contracting should report further growth in its activity and continue to improve its operational performance. BPI's net result should remain at a high level, albeit lower than in 2021.

Barring a worsening of the health situation, the Holding division should benefit from the recovery of business in Vietnam and increase its contribution to the group's net income.

## 1.7. OUTLOOK 2022 -DISCONTINUED ACTIVITIES
Based on its order backlog and the present market conditions. DEME expects a further increase of turnover. EBITDA and net result for 2022. As a result of the delivery of the long-awaited and groundbreaking installation vessel 'Orion' in the first half of the year, the acquisition of the cable installation vessel 'Viking Neptun' by year-end 2022, and the planned dry-docking of several vessels, DEME projects an investment budget of approx. € 500 million for 2022.

# III. CORPORATE GOVERNANCE STATEMENT

## 1. REFERENCE CODE

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

The Board of Directors of Compagnie d'Entreprises CFE adopted the initial version of the Corporate Governance Charter (the "Charter") on 9 December 2005.

The Charter is regularly updated according to developments in corporate governance policy and changes made to the applicable regulations.

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

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

- 7 May 2009: amendment of the Charter following the revision of the Belgian Corporate Governance Code;
- 8 December 2011: amendment of the Charter to bring it into conformity with the Act of 6 April 2010 on the enhancement of corporate governance for listed companies and the Act of 20 December 2010 on the exercise of certain rights of shareholders in listed companies;
- 24 December 2013: amendment of the Charter following the change of control over the Company in 2013;
- 26 February 2015: amendment of the Charter to bring it into conformity with European Regulation (EU) no. 596/2014 of 16 April 2014 on market abuse;
- 24 February 2016: introduction in the Charter of the age limit for directors;
- 25 February 2017: amendment of the Charter regarding the daily management of the Company;
- 26 March 2019: amendment of the Charter to bring it into conformity with the law on the organisation of the profession and the public supervision of auditors, and relaxation of the rule concerning the age limit for directors;
- 26 March 2020: amendment of the Charter to bring it into conformity with the 2020 Belgian Corporate Governance Code, enacted by the Royal Decree of 12 May 2019 laying down the corporate governance code to be complied with by listed companies.

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

## 2. BOARD OF DIRECTORS

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

The Board of Directors:

- approves the general internal control and risk management system and checks that this system is correctly implemented;
- takes all measures needed to ensure the integrity of the financial statements;
- supervises the activities of the Statutory Auditor;
- reviews the performance of the managing director;
- ensures that the special committees of the Board of Directors function properly and efficiently.

## 2.1. COMPOSITION

The composition of the Board of Directors is based on a balance between experience, competence and independence, with respect for diversity, in particular the equality between men and women. The Board of Directors also strives to maintain a balanced composition in terms of age as well as professional and international experience. It also endeavours to have people with experience in technological and digital transformation. Those balances are reassessed each year by the Appointments and Remuneration Committee.

As at 31 December 2021, the Board of Directors consisted of eleven members, whose terms of office began on the dates listed below and will expire immediately after the general meetings of shareholders in the years listed below:

| | Start of term | End of term |
|---|---|---|
| Luc Bertrand | 24.12.2013 | 2025 |
| Piet Dejonghe (*) | 24.12.2013 | 2025 |
| John-Eric Bertrand | 24.12.2013 | 2025 |
| Jan Suykens | 24.12.2013 | 2025 |
| Koen Janssen | 24.12.2013 | 2025 |
| Philippe Delusinne | 07.05.2009 | 2024 |
| Christian Labeyrie | 06.03.2002 | 2024 |
| Ciska Servais SRL, represented by Ciska Servais | 03.05.2007 | 2023 |
| Pas de Mots SRL, represented by Leen Geirnaerdt | 07.10.2016 | 2024 |
| Hélène Bostoen | 06.05.2021 | 2025 |
| MucH SRL, represented by Muriel De Lathouwer | 03.05.2018 | 2022 |

(*) Managing Director

The table below summarises the mandates and duties of the eleven Board members as at 31 December 2021.

**Luc Bertrand**

Chairman of the Board of Directors

**Ackermans & van Haaren**
**Begijnenvest. 113**
**B- 2000 Antwerp**

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

**Chairman of the Appointments and Remuneration Committee**

Mandates held:

**a. listed companies:**
- Chairman of the Board of Directors of Ackermans & van Haaren
- Chairman of the Board of Directors, SIPEF

**b. non-listed companies:**
- Chairman of the Board of Directors, DEME
- Chairman of the Board of Directors, FinAx
- Director of Baarbeek
- Director of Bank J.Van Breda & C°
- Chairman of Belfimas
- Director of Delen Private Bank
- Director of JM Finn & Co (UK)
- Director of Verdant Bioscience
- Chairman of Scaldis Invest

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

**Piet Dejonghe**

**Ackermans & van Haaren**
**Begijnenvest. 113**
**B- 2000 Antwerp**

Managing Director

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

Mandates held:

**a. listed companies:**

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

**b. non-listed companies:**

- Director of Baloise Belgium
- Director of Bank J.Van Breda & C°
- Director of Delen Private Bank
- Director of Delen Private Bank Luxembourg
- Director of DEME
- Director of FinAx
- Director of Profimolux
- Director of AvH Growth Capital
- Director of BPI Real Estate Belgium
- Director of BPI Real Estate Luxembourg
- Director of MBG
- Director of BPC Group
- Director of BPC Wallonia
- Director of CFE Contracting
- Director of Mobix Engema
- Director of Mobix Stevens
- Director of CLE
- Director of Extensa Group
- Director of Green Offshore
- Director of Van Laere
- Director of Bio Cap Invest
- Director of HDP Charleroi

**c. associations:**

- Member of the Board of Directors of SOS-Villages d'Enfants Belgique

**John-Eric Bertrand**

**Ackermans & van Haaren**
**Begijnenvest. 113**
**B- 2000 Antwerp**

**Chairman of the Audit Committee**

Director

John-Eric Bertrand was born in 1977, and has a degree in commercial engineering (UCL 2001, magna cum laude), a Master's degree in International Management (CEMS, 2002), and an MBA from INSEAD (2006). Before joining Ackermans & van Haaren in 2008 as investment manager, John-Eric Bertrand worked as a senior auditor at Deloitte and as a senior consultant at Roland Berger Strategy Consultants. He has been on the Executive Committee of AvH since 1 July 2015.

Mandates held:
**a. listed companies:**
- Member of the Executive Committee, Ackermans & van Haaren
- Director of Sagar Cements

**b. non-listed companies:**
- Chairman of the Board of Directors, Agidens
- Chairman of the Board of Directors, Telemond Holding
- Chairman of the Board of Directors, Baarbeek Immo
- Director of DEME
- Director of AvH Growth Capital
- Director of Manuchar
- Director of Axe Investments
- Director of VMA
- Director of VMA Druart
- Director of VMA Nizet
- Director of Profimolux
- Director of Finasucre
- Director of AvH Resources India
- Director of AvH Singapore
- Director of Venturi Partners
- Member of the Investment Committee of Venturi
- Member of the Investment Committee of Healthquad

**c.associations:**
- Director of Belgian Finance Club

**Jan Suykens**

**Ackermans & van Haaren**
**Begijnenvest. 113**
**B- 2000 Antwerp**

Director

Jan Suykens was born in 1960, and has a degree in applied economics (UFSIA, 1982) and an MBA from Columbia University (1984). He worked for several years in corporate and investment banking at Générale de Banque before joining Ackermans & van Haaren in 1990.

Mandates held:
**a. listed companies:**
- Chairman of the Executive Committee, Ackermans & van Haaren
- Chairman of the Board of Directors, Nextensa

**b. non-listed companies:**
- Chairman of the Board of Directors, Anima
- Chairman of the Board of Directors, Bank J.Van Breda & C°
- Vice-Chairman of the Board of Directors, Delen Private Bank
- Director of Anfima
- Director of BPI Real Estate Belgium
- Director of Delen Private Bank Luxembourg
- Director of DEME
- Director of Extensa Group
- Director of FinAx
- Director of Grossfeld PAP
- Director of JM Finn & Co (UK)
- Director of Mediacore
- Director of Mediahuis
- Director of Mediahuis Partners
- Director of Profimolux
- Director of Rent-A-Port
- Director of AvH Growth Capital

**c. associations :**
- Director of Antwerp Management School
- Director of De Vrienden van het Rubenshuis
- Member of the Advisory Board, ING Antwerp Branch
- Chairman of the Executive Committee, Antwerp Support Council for the King Baudouin Foundation

**Koen Janssen**

**Ackermans & van Haaren**
**Begijnenvest. 113**
**B- 2000 Antwerp**

Director

Koen Janssen was born in 1970, and has a degree in civil engineering and electromechanics (KU Leuven, 1993), along with an MBA from IEFSI (France, 1994). He worked for Recticel, ING Investment Banking and ING Private Equity before joining Ackermans & van Haaren in 2001.

Mandates held:
**a. listed companies:**
- Member of the Executive Committee, Ackermans & van Haaren

**b. non-listed companies:**
- Director of Bedrijvencentrum Regio Mechelen
- Director of DEME
- Director of NMC International
- Director of Rent-A-Port
- Director of Infra Asia Investment
- Director of RAP Green Energy
- Director of Biolectric Group
- Director of Green Offshore
- Director of Sofinim Lux
- Director of AvH Growth Capital
- Director of LTS
- Director of Otary RS
- Director of Otary Bis
- Director of Rentel
- Director of Seamade
- Director of North Sea Wave
- Director of Estor-Lux
- Director of Stichting Continuïteit IHC
- Director of Finance Continuïteit IHC
- Independent director of NMC International

**c. associations:**
- Director of Belgian Offshore Platform (BOP) vzw, permanent representative for Green Offshore

**Philippe Delusinne**

**RTL Belgium**
**Avenue Jacques Georgin 2**
**B-1030 Brussels**

Director

Philippe Delusinne was born in 1957, and holds a diploma in Marketing & Distribution from ISEC Brussels and a Short MBA from the Sterling Institute of Harvard University.
He began his career as an account executive at Ted Bates, and subsequently held the positions of account manager at Publicis, client services director at Impact FCB, deputy general manager at McCann Erikson, and Chief Executive Officer of Young & Rubicam in 1993. He has been Chief Executive Officer of RTL Belgium since March 2002.

Mandates held:
**a. listed companies:**
- Member of the Supervisory Board of Métropole Télévision - M6

**b. non-listed companies:**
- Managing Director of RTL Belgium and Radio H
- Permanent representative of CLT-UFA, Managing Director of Cobelfra and Inadi
- CEO of RTL Belux & Cie SECS and Managing Director of RTL Belux
- Managing Director and Chairman of the Board of Directors of IP Belgium
- Permanent representative of CLT-UFA, Managing Director and President of New Contact
- Director of CLT-UFA
- Director of Agence Télégraphique Belge de Presse
- Representative of INADI SA, Director of MaRadio.be
- Director of the Belgian Association for Self-Regulation of Journalistic Ethics
- Permanent representative of RTL BELGIUM, Director of the AISBL Business Club Belgium Luxembourg
- Chairman of the Théâtre Royal de La Monnaie
- Chairman of Les Amis des Musées Royaux des Beaux-Arts de Belgique (Friends of the Royal Museums of Fine Arts of Belgium)
- Vice-Chairman of B19 Business Club

**Christian Labeyrie**

**VINCI**
**1973 Boulevard de la Défense**
**F-92000 Nanterre**

**Member of the Audit Committee**

Director

Born in 1956. Christian Labeyrie is Executive Vice-President and Chief Financial Officer of the VINCI group, and a member of its Executive Committee. Before joining VINCI in 1990, he held various positions in the Rhône-Poulenc and Schlumberger groups. He began his career in the banking industry. Christian Labeyrie is a graduate of HEC, the Escuela Superior de Administración de Empresas (Barcelona) and McGill University (Canada), and holds a DECS diploma (advanced accounting degree). He is a Chevalier of the Légion d'Honneur and a Chevalier of the Ordre National du Mérite.

Mandates held:
**a. listed companies:**
- Member of the Executive Committee of the VINCI Group

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

**Ciska Servais SRL,**
**represented by Ciska Servais**

**Boerenlegerstraat. 204**
**B-2650 Edegem**

Director

Ciska Servais is a partner in law firm Astrea. She is active in the field of administrative law, focusing in particular on environmental and town planning law, real estate law and construction law. She has extensive experience as a consultant in judicial proceedings and negotiations; she teaches university courses and is a regular speaker at seminars.
She graduated with a Bachelor's degree in law from the University of Antwerp (1989), and obtained a Master's degree (LL.M) in international legal cooperation from the Free University of Brussels (VUB) (1990). She also obtained a special degree in ecology from the University of Antwerp (1991).
She started her internship in 1990 at law firm Van Passel & Greeve. She became a partner at Lexeco in 1994 and, subsequently, at Lawfort in 2004. She co-founded the law firm Astrea in 2006.
Ciska Servais mainly publishes on the subject of environmental law, such as on the wastewater treatment decree, environmental liability and regulations regarding the movement of soil. She is a member of the Antwerp Bar Association.

Mandates held:
**b. non-listed companies:**
- Astrea CVBA
- SYMBIOSIS SON

**Pas de Mots SRL,**
**represented by Leen Geirnaerdt**

**Anne Frankstraat 1**
**B-9150 Kruibeke**

**Member of the Audit Committee**

Independent Director

After studying applied economic science at Antwerp University, Leen Geirnaerdt began her professional career at PricewaterhouseCoopers (PwC), where she worked for six years in auditing. She then moved on to Solvus Resource Group, a Belgian listed company where she held the position of corporate controller. After Solvus Resource Group was taken over by Dutch listed company USG People NV, Leen Geirnaerdt was appointed director of the Belgian Shared Services Center, and subsequently in 2010 as Chief Financial Officer in the Netherlands. Following the takeover by Japanese group Recruit, she was appointed global CFO of Recruit Global Staffing in 2016.
From May 2019 until October 2021. Leen Geirnaerdt was CFO at bpost.

Mandates held:
**b. non-listed companies:**
- Director and Chair of the Audit Committee of H. Essers NV

**MucH SRL,**
**represented by Muriel De Lathouwer**

**Jacques Pasturlaan 128**
**B-1180 Ukkel**

**Member of the Audit Committee**
**Member of the Appointments and Remuneration Committee**

Independent Director

Muriel De Lathouwer holds an engineering degree in nuclear physics (ULB, Brussels) and an MBA from INSEAD, Paris.
She started her career as an IT consultant at Accenture, followed by seven years at McKinsey in Brussels where she was Associate Principal and advised major telecom and cable TV operators, as well as media and high tech companies around the world. She subsequently became Chief Marketing Officer and a member of the Executive Committee of mobile telecom operator BASE, after which she became CEO of EVS from 2014 to 2018 where she oversaw the digital transformation of the company.
Muriel De Lathouwer is a director of several international companies and is active in the W.I.N.G. fund (Digital Wallonia) as a member of the operating team and the Deep Tech investment committee.

Mandates held:
**a. listed companies:**
- Member of the Board of Directors, Remuneration Committee and Audit Committee of Shurgard

**b. non-listed companies:**
- Member of the Board of Directors and of the Appointments and Remuneration Committee, Etex
- Member of the Board of Directors, Chair of the Appointments and Remuneration Committee, and member of the Governance and Investment Committees of the Olympia investment fund
- Member of the Board of Directors, CPH bank

**c. associations:**
- Vice-Chair, Coderdojo Belgium
- Chair of the Board of Directors, ULB dev

**Hélène Bostoen**

**Burgemeestersstraat 22**
**B-1050 Elsene**

**Member of the Audit Committee**
**Member of the Appointments and Remuneration Committee**

Independent Director

Hélène Bostoen is a management engineer (Solvay Business School. ULB. Brussels) and holds an MBA from INSEAD, Singapore and Fontainebleau.
She began her career at Merrill Lynch in New York where she developed portfolio analysis services and tools for international UHNW clients, in close collaboration with Riskmetrics. After her MBA, she set up It'za Foods (now Mexma Food), which makes flour tortillas for the European market. In 2007 she took over the management of the family business and launched residential development activities in Belgium and Poland.

Mandates held:
**a. listed companies:**
- Member of the Board of Directors of Home Invest Belgium, member of the Investment Committee and the Project Committee

**b. non-listed companies:**
- Member of the Board of Directors and Managing Director, Flanders-Immo JB SA
- Member of the Board of Directors and Managing Director, Fenixco SA
- Member of the Board of Directors and Manager, FBC SPRL
- Member of the Board of Directors, District I SPRL
- Member of the Board of Directors, Eko Development sp.z o O.
- Member of the Board of Directors, Abattoir NV

**c.associations:**
- Co-chair of the Committee of Residential Property Developers of UPSI-BVS, Association of Real Estate Professionals

## 2.2. INDEPENDENT DIRECTORS

As at 31 December 2021, the directors who meet the independence criteria defined in Article 3.5 of the 2020 Code are:
- Pas de Mots SRL, represented by Leen Geirnaerdt
- Hélène Bostoen
- MucH SRL, represented by Muriel De Lathouwer

## 2.3. OTHER DIRECTORS

- Luc Bertrand
- Piet Dejonghe
- Jan Suykens
- Koen Janssen
- John-Eric Bertrand
- Christian Labeyrie
- Ciska Servais SRL, represented by Ciska Servais
- Philippe Delusinne

## 2.4. MODE OF OPERATION

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

**Meetings of the Board of Directors**

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

In 2021, the Board of Directors considered all major issues concerning CFE. It met six times.
In particular, the Board of Directors:

- approved the financial statements for 2020 as well as the financial statements for the first half of 2021;
- examined the 2021 budget and the updates to that budget;
- examined the 2022 budget;
- reviewed matters that were presented at Risk Committee meetings and the evolution of the safety indicators;
- examined the financial situation of CFE, changes in its debt levels and its working capital requirement;
- reviewed the strategic analysis of the Construction in Belgium and Multitechnics (VMA) segments;
- examined the evolution of real estate projects and approved the acquisition and sale of several real estate projects worth more than € ten million;
- decided on the remuneration and bonus arrangements for the managing director and the executives, at the proposal of the Appointments and Remuneration Committee;
- decided on the preparation of the partial demerger of CFE which will be submitted for approval to the Extraordinary General Meeting.

With regard to the active participation of directors in board meetings, the table below indicates the individual attendance rate of directors at Board meetings in 2021.

| Directors | Attendance/Total number of meetings |
|---|---|
| Luc Bertrand | 6/6 |
| Piet Dejonghe | 6/6 |
| Jan Suykens | 6/6 |
| Koen Janssen | 6/6 |
| John-Eric Bertrand | 6/6 |
| Christian Labeyrie | 6/6 |
| Philippe Delusinne | 6/6 |
| Ciska Servais SRL, represented by Ciska Servais | 6/6 |
| Pas de Mots SRL, represented by Leen Geirnaerdt | 6/6 |
| Much SRL, represented by Muriel De Lathouwer | 6/6 |
| Hélène Bostoen | 4/4 |
| Euro-Investment Management SA, represented by Martine Van den Poel | 2/2 |

In accordance with Article 2.7 of the Charter, periodic evaluation procedures are organised within the Board of Directors. These take place on the initiative and under the lead of the chairman. The annual assessment of the relationship between the Board of Directors and the Chief Executive Officer took place on 23 February 2020. The non-executive directors expressed their general satisfaction with the good cooperation between the Board of Directors and the Chief Executive Officer and made some suggestions to this effect. The next triennial evaluation will take place in 2022.

## 2.5. CODE OF CONDUCT REGARDING CONFLICTS OF INTEREST

In the Charter (Article II.6.3), the Board of Directors published its policy regarding transactions between the Company or an affiliated company on the one hand, and members of the Board of Directors (or their close relatives) on the other, which may give rise to a conflict of interest (within the meaning of the Code of Companies and Associations) and, in certain cases, the application of a procedure provided for this purpose.
To the Company's knowledge, no decisions were made in 2021 giving rise to the application of this procedure.

## 2.6. FINANCIAL TRANSACTIONS

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

# 3. AUDIT COMMITTEE AND RISK MANAGEMENT

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

## 3.1. COMPOSITION

As at 31 December 2021, this committee comprised:

- John-Eric Bertrand, Chairman
- Hélène Bostoen(*)
- Pas de Mots SRL, represented by Leen Geirnaerdt(*)
- Christian Labeyrie
- MucH SRL, represented by Muriel De Lathouwer(*)

(*) Independent directors

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

John-Eric Bertrand studied economics and finance. He has carried out professional activities in a firm of auditors and a strategic consulting firm. He joined Ackermans & van Haaren in 2008 as Investment Manager.

Christian Labeyrie is Executive Vice-President, Chief Financial Officer and a member of the Executive Committee of the VINCI Group. He is a graduate of HEC, the Escuela Superior de Administración de Empresas (Barcelona) and McGill University (Canada), and holds a DECS diploma (advanced accounting degree).

Leen Geirnaerdt holds a degree in Applied Economic Science from Antwerp University. She worked for six years in auditing at PricewaterhouseCoopers (PwC). She subsequently joined Solvus Resource Group as corporate controller and in 2010 she was appointed Chief Financial Officer in the Netherlands. In 2016 she was appointed global CFO of Recruit Global Staffing. From May 2019 to October 2021, she was CFO of bpost.

Muriel De Lathouwer holds an engineering degree in nuclear physics (ULB. Brussels) and an MBA from INSEAD. Paris. Muriel De Lathouwer is a director of several international companies and is active in the W.I.N.G. fund (Digital Wallonia) as a member of the operating team and the Deep Tech investment committee.

Hélène Bostoen holds a degree in Management Engineering at the Université Libre de Bruxelles obtained in 2000 and an MBA from INSEAD obtained in 2005. She is currently managing director of Fenixco and is a company director.

## 3.2. MODE OF OPERATION AND ACTIVITY REPORT

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

This committee met four times during the 2021 financial year.
It examined, among other things:

- the financial statements for full-year 2020 and for the first half of 2021;
- the quarterly financial statements for the first and third quarters of 2021;
- the draft 2022 budget before it was presented to the Board of Directors;
- the reports of the internal auditor;
- the results of the main projects;
- the changes in the group's cash position and the working capital requirement;
- the Group's off-balance sheet commitments, in particular the bank guarantees;
- the impact of the announcement of the partial demerger on the presentation of the financial statements for 2021;
- the auditor's reports.

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

The table below indicates the individual attendance rate of the members of the Audit Committee at meetings in 2021.

| Members | Attendance/Total number of meetings |
|---|---|
| John-Eric Bertrand | 4/4 |
| Philippe Delusinne | 1/1 |
| Pas de Mots SRL, represented by Leen Geirnaerdt | 4/4 |
| MucH SRL, represented Muriel De Lathouwer | 4/4 |
| Christian Labeyrie | 4/4 |
| Hélène Bostoen | 3/3 |

# 4. APPOINTMENTS AND REMUNERATION COMMITTEE

This Committee ensures fair remuneration, taking into consideration the regulatory standards, the targets set, the risks and the rules of conduct set out in the Charter.
It chooses the most competent people for the supervision and management of the Company.

## 4.1. COMPOSITION

As at 31 December 2021, this committee comprised:
- Luc Bertrand. Chairman
- Hélène Bostoen(*)
- MucH SRL, represented by Muriel De Lathouwer(*)

(*) Independent directors

## 4.2. MODE OF OPERATION AND ACTIVITY REPORT

The committee met twice in 2021.

Over the course of the financial year, the committee examined:
- the fixed and variable remuneration paid to the managing director
- the fixed and variable remuneration paid to senior management
- the annual remuneration report
- the remuneration of the directors
- the evolution of the HR management and succession planning at CFE, CFE Contracting and BPI
- the long-term incentive plan at BPI and CFE Contracting
- the development of the principles of a remuneration policy.

The table below indicates the individual attendance rate of the members of the Appointments and Remuneration Committee at meetings in 2021.

| Members | Attendance/Total number of meetings |
|---|---|
| Euro-Investment Management SA, represented by Martine Van den Poel | 1/1 |
| Luc Bertrand | 2/2 |
| Philippe Delusinne | 1/1 |
| Hélène Bostoen | 1/1 |
| MucH SRL, represented by Muriel De Lathouwer | 1/1 |

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

# 5. DIVERSITY POLICY

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

The procedure for the selection and appointment of the members of the Board of Directors is described in the Charter. Its composition is based on a balance between experience, competence and independence, with respect for diversity, in particular the equality between men and women. At present, four of the eleven members of the Board of Directors are women. By their complementarity, the areas of expertise of the directors cover all the Group's activities and their associated risks and opportunities.

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

# 6. SYSTEMS OF EXTERNAL AND INTERNAL CONTROL AND RISK MANAGEMENT

## 6.1. EXTERNAL CONTROL

The Statutory Auditor of the Company is EY Bedrijfsrevisoren BV, represented by Patrick Rottiers and Marnix Van Dooren. Each year, the statutory auditor issues a limited review report on the consolidated financial statements in June and an opinion on the consolidated financial statements of CFE in December. The statutory auditor was appointed at the ordinary general meeting of 6 May 2021 for a term of three years.

The remuneration paid to the statutory auditor in 2021 in respect of the whole Group, including the company, amounted to:

| *(€ thousands)* | EY | | Others | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| **Audit** | | | | |
| Statutory audit, certification, examination of individual and consolidated accounts | 989.3 | 64.30% | 1,750.8 | 21.87% |
| Related work and other audits | 124.2 | 8.07% | 205.7 | 2.57% |
| **Subtotal, audit** | **1,113.5** | **72.38%** | **1,956.5** | **24.44%** |
| **Other services** | | | | |
| Legal, tax, employment | 362.0 | 23.53% | 1,225.4 | 15.31% |
| Others | 63.0 | 4.09% | 4,824.4 | 60.26% |
| **Subtotal, others** | **425.0** | **27.62%** | **6,049.8** | **75.56%** |
| **Total statutory auditors' fees** | **1,538.5** | **100%** | **8,006.3** | **100%** |
| *- Attributable to continuing activities* | *751.5* | *48.8%* | *674.0* | *8.4%* |
| *- Attributable to discontinued activities - DEME* | *787.0* | *51.2%* | *7,332.3* | *91.6%* |

## 6.2. INTERNAL CONTROL AND RISK MANAGEMENT

### 6.2.1. MAIN CHARACTERISTICS

The Board of Directors of CFE is a collegial body responsible for setting the Group's strategic guidelines, overseeing their implementation and ensuring the effective operation of the Company. It carries out the controls and verifications which it deems appropriate. It considers all major matters pertaining to the group. Each year, the Board gives a description in its report of the main risks and uncertainties facing the Group. The Board of Directors has adopted a set of internal regulations and set up two specialised committees: an Audit Committee and an Appointments and Remuneration Committee.

Under the current set-up, the Board of Directors aims to ensure that the goals are achieved at Group level and, at the level of the group companies, to oversee the establishment of mechanisms that are adapted to each type of entity (size, type of activity, etc.).

The Board of Directors also endeavours to provide, in a timely manner, all the internal and external stakeholders with complete, reliable and relevant financial information in accordance with the Group's accounting policies, the international financial reporting standards (IFRS) and other Belgian reporting obligations. Systems of internal control and management of the financial reporting have been put in place to meet those requirements as much as possible.

The Audit Committee reviews the financial reporting, the internal control and risk management system, and the performance of the internal and external audits. The Audit Committee also makes recommendations to the Board of Directors in this regard.

### 6.2.2. INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Besides setting up a system specifically for the holding company, the Group also seeks to implement appropriate risk management and internal control systems in its entities.

The finance and control services are organised on three levels:

(i) The finance and management control departments of the various legal entities, divisions or hubs, entrusted with the preparation and reporting of financial information;

(ii) The internal audit of DEME and CFE Contracting respectively, which has implemented a risk-based programme to assess the effectiveness of the internal control in the various processes of the entities, and developed a control environment that is conducive to high-quality financial reporting;

(iii) CFE's financial management, tasked with the final review of the financial information of the different legal entities and the preparation of the consolidated financial statements.

### 6.2.3. RISK MANAGEMENT

The risk management in terms of financial reporting can be summarised as follows.

*Risks at subsidiary level*
Those risks are typically highly diverse and are addressed by (i) a mandate carried out by one or several directors or managers of CFE on the Boards of Directors and advisory committees (including the Risk Committee) of CFE's main subsidiaries. (ii) clear reporting instructions to the subsidiaries with deadlines and standardised reporting formats and accounting principles, and (iii) an external audit of the half-yearly and annual figures that also takes into account the internal control and risk management features at the level of each individual subsidiary.

*Risks in the area of information technology*
These are addressed by a periodical IT audit, a proactive approach involving the implementation of updates, backup facilities and timely testing of the IT infrastructure. Business continuity and disaster recovery plans have also been put in place.

*Risks related to changing regulations*
These are addressed by keeping track of the legal standards in the area of financial reporting. Changes in the legislative framework on financial reporting are closely monitored, and the impact on the group reporting is proactively discussed with the financial management and the statutory auditor.

### 6.2.4. CONTROL ACTIVITIES

A certain number of basic controls, such as the double signature, the segregation of duties and delegation of powers, is built into the administrative cycles at group level.

The Company set up an ERP system in most entities of the group to supply the management with transparent and reliable information to manage, control and direct the operational activities. The provision of IT services to manage, maintain and develop those systems has to a large extent been outsourced to professional IT service providers who are directed and supervised by appropriate IT control structures and whose quality is controlled by comprehensive service contracts. In collaboration with its IT suppliers, CFE has set up adequate management processes to ensure that appropriate measures are taken on a daily basis to maintain the performance, availability and integrity of its IT systems. The adequacy of those procedures is verified and audited at regular intervals and improved if necessary. An appropriate allocation of responsibilities and coordination between the departments involved guarantees an efficient and timely communication of periodical financial information to the market.

### 6.2.5. REVIEW

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

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

The members of the Board of Directors are periodically updated on the development of, and significant changes in, the underlying IFRS standards. All relevant financial information is communicated to the Audit Committee and the Board of Directors to enable them to examine the accounts.

## 6.3. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN THE DIVISIONS

To enable each entity manager to take the appropriate operating decisions rapidly, a decentralised organisation has been set up in the Dredging, Environment, Offshore and Infra, Contracting and Real Estate Development divisions.
The divisions have their own operations control systems suited to the specific features of their activity.

Nevertheless, CFE maintains regular oversight through the presence of directors and/or representatives of CFE on the Boards of Directors and advisory committees of its subsidiaries.

### 6.3.1. DEME

CFE controls its subsidiary DEME at five different levels:

- The Board of Directors. This is composed of seven directors, including five directors from CFE and the CFO of CFE. The Board of Directors monitors the management of the Executive Committee, adopts the half-yearly and annual financial statements, and, among other things, approves the strategy and investment policy of DEME. The Board of Directors met eight times in 2021.
- The Technical Committee. This is composed of a CFE director, as well as the members of the Executive Committee. This committee monitors the main projects and pending lawsuits. It also prepares investment proposals.
- The Risk Committee. This consists of a CFE Director, as well as the CEO, the SOD, the CFO and the representatives of the Executive Committee of the respective division. The Risk Committee analyses and approves all binding offers relating to EPC and Design & Build contracts and all contracts involving an amount of over €100 million (dredging works) or €25 million (non-dredging works).
- The Audit Committee. This consists of three representatives of CFE (a director, the CFO, and the Director of Finance & Controlling). The Audit Committee reviews the financial statements of DEME, the evolution of the results of the various projects, and the budget updates at each quarterly closing. It may also be convened to deal with specific financial matters. It met eight times in 2021.
- The Steering Committee. Set up in 2018 by the Board of Directors. Its mission is to monitor the implementation of the internal compliance procedures and to ensure their strict application within the Group. This Committee is composed of four members, two of whom are directors of CFE, and a representative of CFE.
- The internal control system of DEME is implemented by its Executive Committee and by the SOD of DEME, with the support of the Management Team and under the responsibility of the Board of Directors.

In this respect, DEME has taken several initiatives to strengthen internal control over its activities. These included:

- Most of DEME's entities use the same ERP, namely Microsoft Dynamics. This system is centrally driven and designed for all master data and for all integrated controls, ensuring the uniform processing of all data within the group. In the area of digitisation. DEME forges ahead with automatic data recognition and e-invoicing.
- The reporting system, a tailor-made multidimensional database, is fully integrated in the transaction systems and is fed live. The consolidated financial statements and the management reports are also automatically linked, allowing perfect consistency between the different reports. Uniformity of reporting is a priority for DEME.
- The agreements relating to bank guarantees and loans have been harmonised.
- For all projects executed by DEME, Opportunity and Risk Management (ORM) covers three stages:
  - a proactive identification of opportunities and risks;
  - a tighter focus on the management of opportunities and actions to be implemented;
  - a transparent and timely sharing - through a common database that can be accessed by the staff - of experience and knowledge of ORM with all departments concerned, both during tendering and during execution.
- By means of detailed and interactive ORM dashboards, all the opportunities and risks are continuously monitored so that decisions and necessary actions can be taken.
- With the help of an external consultant, new cash management systems have been chosen. The implementation of a cash management system was finalised at the end of 2019, and has been generally used as of 2020. In order to keep improving the efficiency of payments in all the countries where DEME is active, the process of setting up a payment factory was rolled out further across the group in 2021 and the first half of 2022.
- DEME has formulated a clear policy that allows it to carry out all its activities with integrity and zero tolerance with regard to corruption. In addition to its Code of Ethics and Integrity, DEME has set up a comprehensive corporate compliance programme that includes, among other things, a detailed anti-corruption policy. This anti-corruption policy is an integral part of the annual awareness programme for all employees. The procedures to implement this policy were further optimised in 2020. In particular, the selection process of third parties was fine-tuned on the basis of a new risk analysis. The digitisation of this process was worked out in 2021. Thanks to the payment factory set up by the Finance Department, allowing the payments of the different entities - if technically and legally possible - to pass through one single channel (SWIFT), additional checks are now carried out on outgoing payments using a screening tool based on a list of sanctions (sanction screening) before the payments are sent to the different banks via SWIFT, thereby preventing payments being made to beneficiaries that are subject to sanctions.

- In 2019, DEME created an Internal Audit department. This third line of defence will audit the second line of defence. Where no second line of defence exists, it will audit the first line of defence. The Internal Audit department operates independently and reports to the Audit Committee. The purpose of this department is to review the risk management and internal control processes of DEME, and to provide advice to the management on how to strengthen the overall level of control.
- The annual audit plan is supplemented with further audit assignments requested by the Audit Committee and/or the Executive Committee of DEME. The main results are presented each year to the members of the Audit Committee, as well as to the members of the Executive Committee and the Management of DEME. The Internal Audit Department is also responsible for monitoring the progress of the action plans.

### 6.3.2. CFE CONTRACTING

CFE controls its CFE Contracting subsidiary at four different levels:

- The Board of Directors. This is composed of four directors, including the Managing Director of CFE, the CEO of CFE Contracting, the CFO of CFE, and a representative of the controlling shareholder of CFE. The Board of Directors controls the Executive Committee, adopts the half-yearly and annual financial statements, and defines the division's strategy.
- The Executive Committee. This is chaired by the CEO of CFE Contracting, and is composed of the Managing Director of CFE, the CFO of CFE, the Human Resources Director of CFE Contracting, the Executive Chairman of the Multitechnics divisions (VMA) and Rail & Utilities (MOBIX), the Managing Director of BPC and BPC Wallonia, and the CEO of Van Laere, who is also the Executive Chairman of MBG. The Executive Committee is in charge of the daily management of the division and the implementation of the strategy defined by the Board of Directors.
- The Risk Committee. This is composed of the Managing Director of CFE, the CFO of CFE, a director representing the controlling shareholder of CFE, the CEO of CFE Contracting, the Chairman of the Risk Committee of CFE Contracting, a member of the Executive Committee in charge of the subsidiary, and the operational or functional representatives of the entity concerned.
  Projects with a high risk profile, construction projects worth more than € 50 million, and Multitechnics or Rail & Utilities projects exceeding a value of € 10 million are required to be approved by the Risk Committee before tendering. The Committee reviews the technical, commercial, contractual and financial risks of the projects that are submitted to its scrutiny.
- Quarterly budget review meetings. These meetings are attended by the Managing Director, the CFO and the Director of Finance & Controlling of CFE, in addition to the Chairman of the Executive Committee, the CFO of CFE Contracting, the CEO of the division concerned, the Managing Director or General Manager of the subsidiary concerned, as well as its COO and CFO.
- The topics discussed include:
  - the budgets (and their quarterly updates);
  - the volume of business for the current financial year and the detail of the order book;
  - the latest financial statements that were communicated (balance sheet and income statement);
  - the projected result of the profit centre, with details of profit margins per project;
  - analysis of the entity's balance sheet;
  - the analysis of current risks including a presentation of legal disputes;
  - the status of guarantees given;
  - investment or divestment requirements;
  - the cash position and projected changes in the next 12 months.

The Internal Audit department of CFE Contracting is entrusted with the review of the internal controls and procedures at its entities. Its independence is assured since the internal auditor reports directly to the Audit Committee.

The Internal Audit department carries out the following duties:

- Internal control: this encompasses monitoring of the general rules of the Contracting division as defined in the Charter, the Internal Procedures Manual, and the Anti-corruption Code.

  Those general rules of conduct, which can be found on the Intranet site, essentially relate to the following policies:
  - acceptance of new business;
  - project monitoring;
  - participation in joint ventures and in the capital of companies;
  - purchases and subcontracting;
  - investment;
  - accounting and financial management;
  - Human Resources management;
  - legal affairs, tax and insurance management;
  - internal and external communication;
  - integrity;
  - information security;
  - personal data processing.

- Update of the risk identification mapping for the main subsidiaries of the Contracting division. This mapping is reviewed every two years. It involves:
  - listing the main sources of identifiable internal and external risks that prevent reaching the division's goals and may have financial, human or reputation consequences;
  - assessing, on a qualitative scale, the criticality of the risks based on their potential impact, probability of occurrence, and the degree of control for the various events constituting those risks;
  - defining appropriate ways to address those risks. Based on the risk mapping prepared by the main entities, risk matrices specific to each line of business allow a uniform presentation and assessment of events that are liable to affect the projects examined by the competent bodies of the entities.

Eight audit assignments were carried out during the 2021 financial year. They did not reveal any malfunctions that are likely to have a material impact on the business and financial statements of the Group. These audits included:
- the application of the principles of good project management as defined by the Executive Committee;
- compliance with the General Data Protection Regulations ("GDPR");
- the functioning of the Risk Committee and the Selection Committee;
- the application of the IT security policy;
- risk management of subcontractors;
- management of the accounts;
- Checkin@Work;
- simulation of cyber-attacks.

The results of the audits that were carried out are presented to the members of CFE's Audit Committee and to the Executive Committee of CFE Contracting in order to agree with the latter on the corrective actions to be taken.

Various actions were taken during the 2021 financial year to strengthen CFE Contracting's internal control, including the launch of the Fit4Future programme, which aims to improve performance in the three construction entities in Belgium. This programme comprises 9 components, the objectives of which are outlined below.

- *Selective Bidding:* improve the governance and selection process for tenders in order to increase the profitability of projects;
- *Lean Organisation:* optimisation of the overhead structure;
- *Lean Site:* maximising operational excellence on the site;
- *Procurement Excellence:* economies of scale in the procurement;
- *Risk management:* improving existing opportunity and risk management (ORM) systems;
- *Management of change orders:* strengthening the management of contractual changes;
- *Future-proof workforce:* optimising the workforce on-site;
- *Transparency and performance management:* improved reporting of relevant information on the sites;
- *Capabilities and culture:* developing the culture and capabilities the organisation needs to reach and maintain its full potential.

The first results will be visible in 2022.

In 2021, CFE Contracting launched a project to implement a new ERP system for the construction entities in a first phase, and for the multitechnics activities in a second phase.
The objectives are (i) to promote the digitisation and operational efficiency of the activities. (ii) to increase the control of the activities and (iii) to ensure transparent reporting integrated with the transaction systems.

The first phase of the analysis of the current situation in each entity was completed in 2021. The choice of a new ERP for construction will be determined in 2022.

### 6.3.3. BPI

CFE controls its subsidiary BPI at two different levels:
- The Board of Directors. This is composed of six directors, among whom are two directors of CFE (including the Managing Director), the CFO of CFE, as well as the Managing Director of BPI, and an external director. The Board of Directors controls the management of the Management Team, adopts the half-yearly and annual financial statements, and approves, among other things, the strategy and investment policy of BPI.
  The Board of Directors alone is authorised to approve, on the basis of a favourable opinion from the Board of Directors of CFE, (i) investments involving a (beneficial) amount of over € 10 million, and (ii) the setting up of any partnership relating to a project involving a (beneficial) amount of over € 10 million.

- The Strategy and Investment Committee. This is composed of the directors of BPI, the Head of Legal, the Head(s) of Development and the Country Manager(s) concerned of BPI. The Finance Director of BPI and the author of the Investment Proposal are invited ex officio to attend the meetings.
  The Strategy and Investment Committee is tasked with analysing and approving all real estate investments of BPI. For those with a value of more than € 10 million, the approval of the Board of Directors of BPI and CFE is also required.
  The Strategy and Investment Committee is not empowered to represent the Company and does not exclude the competence of the Board of Directors. The Board of Directors may at any time deliberate on any investment or divestment project involving any amount and decide, where appropriate, instead of the Strategy and Investment Committee.

The managing director of BPI is entrusted with the implementation of the internal control system adopted by the Board of Directors. The managing director is supported in his duties by an Operations Committee.

The Operations Committee progressively identifies the risks and adequately analyses them. It oversees the proper implementation of the strategy across departments. It suggests appropriate measures to accept, mitigate, transfer or avoid the identified risks.

## 7. SHAREHOLDER BASE

The Company's majority shareholder is Ackermans & van Haaren, which owns 15,720,684 shares (or 62.10%) of the Company.

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

**Stichting Administratiekantoor**
**"Het Torentje"**

**The ultimate controlling shareholder**

Control

**BELFIMAS NV**

92,25%

**SCALDIS INVEST**

33%

**ACKERMANS & VAN HAAREN**
Listed on Euronext Brussels

62,10 %

**CFE SA / NV**
Listed on Euronext Brussels

## 8. DEROGATIONS FROM THE 2020 CODE

The derogations from the 2020 Code relate exclusively to the remuneration of non-executive directors and the managing director, and in particular to principles 7.6 to 7.9 of the 2020 Code. The justified reasons for this exemption are set out in the remuneration policy set out in point IV.1 below.

# IV. REMUNERATION REPORT

## 1. REMUNERATION POLICY

The company's remuneration policy has been established within the framework of Article 7:89/1 of the Code of Companies and Associations, and the 2020 Belgian Corporate Governance Code.

The remuneration policy is aimed at non-executive directors and the managing director. There is no Executive Committee, or a similar body, within the company.
It applies as of 1 January 2021 approved by the ordinary general meeting held on May 6, 2021. It remains applicable until 2025, unless a significant change takes place.

The remuneration policy is intended to support the performance culture and the long-term value creation of the company. It aims to attract and retain directors with a wide variety of skills in the various fields necessary for the expansion of the company's activities.

### 1.1. GOVERNANCE - PROCEDURE

The remuneration policy is established by the Board of Directors, on the recommendation of the Appointments and Remuneration Committee. As mentioned above, it is then submitted to the approval of the General Meeting.

The individual remuneration of the non-executive directors is approved by the General Meeting and, where applicable, the individual remuneration of the Managing Director is approved by the Board of Directors of the company. In every case, this remuneration is determined on the basis of the remuneration policy, on the advice of the Appointments and Remuneration Committee.

In order to prevent the emergence of conflicts of interest, the Managing Director is not invited to take part in the discussions of the Appointments and Remuneration Committee and the Board of Directors relating to his own remuneration. In addition, the regulations of the Code of Companies and Associations with regard to conflicts of interest will be applied whenever this is required.

### 1.2. REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

The remuneration is composed of:

- a fixed annual amount; and
- attendance fees: these are awarded to the non-executive directors for their presence at the meetings of the Board of Directors, and, where appropriate, for their presence at the meetings of the Appointments and Remuneration Committee. Attendance fees are also awarded to the directors entrusted with specific assignments by the Board of Directors.

Where applicable, non-executive directors are also entitled to an additional fixed remuneration for the provision of specific services such as chairing the Board of Directors or one of the committees.

In addition, non-executive directors are also reimbursed for expenses incurred during the execution of their duties, according to conditions specified by the Board of Directors.

Non-executive directors do not receive a variable remuneration, such as a bonus or stock options. They also do not receive any benefits in kind or benefits linked to a pension scheme.

Directors are invited but are not required to own shares in the company. This derivation from principle 7.6 of the 2020 Belgian Corporate Governance Code is justified by the fact that the policies of the company adequately promote a long-term perspective. Moreover, as part of the positions they hold within Ackermans & van Haaren ('AvH'), several directors are already exposed to changes in the value of the company, taking into account the number of shares they hold in AvH, whose value is partly dependent on the value of the company.

Non-executive directors may serve as directors in the subsidiaries of the company. Any remunerations received for exercising these mandates are included in the remuneration report of the company.

Non-executive directors carry out their duties as self-employed individuals, and they can be dismissed *'ad nutum'* (at any time and without cause), without compensation.

## 1.3. REMUNERATION POLICY WITH REGARD TO THE MANAGING DIRECTOR

### 1.3.1. REMUNERATION STRUCTURE

The remuneration of the Managing Director only includes the following elements:

- a fixed annual remuneration at the same level as that of the non-executive directors; and
- remuneration granted in the context of a directorship held in certain subsidiaries of the CFE Group, these amounts being linked to the active participation of the Managing Director within these subsidiaries.

The Managing Director does not benefit from a variable remuneration or from a stock option plan. He is also not required to hold a minimum number of shares in the company.

These derivations from principles 7.7 to 7.9 of the 2020 Belgian Corporate Governance Code are justified by the fact that the Managing Director already receives a remuneration from AvH in his capacity of member of the Executive Committee of this company. The remuneration of the Managing Director in the context of the positions he holds in AvH is therefore partially linked to his performance in the context of his duties as Managing Director within the company. This makes it possible to align the interests of the Managing Director of the company with the creation of value within the AvH Group, of which the company is a part. In addition, the entire remuneration of the Managing Director (i.e. his fixed remuneration) has been reassigned by him to AvH under a binding agreement.

The Board of Directors and the Appointments and Remuneration Committee therefore consider that the provision of a variable remuneration within the company and requiring the Managing Director to hold shares in the company is not necessary due to his position within the AvH Group, and the structure of the remuneration granted to him within it.

