TOGETHER SHAPING TOMORROW'S WORLD

ANNUAL REPORT 2020 CFE GROUP

CFE

ANNUAL REPORT 2020

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

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

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

Pursuant to Article 12, §2, 3° of the Royal Decree of 14 November 2007, 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

ORDINARY GENERAL MEETING

The shareholders are invited to attend the Ordinary General Meeting which shall take place at the registered office of the company, Avenue Herrmann-Debroux 42, 1160 Brussels, on Thursday, 6 May 2021 at 3 pm.

PROPOSED DIVIDEND

During the Ordinary General Meeting of 6 May 2021, it will be proposed to approve the profit appropriation with regard to the financial year 2020, i.e. a gross amount of € 1 per CFE share, corresponding to € 0.7 net per share (after deduction of 30% withholding tax).

This dividend shall be payable from 25 May 2021, either by bank transfer to the holders of registered shares or by crediting the bank account of the owners of shares in electronic form. The financial service is provided by Banque Degroof Petercam (System Paying Agent).

INVESTOR RELATIONS

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

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

FINANCIAL CALENDAR

6 May 2021:	Ordinary General Meeting 2021
20 May 2021:	Quarterly information at 31 March 2021
31 August 2021:	Half-year results 2021
23 November 2021:	Quarterly information at 30 September 2021

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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".

CFE CONTRACTING

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.

DEME

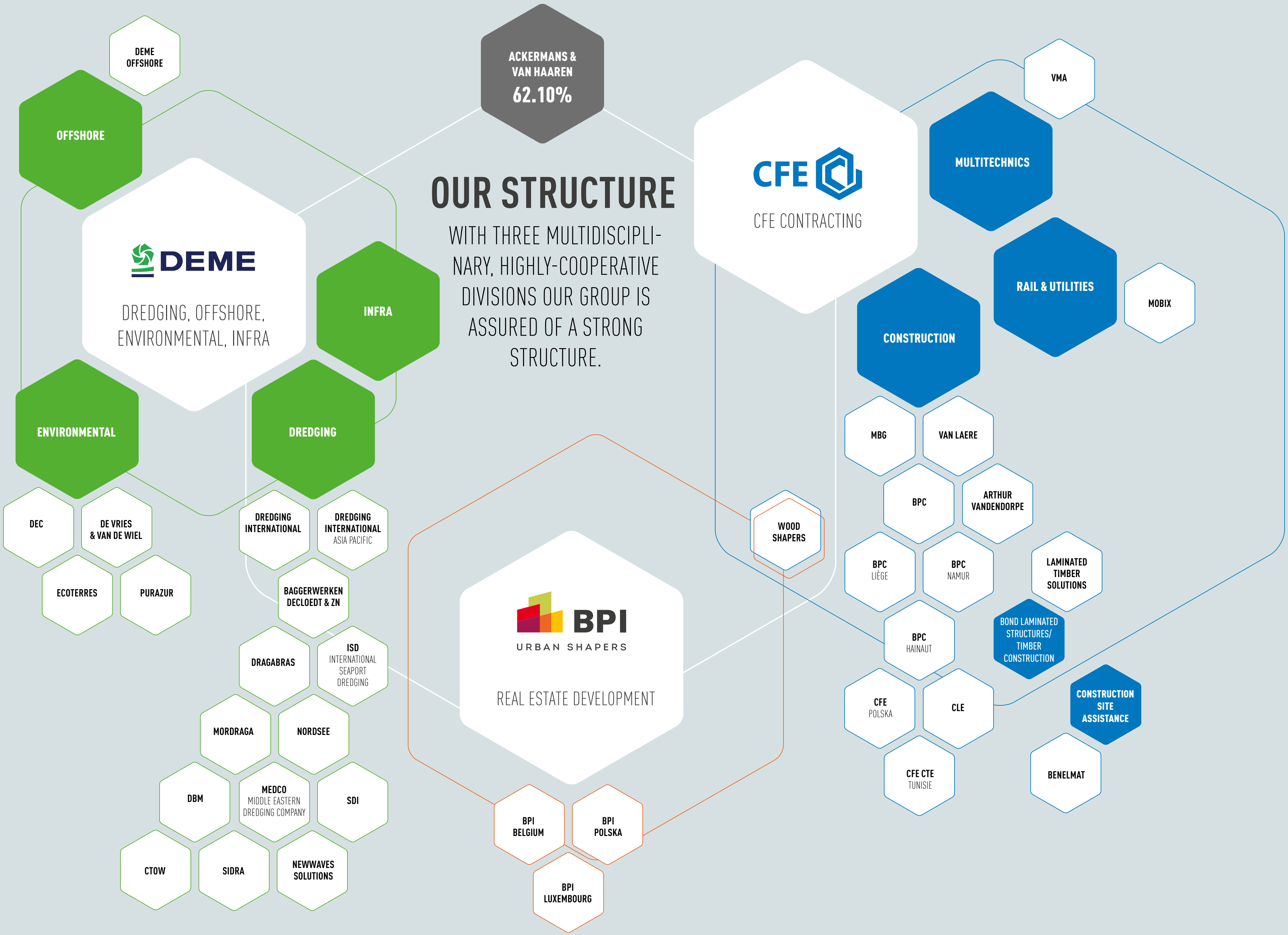
With a worldwide fleet of over one hundred vessels, DEME is one of the international leaders in marine engineering. Its four activity segments - dredging, environment, offshore and infrastructure - meet the essential needs of our society and our planet. By offering ever more innovative solutions, DEME lays the foundations for a sustainable future.