The Managing Director does not receive benefits in kind, such as pension schemes, insurances or a company car.

### 1.3.2. CONTRACTUAL CONDITIONS OF THE MANAGING DIRECTOR

The Managing Director is not bound to the company by any specific contract. No severance pay will be paid out at the termination of the mandate, whether this termination is voluntary, forced, early or at the normal end of the term.

## 1.4. DIRECTORSHIPS IN THE SUBSIDIARIES

The Managing Director may exercise the mandate of executive or non-executive director within the subsidiaries of the company. The remunerations paid for serving these mandates are included in the remuneration report of the company. As a reminder: these remunerations are also fixed and reassigned to AvH under a binding agreement between the Managing Director and AvH.

As the subsidiaries of the company are not listed, they do not fall within the scope of the regulations of the Code of Companies and Associations when it comes to the remuneration policy and the remuneration report.

In any case, the company ensures that a sound and effective remuneration policy is applied within the different subsidiaries. In this context, and in order to highlight the creation of value in the short and the long term, the company ensures that a remuneration based on individual performance and on the performance of the company is adopted within the subsidiaries. Moreover, it should be emphasised that the contracts of the executive officers in the subsidiaries (with the exception of the position of Managing Director of the company, however) provide for the recuperation of the variable remuneration that would have been granted them on the basis of incorrect financial information.

Unless otherwise agreed between the parties, the termination of the relationship between the company and the Managing Director will also result in the termination of the mandates held within the subsidiaries of the company.

## 1.5. CHANGES SINCE THE LAST REMUNERATION POLICY

There is no significant change between what is set out in this remuneration policy and what has been set out in the remuneration report published in 2020 (regarding the remuneration policy).

## 1.6. POSSIBILITY OF DEVIATING FROM THE REMUNERATION POLICY

In the case of exceptional circumstances that necessitate a deviation from the remuneration policy in order to serve the long-term interests and the viability of the company as a whole, or to assure its viability, the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, is empowered to temporarily modify the remuneration of the members, the non-executive directors or the Managing Director. This modification may relate to any element of the remuneration, in line with the respective powers of the Board of Directors and the General Meeting.

# 2. REMUNERATION REPORT

The remuneration of non-executive directors and of the Managing Director for 2021 is detailed in this report. On 31 December 2021, there are no other members of the Executive Committee of the company who fall within the scope of the regulations regarding the remuneration policy and the remuneration report.
This remuneration is in accordance with the remuneration policy included in the remuneration report published in 2021, which was approved with a majority of 98.9% of the votes cast, and without any particular comment on the part of the shareholders.

## 2.1. REMUNERATION OF NON-EXECUTIVE DIRECTORS

A total amount of € 420,000 has been paid to the non-executive directors in 2021, broken down according to the table below. The company has not granted them any other remuneration or benefit, loan or guarantee.

| 2021 *(EUR)* | Fixed remuneration | Attendance fees | Audit Committee | Remuneration Committee | Total remuneration |
|---|---|---|---|---|---|
| Luc Bertrand | 100,000 | - | - | 3,000 | 103,000 |
| Philippe Delusinne | 20,000 | 12,000 | 1,000 | 1,000 | 34,000 |
| Christian Labeyrie | 20,000 | 12,000 | 4,000 | - | 36,000 |
| Ciska Servais SPRL, represented by Ciska Servais | 20,000 | 12,000 | 4,000 | - | 32,000 |
| Koen Janssen | 20,000 | 12,000 | - | - | 32,000 |
| PAS DE MOTS BVBA, represented by Leen Geirnaerdt | 20,000 | 12,000 | 4,000 | - | 36,000 |
| Jan Suykens | 20,000 | 12,000 | - | - | 32,000 |
| John.-Eric Bertrand | 20,000 | 12,000 | 8,000 | - | 40,000 |
| Euro-Invest Management SA, represented by Martine Van den Poel | 6,900 | 4,000 | - | 2,000 | 12,900 |
| Much SPRL, represented by Muriel De Lathouwer | 20,000 | 12,000 | 4,000 | 1,000 | 37,000 |
| Hélène Bostoen | 13,100 | 8,000 | 3,000 | 1,000 | 25,100 |
| **Total** | **280,000** | **108,000** | **24,000** | **8,000** | **420,000** |

- John-Eric Bertrand received, in addition to his mandate as director (€ 32,000) and in addition to his mandate as chairman of the Audit Committee (€ 8,000), an amount of € 115,000 for the exercise of activities within various companies of the CFE group, more specifically within Druart. VMA and VMA Nizet. All these fees are reimbursed to Ackermans & van Haaren on the basis of an agreement that binds them.
- Koen Janssen received, in addition to his mandate as director (€ 32,000), an amount of € 15,000 for the performance of activities within various subsidiaries of the CFE group, within the Terryn group. All these fees are reimbursed to Ackermans & van Haaren on the basis of an agreement that binds them.
- Euro-Invest Management, represented by Martine Van den Poel, received, in addition to her mandate as director until May 6, 2021 (€12,900), an amount of €19,100 for her services prior to her mandate as director.

## 2.2. REMUNERATION OF THE MANAGING DIRECTOR

The Managing Director of the company is a member of the Executive Committee of AvH. As a result, his remuneration by the company is composed of the following elements only, in accordance with section 1.3 of the remuneration policy:
- a fixed annual remuneration at the same level as that of the non-executive directors;
- remuneration granted in the context of a mandate of non-executive manager held in a particular subsidiary of the CFE Group.
  - the remuneration paid to the Managing Director in 2020 was therefore as follows: fixed remuneration granted for his capacity of member of the Board of Directors of the company: € 20,000;
  - attendance fees relating to his participation in meetings of the Board of Directors of the company: € 12,000.

In addition, the annual remuneration of the Managing Director in respect of the various mandates as non-executive manager held in the subsidiaries of the CFE Group amounts to the following:
- CFE Contracting : € 75,000;
- BPC : € 75,000;
- MBG : € 75,000;
- VAN LAERE : € 75,000;
- Mobix ENGEMA : € 45,000.

In accordance with the provisions of the remuneration policy, the Managing Director does not benefit from a variable remuneration, nor from benefits in kind, such as pension schemes, insurances or a company car.

The remunerations listed in this section have, in their entirety, been reassigned by the Managing Director of AvH under a binding agreement.

## 2.3. ANNUAL EVOLUTION OF THE RATIO BETWEEN REMUNERATION AND SALARY

The table below provides an overview of the annual evolution of the remuneration of each non-executive director, the Managing Director and the employees (average on a full-time equivalent basis). It also provides an overview of the annual evolution of the performance of the company.

| Annual assessment in % | 2017 vs 2016 (%) | 2018 vs 2017 (%) | 2019 vs 2018 (%) | 2020 vs 2019 (%) | 2021 vs 2020 (%) |
|---|---|---|---|---|---|
| **1. Remuneration of the directors (non-executive) (EUR)** | | | | | |
| **Name** | | | | | |
| Luc Bertrand | 102,000 (+32,64%) | 102,000 (+0%) | 102,000 (+0%) | 102,000 (+0%) | 103,000 (+1%) |
| Philippe Delusinne | 40,000 (+18.00%) | 31,000 (-22.00%) | 35,000 (+12.29%) | 38,000 (+12.50%) | 34.,000 (-11.77%) |
| Christian Labeyrie | 38,000 (18.75%) | 32,000 (-15.79%) | 32,000 (+0%) | 36,000 (+12.50%) | 36,000 (+0%) |
| Ciska Servais SPRL, represented by Ciska Servais | 41,000 (+7.89%) | 40,000 (-2.44%) | 33,000 (-17.5%) | 32,000 (-3.04%) | 32,000 (+0%) |
| Koen Janssen | 34,000 (+13.33%) | 30,000 (-11.76%) | 30,000 (+0%) | 32,000 (+6.67%) | 32,000 (+0%) |
| PAS DE MOTS BVBA, represented by Leen Geirnaerdt | 35,000 (+262.88%)[3] | 36,000 (+2.86%) | 31,000 (-13.89%) | 33,000 (+6.45%) | 36,000 (+9%) |
| Jan Suykens | 34,000 (+6.25%) | 30,000 (-11.76%) | 30,000 (+0%) | 32,000 (+6.66%) | 32,000 (+0%) |
| John-Eric Bertrand | 42,000 (+7.69%) | 40,000 (-5.26%) | 38,000 (-5.26%) | 40,000 (-5.26%) | 40,000 (+0%) |
| Euro-Invest Management SA, represented by Martine Van den Poel | | 19,260 | 35,000 (+81.72%)[3] | 36,000 (+2.87%) | 12,900 (-81.72%) |
| Much SPRL, represented by Muriel De Lathouwer | | 21,260 | 33,000 (+55.22%)[3] | 36,000 (+9%) | 37,000 (+2.78%) |
| Hélène Bostoen | / | / | / | / | 25.100 |
| Piet Dejonghe | 34,000 (+6.25%) | 32,000 (-6.25%) | 30,000 (-6.25%) | 32,000 (+6.25%) | 32,000 (+0%) |

| **2. Remuneration of the Managing Director (EUR)** | | | | | |
|---|---|---|---|---|---|
| **Name** | | | | | |
| Piet Dejonghe[1] | - | 345,000 | 345,000 | 345,000 | 345,000 |

| **3. Results of the company** | | | | | |
|---|---|---|---|---|---|
| (€ Thousand) | **2017** | **2018** | **2019** | **2020** | **2021** |
| Criterion 1: Consolidated net income of the CFE Group | 180,442 | 171,530 | 133,424 | 64,020 | 150,008 |
| Criterion 2: EBITDA for DEME | 455,500 | 458,901 | 437,011 | 369,457 | 469,308 |
| Criterion 3: Pre-tax income for CFE Contracting | 27,077 | 20,652 | 17,973 | 12,374 | 23,224 |
| Criterion 4: Return on Equity for BPI (CFE segment) | 52.1% | 14.5% | 17.0% | 17.3% | 26.9% |

| **4. Average remuneration of employees in full-time equivalents [2]** | | | | | |
|---|---|---|---|---|---|
| (€ Thousand) | **2017** | **2018** | **2019** | **2020** | **2021** |
| Employees of the company | 87,086.15 (+4.59%) | 81,236.35 (-6.72%) | 85,012.02 (+4.65%) | 86,061.31 (+1.23%) | 80,180.10 (-7,33%) |

**5. Explanatory notes**

[1] These remunerations have in their entirety been reassigned by the Managing Director of AvH under a binding agreement.
[2] Average of the gross monthly remunerations of the employees at 100% of the month of December for the persons present on 31/12.
[3] The significance of the variation is the result of taking into consideration the remuneration paid during an unfinished financial year, either because a position was taken up, or a position was terminated in the course of the year.

The remuneration ratio between the highest paid person and the lowest paid person within the company is 3.35 in 2021.

202

# STATEMENT OF NON-FINANCIAL INFORMATION

# 21

# V. STATEMENT OF NON-FINANCIAL INFORMATION

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

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

Luc BERTRAND
Chairman of the Board of Directors

This statement of non-financial information (the 'Statement') was prepared in accordance with Article 3:32 of the Code of Companies and Associations and relates to the financial year ended 31 December 2021.

## 1. INTRODUCTION

Due to the fact that CFE and its subsidiaries are included in the management report regarding the consolidated financial statements prepared by Ackermans & van Haaren (AvH), it is in principle exempt from the obligation to draw up a statement of non-financial information.

Nevertheless, bearing in mind the importance that CFE and its entities attach to sustainability, we have decided not to avail ourselves of this legal exemption and to prepare a statement of non-financial information to complement AvH's statement of non-financial information, and to inform CFE's shareholders in more detail about the policies applied in the area of ESG (Environmental, Social, Governance) throughout the CFE Group, the actions taken in this respect, and the outcomes of those actions. As far as DEME is concerned, we also refer to the ESG report contained in DEME's annual report.

Climate, energy, the re-use of materials and the limitation of waste production are all global issues to which DEME, CFE Contracting and BPI Real Estate can provide sustainable solutions. A relevant materiality analysis has enabled the three divisions to define the ESG themes for which they can have a real impact. Combined with clear policies and ambitions, this analysis enables the group's various subsidiaries to be real players in sustainable change.

## 2. BRIEF DESCRIPTION OF THE GROUP'S ACTIVITIES

### 2.1. DREDGING, ENVIRONMENT, OFFSHORE AND INFRA

The DEME Group is active in four different segments.

#### DREDGING

DEME is involved in complex dredging projects all over the world, and offers its customers state-of-the-art solutions. The DEME Group carries out major marine engineering infrastructure works, such as the development of new ports, waterways, airports, artificial islands, residential and recreational areas, industrial areas, etc., on all continents. DEME has a subsidiary specialising in the extraction, processing (washing, grinding, calibration) and supply of marine aggregates for the European construction industry. The aggregates originate from the marine sand and gravel concessions of the DEME Group and licences of third parties.

#### OFFSHORE

For customers active in renewable energies, the DEME Group provides flexible solutions regarding the transportation and installation of foundations and turbines, cable installation, maintenance operations and activities, up to overall EPCI-type contracts (engineering, procurement, construction and installation). For oil and gas companies, as well as other offshore customers, services include offshore civil engineering works, rock placement, heavy haulage, subsea construction, umbilical cable laying and the installation and decommissioning of offshore platforms.

#### ENVIRONMENT

The DEME Group has specialist environmental companies with more than 20 years' experience in the rehabilitation of polluted sites. Those companies adopt a proactive approach to the remediation of brownfield sites alongside their real estate development partners. Their activities include soil decontamination, treatment of polluted soils and dredged sediments, as well as the treatment of groundwater and polluted soils using innovative techniques. The activities of this division are carried out by Ecoterres Holding and its subsidiaries.

#### MARINE CIVIL ENGINEERING

The DEME Group is also active in marine infrastructure and civil engineering works that complement and reinforce the Group's activities. These include the design and construction of hydraulic and marine works such as jetties, port terminals, locks and weirs, infrastructural works such as bored, immersed and cut & cover tunnels, foundation and marine works for bridges and offshore structures, civil engineering works for port infrastructures, dams and sea defences, canals, quay walls and port and shore protection works.

### 2.2. CONTRACTING

The Contracting division includes the Construction, Multitechnics and Rail & Utilities activities.

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

The Multitechnics activities are mainly concentrated in Belgium through the VMA Cluster, which comprises tertiary electricity, HVAC (Heating, Ventilation and Air Conditioning), electromechanical facilities, telecom networks, automation in the car, pharmaceutical and food processing industries, the automated management of technical facilities of buildings, electromechanical work for road and rail infrastructures, and the long-term maintenance of technical facilities.

The Rail & Utilities activities are carried out by the MOBIX Cluster. These activities comprise railway (track laying and installation of catenaries) and signalling works, energy transportation and public lighting in Belgium.

### 2.3. REAL ESTATE DEVELOPMENT

BPI Real Estate, the leading company of the Real Estate Development division, has developed its real estate business in Belgium, Luxembourg and Poland.

## 3. POLICIES IN THE AREA OF ESG

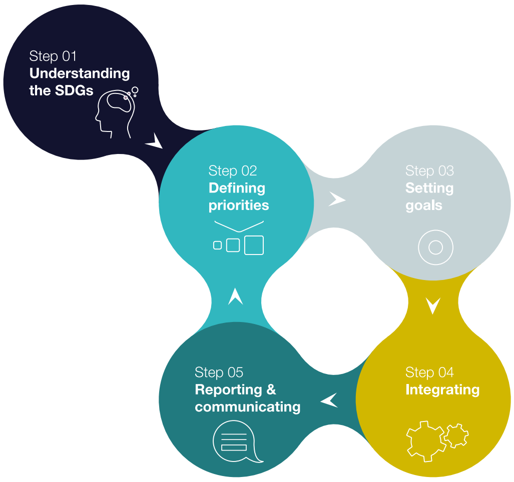
### 3.1. RULES COMMON TO THE THREE DIVISIONS

As CFE relies on a decentralised decision-making model, each division develops and pursues its own ESG policy. However, as a shareholder, CFE ensures that these divergent policies converge into a similar overall approach, which is also in line with the ESG policy of the AvH group.

#### A COMPLETE PROCESS

In 2019, AvH started a process within its main subsidiaries, including CFE, to align the ESG policies and related reporting of the subsidiaries with the renewed ESG policy of the AVH group. CFE was therefore asked to perform a materiality analysis. This involved identifying its main ESG risks and opportunities and linking them to a strategic vision, key performance indicators ('KPIs') and concrete targets and actions to achieve them. These were then approved by the CFE Board of Directors at the end of 2019.
For further details on the above process, please refer to the Company's Non-Financial Statement as published in the Annual Report 2019 (Appendices 1 to 4).

In the interests of continuous improvement, this process is reviewed annually, while keeping in mind the level of ambition set.




#### IMPACT AND MATERIALITY

As it cannot have a decisive impact on all ESG challenges worldwide, CFE focuses on material issues that can make a difference in the sectors in which the group operates. In addition, particular attention is paid to ESG aspects that could represent a significant risk or opportunity for the group. Through its representatives in the management bodies, CFE ensures that these analyses are integrated into the strategic and political plans of its divisions and that these plans are evaluated periodically. Subsidiaries then implement the policy approved by their Board of Directors and report on its significant aspects. The clusters are inspired, among others, by the methodologies recommended by the United Nations. Furthermore, they base their reporting and the choice of relevant indicators on common definitions and priorities in the sectors in which they operate.

#### CONTRIBUTION TO THE 17 SDGS

The three divisions are committed to aligning their sustainability approach to the seventeen Sustainable Development Goals (SDGs) of the United Nations. The CFE Group as a whole believes it is the responsibility of every individual, and of every business, to help meet the great challenges facing the world today. The CFE group endorses the UN Agenda 2030 and the accompanying SDG methodology and uses it as an international framework for its policy.

Choosing the SDGs also makes it possible to draw inspiration from the GRI (Global Reporting Initiative) methodology, given the existing correspondence tables.

#### CONTINUOUS IMPROVEMENT AND OPPORTUNITIES

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

#### EUROPEAN TAXONOMY

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

#### PARTNERSHIP FOR CHANGE

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

### 3.2. DEME'S ESG POLICY

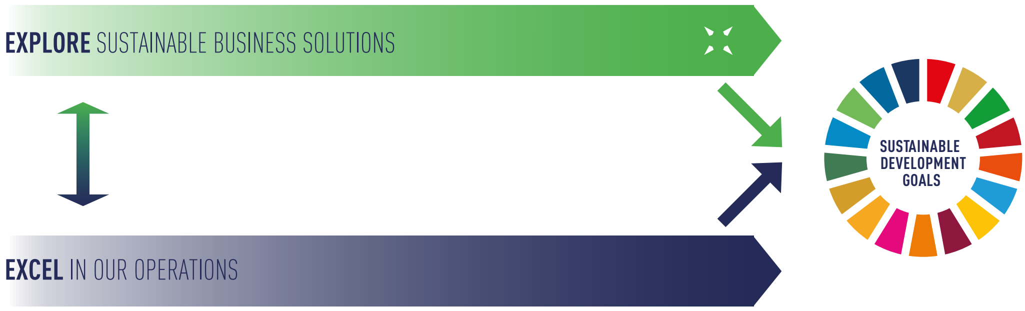
DEME, which has actively implemented the SDGs since 2017, has developed a number of themes and actions through its sustainability approach with which it contributes to the seventeen SDGs. All these themes and actions are explained in detail in DEME's 2021 sustainability report.

At DEME, our ambition is to make a major contribution to finding sustainable solutions to the environmental, societal and economic challenges facing the world today. Every day, we are involved in a wide range of large-scale and complex projects around the world, from dredging and land reclamation to marine infrastructure and offshore environmental and energy work. All these projects have a potential impact - positive or negative, minor or substantial - on communities, local economies and the general climate. We are always striving to improve the sustainability of our own operations.
An intense process of internal cooperation has taken place across our business, resulting in a two-dimensional strategy for sustainable performance.

01 EXPLORING SUSTAINABLE BUSINESS SOLUTIONS by continually challenging ourselves to expand our portfolio of sustainable activities and to align our business decisions with the sustainability goals where DEME can have the most impact.

02 EXCELLING IN OUR OPERATIONS by maintaining and enhancing sustainable performance in our daily operations. Thanks to an innovative approach, the 'Excel' programme makes it possible to find the best possible uses for scientific research and existing technologies. The EXCEL dimension therefore aims to ensure that its projects are implemented not only efficiently and cost-effectively, but also sustainably.

This strategy will help us to create sustainable value for our customers, DEME and society.




At DEME, the involvement and endorsement of all employees was a driving factor in defining the sustainability goals. This rigorous and extensive consultation exercise of internal and external stakeholders, which began in 2017, helped to determine the eight key themes for DEME that drive sustainable performance. Thanks to the definition of those eight themes, the company's decisions can be aligned to the SDGs where DEME has the greatest impact.

The eight themes are: 'Climate & Energy', 'Natural Capital', 'Sustainable innovation', 'Waste and resource management', 'Health, safety & well-being', 'Diversity and opportunity', 'Ethical business' and 'Local communities'.
All these themes are described in chapter 4.2.1 and in the DEME sustainability report (www.deme-group.com/sustainability).

At the same time, as a global company operating in many different places and sites, it is essential for DEME to maintain good working relationships with all stakeholders and to draw the attention of all parties involved to DEME's sustainable approach.

In 2020, we worked to refine the implementation of this two-dimensional sustainability strategy and our eight key sustainability themes, where we focused on the areas most relevant to our business and to our external stakeholders. As a result, we have put in place an operational framework of well-defined sustainability programmes linking our ambitions to clear objectives, action plans and performance indicators in a coherent and structured way.

These sustainable programmes link DEME's strategic sustainable vision (long-term vision) with concrete annual action plans.
In practical terms, for each of the eight themes (Excel and Explore), DEME has defined at least one programme. Each programme, valid for three to five years, has its own indicators and ambition and a link to annual action plans.


STRATEGIC FRAMEWORK
LONG-TIME VISION
HIGH LEVEL OBJECTIVES & KPIS
EXCEL & EXPLORE: 8 KEY THEMES
LINK WITH UNDERLYING SDGS

OPERATIONAL FRAMEWORK
CORPORATED ALIGNED
VALID FOR 3-5 YEARS
RELATED TO SPECIFIC TARGETS & INDICATORS
RELATED TO THE ACTIVITIES

CONCRETE ACTIONS
IN LINE WITH THE ACTIVITIES
VALID FOR 1 YEAR
SMART GOALS & CLEAR TIMING

Finally, in 2021, DEME updated its materiality matrix by carrying out a large-scale survey of its main stakeholders (customers, main suppliers, financial institutions, research centres, NGOs, etc.). The main objective was a better inclusion of the views of external stakeholders on the relevance of environmental, social and corporate governance (ESG) issues for DEME. This exercise allowed DEME to confirm its high materiality themes.

## 3.3. CFE CONTRACTING AND BPI REAL ESTATE'S ESG POLICY

Like DEME, CFE Contracting and BPI Real Estate have developed an ESG policy structured around the 17 ESGs. Sustainable Development Goals (SDGs) 3, 4, 7, 8, 11, 12, 13, 16 and 17 have been selected as the guideline for this policy.
Conscious of its social responsibility, CFE Contracting and BPI Real Estate are ready to take up the vital challenges of climate change, the circular economy, mobility and access to affordable housing, and thereby, from today, to shape the world of tomorrow.

Three levers enable CFE Contracting and BPI Real Estate to achieve their sustainable ambitions:

**BEING SUSTAINABLE IN OUR OPERATIONS (HOW WE BUILD):**
CFE Contracting and BPI Real Estate aim for operational excellence. Improving construction processes, digitalisation, optimising the resources and energy used on our sites, etc. are all ways of reducing the carbon footprint of our work while improving quality and profitability.

**DELIVERING SUSTAINABLE PROJECTS (WHAT WE BUILD):**
The buildings developed by BPI Real Estate, or built by CFEC's subsidiaries, but also the railways built by MOBIX's teams or the installations built by multitech's teams are all ways to create a real positive impact for society.

**DEVELOPING INNOVATIVE AND SUSTAINABLE SOLUTIONS (OUR TOTAL SOLUTIONS & INNOVATIONS):**
CFE Contracting and BPI Real Estate are also looking to develop innovative global energy management solutions for new or renovated projects.

Taking into account the key societal issues and CFE Contracting and BPI Real Estate's means of action have made it possible to formalise the sustainable strategy through a simplified vision:


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

| | | |
|---|---|---|
| **People**<br>- Health, safety & wellbeing | **Severity rate** | **Go for 0**<br>SR Construction < 0,4<br>SR Multitech < 0,5<br>SR Rail&Utilities < 0,9 |
| **Mobility**<br>- Green fleet<br>- Logistic on & to the site | **$CO_2$ Fleet Itensity** | **-40% in 2030***<br>(-90% for company cars<br>-25% for the vans<br>-15% for the trucks) |
| **Energy**<br>- Energy on site optimisation<br>- Green machines | **$CO_2$ Energy Itensity** | **-40% in 2030***<br>(100% green energy by 2025) |
| **Materials**<br>- Waste reduction<br>- Reuse of materials | **Tons of waste**<br>**% re-use materials**<br>**NO pumped water to the sewer** | **-x% in 2030***<br>**+x% in 2030***<br>**100% in 2030** |

(*) The target (x) to be achieved will be determined in the course of 2022.

Each subsidiary then translates this strategic framework according to their specific businesses and realities.
Each subsidiary can thereby assimilate these sustainability concepts and integrate them into their daily actions by means of specific annual action plans and their own SMART indicators.


- Strategy at the level of CFE Contracting & BPI
- Long term vision
- High level objectives & KPIs
- Related to the global sustainable strategy

- Strategy at the level of the subsidiaries but corporated aligned
- Mid term vision
- Specific objectives & KPIs related to the specific activities

- Specific for the subsidiaries
- In line with the activities
- SMART goals

# 4. MAIN RISKS RELATED TO ESG

## 4.1. INTRODUCTION

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

## 4.2. MAIN ESG RISKS AND OPPORTUNITIES AT DEME

### 4.2.1. ESG THEMES AND LINK TO THE SDGS

There is no doubt that the world is facing multiple global challenges that could have serious social and environmental impacts if we do not act now. With its 17 Sustainable Development Goals (SDGs), the UN has defined its priorities for creating a better world by 2030.
While these objectives address different themes and aspects of sustainability, they are all interconnected. Together, they will help us defeat global poverty, stop climate change and fight inequality so we can all live in a better world.
At DEME, we are fully committed to helping achieve the SDGs. These objectives have helped us understand the economic, environmental and social impact of our operations as we move towards a portfolio of projects with a strong focus on sustainable development.
As all the UN goals are interconnected, DEME is committed to addressing all 17 of the SDGs. However, DEME does not contribute to all objectives in the same way. We have grouped the 17 SDGs into eight key sustainability themes: 'Climate & Energy', 'Natural Capital', 'Sustainable innovation', 'Waste and resource management', 'Health and wellbeing', 'Diversity and opportunity', 'Ethical business' and 'Local communities'.

| CLIMATE & ENERGY | NATURAL CAPITAL | SUSTAINABLE INNOVATION | WASTE AND RESOURCE MANAGEMENT | HEALTH, SAFETY & WELL BEING | DIVERSITY AND OPPORTUNITY | ETHICAL BUSINESS | LOCAL COMMUNITIES |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

Thus, in line with the operational and strategic approach in Chapter 3.2, the eight themes have been systematically applied in those two directions (Excel and Explore). Those goals will help DEME to create real sustainable value. All these themes are presented below. For more details, please refer to the DEME sustainability report (www.deme-group.com/sustainability).

## CLIMATE & ENERGY

Exploring sustainable business solutions: our 'Explore' approach to realise our vision of climate and energy focuses on infrastructure. We are building infrastructure that is able to withstand climate change and is better adapted to climate hazards. In addition, we are advancing the energy transition by developing our renewable energy solutions. We continue to explore new marine solutions for energy production. Together, those projects are improving access to affordable energy, increasing the share of renewable energy, and enhancing energy efficiency.
Operational excellence: our 'Excel' approach to become climate neutral has already begun with a switch to climate-neutral vessels and programmes that reduce greenhouse gas emissions in the value chain of our projects.

## NATURAL CAPITAL

Exploring sustainable business solutions: our 'Explore' approach aims to prevent and reduce marine pollution while at the same time sustainably revitalising and rebuilding the maritime, coastal and inland zones, waterways and terrestrial ecosystems.
Operational excellence: our 'Excel' approach focuses on working with nature in order to minimise the environmental impact of our operations and, as far as possible, have a net positive impact on biodiversity and ecosystems.

## SUSTAINABLE INNOVATION

Exploring sustainable business solutions: our 'Explore' approach aims to set up multilateral partnerships and inter and intra-industrial collaborations to guide the transition to sustainable development and holistic solutions.
Our 'Excel' approach consists of improving scientific research, modernising technological capabilities, and fostering sustainable development and innovation in our projects.

## WASTE AND RESOURCE MANAGEMENT

Exploring sustainable business solutions: our 'Explore' approach consists of making a transition in terms of the choice of resources aimed at increasing the sustainable supply of resources.
Operational excellence: our 'Excel' approach to waste and resources consists of supplying sustainable alternatives for building materials and minerals. Our technology reuses treated waste materials to maximise the efficient and circular use of materials throughout our projects.

## HEALTH, SAFETY & WELL BEING

Exploring sustainable business solutions: our 'Explore' approach to health, safety and well-being is to develop sustainable infrastructure to improve prosperity and well-being and guarantee a safe environment.
Operational excellence: our 'Excel' approach consists of ensuring a safe and healthy work environment for all the people involved in our operations.

## DIVERSITY AND OPPORTUNITY

Exploring sustainable business solutions: our 'Explore' approach to diversity is founded on the opportunity to create decent jobs and on career development opportunities within the group based on appropriate qualifications, experience and training.
Operational excellence: our 'Excel' approach aims to ensure an inclusive workplace where every person is treated equally and with dignity and respect. Furthermore, we strengthen the competences of our employees by facilitating talent development and the promotion of sustainable development.

## ETHICAL BUSINESS

Exploring sustainable business solutions: our 'Explore' approach leads us to conduct our business with integrity with a view to actively and proactively preventing corruption or fraud in whatever form. Our ethical commitment is enshrined in our STRIVE values.
Operational excellence: our 'Excel' approach consists of incorporating an ethical mindset in the organisation and only working together with third parties that apply the same standards. This includes, but is not limited to, respect for human rights as defined in the Universal Declaration of the United Nations.

**LOCAL COMMUNITIES**

Exploring sustainable business solutions: our 'Explore' approach aims to increase the resilience of communities so that they are able to meet the economic, environmental and social challenges.
Operational excellence: our 'Excel' approach consists of establishing collaborative relations with the local communities through consultation, commitment and participation.

## 4.2.2. MATERIALITY MATRIX

**MATERIALITY PRINCIPLE**

The materiality analysis carried out by DEME aims to define the key issues for DEME. These are the themes where DEME has a strong impact, both in commercial terms and in terms of importance for the different stakeholders. This analysis needs to be reviewed regularly to ensure it is in line with the realities of the ever-changing external world. The materiality exercise covers environmental, social and corporate governance (ESG) issues.

The materiality assessment enabled DEME to define its sustainability strategy, resulting in eight priority sustainability themes that drive its sustainable performance.

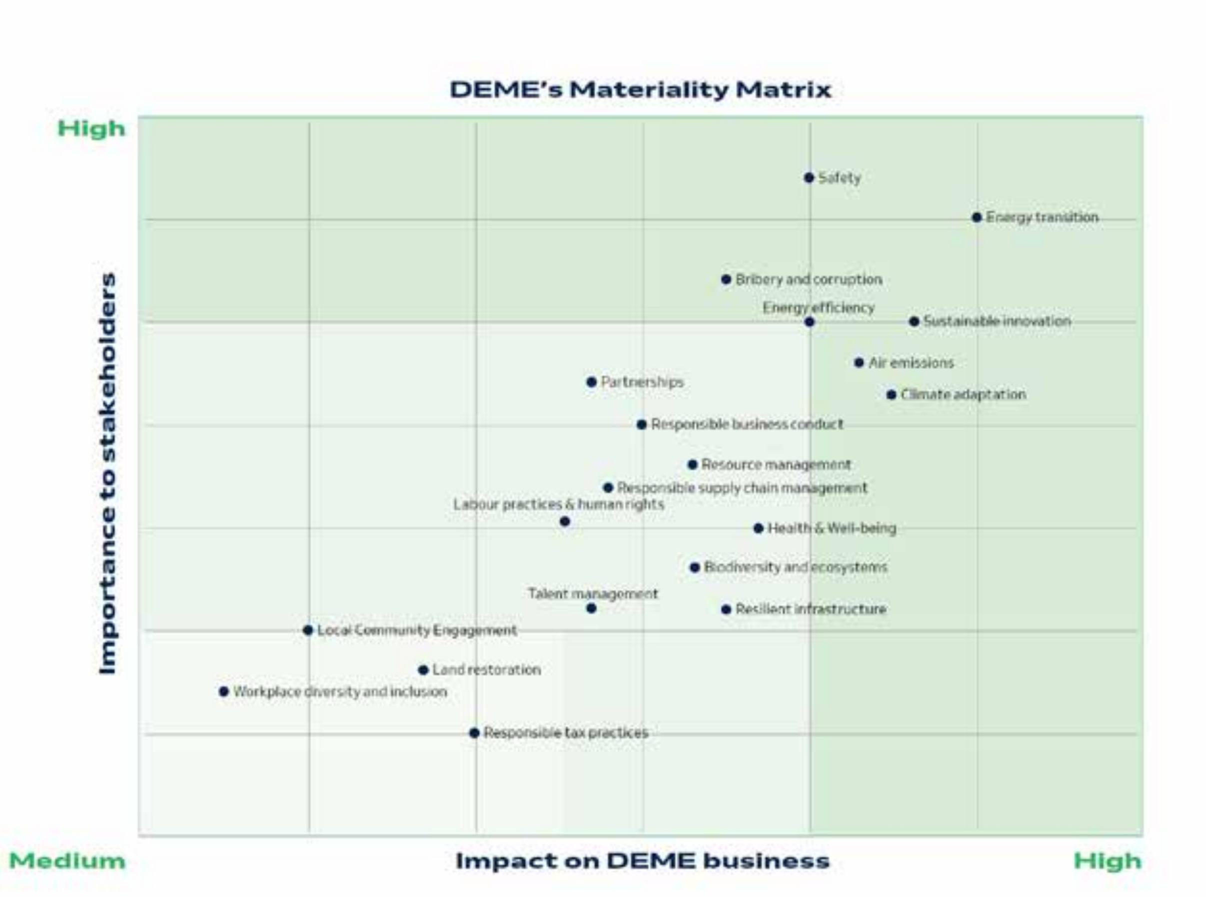
**METHODOLOGY**

To understand the key sustainability goals and themes where DEME has the most impact, extensive consultations with stakeholders (internal and external) were conducted in 2017 and 2018. Based on the eight key themes (as described in chapter 4.2.1), DEME has defined a series of ESG issues. The assessment of DEME's impact on these ESG issues led to the establishment of an initial materiality matrix, which served as a reference for aligning DEME's sustainable ambitions.

In the course of 2021, DEME updated this materiality matrix. The main objective was a better inclusion of the views external stakeholders on the relevance of environmental, social and corporate governance (ESG) issues for DEME.
To do this, we have:

- Reviewed the ESG and sustainability issues in DEME's existing 2018 materiality matrix and compared them in our sector with some of our peers and with relevant ESG issues used by risk rating agencies;
- Sent an anonymous online survey to more than 200 of our closest external stakeholders (customers, suppliers, financial institutions, research partners, NGOs and shareholders) asking them to rate the relevance of the ESG and sustainability issues identified in the previous step, based on their expectations of DEME and its industry;
- Compiled the results of the review and the online survey into the renewed 2021 materiality matrix and validated these results through our governance model.

The renewed DEME 2021 materiality matrix thereby helps us to better identify and understand the relative importance of specific ESG and sustainability issues for external stakeholders and align our business decisions with the sustainability objectives where DEME can create the most impact.




The high-materiality topics relate to environmental, social and corporate governance issues.

#### HUMAN RESOURCES

Everyone has the right to work in a safe, secure and healthy environment. Due to the nature of our business, numerous projects take place in difficult working environments. Health, well-being and safety in the workplace - for our own staff, as well as for subcontractors, suppliers, partners and other stakeholders - are our top priority.
Our goal is to provide a safe, secure and healthy working environment for all. Safety has always been DEME's number one priority and over the years we have put in place the necessary management systems, action plans and scorecards. Of course, this is an ongoing process and our efforts to improve safety are continuous.

While we work tirelessly to reduce the number of injuries and environmental incidents, we also strongly encourage employees to report any incidents, near misses or hazardous situations. DEME believes, and has evidence to support, that when more incidents are reported, serious accidents are avoided in the future. In short, by better understanding these incidents, we can improve safety procedures and prevent the same problem from happening again. In fact, we develop policies and procedures based on past incidents and near misses within the organisation.

### HIGH-MATERIALITY ESG ISSUE CONCERNED: 'SAFETY'

#### ENVIRONMENTAL ASPECTS

Climate change is one of the greatest threats to our planet and society. Rising global temperatures due to greenhouse gas emissions are leading to rising sea levels, warmer ocean surfaces and more volatile weather patterns causing droughts, fires and floods. At the same time, there is a growing need for access to affordable, reliable and sustainable energy. DEME offers solutions to increase society's resilience to the impact of climate change and to accelerate the long-awaited energy transition.

In line with our ambition to achieve climate neutrality by 2050, we take responsibility for leading the industry in integrating climate-friendly technologies and energy excellence into our operations.

## HIGH-MATERIALITY ESG ISSUE CONCERNED: 'ENERGY TRANSITION', 'ENERGY EFFICIENCY', 'AIR EMISSIONS' AND 'CLIMATE ADAPTATION'

#### CORPORATE GOVERNANCE

In our day-to-day activities, we work closely with civil servants and third parties, such as joint venture partners, subcontractors and recruitment agencies. In addition, we often operate in countries with a higher risk profile for unethical practices (e.g. a low ranking in Transparency International's Corruption Perceptions Index). Because of these factors, we must be highly vigilant in ensuring that our ethical standards are met at all times.

In line with our ambitions to create a long-term sustainable business, we aim to conduct our business with integrity and to actively and proactively prevent corruption or bribery in all its forms. We respect and protect workers' rights in our operations. Above all, an ethical mindset is embedded in our organisation and we attach great importance to transparent communications on our ethical performance.

## RELEVANT ESG ISSUE WITH HIGH MATERIALITY:

#### INNOVATION

Innovation is the cornerstone of our projects. We are constantly pushing our limits by developing new services and value-added solutions.

## HIGH-MATERIALITY ESG ISSUE CONCERNED: 'SUSTAINABLE INNOVATION'

#### HIGH MATERIALITY ESG ISSUES AND SUSTAINABLE STRATEGY

The high-materiality issues are therefore well prioritised in the DEME strategy and have been grouped into the four DEME high-materiality themes:
- Climate & Energy
- Sustainable innovation
- Ethical business
- Health, safety & wellbeing

The four other themes:
- Natural capital
- Waste & resource management
- Diversity & opportunity
- Local communities

are therefore considered to be medium materiality themes..

The 2021 materiality exercise confirms the high materiality of the previously selected priority themes.

## 4.3. MAIN ESG RISKS AND OPPORTUNITIES AT CFE CONTRACTING AND BPI REAL ESTATE

### 4.3.1. ESG THEMES AND LINK TO THE SDGS

The main risk trends specific to the construction and real estate sector that are currently emerging are:

- <u>'Safety':</u> there are numerous risks on construction sites. They are incurred both by employees and by third parties. Accidents at work can be serious and have serious consequences. This is why applying safety rules on construction sites is essential.
- <u>'The talent war':</u> people are, more than ever, at the heart of our business. Nevertheless, it remains difficult to recruit and retain qualified people for a job in the construction industry on account of the problems of image and working conditions that may seem less appealing such as night and weekend work, outdoor activity and sites. Moreover, young starters often lack sufficient qualifications and need additional training.
- <u>'Complex collaborations':</u> the construction industry is both fascinating and complex, particularly in terms of the number of parties involved (architects, engineering firms, institutions, customers, suppliers, etc.) and the relations between them throughout the design and execution process.
- <u>'Lack of long-term vision':</u> at the moment, it is still very difficult for the construction division to convince the parties involved to have a long-term and global view of 'life cycle costs'. The sometimes too short-term view of some project designers inhibits innovation, technological optimisation and the use of more environmentally friendly materials. Fortunately, BPI Real Estate has made sustainability its priority in the development of its projects, which greatly facilitates the joint innovative approach between the two poles.
- <u>'Scarcity of resources and Managing the production of waste':</u> managing resources and waste, either by limiting waste or reusing and recycling it, is a crucial issue. More than ever, circularity is a major challenge for our businesses.
- <u>'Complex legislation':</u> the various stringent European, national and regional regulations often overcomplicate our activities and restrict opportunities for innovation.

- 'Mobility': in Belgium and Luxembourg in particular, the transport of personnel and materials is a complicating factor in our work. Employees, subcontractors and suppliers lose a lot of time in transport. The problem will only get worse as more cars and trucks come onto the road each year. This means discouraging and any long travel time for staff and difficulties with efficient planning of deliveries.
- 'Cyber security': In the digital and teleworking era, IT risks increasingly constitute threats that are liable to slow down the activities of the Group's companies or compromise the integrity of their most valuable resources and data. The main IT risks are viruses and malware, fraudulent emails, hacking (cyber attacks), loss of confidential information, operating errors, risk of physical loss or theft, and misappropriation. This particular risk is described in more detail in the IT Security Risk chapter II.1.2 of the consolidated annual financial statements.

But many opportunities linked to ESG can also be highlighted: innovation and digitalisation, off-site manufacturing of construction items, re-use of materials, use of innovative or bio-based materials, etc.

In addition to this "outside-in" analysis of risks, we must also pay particular attention to the risks and positive and negative impacts that our work causes: production of $CO_2$ and other greenhouse gases, creation of waste, consumption of energy and raw materials, development of energy optimisation tools, improvement of the rail mobility facilities etc. It is therefore necessary to have a two-way and holistic approach in order to analyse the situation comprehensively. This comprehensive exercise was carried out in consultation with all CFE Contracting subsidiaries and BPI Real Estate and resulted in identifying more than thirty concrete sustainability objectives.

These objectives have been grouped into four key themes, defining the vision of CFE Contracting and BPI Real Estate in terms of sustainable development: 'Build for the future', 'Be a great place to work', 'Offer innovative solutions', 'Towards climate neutrality'. The concept of partnership permanently underlies all those themes.


The link with the SDGs is permanently maintained to ensure that the goals are in keeping with these sustainability objectives in sync with the seventeen SDGs.

## BUILD FOR THE FUTURE

As designers and builders, we are the key players in rethinking the city and infrastructure of tomorrow and participating in its transformation. Rethinking ways of working from the viewpoint of sustainability opens up numerous new opportunities. By making a sustainable choice of materials, limiting the production of waste, recycling or thinking in a circular manner, building methods can be sustainably adapted. Modular and prefab construction not only make it possible to limit waste, but also to improve the working conditions of employees and limit the inconvenience for the neighbourhood. Finally, at the design stage, it is essential to propose new energy solutions and to actively participate in developing building stock and our cities.

| OUR MAIN OBJECTIVES TO BUILD FOR THE FUTURE | | | | | | |
|---|---|---|---|---|---|---|
| WASTE AND PACKAGING REDUCTION | | | | | • | • |
| MODULAR & CIRCULAR PRINCIPLES IN OUR PROJECTS | | • | | • | • | • |
| WATER MANAGEMENT | • | | | | | • |
| EASE OF MAINTENANCE | | • | | • | | • |
| RE-USE OR RECYCLING OF CONSTRUCTION WASTE | | | | | • | • |
| ECOFRIENDLY CONSTRUCTION MATERIALS USE | | | | | • | • |
| ANTICIPATION OF CLIMATE RISKS IN OUR PROJECTS | | | | • | | • |
| PARTNERSHIPS WITH NGO OR LOCAL ASSOCIATIONS | | | • | • | | • |
| SUSTAINABLE INFRASTRUCTURE UPGRADE | | | | • | | • |
| PUBLIC PRIVATE INVESTMENTS | | | | • | | • |
| RELATIONSHIPS WITH AFFECTED NEIGHBORHOODS | | | | • | | • |

## BE A GREAT PLACE TO WORK

People are, more than ever, one of the main concerns of CFE Contracting and BPI Real Estate. The well-being and physical and mental health of all employees and all parties involved in our projects are absolute priorities.
It is essential that each employee is allowed to develop their talents and to grow within our organisation according to their abilities. CFE makes every effort to develop a climate of trust in which every employee can fully and confidently develop their abilities, thereby contributing to a healthy corporate culture. Obviously, the fundamental values of respect, transparency and integrity must be practised and propagated by all.

| OUR MAIN OBJECTIVES TO BE A GREAT PLACE TO WORK | | | | | | | |
|---|---|---|---|---|---|---|---|
| HEALTH & SAFETY | • | | | | | | • |
| DECENT WORKING CONDITIONS FOR ALL | | | | • | • | | • |
| TALENT ATTRACTION, TRAINING & RETENTION | • | • | | | | | • |
| STRONG CORPORATE GOVERNANCE | | | | • | | • | • |
| CAREER DEVELOPMENT FOR ALL EMPLOYEES | • | • | | | | | • |
| CLEAR SUSTAINABILITY REPORTING | | | | | | • | • |
| DIVERSITY & INCLUSION | | | • | | • | | • |

## OFFER INNOVATIVE SOLUTIONS

Digitalisation, the continuous improvement of our processes, the search for innovative solutions in our business and throughout the production chain, are all avenues for sustainably rethinking our business.

| OUR MAIN OBJECTIVES TO OFFER INNOVATIVE SOLUTIONS | | | |
|---|---|---|---|
| INNOVATION (ACROSS OUR BUSINESSES & SUPPLY CHAINS) | • | • | • |
| "PRODUCT AS A SERVICE" IN OUR BUSINESS OFFERINGS | • | | • |
| IMPLEMENTATION OF THE LEAN PHILOSOPHY IN EACH ACTIVITY | • | | • |
| ADMINISTRATIVE PROCEDURES SIMPLIFICATION | • | | • |

## GO TOWARDS CLIMATE NEUTRALITY

CFE Contracting and BPI Real Estate are also aware of the impact of our activities on society and the environment. The field of transport looks to be a major challenge for the future, and for that reason we are now developing an innovative mobility strategy for our people, our sites and our clients. Limited $CO_2$ production is also achieved by reducing emissions from our headquarters, offices and site equipment, as well as through the optimal use of renewable energy on our sites and in our real estate projects. An optimisation of material transport that can be combined with an optimisation of waste transport is also being developed.

| OUR MAIN OBJECTIVES TO GO TOWARDS CLIMATE NEUTRALITY | | | | |
|---|---|---|---|---|
| MATERIAL AND WASTE TRANSPORT OPTIMISATION | | • | | • |
| GHG EMISSIONS REDUCTION (FLEET) | | • | | • |
| ALTERNATIVE TRANSPORT MODES PROMOTION | | • | | • |
| 100% RENEWABLE ELECTRICITY PROCUREMENT | • | • | | • |
| GHG EMISSIONS REDUCTION (OFFICES & SITES) | | • | | • |
| RENEWABLE ENERGY PRODUCTION | • | • | | • |
| GHG EMISSIONS REDUCTION (EQUIPMENT) | | • | | • |
| BIODIVERSITY | | | • | • |
| ENERGY STORAGE | • | | | • |
| SOIL POLLUTION | | | • | • |

## 4.3.2. MATERIALITY MATRIX OF CFE CONTRACTING AND BPI REAL ESTATE

The materiality exercise was carried out in parallel at CFE Contracting and BPI Real Estate. Of course, there are obvious synergies and complementarities

### MATERIALITY PRINCIPLE

In a spirit of continuous improvement, the regular materiality assessment allows us to reassess the impact of different goals and focus efforts on the most strategic areas. This assessment involves an internal analysis as well as awareness of the real needs of the outside world and its evolution.