BPI

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 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 2021

MESSAGE FROM THE CEOs

(Y)OUR FUTURE BEGINS WITH SUSTAINABLE THINKING

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

BUILDINGS, INFRASTRUCTURES AT SEA AND ON LAND, MARINE ENGINEERING, ENVIRONMENTAL PROJECTS, MOBILITY: THE CFE GROUP CAN BE FOUND AT THE HEART OF SOCIETY AS A WHOLE, WITH PROJECTS THAT VERY OFTEN TRANSFORM AND IMPROVE THE DAILY LIVES OF THOUSANDS OF PEOPLE. THIS ESSENTIAL ROLE CANNOT BE CONCEIVED WITHOUT A KEEN AWARENESS OF SOCIAL RESPONSIBILITY AND SUSTAINABILITY. THE DIFFERENT CEOS OF THE GROUP AND ITS DIVISIONS GIVE AN OUTLINE OF THESE ASPECTS AND LOOK BACK ON 2020, A YEAR MARKED BY THE PANDEMIC, BUT ALSO BY RESILIENCE, SOLIDARITY AND INNOVATION.

With sustainability and innovation as driving force, the CFE Group is committed in each of its projects to build a better future for all. Luc Bertrand, Chairman of the Board of Directors, Piet Dejonghe, Managing Director, and the managers of the three divisions, Jacques Lefèvre (BPI), Raymund Trost (CFE Contracting) and Luc Vandenbulcke (DEME), take stock of 2020 exceptional in many ways.

'The past year, which on balance remains positive despite particularly difficult conditions, has again proven the strength of our organization and the enormous talent of our teams,' emphasises Luc Bertrand. 'The stability that was built over the previous years has permitted us to overcome this exceptional period with an easy mind and to close it with a full order book. Our strategic approach around sustainability and innovation - centring on digitalization which today is an essential driver of all our achievements - also proved its relevance. We were able to consolidate this vision, which is already being reflected in tangible results.'

A VISION THAT PAYS OFF

An observation confirmed by Piet Dejonghe, Managing Director of the CFE 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 fosters 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 - among the 17 sustainable development goals defined by the United Nations Organization - the elements that best match the nature of our activities resulted in the formulation of key performance indicators (KPIs) by which we can clearly measure the progress made.'

'This has made us more agile and more responsive in the face of the current crisis, which in fact turns out to be a vector of hope and positive change. The structural changes it has made necessary in the areas of operational excellence and digitalization were implemented all the more easily since they are exactly in keeping with our sustainability plan. The responsiveness of the different entities shows that the CFE Group is ready to meet those challenges and is already looking to the future efficiently and intelligently.

'This is evidenced by the significant progress made in 2020 in terms of innovation. The list of projects is long, but worth noting are the first successes of Wood Shapers - the joint venture between BPI and CFE Contracting dedicated to wood construction - but also the hopes raised for electrical storage by the launch of Rent-A-Port in Bastogne, or even the impressive record of DEME in terms of renewable energies at sea, with the installation of the 2,200th offshore wind turbine. Such progress is most often made possible by partnerships with scientific establishments and institutions. This once more testifies to the wish of the CFE Group to pioneer the development of new sustainable ways of life that follow social trends.'

LUC VANDENBULCKE
(DEME)

JACQUES LEFÈVRE
(BPI)

RAYMUND TROST
(CFE CONTRACTING)

The ambition of the CFE Group, far from restricting itself to profit, is to preserve and to last, so that we can all together invent, imagine and build the future.

PIET DEJONGHE

BUILDING THE FUTURE

'In a competitive market where there is often a downward pressure on prices, we must also keep up our margins. This is achieved by an effective risk management, which involves a careful choice of projects as well as a reduction of additional costs and wastage through proactive measures in all the areas where we operate. Operational excellence is our credo from the selection to the delivery of projects. It also guarantees the working conditions of our employees. Thoroughness in the development and management of projects reduces the mental stress and guarantees the safety and well-being of our co-workers. The ambition of the CFE Group, far from restricting itself to profit, is to preserve and to last, so that we can all together invent, imagine and build the future."

A MOMENTUM SHARED BY THE THREE DIVISIONS

The CFE Group builds that future on the foundations of its three divisions: BPI (real estate development), CFE Contracting (construction, multitechnics, rail infra & utilities) and DEME (dredging, offshore, environmental and infra). Three entities with clearly defined activities that have their own philosophies but share a common vision of social values and excellence. A combination of talents personified by their three leaders: Jacques Lefèvre (BPI), Raymund Trost (CFE Contracting) and Luc Vandenbulcke (DEME).

BPI REINVENTS TOMORROW'S SPACES

Although the suspension of town planning procedures has led to delays on certain projects, four major projects in Poland allowed BPI to close 2020 with a record figure. 'Our prospects for the future are equally brilliant,' Jacques Lefèvre adds. 'We were able to consolidate several positions that will enable us to develop large-scale projects in Brussels, Luxembourg and Poland. The situation we have been experiencing de facto brings forth changes in behaviour and consequently also in the demands of the property market. The concepts of social distancing and telework will fundamentally change the layout requirements of office spaces. In the residential sector, the availability of comfortable working spaces or outdoor areas - such as terraces - will take on a totally different dimension. In order to adapt to market trends, we have set up a working group tasked with reflecting on the impact of this crisis on the design of our future projects. It is a natural extension of our general philosophy. For some years now we have been witnessing the emergence of new forms of community living at all levels of society. The projects we promote, centring around mixed use, with a qualitative rather than quantitative approach, respond to real needs. As developers we fully assume our social responsibility in that respect. We should not remain stuck in concepts that all too soon become obsolete. Flexibility and adaptability are essential. By opening up a wide range of possibilities, BPI is committed to designing, thinking up and promoting adaptable buildings. It is a commitment to long-term sustainability in a real sense. We are drivers of change: we provide meaning, create links, connections, mobility, etc."

CFE CONTRACTING PROMOTES THE CIRCULAR ECONOMY

We are key players in the transformation of our cities and our infrastructures and for this reason we must imagine the future and provide concrete solutions", continues Raymund Trost. "Is the traditional way of designing, constructing and using buildings still compatible with climate objectives and the expectations of consumers, but also of our employees, knowing that our sector generates around 40% of emissions and waste worldwide? To provide answers to these questions, all players in the sector must rethink their way of approaching the profession. CFE Contracting is definitely reinventing itself, relying on the capacity for innovation of its talents, the complementarity of its businesses and a collaborative approach with external partners, to be a vector of solutions in the inevitable evolution towards a largely circular economy. We are thus today pioneers in several technologies, such as wood and off-site construction, integrated

Our strategic approach around sustainability and innovation also proved its relevance. We were able to consolidate this vision, which is already being reflected in tangible results.

LUC BERTRAND

management systems for smart buildings, refrigeration based on clean fluids with no impact on global warming, or sustainable operating and logistics methods, with more and more projects based on the circular economy.

DEME IS WORKING TOWARDS A BETTER PLANET

Luc Vandenbulcke fully agrees: 'Sustainability is a fundamental issue in which the different divisions of the CFE Group are perfectly aligned. Our positions on that subject are perfectly aligned. Basic trends such as global warming, increasing pollution, rising sea levels and demographic growth require solutions. After the global threat of the pandemic, we need to focus even more on these challenges. DEME is actively present in those fields, in particular thanks to our diversified portfolio of solutions. Innovation is a key driver of those changes. Our investment programme integrates the latest technologies on board of our ships, enabling us to provide even more sustainable solutions and significantly reduce environmental impact. Our four activity lines - dredging, offshore, environmental and infrastructure - 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. By only taking into account the realized turnover of its offshore and environmental activities, DEME already realizes more than a billion euros in turnover that contributes to the energy transition or the reduction of negative environmental impacts."

THE DIGITAL ERA

Another great challenge, digitalization, is also on the agenda of the three divisions. The creation of a Digitalization & Innovation Board, which is permanently examining ways to apply new digital solutions, clearly testifies to this. 'The transition to telework happened in record time, which shows that we were perfectly prepared for those changes. We have all made considerable progress in the adoption of electronic tools, and this will help us to speed up the digitalization process at all levels of our entities,' Piet Dejonghe points out. Raymund Trost endorses this view: 'Within a matter of a few weeks we have learnt to work differently. We are now capitalising on this crisis and are transforming our lines of business to evolve towards a new equilibrium by making use of technology. Nevertheless, the human aspect is not forgotten and remains central to our concerns. The combination of the two aspects will fuel our new dynamic of performance and growth.'

IRREPLACEABLE HUMAN FACTOR

The human factor remains the central focus in the three divisions of the CFE Group. 'The complexity and the technical nature of our activities compel us to find and retain talents,' Luc Bertrand explains. 'We endeavour to create the best possible working conditions and to reduce the pressure that can weigh on those often difficult jobs. More than ever, safety is our prime concern. The health and well-being of our people remain essential, and the coronavirus pandemic has only strengthened our commitment in that area.'

'Solidarity was the keyword of this past year,' Piet Dejonghe concludes. 'Solidarity of the workers who continued to work in difficult conditions or who went into partial unemployment, solidarity of the shareholders who declined the dividends proposed for 2019, solidarity of the management teams that donated 20% of their remuneration during the lockdown to charity. Thanks to this team spirit, and despite the undeniable impact of the crisis, our strategic objectives will more than ever remain relevant in 2021. Operational excellence and innovative approaches should help us to reduce the extra costs. Avoiding waste in every sense of the word is central to our sustainability ambition. A solid and sustainable company can look to the future with confidence.'

YEAR AT A GLANCE

ORDER BOOK

6,049.1 MLN.

DEME	CONTRACTING
4,500.0	1,492.6

* BPI, Holding and other elements 56.5

REVENUE

3,222.0 MLN.

DEME	CONTRACTING	BPI
2,195.8	911.9	131.1

* Holding and other elements -16.8

NET FINANCIAL DEBT

601.4 MLN.

DEME	CONTRACTING	BPI	HOLDING
489.0	-123.4	106.2	129.6

EBIT

119.5 MLN.

DEME	CONTRACTING	BPI
86.7	14.9	22.9

* Holding and other elements -5.0

EBITDA

414.7 MLN.

DEME	CONTRACTING	BPI
369.5	33.1	19.4

* Holding and other elements -7.3

NET RESULT

64.0 MLN.

DEME	CONTRACTING	BPI
50.4	5.5	13.2

* Holding and other elements -5.1

RESILIENCE IN THE FACE OF THE CRISIS

"Despite the exceptional circumstances, the result of the CFE Group remains clearly positive in 2020. The net financial debt decreased significantly, and its cash and order book reached all time record levels.

To a large extent, the impact of the health crisis explains the decrease in revenue observed at DEME and CFE Contracting, while the activities of BPI increased significantly, especially in Poland.

At the level of the three divisions, DEME was affected by the pandemic very early on. The negative impact of this and the accident of the Orion ship weighed on his results. However, the company has also recorded great successes, such as the sale of a stake in an offshore wind farm, which generated a capital gain in excess of € 60 million. A transaction that proves the relevance of the development of the activities of DEME Concessions.