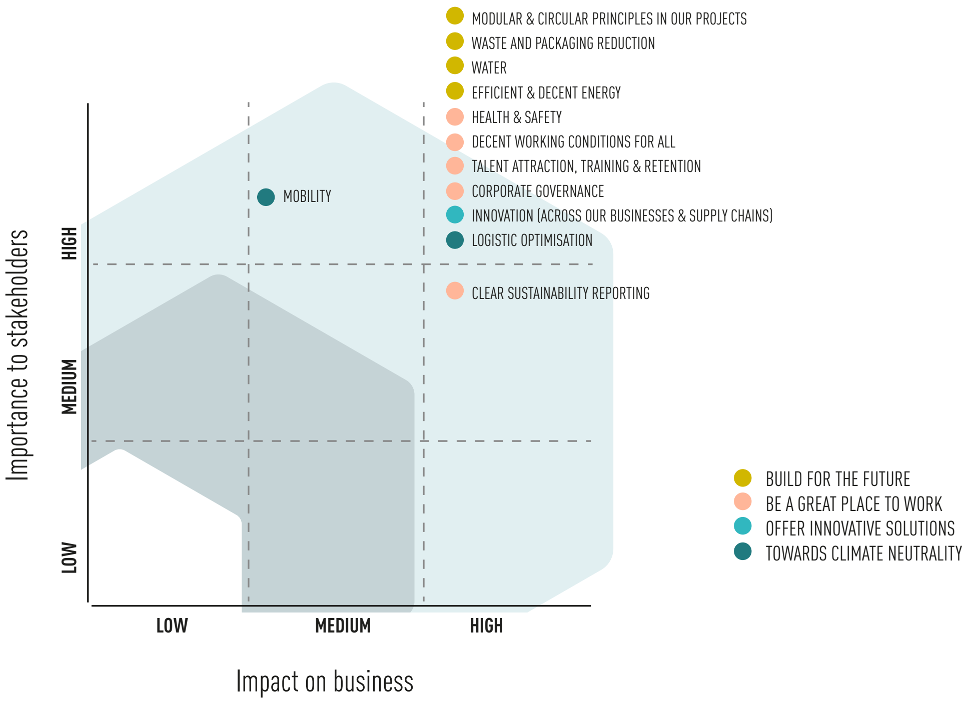
### METHODOLOGY

Each goal (as cited in section 4.3) was incorporated in a materiality matrix, taking into account the importance for the different stakeholders and the impact on the business. So, it is a matter of assessing the importance of a particular goal for the different stakeholders. This level of importance is rated as low, medium or high. In addition to the internal consultation of staff, the current sectoral trends were taken into account.
The employees were involved throughout the process, including in determining the materiality.
The importance of the goal in terms of business impact was also assessed. This analysis was performed in consultation with the Executive Committees of CFE Contracting. On the basis of their detailed knowledge of the business, the impact of each goal was rated as low, medium or high.

All the "High materiality goals" (priority goals), i.e. having both a high impact on the business of CFE Contracting and BPI Real Estate and high importance for the stakeholders, will be closely monitored. Short, medium and long-term actions are defined for each of those goals. By means of specific KPIs, the impact of those actions will be monitored and clearly communicated internally to all stakeholders. Certain medium materiality goals will be treated in the same way as high materiality goals. The other medium materiality goals and the low materiality goals will at first not be closely monitored.

### 4.3.2.1 MATERIALITY FOR CFE CONTRACTING

The 12 priority objectives selected cover all ESG areas.




**HUMAN RESOURCES**

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

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

**ENVIRONMENTAL MATTERS**

CFE Contracting is also aware of the impact of our activities on society and the environment. The field of transport looks to be a major challenge for the future, and for that reason we are now developing an innovative mobility strategy for our people as well as for materials and waste.
The priority goals linked to this theme are: 'Logistic optimisation' and 'Mobility'.

Special attention should go to the balanced management of raw materials, water and energy on our construction sites and in our offices. More particularly, the synergy between the two divisions makes it possible from the outset to design innovative buildings from an architectural and stability point of view, as well as the use of special techniques. In this sense, the introduction of new materials and of modular or circular construction is a goal in itself.
The priority goals linked to this theme are: 'waste & packaging reduction', 'modular & circular principles in our projects', 'efficient and decent energy' and 'water'.

**GOVERNANCE**

CFE Contracting provides strong governance by means of a charter and specific procedures.
The priority goal linked to this theme is: 'Corporate governance'.

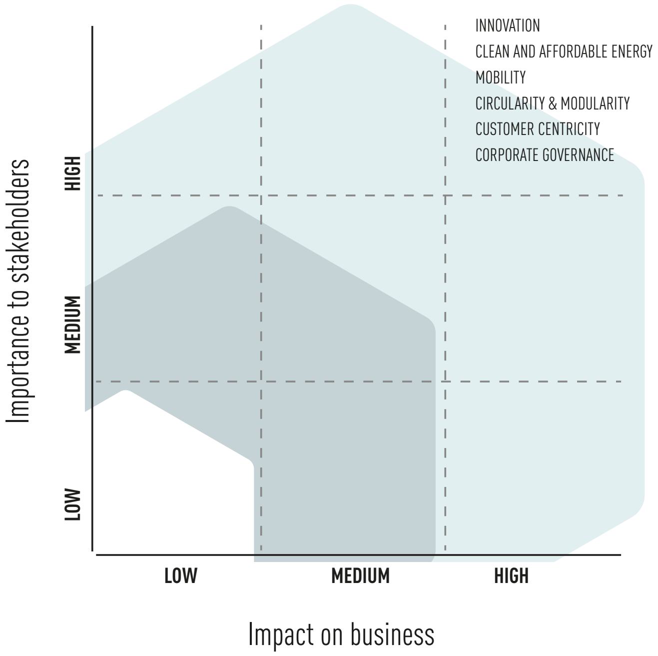
To ensure total transparency and satisfy the goal of clear sustainability reporting, regular internal communication with all employees will be put in place. The implementation of specific KPIs for each goal allows real transparency as well as the regular assessment of progress made, and the effects of the actions taken.
The priority goal linked to this theme is: 'Clear sustainability reporting'.

**INNOVATION**

All these goals call for close collaboration between the entities, as well as with all other partners. It is also necessary to stimulate innovation in our lines of business as well as across the whole value chain. Opening up to the outside world and other partners should not be neglected. The priority goal linked to this theme is: 'Develop systemic innovative solutions across our divisions and throughout our supply chains'.

### 4.3.2.2 MATERIALITY FOR BPI REAL ESTATE

As the fields of activity are closely linked, from the outset CFE Contracting and BPI Real Estate have chosen to move forward together in developing their sustainable strategies.




As a real estate developer, BPI Real Estate's sustainable impact begins at the conception of a new project.
BPI Real Estate has defined the following themes as priorities for its strategy:

**ENVIRONMENTAL MATTERS**

- **Circularity:** the choice of materials is a crucial issue in the carbon footprint of a building.
- Integrating circular materials can only be done effectively if it is done at the design stage. BPI Real Estate integrates numerous sustainable materials in its projects, including wooden structures via Wood Shapers.
- Renovation is also a committed choice of BPI Real Estate to limit waste and the use of raw materials.
- **Affordable and clean energy:** having low energy buildings, choosing the best energy solutions and building a world that reduces or eliminates the need for fossil fuels is one of BPI Real Estate's primary objectives as a real estate developer and player in the city of tomorrow.
- **Mobility:** as 'Urban Shapers', BPI Real Estate is committed to integrating its projects into the city. Offering active mobility solutions and multimodal and shared choices to the citizens of tomorrow's city is a key feature of BPI Real Estate's projects.

**HUMAN RESOURCES**

People are a fundamental value for BPI Real Estate.

- Teamwork, professionalism, commitment, passion and a sense of responsibility are the values shared by the entire BPI Real Estate team. BPI Real Estate has more than 90 experienced employees: architects, engineers, planners, commercial, financial and legal advisors. **Their shared enthusiasm and creativity** are based on many years' experience and enable them to meet the ambitions and wishes of buyers.
- BPI Real Estate is constantly listening to the **needs of its clients and future occupants.** Their strength and passion are fuelled by an ever-present spirit of openness and listening. BPI Real Estate promotes discussion and dialogue with its buyers. This desire for transparency gives buyers the opportunity to follow the construction of what is often the project of a lifetime.
- The quality of our partners (banks, architects, design offices, co-developers, etc.) also inspires **emulation that is beneficial to** all and helps to guarantee high quality.

### INNOVATION

To ensure we're at the top of our game in these areas, BPI Real Estate is committed to innovation and anticipating the world of tomorrow. From Smart Office to Smart Parking, from new materials to new service-oriented legal forms, all elements of a project are rethought with partners to stay ahead of new trends and create 'Futureproof' projects.

### 4.3.2.3 SYNERGIES AND COMPLEMENTARITY OF THESE APPROACHES

All priority objectives of CFE Contracting and BPI Real Estate are focused on four key issues: people, mobility, energy & materials. These issues are considered from both an implementation and a property development perspective.

The activities of CFE Contracting and BPI Real Estate are extremely complementary, allowing them to have a real impact on these four targeted issues. Therefore, by relying on the following three levers:

- BEING SUSTAINABLE IN OUR OPERATIONS
- DEVELOPING AND DELIVERING SUSTAINABLE PROJECTS
- DEVELOPING INNOVATIVE SOLUTIONS

CFE Contracting and BPI Real Estate can really create effective synergies and impact.
This complementary vision is therefore fully in line with the overall sustainable vision of CFE Contracting and BPI Real Estate.

# 5. OUTCOMES OF THOSE POLICIES

### PROOF BY EXAMPLE

The examples and projects shown on pages [15] highlight the impact of the ESG policies for the three divisions. Once again this year, whether through actions on our construction sites or through carrying out sustainable projects in itself, the CFE group is asserting its sustainability ambitions.

### CERTIFICATIONS TO CONFIRM THIS COMMITMENT TO SUSTAINABILITY

This sustainable approach and effective ESG risk management enabled the CFE Group to achieve remarkable results in the ESG risk analysis exercise carried out by rating agency Sustainalytics. On a global scale, with a score of 27.8 (Medium Risk), the CFE Group is among the frontrunners in its sector. This result stems from a detailed analysis of the various ESG policies and procedures of the CFE group and its numerous key indicators.

In October 2021, DEME also officially received the international 'SDG Pioneer' certificate from the United Nations, the United Nations Institute for Training and Research (UNITAR) and the Flemish Chamber of Commerce and Industry (VOKA).

### THE EUROPEAN TAXONOMY

DEME's commitment to sustainable sectors is directly reflected in the results of the analysis of its activities according to the European taxonomy. Indeed, DEME's offshore wind farm activity will, on the basis of the current interpretation of the rules, be considered both 'eligible' and largely "aligned" with the EU taxonomy. 28% of total revenue is 'eligible' and 24% is 'aligned' based on current definitions. CFE Contracting and BPI Real Estate's revenue is, on the other hand, largely (more than 95%) "eligible" for the EU taxonomy. CFE Contracting and BPI Real Estate actively analyse the technical alignment criteria and ensure that these criteria are taken into account in ongoing projects and developments. The details of this analysis can be found on pages [130-132].

### MEASURING THE EFFECT OF ACTIONS

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

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

### A QUESTION OF MINDSET

Finally, all three divisions are committed to embedding sustainability in the mindset of all employees and making it a real corporate culture. To this end, the targeted actions will concern large-scale projects and small, simple everyday gestures. However simple, these will help to raise awareness among all employees. Secondly, it is also fundamental to integrate all the links in the production chain in this approach and to create real sustainable partnerships.
In all three divisions, dedicated sustainability and innovation teams monitor ESG policies, the progress of KPIs against targets and the specific action plans put in place.

## 5.1. THE RESULTS OF THESE POLICIES AT DEME

In October 2021, DEME was named a United Nations 'Pioneer of the Millennium Development Goals' by the United Nations itself and the United Nations Institute for Training and Research (UNITAR) in recognition of its efforts to create a more sustainable planet. DEME has been officially awarded an international certificate.
This award is the result of three consecutive years of successful participation in the VOKA Charter Sustainable Entrepreneurship (VOKA Charter Duurzaam Ondernemen). By carrying out a series of actions within the framework of the Charter, DEME has made a positive contribution to each of the 17 sustainable development goals. DEME is particularly proud to have achieved this result, as it underlines the considerable efforts of all its enthusiastic employees who have been committed from the outset and participate every day in realising this ambitious vision of a sustainable future.


To achieve its ambitious sustainability goals in all aspects of its business, the DEME Group has completely transformed its long-term loan portfolio and converted them all into sustainability loans. This major step reflects DEME's commitment to a sustainable future and represents a total loan value of €579 million. To a large extent, the commercial terms of loans from the Group's relationship banks will now be directly linked to DEME's sustainability performance in two specific areas: workplace safety and low carbon fuels. The KPIs will lead to an adjustment of the interest margins applied to loans.
DEME is thereby becoming the first company in the sector to integrate its sustainability objectives into all its long-term financing agreements. This is a strong signal to all stakeholders that DEME is taking its sustainability objectives into account across the company, supporting them with concrete actions.

## 5.1.1. SOCIAL

### SAFETY

DEME is a major employer with 5,090 employees and strongly believes in paying attention to the social and physical well-being of all its workers, whether employed or otherwise.
As a pioneer in the sector, DEME sometimes has to work under very difficult circumstances. Consequently, a safe and healthy workplace for all - whether on a ship, a project site or in the office - is a constant focus. Safety standards are continuously monitored through proactive (e.g. observations, inspections) and reactive (e.g. timely reporting of incidents) key performance indicators. Each potentially dangerous situation is analysed to ensure that the risks remain at acceptable levels. All these indicators are defined by internal guidelines and are included in a global QHSE-S scorecard. They are given in detail in chapter 6.2 page [121]. These specific safety parameters are monitored within each management team and board of directors. Achieving safety targets is anchored in the bonus policy.

Safety is a top priority for DEME. For this reason, safety was chosen as the primary objective resulting in an adjustment of the interest margins applied to DEME's green loans. Often relying on the implementation of innovative projects in difficult and remote environments, this KPI requires the company to continually seek to improve its safety performance. DEME has already put in place the necessary management systems and action plans to achieve its safety objectives, but the company remains vigilant. Improving safety requires continuous work. DEME thereby aims to keep its frequency rate (LTIFR) below 0.2.
In 2021, various company-wide initiatives took place throughout the year, including Safety Stand-Down and Safety Moment Day, during which 214 safety success stories were shared.

### RESILIENCE AND WELL-BEING

In April, DEME was selected as one of the three finalists for the Port of Antwerp 2021 Sustainability Award on SDG 3 for its preventive health programme, 'Resilience and well-being at DEME', aimed at making employees resilient in the face of the COVID-19 challenge. Throughout the year, several teams worked 24 hours a day, 7 days a week to ensure that projects could continue safely during the pandemic.

### LOCAL COMMUNITIES

DEME also pays special regard to the local communities in the countries where it operates and contributes to various social projects. Finally, DEME endorses the Declaration of Human Rights.

## 5.1.2. ENVIRONMENT

**GREEN ENERGY PRODUCTION FOR THE ENERGY TRANSITION**

Climate change is one of the greatest threats to our planet and society. Rising global temperatures, caused by greenhouse gas emissions, are leading to rising sea levels, warmer ocean surfaces and extreme weather patterns which are causing droughts, (forest) fires and floods. At the same time, there is a growing need for access to affordable, reliable and sustainable energy.

DEME is pursuing its ambitious strategy to accelerate the energy transition and increase society's resilience to the impact of climate change.
This is reflected throughout the company, but particularly in the offshore wind sector, where DEME worked on Triton Knoll, Hornsea Two, Saint-Nazaire, Dolwin6 and other wind farms in 2021. In the past year, DEME won some truly remarkable contracts, including the first EPCI contract for a floating offshore wind farm in France and the T&I contract for the Vineyard turbines and foundations, the first large-scale offshore wind farm in the US. This was quickly followed by a major Balance of Plant contract to construct the 2.6 GW Coastal Virginia Offshore Wind project, the largest offshore wind turbine installation contract ever awarded in the US.

In addition to the achievements in the field of offshore wind, DEME is also working on other forms of renewable energy, including the production, storage and transport of green hydrogen and is pioneering with various "wind and sun to hydrogen" initiatives such as HYPORT® Ostend, HYPORT® Duqm and PosHydon.
In mid-July, HYPORT® Duqm, an initiative of DEME Concessions and its Omani partners OQ, signed a cooperation agreement with Uniper to explore green ammonia supplies.

In May 2021, DEME joined the Hyve consortium which aims to produce profitable and sustainable hydrogen in gigawatt terms.

In 2020, DEME Offshore joined the PosHYdon project, the world's first offshore green hydrogen pilot on a working platform and in 2021, the Dutch government awarded a grant of €3.6 million, enabling the North Sea pilot to get under way.

### ON THE ROAD TO CLIMATE NEUTRALITY

**DEME wants to work towards a 40% reduction in greenhouse gases by 2030 compared to the 2008 reference year set by the International Maritime Organisation (IMO). DEME wants to become a climate neutral company by 2050.**

Because more than 90% of greenhouse gas emissions can be attributed to the fuel consumption of ships, DEME is pursuing a multi-annual investment plan to this end, through which it is providing its new fleet with the most advanced fuel-saving technology and the use of low-emission fuels such as LNG, biodiesel and future green fuels containing hydrogen, such as green methanol or green hydrogen. In addition, DEME is constantly working to further increase the energy efficiency of the entire fleet with technological measures such as waste gas heat recovery systems in electrical energy. There is also a constant focus on process optimisation and improving productivity.
For this reason, increasing the percentage of low-carbon fuels consumed by the company was chosen as a second objective, resulting in an adjustment of the interest margins applied to the green loans taken out by DEME.
DEME is therefore continuing to build its future-proof fleet. The "Spartacus" mega cutter - the most powerful in the world - has become operational. The vessel is capable of running on LNG and has several energy saving features. The "Groenewind", a vessel specially designed for offshore wind farm maintenance, and which saves up to 50% fuel, also joined the fleet.

Furthermore, DEME has improvement programmes to further reduce the environmental impact during project implementation. For example, specific emission reduction programmes aim to further reduce emissions of greenhouse gases that contribute to climate change, as well as other pollutants that contribute to poor local air quality.

DEME's total $CO_2$ emissions (scope 1 and 2) amounted to 833 kt $CO_2$-eq. in 2021, compared to 660 kt $CO_2$-eq. in 2020. The increase in emissions can mainly be attributed to increased use of ships in 2021. The use of hopper and cutter vessels increased by about 15% compared to the previous year. This is mainly due to its activities in large projects such as the Abu Qir I and II port projects in Egypt.

#### ENVIRONMENTAL CERTIFICATIONS

In 2021, for the first time, DEME obtained the ISO 50001 certificate for the management and continuous improvement of its energy performance. It also allows DEME to integrate energy management and related $CO_2$ emissions.

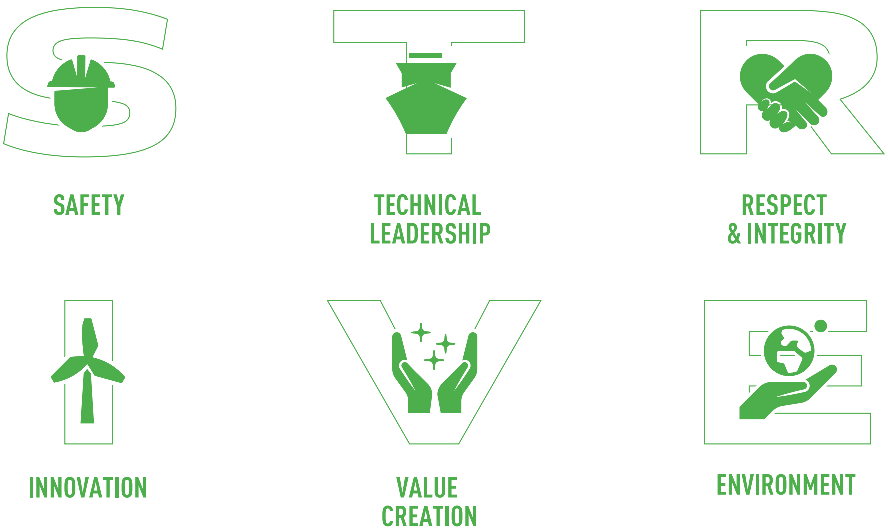
In the Benelux, DEME is certified according to the requirements of the $CO_2$ performance scale, which encourages companies to map and reduce their $CO_2$ emissions. Since 2012, LRQA (an independent accredited party) has been regularly auditing our processes and results. In 2018, DEME passed the renewal audit with the highest qualification (level 5). The $CO_2$ Performance Ladder is a widely used tool to help organisations reduce their carbon emissions, both in projects and in their business activities. The principle of the scale is that efforts regarding $CO_2$ are rewarded economically, i.e. the higher the score on the scale, the better the company's evaluation in tenders.
The $CO_2$ performance scale is owned and managed by the Foundation for Climate Friendly Procurement and Business (SKAO).

#### INNOVATIONS ADAPTED TO CLIMATE-RELATED RISKS

As it has done for decades, DEME provides solutions for building infrastructure that is better adapted to climate-related risks, such as dedicated flood protection. In addition to pioneering projects such as Coastbusters, which focuses on nature-inspired designs, the Bankbusters project has also started. Together with its partners, DEME will study and design an artificial marsh.

## 5.1.3. GOVERNANCE

DEME is often active in countries with a higher risk profile in terms of business ethics. The aim is always to conduct business with integrity and to proactively prevent corruption and bribery. The company is also actively committed to respecting and protecting human and labour rights, as reflected in its 'Code of Business Ethics and Integrity' and 'Code of Ethics for Business Partners'.
This code reflects the core values of DEME, expressed in the acronym 'STRIVE', which stands for Safety, Technical Leadership, Respect & Integrity, Innovation, Value Creation and Environment. Besides compliance with the law, which is a condition sine qua non, respect and integrity are paramount for all of DEME's employees, and anyone who wishes to work together with DEME must uphold the same standards.




All staff members of DEME are treated fairly, with dignity and respect, regardless of their personal traits, beliefs or their national or ethnic origin, cultural background, religion, age, gender and sexual orientation, political convictions, and their mental or physical abilities. DEME creates a workplace where all employees are treated fairly and without discrimination.

### RESPECT FOR HUMAN RIGHTS

DEME respects and protects human rights in general and the fundamental rights and freedoms as defined in the United Nations Universal Declaration of Human Rights. The group will never tolerate slavery, child labour, forced or compulsory labour, or trafficking in human beings. The implementation of the policies ensures that all the partners are aware of the importance of respect for human rights and know when and where to report any breaches.

DEME is often active in countries with a higher risk profile for unethical practices. The specifics of its activities require great vigilance to ensure that ethical standards are respected at all times. The ambition is to always do business with integrity and to proactively prevent corruption and bribery in any form.

DEME is actively committed to respecting and protecting labour and human rights in its activities. To this end, DEME has a corporate 'Code of Ethics and Integrity' in addition to various specific policies ('Compliance Policy and Practices', 'Human Rights Policy' and 'Whistleblowing Policy and Procedures'). This corporate code of ethics and integrity is combined with mandatory annual training, which achieved a 99% pass rate in 2021 (all staff except crew members). A tailored approach to COVID-19 has been developed for crew members.

A careful selection of firms, agencies and other third parties is a precondition before doing business with them and before entering into a partnership. DEME's policy is always clearly contractually defined in the matter of respect in general and respect for human rights in particular. A procedure developed for those firms and agencies in the pre-recruitment and post-recruitment phases clearly highlights our standards and how they must be observed.

Regular audits and inspections of the firms, agencies and other third parties employing staff on our sites guarantee that our standards are respected and effective.

### FIGHT AGAINST FRAUD AND CORRUPTION

DEME has a clear policy to carry out all its activities with integrity and to fight against any form of corruption. In addition to the corporate Code of Ethics and Integrity, DEME has implemented a fully-fledged corporate compliance programme which also defines anti-corruption policies. In the context of this compliance programme, those anti-corruption policies also form part of the annual employee awareness programme. In addition, this policy is in turn accompanied by specific procedures to guarantee its day-to-day effectiveness. The third-party due diligence policy, the policy on the integrity of outgoing payments, the supply-to-payment policy for key third parties, and a training programme for staff members involved in this kind of procedure constitute an effective instrument in the fight against fraud and corruption. The activities are deployed worldwide and therefore also in countries that have a higher score in the perception of corruption index. Potential situations of corruption are a risk to the group's reputation. For that reason, DEME has set up a due diligence procedure, not only for those high-risk countries, but also for all situations where there appears to be a high risk of fraud and corruption. First of all, DEME advises against using sponsors or agents. If there is no way to do otherwise, those parties must first be screened; this screening will be more or less extensive depending on the level of risk. The group also monitors the third parties it does business with. Specific clauses are included in the contracts, under which the parties agree to always act in accordance with the standard of conformity required by DEME. Finally, DEME ensures that those parties effectively comply with the policies and procedures in the area of corruption. Moreover, DEME reduces those risks as much as possible through policies and procedures that are well known to everybody and implemented throughout the organisation.

### 5.1.4. INNOVATION

In terms of innovation, DEME focuses on joint value creation through multi-stakeholder partnerships in addition to a strong focus on internal entrepreneurship.
In the course of the year, several notable innovations were achieved. DEME is a member of the innovation cluster 'The Blue Cluster', which focuses on sustainable growth at sea. MPVAqua won the Blue Innovation Swell Award 2021. The partners in this collaboration are committed to developing large-scale offshore solar farms.
The "Bankbusters" project has also been launched. Together with its partners, DEME will study and design an artificial marsh. Its innovativeness lies in the integration of biological and technological aspects for the protection of natural erosive banks of tidal rivers. The basic knowledge acquired is applied to the creation of DRECOs (Dredged Ecological Compartment - conceptual building blocks). In these, new techniques and procedures are applied to the treatment, installation and dewatering of soft dredged material. These DRECOs provide a basis for applying nature-based solutions (NbS), reusing and stabilising soft sediments and creating sustainable bank erosion protection. In addition, appropriate measuring instruments and an approach for monitoring erosion protection are being developed.
DEME also continues to invest in sustainable deep-sea mining through its subsidiary GSR. In April, GSR's deep-seabed mining robot 'Patania II' successfully demonstrated that it could travel on the seabed and collect polymetallic nodules at a depth of 4.5 km.
DEME has a strong focus on international cooperation, for example, by engaging with the European Clean Hydrogen Alliance, the Sustainable Ocean Business Action Platform and the World Economic Forum's Global Plastic Action Partnership.
To support internal entrepreneurship, different innovation programmes are set up to capture new ideas on the one hand and reward the initiatives carried out on the other. Sustainability is included in the evaluation criteria throughout the innovation process.

## 5.2. THE RESULTS OF THESE POLICIES AT CFE CONTRACTING AND BPI REAL ESTATE

#### A JOINT AND MULTIDISCIPLINARY APPROACH

The real impact on the major ESG themes of People, Energy, Mobility and Materials is ensured by the joint and multidisciplinary approach of CFE Contracting and BPI Real Estate's different entities. Sustainability is therefore taken into account from the design stage by BPI Real Estate and Wood Shapers, but is also central to the completion of projects by the various CFE Contracting entities. Innovation and joint actions by the different entities reinforce this impact.

#### PILOT PROJECTS TO MONITOR MORE COMPLEX ISSUES

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

#### AMBITIOUS GOALS WITH SBT

CFE Contracting has joined the Belgian Alliance for Climate Action. In doing so, it undertook to subscribe to the Science Based Targets (SBT) initiative. This course of action will allow it to attain sustainable goals that meet the ambitions of the Paris agreements.
In 2021, CFE Contracting was able to confirm its calculation of greenhouse gas emissions for scopes 1 and 2 and carried out a complete mapping of its scope 3 emissions.
CFE Contracting has validated its concrete objectives for scope 1 and 2 in line with the SBT and is committed to reducing the intensity of its direct $CO_2$ emissions (scope 1 and 2) by 40% by 2030, compared to 2020.
Greening its vehicle fleet, optimising logistics on construction sites, monitoring and optimising energy consumption, using 100% green energy on sites and rational management of water on its projects and raw materials are all tactics for achieving these objectives.

### 5.2.1. SOCIAL

People are at the heart of CFE's construction process. CFE contributes to significant direct employment (3,155 employees), as well as indirectly through its various subcontractors and suppliers. In 2020, CFE Contracting launched an employer branding campaign highlighting the 'Framily' (family & friends) that characterises it. The modest size of the subsidiaries and the soundness of the group, as well as the numerous synergies are what make CFE strong and unique. Attracting new talent is a major challenge for the group.

#### HEALTH & SAFETY

CFE wants to pay full attention to safe and healthy workplaces. The severity and frequency of accidents at work are given priority attention by each board of directors. CFE performs better in this area than the sector average in Belgium. This does not prevent CFE Contracting from improving its score every year. A policy of awareness-raising, training and prevention are important tools in this respect. Its choice of lean methodology also contributes to this. Regular site visits are carried out to check compliance with procedures.
To take into account the specificity and level of risk of the CFE Contracting teams' various activities, specific objectives have been set.
CFE Contracting has chosen to use the severity rate (LTIGR) as an indicator to monitor the effect of safety actions.
CFE Contracting aims for a severity rate of less than 0.4 for construction activities, a severity rate of less than 0.5 for multi-technical activities and a severity rate of less than 0.9 for rail & utilities activities. It aims to achieve this by 2030.
To do so, proactive approaches are favoured. A monthly dashboard is used to measure the actions undertaken on our sites and the effect of these actions on the frequency and severity of accidents. Safety is the responsibility of every employee and proactive and constructive interventions are strongly encouraged.

The objectives of the HSEQ (Health, Safety, Environment, Quality) board are multiple. It seeks above all to translate the strategic objectives of the CFE Group into concrete actions and clear priority plans. The principle of 'think global, act local' governs these decisions, with a view to ensuring safety for all at all times. To achieve zero accidents/zero incidents, the board relies on continuous process improvement

and the sharing of best practices through constructive consultations, with sustainability as a common thread. In 2020, the Board defined a common vision and policy for all entities and implemented unified reporting of HSEQ statistics. This enabled it to develop a multi-layered strategy in 2021, including the long-term Awareness training project, which will strengthen the safety skills of managers, but also awareness-raising on Life Saving Rules and a prevention campaign on alcohol and drug use.
Well-being on the construction sites is also measured in a concrete way. A pilot project has been set up at MBG's Tweewaters site where a well-being barometer allows employees to indicate how they feel.

#### DECENT WORKING CONDITIONS FOR ALL

Respect for people applies not only to our own employees, but also to those involved with subcontractors and suppliers. This philosophy is contained in a code of integrity that includes respect for human rights. For example, procedures for selecting and interacting with subcontractors are written for this purpose. In 2021, no human rights violations were reported.
All safety rules naturally apply to our own staff as well as to the various subcontractors and other stakeholders on our sites. The same vigilance is therefore applied to compliance with safety instructions and working conditions. The monthly safety scorecards also include incidents and accidents involving our subcontractors and temporary workers.

#### BESPOKE TRAINING

This year again, more than 40,000 hours of training were delivered to CFE Contracting employees. These training courses are highly varied and cover technical, management and safety related themes as well as languages and IT, for example.
By 2030, CFE Contracting and BPI Real Estate aim to triple the number of hours of training provided to five days of training per person.
Targeted actions were also launched in 2021. This year, for example, Van Laere launched the Van Laere Academy, a comprehensive programme specially designed to complement the training of young project managers.

### 5.2.2. ENVIRONMENT

Energy, mobility and materials are key issues for CFE Contracting and BPI Real Estate. The joint actions of the different entities on sites but also, and above all, from the project design stage, allow CFE to have a very significant positive impact on these different issues.
New innovative approaches to our business and new technological solutions reinforce this ambition.

#### RETHINKING MOBILITY

Transporting people and materials has a considerable effect on direct $CO_2$ emissions. Almost 65% of direct $CO_2$ emissions (scope 1 and 2) are in fact due to employee transport alone.

For this reason, a new policy related to greening the vehicle fleet of the different entities has been put in place.
Electric vehicles, alternative transport solutions (bicycle, public transport etc.), occupancy rate of vans, renewing the fleet of heavy vehicles are some of the solutions being implemented. To facilitate this transition, electrical charging terminals are being installed on the various construction sites.
CFE Contracting and BPI Real Estate's objective is to reduce its fleet-related carbon intensity by 40% by 2030.

Reconsidering the need to transport materials and waste can also help to reduce this impact. The Lean construction processes used at the various sites also contribute to this.
Since 2020, several construction sites in Belgium and Luxembourg have rethought their site logistics by using consolidation centres. These logistics hubs make it possible to considerably limit the number of lorries supplying the sites, thereby making delivery schedules more reliable. In Brussels, alternative delivery methods such as waterborne deliveries are also used. The impact on $CO_2$ emissions is immediate.
Extensive studies carried out on the Auréa site in Luxembourg have shown that the use of logistics hubs has made it possible to reduce $CO_2$ production linked to the transport of materials by up to 46%. The success of these pilot projects has led to repeating the experiment on new projects in Belgium and Luxembourg. In the Luxembourg projects, the experience is even being complemented by optimising the return journey of lorries to remove construction waste, thereby optimising its sorting, treatment and recycling.
By their very nature, the projects developed by BPI Real Estate, as an Urban Shaper, are located in the heart of cities and each integrate multimodal mobility. In addition to site logistics and employee mobility, BPI Real Estate is also working towards low-carbon mobility for its clients and urban partners.
The MOBIX teams continue to renovate the Belgian railways and are therefore playing a major role in soft mobility in Belgium. These large-scale works are made possible by MOBIX's great expertise, but also by its ability to offer total solutions: track repairs, electrification, and signalling repairs.

### THE RATIONAL USE OF MATERIALS

Studies show that the choice of materials is a major factor in the analysis of the $CO_2$ cost of a building. Renovation, the use of recycled materials and reuse are all ways of improving the carbon impact. The choice of more durable materials also contributes to this reduction. CFE Contracting and BPI Real Estate combined their know-how to create the Wood Shapers joint venture at the beginning of 2020. The expertise in materials (wood in particular) and building methods for an improved structure and an integrated vision of the projects are central to the sustainable approach of Wood Shapers. In 2021, Wood Shapers joined forces with BPC Group for the Monteco project, currently the tallest wooden building in the Brussels region.

CFE Contracting, through its three subsidiaries Van Laere, BPC Group and VMA, has launched the ZIN construction site in the North district of Brussels. This innovative project of more than 110,000m² revolves around circularity. This circular approach starts with preserving 65% of the existing WTC towers, which significantly reduces the amount of waste during dismantling and the use of new materials for construction. It is the first project in Belgium to apply circular principles on this scale. More specifically, a total of 95% of the materials will be preserved, reused or recycled, and 95% of the new office materials must be C2C certified.

BPI Real Estate also integrates the re-use of materials into the design of its projects. As such, before renovating or demolishing old buildings, an inventory is made of the materials or products that could be reused, either on site or in other projects. This year, some 35,580 tonnes of material were reused. Much of the concrete was reused in situ to make the trench and roadbed for the Samaya project. When the project allows it, BPI Real Estate renovates rather than demolishes and rebuilds. This concerns some 60,000 m² this year under study, in application for a permit or in development.

Special attention is paid to the water consumed or pumped on our sites.
CFE Contracting is committed to zero discharge of pumped water into sewers by 2030.
There have been some great initiatives in this respect in 2021. For example, the teams at the Tweewater site in Leuven had the ingenious idea of teaming up with the Stella Artois breweries to reuse the water pumped from the site.

In general, water consumption is monitored on numerous construction sites. This analysis makes it possible to optimise consumption and detect abnormal consumption or even certain leaks.
CFE Contracting has joined the Co-station initiative. Together with Befimmo, Juunoo and the architectural firm Sia, CFE Contracting is seeking to develop a tool that promotes inventory taking and the circular economy.

### LIMITING ENERGY CONSUMPTION

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

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

Mobix project


CFE Contracting, through its subsidiary VEMAS, offers ESCO services that provide guaranteed energy performance to clients who so desire. At the end of 2021, CFE Contracting launched VMANAGER, a software program and an app targeting energy savings, energy flow management and, in general, construction technology management. This innovative tool enables smart and sustainable management of new or renovated buildings by combining VMA's technical expertise, intensive monitoring and tools to supervise and control their actual energy performance. The development of VMANAGER combined with the know-how of VEMAS makes it possible to offer a global solution for energy management.

In its real estate developments, BPI Real Estate seeks to optimise the energy consumption of its buildings and, above all, to use heating methods that do not use fossil fuels (gas, coal and oil). This year, 206,870 m$^2$ of projects under study or in development propose cogeneration, a biomass/pellet heating network or geothermal energy, and 83,200 m$^2$ integrate a strictly 'fossil free' heating system.
The future of green energy in Belgium lies in the development of batteries. On 9 December, the EStor-Lux consortium (SRIW, Ackermans & van Haaren, CFE, BEWATT, SOCOFE, IDELUX, SOFILUX) started full commercial operation of the first battery storage park connected to the Belgian high-voltage grid. With an installed capacity of 10 MW and a storage capacity of 20 MWh, the 480-module lithium-ion battery park, installed at a Kyndryl data centre in Bastogne, is the largest active battery site in the Benelux in terms of storage capacity. It is also one of the first battery parks in Europe to offer a long duration of electrical restitution (of the order of 120 minutes, i.e. 2 to 4 times more than existing systems). This advantage is crucial as it allows much more frequent and longer activations to balance the grid before frequency deviations occur, rather than compensating for them after they have occurred, which is what most current battery parks are limited to.

### 5.2.3. INNOVATION

At the end of 2021, CFE Contracting launched VMANAGER, focusing on energy savings, energy flow management and, in general, construction technology management. This innovative tool enables smart and sustainable management of new or renovated buildings by combining VMA's technical expertise, intensive monitoring and tools to supervise and control their actual energy performance. VMANAGER is therefore an integrated solution that combines:

- VMANAGER Connect: a digital "power strip" that connects all the technical installations in your building.
- VMANAGER Performance which specifically targets energy savings and energy management in new and existing buildings.

Innovation also involves partnerships with universities and research centres. The pilot projects of logistics hubs were therefore monitored by the BBRI, the VUB, and Belgium construction confederation and the Luxembourg Institute of Science and Technology.
BPI Real Estate and CFE Contracting have collaborated with the Co-station initiative to develop innovative solutions in the field of smart building and the circular economy.
CFE has also extended its own partnership with VITO, around VEMAS, and supports this independent research organisation which aims to make sustainability the norm in our society, by developing global projects that facilitate the ecological transition through technological innovations. An approach that provides concrete answers but also emphasises knowledge sharing and synergies between the private sector and the research community.
Internally, knowledge sharing is also a must. Each CFE Contracting company has a solid knowledge base. However, each entity also builds it in its own way. This is why the Digitalisation & Innovation Board have come up with the idea of setting up a search page where this expertise and data can be shared easily and across the board. This platform is called Search-it.

### 5.2.4. GOVERNANCE

A corporate governance charter with concrete and comprehensible procedures should ensure the greatest possible impact of the actions undertaken. In 2021, the corporate governance charter and all key policies and procedures were updated by both CFE and CFE Contracting. This charter defines the structure of CFE Contracting and BPI Real Estate, the roles and responsibilities of the different boards and committees, as well as the minimum applicable procedures, and breaks downs into several internal policies.

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

#### RESPECT FOR HUMAN RIGHTS

Respect for human rights is one of the core values on which the general policy of the Contracting and Real Estate Development divisions is based. This respect is embodied in a formulated policy with a specific code of conduct focused on the integrity of employees which constitutes the general framework of which the implementation is ensured by individual reports and internal audits.

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

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

So far, no violation of our human rights policy has been reported in the Contracting and Real Estate Development divisions.

#### FIGHT AGAINST FRAUD AND CORRUPTION

The anti-corruption code drawn up by CFE and updated in 2021 is addressed to all staff members, regardless of their position. It clearly states that all forms of corruption or influence peddling, direct or indirect, by companies and individuals is prohibited. In order to ensure the effectiveness and proper understanding of the ethical rules that have been issued, the code gives specific details of customary business practices, such as benefits, gifts, privileges and tokens of hospitality: it specifies what is permitted and what is not, the limits to be observed etc., taking into account the national (of Belgium and/or the foreign country concerned) and international rules. The commitment of the subsidiaries and their staff, a sense of propriety and a willingness to work in a spirit of cooperation and trust, and the establishment of a set of internal procedures aimed at limiting the risk of fraud and corruption, are all elements that have guaranteed proper compliance with the anti-fraud and anti-corruption rules. CFE Contracting has redoubled its efforts in 2020 and 2021 to train its operational staff in knowing and understanding social legislation. To ensure a good understanding of the regulations in force concerning contracts and social laws, a training course entitled 'Best practices: contract management & social law' was given to more than 450 operational employees of the various CFE Contracting subsidiaries.

#### INTERNAL AUDIT

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

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

# 6. NON-FINANCIAL KEY PERFORMANCE INDICATORS (KPIS)

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

## 6.1. KEY FIGURES & SUSTAINABLE AMBITION

### 6.1.1. AT DEME

For DEME, the sustainable themes with high materiality are 'Climate & energy', 'Innovation', 'Ethical Business' and 'Health, Safety & Wellbeing'.
For these themes, strategic KPIs and concrete targets are defined.

| | | KPI | Unit | 2020 | 2021 | Target 2030 |
|---|---|---|---|---|---|---|
| **Climate & Energy** | Carbon footprint | GHG scope 1 & 2 emissions (worldwide) [1] | Tons $CO_2$-eq | 660,000 | 832,800 | Reduce GHG emissions (scope 1 and 2) by 40% by 2030 (compared to 2008 baseline) |
| **Innovation** | Sustainable innovation | Approved innovation initiatives [2] | # | 18 | 14 | Ensure the adoption of sustainability as part of every challenge in every innovation campaign. |
| **Ethical Business** | Awareness of compliance | Percentage of staff trained in Compliance | % | 97 | 99 | Ensure that each employee has attended frequent ethics awareness training. |
| **Health, Safety & Wellbeing** | Frequency rate | LTIFR [3] | Ratio | 0.19 | 0.19 | ≤ 0.2 |

(1) Defined on the basis of the Greenhouse Gas Protocol and GRI 305 Emissions.
(2) The total number of innovation initiatives approved as a result of DEME innovation campaigns during the reporting period.
(3) The frequency rate is the number of incidents with injury resulting in more than one day's absence from work per shift (excluding the day of the incident) and fatalities divided by the number of hours worked, multiplied by 200,000. Illnesses, non-work-related incidents and incidents while travelling to work are excluded.

DEME's total $CO_2$ emissions (scope 1 and 2) amounted to 833 kt $CO_2$-eq. in 2021, compared to 660 kt $CO_2$-eq. in 2020. The increase in emissions can mainly be attributed to increased use of ships in 2021. The use of ships increased by about 15% compared to the previous year.

### 6.1.2. AT CFE CONTRACTING AND BPI REAL ESTATE

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

| | | KPI | Unit | 2020 | 2021 | Target 2030 |
|---|---|---|---|---|---|---|
| **People** | Safety | Severity rate [1] | Ratio | 0.61 | 0.69 | SrConstr < 0.4<br>SrMultitech <0.5<br>SrRail&utilities < 0.9 |
| | Training | Number of training days per employee [2] | d/VTE | 1.75 | 1.65 | 5 |
| **Mobility** | Direct $CO_2$ emissions (scope 1 and 2) | Carbon intensity [3] | Tons $CO_2$/k€ | 19.4 | 15.9 | 11.63 (40% decrease from 2020 values) |
| **Energy** | Green energy | Proportion of green energy [4] | % | 40.09 | 54.9 | 100%* |
| **Materials** | Reusing materials | Tonnes of material reused in projects (5) [5] | Tons | - | 35,580 | tbc |
| | Reasonable water consumption | Percentage of pumping water that is re-used [6] | % | - | - | 100% |

(1) Severity rate = number of calendar days of absence x 1,000 divided by the number of working hours
Due to the specific nature of the business lines, different targets were set for construction, multi-technical and rail. This target corresponds to a 50% reduction compared to the Belgian sectoral averages in 2020.
(2) The number of training days per employee is calculated on the assumption of 8 working hours per day.
The objective is to have at least 5 days of training (all categories) per employee.
(3) Carbon intensity is calculated by dividing the quantity of $CO_2$ scope 1 and 2 produced by CFE Contracting and BPI Real Estate by the turnover of the past year. The objective is therefore to reduce this carbon intensity by 40% by 2030 compared to the data for the reference year 2020.
(4) The proportion of green energy is the ratio of green energy to the total energy consumed (on the building sites and in the various headquarters).
* The 100% target is set for 2025
(5) At this stage, it is a question of quantifying the weight of materials re-used on BPI Real Estate projects. The target and time frame for achieving it are yet to be determined.
(6) Currently, pumped water from construction sites is often discharged directly into the sewer. CFE Contracting's ambition is to no longer discharge any pumped water into the sewer and therefore to find a way to reuse 100% of the pumped water. This data will be monitored from 2022 onwards.