Several entities of CFE Contracting, such as VMA, CFE Polska or MOBIX, stood out particularly in 2020. Conversely, construction activities in Belgium and Luxembourg were strongly affected by the effects of the pandemic.

The impact of the pandemic on BPI Real Estate remained very limited in 2020. The company reported impressive results.

The negative impact of the health crisis will still be significant in the first months of 2021, but DEME and CFE Contracting should realize an improved revenue and net result. In the absence of project deliveries in Poland, and because of delays in the granting of building permits in Brussels, BPI's net result is expected to decrease in 2021, but should nevertheless remain high."

Fabien De Jonge
CFO of the CFE Group

KEY FIGURES

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

PEOPLE ALWAYS AT THE CENTRE

"The coronavirus has forced us to rethink some of our objectives, but, thanks to the excellent and efficient collaboration between the human resources departments of the different entities, we have been able to overcome this crisis. The quick introduction of specific training programmes has been a major tool in the face of the crisis, and in particular the programmes dedicated to well-being and to the use of technologies for teleworking or remote management, and its adaptations to virtual conditions. The CFE Group has also launched a major campaign to attract qualified profiles in order to fill numerous specific positions, and to continue to strengthen itself in what has come to be known as the war for talent. We have also provided additional financial support to compensate for the periods of partial unemployment that some of our employees may have suffered."

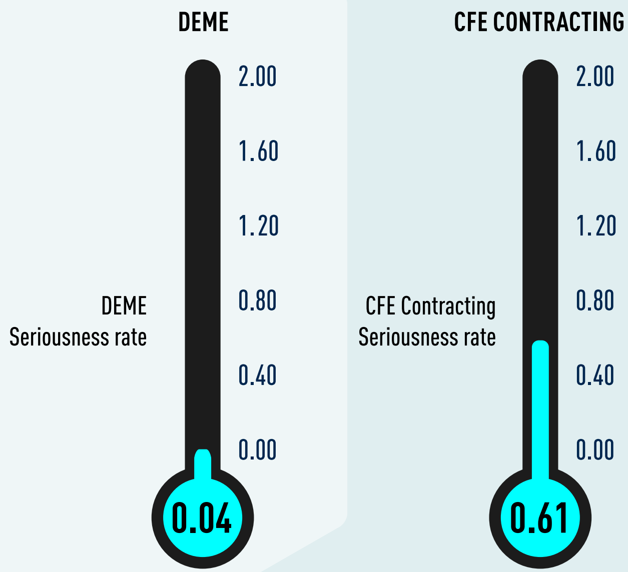
Valérie Van Brabant
Chief Human Resources Officer

NUMBER OF EMPLOYEES BY DIVISION	CFE	DEME	TOTAL
2018	3,524	5,074	**8,598**
2019	3,276	5,134	**8,410**
2020	3,250	4,976	**8,226**

TRAINING			
Number of hours	**2018**	**2019**	**2020**
Techniques	56,785	68,119	38,020
Health and safety	41,912	60,580	44,919
Environment	1,062	907	1,022
Management	16,192	17,129	6,953
IT	10,850	17,656	12,445
Admin/Accounting/Management/Legal	13,499	14,039	12,001
Languages	6,289	8,598	6,498
Diversity	326	310	8,128
Other	7,409	13,247	14,342
Total hours of training	**154,324**	**200,585**	**144,328**
Total hours of training per employee	**17.9**	**23.85**	**17.55**

SAFETY: A GLOBAL APPROACH

The HSEQ board (Health, Safety, Environment, Quality) has many objectives. Above all, the board aims to translate the strategic objectives of the CFE Group into concrete actions and clear priority plans. The 'think global, act local' principle governs these decisions, with the focus on safety for everyone and at all times. In order to achieve the zero accidents / zero incidents objective, it relies on constant process improvement and on the sharing of good practices through constructive consultation, with sustainability as the common thread. The HSEQ board defines a common vision and policy for all entities in 2020, and has established a unified reporting system for the HSEQ statistics. This will allow to develop a multi-level strategy in 2021, and in particular the long-term awareness training project, which will strengthen the skills of managers in the field of safety, but also the awareness of the lifesaving rules, as well as a prevention campaign with regard to the use of alcohol and drugs.

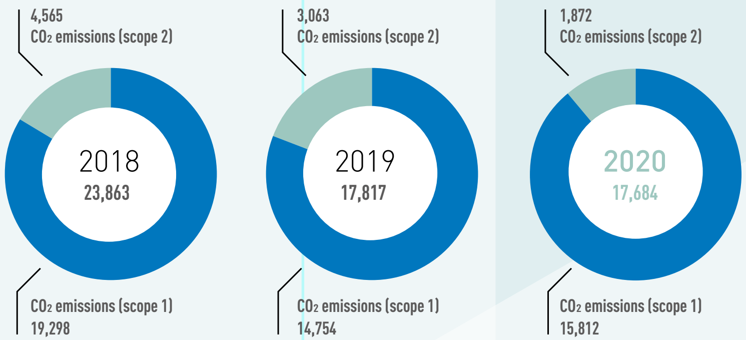


PRIORITY SUSTAINABILITY GOALS

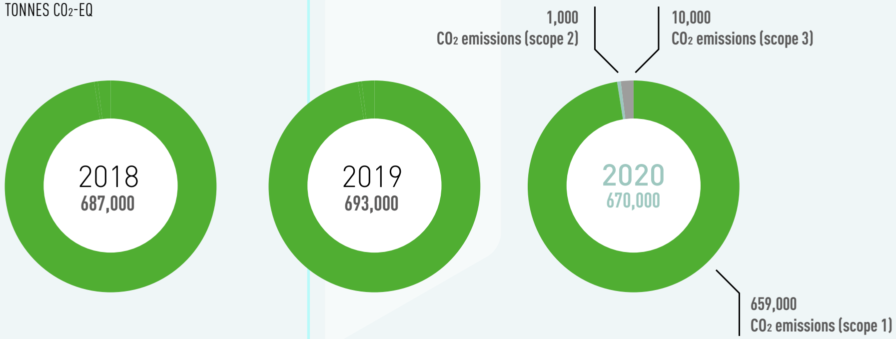
In 2019, the CFE Group started the clarification process of its own sustainable development objectives based on the 17 Sustainable Development Goals (SDG) of the United Nations. The Group has the clear desire to focus on sustainable aspects, in both the construction process and the projects themselves. This has enabled the definition of a policy based on the ESG criteria, which has already led to initial outcomes with, in particular, the creation of a dashboard of non-financial indicators, and, for CFE Contracting, reporting that is much more regular (4x a year instead of once a year). Several pilot projects allow the monitoring of the most complex issues, such as the transport of materials and equipment, circularity or the protection of the environment. Each indicator ensures the regular monitoring of the defined priority objectives. The coronavirus crisis has confirmed the relevance of such objectives, in particular the acceleration of the digitalization, as well as the focus on operational excellence, which proved to be essential for the continuation of the activities on-site, in the offices or in homeworking."

Isabelle De Bruyne
Sustainability Officer

CONTRACTING & BPI
TONNES CO_2



DEME (WORLWIDE)
TONNES CO_2-EQ



DIGITALIZATION: A PARADIGM SHIFT

"The strategy of the CFE Group with regard to digitalization and innovation has been completely reconsidered in 2020. The switch to digital in all fields is naturally at the centre of this strategy, and the COVID-19 pandemic has played an accelerating role from this perspective. Although negative from the point of view of society, this period has brought about a mind shift that could otherwise never have been achieved in this time frame. From the first lockdown, the number of active users of our videoconferencing tool has increased fivefold. All aspects of online work have seen an increase, from sharing documents to using electronic signatures. We were able to implement all these solutions quickly because we were ready technically. Our proactive approach is now being extended with the development of our 'digital awareness' and e-learning."

Hans Van Dromme
Chief Digital Officer

JANUARY 2020

BPI Real Estate Luxembourg, and its partner, are co-developing the first wooden office building in Luxembourg in Leudelange.

DEME Offshore is installing its 2,200th wind turbine, or a total of 9,316 MW of renewable energy installed, enough to supply 9.3 million homes with green energy.

FEBRUARY 2020

Launch of Wood Shapers, specialist in the construction of buildings composed mainly of wood and other hybrid alternatives reducing carbon footprint.

MARCH 2020

DEME Concessions and its Omani partner announce an exclusive partnership to develop a world-class green hydrogen production plant in Douqm, Oman.

The two electrical substations of the SeaMade offshore wind farm have been successfully installed in the Belgian North Sea.

APRIL 2020

The CSBC-DEME Wind Engineering (CDWE) joint venture concludes an 'early works'-contract for the construction of the «Green Jade», the first floating heavy lifting and offshore wind turbine installation vessel to be built in Taiwan.

MAY 2020

DEME Concessions closes the sale of its interest (12.5%) in the Merkur offshore wind farm. The transaction generates a capital gain of 63.9 million euros for DEME.

JUNE 2020

DEME participates in the construction of the Scheldt tunnel, the most important connecting element in the Oosterweel link and closes the Antwerp Ring Road on the north side. The tunnel has a total length of 1,800 m and will be built according to the 'immersed tube' method.

AUGUST 2020

DEME Offshore wins the largest interconnection cable order in history for Dogger Bank offshore wind farm.

MOBIX starts, on behalf of Infrabel, a gigantic massification and renovation operation in Denderleeuw. The teams in charge of the tracks, catenaries and signalling have joined forces to complete the project within a very tight deadline.

SEPTEMBER 2020

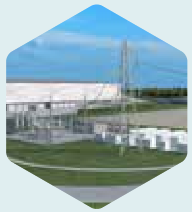
BPI Real Estate Poland, and its partner, have acquired a 5.5 hectare plot in the centre of Poznań to develop and build a mixed-use project. This is one of the biggest real estate transactions in Poland in 2020.

Belgian Alliance for Climate Action

OCTOBER 2020

CFE Contracting is strengthening its ambitions in terms of sustainable development by joining the Belgian Alliance for Climate Action.

DEME has joined the European Clean Hydrogen Alliance, supporting the EU's ambitious hydrogen and carbon reduction strategy.



NOVEMBER 2020

ESTOR-LUX, a consortium of which Rent-A-Port Green Energy is part, announces the start of construction of its first battery energy storage system of 10MW / 20 MWh in Bastogne.