## 6.2. HR INDICATORS FOR THE CFE GROUP

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

| Number of employees by division | CFE Contracting & BPI Real Estate | DEME | Total |
|---|---|---|---|
| 2019 | 3,276 | 5,134 | 8,410 |
| 2020 | 3,250 | 4,976 | 8,226 |
| 2021 | **3,137** | **5,090** | **8,227** |

| Number of employees by status<br>2021 | Blue-collar workers | White-collar workers | Total |
|---|---|---|---|
| CFE | 1,620 | 1,517 | 3,137 |
| DEME | 2,201 | 2,889 | 5,090 |
| **Totaal** | **3,821** | **4,406** | **8,227** |

| Number of employees by type of contract | Open-ended contract | Fixed-term contract | Work & studies | Total |
|---|---|---|---|---|
| 2019 | 8,065 | 334 | 11 | 8,410 |
| 2020 | 7,895 | 327 | 4 | 8,226 |
| 2021 | **7,953** | **261** | **13** | **8,227** |

| Age pyramid | 2019 | 2020 | 2021 |
|---|---|---|---|
| < 25 | 380 | 331 | 324 |
| 26-30 | 1,165 | 1,086 | 1,026 |
| 31-35 | 1,242 | 1,213 | 1,269 |
| 36-40 | 1,250 | 1,267 | 1,285 |
| 41-45 | 1,176 | 1,147 | 1,113 |
| 46-50 | 973 | 974 | 994 |
| 51-55 | 1,026 | 1,025 | 987 |
| 56-60 | 785 | 773 | 833 |
| > 60 | 413 | 410 | 396 |

| Length of service | 2019 | 2020 | 2021 |
|---|---|---|---|
| <1 | 912 | 648 | 1,019 |
| 1-5 | 2,928 | 3,034 | 2,701 |
| 6-10 | 1,509 | 1,508 | 1,519 |
| 11-15 | 1,352 | 1,327 | 1,309 |
| 16-20 | 685 | 637 | 636 |
| 21-25 | 344 | 409 | 400 |
| >25 | 680 | 663 | 643 |

| Number of men/women | Male white-collar workers | Female white-collar workers | Male blue-collar workers | Female blue-collar workers | % men | % women |
|---|---|---|---|---|---|---|
| 2019 | 3,289 | 1,115 | 3,934 | 72 | 85.9% | 14.1% |
| 2020 | 3,106 | 1,132 | 3,916 | 72 | 85.4% | 14.6% |
| 2021 | 3,201 | 1,156 | 3,809 | 61 | 85.2% | 14.8% |

| **Training** | | | | | |
|---|---|---|---|---|---|
| *Number of hours by type of training* | **Total 2019** | **Total 2020** | **Total 2020** | **Men** | **Women** |
| Technical | 68,119 | 38,020 | 59,315 | 57,738 | 1,577 |
| Health and safety | 60,580 | 44,919 | 63,446 | 61,620 | 1,826 |
| Environment | 907 | 1,022 | 526 | 502 | 24 |
| Management | 17,129 | 6,953 | 12,967 | 12,194 | 773 |
| IT | 17,656 | 12,445 | 84,578 | 84,137 | 441 |
| Admin/Accounting/Management/Legal | 14,039 | 12,001 | 23,401 | 22,000 | 1,401 |
| Languages | 8,598 | 6,498 | 8,570 | 7,730 | 840 |
| Diversity | 310 | 8,128 | 244 | 117 | 127 |
| Other | 13,247 | 14,342 | 7,392 | 7,041 | 351 |
| **Total** | **200,585** | **144,328** | **260,439** | **253,079** | **7,360** |
| Number of hours per FTE | 23.9 | 17.5 | 31.7 | | |
| Number of days per FTE (based on an 8h/day) | 3.0 | 2.2 | 4.0 | | |

| **Absenteeism** | **2019** | **2020** | **2021** |
|---|---|---|---|
| Number of days of absence due to illness | 90.498 | 68.312 | 87.216 |
| Number of days of absence due to work-related accidents | 6.957 | 4.203 | 3.533 |
| Number of days of absence due to commuting accidents | 122 | 256 | 264 |
| Number of days of absence due to occupational disease | 0 | 0 | 0 |
| Number of days worked | 1,802,571 | 1,805,789 | 1,869,756 |
| Absenteeism rate | 5.41% | 4.03% | 4.87% |

All HR indicators have been relatively stable over the last three years, which is remarkable after the periods of COVID. For training in particular, we've seen solid development, even exceeding pre-COVID values.

## 6.3. KEY PERFORMANCE INDICATORS FOR DEME

Following the materiality assessment carried out in chapter [4.2.2], the high materiality issues for DEME are grouped into four themes:

- Climate & Energy (E)
- Health safety & wellbeing (S)
- Ethical Business (G)
- Sustainable Innovation (I)

DEME's key indicators and objectives are listed in chapter 6.1.1. Some additional KPIs that allow for comprehensive monitoring of these issues are also provided in chapter 6.3.1

ESG themes with medium materiality:

- Natural capital (E)
- Waste & resources management (E)
- Diversity & opportunity (S)
- Local communities (S)

also have their own KPIs and are listed in chapter 6.3.2

### 6.3.1. KPIS FOR ESG ISSUES WITH HIGH MATERIALITY

#### 6.3.1.1. Environmental KPIs

The theme of climate and energy has been selected as a high materiality theme.
This theme can be approached from the EXCEL and EXPLORE angles. This will measure the reduction of $CO_2$ produced by DEME's operations and changes in green energy production, notably through the installation of offshore wind turbines.

DEME follows the Greenhouse Gas Protocol and reports its GHG emissions according to the operational approach of the three scopes:

**SCOPE 1**
The direct greenhouse gas (GHG) emissions are linked to the use of fossil fuels. It only concerns fossil fuels purchased and used for our own installations, engines and vessels or for our own projects. The fuel used in our own power generators is also included in Scope 1.

**SCOPE 2**
The indirect greenhouse gas (GHG) emissions are linked to the consumption of electricity purchased. The electricity that the entities purchase originates in many cases from both renewable and non-renewable sources. A breakdown for each part can only be given if the quantity of renewable energy purchased by an entity is expressly specified by contract. In the other case, it is not possible to know exactly the quantity of renewable energy received. This report therefore gives no breakdown of this aspect.

**SCOPE 3**
This includes other forms of indirect greenhouse gas emissions. Those emissions are the result of DEME's activities but originate from sources which DEME neither controls nor owns. In this case, the collected data relate only to emissions from air travel.

DEME includes carbon dioxide ($CO_2$), nitrous oxide ($N_2O$) and methane ($CH_4$) emissions in its carbon footprint.
For DEME, in the Netherlands and Belgium only, dedicated emission factors are used in accordance with the $CO_2$ performance ladder. (https://www.co2emissiefactoren.nl/).
For DEME's global GHG emissions, two types of emission factors are used:
- In selecting emission and conversion factors, the OMI's sectoral emission factors are used for vessels.
- For all other equipment, the global emission factors of DEFRA (the UK Department for Environment, Food & Rural Affairs) are used.

### GHG SCOPE 1-2-3 DEME

| DEME (Worldwide) | Unit | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| GHG($CO_2$+$N_2O$+$CH_4$) emissions (scope 1) | Tons $CO_2$ equivalent | 676,000 | 659,000 | 832,000 |
| GHG($CO_2$+$N_2O$+$CH_4$) emissions (scope 2) | Tons $CO_2$ equivalent | 5,000 | 1,000 | 800 |
| GHG($CO_2$+$N_2O$+$CH_4$) emissions (scope 3) | Tons $CO_2$ equivalent | 12,000 | 10,000 | 11,000 |
| **$CO_2$ emissions (scope 1, 2 & 3)** | Tons **$CO_2$ equivalent** | **693,000** | **670,000** | **843,800** |

### $CO_2$ EMISSIONS BE + NE (ACCORDING TO $CO_2$ PERFORMANCE LADDER SCHEME)

| DEME Belgium + The Netherlands | Unit | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| GHG($CO_2$+$N_2O$+$CH_4$) emissions (scope 1) | Tons $CO_2$ | 148,773 | 191,000 | 133,000 |
| GHG($CO_2$+$N_2O$+$CH_4$) emissions (scope 2) | Tons $CO_2$ | 7,796 | 2,000 | 700 |
| **$CO_2$ emissions (scope 1, 2 & 3)** | Tons **$CO_2$** | **156,569** | **193,000** | **133,700** |

### SPECIFIC $CO_2$ REDUCTION TARGETS
Furthermore, DEME has improvement programmes to further reduce the environmental impact during project implementation. For example, specific emission reduction programmes aim to further reduce greenhouse gas emissions that contribute to climate change, as well as other pollutants that contribute to poor local air quality.

**DEME wants to work towards a 40% reduction in greenhouse gases by 2030 compared to the 2008 reference year set by the International Maritime Organisation (IMO). DEME wants to become a climate neutral company by 2050.**

Since more than 90% of greenhouse gas emissions can be attributed to the fuel consumption of ships, DEME is implementing a multi-year investment plan for this, equipping its new fleet with the most advanced fuel technology. To achieve this, DEME relies on savings in fuel consumption and the use of low-emission fuels such as LNG, biodiesel and future green fuels containing hydrogen, such as green methanol or green hydrogen. In addition, DEME is constantly working to further increase the energy efficiency of the entire fleet with technological measures such as waste gas heat recovery systems in electrical energy. There is also a constant focus on process optimisation and improving productivity. Finally, in 2020, DEME also focused on further optimising the recording of energy data, setting up an integrated data structure and developing the necessary monitoring tools.
The development of wind power (especially with offshore wind farms) and green energy production is also noteworthy.

| | Unit | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| # MW installed wind turbines | MW | 1.057 | 1.477 | 2.378 |

### 6.3.1.2. Social KPIs

In social and society-related issues, DEME has chosen the theme 'Health, Safety & Wellbeing'.
The frequency and severity rate are internationally recognised indicators for analysing safety.

| Safety for DEME | 2019 | 2020 | 2021 | Industry average * |
|---|---|---|---|---|
| Frequency rate | 0.24 | 0.19 | 0.19 | 4.23 |
| Severity rate | 0.097 | 0.04 | 0.07 | 0.75 |

* Industry average 2020, source: fedris.be (NACE codes 08.12, 39, 42.13, 42.911 and 42.919 taken into account)
DEME frequency rate = number of accidents with work incapacity (global) multiplied by 200,000 divided by the number of working hours
DEME severity rate = number of calendar days of absence (global) multiplied by 1,000 and divided by the number of working hours

DEME has developed a safety dashboard which, in addition to the frequency and severity rates mentioned in point 6.2.1, also includes the number of toolbox meetings attended, the number of incidents, the number of incidents reported in time, etc. This information is shown in the table below.
A full report on the safety policy is available on the DEME website (https://www.deme-group.com/publications)

| Name of the KPI | KPI definition | Unit | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| HIPO incidents | A high potential (HIPO) incident is an incident that could have had severe consequences for quality, health, safety or environment. This includes incidents from third parties such as subcontractors, clients and JV partners. | # | 406 | 262 | 258 |
| Toolbox participation | All project, vessel and office staff/crew must participate, as a minimum, once a week in a toolbox meeting. Toolbox meetings include safety moment day, vessel-project safety meeting and pre-work meeting. | # | 447,137 | 345,312 | 283,684 |
| Timely reported incidents | All incidents with damage, near misses/dangerous situations and complaints/non-conformities have to be reported in IMPACT within 24 hours. | # | 1,174 | 1,181 | 1,272 |
| Timely closed actions | All actions resulting from incidents & investigations, audits, management reviews and year action plans need to be closed out within their set due date. | # | 1,218 | 1,394 | 2,260 |
| Comments | All project, vessel and office staff/crew have to fill in/complete a minimum of 3 observations per year | # | 23,191 | 17,133 | 12,117 |
| Inspections | QHSE-S inspections are to be conducted by the following functions:<br>• Superintendents up to Project Director to each conduct 1 inspection per month on the project<br>• Vessel Management (Master, Chief Engineer) to each conduct 1 inspection per week on board | # | 14,605 | 11,593 | 9,645 |
| Incident investigations | All incidents that require an investigation according to the DEME Incident management procedure, should have an incident investigation | # | 381 | 379 | 2,869 |
| All these KPIs are based on internal guidance. | | | | | |

All indicators are green. These excellent results are due to a robust safety policy. There has also been a very positive development in proactive analysis (e.g., incident analysis and incident handling).

### 6.3.1.3. KPIs related to governance

These KPIs and the related targets are listed in chapter 6.1.1
These KPIs have remained very good and stable.

### 6.3.2. OTHER KPIS

**MEDIUM MATERIALITY THEME: NATURAL CAPITAL (E)**

To measure the attention paid to preserving natural capital, DEME records the number of green initiatives approved each year. DEME's objective is to implement at least one green initiative for each project lasting more than three months.

| Name of the KPI | KPI definition | Unit | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| Total number of approved green initiatives | A 'Green initiative' is any initiative, change or modification to a process, equipment or setup that reduces the environmental impact of the project. | # | 105 | 128 | 125 |

**MEDIUM MATERIALITY THEME: WASTE & RESOURCE MANAGEMENT (E)**

Amongst all the "green initiatives" a number of them are specifically related to resource management and re-using materials.

| Name of the KPI | KPI definition | Unit | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| Approved green initiatives on smart use of natural resources | A 'Green initiative' is any initiative, change or modification to a process, equipment or setup that reduces the environmental impact of the project. | # | NC | 35 | 15 |
| Approved green initiatives on avoiding and reusing waste | A 'Green initiative' is any initiative, change or modification to a process, equipment or setup that reduces the environmental impact of the project. | # | NC | 12 | 36 |

**MEDIUM MATERIALITY THEME: DIVERSITY & OPPORTUNITY (S)**

The indicators for the number of hours of training and gender distribution (and other HR distribution of employees) are already included in section 6.2.
With regard to the number of male/female employees, DEME's objective is to ensure all our employees have equal opportunities for internal mobility and to actively support and guide them in this process.

In 2019, a new indicator on performance and career development was introduced which reflects the participation rate in the 'Time To' performance measurement programme, a large-scale competency-based performance tool. Managers use this tool to monitor and evaluate all objectives related to performance and the development of technical and managerial skills, among others. In 2020, we ensured the continued deployment of this programme by implementing it for the crew as well. To support the personal and professional development of all employees, DEME offers an internal digital training portal, 'My Learning', which offers more than 600 different training courses allowing each employee to find and adapt their own tailor-made learning path.

| Name of the KPI | KPI definition | Unit | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| Performance and career development | Participation rate in the performance measurement programme Time To for all Staff and for all crew during the reporting period | % | (1) TIMETOSTAFF = 85 (2) TIMETOCREW = 70 | (1) TIMETOSTAFF = 86 (2) TIMETOCREW = 80 | (1) TIMETOSTAFF = 71 (2) TIMETOCREW = 73 |

DEME is active in numerous countries and works with employees from all over the world. There are some 80 different nationalities. This figure has been stable over the last three years.

| Name of the KPI | KPI definition | Unit | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| Number of nationalities | The total number of nationalities among permanent employees in the organisation on December 31st. | # | 82 | 80 | 80 |

**LOW MATERIALITY THEME: LOCAL COMMUNITIES (S)**

In line with its ambitions to create a long-term sustainable business, DEME seeks to build collaborative relationships with local communities through consultation, engagement and participation. Many of these initiatives are driven by employees, who often spend years working locally, supporting and collaborating with local charities in the communities where they live and operate.
There are no specific KPIs for this theme, but DEME aims to:

- Support a wide variety of social projects around the world.
- Increase employee awareness of the benefit of community involvement.

## 6.4. KEY PERFORMANCE INDICATORS FOR CFE CONTRACTING AND BPI REAL ESTATE

Following the materiality exercise carried out in chapter [4.3.2], the issues of high materiality for CFE Contracting and BPI Real Estate are grouped into four themes:

- People (S)
- Mobility (E)
- Energy (E)
- Materials (E)

to which we can add Governance and Innovation
The key indicators and targets are listed in Chapter 6.1.2. Some additional KPIs that allow for comprehensive monitoring of these issues are also provided in chapter 6.3.1

### 6.4.1. KPIS FOR ESG ISSUES WITH HIGH MATERIALITY

**6.4.1.1. Environmental KPIs**

For CFE Contracting and BPI Real Estate, the issues of climate and energy are crucial.
As such, the reduction of $CO_2$ produced by CFE Contracting and BPI Real Estate's operations will be measured. These are Scopes 1 and 2 according to the Greenhouse Gas Protocol approach:

**SCOPE 1**

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

**SCOPE 2**

The indirect greenhouse gas (GHG) emissions are linked to the consumption of electricity purchased. Only the $CO_2$ emissions are taken into account, not the other greenhouse gas emissions. The electricity that the entities purchase originates in many cases from both renewable and non-renewable sources. A breakdown for each part can only be given if the quantity of renewable energy purchased by an entity is expressly specified by contract. In the other case, it is not possible to know exactly the quantity of renewable energy received. This report therefore gives no breakdown of this aspect.

CFE Contracting and BPI Real Estate follow the ADEME carbon balance method.

| | Unit | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| $CO_2$ emission scope 1 | Tonnes $CO_2$ | 14,754.00 | 15,812.22 | 14,569.75 |
| $CO_2$ emission scope 2 | Tonnes $CO_2$ | 3,063.00 | 1,871.57 | 1,919.06 |
| **$CO_2$ emission scope 1+2** | Tonnes **$CO_2$** | **17,817.00** | **17,683.78** | **16,488.81** |

In general, we have found that the $CO_2$ emissions of the construction entities of CFE Contracting are particularly influenced by the type of projects and works carried out during the year. Projects involving large-scale structural works in particular consume a lot of electricity and fuel to make all the construction machinery and tower cranes work. Building projects nearing completion during the winter period require a significant supply of energy to heat and dry the buildings. The fuel consumption of vehicles will also be strongly influenced by the distance between home and workplace. All those factors are highly variable from one year to the next.
The analysis of this KPI revealed a slight overestimation of $CO_2$ in the annual report of 2020. As this overestimation is not material, no substantial correction to the previously reported figures is necessary. The most important thing was to make sure that we had a solid basis for reporting in 2021, which was confirmed by external consultants.

CFE Contracting and BPI Real Estate worked this year on scope 3. For CFE Contracting, it is a matter of mapping this scope 3 to highlight the largest sources of concrete production and to give a first quantified estimate of this scope. For BPI Real Estate, the aim is to develop a tool to take into account $CO_2$ in the design of buildings and to evaluate the carbon footprint of its current portfolio. This tool will facilitate sustainable choices at the design stage. LCAs (Life Cycle Assessment) have also been performed on emblematic BPI Real Estate projects and will gradually be generalised, especially in the context of European taxonomy.

**Mobility-related KPIs**

At this stage there are no KPIs related to the transport of materials, although this theme has a high degree of materiality. The preferred approach has been that of pilot projects using logistics consolidation centres to provide a comprehensive view of the issue at project level. The first results are highly encouraging as the very detailed study carried out in Luxembourg indicates a theoretical reduction of 46% of $CO_2$ linked to the transport of materials relying on the optimisation and use of a consolidation centre. The reuse of demolition material on the construction site is also an avenue that is being explored at BPI Real Estate to reduce the turnover of trucks with waste. It was implemented at the Samaya site in 2021.

With regard to the mobility of white-collar and blue-collar workers at CFE Contracting and BPI Real Estate, the vehicle consumption (cars, vans and trucks) is measured. These measurements are also converted into $CO_2$ in the overall scope 1+2 calculation.

| Fleet | Unit | 2020 | 2021 |
|---|---|---|---|
| Diesel - Car | Liter | 2,755,474 | 3,155,234 |
| Hybrid - Car | Liter | 1,870 | 7,168 |
| Unleaded -Car | Liter | 287,367 | 384,526 |
| Diesel - Truck | Liter | 670,768 | 732,281 |
| Hybrid - Truck | Liter | 0 | 0 |
| Unleaded - Truck | Liter | 4,198 | 3,914 |
| Cars | # | 1,909 | 1,855 |
| Trucks | # | 108 | 138 |
| Consumption cars / #cars | Liter/# | 1,595 | 1,912 |
| Consumption trucks / #trucks | Liter/# | 6,250 | 5,335 |

The mobility of white-collar and blue-collar workers is indeed an important issue, as it represents nearly 65% of Scope 1 and 2 $CO_2$ emissions.

**Energy-related KPIs (Efficient & Decent Energy)**
For this theme, we measure both the energy consumption on CFE Contracting's construction sites and the use of sustainable heating systems in BPI Real Estate projects.

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

| Energy | Unit | 2020 | 2021 |
|---|---|---|---|
| Electricity | Kwh | 12,990,826 | 15,369,337 |
| Gas | Kwh | 3,195,251 | 4,844,905 |
| Fuel | Kwh | 11,064,479 | 12,050,850 |
| **TOTAL** | **Kwh** | **27,252,576** | **32,267,113** |
| **TOTAL/ turnover** | **Kwh/k€** | **30** | **31** |

In its real estate developments, BPI Real Estate seeks to optimise the energy consumption of its buildings and, above all, to use heating methods that do not use fossil fuels (gas, coal and oil). This year, 206,870m² of projects under study or in development offer cogeneration, a biomass/pellet heating network or geothermal energy, and 83,200m² integrate a strictly "fossil free" heating system. This data is updated regularly and is available on the BPI Real Estate website : https://www.bpi-realestate.com/en/be/sustainable-development. This aspect is important in the context of the life cycle assessment of the building (Life Cycle Assessment - LCA) where the share of consumption often predominates to develop sustainable buildings.

**Material-related KPIs**
The theme of materials concerns the choice of materials for construction, the reuse of materials, the reduction of waste or the rational management of natural resources such as water. The choice of materials has an influence, especially in the areas of: $CO_2$ emissions. At BPI Real Estate, it is increasingly being analysed through Life Cycle Assessment (LCA). Of course, renovation and reuse play an important role in this.

As far as re-use is concerned, it can be monitored both from the point of view of the developer (BPI Real Estate) and operational teams (CFE Contracting).
For the on-site analysis, CFE Contracting analysed all the data from the ZIN project, which serves as a kind of pilot project to define the Smartest KPIs and realistic stretch targets.
BPI Real Estate monitors precisely which materials are reused in its projects. This starts with pre-demolition inventories of pre-existing buildings. This year, some 35,580 tonnes of material were reused.

Since the beginning of 2020, a new indicator related to waste has been monitored in all CFE Contracting subsidiaries. The five main waste fractions are measured four times per year and integrated into the environmental dashboard. In 2022, this monitoring will also focus on the share of recycling carried out by mixed container collectors, thereby measuring the total recycling rate of the collected waste.

| Afval | Unit | 2022 | 2021 |
|---|---|---|---|
| Mixed (tonne) | Tonne | 9,498 | 10,672 |
| Wood (tonne) | Tonne | 3,855 | 2,896 |
| Inert (tonne) | Tonne | 9,498 | 6,222 |
| Hazardous (tonne) | Tonne | 38 | 33,6 |
| Steel (tonne) | Tonne | 542 | 6,750.21 |
| **TOTAL** | Tonne | **23,431** | **28,595** |
| **TOTAL/ turnover** | **Tonne/M€** | **25.69** | **27.50** |

Reporting on pumped water starts in 2022.

CFE Contracting and BPI Real Estate are also analysing the technical criteria of the European taxonomy to validate their objectives around the theme of materials and water.

### 6.4.1.2. Social KPIs

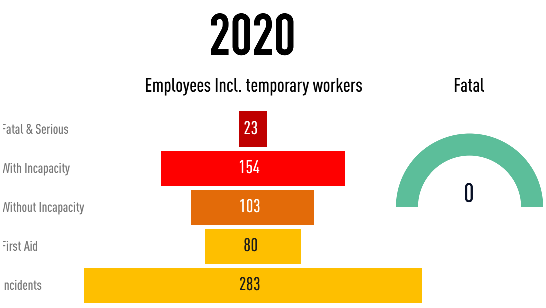
**KPIs related to safety, health and well-being**
Since safety is a paramount concern, CFE Contracting has developed QHSE dashboards to keep close track of the trend in the figures and to take the necessary remedial action as soon as possible.

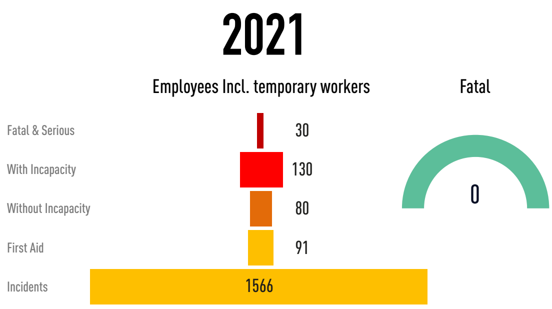
This dashboard, which contains the main information for each subsidiary, is updated at least once a month in order to keep track of the safety data.
Information on the severity rate is also included in Chapter 6.1.2.

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

| Safety for CFE Contracting | 2019 | 2020 | 2021 | Industry average* |
|---|---|---|---|---|
| Frequency rate | 13.72 | 26.12 | 22.37 | 28.57 |
| Severity rate | 0.44 | 0.61 | 0.69 | 0.96 |

* Industry average 2019, source: fedris.be (NACE codes 41, 42 and 43 taken into account)
Frequency rate CFE = number of accidents with incapacity x 1 million divided by the number of working hours
Severity rate = number of calendar days of absence x 1,000 divided by the number of working hours




**KPIs relating to talent attraction, training and retention**
The HR indicators are listed in Chapter 6.2.
However, special attention is given to training. At CFE Contracting and BPI Real Estate, the goal is to offer at least five days of training per employee in 2030.

| | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| Training hours | 48,116 | 58,350 | 46,273 | 41,343 |
| Number of employees | 3,524 | 3,276 | 3,250 | 3,137 |
| Ratio (h/FTE) | 14 | 18 | 14 | 13 |
| Ratio (d/FTE)* | 1.7 | 2.2 | 1.8 | 1.6 |

* Based on an 8-hour working day

#### 6.4.1.3. Governance-related KPIs

The existence of charters and procedures ensures good governance of the various divisions.

| | CFE | CFE Contracting | BPI | DEME |
|---|---|---|---|---|
| Corporate governance charter | ok | ok | ok | ok |
| Procedures | * | ok | ok** | ok |
| Anti-Corruption Code | * | ok | ok | ok |

* Transferred to CFE Contracting and BPI Real Estate
** Internal policy on financial transactions

In 2021, Sustainalytics' analysis of ESG risk management identified areas for improvement in ESG policies. They have therefore been revised for this purpose.
In general, all governance documents are regularly reviewed to ensure they are in line with current regulations.

A series of audits are carried out by our internal auditor to ensure compliance with the policies and procedures in place.
No major infringements were found.
For the purpose of continuous improvement, the results of the audits are presented to the members of CFE's Audit Committee and to the Executive Committee of CFE Contracting to agree the corrective actions to be taken.

In the interest of transparency, dashboards relating to safety, human resources and the environment are published on a regular basis (monthly or four times a year depending on the subject) and sent to CFE Contracting management and to the management committees of all the entities.
These dashboards allow for transparent communication with the various management levels and inform all employees as frequently as possible. Regular monitoring also makes it possible to readjust the actions undertaken as quickly as possible.

#### 6.4.1.4. Innovation-related KPIs

The year 2020 will have enabled CFE Contracting and BPI Real Estate to make progress in developing a strategy structured around innovation. Both divisions have appointed a Chief Digital Officer and a Development & Innovation Director respectively. These two managers are responsible for developing and monitoring the innovation strategy. A board called the "innovation core team" common to both divisions meets at least once a month.
In 2021, governance concerning innovation (role and responsibilities of each) as well as the clear process for structuring innovation were defined. This exercise has helped determine the areas in which innovation should be prioritised and the necessary resources for an ambitious and effective policy allocated.
Furthermore, a tool to collect and centralise innovative ideas from employees and to define the follow-up to be given to these ideas was developed in 2021 and will be made available to employees at the beginning of 2022. Clear and structured communication will accompany this process.

# 7. EUROPEAN TAXONOMY

## 7.1. INTRODUCTION

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

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

An economic activity is sustainable if it ... = Contributes substantially to at least one of the six environmental objectives + Does not cause significant harm to other environmental objectives + Is carried out in compliance with social standards

At this stage, concrete performance thresholds (so-called Technical Screening Criteria (TSCs) have only been developed for a first set of economic activities that contribute substantially to climate change mitigation and adaptation. For the other four environmental objectives, these thresholds are expected to be established in the course of 2022. The criteria for significant harm are already known for all six categories.

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

It should be noted that the definitions are not always clear and are subject to change. This also requires major adaptations to the methodology and reporting processes required for these definitions.

For 2021, the CFE Group must indicate whether its activities are "eligible" as "green", i.e. whether they fall under the European Taxonomy. CFE must therefore publish three key performance indicators (KPIs):

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

For 2022, the plan is to determine whether these activities are "aligned" with the EU Taxonomy by testing them against TSCs without causing significant harm (Do No Significant Harm - DNSH) to the other objectives defined in the EU Taxonomy. As the legislation formulates TSCs in a very ambitious way, it seems that many activities that make a positive contribution to the climate will not necessarily be recognised as "aligned". Again, publication of all three KPIs is required (eligibility AND alignment).

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

## 7.2. CONSOLIDATED RESULTS: ELIGIBILITY

| | EUROPEAN TAXONOMY | |
|---|---|---|
| | Share of economic activities **eligible** for the taxonomy (%) | Share of economic activities **not eligible** for the taxonomy (%) |
| REVENUE | 50% | 50% |
| CAPEX | 36% | 64% |
| OPEX [1] | - | - |

(1) Operating expenses, as defined under the EU taxonomy, include a restrictive list of non-capital costs. Because the financial statements are prepared according to IFRS, these costs are already included in capital expenditure.

## 7.3. METHODOLOGY

### 7.3.1. AT DEME

| | EUROPEAN TAXONOMY | | | |
|---|---|---|---|---|
| | Share of economic activities **eligible** for the taxonomy (%) | Share of economic activities **likely eligible** for the taxonomy (%) | Share of economic activities **potentially eligible** for the taxonomy (eligible and likely eligible) (%) | Estimated share of **eligible activities AND aligned** to the taxonomy (%) |
| REVENUE | 28% | 43% | 28% - 71% | 24% |
| CAPEX | 32% | 61% | 32% - 93% | 32% |
| OPEX [1] | - | - | - | - |

(1) Operating expenses, as defined under the EU taxonomy, include a restrictive list of non-capital costs. Because the financial statements are prepared according to IFRS, these costs are already included in capital expenditure.

DEME’s offshore wind farm activities will, on the basis of the current interpretation, be both ‘eligible’ and largely ‘aligned’ with the EU Taxonomy. 28% of total revenue is ‘eligible’ and 24% is already ‘aligned’ based on current definitions. In addition, 32% of total investment expenditure is both "eligible" and can already be considered "aligned’. DEME is also active in other 'green' activities such as the construction of bridges and tunnels for railway infrastructure and the construction or modernisation of port infrastructure. The taxonomy leaves room for interpretation for these activities, therefore these activities are currently considered ‘probably eligible’, accounting for 43% of total revenues. In addition, 61% of total capital expenditures can be considered ‘probably eligible’. A more detailed analysis of the EU taxonomy is available in DEME's sustainability report.

Eligibility assessment in 2021 was carried out at project level, starting with an examination of the project's final objective, linking it to the relevant contributing sector, the eligible activity in the taxonomy and the NACE code(s). All projects in DEME’s ‘Offshore’, ‘Dredging’ and ‘Infra’ business lines were assessed on their eligibility in making a substantial contribution to climate change mitigation and adaptation. The projects in DEME’s ‘Environment’ and ‘Other’ business lines were not assessed.
In addition to assessing a significant contribution to climate change mitigation, two additional steps were taken to thoroughly assess the taxonomy alignment of DEME's offshore wind projects. These projects have also been assessed against all relevant criteria of the "no significant damage" approach. Finally, compliance with minimum social safeguards (OECD Guidelines and UN Guiding Principles on Business and Human Rights) was verified by examining the relevant information in DEME's previous Sustainability Report, Human Rights Policy, our Code of Business Ethics and Integrity and DEME's GRI Content Index.
The calculation of the share of the Taxonomy eligible and ineligible activities in the capital expenditures is based on DEME's investment plan as at 31 December 2021.

## 7.3.2. AT CFE CONTRACTING AND BPI REAL ESTATE

**CFEC**

| EUROPEAN TAXONOMY | | |
|---|---|---|
| | Share of economic activities **eligible** for the taxonomy (%) | Share of economic activities **not eligible** for the taxonomy (%) |
| REVENUE | 98% | 2% |
| CAPEX | 100% | 0% |
| OPEX [1] | - | - |

**BPI**

| EUROPEAN TAXONOMY | | |
|---|---|---|
| | Share of economic activities **eligible** for the taxonomy (%) | Share of economic activities **not eligible** for the taxonomy (%) |
| REVENUE | 100% | 0% |
| CAPEX | - | - |
| OPEX [1] | - | - |

(1) Operating expenditure, as defined under the EU taxonomy, includes a restrictive list of non-capital costs. As the financial statements are prepared according to IFRS, these costs are already included in capital expenditure.

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

More than 95% of the turnover and investments of CFE Contracting and BPI Real Estate is eligible for the EU taxonomy and is concentrated in the construction, electrical and multi-technical installations, railway infrastructure and real estate development (BPI Real Estate) sectors. The final alignment analysis will be finalised in 2022. The alignment criteria are indeed at the centre of CFE Contracting and BPI Real Estate's considerations. Among other things, this concerns the water consumption of sanitary facilities for tertiary buildings, the management of waste on site and during the possible demolition of pre-existing buildings or the GWP/carbon analyses of projects under development.

# 202

# FINANCIAL STATEMENTS

# DEFINITIONS

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

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF INCOME

| Year ended December 31 (in € thousands) | Notes | 2021 | 2020 restated |
|---|---|---|---|
| **Revenue** | 4 | **1,125,346** | **1,026,600** |
| Other operating income | 6 | 50,749 | 64,616 |
| Purchases | | (793,536) | (745,686) |
| Remuneration and social security payments | 7 | (202,665) | (189,074) |
| Other operating expenses | 6 | (111,356) | (109,221) |
| Depreciation and amortisation | 11-13 | (20,217) | (19,674) |
| Goodwill depreciation | 12 | 0 | 0 |
| **Income from operating activities** | | **48,321** | **27,561** |
| Share of profit (loss) of investments accounted for using equity method | 14 | 9,655 | 10,574 |
| **Operating income** | | **57,976** | **38,135** |
| Cost of financial debt | 8 | (3,448) | (3,706) |
| Other financial expenses and income | 8 | (2,591) | (4,991) |
| **Financial result** | | **(6,039)** | **(8,697)** |
| **Result before tax** | | **51,937** | **29,438** |
| Income tax expenses | 10 | (12,431) | (11,749) |
| **Result for the period from continuing operations** | | **39,506** | **17,689** |
| Result for the period from discontinued operations | 5 | 113,260 | 47,134 |
| **Result for the period** | | **152,766** | **64,823** |
| Non-controlling interests - continuing operations | | 0 | 0 |
| Non-controlling interests - discontinued operations | 5 | (2,758) | (803) |
| **Result for the period - share of the group** | | **150,008** | **64,020** |
| Result from continuing operations - share of the group | | 39,506 | 17,689 |
| Result from discontinued operations - share of the group | 5 | 110,502 | 46,331 |
| Earnings per share (share of the group) (EUR) (diluted and basic) | 9 | 5.93 | 2.53 |
| Earnings per share (share of the group) from continuing operations (EUR) (diluted and basic) | 9 | 1.56 | 0.70 |
| Earnings per share (share of the group) from discontinued operations (EUR) (diluted and basic) | 9 | 4.37 | 1.83 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| Year ended December 31 (in € thousands) | Notes | 2021 | 2020 |
|---|---|---|---|
| **Result for the period - share of the group** | | **150,008** | **64,020** |
| **Result for the period** | | **152,766** | **64,823** |
| Changes in fair value related to financial derivatives | | 21,373 | (9,033) |
| Exchange differences on translation | | 6,393 | (11,592) |
| Deferred taxes | 10 | (3,000) | 446 |
| **Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods** | | **24,766** | **(20,179)** |
| Re-measurement on defined benefit and contribution plans | 21 | (248) | (6,239) |
| Deferred taxes | 10 | 98 | 1,472 |
| **Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods** | | **(150)** | **(4,767)** |
| **Total other elements of the comprehensive income recognized directly in equity** | | **24,616** | **(24,946)** |
| **Comprehensive income :** | | **177,382** | **39,877** |
| - Share of the group | | 174,536 | 38,810 |
| - Attributable to non-controlling interests | | 2,846 | 1,067 |
| Result for the period (share of the group) per share (EUR) (diluted and basic) | 9 | 6.89 | 1.53 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Year ended December 31 (in € thousands) | Notes | 2021 | 2020 |
|---|---|---|---|
| Intangible assets | 11 | 1,943 | 111,259 |
| Goodwill | 12 | 23,763 | 172,127 |
| Property, plant and equipment | 13 | 82,283 | 2,515,052 |
| Investments accounted for using equity method | 14 | 103,418 | 204,095 |
| Other non-current financial assets | 15 | 79,313 | 89,196 |
| Non-current financial derivatives | 25 | 0 | 1,433 |
| Other non-current assets | | 13,861 | 15,052 |
| Deferred tax assets | 10 | 8,257 | 127,332 |
| **Non-current assets** | | **312,838** | **3,235,546** |
| Inventories | 17 | 160,381 | 184,565 |
| Trade and other operating receivables | 18 | 281,256 | 867,761 |
| Other current operating assets | 18 | 85,555 | 57,454 |
| Other current non-operating assets | 18 | 2,416 | 21,731 |
| Current financial derivatives | 25 | 874 | 7,831 |
| Current financial assets | | 15,691 | 2,900 |
| Cash and cash equivalents | 19 | 143,587 | 759,695 |
| **Current assets** | | **689,760** | **1,901,937** |
| Assets held for sale | 5 | 4,297,401 | 0 |
| **Total assets** | | **5,299,999** | **5,137,483** |
| Share capital | | 41,330 | 41,330 |
| Share premium | | 800,008 | 800,008 |
| Retained earnings | | 1,184,100 | 1,059,406 |
| Defined benefit and contribution pension plans | | (41,976) | (41,783) |
| Reserves related to financial derivatives | | (31,160) | (49,715) |
| Exchange differences on translation | | (15,967) | (22,133) |
| **Equity – share of the group** | | **1,936,335** | **1,787,113** |
| Result attributable to non-controlling interests | | 19,691 | 17,835 |
| **Equity** | | **1,956,026** | **1,804,948** |
| Employee benefit obligations | 21 | 11,916 | 76,686 |
| Non-current provisions | 22 | 12,279 | 13,239 |
| Other non-current liabilities | | 38,267 | 32,287 |
| Non-current bonds | 24 | 0 | 29,794 |
| Non-current financial liabilities | 24 | 77,599 | 918,681 |
| Non-current financial derivatives | 25 | 0 | 10,095 |
| Deferred tax liabilities | 10 | 2,129 | 96,961 |
| **Non-current liabilities** | | **142,190** | **1,177,743** |
| Current provisions | 22 | 40,744 | 44,163 |
| Trade and other operating payables | 18 | 277,009 | 1,178,012 |
| Current tax liabilities | | 8,300 | 75,283 |
| Current bonds | 24 | 29,899 | 0 |
| Current financial liabilities | 24 | 149,084 | 412,649 |
| Current financial derivatives | 25 | 1,442 | 7,750 |
| Other current operating liabilities | 18 | 141,723 | 192,424 |
| Other current non-operating liabilities | 18 | 78,376 | 244,511 |
| **Current liabilities** | | **726,577** | **2,154,792** |
| Liabilities associated with assets held for sale | 5 | 2,475,206 | 0 |
| **Total equity and liabilities** | | **5,299,999** | **5,137,483** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

| Year ended December 31 (in € thousands) | Notes | 2021 | 2020 restated |
|---|---|---|---|
| **Operating activities** | | | |
| Operating income from continuing operations | | 48,321 | 27,561 |
| Operating income from discontinued operations | 5 | 138,692 | 59,692 |
| **Income from operating activities** | | **187,013** | **87,253** |
| Depreciation and amortisation of (in)tangible assets and investment property | | 20,217 | 19,674 |
| (Decrease)/increase of provisions | | (5,118) | (1,874) |
| Impairments on assets and other non-cash items | | 8,098 | (104) |
| Loss/(profit) on disposal of tangible and financial fixed assets | | (2,099) | (1,341) |
| Dividends received from investments accounted for using equity method | | 7,937 | 14,047 |
| Discontinued operations: cash flow from operating activities | 5 | 335,880 | 250,229 |
| **Cash flows from (used in) operating activities before changes in working capital** | | **551,928** | **367,884** |
| Decrease/(increase) in trade receivables and other current and non-current receivables | | (22,873) | 1,514 |
| Decrease/(increase) in inventories | | (12,989) | (30,388) |
| Increase/(decrease) in trade payables and other current and non-current payables | | 5,816 | (5,370) |
| Income tax paid/received | | (13,220) | (7,204) |
| Discontinued operations: change in working capital | 5 | (52,125) | 91,898 |
| **Cash flows from (used in) operating activities** | | **456,537** | **418,334** |
| **Investment activities** | | | |
| Proceeds from sales of intangible assets and property, plant and equipment | | 3,371 | 3,778 |
| Purchases of intangible assets and of property, plan and equipment | | (14,557) | (12,324) |
| Acquisition of subsidiaries net of cash acquired | | (2,240) | 0 |
| Variation of the investment percentage in investment accounted for using equity method | | 0 | 0 |
| Capital decrease/(increase) of investments accounted for using equity method | 14 | (5,750) | 0 |
| Proceeds from sales of subsidiaries | 5 | 0 | 60 |
| Repayment of borrowings (new borrowings) given to investments accounted for using equity method | | 1,366 | (3,763) |
| Discontinued operations: cash flow from investment activities | 5 | (266,412) | (147,139) |
| **Cash flows from (used in) investing activities** | | **(284,222)** | **(159,388)** |
| **Financing activities** | | | |
| Interest paid | | (6,765) | (6,463) |
| Interest received | | 3,317 | 2,757 |
| Other financial expenses and income | | (1,885) | (1,987) |
| Receipts from new borrowings | 24.3 | 33,483 | 40,976 |
| Repayment of borrowings | 24.3 | (33,511) | (36,312) |
| Dividends paid | | (4,893) | 0 |
| Discontinued operations: cash flow from financing activities | 5 | (250,827) | (103,821) |
| **Cash flows from (used in) financing activities** | | **(261,081)** | **(104,850)** |
| **Net increase/(decrease) in cash position from continuing operations** | | **6,026** | **3,237** |
| **Net increase/(decrease) in cash position from discontinued operations** | 5 | **(94,792)** | **150,859** |
| Cash and cash equivalents, opening balance | | 759,695 | 612,206 |
| Effects of exchange rate changes on cash and cash equivalents | | (195) | (2,550) |
| Discontinued operations: effects of exchange rate changes on cash and cash equivalents | 5 | 1,485 | (4,057) |
| Transfer to assets held for sale | 5 | (528,632) | 0 |
| **Cash and cash equivalents, closing balance** | **19** | **143,587** | **759,695** |

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (in € thousands) | Share capital | Share premium | Retained earnings | Defined benefit and contribution pension plans | Reserves related to financial derivatives | Exchange differences on translation | **Equity – share of the group** | Result attributable to non -controlling interests | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| **December 2020** | **41,330** | **800,008** | **1,059,406** | **(41,783)** | **(49,715)** | **(22,133)** | **1,787,113** | **17,835** | **1,804,948** |
| **Comprehensive income for the period** | | | **150,008** | **(193)** | **18,555** | **6,166** | **174,536** | **2,846** | **177,382** |
| Dividends paid to shareholders | | | (25,314) | | | | (25,314) | | (25,314) |
| Dividends from non-controlling interests | | | | | | | | (1,008) | (1,008) |
| Change in consolidation scope and other movements | | | | | | | 0 | 18 | 18 |
| **December 2021** | **41,330** | **800,008** | **1,184,100** | **(41,976)** | **(31,160)** | **(15,967)** | **1,936,335** | **19,691** | **1,956,026** |

The equity of the group was €1,956,026 thousand as at 31 December 2021, of which €133,831 thousand related to continuing operations and €1,822,195 thousand related to discontinued operations.

Changes in the fair value of defined benefit or contribution pension plans and of derivative instruments are explained in notes “21. Employee benefits” and “14. Investments accounted for using equity method” respectively.

The dividend paid to shareholders, i.e. €25,314 thousand, is presented for €4,893 thousand under cash flow from financing activities of continuing operations and for €20,421 thousand under cash flow from financing activities of discontinued operations.

The dividend paid to minority shareholders, i.e. €1,008 thousand is entirely presented under the cash flow from financing activities of discontinued operations.

| (in € thousands) | Share capital | Share premium | Retained earnings | Defined benefit and contribution pension plans | Reserves related to financial derivatives | Exchange differences on translation | **Equity – share of the group** | Result attributable to non -controlling interests | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| **December 2019** | **41,330** | **800,008** | **995,786** | **(37,089)** | **(40,892)** | **(10,440)** | **1,748,703** | **11,607** | **1,760,310** |
| **Comprehensive income for the period** | | | **64,020** | **(4,694)** | **(8,823)** | **(11,693)** | **38,810** | **1,067** | **39,877** |
| Dividends paid to shareholders | | | 0 | | | | 0 | | 0 |
| Dividends from non-controlling interests | | | | | | | | 72 | 72 |
| Change in consolidation scope and other movements | | | (400) | | | | (400) | 5,089 | 4,689 |
| **December 2020** | **41,330** | **800,008** | **1,059,406** | **(41,783)** | **(49,715)** | **(22,133)** | **1,787,113** | **17,835** | **1,804,948** |

## SHARE CAPITAL AND RESERVES

The share capital on 31 December 2021 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.

The partial demerger will mechanically lead to a transfer of a substantial part of CFE's equity and distributable reserves to the DEME Group. The Board of Directors believed that CFE's equity should be strengthened and proposed that a dividend should not be distributed for the financial year 2021. This proposal will have to be approved by the shareholders at the general meeting.

A dividend of €25,314 thousand for the year 2020, corresponding to €1.00 gross per share, had been proposed by the board of directors and approved at the general meeting.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## INTRODUCTION

Compagnie d'Entreprises CFE SA (hereinafter referred to as the "Company" or "CFE") is a company incorporated and headquartered in Belgium. The consolidated financial statements for the year ended 31 December 2021 include the financial statements of the company, its subsidiaries (the "CFE group") and its interests in companies accounted using equity method. CFE is 62.1% controlled by the Belgian investment group Ackermans & van Haaren (XBRU BE0003764785). 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 25 March 2022.

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

## MAIN TRANSACTIONS IN 2021 AND 2020 WITH AN IMPACT ON THE SCOPE OF THE CFE GROUP

### TRANSACTIONS IN 2021 – CONTINUING OPERATIONS

**1. Contracting segment**

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

- The Mobix Coghe NV company, a 100% subsidiary and fully consolidated, was integrated into the Mobix Remacom NV company, itself a 100% and fully consolidated subsidiary, with retroactive effect from 1 January 2021;
- The Procool SA company, a 100% subsidiary and fully consolidated, was integrated into the VMA Druart SA company, itself a 100% and fully consolidated subsidiary, with retroactive effect from 1 January 2021;
- The CFE Bau GmbH company, a 100% subsidiary of the CFE group, was incorporated. This company has been fully consolidated;
- The Anmeco NV company, a 100% subsidiary of the CFE group, was liquidated. This company was fully consolidated;
- The VMA NV company, a 100% subsidiary of the CFE group, increased its stake in the VMA R. Robotics Sp z o.o. company from 51% to 100%. This company, which was integrated under the equity method, is now fully consolidated. We refer to note 5 of this report;
- The VMA NV company, a 100% subsidiary of the CFE group, acquired 100% of the shares of Rolling Robotics Sp. z o.o., Rolling Robotics Sp. komandytowa, Power Automation Sp. z o.o. and Power Automation Sp. komandytowa. These companies were fully consolidated. We refer to note 5 of this report;
- The CFE Senegal SASU company, a 100% subsidiary of the CFE group, was liquidated. This company was fully consolidated.

**2. Real estate development segment**

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

- The BPI Real Estate Poland Sp. z o.o. company acquired:
  - 100% of the newly created BPI Project VIII Sp. z o.o. company;
  - 100% of the newly created BPI Project IX Sp. z o.o. company.

  The acquired entities listed above were fully consolidated;
- The BPI Real Estate Luxembourg SA company acquired:
  - a 50% stake in the newly created The Roots Real Estate S.à r.l. company;
  - a 50% stake in the newly created The Roots Office S.à r.l. company.

  The acquired entities listed above were integrated under the equity method;
- The BPI Real Estate Poland Sp. z o.o. company disposed of all its shares (100%) in the Immo Wola Sp. z o.o. company. This company was fully consolidated;
- The BPI Real Estate Poland Sp. z o.o. company reduced its stake in the BPI Project V Sp. z o.o. company from 100% to 50%, which was renamed BPI-Revive Matejki Sp. z.o.o. This company, which was fully consolidated, is now integrated under the equity method;
- The company names of BPI Project III Sp. z o.o., BPI Project VI Sp. z o.o. and BPI Project VII Sp. z o.o. were changed to BPI Obrzezna Sp. z o.o., BPI Jaracza Sp. z o.o. and BPI Chmielna Sp. z o.o., respectively;
- The BPI Real Estate Luxembourg SA company acquired 100% of the shares of the Livingstone Retail S.à r.l. company, previously held by the M1 SA company, a 33.33% subsidiary of the CFE group. Following this transfer, the name of this company was changed to Mimosas Real Estate S.à r.l. This company, which was integrated under the equity method, is now fully consolidated;
- The BPI Real Estate Belgium NV company acquired 37.5% of the newly formed company Tervuren Square NV. This company was integrated under the equity method;
- The BPI Real Estate Belgium SA company reduced its stake in the Samaya Development SA company from 100% to 50%. This company, which was fully consolidated, is now integrated under the equity method;
- The BPI Real Estate Belgium SA (BPI) company sold all of the shares (50%) it held in the Ernest 11 company on 1 July 2021. This company was integrated under the equity method.

**3. Wood Shapers – Partnership between the Contracting segment and the Real Estate Development segment**

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

**4. Holding segment**

During the year of 2021, the main changes in the consolidation scope affecting the Holding segment of the CFE group are the following :

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

## TRANSACTIONS IN 2021 – DISCONTINUED OPERATIONS (DEME)

During the year of 2021, the main changes in the consolidation scope affecting the DEME segment are the following :

- DEME acquired:
  - a 100% stake in the newly created company Thistle Wind Partners Ltd;
  - a 70% stake in the newly created company Hyport Oostende Holdco NV.

  The acquired entities listed above have been fully consolidated;
  - a 46.6% stake in the company Nou Vela SA, as well as a 23.77% stake in its subsidiary Port La Nouvelle SEMOP;
  - a 37.45% stake in the newly created company Wérisol SA;
  - a 16.67% stake in the consortium Hyve BV;
  - a 28% stake in the company Rhama Port Hub SRL;
  - a 50% stake in the company Hyport Coordination Company LLC;
  - a 14.7% stake in the company Asyad Terminals DUQM LLC;
  - a 26% stake in the company DUQM Logistic Land Investments Company LLC;
  - a 20% stake in the company Zeeboerderij Westdiep BV;
  - a 49% stake in the company Japan Offshore Marine Ltd;
  - a 49.99% stake in the company CDWE Green Jade Shipowner Ltd.

  The acquired entities listed above were integrated under the equity method;
- DEME increased its stake in the G-Tec Offshore SA, G-Tec SAS, G-Tec NV and G-Tec BV companies from 72.5% to 100%. These companies remain fully consolidated;
- DEME increased its stake in the Hydrogeo SARL company, 60% owned by G-tec, from 43.5% to 60%. This company, which was integrated under the equity method, is now fully consolidated;
- DEME increased its stake in the PT Dredging International Indonesia company from 60% to 95%. This company remains fully consolidated;
- DEME increased its stake in the High Wind NV company from 99.1% to 100%. This company remains fully consolidated;
- DEME liquidated all its shares (100%) in DEME Concessions Infrastructure NV, Mascarenes Dredging & Management Ltd, DEME Shipping Company Ltd, Middle East Marine Contracting Ltd and Dredging International Services Middle East DMCEST. These companies remain fully consolidated;
- DEME changed the percentage of ownership in the DIAP Thailand Co LTD company from 98% to 48.9%. This company, which was fully consolidated, is now integrated under the equity method;
- The Agroviro NV and Purazur NV companies, which were 74.9% subsidiaries and fully consolidated, were integrated into the DEME Environmental Contractors NV company, itself a 74.9% and fully consolidated subsidiary. As a result of this merger, the name of the absorbing company was changed to DEME Environmental NV;
- The Dredging International Luxembourg SA and Société de Dragage Luxembourg SA companies, which were 100% DEME subsidiaries and fully consolidated, were integrated into the Safindi SA company, itself a 100% and fully consolidated subsidiary. As a result of this merger, the name of the absorbing company was changed to DEME Luxembourg SA;
- The company name of Maritime Services & Solutions SA was changed to Spartacus Shipping SA.

## TRANSACTIONS IN 2020 – CONTINUING OPERATIONS

### 1. Contracting segment

During the year of 2020, the main changes in the consolidation scope affecting the Contracting segment of the CFE group are the following:

- The company VMA Vanderhoydoncks NV was absorbed by VMA NV, a 100% subsidiary of CFE Contracting, with retroactive effect to 1 January 2020;
- The company Bâtiments et Ponts Construction SA (BPC SA), a 100% subsidiary of CFE Contracting, transferred its business lines BPC Hainaut, BPC Liège and BPC Namur to the company Thiran SA, also a 100% subsidiary of CFE Contracting, with retroactive effect to 1 January 2020. Following this partial demerger without the demerged company being wound up, the company Thiran SA was renamed BPC Wallonie SA;
- The company Algemeen Bouw-en Betonbedrijf NV (ABEB NV), a 100% subsidiary of CFE Contracting, was liquidated. This company was consolidated according to the equity method;
- The Spanbo NV company, a 100% subsidiary of CFE Contracting, was renamed Groep Terryn Construct NV.

### 2. Real estate development segment

During the year of 2020, the main changes affecting the consolidation scope of the real estate development segment of the CFE group are the following :

- The company BPI Real Estate Belgium SA (BPI) acquired:
  - a 100% stake in the newly created company BPI Serenity Valley SA;
  - a 100% stake in the newly created company Samaya Development SA.

  The acquired entities listed above have been fully consolidated;
  - a 50% stake in the newly created company Arlon 53 SA;
  - a 50% stake in the company Mobius I SA, which was partially demerged through the establishment of two companies, Debrouckère Office SA and Debrouckère Leisure SA, without dissolution of the demerged company, which has, moreover, been renamed Debrouckère Land SA. These two new companies are 50% owned.

  The acquired entities listed above have been integrated under the equity method;
- The company BPI Real Estate Poland Sp. z o.o., a 100% subsidiary, has increased its stake in the company ACE 14 Sp. z o.o. from 90% to 100%, which has been renamed BPI Wolare Sp. z o.o. This company remains fully consolidated;
- The company BPI Project VII Sp. z o.o. has been established. This company is 100% owned by BPI Real Estate Poland Sp. z o.o., and has been fully consolidated;
- The companies BPI Project I Sp. z o.o. and BPI Project IV Sp. z o.o., both 100% owned by BPI Real Estate Poland Sp. z o.o., have been renamed BPI Bernadowo Sp. z o.o. and BPI Wagrowska Sp. z o.o., respectively;
- The company BPI Real Estate Luxembourg SA, a 100% subsidiary, acquired:
  - a 100% stake in the Herrenberg SA company;
  - a 100% stake in the newly created Central Parc S.à r.l. company.

  The acquired entities above have been fully consolidated;
  - a 50% stake in the newly created Immo Marial S.à r.l. company;
  - a 50% stake in the newly created Wooden SA company.

  The acquired entities listed above have been integrated under the equity method;
- The company Prince Henri S.à r.l. was created. This company is 100% owned by Central Parc S.à.r.l. This company has been fully consolidated;
- The company Livingstone Retail S.à r.l. was created. This company is 100% owned by M1 SA, a 33.33% subsidiary of BPI Real Estate Luxembourg SA. This company was integrated under the equity method;
- The company Pourpelt SA was created. This company is 100% owned by BPI Real Estate Luxembourg SA. This company was fully consolidated.
- The company BPI Real Estate Luxembourg SA reduced its stake in the company Gravity SA from 100% to 50%. This company, which was fully consolidated, is now integrated under the equity method;
- The companies Bedford Finance SRL and Bayside Finance SRL, 40% subsidiaries of BPI, liquidated their stakes in the companies VM Property I SA and VM Property II SA. These companies were integrated under the equity method;
- BPI Real Estate Luxembourg SA has sold all its shares (100%) in the Arlon 23 SA company. This company was fully consolidated;
- The Van Maerlant SA company, a 100% subsidiary of BPI Real Estate Belgium SA, has been renamed BPI Pure SA.

### 3. Holding segment

During the year of 2020, the main change affecting the consolidation scope of the Holding segment of the CFE group is the following :

- the CFE Middle East Co WLL company, a 100% subsidiary of the CFE group, has been deconsolidated. This company was fully consolidated.

## TRANSACTIONS IN 2020 – DISCONTINUED OPERATIONS (DEME)

During the year 2020, the main changes affecting the consolidation scope in the DEME segment are the following:

- DEME has acquired:
  - a 100% stake in the newly created company Dredging International Argentina SA;
  - a 100% stake in the newly created company Deeptech NV;
  - a 100% stake in the newly created company Meuse River Shipping SA;
  - a 95% stake in the newly created company Dredging International Bahrain WLL;
  - a 100% stake in the newly created company Delta River Shipping SA;
  - 100% of the companies SPT Offshore Holding BV, Seatec Holding BV, Seatec Subsea Systems BV, SPT Equipment BV, SPT Offshore BV, SPT Offshore UK Ltd and SPT Offshore SDN BHD, which constitute the SPT Offshore group.

  These companies were fully consolidated;
  - a 37.45% stake in the Blue Site SA company;
  - a 19.47% stake in the Feluy M2M SA company;
  - a 37.68% stake in the Combined Marine Terminal Operations Marafi LLC company.

  These companies have been integrated under the equity method;
- DEME increased its stake in the company CBD SAS from 50% to 100%. This company, which was integrated under the equity method, is now fully consolidated. This company was subsequently absorbed by the company "Société de Dragage International" (SDI), itself a 100% subsidiary and fully consolidated;
- DEME increased its stake in the company International Seaport Dredging PVT LTD from 89.61% to 93.64%. This company remains fully integrated;
- DEME has increased its shareholding percentage in the company DIAP Thailand Co LTD from 48.90% to 98% after having signed a shareholders' agreement through which 98% of the economic interest is granted by the local partner. This company, which was integrated under the equity method, is now fully consolidated;
- DEME increased its stake in the High Wind NV company from 50.4% to 99.1%. This company, which was integrated under the equity method, is now fully consolidated;
- DEME decreased its stake in the company Terranova NV from 43.73% to 24.96%. This company remains integrated under the equity method;
- DEME decreased its stake in the DUQM Industrial Land Company LLC from 34.90% to 27.55%. This company remains integrated under the equity method;
- DEME disposed of its entire stake (12.5%) in the company Merkur Offshore GmbH. This company was shown as an asset held for sale at 31 December 2019;
- DEME has liquidated the Thor Crewing Luxembourg SA company, of which it held all the shares. This company was fully integrated;
- DEME has liquidated the DEME Environmental Contractors UK LTD company, of which it held 74.9% of the shares. This company was fully integrated;
- The companies Innovation Holding BV and Innovation Shipowner BV, 100% subsidiaries and fully consolidated, have been absorbed by the DEME Offshore Shipping BV company, itself a 100% subsidiary and fully consolidated;
- The Innovation Shipping BV company, a 100% subsidiary and fully consolidated, has been absorbed by the DEME Offshore NL BV company, itself a 100% subsidiary and fully consolidated;
- The Paes Maritiem BV company, a 100% subsidiary and fully consolidated, has been absorbed by the DBM NL BV company, itself a 100% subsidiary and fully consolidated.

# 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 2021 comply with the IFRS standards and interpretations as endorsed in the European Union on 31 December 2021.

The accounting principles used at 31 December 2021 are the same as those used for the consolidated financial statements at 31 December 2020, except for the standards and/or amendments to standards described below as endorsed in the European Union, mandatorily applicable as of 1 January 2021.

## STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2021

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate benchmark Reform – Phase 2 (applicable for annual periods beginning on or after 1 January 2021)
- Amendment to IFRS 16 Leases : COVID 19-Related Rent Concessions beyond 30 June 2021(applicable for annual periods beginning on or after 1 April 2021)
- Extension of the temporary exemption from the application of IFRS 9 until 1 January 2023 (applicable for annual periods beginning on or after 1 January 2021)

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 2021

The Group did not apply early any of the following new standards and interpretations, application of which was not mandatory at 31 December 2021.

- Amendments to IAS 16 Property, Plant and Equipment: proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 17 Insurance contracts : Initial Application of IFRS 17 and IFRS 9 (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 : Disclosure of accounting policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definitions of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

# 2. SIGNIFICANT ACCOUNTING POLICIES

## (A) STATEMENT OF COMPLIANCE

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

## (B) BASIS OF PRESENTATION

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

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

Accounting policies are applied consistently.

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

## (C) MAIN JUDGEMENTS AND ASSUMPTIONS

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

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

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

## (D) CONSOLIDATION PRINCIPLES

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

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

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

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

The CFE group consolidates the subsidiary from the date on which it obtains control, and ceases to consolidate it when the group no longer controls the entity. In particular, the income and expenses of a subsidiary acquired or sold during the financial year are included in the consolidated statement of income and in other elements of the 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, revenues, 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, revenues and expenses from associates and joint ventures are accounted for using the 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 statement 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 recognise 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 income statement 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, recognises 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 income statement.

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 income statement of the financial year during which the entity is sold or liquidated.

### (3) EXCHANGE RATES

| Currencies | Closing rate 2021 | Average rate 2021 | Closing rate 2020 | Average rate 2020 |
|---|---|---|---|---|
| Polish Zloty | 4,60 | 4,56 | 4,56 | 4,44 |
| US Dollar | 1,13 | 1,18 | 1,23 | 1,14 |
| Singapore Dollar | 1,53 | 1,59 | 1,62 | 1,57 |
| Tunisian Dinar | 3,25 | 3,29 | 3,29 | 3,20 |
| CFA franc | 655,96 | 655,96 | 655,96 | 655,96 |
| Australian Dollar | 1,56 | 1,57 | 1,59 | 1,65 |
| Nigerian Naira | 465,25 | 484,15 | 484,55 | 435,36 |
| Russian Rouble | 85,30 | 87,16 | 91,46 | 82,72 |
| Egyptian pound | 17,86 | 18,56 | 19,26 | 18,06 |
| Taiwanese Dollar | 31,33 | 33,08 | 34,49 | 33,59 |

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 income statement as an expense as incurred.

Expenditures on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalized if the product or process is technically and commercially feasible, the company has sufficient resources to complete development and the expenses can be reliably identified.

Capitalized expenditure includes 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 balance sheet at their acquisition cost less accumulated amortisation (see below) and impairment.

### (2) OTHER INTANGIBLE ASSETS

Other intangible assets acquired by the company are recognized in the balance sheet at their acquisition cost less accumulated amortisation (see below) and impairment. Costs relating to internally generated goodwill and brands are recognized as an expense when incurred.

### (3) SUBSEQUENT EXPENDITURE

Subsequent expenditure on intangible assets is 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 expenditure is recognized when incurred.

### (4) DEPRECIATION

Intangible fixed assets are amortized using the straight-line method over a period corresponding to their estimated useful life at the rates below:

| | | |
|---|---|---|
| Minimum | 5% | Operating concessions |
| | 20% - 33,33% | Software applications |

## (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 income statement when incurred.

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

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 (generally 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 balance sheet 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) BADWILL

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 income statement as a profit on an acquisition under favourable conditions.

## (H) PROPERTY, PLANT AND EQUIPMENT

### (1) RECOGNITION AND MEASUREMENT

All property, plant and equipment are only recorded as assets if it is probable that the entity will benefit from future economic benefits, and if their cost can be measured reliably. These criteria are applicable at initial recognition and in relation to subsequent expenditure.

All property, plant and equipment are included in the balance sheet 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 labour costs and an appropriate proportion of overheads.

### (2) SUBSEQUENT EXPENDITURE

Subsequent expenditure is only recorded as assets if it increases the future economic benefits generated by property, plant and equipment. 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 equipment : | 5 years |
| IT hardware : | 3 years |
| office equipment : | 5 years |
| office furniture : | 10 years |
| renovation of buildings/new buildings : | 20-33 years |
| principal component of Trailing suction hopper dredgers, Cutter suction dredgers, Cable Lay Vessels and DP3 Offshore crane vessels and Jack-Up : | 20 years with residual value of 1% |
| landings stages, boats, ferries and boosters : | 18 years without residual value |
| transport vessels, barges : | 25 years with residual value of 1% |
| cranes : | 8-12 years with/without residual value of 1% |
| excavators : | 7 years without residual value |
| pipes : | 3 years without residual value |
| containers and site installations : | 5 years |
| various site equipments : | 5 years |

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

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

### (4) RECOGNITION OF DEME'S MAIN FLEET

The acquisition value is divided into two parts: a principal component that represents 90% of the acquisition value and is depreciated on a straight-line basis according to the depreciation rate defined by the type of vessel, and a secondary component that represents 10% of the acquisition value, which is depreciated on a straight-line basis over 10 years. For the "Jack-Up" vessels, the principal and secondary component represent 66% and 34% respectively. Moreover, the lifting system and the crane are depreciated on a straight-line basis over 10 years.

When a vessel is acquired, spare parts are capitalized in proportion to the purchase up to a maximum of 8% of the total vessel acquisition cost (100%) and are depreciated on a straight-line basis over the remaining useful life from the date the asset is available for use.

Furthermore, the costs of dry-docking the main fleet are recognized in the carrying value of the vessel when they are incurred, and are depreciated over the period until the next dry-docking (5 years).

## (I) LEASES

CFE essentially acts as a lessee of rental contracts. Leases are recognized in the balance sheet as rights of use and obligations inherent in the lease at the present value of future payments under the lease contracts. The established rights of use are depreciated on a straight-line basis over their useful life or over the term of the lease if the latter does not provide for the transfer of ownership at the end of its term. The corresponding obligations are recognized as financial debts. Compensation relating to lease contracts with a maximum duration of 12 months, and lease contracts for which the value of the underlying asset is low are recognized over the period during which the asset is used.

All minimum leases are included partly as financing cost and partly as depreciation of the current debt, which results in a constant periodic interest on the remaining balance of the debt. Financial costs are entered directly in the income statement.

If a lease contract is terminated before the lease period has expired, any compensation paid to the lessor is recognized as an expense during the period in which the 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 income statement. Impairment losses are recognized in the income statement.

### (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 income statement, unless there is documentation of hedge accounting (see paragraph X).

## (K) INVENTORIES

Inventories are measured at weighted average cost or at net realisable 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 realisable 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 income statement.

### (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 amortisation that would have been determined, if no amortisation would have been recognized for this asset.

# (O) SHARE CAPITAL

## PURCHASE OF OWN SHARES

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

# (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, and the restructuring has either started or has been announced publicly. Provisions are not set aside for costs that relate to the company's normal activities.

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

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

A provision for onerous contracts is made if the expected economic benefits from a contract are lower than the inevitable costs of meeting the obligations of the contract.

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

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

# (Q) EMPLOYEE BENEFITS

## (1) POST-EMPLOYMENT BENEFITS

Post-employment benefits include pension plans and life insurance.

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

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

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

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

**a) Defined contributions plans**

Contributions to these pension plans are recognized as an expense in the income statement 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 income statement 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 income statement consist of current service cost, interest cost, the expected return on plan assets and past service cost.

The pension obligations recognized on the balance sheet 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 items' of the comprehensive income statement 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 comprehensive statement of 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 income statement 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 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 income statement 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 income statement, unless there is documentation of hedge accounting (see 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 income statement, except to the extent that it relates to items recognized directly in equity or in other items of the comprehensive income. In this case, deferred tax is also recognized in these items.

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 realised.

IFRIC 23, which became effective on 1 January 2019, clarifies how to apply recognition and measurement requirements for income taxes when there is uncertainty about the tax treatment for current or deferred taxes. Whether or not a particular tax treatment in tax law is acceptable may not be known until the competent tax authority or a court makes a decision in the future. In assessing whether and how uncertain tax treatment affects how taxable income is determined, the Group assumes that a tax authority will review the amounts it is entitled to review and that it has full knowledge of all related information in conducting such reviews. If the Group concludes that it is likely that the tax authority will accept uncertain tax treatment, it determines the taxable income based on the tax treatment used or expected to be used in its tax returns. If the Group concludes that it is not likely that a tax authority will accept uncertain tax treatment, it reflects the effect of the uncertainty in determining its accounting tax position. If the possible outcomes are binary or concentrated on a single value, the uncertain tax position is measured using the most likely amount. If there is a range of possible outcomes that are neither binary nor concentrated on a single value, the sum of the weighted amounts within a range of possible outcomes may better predict the resolution of the uncertainty.

# (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 income statement 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 income statement 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 steel price, fuel consumption or modifications in the design price should only be included in the transaction price if it is highly probable that there will be no subsequent significant downward adjustment to the recognized revenues.

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

## (3) CONTRACT BALANCES

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

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

## (4) COSTS TO WIN OR IMPLEMENT A CONTRACT

CFE has assessed that the cost of winning a contract (e.g. commissions paid), as well as the related costs of completion that are not covered by a specific IFRS standard (e.g. mobilisation costs), which should normally be capitalized as defined in IFRS 15 if they meet certain specific criteria, have no significant impact on the recognition of revenues 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 of DEME (discontinued operations)

DEME's activities include dredging, land reclamation, maritime civil engineering, services to offshore oil and gas companies, and activities in renewable energies. The revenue generated by most of the construction and service contracts is recognized as a single performance obligation, the realisation of which is progressive. The group has assessed that revenues from construction and service contracts should be recognized according to the percentage of completion, using a cost-based method. As such, the model provides for the recognition of revenues according to the percentage of completion of the performance obligation, which corresponds to the transfer of control of the goods or services to a customer.

Costs and revenues are recognized according to the percentage of completion of the contract to be realised at the end of the period, measured as the committed share of the contract costs for the realisation of the contract to date, taking into account the total estimated costs, except in the case where this would not be representative of the percentage of completion. 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 contract includes several distinct performance obligations, the group allocates the overall price of the contract to each performance obligation in accordance with the provisions of IFRS 15. For a limited number of EPCI contracts in the DEME division (offshore wind farms), multiple performance obligations have been identified. Those performance obligations relate to procurement activities and transport and installation activities.

**b) Revenue from construction 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.
Revenues 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 revenues 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.

**c) Development of residential buildings**

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;
- 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 time, i.e. upon the signing of the notarial deed or the transfer protocol between CFE and the end customer.

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 REVENUES

### (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 income statement 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 income statement.

# (W) EXPENSES

## (1) FINANCIAL EXPENSES

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

All interest and other costs incurred in connection with borrowings, except those that were eligible for capitalisation, are recognized in the income statement as financial expenses. Interest costs relating to lease contracts are recognized in the income statement 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 income statement 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 unrealised 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 at the closing date, i.e. the current 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 items of the comprehensive income statement 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 income statement 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 income statement. Profits or losses arising from the temporary value of the financial derivative instrument are recognized in the income statement.

If a hedging instrument or a hedging relationship has expired, but the hedged transaction has yet to take place, the cumulative unrealised 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 income statement.

## (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 income statement. 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 income statement.

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 other items in the comprehensive income statement.

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 other items in the comprehensive income statement, and the ineffective portion is recognized in the income statement.

### (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 income statement as a financial income or financial expense.

Any profit or loss realised 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 realised 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 income statement and the consolidated cash flow statement respectively. Non-current assets classified as held for sale are no longer amortized or impaired.

As at 31 December 2021, these are the DEME division's operations. On 2 December 2021, the Board of Directors announced its intention to split the group into two separate listed companies: CFE and DEME. The purpose of this demerger is to create two leading players in their respective business lines.

## (Z) SEGMENT REPORTING

A segment is a distinguishable component of the CFE group that generates revenues 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 three operating divisions: Contracting, Real Estate Development, and Holding.

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

# 3. CONSOLIDATION METHODS

## SCOPE OF CONSOLIDATION

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

Companies over which the group exercises joint control with other shareholders are consolidated using the equity method. This applies in particular to Rent-A-Port and certain subsidiaries of BPI and DEME (discontinued operations) .

The change in the scope of consolidation of the CFE group between 2020 and 2021 for continuing and discontinued operations is summarised as follows:

| Number of entities - continuing operations | 2021 | 2020 |
|---|---|---|
| Full consolidation | 80 | 80 |
| Equity method | 93 | 93 |
| **Total** | **173** | **173** |

| Number of entities - discontinued operations | 2021 | 2020 |
|---|---|---|
| Full consolidation | 122 | 130 |
| Equity method | 60 | 50 |
| **Total** | **182** | **180** |

## 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 under the equity method for the internal result realised between a fully consolidated company and a company accounted for under the equity method.

## TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES AND 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 balance sheet items and at the average rate for the period for income statement items. 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 TRANSACTIONS

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

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 comprehensive income statement, and are the object of a separate reserve in equity.

# 4. SEGMENT REPORTING

## OPERATING SEGMENTS OF CONTINUING OPERATIONS

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 or allocated on a logical basis.

The CFE group's continuing operations consist of three operating segments:

### Contracting

The Contracting segment encompasses the construction, multitechnics and rail & utilities activities.

The construction activity is concentrated in Belgium, Luxembourg and Poland. CFE Contracting specializes in building and refurbishing office buildings, residential properties, hotels, schools, universities, car parks, shopping and leisure centres, hospitals and industrial buildings.

The Multitechnics, Rail & Utilities segments operate mainly in Belgium through two clusters:

- the VMA cluster comprising tertiary electricity, HVAC (heating, ventilation and air conditioning), electromechanical facilities, telecom networks, automation in the automobile, pharmaceutical and agri-food industries, the automated management of technical facilities of buildings, electromechanical work for road and rail infrastructures (tunnels, etc.), and the long-term maintenance of technical facilities and ESCO (energy performance improvement of buildings) type projects;
- the MOBIX cluster comprising railway (track laying and installation of catenaries) and signalling works, energy transportation and public lighting.

### Real estate development

The Real Estate Development segment develops real estate projects in Belgium, Luxembourg and Poland.

### Holding

Besides the usual holding activities, this segment includes:

- participations in Rent-A-Port, Green Offshore and in two Design Build Finance and Maintenance contracts in Belgium;
- contracting activities not transferred to CFE Contracting SA including several civil engineering projects in Belgium and building projects in Africa (except Tunisia) and in Central Europe (except Poland).

## OPERATING SEGMENT OF DISCONTINUED OPERATIONS – DEME

DEME's activities include dredging (investment dredging and maintenance dredging), the installation of offshore wind turbines, the laying of submarine cables, the protection of offshore pipelines, the treatment of polluted soil and sludge as well as maritime civil engineering.

# CONSOLIDATED STATEMENT OF INCOME

| **For the period ended December 31, 2021** (in € thousands) | **DEME** | *Restatements DEME (*)* | **Total discontinued operations** | **Contracting** | **Real Estate** | **Holding** | *Eliminations between segments* | **Total continuing operations** | **Consolidated total** |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **0** | | **0** | **1,039,658** | **106,300** | **9,789** | **(30,401)** | **1,125,346** | **1,125,346** |
| Income from operating activities | 0 | | **0** | 25,164 | 24,695 | (1,856) | 318 | **48,321** | **48,321** |
| Share of profit (loss) of investments accounted for using equity method | 0 | | **0** | 105 | 5,399 | 4,151 | 0 | **9,655** | **9,655** |
| **Operating income (EBIT)** | **0** | | **0** | **25,269** | **30,094** | **2,295** | **318** | **57,976** | **57,976** |
| *% Revenue* | | | | *2.43%* | *28.31%* | | | *5.15%* | *5.15%* |
| Financial result | 0 | | **0** | (2,045) | (4,134) | 140 | 0 | **(6,039)** | **(6,039)** |
| Income tax expenses | 0 | | **0** | (9,319) | (2,990) | (27) | (95) | **(12,431)** | **(12,431)** |
| **Result from continuing operations - share of the group** | **0** | | **0** | **13,905** | **22,970** | **2,408** | **223** | **39,506** | **39,506** |
| *% Revenue* | | | | *1.34%* | *21.61%* | | | *3.51%* | *3.51%* |
| Result from discontinued operations - share of the group | 114,581 | (4,079) | **110,502** | | | | | | **110,502** |
| **Result for the period - share of the group** | **114,581** | **(4,079)** | **110,502** | **13,905** | **22,970** | **2,408** | **223** | **39,506** | **150,008** |
| Non-cash items | *0* | | **0** | 18,708 | 878 | 631 | 0 | ***20,217*** | ***20,217*** |
| **EBITDA** | 0 | | **0** | **43,872** | **25,573** | **(1,225)** | **318** | **68,538** | **68,538** |
| *% Revenue* | | | | *4.22%* | *24.06%* | | | *6.09%* | *6.09%* |

| **For the period ended December 31, 2020** (in € thousands) | **DEME** | *Restatements DEME (*)* | **Total discontinued operations** | **Contracting** | **Real Estate** | **Holding** | *Eliminations between segments* | **Total continuing operations** | **Consolidated total** |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | **0** | | **0** | **911,898** | **131,105** | **21,859** | **(38,262)** | **1,026,600** | **1,026,600** |
| Income from operating activities | 0 | | **0** | 14,709 | 18,279 | (5,165) | (262) | **27,561** | **27,561** |
| Share of profit (loss) of investments accounted for using equity method | 0 | | **0** | 190 | 4,650 | 5,734 | 0 | **10,574** | **10,574** |
| **Operating income (EBIT)** | **0** | | **0** | **14,899** | **22,929** | **569** | **(262)** | **38,135** | **38,135** |
| *% Revenue* | | | | *1.63%* | *17.49%* | | | *3.71%* | *3.71%* |
| Financial result | 0 | | **0** | (2,525) | (4,908) | (1,264) | 0 | **(8,697)** | **(8,697)** |
| Income tax expenses | 0 | | **0** | (6,867) | (4,800) | (82) | 0 | **(11,749)** | **(11,749)** |
| **Result from continuing operations - share of the group** | **0** | | **0** | **5,507** | **13,221** | **(777)** | **(262)** | **17,689** | **17,689** |
| *% Revenue* | | | | *0.60%* | *10.08%* | | | *1.72%* | *1.72%* |
| Result from discontinued operations - share of the group | 50,410 | (4,079) | **46,331** | | | | | | 46,331 |
| **Result for the period - share of the group** | **50,410** | **(4,079)** | **46,331** | **5,507** | **13,221** | **(777)** | **(262)** | **17,689** | **64,020** |
| Non-cash items | 0 | | **0** | 18,403 | 1,127 | (1,833) | 0 | 17,697 | 17,697 |
| **EBITDA** | **0** | | **0** | **33,112** | **19,406** | **(6,998)** | **(262)** | **45,258** | **45,258** |
| *% Revenue* | | | | *3.63%* | *14.80%* | | | *4.41%* | *4.41%* |

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

## BREAKDOWN OF REVENUE OF CONTINUING OPERATIONS

### BREAKDOWN BY GEOGRAPHICAL AREA

| Year ended 31 December (in € thousands) | 2021 | 2020 restated |
|---|---|---|
| Belgium | 803,152 | 742,668 |
| Poland | 156,295 | 170,902 |
| Luxembourg | 137,735 | 90,166 |
| Other Europe | 17,468 | 16,068 |
| Other | 10,696 | 6,796 |
| **Consolidated total** | **1,125,346** | **1,026,600** |

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

In 2021, no customer accounted for more than 10% of group revenue.

### BREAKDOWN BY BUSINESS AREA

| Year ended December 31 (in € thousands) | 2021 | 2020 restated |
|---|---|---|
| Construction | 718,278 | 634,744 |
| Multitechnics (VMA) | 196,375 | 164,945 |
| Rail & Utilities (MOBIX) | 125,005 | 112,209 |
| **Total Contracting** | **1,039,658** | **911,898** |
| **Total Real estate development** | **106,300** | **131,105** |
| **Total Holding and eliminations between segments** | **(20,612)** | **(16,403)** |
| **Total continuing operations** | **1,125,346** | **1,026,600** |

The CFE group's Contracting revenue includes revenue generated through the Real Estate segment.

The elimination of the revenue common to the Contracting segment and the Real Estate segment, is carried out at the level of eliminations between segments.

As the construction and selling activities of the Real Estate segment do not take place simultaneously, internally generated revenue is held under work in progress and taken out again at the time of sale.

## ORDER BOOK – CONTINUING OPERATIONS

| Year ended December 31 (in € thousands) | 2021 | 2020 | Change |
|---|---|---|---|
| Construction | 1,166,070 | 1,058,658 | +10.1% |
| Multitechnics (VMA) | 236,359 | 251,120 | -5.9% |
| Rail & Utilities (MOBIX) | 164,620 | 182,815 | -10.0% |
| **Total Contracting** | **1,567,049** | **1,492,593** | **+5.0%** |
| **Total Real estate development** | **43,510** | **40,721** | **+6.8%** |
| **Total Holding** | **10,060** | **15,747** | **-36.1%** |
| **Total continuing operations** | **1,620,619** | **1,549,061** | **+4.6%** |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| **Year ended 31 December 2021** (in € thousands) | **DEME** | **Contracting** | **Real Estate** | **Holding** | **Eliminations between segments** | **Consolidated total** |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Goodwill | 0 | 23,763 | 0 | 0 | 0 | 23,763 |
| Property, plant and equipment | 0 | 79,785 | 1,121 | 1,377 | 0 | 82,283 |
| Non-current loans to consolidated group companies | 0 | 0 | 0 | 20,000 | (20,000) | 0 |
| Other non-current financial assets | 0 | 9 | 68,350 | 10,954 | 0 | 79,313 |
| Other non-current assets | 0 | 11,989 | 58,132 | 1,303,276 | (1,245,918) | 127,479 |
| Inventories | 0 | 16,894 | 141,222 | 3,090 | (825) | 160,381 |
| Cash and cash equivalents | 0 | 62,884 | 6,326 | 74,377 | 0 | 143,587 |
| Internal cash position - Cash pooling - assets | 0 | 69,287 | 49,675 | 3,586 | (122,548) | 0 |
| Other current assets | 0 | 351,267 | 25,199 | 21,097 | (11,771) | 385,792 |
| Assets held for sale | 4,297,401 | 0 | 0 | 0 | 0 | 4,297,401 |
| **Total assets** | **4,297,401** | **615,878** | **350,025** | **1,437,757** | **(1,401,062)** | **5,299,999** |
| **LIABILITIES** | | | | | | |
| **Equity** | **1,822,195** | **90,377** | **104,362** | **1,189,373** | **(1,250,281)** | **1,956,026** |
| Non-current borrowings to consolidated group companies | 0 | 0 | 20,000 | 0 | (20,000) | 0 |
| Non-current bonds | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-current financial liabilities | 0 | 33,270 | 43,954 | 375 | 0 | 77,599 |
| Other non-current liabilities | 0 | 14,402 | 36,426 | 13,763 | 0 | 64,591 |
| Current bonds | 0 | 0 | 29,899 | 0 | 0 | 29,899 |
| Current financial liabilities | 0 | 9,393 | 29,350 | 110,341 | 0 | 149,084 |
| Internal cash position - Cash pooling - liabilities | 0 | 3,641 | 18,845 | 100,061 | (122,547) | 0 |
| Other current liabilities | 0 | 464,795 | 67,189 | 23,844 | (8,234) | 547,594 |
| Liabilities associated with assets held for sale | 2,475,206 | 0 | 0 | 0 | 0 | 2,475,206 |
| **Total liabilities** | **2,475,206** | **525,501** | **245,663** | **248,384** | **(150,781)** | **3,343,973** |
| **Total equity and liabilities** | **4,297,401** | **615,878** | **350,025** | **1,437,757** | **(1,401,062)** | **5,299,999** |

| **Year ended 31 December 2020** (in € thousands) | **DEME** | **Contracting** | **Real Estate** | **Holding** | **Eliminations between segments** | **Consolidated total** |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Goodwill | 150,567 | 21,560 | 0 | 0 | 0 | **172,127** |
| Property, plant and equipment | 2,431,361 | 79,796 | 2,070 | 1,825 | 0 | **2,515,052** |
| Non-current loans to consolidated group companies | 0 | 0 | 0 | 20,000 | (20,000) | **0** |
| Other non-current financial assets | 32,813 | 0 | 37,858 | 18,525 | 0 | **89,196** |
| Other non-current assets | 348,275 | 14,132 | 58,090 | 1,284,587 | (1,245,913) | **459,171** |
| Inventories | 10,456 | 16,536 | 153,850 | 5,349 | (1,626) | **184,565** |
| Cash and cash equivalents | 621,937 | 73,514 | 5,707 | 58,537 | 0 | **759,695** |
| Internal cash position - Cash pooling - assets | 0 | 86,830 | 1,457 | 1,741 | (90,028) | **0** |
| Other current assets | 596,476 | 295,223 | 35,319 | 37,974 | (7,315) | **957,677** |
| **Total assets** | **4,191,885** | **587,591** | **294,351** | **1,428,538** | **(1,364,882)** | **5,137,483** |
| **LIABILITIES** | | | | | | |
| **Equity** | **1,709,637** | **78,365** | **85,532** | **1,178,951** | **(1,247,537)** | **1,804,948** |
| Non-current borrowings to consolidated group companies | 0 | 0 | 20,000 | 0 | (20,000) | **0** |
| Non-current bonds | 0 | 0 | 29,794 | 0 | 0 | **29,794** |
| Non-current financial liabilities | 735,053 | 25,318 | 42,701 | 115,609 | 0 | **918,681** |
| Other non-current liabilities | 172,966 | 16,566 | 37,628 | 2,108 | 0 | **229,268** |
| Current bonds | 0 | 0 | 0 | 0 | 0 | **0** |
| Current financial liabilities | 375,913 | 8,919 | 17,488 | 10,329 | 0 | **412,649** |
| Internal cash position - Cash pooling - liabilities | 0 | 2,708 | 3,376 | 83,944 | (90,028) | **0** |
| Other current liabilities | 1,198,316 | 455,715 | 57,832 | 37,597 | (7,317) | **1,742,143** |
| **Total liabilities** | **2,482,248** | **509,226** | **208,819** | **249,587** | **(117,345)** | **3,332,535** |
| **Total equity and liabilities** | **4,191,885** | **587,591** | **294,351** | **1,428,538** | **(1,364,882)** | **5,137,483** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| Year ended 31 December 2021 (in € thousands) | Contracting | Real estate | Holding | Total continuing operations | Discontinued Operations - DEME | Consolidated total |
|---|---|---|---|---|---|---|
| *Cash flows from (used in) operating activities before changes in working capital* | *44,492* | *34,117* | *(1,253)* | ***77,356*** | ***474,572*** | ***551,928*** |
| Cash flows from (used in) operating activities | (8,698) | 28,243 | 14,545 | **34,090** | **422,447** | **456,537** |
| Cash flows from (used in) investing activities | (12,744) | (692) | (4,374) | **(17,810)** | **(266,412)** | **(284,222)** |
| Cash flows from (used in) financing activities | 10,953 | (26,879) | 5,672 | **(10,254)** | **(250,827)** | **(261,081)** |
| **Net increase/(decrease) in cash position** | **(10,489)** | **672** | **15,843** | **6,026** | **(94,792)** | **(88,766)** |

| Year ended 31 December 2020 (in € thousands) | Contracting | Real estate | Holding | Total continuing operations | Discontinued Operations - DEME | Consolidated total |
|---|---|---|---|---|---|---|
| *Cash flows from (used in) operating activities before changes in working capital* | *31,793* | *29,288* | *(3,118)* | ***57,963*** | ***309,921*** | ***367,884*** |
| Cash flows from (used in) operating activities | 46,809 | (21,730) | (8,564) | **16,515** | **401,819** | **418,334** |
| Cash flows from (used in) investing activities | (8,102) | (278) | (3,869) | **(12,249)** | **(147,139)** | **(159,388)** |
| Cash flows from (used in) financing activities | (30,565) | 21,670 | 7,866 | **(1,029)** | **(103,821)** | **(104,850)** |
| **Net increase/(decrease) in cash position** | **8,142** | **(338)** | **(4,567)** | **3,237** | **150,859** | **154,096** |

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 is also affected by external financing, especially and primarily in Real Estate development, Holding and at DEME. The DEME segment is not part of the CFE group cash pooling arrangement.

## OTHER INFORMATION

| Year ended 31 December 2021 (in € thousands) | Contracting | Real estate development | Holding | Total continuing operations | Discontinued operations - DEME | Consolidated total |
|---|---|---|---|---|---|---|
| Amortisation | (18,708) | (878) | (631) | **(20,217)** | **(325,286)** | **(345,503)** |
| Investments | 19,741 | 1,190 | 124 | **21,055** | **323,347** | **344,402** |
| Impairment | 0 | 0 | 0 | **0** | **(5,018)** | **(5,018)** |

| Year ended 31 December 2020 (in € thousands) | Contracting | Real estate development | Holding | Total continuing operations | Discontinued operations - DEME | Consolidated total |
|---|---|---|---|---|---|---|
| Amortisation | (17,982) | (967) | (701) | **(19,650)** | **(300,723)** | **(320,373)** |
| Investments | 20,281 | 1,283 | 280 | **21,844** | **214,583** | **236,427** |
| Impairment | (24) | 0 | 0 | **(24)** | **(4,042)** | **(4,066)** |

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

## GEOGRAPHICAL INFORMATION

The operations of the group in the Contracting and Real Estate development segments are mainly based in Belgium, Luxembourg and Poland.

The property, plant and equipment in the Contracting and Real Estate development segments are mainly based in Belgium.

With regard to DEME's discontinued operations, on the other hand, its main activity is carried out by its fleet, which is held by various companies, but the legal location does not reflect the economic reality of the activity carried out by this fleet for the same companies. Consequently, as it is not possible to provide a presentation that reflects the geographical areas where the activity has been carried out, details relating to the tangible fixed assets by company have not been presented.

# 5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

## ACQUISITIONS FOR THE PERIOD ENDED 31 DECEMBER 2021

On 22 December 2021, the VMA NV company, a 100% subsidiary of the CFE group, increased its stake in the VMA R. Robotics Sp z o.o. company from 51% to 100%. This company, which was integrated under the equity method, is now fully consolidated. Moreover, the historical stake of 51% was also remeasured at fair value through profit and loss.

On 22 December 2021, VMA NV, a wholly owned subsidiary of the CFE group, also acquired 100% of the shares of Rolling Robotics Sp. z o.o., Rolling Robotics Sp. komandytowa, Power Automation Sp. z o.o. and Power Automation Sp.komandytowa These companies were fully consolidated.

The fair value assessment of the identifiable assets and liabilities could be completed within the time limits set by the annual closing. This assessment, which was carried out according to the accounting methods of the CFE group, became final on 31 December 2021.

The fair values assigned to the identifiable assets and liabilities that were acquired from the five companies are summarized as follows:

| (in € thousands) | |
|---|---|
| Intangible assets | 54 |
| Goodwill | 0 |
| Property, plant and equipment | 64 |
| Trade and other operating receivables | 1,468 |
| Cash and cash equivalents | 1,063 |
| Employee benefits obligations | (16) |
| Current and non-current financial liabilities | 0 |
| Other non-current assets and liabilities | (16) |
| Trade and other operating payables | (1,138) |
| **Total net assets acquired - group share** | **1,479** |
| Goodwill | 2,203 |
| **Valuation of the historical stake - 51% in VMA R. Robotics Sp. z o.o.** | **379** |
| **Acquisition price** | **3,303** |

The acquisition price paid and the additional cash of the newly integrated companies generate a net decrease in cash of EUR 2.2 million. Residual goodwill amounted to €2.2 million.