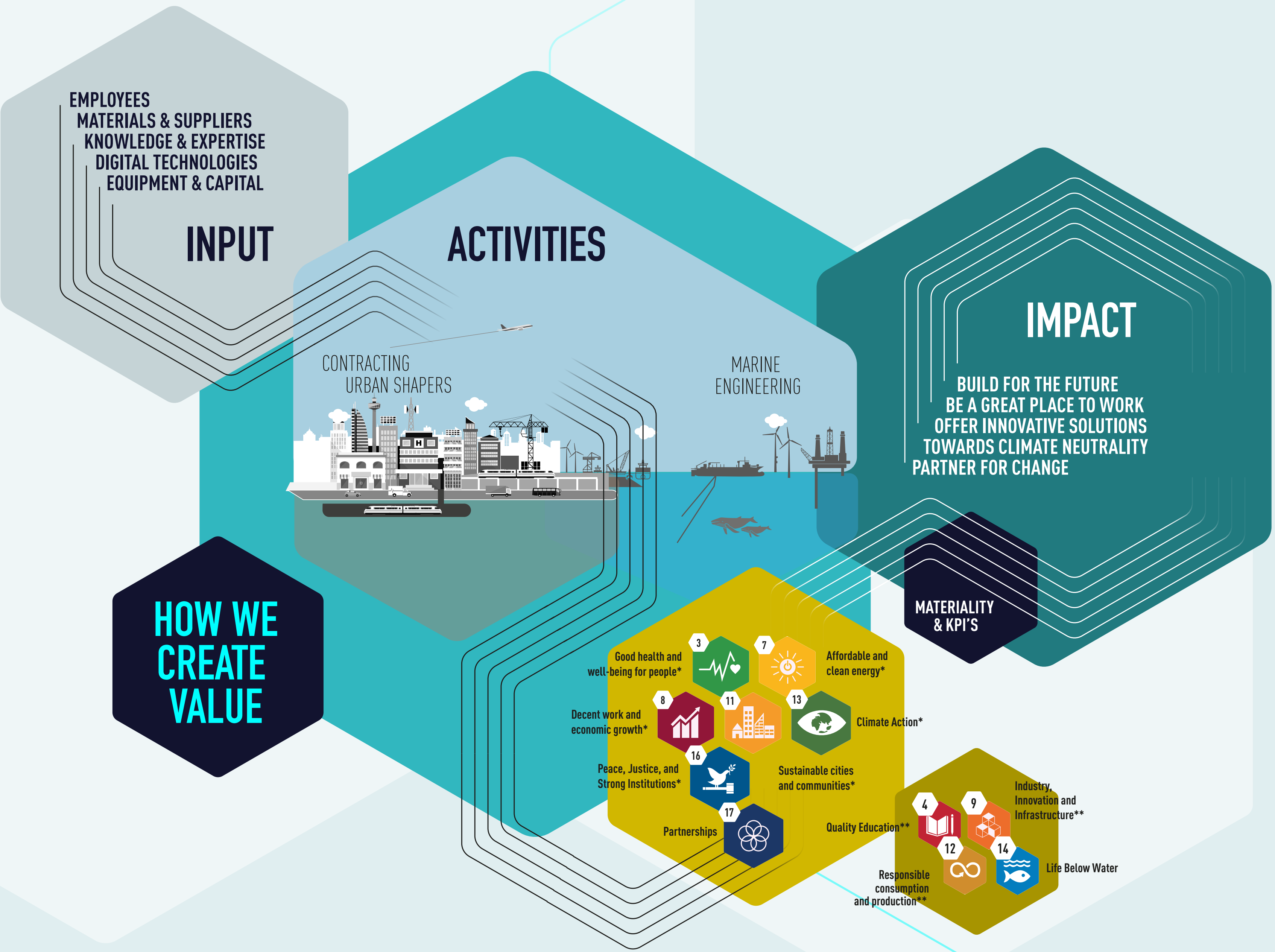
DEME awarded the prestigious Abu Qir port project in Egypt, the largest ever dredging and land reclamation contract in its history.

DECEMBER 2020

CFE Contracting starts the foundation works for the ZIN project, a multifunctional project in the North district of Brussels.

HOW WE SHAPE THE WORLD

VALUE(S) CREATION MODEL



VALUES AND SOCIAL CONTRIBUTION

Real estate development, dredging and marine engineering, construction, technical installations and rail & utilities: the CFE Group is active in three distinct major areas that have in common a major impact on society.

The analysis of the 17 sustainable development goals set by the United Nations made it possible to identify their own priority goals for both DEME and CFE Contracting and BPI. These objectives are built around five important pillars, namely: «Build for the future», «Great place to work», «Offer innovative solutions», «Drive the energy transition towards climate neutrality» and «Create sustainable shareholder value». These 5 pillars correspond to all ESG themes: Environment, People (social) and Governance. Sustainability is central to 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 basis necessary to realize our ambitions.

* these SDGs are DEME & CFE Contracting and BPI related; more info in the statement of non-financial information

** these SDGs are DEME or CFE Contracting and BPI related; more info in the statement of non-financial information

Project ZIN - Brussels

BUILD FOR THE FUTURE

BEING AWARE OF THE HUMAN AND ECOLOGICAL ISSUES THAT WILL DEFINE OUR LIFESTYLES IN THE YEARS TO COME, THE CFE GROUP HAS CHOSEN TO DEVELOP A PROLONGED LONG-TERM VISION IN ALL ITS PROJECTS, AND TO AFFIRM ITS AIM TO CONTRIBUTE TO THE BUILDING OF A SUSTAINABLE FUTURE FOR OUR PLANET AND FOR THE GENERATIONS TO COME. SOUND WATER MANAGEMENT, REDUCTION OF WASTE AND PACKAGING, REUSE OR RECYCLING OF CONSTRUCTION SITE RESIDUES, THE USE OF ECOLOGICAL CONSTRUCTION MATERIALS, SHORTENING OF THE SUPPLY LINES: ALL THESE ARE ELEMENTS ON WHICH THE CFE GROUP IS CURRENTLY ALREADY TAKING VERY CONCRETE ACTIONS.

The construction sector is not only one of the major contributors to greenhouse gas emissions, but it is also among the sectors that are most able to reduce their carbon footprint and have a positive impact on our community, as is confirmed by the fifth implementation report from the group of experts of the Intergovernmental Panel on Climate Change (IPCC).