The recognition of residual goodwill is justified by the fact that the CFE group is expanding its set of competences; in particular, in the field of design and off-line programming of automated production lines.

## DISPOSALS FOR THE PERIOD ENDED 31 DECEMBER 2021

No disposal transactions having material impact were carried out in 2021 within the Contracting and Holding segments.

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

## ASSETS AND LIABILITIES HELD FOR SALE FOR THE PERIOD ENDED 31 DECEMBER 2021

On Thursday 2 December 2021, the Board of Directors announced its intention to split the group into two separate listed companies: CFE and DEME. The purpose of this operation is to create two leading players in their respective business.

As DEME and CFE operate in different segments and geographical markets, each with their own distinct strategic priorities, the Board of Directors believes it is in the interest of all its stakeholders to split the group in two. This demerger should allow the marine engineering on the one hand and contracting and real estate development activities on the other hand to develop as two independent, solid and separately listed companies, each with their own governance. This operation will also allow to articulate better the respective purpose and ambitions to our shareholders, our employees and other stakeholders. By doing so we will ensure that each entity further develops its leadership position. Finally, the transaction will help the stock market to fully recognize the true value of both entities.

The planned transaction involves the partial demerger of CFE by transferring its 100% stake in DEME NV to a Newco, which will be called DEME Group. At the time of the partial demerger, all the shareholders of CFE will receive one DEME Group share for each CFE share in their possession. Preparation for this transaction is under way and is expected to take several months. It is subject to obtaining a tax ruling from the Belgian Service for Advance Tax Rulings, the approval of the various partners and the extraordinary general meeting of CFE at which at least 75% of the capital represented must vote in favour of the partial demerger. The aim is to close the transaction in the summer of 2022.
Ackermans & van Haaren, the majority shareholder, and VINCI, who respectively own 62.1% and 12.1% of CFE, support the split. VINCI, which already works together with CFE and DEME on several projects, such as the Fehmarnbelt link, wishes to continue this partnership in the coming years.

The announcement of the intention to proceed with a partial demerger implies that DEME's activities will be transferred to DEME Group. In accordance with the requirements of IFRS 5 Non-current assets held for sale and discontinued operations, these are to be accounted for as 'discontinued operations'.

In practice, this means that DEME's assets and liabilities are presented on a single line under the assets and liabilities of the consolidated statement of financial position as at 31 December 2021 as assets and liabilities held for sale without any restatements of the comparative figures as at 31 December 2020.

## Assets held for sale

| **Year ended December 31**<br>(in € thousands) | **2021** |
|---|---|
| **Balance at the end of the previous period** | **0** |
| Reclassified to assets held for sale for the period | 4,297,401 |
| Disposals | 0 |
| **Balance at the end of the period** | **4,297,401** |

## Liabilities associated with assets held for sale

| **Year ended December 31**<br>(in € thousands) | **2021** |
|---|---|
| **Balance at the end of the previous period** | **0** |
| Reclassified to liabilities associated with assets held for sale for the period | 2,475,206 |
| Disposals | 0 |
| **Balance at the end of the period** | **2.475.206** |

## Consolidated statement of financial position from discontinued operations

The assets and liabilities associated with DEME's business lines have been classified as held for sale in the consolidated statement of financial position as at 31 December 2021. The reclassified assets and liabilities are detailed in the table below.

| **Year ended December 31**<br>(in € thousands) | **2021** |
|---|---|
| **ASSETS** | |
| Goodwill | 153,793 |
| Property, plant and equipment | 2,363,428 |
| Other non-current financial assets | 33,450 |
| Other non-current assets | 391,369 |
| Inventories | 12,168 |
| Cash and cash equivalents | 528,632 |
| Other current assets | 782,105 |
| Assets held for sale | 32,456 |
| **Total assets** | **4,297,401** |
| **LIABILITIES** | |
| **Equity** | **1,822,195** |
| Non-current bonds | 0 |
| Non-current financial liabilities | 577,970 |
| Other non-current liabilities | 194,024 |
| Current bonds | 0 |
| Current financial liabilities | 343,340 |
| Other current liabilities | 1,359,872 |
| Total liabilities | **2,475,206** |
| **Total equity and liabilities** | **4,297,401** |
| **Amounts included in accumulated other comprehensive income :** | |
| Reserves measured at fair value | (89,816) |
| Deferred taxes on reserves | 22,661 |
| Exchange differences on translation | (8,881) |
| **Total of amounts included in accumulated other comprehensive income** | **(76,036)** |

The goodwill on DEME'S operations is mainly due to the recognition of the identifiable assets and liabilities of DEME at their fair value following the acquisition of an additional 50% of DEME's shares on 24 December 2013. Prior to its reclassification as assets held for sale, an impairment test was performed on this goodwill. For this purpose, CFE used the most recent detailed calculation of the recoverable amount of the DEME cash-generating unit as at 31 December 2020, as all the following criteria are met (a) the assets and liabilities comprising the DEME cash-generating unit have not changed materially since the end of 2020, (b) the recoverable amount at the end of 2020 substantially exceeded the carrying amount of the DEME cash-generating unit, and( c) based on an analysis of the events that have occurred and circumstances that have changed since 31 December 2020, the probability that the current recoverable amount determined would be less than the carrying amount of the DEME cash-generating unit is remote. Therefore, no impairment loss has been identified on this goodwill as at 31 December 2021.

The fleet of ships constitutes the main share of tangible assets. Vessels under construction were valued at €309 million. This is mainly the Orion ship. The jack-up vessel Thor has been reclassified as an asset held for sale.

Other non-current assets consist mainly of jointly controlled companies such as offshore wind farm concession companies or companies having jointly-owned vessels.

DEME's cash position was €528.6 million. DEME is not included in the CFE cash pooling system but has its own cash pooling with its subsidiaries.

Other current assets amount to €782.1 million and consist mainly of trade and other operating receivables.

Current and non-current financial liabilities totalled €921.3 million as at 31 December 2021. These mainly consist of medium-term bilateral loans that were converted into sustainable financing at the beginning of 2022 in the form of 'sustainable linked loans'. DEME complied with all of its financial covenants as at 31 December 2021.

Other current liabilities totalled €1,359.9 million and include mainly trade payables, social security and tax liabilities as well as advance payments received on orders.

DEME's management periodically assesses the positions taken in the tax returns in relation to situations where the applicable tax regulations are subject to interpretation and makes provision where necessary. These provisions for uncertain tax positions are recognised as a deferred tax liability (included in other non-current liabilities).

## Consolidated statement of income from discontinued operations

The income from DEME's activities has been recorded on a separate line in the consolidated income statement: 'Income from discontinued operations'. The following table summarises the income from DEME's operations included in the consolidated income statement and presented as discontinued operations:

| **Year ended December 31** (in € thousands) | **2021** | **2020** |
|---|---|---|
| **Revenue** | **2,510,607** | **2,195,828** |
| Operating expenses (excluding depreciation and amortisation) | (2,041,299) | (1,826,371) |
| **EBITDA** | **469,308** | **369,457** |
| Depreciation and amortisation | (330,616) | (309,765) |
| **Income from operating activities** | **138,692** | **59,692** |
| Share of profit (loss) of investments accounted for using equity method | 9,818 | 21,666 |
| **Operating income (EBIT)** | **148,510** | **81,358** |
| **Financial result** | **(5,412)** | **(25,651)** |
| **Result before tax** | **143,098** | **55,707** |
| Income tax expenses | (29,839) | (8,573) |
| **Result for the period - share of the group** | **110,502** | **46,331** |

The breakdown of DEME's revenue by country and by business line is as follows:

| **Year ended December 31** (in € thousands) | **2021** | **2020** |
|---|---|---|
| Belgium | 279,247 | 427,199 |
| Other Europe | 1,585,647 | 1,380,755 |
| Africa | 491,058 | 133,735 |
| Asia | 73,733 | 158,831 |
| Americas | 42,359 | 51,011 |
| Oceania | 37,285 | 37,188 |
| Middle East | 1,278 | 7,109 |
| **Total** | **2,510,607** | **2,195,828** |

| Year ended December 31 (in € thousands) | 2021 | 2020 |
|---|---|---|
| Dredging | 1,132,897 | 877,045 |
| Offshore | 899,590 | 934,565 |
| Infra | 262,976 | 208,822 |
| Environment | 143,040 | 118,727 |
| Others | 72,104 | 56,669 |
| **Total** | **2,510,607** | **2,195,828** |

## Order book from discontinued operations

The order book attributable to the DEME division is summarised as follows:

| Year ended December 31 (in € thousands) | 2021 | 2020 | Change |
|---|---|---|---|
| Dredging | 1,740,000 | 2,187,000 | -20.4% |
| Offshore | 2,807,000 | 1,131,000 | +148.2% |
| Infra | 875,000 | 896,000 | -2.3% |
| Environment | 256,000 | 190,000 | +34.7% |
| Others | 228,000 | 96,000 | +137.5% |
| **Total** | **5,906,000** | **4,500,000** | **+31.2%** |

## Consolidated statement of cash flows from discontinued operations

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

| Year ended December 31 (in € thousands) | 2021 | 2020 |
|---|---|---|
| Cash flows from (used in) operating activities | 422,447 | 401,819 |
| Cash flows from (used in) investing activities | (266,412) | (147,139) |
| Cash flows from (used in) financing activities | (250,827) | (103,821) |
| **Net increase/(decrease) in cash position** | **(94,792)** | **150,859** |

## Contingent assets and liabilities from discontinued operations

Based on available information at the date on which the financial statements were approved by the Board of Directors, we are not aware of any 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 dredging and contracting sector and are handled by applying the percentage of completion method when the revenue is recognised.

DEME also takes care that all the entities of the group take the necessary organisational measures to ensure that the current laws and regulations are observed, including the rules on compliance.

The public prosecutor's office began investigating alleged irregularities in the award of a contract to Mordraga, a subsidiary of DEME, in 2016. This contract relates to the execution of dredging work in the port of Sabetta (Russia) in 2014 and 2015. The contract was completed in 2016.

The investigation began after a complaint from a competitor who was eliminated during the award procedure and is based exclusively on the selective information provided by this competitor.

At the end of December 2020, the prosecution summoned several companies and members of the staff of the DEME Group to appear before the Council Chamber. The Court decided on 21 February 2022 to refer the case to the Criminal Court. An appeal has been lodged against this decision.

It should be noted that the Council Chamber does not rule on the merits of the case, but merely rules on the question as to whether or not there are sufficient charges justifying that this case be judged on its merits by a competent court.

DEME remains fully confident in the progress of the investigation.

In the current circumstances and in light of the above, DEME is unable to reliably estimate the possible financial consequences of this ongoing procedure. Consequently, no provision has been recognised as at 31 December 2021, in accordance with the provisions of IAS 37.

## Financial covenants from discontinued operations

The covenants applicable to the consolidated accounts of DEME NV at the end of December 2021 are detailed below:

| Ratio name | Formula | Requirement | December 2021 | December 2020 |
|---|---|---|---|---|
| **DEME NV, consolidated financial statements IFRS** | | | | |
| Solvency ratio | (Equity, share of the group - intangible assets - goodwill) / (Total assets - intangible assets - deferred tax assets) | >25% | 38.10% | 36.30% |
| Debt ratio | Net financial debt / EBITDA | <3.0 | 0.63 | 1.20 |
| Interest rate coverage ratio | EBITDA / Cost of debt | >4.0 | 171.34 | 46.36 |

## Alternative performance measures reconciliation from discontinued operations

The net financial debt and EBITDA indicators are calculated based on the consolidated statement of financial position and the consolidated income statement:

| Consolidated net financial debt (in € thousands) | 2021 |
|---|---|
| Non-current bonds | 0 |
| + Non-current financial liabilities | 577,970 |
| + Current bonds | 0 |
| + Current financial liabilities | 343,340 |
| **Financial liabilities** | **921,310** |
| - Cash and cash equivalents | (528,632) |
| **Cash and cash equivalents** | **(528,632)** |
| **Consolidated net financial debt** | **392,678** |

| EBITDA (in € thousands) | 2021 | 2020 |
|---|---|---|
| **Income from operating activities** | **138,692** | **59,692** |
| Depreciation and amortisation of intangible assets, property, plant and equipment and investment property | 330,616 | 309,765 |
| (Decrease)/increase of provisions | 0 | 0 |
| Impairment on assets and other non-cash items | 0 | 0 |
| **Non-cash items** | **330,616** | **309,765** |
| **EBITDA** | **469,308** | **369,457** |

## Material post-balance sheet events from discontinued operations

The Russia-Ukraine crisis, which destabilized both countries and global financial markets, will put further pressure on our global economy, which has already been weakened by inflation, rising energy prices, the ongoing pandemic and a constrained supply chain. At the date of this report, we assess that this crisis and the restrictive measures taken by Europe and the US against Russia do not have a substantial direct impact on the activities of DEME. The indirect impact is difficult to predict at the moment.

## 6. OTHER OPERATING INCOME AND EXPENSES

Other operating income, which amount to €50,749 thousand (2020 restated: €64,616 thousand), are primarily related to:

- other compensation and miscellaneous rebilling amounting to €49,392 thousand (2020 restated: €63,507 thousand);
- capital gains on disposals of tangible and intangible assets amounting to €1,357 thousand (2020 restated: €1,109 thousand).

Other operating expenses are made up of the following elements :

| Year ended 31 December<br>(in € thousands) | 2021 | 2020 restated |
|---|---|---|
| Miscellaneous services and goods | (107,892) | (104,302) |
| Impairment of assets | | |
| - Inventories | (1,072) | (199) |
| - Trade and other operating receivables | (5,331) | 301 |
| Net additions to provisions (excluding provisions for retirement benefit obligations) | 4,149 | 988 |
| Other operating expenses | (1,210) | (6,009) |
| **Consolidated total** | **(111,356)** | **(109,221)** |

Services and miscellaneous goods mainly include overheads, various taxes, sales commissions and miscellaneous fees.

## 7. REMUNERATIONS AND SOCIAL SECURITY PAYMENTS

| Year ended 31 December<br>(in € thousands) | 2021 | 2020 restated |
|---|---|---|
| Remuneration | (140,925) | (130,743) |
| Mandatory social security contributions | (41,308) | (39,753) |
| Other wage costs | (16,214) | (14,537) |
| Service cost related to defined-benefit pension plans | (4,218) | (4,041) |
| **Consolidated total** | **(202,665)** | **(189,074)** |

The average full-time equivalent number of staff for continuing operations in 2021 was 3,043 (2020: 3,137), which represents 3,250 people as at 1 January 2021 (2020: 3,276) and 3,137 as at 31 December 2021 (2020: 3,250).

## 8. FINANCIAL RESULT

| Year ended 31 December<br>(in € thousands) | 2021 | 2020 restated |
|---|---|---|
| **Cost of financial debt** | **(3,448)** | **(3,706)** |
| Loans and receivables - Interest income | 3,317 | 2,757 |
| Liabilities at amortised cost - Interest expenses | (6,765) | (6,463) |
| **Other financial expenses and income** | **(2,591)** | **(4,991)** |
| Realized / unrealized translation gains/(losses) | (549) | (2,510) |
| Defined benefit plan financial cost | (38) | (178) |
| Impairment of financial assets | (14) | 0 |
| Other | (1,990) | (2,303) |
| **Financial result** | **(6,039)** | **(8,697)** |

The change in realised/unrealised exchange gains/(losses) and others as at 31 December 2021 is mainly explained by the devaluation of the zloty against the euro for BPI and CFE Contracting.

# 9. EARNINGS PER SHARE

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

| Year ended 31 December<br>(in € thousands) | 2021 | 2020 restated |
|---|---|---|
| Result for the period from continuing operations - share of the group | 39,506 | 17,689 |
| Result for the period from discontinued operations - share of the group | 110,502 | 46,331 |
| Result for the period - share of the group | 150,008 | 64,020 |
| Comprehensive income - share of the group | 38,810 | |
| Number of ordinary shares at balance sheet date | 25,314,482 | 25,314,482 |
| **Earnings per share, based on the number of ordinary shares at the end of the period (basic) :** | | |
| Earnings per share (share of the group) from continuing operations (€) | 1.56 | 0.70 |
| Earnings per share (share of the group) from discontinued operations (€) | 4.37 | 1.83 |
| Earnings per share (share of the group) (€) | 5.93 | 2.53 |
| Comprehensive income (share of the group) per share | 6.89 | 1.53 |

# 10. INCOME TAX

## RECOGNIZED IN COMPREHENSIVE INCOME

| Year ended 31 December<br>(in € thousands) | 2021 | 2020 restated |
|---|---|---|
| **Current taxes** | | |
| Tax expense for the period | 11,248 | 9,593 |
| Additions to / (release from) provisions in previous periods | 107 | (198) |
| **Total current tax expenses** | **11,355** | **9,395** |
| **Deferred taxes** | | |
| Additions to and releases from deferred taxes relating to losses from previous periods | 1,867 | 1,284 |
| Additions to and releases from temporary differences | (791) | 1,070 |
| **Total deferred tax expenses/income** | **1,076** | **2,354** |
| **Income tax for the period** | **12,431** | **11,749** |
| Tax income/expense recognized in other elements of the comprehensive income | (2,902) | 1,918 |
| **Total tax expense recognized in comprehensive income** | **9,529** | **13,667** |

## RECONCILIATION OF THE EFFECTIVE TAX RATE

| Year ended 31 December<br>(in € thousands) | 2021 | 2020 restated |
|---|---|---|
| **Pre-tax income for the period** | **51,937** | **29,438** |
| of which share in the profit/(loss) from investments accounted for using equity method | 9,655 | 10,574 |
| **Pre-tax income for the period, excluding investments accounted for using equity method** | **42,282** | **18,864** |
| **Income taxes at 25%** | **10,571** | **4,716** |
| Tax impact of non-deductible expenses | 4,027 | 3,403 |
| Tax impact of non-taxable revenue | (3,061) | (1,624) |
| Tax credit and impact of notional interest | (157) | 17 |
| Effect of different tax rates applicable to subsidiaries operating in other jurisdictions | (586) | (1,338) |
| Tax impact of using previously unrecognized losses | (3,048) | (1,357) |
| Tax impact of adjustments to current and deferred tax relating for previous periods | 1,134 | 1,123 |
| Tax impact of deferred tax assets on unrecognized losses for the period | 3,551 | 6,808 |
| **Tax expense** | **12,431** | **11,749** |
| **Effective tax rate for the period** | **29.40%** | **62.28%** |

The tax expense amounts to €12,431 thousand as at 31 December 2021, compared to €11,749 thousand at the end of 2020. The effective tax rate amounts to 29.40% compared to 62.28% in 2020.

## RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

| Year ended 31 December (in € thousands) | Assets | | Liabilities | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| Property, plant and equipment and intangible assets | 0 | 27,546 | (1,058) | (87,629) |
| Employee benefits | 2,243 | 15,131 | 0 | 0 |
| Provisions | 1,796 | 2,296 | 0 | (22,110) |
| Fair value of derivative instruments | 0 | 3,468 | 0 | (364) |
| Working capital | 4,420 | 48,170 | (1,352) | (8,412) |
| Other items | 137 | 158 | (98) | (36,838) |
| Tax losses | 66,481 | 147,998 | 0 | 0 |
| **Gross deferred tax assets/(liabilities)** | **75,077** | **244,767** | **(2,508)** | **(155,353)** |
| Unrecognized deferred tax assets | (66,441) | (59,043) | 0 | 0 |
| Tax netting | (379) | (58,392) | 379 | 58,392 |
| **Net deferred tax assets/(liabilities)** | **8,257** | **127,332** | **(2,129)** | **(96,961)** |

Tax loss carried forward and other temporary differences for which no deferred tax assets are recognized amount to €265,764 thousand. As tax losses are mainly recognized by Belgian companies, these do not have an expiration date. This mainly concerns the tax losses of CFE SA; in the context of the partial demerger planned for the summer of 2022, the majority of the tax losses carried forward for CFE will be transferred to DEME GROUP according to the applicable tax provisions.

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

As at 31 December 2020, the contribution of discontinued operations to deferred tax assets and liabilities amounted to €117,958 thousand and €94,986 thousand respectively.

## TAX LOSSES FOR WHICH NO DEFERRED TAX ASSETS ARE RECOGNIZED

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

## DEFERRED TAX INCOME (EXPENSE) RECOGNIZED IN COMPREHENSIVE INCOME

| Year ended 31 December (in € thousands) | **2021** | **2020** |
|---|---|---|
| Deferred taxes on the effective portion of changes in the fair value of cash flow hedge | (3,000) | 446 |
| Deferred taxes on the revaluation of defined benefit liabilities | 98 | 1,472 |
| **Total** | **(2,902)** | **1,918** |

Deferred taxes recognised in other comprehensive income amount to €(2,902) thousand of which €(1,567) thousand relate to discontinued operations and €(1,335) thousand relate to continuing operations.

# 11. INTANGIBLE ASSETS OTHER THAN GOODWILL

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

(*) Transfers between asset items are mainly related to the separate presentation in the balance sheet of intangible assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. As a result, the 2021 transfers include DEME's intangible assets classified as assets held for sale at 31 December 2021 for a net book value of 110,040 thousand euros (2020: €109,462 thousand). We refer to note 5 of this report.

The acquisitions for the period amounted to €2,881 thousand (2020: €3,890 thousand) and primarily concern investments in software licences and concession rights.

Amortisation of intangible assets amounted to €(4,291) thousand as at 31 December 2021.

In 2020, acquisitions resulting from the effects of changes in the consolidation scope amount to €19,254 thousand, and mainly concern the acquisition of the SPT Offshore company at DEME.

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

| **Year ended December 31, 2020** (in € thousands) | **Concessions, patents and licenses** | **Development costs** | **Total** |
|---|---|---|---|
| **Acquisition costs** | | | |
| **Balance at the end of the previous period** | **130,729** | **4,262** | **134,991** |
| Effects of changes in foreign exchange rates | (40) | 0 | (40) |
| Changes in consolidation scope | 19,261 | 0 | 19,261 |
| Acquisitions | 3,505 | 385 | 3,890 |
| Disposals | (1,822) | (152) | (1,974) |
| Transfers between asset items | 643 | (41) | 602 |
| **Balance at the end of the period** | **152,276** | **4,454** | **156,730** |
| **Amortisation and impairment** | | | |
| **Balance at the end of the previous period** | **(40,623)** | **(4,107)** | **(44,730)** |
| Effects of changes in foreign exchange rates | 29 | 0 | 29 |
| Amortisation during the period | (2,236) | (498) | (2,734) |
| Changes in consolidation scope | (7) | 0 | (7) |
| Disposals | 1,631 | 152 | 1,783 |
| Transfers between asset items | 147 | 41 | 188 |
| **Balance at the end of the period** | **(41,059)** | **(4,412)** | **(45,471)** |
| **Net carrying amount** | | | |
| **At 1 January 2020** | **90,106** | **155** | **90,261** |
| **At 31 December 2020** | **111,217** | **42** | **111,259** |

# 12. GOODWILL

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| **Acquisition costs** | | |
| **Balance at the end of the previous period** | **401,731** | **401,731** |
| Changes in consolidation scope | 2,221 | 0 |
| Transfers between asset items (*) | (374,149) | 0 |
| Other changes | (18) | 0 |
| **Balance at the end of the period** | **29,785** | **401,731** |
| **Depreciation** | | |
| Balance at the end of the previous period | **(229,604)** | **(224,604)** |
| Depreciation during the period | (311) | (5,000) |
| Transfers between asset items (*) | 223,893 | 0 |
| Changes in consolidation scope | 0 | 0 |
| **Balance at the end of the period** | **(6,022)** | **(229,604)** |
| **Net carrying amount at December 31** | **23,763** | **172,127** |

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

The effects of changes in consolidation scope relate exclusively to the acquisition of 100% of the shares of Rolling Robotics Sp. z o.o., Rolling Robotics Sp. komandytowa, Power Automation Sp. z o.o. and Power Automation Sp.komandytowa. We refer to note 5 of this report.

In accordance with IAS 36 *Impairment of Assets*, this goodwill was tested for impairment at 31 December 2021.

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) | **2021** | **2020** | **Growth rate (terminal value)** | **Discount rate** | **Sensitivity rate** | | |
| VMA | 11,115 | 11,115 | 0.50% | 8.50% | 5% | 11,115 | - |
| Mobix Remacom | 5,346 | 5,346 | 0.50% | 8.50% | 5% | 5,346 | - |
| Mobix Stevens | 2,682 | 2,682 | 0.50% | 8.50% | 5% | 2,682 | - |
| VMA Rrobotics | 2,202 | 0 | 0.50% | 8.50% | 5% | 2,202 | - |
| VMA Druart | 1,507 | 1,507 | 0.50% | 8.50% | 5% | 3,360 | - |
| BPC | 911 | 911 | 0.50% | 8.50% | 5% | 911 | - |
| **Total** | **23,763** | **21,561** | | | | **25,616** | **0** |

Cash-flows figures used in the impairment tests were taken from the initial budget presented to CFE Contracting's executive committee. A growth rate of 0.5% was used to determine the terminal value.

A sensitivity analysis was carried out by varying cash flow and WACC 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.

# 13. PROPERTY, PLANT AND EQUIPMENT

| Year ended 31 December 2021 (in € thousands) | Land and buildings | Fixtures and equipment | Furniture, fittings and vehicles | Other property, plant and equipment | Under construction | Total |
|---|---|---|---|---|---|---|
| **Acquisition costs** | | | | | | |
| **Balance at the end of the previous period** | **244,206** | **4,163,313** | **109,589** | **0** | **506,270** | **5,023,378** |
| Effects of changes in foreign exchange rates | 1,128 | 5,605 | 42 | 0 | 0 | 6,775 |
| Changes in consolidation scope | 0 | 35 | 121 | 0 | 0 | 156 |
| Acquisitions | 41,375 | 149,807 | 23,018 | 0 | 127,321 | 341,521 |
| Transfers between asset items (*) | (199,140) | (4,071,769) | (56,303) | 0 | (632,167) | (4,959,379) |
| Disposals | (15,737) | (141,780) | (16,221) | 0 | (348) | (174,086) |
| **Balance at the end of the period** | **71,832** | **105,211** | **60,246** | **0** | **1,076** | **238,365** |
| **Amortisation and impairment** | | | | | | |
| **Balance at the end of the previous period** | **(88,153)** | **(2,350,014)** | **(70,159)** | **0** | **0** | **(2,508,326)** |
| Effects of changes in foreign exchange rates | (465) | (4,249) | 41 | 0 | 0 | (4,673) |
| Changes in consolidation scope | 0 | 0 | (92) | 0 | 0 | (92) |
| Amortisation | (19,288) | (307,238) | (19,704) | 0 | 0 | (346,230) |
| Transfers between asset items (*) | 74,826 | 2,454,820 | 32,218 | 0 | 0 | 2,561,864 |
| Disposals | 8,424 | 117,272 | 15,679 | 0 | 0 | 141,375 |
| **Balance at the end of the period** | **(24,656)** | **(89,409)** | **(42,017)** | **0** | **0** | **(156,082)** |
| **Net carrying amount** | | | | | | |
| **At January 1, 2021** | **156,053** | **1,813,299** | **39,430** | **0** | **506,270** | **2,515,052** |
| **At 31 December 2021** | **47,176** | **15,802** | **18,229** | **0** | **1,076** | **82,283** |

(*) Transfers between asset items are mainly related to the separate presentation in the balance sheet of property, plant and equipment held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. Accordingly, the 2021 transfers include DEME's property, plant and equipment classified as assets held for sale as at 31 December 2021 for a net book value of €2,363,428 thousand (2020: €2,431,361 thousand). We refer to note 5 of this report.

As at 31 December 2021, acquisitions of property, plant and equipment amounted to €341,521 thousand including €20,082 thousand for continuing operations and €321,439 thousand for discontinued operations.

Depreciation of property, plant and equipment amounted to €(346,230) thousand (2020: €(321,705) thousand).

| Year ended 31 December 2020 (in € thousands) | Land and buildings | Fixtures and equipment | Furniture, fittings and vehicles | Other property, plant and equipment | Under construction | Total |
|---|---|---|---|---|---|---|
| **Acquisition costs** | | | | | | |
| **Balance at the end of the previous period** | **229,873** | **4,070,355** | **102,912** | **0** | **540,374** | **4,943,514** |
| Effects of changes in foreign exchange rates | (1,445) | (10,172) | (905) | 0 | (5) | (12,527) |
| Changes in consolidation scope | 1,983 | 5,994 | 656 | 0 | 1,071 | 9,704 |
| Acquisitions | 18,912 | 95,627 | 18,045 | 0 | 99,953 | 232,537 |
| Transfers between asset items | 2,862 | 125,054 | 1,398 | 0 | (135,123) | (5,809) |
| Disposals | (7,979) | (123,545) | (12,517) | 0 | 0 | (144,041) |
| **Balance at the end of the period** | **244,206** | **4,163,313** | **109,589** | **0** | **506,270** | **5,023,378** |
| **Amortisation and impairment** | | | | | | |
| **Balance at the end of the previous period** | **(72,676)** | **(2,192,432)** | **(63,242)** | **0** | **0** | **(2,328,350)** |
| Effects of changes in foreign exchange rates | 570 | 7,470 | 704 | 0 | 0 | 8,744 |
| Changes in consolidation scope | (64) | (1,965) | (212) | 0 | 0 | (2,241) |
| Amortisation | (18,992) | (284,754) | (17,959) | 0 | 0 | (321,705) |
| Transfers between asset items | 99 | (209) | 392 | 0 | 0 | 282 |
| Disposals | 2,910 | 121,876 | 10,158 | 0 | 0 | 134,944 |
| **Balance at the end of the period** | **(88,153)** | **(2,350,014)** | **(70,159)** | **0** | **0** | **(2,508,326)** |
| **Net carrying amount** | | | | | | |
| **At January 1, 2020** | **157,197** | **1,877,923** | **39,670** | **0** | **540,374** | **2,615,164** |
| **At 31 December 2020** | **156,053** | **1,813,299** | **39,430** | **0** | **506,270** | **2,515,052** |

The net value of property, plant and equipment recognised as right of use for continuing operations amounted to €35,272 thousand as at 31 December 2021 compared to €37,671 thousand for continuing operations and €75,917 thousand for discontinued operations in 2020. These assets mainly include the group's vehicle fleet , as well as the registered offices of certain subsidiaries of the Contracting segment.

Changes in property, plant and equipment recognised under the right of use are as follows:

| **Year ended 31 December 2021**<br>(in € thousands) | **Land and buildings** | **Fixtures and equipment** | **Furniture, fittings and vehicles** | **Total** |
|---|---|---|---|---|
| **Acquisition costs** | | | | |
| **Balance at the end of the previous period** | **102,430** | **18,975** | **49,289** | **170,694** |
| Effects of changes in foreign exchange rates | 1,121 | 295 | 98 | 1,514 |
| Changes in consolidation scope | 0 | 0 | 0 | 0 |
| Acquisitions | 27,168 | 4,377 | 18,078 | 49,623 |
| Transfers between asset items (**) | (91,314) | (9,279) | (36,936) | (137,529) |
| Disposals | (12,873) | (2,812) | (6,070) | (21,755) |
| **Balance at the end of the period** | **26,532** | **11,556** | **24,459** | **62,547** |
| **Amortisation and impairment** | | | | |
| **Balance at the end of the previous period** | **(26,473)** | **(11,080)** | **(19,553)** | **(57,106)** |
| Effects of changes in foreign exchange rates | (456) | (115) | (48) | (619) |
| Changes in consolidation scope | 0 | 0 | 0 | 0 |
| Amortisation | (13,690) | (4,246) | (14,349) | (32,285) |
| Transfers between asset items (**) | 24,376 | 6,006 | 16,809 | 47,191 |
| Disposals | 7,231 | 2,769 | 5,544 | 15,544 |
| **Balance at the end of the period** | **(9,012)** | **(6,666)** | **(11,597)** | **(27,275)** |
| **Net carrying amount** | | | | |
| **At January 1, 2021** | **75,957** | **7,895** | **29,736** | **113,588** |
| **At 31 December 2021** | **17,520** | **4,890** | **12,862** | **35,272** |

(**) Transfers between asset items are mainly related to the separate presentation in the balance sheet of property, plant and equipment held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. Accordingly, the 2021 transfers include DEME's property, plant and equipment recognized under the right of use classified as assets held for sale as at 31 December 2021.

| **Year ended 31 December 2020**<br>(in € thousands) | **Land and buildings** | **Fixtures and equipment** | **Furniture, fittings and vehicles** | **Total** |
|---|---|---|---|---|
| **Acquisition costs** | | | | |
| **Balance at the end of the previous period** | **96,715** | **111,674** | **39,324** | **247,713** |
| Effects of changes in foreign exchange rates | (1,186) | (684) | (117) | (1,987) |
| Changes in consolidation scope | 1,983 | 0 | 300 | 2,283 |
| Acquisitions | 9,598 | 4,817 | 14,226 | 28,641 |
| Transfers between asset items | (27) | (95,101) | (215) | (95,343) |
| Disposals | (4,653) | (1,731) | (4,229) | (10,613) |
| **Balance at the end of the period** | **102,430** | **18,975** | **49,289** | **170,694** |
| **Amortisation and impairment** | | | | |
| **Balance at the end of the previous period** | **(14,115)** | **(59,902)** | **(10,167)** | **(84,184)** |
| Effects of changes in foreign exchange rates | 350 | 174 | 63 | 587 |
| Changes in consolidation scope | 0 | 0 | 0 | 0 |
| Amortisation | (14,300) | (8,563) | (12,097) | (34,960) |
| Transfers between asset items | 153 | 55,752 | 451 | 56,356 |
| Disposals | 1,439 | 1,459 | 2,197 | 5,095 |
| **Balance at the end of the period** | **(26,473)** | **(11,080)** | **(19,553)** | **(57,106)** |
| **Net carrying amount** | | | | |
| **At January 1, 2020** | **82,600** | **51,772** | **29,157** | **163,529** |
| **At 31 December 2020** | **75,957** | **7,895** | **29,736** | **113,588** |

# 14. 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) | 2021 | 2020 |
|---|---|---|
| **Balance at the end of the previous period** | **204,095** | **167,653** |
| Acquisitions through business combination | 0 | 0 |
| Transfers between asset items (*) | (139,401) | (158) |
| Share of profit (loss) of investments accounted for using equity method | 19,473 | 32,240 |
| Capital increase/(decrease) | 19,077 | 33,412 |
| Dividends | (18,416) | (29,127) |
| Changes in consolidation scope | 2,456 | 17,338 |
| Other changes | 16,134 | (17,263) |
| **Balance at the end of the period** | **103,418** | **204,095** |

(*) Transfers between asset items are mainly related to the separate presentation in the balance sheet of investments accounted for using the equity method held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. As a result, the 2021 transfers include DEME's investments accounted for using the equity method classified as assets held for sale at 31 December 2021 for a net book value of €141,527 thousand (2020: €116,201 thousand) We refer to note 5 of this report.

All the entities over which the CFE group has significant influence are accounted for using the equity method. The CFE group does not have any participations accounted for using the equity method listed on a public market.

The share of the CFE group in the result of investments accounted for using the equity method amounts to €19,473 thousand (against €32,240 thousand in 2020), and is mainly derived from the activities of the Real estate development segment and the participations of DEME and Green Offshore in the operating companies of offshore wind farms such as Rentel, SeaMade and C-Power.

The capital increase in the investments accounted for using the equity method amount to €19,077 thousand , and primarily relate to Rent-A-Port NV and CSBC DEME Wind Engineering Co Ltd (CDWE, Taiwan) at DEME.

Dividends distributed by investments accounted for using the equity method amount to €18,416 thousand, and arise mainly from project companies of the Real estate development segment.

The other variations are mainly due to changes in the market values of hedging instruments (including mainly the exchange rate hedges at Rentel and SeaMade), as well as the variation in exchange rate differences when integrating investments in foreign currencies.

## 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 32, based on their percentage of interests in the CFE group, the segment in which they operate and the geographical area of their head office.

The condensed financial statements by segment presented below are based on the accounts prepared on the basis of the IFRS accounting methods for investments accounted for using the equity method, or, failing this, on the basis of their statutory accounts. Intercompany transactions are not eliminated. The reconciliation between the statutory equity and the contribution to the consolidated accounts is presented after the financial indicators.

| December 2021 (in € thousands) | DEME | | Real estate development and Contracting | | Holding | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 100% | % Share | 100% | % Share | 100% | % Share | 100% | % Share |
| **Income Statement** | | | | | | | | |
| Revenue | 0 | 0 | 110,842 | 41,995 | 54,388 | 26,093 | 165,230 | 68,088 |
| Result for the period - share of the | 0 | 0 | 21,666 | 7,410 | 9,009 | 4,269 | 30,675 | 11,679 |
| **Financial position** | | | | | | | | |
| Non-current assets | 0 | 0 | 116,931 | 51,299 | 237,229 | 89,248 | 354,160 | 140,547 |
| Current assets | 0 | 0 | 432,575 | 185,269 | 174,423 | 82,449 | 606,998 | 267,718 |
| Equity | 0 | 0 | 74,516 | 31,395 | 144,746 | 75,904 | 219,262 | 107,299 |
| Non-current liabilities | 0 | 0 | 131,490 | 59,965 | 149,493 | 49,079 | 280,983 | 109,044 |
| Current liabilities | 0 | 0 | 343,500 | 145,208 | 117,413 | 46,714 | 460,913 | 191,922 |
| **Net Financial Debt** | **0** | **0** | **132,161** | **63,991** | **153,006** | **44,189** | **285,167** | **108,180** |

The non-current and current assets of the real estate development and contracting divisions consist mainly of Gravity SA: €52,839 thousand (100%), Wooden SA: €44,641 thousand (100%), M1 SA: €43,883 thousand (100%), The Roots Office SàRL: €31,624 thousand (100%), Erasmus Gardens SA: €31,441 thousand (100%), BPI-Revive Matejki Sp. z o.o.: €27,993 thousand (100%), Grand Poste SA: €24,239 thousand (100%), Debrouckère Land SA: €23,469 thousand (100%), Bavière Development SA: €19,883 thousand (100%), Goodways SA: €19,681 thousand (100%), MG Immo SPRL: €16,726 thousand (100%), Pré de la Perche Construction SA: €15,853 thousand (100%), Debrouckère Office SA: €15,387 thousand (100%), Key West SA: €13,161 thousand (100%), Arlon 53 SA: €12,924 thousand (100%) and Victor Estate SA: €10,973 thousand (100%).

In the Holding segment, the net financial debt relates to the concession companies PPP Schulen in Eupen: €70,619 thousand (100%) as well as Rent-A-Port NV: €44,029 thousand (100%) and Green Offshore NV: €8,073 thousand (100%).

| December 2020 (in € thousands) | DEME | | Real estate development and Contracting | | Holding | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 100% | % Share | 100% | % Share | 100% | % Share | **100%** | **% Share** |
| **Income Statement** | | | | | | | | |
| Revenue | 0 | 0 | 181,215 | 69,117 | 77,089 | 37,294 | 258,304 | 106,411 |
| Result for the period - share of the | 0 | 0 | 16,572 | 6,600 | 14,116 | 6,588 | 30,688 | 13,188 |
| **Financial position** | | | | | | | | |
| Non-current assets | 3,324,251 | 475,653 | 134,735 | 45,940 | 216,200 | 78,176 | 3,675,186 | 599,769 |
| Current assets | 888,981 | 179,570 | 382,495 | 144,272 | 181,131 | 85,861 | 1,452,607 | 409,703 |
| Equity | 710,951 | 99,985 | 87,995 | 39,469 | 111,291 | 59,343 | 910,237 | 198,797 |
| Non-current liabilities | 3,052,761 | 449,887 | 205,774 | 73,765 | 168,935 | 57,812 | 3,427,470 | 581,464 |
| Current liabilities | 449,520 | 105,351 | 223,461 | 76,978 | 117,105 | 46,882 | 790,086 | 229,211 |
| **Net Financial Debt** | **2,582,286** | **366,927** | **153,776** | **52,919** | **198,573** | **66,250** | **2,934,635** | **486,096** |

In the DEME segment, the non-current assets mainly consist of assets from the C-Power NV companies: € 720,043 thousand (100%), SeaMade: € 1,233,494 thousand (100%) and Rentel: € 885,795 thousand (100%). The contribution of those entities to the condensed net financial debt is € 443,550 thousand (100%), € 1,008,619 thousand (100%), and € 728,742 thousand (100%) respectively. The contribution of those entities to the condensed net income is € 23,150 thousand (100%), € 44,602 thousand (100%), and € 61,017 thousand (100%) respectively.

In the Real estate development and Contracting segments, non-current and current assets mainly consist of assets from the entities M1 SA: € 43,866 thousand (100%), Gravity SA: € 27,027 thousand (100%), Debrouckère Land SA: € 25,740 thousand (100%), Erasmus Gardens SA: € 24,866 thousand (100%), Grand Poste SA: € 24,239 thousand (100%), Wooden SA: € 23,458 thousand (100%), Pré de la Perche Construction SA: € 22,663 thousand (100%), Goodways SA: € 19,136 thousand (100%), Debrouckère Office SA: € 16,249 thousand (100%), Ernest 11 SA: € 12,038 thousand (100%), Key West SA: € 11,029 thousand (100%), Victor Estate SA: € 10,976 thousand (100%), Les 2 Princes Development SA: € 10,464 thousand (100%), Bavière Development SA: € 10,249 thousand (100%), and Arlon 53 SA: € 10,314 thousand (100%).

As concerns the non-transferred activities, the net financial debt relates to the PPP concession projects Schulen in Eupen: € 73,652 thousand (100%), and to the companies Rent-A-Port NV: € 81,600 thousand (100%) and Green Offshore NV: € 13,875 thousand (100%).

The reconciliation between the share of the CFE group in the statutory net assets of these companies and the carrying amount of the investments accounted for using equity method is as follows:

| December 2021 (in € thousands, CFE's % share) | DEME | Real estate development and Contracting | Holding | Total |
|---|---|---|---|---|
| Net assets of partners before reconciliation items | 0 | 31,395 | 75,904 | 107,299 |
| Reconciliation items | 0 | 8,532 | (20,983) | (12,451) |
| Negative investments accounted for using equity method | 0 | 8,570 | 0 | 8,570 |
| **CFE Group's carrying amount of the investment** | **0** | **48,497** | **54,922** | **103,418** |

| December 2020 (in € thousands, CFE's % share) | DEME | Real estate development and Contracting | Holding | Total |
|---|---|---|---|---|
| Net assets of partners before reconciliation items | 99,985 | 39,469 | 59,343 | 198,797 |
| Reconciliation items | 10,283 | 6,554 | (20,810) | (3,973) |
| Negative investments accounted for using equity method | 5,933 | 3,338 | 0 | 9,271 |
| **CFE Group's carrying amount of the investment** | **116,201** | **49,361** | **38,533** | **204,095** |

The reconciliation elements presented at the level of the DEME, Real estate development and Contracting segments, are mainly due to the recognition of the income in accordance with the CFE group accounting policies and the intercompany eliminations.

Investments accounted for using equity method are companies for which the CFE group considers it has an obligation to support the commitments of these companies and their projects.

# 15. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets amount to €79,313 thousand as at 31 December 2021, a decrease compared to December 2020 (€89,196 thousand). As at 31 December 2021, they only include loans granted to investments accounted for using the equity method (2020: €81,811 thousand).

In 2020, the increase in the balance of these non-current financial receivables was mainly explained mainly by the financing activities of the operating companies of the wind farms of the DEME segment and the project companies of the Real Estate segment. In 2021, the decrease in the balance of these financial receivables is mainly due to:

- transfers between assets items (*) that are mainly related to the separate presentation in the balance sheet of other non-current financial assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations.* As a result, these include DEME's other non-financial assets classified as assets held for sale as at 31 December 2021 for a value of €33,450 thousand (2020: €32,813 thousand). We refer to note 5 of this report. Moreover, this decrease is partially offset by:
- the loans granted by BPI Real Estate Poland Sp. z o.o. for the Matejki urban project in Poznan. BPI has recently sold 50% of its shares in the project and is now accounted for using equity method; and
- the granting and repayment of loans to the project companies in the real estate segment and to the wind farm concession companies at DEME.

| **Year ended 31 December**<br>(in € thousands) | **2021** | **2020** |
|---|---|---|
| **Balance at the end of the previous period** | **89,196** | **83,913** |
| Changes in consolidation scope | 14,130 | 10,757 |
| Increases | 19,534 | 16,276 |
| Decreases | (9,572) | (19,825) |
| Transfers between asset items (*) | (33,957) | (1,732) |
| Impairment / reversals of impairment | (14) | 0 |
| Effects of changes in foreign exchange rates | (4) | (193) |
| **Balance at the end of the period** | **79,313** | **89,196** |

# 16. CONSTRUCTION CONTRACTS

Costs incurred added to profits less losses, along with progress billing, are determined on a contract-by-contract basis. The net amount due by or to customers is determined on a contract-by-contract basis as the difference between these two items.

As described in paragraphs (L) and (U) of the section relating to material accounting policies, the costs and revenues of construction contracts are recognised 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 recognised as an expense immediately. We refer to note 22 *Provisions other than those relating to non-current employee benefit obligations.*

| **Year ended 31 December**<br>(in € thousands) | **2021** | **2020** |
|---|---|---|
| **Balance sheet data** | | |
| Advances and payments on account received | (6,080) | (65,034) |
| | | |
| Constructions contracts in progress - assets | 114,660 | 343,236 |
| Constructions contracts in progress - liabilities | (66,210) | (210,503) |
| **Construction contracts in progress - net** | **48,450** | **132,733** |
| **Total income and expenses to date recognized on contracts in progress :** | | |
| Costs incurred plus profit recognized less losses recognized to date | 2,422,140 | 6,637,364 |
| Less invoices issued | (2,373,690) | (6,504,631) |
| **Construction contracts in progress - net** | **48,450** | **132,733** |

As at 31 December 2020, DEME's contribution was €94,949 thousand. At 31 December 2021, the net share of construction contracts in progress for discontinued operations amounts to €145,590 thousand.

The excess of costs incurred, and recognised profits and losses on progress billing include, on the one hand, the unbilled portion of contracts under the item "Trade and other operating receivables" in the consolidated statement of financial position, and surpluses relating to work in progress included in the "other current operating assets" item, on the other.

The excess of progress billing over incurred costs and recognised profits and losses include on the one hand, the unbilled portion of contract costs under "Trade and other operating payables" in the consolidated statement of financial position, and on the other hand, the surplus relating to construction work in progress included in "other current operating liabilities".

Advances are amounts received by the contractor before the related work is performed. We refer to note 18 *Change in trade receivables and payables, and other operating receivables and payables.*

The remaining performance obligations, i.e. the revenue to be generated in the next few years for the projects in progress at 31 December 2021 amount to €1,143 million, of which €398 million should be executed in 2022.

# 17. INVENTORIES

As at 31 December 2021, inventories amounted to €160,381 thousand (2020: €184,565 thousand) and broke down as follows:

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| Raw materials and auxiliary products | 9,600 | 18,071 |
| Impairments on inventories of raw materials and auxiliary products | (29) | (17) |
| Finished products and properties held for sale | 152,102 | 167,337 |
| Impairments on inventories of finished products and properties held for sale | (1,292) | (826) |
| **Inventories** | **160,381** | **184,565** |

The decrease in finished products and buildings held for sale (€(15,235) thousand) is primarily attributable to effects of changes in consolidation scope following the sale of 50% of the shares held by BPI Real Estate Poland Sp z.o.o. in the urban project company Mateiki to Poznan in Poland, compensated by the acquisition by the Real estate development segment of lands for development, mainly in Poland.

At 31 December 2021, inventories attributable to DEME relating to raw and auxiliary materials and included in assets held for sale amounted to €12,168 thousand (2020: €10,456 thousand).

# 18. CHANGE IN TRADE RECEIVABLES AND PAYABLES AND OTHER OPERATING RECEIVABLES AND PAYABLES

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| Trade receivables | 208,496 | 526,696 |
| Less: provision for impairment of receivables | (19,044) | (64,609) |
| Net trade receivables | 189,452 | 462,087 |
| Other operating receivables | 91,804 | 405,674 |
| **Consolidated total** | **281,256** | **867,761** |
| **Other current operating assets** | **85,555** | **57,454** |
| **Other current non-operating assets** | **2,416** | **21,731** |
| Trade and other operating payables | 277,009 | 1,178,012 |
| Other current operating liabilities | 141,723 | 192,424 |
| Other current non-operating liabilities | 78,376 | 244,511 |
| **Consolidated total** | **497,108** | **1,614,947** |
| **Commercial and operating liabilities net of receivables** | **(127,881)** | **(668,001)** |

As at 31 December 2021, the net position of trade and operating receivables and payables attributable to DEME and reclassified as assets held for sale and their associated liabilities amounts to €(486,303) thousand (2020: (€535,584) thousand).

We refer to note 25 for an analysis of the credit and counterparty risk. Trade receivables of entities included in note 16 *Construction contracts* amount to €152,371 thousand.

As at 31 December 2020, DEME's contribution to trade receivables related to entities included in note 16 *Construction contracts* was €270,623 thousand (compared to €332,842 thousand as at December 2021).

# 19. CASH AND CASH EQUIVALENTS

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| Short-term bank deposits | 13,596 | 15,965 |
| Cash in hand and at bank | 129,991 | 743,730 |
| **Cash and cash equivalents** | **143,587** | **759,695** |

Short-term bank deposits consist of money placed with financial institutions with an original maturity of less than three months. These deposits are subject to a floating rate interest, which is usually linked to Euribor or Eonia rates with a floor at 0%.

As at 31 December 2021, cash and cash equivalents attributable to DEME and included in assets held for sale amounted to €528,632 thousand (2020: €621,937 thousand).

# 20. CAPITAL GRANTS

The CFE group did not receive any significant capital grants in 2021.

# 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".

At 31 December 2021, the CFE group's net liability relating to obligations for 'post-employment' benefits for pensions and early-retirement amounted to €11,916 thousand (2020: €76,686 thousand). These amounts are included in the item "Retirement commitments and employee benefits". This item also includes provisions for other employee benefits for €154 thousand (2020: € 2,950 thousand), mainly relating to the DEME group in 2020.

## 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 continuing operations are exclusively in Belgium.

Belgian post-employment benefit plans are "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 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 1 January 2016, and a minimum return of 1.75% on contributions paid after 1 January 2016. 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.

### RISKS 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 risk of insurance companies becoming insolvent can be regarded as negligible.

### 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 market fluctuations. The fair value of the insurance policies corresponds to the capitalised value of contributions paid, taking into account the return contractually agreed with the insurance company (Belgium).
Plan assets do not include the CFE group's own financial instruments or any building used by the CFE group.

## INFORMATION RELATING TO DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| **Provisions taken for defined-benefit and early retirement plan obligations** | **(11,762)** | **(73,362)** |
| Accrued rights, partly or fully funded | (69,997) | (323,083) |
| Fair value of plan assets | 58,235 | 249,721 |
| **Provisions taken for obligations on the balance sheet** | **(11,762)** | **(73,362)** |
| Liabilities | (11,762) | (73,362) |
| Assets | 0 | 0 |

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

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| **At 1 January** | **(73,362)** | **(67,319)** |
| Expenses recognized in income statement | (18,500) | (17,321) |
| Expenses recognized in other elements of the comprehensive income | (276) | (6,239) |
| Contributions to plan assets | 18,069 | 17,379 |
| Effects of changes in consolidation scope | 0 | 0 |
| Other movements | 94 | 138 |
| Transfers to liabilities associated with assets held for sale | 62,213 | 0 |
| **At 31 December** | **(11,762)** | **(73,362)** |

The item “Transfers to liabilities associated with assets held for sale” relates exclusively to commitments provisioned in DEME which are presented in “Liabilities associated with assets held for sale” at end of December 2021.

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

| **Year ended 31 December** (in € thousands) | **2021** | **2020 restated** |
|---|---|---|
| **Expenses recognized in income statement** | **(4,256)** | **(4,219)** |
| Service cost | (4,218) | (4,041) |
| Discounting effects | (281) | (447) |
| Return on plan assets (-) | 238 | 379 |
| Unrecognized past service cost | 5 | (110) |

The expenses recognised in the income statement for DEME’s defined benefit and early retirement plans amount to €14,243 thousand (2020: €13,102 thousand).

## EXPENSES RECOGNISED IN THE OTHER ELEMENTS OF THE COMPREHENSIVE INCOME IN RESPECT OF DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| **Expenses recognized in other elements of the comprehensive income** | **(276)** | **(6,239)** |
| Actuarial gains and losses | 7,550 | (10,440) |
| Return on plan assets (excluding amounts recognized in income statement) | (4,784) | 4,184 |
| Effect of changes in foreign exchange rates | (3,042) | 17 |

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

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| **At 1 January** | **(323,083)** | **(310,971)** |
| Service cost | (18,134) | (16,814) |
| Discounting effects | (1,504) | (2,055) |
| Contributions to plan assets | (794) | (906) |
| Benefits paid to beneficiaries | 19,660 | 15,631 |
| Revaluation of liabilities (assets) | 4,415 | (10,549) |
| *Actuarial gains and losses resulting from changes to demographic assumptions* | *(7,270)* | *0* |
| *Actuarial gains and losses resulting from changes to financial assumptions* | *14,020* | *(5,601)* |
| *Actuarial gains and losses resulting from experience adjustments* | *(2,335)* | *(4,948)* |
| Unrecognized past service cost | 0 | 0 |
| Effects of changes in consolidation scope | 0 | 0 |
| Effects of business disposals | 0 | 0 |
| Effect of exchange rate changes | 0 | 0 |
| Other movements | 249,443 | 2,581 |
| **At 31 December** | **(69,997)** | **(323,083)** |

The item "Other changes" is mainly related to obligations on discontinued operations, equals to €246,857 thousand.

## CHANGES IN DEFINED-BENEFIT AND EARLY RETIREMENT PLAN ASSETS

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| **At 1 January** | **249,721** | **243,652** |
| Return on plan assets (excluding amounts recognized in income statement) | (4,643) | 4,184 |
| Return on plan assets | 1,220 | 1,651 |
| Contributions to plan assets | 18,863 | 18,108 |
| Benefits paid to beneficiaries | (19,660) | (15,631) |
| Effects of changes in consolidation scope | 0 | 0 |
| Effects of business disposals | 0 | 0 |
| Effect of exchange rate changes | 0 | 0 |
| Reclassification of Belgian retirement plans subjected to a minimum return | 0 | 0 |
| Other movements | (187,266) | (2,243) |
| **At 31 December** | **58,235** | **249,721** |

The item "Other changes" is mainly related to plan assets on discontinued operations, equals to €184,686 thousand.

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

| | **2021** | **2020** |
|---|---|---|
| Discount rate at December 31 | 0.89% | 0.46% |
| Expected rate of salary increases | 3.29% | 3.09% |
| Inflation rate | 1.90% | 1.70% |
| Mortality tables | MR/FR | MR/FR |

## OTHER CHARACTERISTICS OF DEFINED-BENEFIT PLANS

| | **2021** | **2020** |
|---|---|---|
| Duration (in years) | 13.50 | 13.29 |
| Average real return on plan assets | -2.40% | 2.39% |
| Contributions expected to be made to the plans in the next financial year | 4,264 | 17,133 |

The characteristics of the defined benefit plans relate exclusively to the pension liabilities on continuing operations.

### SENSITIVITY ANALYSIS (IMPACT ON THE AMOUNT OF OBLIGATIONS)

| | 2021 | 2020 |
|---|---|---|
| **Discount rate** | | |
| 25bp increase | -3.02% | -3.63% |
| 25bp decrease | 3.15% | 3.85% |
| **Salary growth rate** | | |
| 25bp increase | 2.15% | 1.96% |
| 25bp decrease | -2.03% | -1.86% |

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

At 31 December 2021, these provisions amounted to €53,023 thousand, which represents a decrease of €4,379 thousand compared to the end of 2020 (€57,402 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** | **15,387** | **9,272** | **32,743** | **57,402** |
| Effects of changes in foreign exchange rates | (13) | 0 | (44) | (57) |
| Changes in consolidation scope | (253) | 0 | 3 | (250) |
| Transfers between items (*) | 0 | (701) | (5,154) | (5,855) |
| Additions to provisions | 1,409 | 0 | 15,951 | 17,360 |
| Used provisions | (2,060) | 0 | (13,517) | (15,577) |
| Provisions reversed unused | 0 | 0 | 0 | 0 |
| **Balance at the end of the period** | **14,470** | **8,571** | **29,982** | **53,023** |
| of which current: | 14,470 | 0 | 26,274 | 40,744 |
| non-current: | 0 | 8,571 | 3,708 | 12,279 |

(*) Transfers between items are mainly related to the transfer of liabilities associated with DEME's operations to liabilities associated with the assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations.* As a result, as at 31 December 2021, transfers for 2021 include DEME's provisions classified as liabilities associated with assets held for sale valued at €2,827 thousand (2020: €0) We refer to note 5 of this report.

The provision for after-sales service decreased by €917 thousand and amounts to € 14,470 thousand at the year-end 2021. The change in 2021 was mainly the result of additions to and/or reversals of provisions recognized in relation to 10-year warranties.

Provisions for other risks decreased by €2,761 thousand and amount to €29,982 thousand at the end of 2021. This change at the end of 2021 is explained in particular by the transfer of provisions relating to DEME's operations to liabilities associated with assets held for sale.

Provisions for other current risks include:

- provisions for current litigation (€5,406 thousand), as well as provisions for other current liabilities (€9,888 thouand). As regards other current liabilities, we cannot provide more information on the assumptions made, or on the time of the probable cash outflow, given that negotiations with the customers are in still in progress;
- provisions for losses on completion (€10,955 thousand) are recognised when the expected economic benefits of certain contracts are lower than the inevitable costs associated with meeting the obligations under these contracts. The use of provisions for losses on completion is linked to the execution of the associated contracts.

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 recognised, 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 non-current risks include the provisions for risks not directly related to construction site operations in progress.

## 23. CONTINGENT ASSETS AND LIABILITIES FOR CONTINUING OPERATIONS

Based on available information at the date on which the financial statements were approved by the Board of Directors, we are not aware of any 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 dredging and contracting sector and are handled by applying the percentage of completion method when the revenue is recognised.

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.

# 24. NET FINANCIAL DEBT

## BREAKDOWN OF THE NET FINANCIAL DEBT AS DEFINED BY THE GROUP

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| (in € thousands) | Non-current | Current | Total | Non-current | Current | Total |
| Bank loans and other financial debts | 53,172 | 45,682 | 98,854 | 751,194 | 212,264 | 963,458 |
| Bonds | 0 | 29,899 | 29,899 | 29,794 | 0 | 29,794 |
| Drawings on credit facilities | 0 | 60,000 | 60,000 | 81,000 | 0 | 81,000 |
| Lease debts | 24,427 | 9,402 | 33,829 | 86,487 | 27,435 | 113,922 |
| **Total long-term financial debt** | **77,599** | **144,983** | **222,582** | **948,475** | **239,699** | **1,188,174** |
| Short-term financial debts | 0 | 34,000 | 34,000 | 0 | 172,950 | 172,950 |
| Cash equivalents | 0 | (13,596) | (13,596) | 0 | (15,965) | (15,965) |
| Cash | 0 | (129,991) | (129,991) | 0 | (743,730) | (743,730) |
| **Net short-term financial debt/(cash)** | **0** | **(109,587)** | **(109,587)** | **0** | **(586,745)** | **(586,745)** |
| **Total net financial debt** | **77,599** | **35,396** | **112,995** | **948,475** | **(347,046)** | **601,429** |
| **Derivative instruments used as interest-rate hedges** | **0** | **568** | **568** | **10,047** | **4,405** | **14,452** |

The bank loans and other financial debts (€98,854 thousand) mainly relate to medium-term bank loans at the Real Estate division, which are allocated to the financing of certain projects, commercial paper issued by CFE SA and BPI SA and the financing of the new VMA headquarters.

The only bond still outstanding is that of BPI. This bond was issued on 19 December 2017 for an amount of € 30 million. It generates an interest of 3.75% and matures on 19 December 2022.

The lease debts (€33,829 thousand) correspond to contracts that meet the application criteria for IFRS 16 *Leases*.

Short-term financial debts amount to €34,000 thousand at the end of December 2021 and concern the issuance of commercial paper maturing within a year issued by CFE SA and BPI SA.

The strong decrease in financial debt is mainly related to the reclassification of the financial debts and cash of the DEME division, respectively in Liabilities associated with assets held for sale and Assets held for sale. Please see note 5 of this report.

## DEBT MATURITY SCHEDULE

| (in € thousands) | Less than 1 year | Between 1 and 2 years | Between 2 and 3 years | Between 3 and 5 years | Between 5 and 10 years | More than 10 years | Total |
|---|---|---|---|---|---|---|---|
| Bank loans and other financial debts | 45,682 | 21,617 | 697 | 24,021 | 3,452 | 3,385 | 98,854 |
| Bonds | 29,899 | 0 | 0 | 0 | 0 | 0 | 29,899 |
| Drawings on credit facilities | 60,000 | 0 | 0 | 0 | 0 | 0 | 60,000 |
| Lease debts | 9,402 | 5,588 | 4,774 | 6,220 | 6,633 | 1,212 | 33,829 |
| **Total long-term financial debt** | **144,983** | **27,205** | **5,471** | **30,241** | **10,085** | **4,597** | **222,582** |
| Short-term financial debts | 34,000 | 0 | 0 | 0 | 0 | 0 | 34,000 |
| Cash equivalents | (13,596) | 0 | 0 | 0 | 0 | 0 | (13,596) |
| Cash | (129,991) | 0 | 0 | 0 | 0 | 0 | (129,991) |
| **Net short-term financial debt/(cash)** | **(109,587)** | **0** | **0** | **0** | **0** | **0** | **(109,587)** |
| **Total net financial debt** | **35,396** | **27,205** | **5,471** | **30,241** | **10,085** | **4,597** | **112,995** |

## CASH FLOWS RELATING TO FINANCIAL LIABILITIES

| (in € thousands) | | Non-cash movements | | | | |
|---|---|---|---|---|---|---|
| | 2020 | Cash flow | Transfers | Other changes | Total non-cash movements | 2021 |
| **Non-current financial liabilities** | | | | | | |
| Bonds | 29,794 | 0 | (29,899) | 105 | (29,794) | **0** |
| Other non-current financial debts | 918,681 | (192,156) | (577,970) | (70,956) | (648,926) | **77,599** |
| **Current financial liabilities** | | | | | | |
| Bonds | 0 | 0 | 29,899 | 0 | 29,899 | **29,899** |
| Other current financial debts | 412,649 | (34,146) | (343,340) | 113,921 | (229,419) | **149,084** |
| **Total** | **1,361,124** | **(226,302)** | **(921,310)** | **43,070** | **(878,240)** | **256,582** |

At 31 December 2021, the financial liabilities of the CFE group amounted to €256,582 thousand, or a decrease of €1,104,542 thousand relative to 31 December 2020. This mainly relates to:

- the reclassification of liabilities related to discontinued operations to liabilities associated with assets held for sale (€921,310) thousand;
- the cash flow for the year, €(226,302) thousand of which € (226,274) thousand relates to discontinued operations and (€28) thousand to continuing operations; and
- other changes, €43,070 thousand of which €36,617 thousand relates to discontinued operations and €6,453 thousand to continuing operations. This mainly concerns the increase in finance lease debts (€42,051 thousand of which € 35,698 thousand relates to discontinued operations and €6,353 thousand to continuing operations).

## CREDIT FACILITIES AND BANK TERM LOANS

As at 31 December 2021, CFE SA has confirmed long-term bank credit lines of € 234 million, of which € 60 million was drawn as at 31 December 2021. Given the announced demerger of the group, these credit lines will be renegotiated in the first half of 2022. CFE SA also has the facility of issuing commercial paper up to an amount of €50 million. This source of financing was fully used as at 31 December 2021.

As of 31 December 2021, BPI Real Estate Belgium SA holds confirmed long-term bank credit facilities of €50 million which has not been drawn on 31 December 2021. BPI Real Estate Belgium SA also has the facility of issuing €40 million worth of commercial paper. An amount of €27.25 million was drawn from this source of funding as at 31 December 2021.

## FINANCIAL COVENANTS

Bilateral loans 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 cash flow.

Given the group's announced demerger, the financing set up at the level of the CFE SA group will be reviewed during the first half of 2022. The existing covenants relating to the consolidated financial statements of the CFE group as well as those related to the statutory financial statements of CFE SA are fully met on 31 December 2021.

The covenants are also met based on the pro-forma consolidated accounts (showing DEME in continuing operations). We refer to the management report for the key financial indicators of the pro-forma accounts.

We refer to the management report regarding the main financial indicators in the pro-forma accounts.

The covenants applicable to the consolidated IFRS stand-alone accounts of BPI Real Estate Belgium have been fully met at the end of December 2021 and are detailed below:

| Ratio name | Formula | Requirement | December 2021 | Décembre 2020 |
|---|---|---|---|---|
| **BPI Real Estate Belgium SA, consolidated financial statements IFRS – Stand Alone** | | | | |
| Minimum equity | Group equity + Subordinated Debts | >70 M€ | 132.0 | 110.5 |
| Solvency ratio | Net financial debt / (Equity + subordinated debts) | <1.65 | 0.64 | 0.96 |

# 25. FINANCIAL RISK MANAGEMENT

## CAPITAL MANAGEMENT

At year-end 2021, the capital structure of the CFE group is made up of a net debt of €112,995 thousand (note 24) and of a net equity of €1,956,026 thousand, including €1,822,195 thousand relating to discontinued operations and €133,831 thousand relating to continuing activities Moreover, CFE SA also has confirmed bank credit facilities (note 24), whereas CFE SA, BPI SA and DEME have the option of issuing commercial paper. The equity of the CFE group includes share capital, share premium, consolidated reserves and non-controlling interests. The CFE group does not own any of its own shares or convertible bonds. The entire equity is used to finance the operations described in the corporate purposes of the subsidiaries.

## INTEREST RATE RISK

The interest rate risk management is assured within the group at the level of the different segments.

Contracting activities are characterised by a cash surplus. Cash management is mainly centralised through the cash pooling.

On the other hand, CFE SA also uses derivative instruments (IRS) to hedge the interest rate risk relating to drawings on its confirmed credit lines.

| 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 | 53,571 | 57.31% | 1.42% | 45,283 | 47.52% | 1.82% | 98,854 | 52.37% | 1.60% |
| Bonds | 29,899 | 31.99% | 3.75% | 0 | 0.00% | 0.00% | 29,899 | 15.84% | 3.75% |
| Drawings on credit facilities | 10,000 | 10.70% | 1.40% | 50,000 | 52.48% | 0.53% | 60,000 | 31.79% | 0.68% |
| **Total** | **93,470** | **100%** | **2.16%** | **95,283** | **100%** | **1.15%** | **188,753** | **100%** | **1.65%** |

| 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 | 53,571 | 37.34% | 1.42% | 45,283 | 100.00% | 1.82% | 0 | 0.00% | 0.00% | 98,854 | 52.37% | 1.60% |
| Bonds | 29,899 | 20.84% | 3.75% | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% | 29,899 | 15.84% | 3.75% |
| Drawings on credit facilities | 60,000 | 41.82% | 1.40% | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% | 60,000 | 31.79% | 1.40% |
| **Total** | **143,470** | **100%** | **1.89%** | **45,283** | **100%** | **1.82%** | **0** | **0.00%** | **0.00%** | **188,753** | **100%** | **1.88%** |

## SENSITIVITY TO THE INTEREST RATE RISK

The CFE group is subject to the risk of interest rate fluctuation on its income, 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 statement of financial position through the result ;
- 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 statement of comprehensive income, and is recognised in 'other items of the comprehensive income'. In the event that the value of the derivatives has to be restated, the impact is recognised in the income statement.

In the analysis below, it is assumed that the figures for the financial debt and the derivative instruments as at 31 December 2021 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 equity and income, as indicated by the figures below. For the purposes of this analysis, it is assumed that the other parameters remain constant.

| | 31/12/2021 | | | |
|---|---|---|---|---|
| (in € thousands) | Result | | Equity | |
| | **Impact of the sensitivity calculation +50bp** | **Impact of the sensitivity calculation -50bp** | **Impact of the sensitivity calculation +50bp** | **Impact of the sensitivity calculation -50bp** |
| Non-current debts (+ portion due in the year) with variable rates after accounting hedge | 1,113 | (1,113) | | |
| Net short-term financial debt (*) | 170 | (170) | | |
| Derivatives not qualified as hedge | | | | |
| Derivatives qualified as highly potential or certain cash flow | | | 329 | (265) |

(*) 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:

| | 31/12/2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| (in € thousands) | < 1 year | Between 1 and 2 years | Between 2 and 5 years | > 5 years | Notional | Fair value asset | Fair value liability |
| Swap of interest rate receive floating rate and pay fixed rate | | | | | | | |
| Interest rate options (cap, collar) | | | | | | | |
| **Interest rate derivatives - highly probable projected cash flow hedges** | | | | | | | **0** |
| Swap of interest rate receive floating rate and pay fixed rate | 50,000 | 0 | 0 | 0 | 50,000 | 0 | (568) |
| Interest rate options (cap, collar) | | | | | | | |
| **Interest rate derivatives - certain cashflow hedge** | **50,000** | **0** | **0** | **0** | **50,000** | **0** | **(568)** |

| | 31/12/2020 | | | | | | |
|---|---|---|---|---|---|---|---|
| (in € thousands) | <1 an | Entre 1 et 2 ans | Entre 2 et 5 ans | > 5 ans | Notionnel | Juste valeur actif | Juste valeur passif |
| 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 | 194,551 | 181,045 | 367,949 | 115,536 | 859,081 | 0 | (14,452) |
| Interest rate options (cap, collar) | | | | | | | |
| **Interest rate derivatives - certain cashflow hedge** | **194,551** | **181,045** | **367,949** | **115,536** | **859,081** | **0** | **(14,452)** |

## 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 contracting operations in Poland.

### DISTRIBUTION OF THE LONG TERM FINANCIAL DEBTS BY CURRENCY

The outstanding debts (without considering lease debts which are mainly in euros) by currency are:

| (in € thousands) | 2021 | 2020 |
|---|---|---|
| Euro | 188,753 | 1,074,252 |
| U.S. dollar | 0 | 0 |
| Other currencies | 0 | 0 |
| **Total long-term debts** | **188,753** | **1,074,252** |

As at 31 December 2020, the outstanding debts (excluding lease debts) related to discontinued operations and continuing operations amounted to €887,702 thousand and €186,550 thousand respectively.

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

| **31/12/2021** | PLN - Zloty | |
|---|---|---|
| (in € thousands) | Notional | Fair value |
| Forward purchases | 0 | 0 |
| Forward sales | 67,667 | (874) |

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.

The following analysis is performed supposing that the amount of financial assets/liabilities and derivatives as at 31 December 2021 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 amounts disclosed here below. For the purposes of this analysis, it is assumed that the other parameters remain constant.

| | 31/12/2021 | |
|---|---|---|
| (in € thousands) | Result | |
| | 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 | 5,306 | (4,800) |
| Net short term financial debt | (1,461) | 1,321 |
| Working capital | 96 | (87) |

## RISK RELATED TO RAW MATERIALS

Raw materials and consumables incorporated into the works constitute an essential element of the cost price.

Although some contracts include price revision clauses or revision formulas, the risk of price fluctuation of raw materials remains significant.

## CREDIT AND COUNTERPARTY RISK

The CFE group is exposed to credit risk in the event of insolvency of its clients. It is exposed to the counterparty risk in the context of cash deposits, subscription of negotiable debt securities, financial receivables and derivative products.

In addition, the CFE group set up procedures in order to avoid and limit the concentration of credit risk.

### FINANCIAL INSTRUMENTS

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

### CUSTOMERS

With regard to the risk on trade receivables, the group has set up procedures to limit this risk. It should be noted that a significant part of the consolidated revenue is realized with public or semi-public customers. In addition, the CFE group considers that the concentration of the counterparty risk for customers is limited due to the large number of customers.

In order to reduce the current risk, the CFE group regularly monitors its outstanding trade receivables and adapts its position towards them.

The analysis of late payments at year-end 2021 and 2020 is as follows:

| **Situation as of December 31, 2021** (in € thousands) | **Closing** | **Not past due** | **< 3 months** | **< 1 year** | **> 1 year** |
|---|---|---|---|---|---|
| Trade and other receivables | 303,803 | 226,565 | 28,072 | 20,089 | 29,077 |
| **Gross total** | **303,803** | **226,565** | **28,072** | **20,089** | **29,077** |
| Provision for impairment of trade and other receivables | (22,547) | (117) | 0 | (4,800) | (17,630) |
| **Total provisions** | **(22,547)** | **(117)** | **0** | **(4,800)** | **(17,630)** |
| **Total net amounts** | **281,256** | **226,448** | **28,072** | **15,289** | **11,447** |

| **Situation as of December 31, 2020** (in € thousands) | **Closing** | **Not past due** | **< 3 months** | **< 1 year** | **> 1 year** |
|---|---|---|---|---|---|
| Trade and other receivables | 934,586 | 715,672 | 56,177 | 30,445 | 132,698 |
| **Gross total** | **934,586** | **715,672** | **56,177** | **30,445** | **132,698** |
| Provision for impairment of trade and other receivables | (66,825) | 0 | 0 | 0 | (66,825) |
| **Total provisions** | **(66,825)** | **0** | **0** | **0** | **(66,825)** |
| **Total net amounts** | **867,761** | **715,672** | **56,177** | **30,445** | **65,873** |

The following table discloses the evolution of the provisions for impairment of trade and other receivables:

| (in € thousands) | 2021 | 2020 |
|---|---|---|
| **Cumulated provisions - opening balance** | **(66,825)** | **(70,813)** |
| Change in consolidation scope | 39,360 | 0 |
| Impairment losses (reversal/recognized) during the period | (8,517) | 4,153 |
| Translation differences and transfers between asset items | 13,435 | (165) |
| **Cumulated provisions - closing balance** | **(22,547)** | **(66,825)** |

Impairment losses reversed and recognised during the year amounted to €(8,517) thousand (2020: €4,153 thousand) of which (€5,332) thousand relate to continuing operations (2020: €301 thousand) and (€3,185) thousand relate to discontinuing operations (2020: €3,852 thousand).

The item 'Translation differences and transfers between asset items' mainly concern the reclassification of DEME's receivables to the item Assets held for sale (€18,423 thousand).

The item 'Changes in the consolidation scope' relates exclusively to the derecognition of the CFE Tchad write-downs (and associated receivables) following the sale of all the shares.

## LIQUIDITY RISK

CFE SA and BPI SA have bilateral credit lines that allow them to significantly reduce the liquidity risk. In the context of the partial demerger of the CFE group, the credit lines of CFE SA will be renegotiated during the first half of 2022.

## CARRYING AMOUNTS AND FAIR VALUE BY ACCOUNTING POLICY

| **December 31, 2021**<br>(in € thousands) | **FAMMFVV / FLFVPL (3) - Derivatives not designated as hedging instruments** | **FAMMFVV / FLFVPL (3) - Derivatives designated as hedging instruments** | **Assets/ liabilities measured at amortised cost** | **Total of net carrying amount** | **Fair value measurement by level** | **Fair value of the class** |
|---|---|---|---|---|---|---|
| **Non-current financial assets** | **0** | **0** | **79,313** | **79,313** | | **79,313** |
| Investments (1) | 0 | 0 | 0 | 0 | Level 2 | **0** |
| Financial loans and receivables (1) | 0 | 0 | 79,313 | 79,313 | Level 2 | **79,313** |
| Derivatives | 0 | 0 | 0 | 0 | Level 2 | **0** |
| **Current financial assets** | **0** | **874** | **424,843** | **425,717** | | **425,717** |
| Trade and other receivables | 0 | 0 | 281,256 | 281,256 | Level 2 | **281,256** |
| Derivatives | 0 | 874 | 0 | 874 | Level 2 | **874** |
| Cash Equivalents (2) | 0 | 0 | 13,596 | 13,596 | Level 1 | **13,596** |
| Cash at bank and in hand(2) | 0 | 0 | 129,991 | 129,991 | Level 1 | **129,991** |
| **Total assets** | **0** | **874** | **504,156** | **505,030** | | **505,030** |
| | | | | | | |
| **Non-current financial liabilities** | **0** | **0** | **77,599** | **77,599** | | **77,599** |
| Bond | 0 | 0 | 0 | 0 | Level 1 | **0** |
| Financial debts | 0 | 0 | 77,599 | 77,599 | Level 2 | **77,599** |
| Derivatives | 0 | 0 | 0 | 0 | Level 2 | **0** |
| **Current financial liabilities** | **0** | **1,442** | **455,992** | **457,434** | | **457,434** |
| Trade payables and other operating debts | 0 | 0 | 277,009 | 277,009 | Level 2 | **277,009** |
| Bond | 0 | 0 | 29,899 | 29,899 | Level 1 | **29,899** |
| Financial debts | 0 | 0 | 149,084 | 149,084 | Level 2 | **149,084** |
| Derivatives | 0 | 1,442 | 0 | 1,442 | Level 2 | **1,442** |
| **Total liabilities** | **0** | **1,442** | **533,591** | **535,033** | | **535,033** |

| December 31, 2020 (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** | **909** | **524** | **89,196** | **90,629** | | **90,629** |
| Investments (1) | 0 | 0 | 7,385 | **7,385** | Level 2 | **7,385** |
| Financial loans and receivables (1) | 0 | 0 | 81,811 | **81,811** | Level 2 | **81,811** |
| Derivatives | 909 | 524 | 0 | **1,433** | Level 2 | **1,433** |
| **Current financial assets** | **5,394** | **2,437** | **1,627,456** | **1,635,287** | | **1,635,287** |
| Trade and other receivables | 0 | 0 | 867,761 | **867,761** | Level 2 | **867,761** |
| Derivatives | 5,394 | 2,437 | 0 | **7,831** | Level 2 | **7,831** |
| Cash Equivalents (2) | 0 | 0 | 15,965 | **15,965** | Level 1 | **15,965** |
| Cash at bank and in hand(2) | 0 | 0 | 743,730 | **743,730** | Level 1 | **743,730** |
| **Total assets** | **6,303** | **2,961** | **1,716,652** | **1,725,916** | | **1,725,916** |
| | | | | | | |
| **Non-current financial liabilities** | **48** | **10,047** | **948,475** | **958,570** | | **963,683** |
| Bond | 0 | 0 | 29,794 | **29,794** | Level 1 | **29,794** |
| Financial debts | 0 | 0 | 918,681 | **918,681** | Level 2 | **923,794** |
| Derivatives | 48 | 10,047 | 0 | **10,095** | Level 2 | **10,095** |
| **Current financial liabilities** | **568** | **7,182** | **1,590,661** | **1,598,411** | | **1,600,084** |
| Trade payables and other operating debts | 0 | 0 | 1,178,012 | **1,178,012** | Level 2 | **1,178,012** |
| Bond | 0 | 0 | 0 | **0** | Level 1 | **0** |
| Financial debts | 0 | 0 | 412,649 | **412,649** | Level 2 | **414,322** |
| Derivatives | 568 | 7,182 | 0 | **7,750** | Level 2 | **7,750** |
| **Total liabilities** | **616** | **17,229** | **2,539,136** | **2,556,981** | | **2,563,767** |

(1) Included in items "Other non-current financial assets" and "Other non-current assets"
(2) Included in item "Cash and cash equivalents"
(3) FAMMFV : Financial assets mandatorily measured at fair value through profit and loss
FLFVPL : Financial liabilities measured at fair value through profit and loss

The fair value of financial instruments can be classified according to three levels (1 to 3) based on the degree to which the inputs to the fair value measurements are observable :

- Fair value measurements of level 1 are based on quoted prices (unadjusted) in active markets for identical assets or liabilities ;
- Fair value measurements of level 2 are based on inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (through prices) or indirectly (through input derived from prices) ;
- Fair value measurements of level 3 are based on valuation techniques comprising inputs which are unobservable for the asset or liability.

The fair value of financial instruments has been determined using the following methods :

- For short-term financial instruments, such as trade receivables and payables, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost ;
- For floating rate liabilities, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost ;
- For derivative financial instruments (foreign currency, interest rate or forecasted cash flows), the fair value is determined using valuation models discounting future cash flows based on future interest rate curves, foreign currency curves or other forward prices ;
- For the other derivative instruments, the fair value is determined by discounting future estimated cash flows;
- For the quoted bonds issued by BPI, the fair value is based on the quoted price at reporting date ;
- For fixed rate liabilities, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost due to the fact that fixed and variables rates are not significantly different.

# 26. OTHER COMMITMENTS GIVEN

Total commitments given by the CFE group as at 31 December 2021, other than real security interests, totalled €246,810 thousand (2020: €1,566,108 thousand). These commitments break down as follows:

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| Performance guarantees and performance bonds (a) | 239,681 | 1,388,480 |
| Bid bons (b) | 559 | 18,144 |
| Repayment of advance payments (c) | 0 | 0 |
| Retentions (d) | 1,700 | 19,724 |
| Deferred payments to subcontractors and suppliers (e) | 0 | 37,561 |
| Other commitments given | 4,870 | 102,199 |
| **Total** | **246,810** | **1,566,108** |

As at 31 December 2020, DEME's contribution was €1,329,399 thousand. As at 31 December 2021, the commitments given for discontinued operations were €1,378,146 thousand.

(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) Guarantees issued by a bank to a customer guaranteeing the repayment of advances on contracts.
(d) Security provided by a bank to a client to replace the use of retention money.
(e) Guarantee covering the settlement of a liability to a supplier or subcontractor.

# 27. OTHER COMMITMENTS RECEIVED

Total commitments received by the CFE group for the financial year ending at 31 December 2021 amounted to €73,547 thousand (2020 : €440,094 thousand), and break down as follows:

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| Performance guarantees and performance bonds | 69,870 | 435,733 |
| Other commitments received | 3,677 | 4,361 |
| **Total** | **73,547** | **440,094** |

As at 31 December 2020, DEME's contribution was €399,936 thousand. As at 31 December 2021, the commitments given for discontinued operations were €241,035 thousand.

# 28. LITIGATION

CFE group is exposed to a number of claims that may be regarded as normal in the dredging and construction industries. In most cases, the CFE group seeks to conclude a transaction agreement with the counterparty, which substantially reduces the number of lawsuits.

The CFE group tries to recover outstanding receivables from its customers. However, it is not possible to estimate these potential assets.

# 29. RELATED PARTIES

Ackermans & van Haaren (AvH) owns 15,720,684 CFE shares as at 31 December 2021 and is the main shareholder of the CFE group with a stake of 62.10%.

Piet Dejonghe, Managing Director, in addition to his role as Director (€32 thousand) received a remuneration amounting to a total of €345 thousand for his director's mandates in several subsidiaries of the group CFE. This remuneration has in its entirety been reassigned to Ackermans & van Haaren by virtue of a binding agreement. CFE did not award any performance bonuses in shares, options or other rights to acquire shares in the company to Piet Dejonghe, Managing Director, in 2021.

John-Eric Bertrand received, in addition to his mandate as director (€32 thousand), and in addition to his mandate as Chairman of the Audit Committee (€8 thousand), an amount of €115 thousand for carrying out activities within several companies of the CFE group, more specifically within VMA Druart, VMA and VMA Nizet. These remunerations have in their entirety been reassigned to Ackermans & van Haaren by virtue of a binding agreement. Likewise, Koen Janssen received, in addition to his mandate as director (€32 thousand), an amount of €15 thousand for carrying out activities within several subsidiaries of the CFE Group, within the Terryn group. These remunerations have in their entirety been reassigned to Ackermans & van Haaren by virtue of a binding agreement.

Euro-Invest Management, represented by Martine Van den Poel, received, in addition to her mandate as Director until 6 May 2021 (€12,900), an amount of €19,100 for her services prior to her mandate as Director.

The management of the different subsidiaries of the CFE Group is structured as follows:

- The activities of DEME (DEME) are managed by an Executive Committee, composed of a CEO, Luc Vandenbulcke, and four other members, i.e., Philip Hermans, Eric Tancré, Els Verbraecken and Hugo Bouvy.
- The Contracting segment (CFE Contracting) is managed by an Executive Committee, composed of a CEO, Trorema SRL represented by Raymund Trost, and five other members: AHO Consulting SRL, represented by Alexander Hodac, MSQ SRL, represented by Fabien De Jonge, 8822 SRL represented by Yves Weyts, Almacon SRL represented by Manu Coppens, and Focus2LER SRL represented by Valérie Van Brabant.
- The activities of Real estate development (BPI) are headed by a Managing Director, Artist Valley SA, represented by Jacques Lefèvre.

Loans were granted to certain members of the Executive Committee of CFE Contracting SA in the context of stock option plans granted to these members.

Within the framework of the existing stock option plan for the members of the executive committee of CFE Contracting, the group has issued stock options on CFE Contracting shares in recent years. In August 2021, part of the stock options were exercised and were partially financed by a loan from the group. The shares held by these minority shareholders are not controlling and are therefore not treated as equity in the consolidated financial statements because they do not grant any controlling interest under IFRS 10 Consolidated Financial Statements.

With the exception of stock option plans, there are no transactions with the companies Trorema SRL, AHO Consulting SRL, 8822 SRL, Artist Valley SA, MSQ SRL, Almacon SRL en Focus2LER SRL without prejudice to the invoicing of these companies under their service provision contract.

The CEOs, members of the Executive Committees and Managing Directors of the aforementioned entities are referred to as 'executive managers' of the entities of the CFE Group. The amount of the remuneration and other benefits granted directly or indirectly to the executive managers of the entities of the CFE group was as follows (overall amounts in thousands euro):

| **Year ended 31 December** (in € thousands) | **2021** | **2020** |
|---|---|---|
| Fixed remuneration | 3,965 | 4,184 |
| Short-term variable remuneration | 4,973 | 5,382 |
| Other benefits | 458 | 433 |
| **Total** | **9,396** | **9,999** |

DEME and CFE SA entered into a service contract with Ackermans van Haaren. The remuneration due by DEME and CFE SA under this contract amounted to €1,235 thousand and €674 thousand in 2021.

As of 31 December 2021, the CFE group has joint control over Rent-A-Port NV, Green Offshore NV and their subsidiaries.

The transactions with associated parties mainly related to operations with the companies in which CFE has a significant influence or a joint control. These transactions are concluded at arm's length.

In 2021, there were no significant changes in the nature of transactions with associated parties compared to 31 December 2020.

Commercial and financing transactions between the group and associates and joint ventures for continuing operations integrated under the equity method are as follows:

| Year ended 31 December (in € thousands) | 2021 | 2020 |
|---|---|---|
| **Assets with related parties** | **104,729** | **78,528** |
| Non-current financial assets | 84,120 | 61,154 |
| Trade and other operating receivables | 15,154 | 9,454 |
| Other current assets | 5,455 | 7,920 |
| **Liabilities with related parties** | **14,785** | **9,053** |
| Other non-current liabilities | 15,061 | 9,269 |
| Trade and other operation payables | (276) | (216) |

| Year ended 31 December (in € thousands) | 2021 | 2020 |
|---|---|---|
| **Expenses and income with related parties** | **50,736** | **51,142** |
| Revenue and other operating income | 48,090 | 48,907 |
| Purchases and other operating expenses | (49) | (126) |
| Financial expenses and income | 2,695 | 2,361 |

Commercial and financing transactions between the group and associates or joint ventures for discontinued operations integrated under the equity method are as follows:

| Year ended 31 December (in € thousands) | 2021 | 2020 |
|---|---|---|
| **Assets with related parties** | **39,557** | **55,310** |
| Non-current financial assets | 25,668 | 25,422 |
| Trade and other operating receivables | 13,889 | 29,888 |
| Other current assets | 0 | 0 |
| **Liabilities with related parties** | **20,996** | **29,531** |
| Other non-current liabilities | 0 | 0 |
| Trade and other operation payables | 20,996 | 29,531 |

| Year ended 31 December (in € thousands) | 2021 | 2020 |
|---|---|---|
| **Expenses and income with related parties** | **179,022** | **269,527** |
| Revenue and other operating income | 194,362 | 288,395 |
| Purchases and other operating expenses | (17,456) | (21,915) |
| Financial expenses and income | 2,116 | 3,047 |

# 30. AUDIT FEES

The remuneration paid to statutory auditors in respect of the whole group in 2021, including CFE SA, amounted to:

| (in € thousands) | Ernst & Young | | Others | |
|---|---|---|---|---|
| | **Amount** | **%** | **Amount** | **%** |
| **Audit** | | | | |
| Statutory audit, certification and examination of individual company and consolidated accounts | 989.3 | 64.30% | 1,750.8 | 21.87% |
| Related work and other audits | 124.2 | 8.07% | 205.7 | 2.57% |
| ***Subtotal, audit*** | ***1,113.5*** | ***72.38%*** | ***1,956.5*** | ***24.44%*** |
| **Other services** | | | | |
| Legal, tax, employment | 362.0 | 23.53% | 1,225.4 | 15.31% |
| Others | 63.0 | 4.09% | 4,824.4 | 60.26% |
| ***Subtotal, other services*** | ***425.0*** | ***27.62%*** | ***6,049.8*** | ***75.56%*** |
| **Total statutory auditors' fees** | **1,538.5** | **100%** | **8,006.3** | **100%** |
| *- Attributable to continuing operations* | 751.5 | 48.8% | 674.0 | 8.4% |
| *- Attributable to discontinued operations - DEME* | 787.0 | 51.2% | 7,332.3 | 91.6% |

# 31. MATERIAL POST-BALANCE SHEET EVENTS FROM CONTINUING OPERATIONS

Ukrainian crisis has no direct impact on CFE's continued operation as CFE has no presence in these two countries. However, this conflict has major indirect consequences: the sharp rise in most equipment prices and disruption to supply chains will affect CFE's continued operation in 2022. However, as the duration and extent of the crisis are not known, it is not possible to quantify the impact at this stage.