Based on this fact, the new policy of the CFE Group in the area of environmental, social and governance (ESG) criteria, which was initiated in 2019, has become clearer in 2020, in particular with the implementation of even more relevant Key Performance Indicators (KPI). These relate in particular to waste flows and recycling. The principles of the circular economy enable several entities of the CFE Group to obtain excellent results in this area, and to set up various recovery operations for construction site residues that represent not only an environmental, but also an economic interest at the same time.

RECYCLING AND REUSE

One example among many others: MOBIX and Van Laere have joined forces to give a

LUWA PROJECT

MOBIX LIGHTS UP THE ROADS OF THE FUTURE

KEY PROJECT

PROJECT OWNER: SOFICO

CONSTRUCTION PERIOD: 2020 - 2040

PROJECT REALIZED BY: MOBIX

The LuWa project, also known under the name of 'Plan Lumière 4.0 [Lighting Plan 4.0]', is a 20-year contract that provides for the gradual introduction of new 'smart' LED lighting along the main roads of the Walloon region, representing a total of approximately 100,000 light points.

This is the first sustainable development project managed by MOBIX, and involves the replacement of obsolete sodium lamps by LED lamps that consume less energy and have a longer lifespan. In the long term, a system that enables variation of the light intensity will make it possible to save 76% of energy, cut 166,000 tonnes of CO_2 emissions, and reduce light pollution.

The renovation plan provides for the replacement of sodium lamps by LED lamps and for the modernisation of the lighting infrastructure: transformers, junction boxes, distribution lines and lamp posts over a network of 2,700 kilometres of motorways and national highways (including 400 kilometres of crossroads), as well as parking areas along the motorways and car parks in communal areas.

WHAT IMPACT?

- ● PARTNER FOR CHANGE
- ● OFFER INNOVATIVE SOLUTIONS
- ● BUILD FOR THE FUTURE
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- ○ GREAT PLACE TO WORK

second life to a very specific type of construction waste. The ballast – the bed of stones on which railway tracks rest – used by MOBIX on its Infrabel construction sites could be recovered thanks to the authorization obtained from the Flemish Waste Authority (OVAM). Van Laere has recovered this expensive waste, which has an impact on the environment, by using it as drainage material on the doubled section of the Ghent - Bruges railway line between Aalter and Landegem.

On the Key West construction site, which will use geothermal energy to optimize the energy consumption of its 524 apartments, BPI is already conceiving new forms of circular construction by reusing materials. This approach is also used on the reconfiguration site of the SNCB buildings in Brussels, which will fundamentally change the outline of the largest railway station in the country.

ENERGY UNDER CONTROL

The energy consumption of construction sites also benefits from more detailed monitoring. In collaboration with the Sustainability Board, on which various experts from the CFE Group sit, MBG has launched an energy audit for its sites, supported by the technical knowledge of BENELMAT and VEMAS. Thanks to smart electricity meters, it is possible to obtain an ultra-precise and localized overview of the consumption, to identify any leakage of energy, and to remedy the situation. By analyzing the consumption of cranes, site quarters and the various workstations, it was possible to install cut-off systems and solar panels, and the high-voltage cabins have been adapted according to the needs. All the entities of CFE Contracting are now making this approach a priority objective.

FOCUS ON WASTE

For its part, 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. In order to guarantee these principles globally and consistently, a QHSE (Quality Health Safety Environment) risk management system is used on all sites and for all interventions. A KPI is linked to the system. According to the rating, it initiates responses in the form of 'green initiatives', namely one or several modifications to processes, equipment or installations aimed at reducing the environmental impact of the project and, in particular, limiting waste and unnecessary rejects. The KPIs raise the awareness of the team members involved 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 of this type was to replace the oil and grease used in the hydraulic and lubrication systems of the floating equipment with biodegradable alternatives.

ENERGY AUDITS

REDUCING ENERGY CONSUMPTION ON THE CONSTRUCTION SITE

GLOBAL SOLUTION

Understanding energy consumption on the construction site, tracking down abnormal consumption, looking for possibilities to optimize and reduce consumption. In order to meet these three objectives, energy audits have been set up for various construction sites. Benelmat supports this approach, and is working together with MBG on two projects, in particular Zurenborg and Waterzicht, and with BPC on the AXS and City Dox projects in Brussels, among others.

In concrete terms, sensors have been placed on the containers and on the cranes in order to measure consumption in real time. This has made it possible to find the best solutions, working together with the construction site teams, and to raise the awareness of the whole workforce with regard to sound energy management.

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RENT-A-PORT GREEN ENERGY

SUSTAINABLE ELECTRICITY STORAGE IN BASTOGNE

GLOBAL SOLUTION

The development of large electricity storage capacity is one of the key points for a successful energy transition. On the one hand, this will safeguard a supply that is sustainable and neutral in CO_2 emissions, in particular during periods without wind or sun, and will reinforce the stability of the grid on the other, especially at times when there is an abundant supply of renewable energy.

Even though this is essential with a view to achieving carbon neutrality by 2050, the development of electricity storage projects on a large scale is under pressure due to the absence of dedicated support mechanisms, be it long-term contracts for grid supply services or capacity.

The ESTOR-LUX consortium has succeeded in setting up an innovative technical-economic model, and has started the construction of the first 10 MW/20 MWh electricity storage battery farm in Bastogne, with the commissioning of the project scheduled for mid-2021. This is a significant step that demonstrates the viability of projects relating to electricity storage in batteries, and their relevance as a sustainable competitive alternative to conventional sources of flexibility.