# 32. COMPANIES OWNED BY THE GROUP

## CONTINUING OPERATIONS – LIST OF THE MAIN FULLY CONSOLIDATED SUBSIDIARIES

| NAME | HEAD OFFICE | SEGMENT | GROUP INTEREST (%) |
|---|---|---|---|
| **EUROPE** | | | |
| **Belgium** | | | |
| ARTHUR VANDENDORPE NV | Zedelgem | Contracting | 93.12% (*) |
| BATIMENTS ET PONTS CONSTRUCTION SA | Brussels | Contracting | 93.12% (*) |
| BENELMAT SA | Gembloux | Contracting | 93.12% (*) |
| BPC WALLONIE SA | Grâce-Hollogne | Contracting | 93.12% (*) |
| BRANTEGEM NV | Aalst | Contracting | 93.12% (*) |
| CFE CONTRACTING SA | Brussels | Contracting | 93.12% (*) |
| DESIGN & ENGINEERING SA | Brussels | Contracting | 93.12% (*) |
| GROEP TERRYN NV | Moorslede | Contracting | 93.12% (*) |
| HOFKOUTER NV | Zwijndrecht | Contracting | 93.12% (*) |
| MBG NV | Wilrijk | Contracting | 93.12% (*) |
| MOBIX ENGEMA SA | Brussels | Contracting | 93.12% (*) |
| MOBIX ENGETEC SA | Manage | Contracting | 93.12% (*) |
| MOBIX REMACOM NV | Lochristi | Contracting | 93.12% (*) |
| MOBIX STEVENS NV | Halen | Contracting | 93.12% (*) |
| VANLAERE NV | Zwijndrecht | Contracting | 93.12% (*) |
| VMA NV | Sint-Martens-Latem | Contracting | 93.12% (*) |
| VMA DRUART SA | Jumet | Contracting | 93.12% (*) |
| VMA BE.MAINTENANCE SA | Brussels | Contracting | 93.12% (*) |
| VMA FOOD & PHARMA NV | Sint-Martens-Latem | Contracting | 93.12% (*) |
| VMA NIZET SA | Louvain-la-Neuve | Contracting | 93.12% (*) |
| VMA WEST NV | Waregem | Contracting | 93.12% (*) |
| WEFIMA NV | Zwijndrecht | Contracting | 93.12% (*) |
| HDP CHARLEROI SA | Brussels | Holding | 100% |
| BPI PURE SA | Brussels | Real Estate | 100% |
| BPI REAL ESTATE BELGIUM SA | Brussels | Real Estate | 100% |
| BPI SAMAYA SA | Brussels | Real Estate | 100% |
| BPI SERENITY VALLEY SA | Brussels | Real Estate | 100% |
| BPI PARK WEST SA | Brussels | Real Estate | 100% |
| DEVELOPPEMENT D'HABITATIONS BRUXELLOISES SA | Brussels | Real Estate | 100% |
| PROJECTONTWIKKELING VAN WELLEN NV | Brussels | Real Estate | 100% |
| WOLIMMO SA | Brussels | Real Estate | 100% |
| ZEN FACTORY SA | Brussels | Real Estate | 100% |
| WOOD SHAPERS SA | Brussels | Contracting/ Real Estate | 96.56% (*) |
| **Grand Duchy of Luxembourg** | | | |
| COMPAGNIE LUXEMBOURGEOISE D'ENTREPRISES CLE SA | Strassen | Contracting | 93.12% (*) |
| SOCIETE FINANCIERE D'ENTREPRISES SFE SA | Strassen | Holding | 100% |
| BPI REAL ESTATE LUXEMBOURG S.à R.L. | Strassen | Real Estate | 100% |
| CENTRAL PARC S.à R.L. | Luxembourg | Real Estate | 100% |
| HERRENBERG SA | Grevenmacher | Real Estate | 100% |
| MIMOSAS REAL ESTATE S.à R.L. | Strassen | Real Estate | 100% |
| POURPELT SA | Strassen | Real Estate | 100% |
| PRINCE HENRI S.à R.L. | Strassen | Real Estate | 100% |
| IMMO-BECHEL CLE S.à R.L. | Strassen | Contracting/ Real Estate | 96.56% (*) |
| WOOD SHAPERS LUXEMBOURG SA | Strassen | Contracting/ Real Estate | 96.56% (*) |
| **Poland** | | | |
| CFE POLSKA SP. Z O.O. | Warsaw | Contracting | 93.12% (*) |
| POWER AUTOMATION SP. Z O.O. | Ruda Śląska | Contracting | 93.12% (*) |
| POWER AUTOMATION SP. KOMANDYTOWA | Ruda Śląska | Contracting | 93.12% (*) |
| ROLLING ROBOTICS SP. Z O.O. | Sosnowiec | Contracting | 93.12% (*) |
| ROLLING ROBOTICS SP. KOMANDYTOWA | Sosnowiec | Contracting | 93.12% (*) |
| VMA POLSKA SP. Z O.O. | Warsaw | Contracting | 93.12% (*) |
| VMA R. ROBOTICS SP. Z O.O. | Sosnowiec | Contracting | 93.12% (*) |
| BPI BERNADOWO SP. Z O.O. | Warsaw | Real Estate | 100% |

| | | | |
|---|---|---|---|
| BPI PROJECT II SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI OBRZEZNA SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI WAGROWSKA SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI JARACZA SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI CHMIELNA SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI PROJECT VIII SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI PROJECT IX SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI VILDA PARK SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI BARSKA SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI CZYSTA SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI REAL ESTATE POLAND SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI SADOWA SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI WOLARE SP. Z O.O. | Warsaw | Real Estate | 100% |
| BPI WROCLAW SP. Z O.O. | Warsaw | Real Estate | 100% |
| **Other European countries** | | | |
| CFE BAU GMBH | Berlin, Germany | Contracting | 93.12% (*) |
| VMA MIDLANDS LTD | Yorkshire, UK | Contracting | 93.12% (*) |
| VMA SLOVAKIA SRO | Trencin, Slovakia | Contracting | 93.12% (*) |
| CFE CONTRACTING AND ENGINEERING SRL | Bucharest, Romania | Holding | 100% |
| CFE HUNGARY EPITOIPARI KFT | Budapest, Hungary | Holding | 100% |
| CONTRACTORS OVERSEAS LTD | Nicosia, Cyprus | Holding | 100% |
| **AFRICA** | | | |
| **Tunisia** | | | |
| COMPAGNIE TUNISIENNE D'ENTREPRISES SA | Tunis | Contracting | 93.12% (*) |
| CONSTRUCTION MANAGEMENT TUNISIE SA | Tunis | Holding | 99.96% (*) |
| **AMERICA** | | | |
| **United States** | | | |
| VMA US INC | South Carolina | Contracting | 93.12% (*) |

(*) The shares held by the minority shareholders (6.88%) are not treated as equity in the consolidated financial statements because they do not result in a controlling interest under IFRS 10 Consolidated Financial Statements.

## CONTINUING OPERATIONS – LIST OF THE MAIN ENTITIES ACCOUNTED FOR USING EQUITY METHOD

| NAME | HEAD OFFICE | SEGMENT | GROUP INTEREST (%) |
|---|---|---|---|
| **EUROPE** | | | |
| **Belgium** | | | |
| LUWA SA | Wierde | Contracting | 11.17% |
| LUWA MAINTENANCE SA | Wierde | Contracting | 23.28% |
| BPG CONGRES SA | Brussels | Holding | 49% |
| BPG HOTEL SA | Brussels | Holding | 49% |
| PPP BETRIEB SCHULEN EUPEN SA | Eupen | Holding | 25% |
| PPP SCHULEN EUPEN SA | Eupen | Holding | 19% |
| GREEN OFFSHORE NV | Antwerp | Holding | 50% |
| RENT-A-PORT NV and its subsidiaries | Antwerp | Holding | 50% |
| ARLON 53 SA | Luxembourg | Real Estate | 50% |
| BARBARAHOF NV | Leuven | Real Estate | 40% |
| BAVIERE DEVELOPPEMENT SA | Liège | Real Estate | 30% |
| BATAVES 1521 SA | Brussels | Real Estate | 50% |
| DEBROUCKERE DEVELOPMENT SA | Brussels | Real Estate | 50% |
| DEBROUCKERE LAND SA | Brussels | Real Estate | 50% |
| DEBROUCKERE LEISURE SA | Brussels | Real Estate | 50% |
| DEBROUCKERE OFFICE SA | Brussels | Real Estate | 50% |
| ERASMUS GARDENS SA | Brussels | Real Estate | 50% |
| ERNEST 11 SA | Brussels | Real Estate | 50% |
| ESPACE ROLIN SA | Brussels | Real Estate | 33.33% |
| EUROPEA HOUSING SA | Brussels | Real Estate | 33% |
| FONCIERE DE BAVIERE SA | Liège | Real Estate | 30% |
| FONCIERE DE BAVIERE A SA | Liège | Real Estate | 30% |
| FONCIERE DE BAVIERE C SA | Liège | Real Estate | 30% |
| GOODWAYS SA | Antwerp | Real Estate | 50% |
| GRAND POSTE SA | Liège | Real Estate | 24.97% |
| IMMOANGE SA | Brussels | Real Estate | 50% |
| IMMO PA 33 1 SA | Brussels | Real Estate | 50% |
| IMMO PA 44 1 SA | Brussels | Real Estate | 50% |
| IMMO PA 44 2 SA | Brussels | Real Estate | 50% |
| JOMA 2060 NV | Brussels | Real Estate | 70% |
| KEYWEST DEVELOPMENT SA | Brussels | Real Estate | 50% |
| LA RESERVE PROMOTION NV | Kapellen | Real Estate | 33% |
| LES JARDINS DE OISQUERCQ SPRL | Brussels | Real Estate | 50% |

| | | | |
|---|---|---|---|
| LES 2 PRINCES DEVELOPMENT SA | Brussels | Real Estate | 50% |
| LIFE SHAPERS NV | Brussels | Real Estate | 70% |
| LRP DEVELOPMENT BVBA | Ghent | Real Estate | 33% |
| MG IMMO SPRL | Brussels | Real Estate | 50% |
| PRE DE LA PERCHE CONSTRUCTION SA | Brussels | Real Estate | 50% |
| PROMOTION LEOPOLD SA | Brussels | Real Estate | 30.44% |
| SAMAYA DEVELOPMENT SA | Brussels | Real Estate | 50% |
| TERVUREN SQUARE SA | Brussels | Real Estate | 37.5% |
| TULIP ANTWERP NV | Brussels | Real Estate | 70% |
| VICTOR BARA SA | Brussels | Real Estate | 50% |
| VICTOR SPAAK SA | Brussels | Real Estate | 50% |
| VICTOR ESTATE SA | Brussels | Real Estate | 50% |
| VICTOR PROPERTIES SA | Brussels | Real Estate | 50% |
| VAN MAERLANT RESIDENTIAL SA | Brussels | Real Estate | 40% |
| WOOD GARDENS SA | Brussels | Contracting/ Real Estate | 46.56% |
| **Grand Duchy of Luxembourg** | | | |
| BAYSIDE FINANCE SRL | Luxembourg | Real Estate | 40% |
| BEDFORD FINANCE SRL | Luxembourg | Real Estate | 40% |
| CHATEAU DE BEGGEN SA | Strassen | Real Estate | 50% |
| GRAVITY SA | Luxembourg | Real Estate | 50% |
| IMMO MARIAL S.à R.L. | Strassen | Real Estate | 50% |
| M1 SA | Strassen | Real Estate | 33.33% |
| M7 SA | Strassen | Real Estate | 33.33% |
| THE ROOTS REAL ESTATE S.à R.L. | Luxembourg | Real Estate | 50% |
| THE ROOTS OFFICE S.à R.L. | Luxembourg | Real Estate | 50% |
| WOODEN SA | Hesperange | Real Estate | 50% |
| **Poland** | | | |
| BPI-REVIVE MATEJKI SP. Z O.O. | Warsaw | Real Estate | 50% |
| IMMOMAX SP. Z O.O. | Warsaw | Real Estate | 47% |
| **AFRICA** | | | |
| **Tunisia** | | | |
| BIZERTE CAP 3000 SA and its subsidiary | Tunis | Holding | 20% |

## DISCONTINUED OPERATIONS – LIST OF THE MAIN FULLY CONSOLIDATED SUBSIDIARIES

| NAME | HEAD OFFICE | SEGMENT | GROUP INTEREST (%) |
|---|---|---|---|
| **EUROPE** | | | |
| **Germany** | | | |
| DEME OFFSHORE DE GMBH | Bremen | DEME | 100% |
| NORDSEE NASSBAGGER UND TIEFBAU GMBH | Bremen | DEME | 100% |
| OAM-DEME MINERALIEN GMBH | Grosshansdorf | DEME | 70% |
| **Belgium** | | | |
| BAGGERWERKEN DECLOEDT EN ZOON NV | Ostend | DEME | 100% |
| CATHIE ASSOCIATES HOLDING CVBA | Diegem | DEME | 100% |
| COMBINED MARINE TERMINAL OPERATIONS WORLDWIDE NV (CTOW) | Zwijndrecht | DEME | 54.38% |
| DEEPTECH NV | Ostend | DEME | 100% |
| DEME BLUE ENERGY NV | Zwijndrecht | DEME | 69.99% |
| DEME BUILDING MATERIALS NV | Zwijndrecht | DEME | 100% |
| DEME ENVIRONMENTAL NV | Zwijndrecht | DEME | 74.90% |
| DEME NV | Zwijndrecht | DEME | 100% |
| DEME COORDINATION CENTER NV | Zwijndrecht | DEME | 100% |
| DEME CONCESSIONS NV | Zwijndrecht | DEME | 100% |
| DEME CONCESSIONS WIND NV | Zwijndrecht | DEME | 100% |
| DEME INFRASEA SOLUTIONS NV (DISS) | Zwijndrecht | DEME | 100% |
| DEME INFRA MARINE CONTRACTORS NV (DIMCO NV) | Zwijndrecht | DEME | 100% |
| DEME OFFSHORE BE NV | Zwijndrecht | DEME | 100% |
| DEME OFFSHORE HOLDING NV | Zwijndrecht | DEME | 100% |
| DREDGING INTERNATIONAL NV | Zwijndrecht | DEME | 100% |
| ECOTERRES SA | Farciennes | DEME | 74.90% |
| EKOSTO NV | Sint-Gillis-Waas | DEME | 74.90% |
| FILTERRES SA | Farciennes | DEME | 56.10% |
| GEOWIND NV | Zwijndrecht | DEME | 100% |
| GLOBAL SEA MINERAL RESOURCES NV | Ostend | DEME | 100% |
| GROND RECYCLAGE CENTRUM NV | Zwijndrecht | DEME | 52.43% |
| GRC ZOLDER NV | Zwijndrecht | DEME | 36.70% |
| G-TEC OFFSHORE SA | Vottem | DEME | 100% |
| G-TEC SA | Vottem | DEME | 100% |
| HIGH WIND NV | Zwijndrecht | DEME | 100% |
| HYPORT OOSTENDE HOLDCO NV | Zwijndrecht | DEME | 70% |

| | | | |
|---|---|---|---|
| LOGIMARINE SA | Berchem | DEME | 100% |
| **Cyprus** | | | |
| BELLSEA LTD | Nicosia | DEME | 100% |
| DEME CYPRUS LTD | Nicosia | DEME | 100% |
| DREDGING INTERNATIONAL CYPRUS LTD | Nicosia | DEME | 100% |
| DREDGING INTERNATIONAL SERVICES CYPRUS LTD | Nicosia | DEME | 100% |
| DEME OFFSHORE CY LTD | Nicosia | DEME | 100% |
| NOVADEAL LTD | Nicosia | DEME | 100% |
| TCMC THE CHANNEL MANAGEMENT COMPANY LTD | Nicosia | DEME | 100% |
| **France** | | | |
| G-TEC SAS | Lambersart | DEME | 100% |
| DEME OFFSHORE FR SAS | Lambersart | DEME | 100% |
| SOCIETE DE DRAGAGE INTERNATIONAL SA | Lambersart | DEME | 100% |
| **Great Britain** | | | |
| DEME BUILDING MATERIALS LTD | Weybridge | DEME | 100% |
| NEWWAVES SOLUTIONS LTD | Weybridge | DEME | 100% |
| SPT OFFSHORE UK LTD | Manchester | DEME | 100% |
| THISTLE WIND PARTNERS LTD | Weybridge | DEME | 100% |
| **Grand Duchy of Luxembourg** | | | |
| APOLLO SHIPPING SA | Luxembourg | DEME | 100% |
| BONNY RIVER SHIPPING SA | Luxembourg | DEME | 100% |
| CRIVER SHIPPING SA | Luxembourg | DEME | 100% |
| DELTA RIVER SHIPPING SA | Luxembourg | DEME | 100% |
| DEME LUXEMBOURG SA | Luxembourg | DEME | 100% |
| DEME OFFSHORE LU SA | Luxembourg | DEME | 100% |
| DEME OFFSHORE PROCUREMENT & SHIPPING LU SA | Luxembourg | DEME | 100% |
| SPARTACUS SHIPPING SA | Luxembourg | DEME | 100% |
| MEUSE RIVER SHIPPING SA | Luxembourg | DEME | 100% |
| SAFINDI RE SA | Luxembourg | DEME | 100% |
| **Netherlands** | | | |
| AANNEMINGSMAATSCHAPPIJ DE VRIES & VAN DE WIEL BV | Amsterdam | DEME | 74.90% |
| DEME BUILDING MATERIALS BV | Ritthem | DEME | 100% |
| DEME CONCESSIONS MERKUR BV | Breda | DEME | 100% |
| DEME CONCESSIONS NETHERLANDS BV | Breda | DEME | 100% |
| DEME OFFSHORE NL BV | Breda | DEME | 100% |
| DE VRIES & VAN DE WIEL BEHEER BV | Amsterdam | DEME | 74.90% |
| DE VRIES & VAN DE WIEL KUST EN OEVERWERKEN BV | Amsterdam | DEME | 74.90% |
| DEME INFRA MARINE CONTRACTORS BV (DIMCO BV) | Dordrecht | DEME | 100% |
| DEME OFFSHORE SHIPPING BV | Breda | DEME | 100% |
| DREDGING INTERNATIONAL NETHERLANDS BV | Breda | DEME | 100% |
| G-TEC BV | Delft | DEME | 100% |
| MILIEUTECHNIEK DE VRIES & VAN DE WIEL BV | Amsterdam | DEME | 74.90% |
| SEATEC HOLDING BV | Colijnsplaat | DEME | 100% |
| SEATEC SUBSEA SYSTEMS BV | Colijnsplaat | DEME | 100% |
| SPT OFFSHORE HOLDING BV | Woerden | DEME | 100% |
| SPT EQUIPMENT BV | Woerden | DEME | 100% |
| SPT OFFSHORE BV | Woerden | DEME | 100% |
| ZANDEXPLOITATIEMAATSCHAPPIJ DE VRIES & VAN DE WIEL BV | Amsterdam | DEME | 74.90% |
| **Other European countries** | | | |
| DEME OFFSHORE DK A/S | Fredericia, Denmark | DEME | 100% |
| DREDGING INTERNATIONAL ESPANA SA | Alicante, Spain | DEME | 100% |
| NAVIERA LIVING STONE SLU | Alicante, Spain | DEME | 100% |
| SOCIETA ITALIANA DRAGAGGI SPA | Rome, Italy | DEME | 100% |
| BERIN ENGENHARIA DRAGAGENS E AMBIENTE SA | Lisbon, Portugal | DEME | 100% |
| DRAGMORSTROY LLC | Saint-Petersburg, Russia | DEME | 100% |
| DREDGING INTERNATIONAL UKRAINE LLC | Odessa, Ukraine | DEME | 100% |
| **AFRICA** | | | |
| **Angola** | | | |
| DRAGAGEM ANGOLA SERVICOS LDA | Luanda | DEME | 100% |
| SOYO DRAGAGEM LDA | Luanda | DEME | 100% |
| **Nigeria** | | | |
| COMBINED MARINE TERMINAL OPERATORS NIGERIA LTD (CMTON) | Lagos | DEME | 54.43% |
| DREDGING AND ENVIRONMENTAL SERVICES NIGERIA LTD | Lagos | DEME | 100% |
| DREDGING INTERNATIONAL SERVICES NIGERIA LTD | Lagos | DEME | 100% |
| EARTH MOVING INTERNATIONAL NIGERIA | Port Harcourt | DEME | 100% |
| NOVADEAL EKO FZE | Lagos | DEME | 100% |
| **Other African countries** | | | |
| DRAGAMOZ LDA | Maputo, Mozambique | DEME | 100% |
| HYDROGEO SARL | Hey El-Fat Rabat, Maroc | DEME | 60% |
| DREDGING INTERNATIONAL SOUTH AFRICA PTY LTD | Durban, Afrique du Sud | DEME | 100% |

| | | | |
|---|---|---|---|
| **ASIA** | | | |
| **India** | | | |
| DREDGING INTERNATIONAL INDIA PVT LTD | New Delhi | DEME | 99.97% |
| INTERNATIONAL SEAPORT DREDGING PVT LTD | Chennai | DEME | 93.64% |
| **Malaysia** | | | |
| DREDGING INTERNATIONAL MALAYSIA SDN BHD | Kuala Lumpur | DEME | 100% |
| SPT OFFSHORE SDN BHD | Kuala Lumpur | DEME | 100% |
| **Other Asian countries** | | | |
| DREDGING INTERNATIONAL SAUDI ARABIA LTD | Al-Khobar, Saudi Arabia | DEME | 100% |
| DREDGING INTERNATIONAL BAHRAIN WLL | Manama, Bahrain | DEME | 95% |
| DREDGING INTERNATIONAL MANAGEMENT CONSULTING SHANGHAI LTD | Shanghai, China | DEME | 100% |
| DREDGING INTERNATIONAL RAK FZ LLC | Ras Al Khaimah, United Arab Emirates | DEME | 100% |
| FAR EAST DREDGING LTD | Hong Kong | DEME | 100% |
| PT DREDGING INTERNATIONAL INDONESIA | Jakarta, Indonesia | DEME | 95% |
| MIDDLE EAST DREDGING COMPANY QSC (MEDCO) | Doha, Qatar | DEME | 95% |
| DREDGING INTERNATIONAL ASIA PACIFIC PTE LTD (DIAP) | Singapore | DEME | 100% |
| **AMERICA** | | | |
| **United States** | | | |
| DEME OFFSHORE US INC | East Boston | DEME | 100% |
| DEME OFFSHORE US LLC | East Boston | DEME | 100% |
| MARINE CONSTRUCTION & SOLUTIONS HOLDING LLC | Texas | DEME | 100% |
| MARINE CONSTRUCTION & SOLUTIONS LLC | Texas | DEME | 100% |
| **Brazil** | | | |
| DEC DO BRASIL ENGENHARIA AMBIENTAL LTDA | Rio de Janeiro | DEME | 74.90% |
| DRAGABRAS SERVICOS DE DRAGAGEM LTDA | Rio de Janeiro | DEME | 100% |
| **Mexico** | | | |
| DREDGING INTERNATIONAL MEXICO SA DE CV | Mexico | DEME | 100% |
| LOGIMARINE SA DE CV | Mexico | DEME | 100% |
| **Panama** | | | |
| CORPORACION ARENERA MARINA SA | Panama | DEME | 100% |
| DREDGING INTERNATIONAL DE PANAMA SA | Panama | DEME | 100% |
| **Other American countries** | | | |
| DREDGING INTERNATIONAL ARGENTINA SA | Buenos Aires, Argentina | DEME | 100% |
| DEME OFFSHORE CA LTD | Halifax, Canada | DEME | 100% |
| SERVICIOS MARITIMOS SERVIMAR SA | Caracas, Venezuela | DEME | 100% |
| **OCEANIA** | | | |
| **Australia** | | | |
| DREDGING INTERNATIONAL AUSTRALIA PTY LTD | Brisbane | DEME | 100% |
| GEOSEA AUSTRALIA PTY LTD | Brisbane | DEME | 100% |
| **Papua New Guinea** | | | |
| DREDECO (PNG) LTD | Port Moresby | DEME | 100% |

## DISCONTINUED OPERATIONS – LIST OF THE MAIN ENTITIES ACCOUNTED FOR USING EQUITY METHOD

| NAME | HEAD OFFICE | SEGMENT | GROUP INTEREST (%) |
|---|---|---|---|
| **EUROPE** | | | |
| **Belgium** | | | |
| BLUECHEM BUILDING NV | Ghent | DEME | 25.47% |
| BLUEPOWER NV | Zwijndrecht | DEME | 35% |
| BLUE OPEN NV | Zwijndrecht | DEME | 49.94% |
| BLUE GATE ANTWERP DEVELOPMENT NV | Zwijndrecht | DEME | 25.46% |
| BLUE SITE SA | Farciennes | DEME | 37.45% |
| CONSORTIUM ANTWERP PORT (OMAN) NV | Zwijndrecht | DEME | 60% |
| CONSORTIUM ANTWERP PORT INDUSTRIAL PORT LAND NV | Zwijndrecht | DEME | 50% |
| C-POWER NV | Ostend | DEME | 6.46% |
| C-POWER HOLDCO NV | Zwijndrecht | DEME | 10% |
| FELUY M2M SA | Farciennes | DEME | 19.47% |
| HYVE BV | Leuven | DEME | 16.67% |
| LA VELORIE SA | Tournai | DEME | 12.48% |
| NORTH SEA WAVE NV | Ostend | DEME | 13.22% |
| OTARY BIS NV | Ostend | DEME | 18.89% |
| OTARY RS NV | Ostend | DEME | 18.89% |
| POWER@SEA NV | Zwijndrecht | DEME | 51.10% |
| RENTEL NV | Ostend | DEME | 18.89% |
| SCALDIS SALVAGE & MARINE CONTRACTORS NV | Antwerp | DEME | 54.38% |
| SEDISOL SA | Farciennes | DEME | 37.45% |
| SEAMADE NV | Ostend | DEME | 13.22% |
| SILVAMO NV | Roeselare | DEME | 37.45% |
| TERRANOVA NV | Zwijndrecht | DEME | 24.96% |

| | | | |
|---|---|---|---|
| TERRANOVA SOLAR NV | Stabroek | DEME | 16.01% |
| TOP WALLONIE SA | Mouscron | DEME | 37.45% |
| TRANSTERRA NV | Stabroek | DEME | 50% |
| WERISOL SA | Liège | DEME | 37.45% |
| ZEEBOERDERIJ WESTDIEP BV | Halle | DEME | 20% |
| **Great Britain** | | | |
| BNS JV LTD | Camberley | DEME | 50% |
| WEST ISLAY TIDAL ENERGY PARK LTD | Glasgow | DEME | 35% |
| **France** | | | |
| NOU VELA SA | Port-la-nouvelle | DEME | 46.6% |
| PORT LA NOUVELLE SEMOP | Port-la-nouvelle | DEME | 23.77% |
| **Netherlands** | | | |
| BAAK BLANKENBURG-VERBINDING BV | Nieuwegein | DEME | 15% |
| DBM-BONTRUP BV | Amsterdam | DEME | 50% |
| DEEPROCK BV | Breda | DEME | 50% |
| DEEPROCK BEHEER CV | Breda | DEME | 50% |
| K3 DEME BV | Amsterdam | DEME | 50% |
| OVERSEAS CONTRACTING & CHARTERING SERVICES BV | Papendrecht | DEME | 50% |
| **Other European countries** | | | |
| EARTH MOVING WORLDWIDE LTD | Nicosia, Cyprus | DEME | 50% |
| MORDRAGA LLC | Saint-Petersburg, Russia | DEME | 40% |
| NORMALUX MARITIME SA | Luxembourg, Grand Duchy of Luxembourg | DEME | 37.50% |
| RHAMA PORT HUB SRL | Ravenna, Italy | DEME | 28% |
| **AMERICA** | | | |
| **Brazil** | | | |
| D.E.M.E. BRAZIL SERVICOS DE DRAGAGEM LTDA | Rio de Janeiro | DEME | 50% |
| MSB MINERACOES SUSTENTAVEIS DO BRASIL SA | Sao Paulo | DEME | 51% |
| **ASIA** | | | |
| **Oman** | | | |
| ASYAS TERMINALS DUQM LLC | Duqm | DEME | 14.7% |
| COMBINE MARINE TERMINAL OPERATIONS MARAFI LLC | Duqm | DEME | 37.68% |
| DUQM INDUSTRIAL LAND COMPANY LLC | Duqm | DEME | 27.55% |
| DUQM LOGISTIC LANDS AND INVESTMENT COMPANY LLC | Duqm | DEME | 26% |
| HYPORT COORDINATION COMPANY LLC | Duqm | DEME | 50% |
| PORT OF DUQM COMPANY SAOC | Duqm | DEME | 30% |
| **Singapore** | | | |
| DIAP DAELIM JOINT VENTURE PTE LTD | Singapore | DEME | 51% |
| DIAP-SHAP JOINT VENTURE PTE LTD | Singapore | DEME | 51% |
| DRAGAFI ASIA PACIFIC PTE LTD | Singapore | DEME | 40% |
| **Other Asian countries** | | | |
| JAPAN OFFSHORE MARINE LTD | Tokyo, Japan | DEME | 49% |
| CSBC DEME WIND ENGINEERING CO LTD | Taipei, Taiwan | DEME | 49.99% |
| CDWE GREEN JADE SHIPOWNER LTD | Taipei, Taiwan | DEME | 49.99% |
| GUANGZHOU COSCOCS DEME NEW ENERGY ENGINEERING CO LTD | Guangzhou, China | DEME | 50% |
| DIAP THAILAND CO LTD | Bangkok, Thailand | DEME | 48.9% |
| GULF EARTH MOVING QATAR WLL | Doha, Qatar | DEME | 50% |
| EARTH MOVING MIDDLE EAST CONTRACTING DMCEST | Dubai, United Arab Emirates | DEME | 50% |

# 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 'Glossary' 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**<br>**Year ended 31 December 2021**<br>(in € thousands) | **DEME** | **Contracting** | **Real Estate** | **Holding** | **Eliminations between segments** | **Total** |
|---|---|---|---|---|---|---|
| Non-current borrowings from consolidated companies of the group (*) | 0 | 0 | 20,000 | 0 | (20,000) | 0 |
| + Non-current bonds | 0 | 0 | 0 | 0 | 0 | 0 |
| + Non-current financial liabilities | 0 | 33,270 | 43,954 | 375 | 0 | 77,599 |
| + Current bonds | 0 | 0 | 29,899 | 0 | 0 | 29,899 |
| + Current financial liabilities | 0 | 9,393 | 29,350 | 110,341 | 0 | 149,084 |
| + Internal cash position - Cash pooling - liabilities (*) | 0 | 3,641 | 18,845 | 100,061 | (122,547) | 0 |
| **Financial liabilities** | **0** | **46,304** | **142,048** | **210,777** | **(142,547)** | **256,582** |
| - Non-current loans to consolidated companies of the group (*) | 0 | 0 | 0 | (20,000) | 20,000 | 0 |
| - Cash and cash equivalents | 0 | (62,884) | (6,326) | (74,377) | 0 | (143,587) |
| - Internal cash position - Cash pooling - assets (*) | 0 | (69,287) | (49,675) | (3,586) | 122,548 | - |
| **Cash and cash equivalents** | **0** | **(132,171)** | **(56,001)** | **(97,963)** | **142,548** | **(143,587)** |
| **Net financial debt** | **0** | **(85,867)** | **86,047** | **112,814** | **0** | **112,995** |

| **Net financial debt**<br>**Year ended 31 December 2020**<br>(in € thousands) | **DEME** | **Contracting** | **Real Estate** | **Holding** | **Eliminations between segments** | **Total** |
|---|---|---|---|---|---|---|
| Non-current borrowings from consolidated companies of the group (*) | 0 | 0 | 20,000 | 0 | (20,000) | 0 |
| + Non-current bonds | 0 | 0 | 29,794 | 0 | 0 | 29,794 |
| + Non-current financial liabilities | 735,053 | 25,318 | 42,701 | 115,609 | 0 | 918,681 |
| + Current bonds | 0 | 0 | 0 | 0 | 0 | 0 |
| + Current financial liabilities | 375,913 | 8,919 | 17,488 | 10,329 | 0 | 412,649 |
| + Internal cash position - Cash pooling - liabilities (*) | 0 | 2,708 | 3,376 | 83,944 | (90,028) | 0 |
| **Financial liabilities** | **1,110,966** | **36,945** | **113,359** | **209,882** | **(110,028)** | **1,361,124** |
| - Non-current loans to consolidated companies of the group (*) | 0 | 0 | 0 | (20,000) | 20,000 | 0 |
| - Cash and cash equivalents | (621,937) | (73,514) | (5,707) | (58,537) | 0 | (759,695) |
| - Internal cash position - Cash pooling - assets (*) | 0 | (86,830) | (1,457) | (1,741) | 90,028 | 0 |
| **Cash and cash equivalents** | **(621,937)** | **(160,344)** | **(7,164)** | **(80,278)** | **110,028** | **(759,695)** |
| **Net financial debt** | **489,029** | **(123,399)** | **106,195** | **129,604** | **0** | **601,429** |

(*) These accounts relate to the cash positions with regard to group entities belonging to other group segments (mainly CFE SA).

As at 31 December 2021, the net financial debt of discontinued operations included in assets held for sale and liabilities associated with assets held for sale amounts to €392,678 thousand. We refer to note 5 of this report.

| **Working capital requirements**<br>**Year ended 31 December**<br>(in € thousands) | **2021** | **2020** |
|---|---|---|
| Inventories | 160,381 | 184,565 |
| + Trade and other operating receivables | 281,256 | 867,761 |
| + Current operating assets | 85,555 | 57,454 |
| + Other current non-operating assets | 2,416 | 21,731 |
| - Trade and other operating receivables | (277,009) | (1,178,012) |
| - Current tax liabilities | (8,300) | (75,283) |
| - Other current operating liabilities | (141,723) | (192,424) |
| - Other current non-operating liabilities | (78,376) | (244,511) |
| **Working capital requirement** | **24,200** | **(558,719)** |

As at 31 December 2020, the working capital requirement amounts to (€591,465) thousand for discontinued operations and €32,746 thousand for continuing operations.

As at 31 December 2021, the working capital requirement of discontinued operations included in assets held for sale and liabilities associated with assets held for sale amounts to (€518,050) thousand. We refer to note 5 of this report.

| **EBITDA**<br>**Year ended 31 December**<br>(in € thousands) | **2021** | **2020 restated** |
|---|---|---|
| **Income from operating activities** | **48,321** | **27,561** |
| Depreciation and amortisation of intangible assets, property, plant and equipment and investment property | 20,217 | 19,674 |
| (Decrease)/increase of provisions | 0 | (1,874) |
| Impairment on assets and other non-cash items | 0 | (103) |
| **Non-cash items** | **20,217** | **17,697** |
| **Consolidated EBITDA** | **68,538** | **45,258** |

Up to 31 December 2020, the non-cash items in EBITDA consisted of amortisation and depreciation, and other non-cash items.
From 2021 onwards, non-cash items are limited to amortisation and depreciation of intangible assets, property, plant and equipment, as well as goodwill. According to this new definition, EBITDA on continuing operations amounted to €47,235 thousand on 31 December 2020, or 4.6% of the revenue.

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

| **Capital employed**<br>**Year ended 31 December**<br>(in € thousands) | **2021** | **2020** |
|---|---|---|
| Equity - real estate segment | 104,362 | 85,532 |
| Net financial debt - real estate segment | 86,047 | 106,195 |
| **Capital employed** | **190,409** | **191,727** |

# 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 | Piet Dejonghe |
| Function: | Chief Financial Officer. | Chief Executive Officer. |

*Date : 25 March 2022*

# GENERAL INFORMATION ABOUT THE COMPANY

| | |
|---|---|
| Company name : | Compagnie d'Entreprises CFE |
| Head office : | avenue Herrmann-Debroux 42, 1160 Brussels |
| Telephone : | + 32 2 661 12 11 |
| Legal form : | public limited company (société anonyme) |
| Incorporated under Belgian law | |
| Date of incorporation : | 21 June 1880 |
| Duration : | indefinite |
| Accounting period : | from 1 January to 31 December |
| Trade Register entry : | RPM Bruxelles 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."

# INDEPENDENT AUDITOR'S REPORT TO THE GENERAL MEETING OF COMPAGNIE D'ENTREPRISES CFE SA/NV FOR THE YEAR ENDED 31 DECEMBER 2021 – CONSOLIDATED FINANCIAL STATEMENTS

As required by law and the Company's articles of association, we report to you as statutory auditor of Compagnie d'Entreprises CFE SA/NV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of financial position as at 31 December 2021, 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 2021 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 6 May 2021, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2023. We performed the audit of the Consolidated Financial Statements of the Group for one year.

## Report on the audit of the Consolidated Financial Statements

### Unqualified opinion

We have audited the Consolidated Financial Statements of Compagnie d'Entreprises CFE SA/NV, that comprise of the consolidated statement of financial position on 31 December 2021, the consolidated statement of income and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cashflows of the year and the disclosures, which show a consolidated balance sheet total of € 5.299.999.000 and of which the consolidated income statement shows a profit for the year of € 152.766.000.

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 2021, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

### Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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.

### Other matter

The Group's consolidated financial statements for the year ended 31 December 2020 were audited by another statutory auditor who issued an unqualified opinion on these consolidated financial statements in his report of 26 March 2021.

### 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.

#### Planned demerger of DEME: Classification and presentation of assets held for sale and discontinued operations

#### Description of the key audit matter

On 2 December 2021, the Group announced the planned demerger of the activities of the operating segment DEME into a new listed entity via an initial public offering (IPO) in the course of 2022. As a result, and in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", the assets relating to DEME are presented as assets held for sale (€ 4.297,4 million) and the liabilities relating to DEME are presented as liabilities associated with assets held for sale (€ 2.475,2 million) in the Consolidated Financial Statements as of 31 December 2021. Also in accordance with IFRS 5, all revenues and expenses relating to DEME's activities are reported in the 2021 income statement as a single line item "Result from discontinued operations" (€ 113,3 million) and the comparative income statement for the year ended 31 December 2020 has been restated in line with the 2021 presentation. The presentation of the cash flow statement and the notes to the Consolidated Financial Statements were also modified to reflect the requirements of IFRS 5.

We consider the classification and presentation of assets held for sale and discontinued operations as a key audit matter due to the specific IFRS requirements which have to be met for this classification and the significant impact of the presentation on the Consolidated Financial Statements as a whole.

#### Summary of procedures performed

- We assessed whether the conditions of IFRS 5 were met to allow the classification as assets held for sale and discontinued operations. In particular, we assessed whether at 31 December 2021, the Company was committed to demerge DEME and actively initiated the demerger process. We also assessed management's assumption regarding the likelihood of DEME being available for immediate demerger in its current state and whether it is highly probable that the demerger will take place in 2022.
- We assessed the accuracy of the classification and presentation of DEME as assets and liabilities associated with assets held for sale, and as discontinued operations in the Consolidated Financial Statements, and that those discontinued operations are appropriately separated from the continuing operations.
- We also examined whether the comparative figures of the discontinued operations for the year ended 31 December 2020 were accurately restated where required by IFRS 5
- We have assessed the completeness and accuracy of note 5 "Acquisitions and disposals of subsidiaries" to the Consolidated Financial Statements.

### Revenue recognition and contract accounting (Contracting segment and discontinued operations DEME)

#### 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 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 per 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 16 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 involve various terms and are sensitive to scenarios and assumptions used and involve as such significant management judgement. Risk exists that potential impairments of inventories are not appropriately accounted for in the Consolidated Financial Statements.

Revenues and results are recognized to the extent that components (housing units) have been sold and based on the percentage of completion of the development. The recognition of revenue and profit therefore relies on estimates in relation to the forecast total costs on each project.

This often involves a high degree of judgment due to the complexity of projects and uncertainty about costs to complete. This is a key audit matter because there is a high degree of risk associated with estimating the amount of revenue and related profit to be recognized for the period, and changes to these estimates could give rise to important variances.

#### Summary of the procedures performed

- We obtained an understanding of the process related to the contract follow up, the revenue and margin recognition, and we considered the design of the related key internal controls, including management review controls.
- We have selected a sample of project developments and verified the costs incurred to date for land purchases and work in progress. We also recalculated the percentage of completion at balance sheet date, agreed sales values to contracts, and verified the accuracy of the revenue recognition formula.
- We performed an assessment of the calculations of net realizable values and challenged the 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 17 to the Consolidated Financial Statements.

### Uncertain tax positions (Discontinued operations DEME)

#### Description of the key audit matter

DEME operates its' global business across a variety of countries subject to different tax regimes. The taxation of its' operations can be subject to judgements that result in diverging views of local tax authorities and that may span multiple years to get resolved. Where the amount of tax payable is uncertain, management establishes an accrual based on its' best estimate of the probable amount to settle the liability. Management exercises significant judgement in assessing the liability for uncertain tax positions at balance sheet date, and changes to these estimates could give rise to important variances.

#### Summary of the procedures performed

- We obtained an understanding of the process in respect of accounting for (deferred) taxes and considered the design of the related controls.
- We assessed the estimated probability of the identified tax risk and challenged management's estimate of the potential outflows through management inquiry and inspection of supporting documentation (changes in tax legislation, correspondence with tax authorities and tax advisors, available rulings)
- We involved our tax professionals to assist us to evaluate management's assumptions and application of relevant tax laws and regulations in assessing of the Group's uncertain tax positions.

- We assessed the adequacy of the information disclosed in notes 2 and 10 to the Consolidated Financial Statements.

### Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

### Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the Board of Directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;

- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned 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 this Board of Director's Report.

### Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, 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 reconciliation
- 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 prepared as attachment to the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on the Global Reporting Initiative ("GRI") reporting framework. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the GRI reporting framework.

## Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and reported in the notes to the Consolidated Financial Statements.

## European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter "Delegated Regulation").

The Board of Directors is responsible for the preparation, in accordance with the ESEF requirements, of the Consolidated Financial Statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of the Company per 31 December 2021 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

## Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 30 March 2022

EY Bedrijfsrevisoren BV/EY Réviseurs d'Entreprises
Statutory auditor
Represented by

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

Patrick Rottiers *
Partner
*Acting on behalf of a BV/SRL

# PARENT-COMPANY FINANCIAL STATEMENTS

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

| **Year ended December 31**<br>(in € thousands) | **2021** | **2020** |
|---|---|---|
| **Start-up costs** | **0** | **0** |
| **Non-current assets** | **1,326,014** | **1,335,220** |
| Intangible assets | 72 | 92 |
| Property, plant and equipment | 742 | 987 |
| Financial assets | 1,325,200 | 1,334,141 |
| - Related parties | 1,325,195 | 1,334,124 |
| - Other | 5 | 17 |
| **Current assets** | **105,267** | **97,005** |
| Receivables at more than 1 year | 2,334 | 0 |
| Inventories and work in progress | 3,325 | 6,013 |
| Receivables at up to 1 year | 24,621 | 31,033 |
| - Trade receivables | 9,015 | 23,899 |
| - Other receivables | 15,606 | 7,134 |
| Cash investments | 0 | 0 |
| Cash equivalents | 74,334 | 59,256 |
| Prepaid expenses | 653 | 703 |
| **Total assets** | **1,431,281** | **1,432,225** |
| | | |
| **Equity** | **1,197,943** | **1,168,944** |
| Share capital | 41,330 | 41,330 |
| Share premium | 592,651 | 592,651 |
| Revaluation surplus | 487,399 | 487,399 |
| Reserves | 8,654 | 8,654 |
| Retained earnings/(losses) | 67,909 | 38,910 |
| **Provisions and deferred taxes** | **10,340** | **12,197** |
| **Liabilities** | **222,998** | **251,084** |
| Non-current liabilities | 248 | 115,248 |
| Current liabilities | 222,501 | 135,467 |
| - Financial debt | 110,000 | 10,792 |
| - Trade payables | 6,852 | 9,341 |
| - Tax liabilities, social liabilities and down payments on orders | 4,645 | 4,867 |
| - Other payables | 101,004 | 110,467 |
| Prepaid income | 249 | 369 |
| **Total equity and liabilities** | **1,431,281** | **1,432,225** |

| **Year ended December 31**<br>(in € thousands) | **2021** | **2020** |
|---|---|---|
| **RESULT** | | |
| Sales of goods and services | 14,441 | 32,074 |
| Costs of goods sold and services provided | (19,014) | (37,145) |
| - Merchandise | (7,670) | (23,215) |
| - Services and other goods | (8,035) | (8,609) |
| - Remuneration and social security payments | (4,293) | (3,965) |
| - Depreciation, amortisation, impairment and provisions | 1,515 | (986) |
| - Other | (531) | (370) |
| **Operating income** | **(4,573)** | **(5,071)** |
| Financial income | 35,667 | 21,808 |
| Financial expenses | (2,095) | (10,739) |
| **Result before tax** | **28,999** | **5,998** |
| Tax (current and adjustments) | 0 | (77) |
| **Result for the period** | **28,999** | **5,921** |
| **APPOPRIATION OF INCOME** | | |
| Result for the period | 28,999 | 5,921 |
| Retained earnings from previous period | 38,910 | 58,303 |
| Dividend | 0 | (25,314) |
| Available reserves | 0 | 0 |
| Legal reserve | 0 | 0 |
| Retained earnings carried forward | 67,909 | 38,910 |

## ANALYSIS OF STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME

Fixed assets primarily consist of the stakes in DEME (€ 1.1 billion), CFE Contracting and BPI.

Financial debts at less than one year include € 60 million drawn down on the confirmed bilateral credit lines, and 50 million euros of commercial papers.

The Brussels-South wastewater treatment plant project which was completed in October 2021 represents a substantial share of the revenue for the year.

Financial income increased significantly in 2021 thanks to the proceeds of dividends from the subsidiaries DEME (€ 20.4 million), CFE Contracting (€ 8 million) and BPI (€ 4 million).

# GENERAL INFORMATION ABOUT THE COMPANY

## 1. REGISTERED OFFICE:

Avenue Herrmann-Debroux 42, 1160 Brussels
RLP Brussels n° 0400.464.795
Email address: info@cfe.be
Website: https://www.cfe.be

## 2. DATE OF INCORPORATION, LATEST AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company was incorporated by notarial deed of 24 June 1880, published in the annexes to the Belgian Official Journal of 27 June 1880 under number 911, of which the articles of association have been amended several times, most recently by notarial deed of 2 May 2019, published in extracts in the annexes to the to the Belgian Official Journal of 22 May 2019, under number 19068846.

## 3. DURATION OF THE COMPANY

Indefinite

## 4. COMPANY FORM - APPLICABLE LAW

Public Limited Company incorporated under Belgian law

## 5. PURPOSE OF THE COMPANY

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.

## 6. SHARE CAPITAL

### ISSUED CAPITAL

At the end of the financial year, the Company's share capital amounted to €41,329,482.42, divided into 25,314,482 shares, with no declared par value. All shares are fully paid up.

### CAPITAL INCREASE

The capital was last increased on 24 December 2013 following the contribution in kind of the public limited company Dredging, Environmental & Marine Engineering by the public limited company Ackermans & van Haaren.

### AUTHORISED CAPITAL

Pursuant to 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.
The Board of Directors may also make use of the authorised capital, in the event of a public bid for the shares issued by the Company, on the conditions and within the limits of Article 7:202 of the Code of Companies and Associations. The Board of Directors is allowed to use these powers if the notice of a takeover bid is given to the Company by the Financial Services and Markets Authority (FSMA) not later than three years after the date of the aforementioned extraordinary general meeting (i.e. 2 May 2022).

This authorisation also encompasses the power to:

- increase the capital or issue convertible bonds or subscription rights while cancelling or limiting the preferential subscription right of shareholders;

- increase the capital or issue convertible bonds while cancelling or limiting the preferential subscription right of shareholders in favour of one or more specific persons other than staff members of the company or its subsidiaries; and
- to increase the capital by the incorporation of reserves.

## 7. 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 and at his own expense, request the conversion of his fully paid-up shares into another form, or suspend ownership, usufruct or bare ownership, within the limits of the law. The co-owners, usufructuaries and bare owners are required to have be 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.

## 8. 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).

## COLOFON

### COPYRIGHT OF PHOTOS AND EDITS, IN ALFABETIC ORDER:

Archi2000
ArtBuild Architects
DEME
Estor-Lux
Philippe van Gelooven
Plopsa Kownaty - Studio 100
Tom D'Haenens

### CONCEPT, DESIGN AND REALISATION:

Brandelicious/Anne Thys - anne.thys@brandelicious.be
Make/Paul Thomas – www.makecontact.nl

Dit jaarverslag is verkrijgbaar in het Nederlands, Frans en Engels.
In geval van verschillen primeert de Franse versie.