ESTOR-LUX and its founders, which include Rent-A-Port Green Energy, are determined to play a pioneering role in the large-scale development of electricity storage in Belgium, both for projects that are directly linked to the grid, and for projects involving industrial customers.

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The CFE Group clearly adopts a proactive position towards climate change and the demographic challenges that are emerging.

ANTICIPATION OF THE ECOLOGICAL IMPACTS

The management of water, a resource that is becoming exponentially scarcer in Belgium according to the conclusions of a recent report by the World Resources Institute (WRI), is another important priority of the CFE Group. Van Laere is setting the example by filing a patent for the collection and reuse of rainwater, which will limit the overload of the sewer network.

The CFE Group clearly adopts a proactive position towards climate change and the demographic challenges that are emerging. The choice of sustainable materials is further proof of that position, especially with regard to wood, which perfectly meets the requirements of present-day construction, while preserving the ecological balances and the local environments.

Another brick for building a better future is mobility. By participating in the LuWa consortium, which modernizes the lighting equipment of the Walloon road network and lays the foundations for the first connected motorways, MOBIX confirms the major importance of a coordinated approach between all stakeholders, as well as a long-term commitment. 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.

GLOBAL SOLUTION

FLEET OF THE FUTURE

DEME REDUCES THE EMISSIONS OF ITS FLEET

Between now and 2030, DEME is aiming to reduce greenhouse gas emissions by 40% compared to the reference year 2008 set by the International Maritime Organization (IMO), and to become a climate-neutral company by 2050.

Given the fact that 90% of greenhouse gas emissions can be attributed to the fuel consumption of vessels, DEME is pursuing a multi-year investment plan aimed at supplying its fleet with the most advanced technology in the field through the use of low-emission fuels, such as LNG, bio-diesel and future ecological fuels.

DEME is also continuously improving the energy efficiency of its entire fleet through various technological measures, such as residual gas heat recovery systems when using electrical energy. Emphasis is also placed on the optimization of processes, and on improving productivity. Finally, in 2020 DEME has also focused on improving the recording of energy data, on setting up an integrated data structure, and on developing the necessary tools for monitoring.

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KEY PROJECT

ZIN

SUSTAINABLE REDEVELOPMENT OF THE WTC 1 & 2 TOWERS IN BRUSSELS

PROJECT OWNER: BEFIMMO

ARCHITECT: JASPERS & EYERS ARCHITECTS – 51N4E – L'AUC

CONSTRUCTION PERIOD: 01/2021 – 12/2023

PROJECT REALIZED BY: VAN LAERE, BPC AND VMA

An innovative, multifunctional project for the redevelopment of the existing WTC 1 and 2 towers in the Brussels North district. The above-ground surface of 110,000 m² will include 73,000 m² of offices, 14,000 m² of residential units, and 16,000 m² for a hotel, as well as leisure and retail space. Van Laere and BPC will be responsible for the construction, while VMA will take care of the multitechnical aspects.

ZIN is a daring project, not only in terms of its architecture and design, but also for its impact on the environment. It will, in fact, be practically energy-neutral. Great importance has also been assigned to the principles of circularity. This circular approach starts with the preservation of 65% of the existing WTC towers, which significantly reduces the amount of waste accumulated during dismantling, and the amount of new materials that will be needed for the construction. A total of 95% will be preserved, reused or recycled, and 95% of the new materials for the offices must be C2C certified.

With ZIN, CFE Contracting is delivering on its sustainability ambitions. “The real estate and construction sectors are currently responsible for 40% of the global CO_2 emissions”, Raymund Trost continues. “We are aware of this responsibility. Thanks to recycling or to the circular approach, we can make our construction methods even more sustainable and effective. In this sense, ZIN will be a reference project, as much for the companies within our group as for the entire sector.”

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BE A GREAT PLACE TO WORK

THE STRENGTH OF THE CFE GROUP IS DIRECTLY LINKED TO THE TALENTS OF ITS TEAMS. THOSE HUMAN 'RESOURCES' ARE FAR MORE THAN AN ANONYMOUS RESERVOIR OF EMPLOYEES. IN ALL SECTORS, OUR ACTIVITY RESTS ON HIGHLY SPECIFIC KNOW-HOW AND SKILLS. ATTRACTING NEW AND QUALIFIED EMPLOYEES, AND ENABLING THEM TO THRIVE, DEVELOP AND GIVE THE BEST OF THEMSELVES IN A STIMULATING AND BENEVOLENT ENVIRONMENT IS THEREFORE ONE OF THE PRIMARY OBJECTIVES OF CFE. THE VARIOUS ENTITIES THEREFORE RESERVE A PROMINENT PLACE FOR A SERIES OF FUNDAMENTAL HUMAN VALUES.

The CFE Group proved in 2020 that it is able to set up efficient processes for managing the relations between the different stakeholders.

YouthStart provides several hundred young people who have dropped out of school with the opportunity to attend a programme that helps them find a place in the job market.

Well-being in the workplace, health, safety, enhancement of skills, training, and also diversity are all elements that have made the CFE Group a great place to work today. The need for specific profiles in all fields and at all levels of skill makes recruitment an area in which energy is specifically invested. The aim of a long-term commitment is also a part of the new global sustainability vision that was implemented in 2019.

CREATING A FAVOURABLE FRAMEWORK

This global vision cannot exist without a solid and responsible corporate governance. In that respect also, the CFE Group proved in 2020 that it is able to set up efficient processes for managing the relations between the different stakeholders by creating real ecosystems in which employees play an essential role and can develop fully. The cornerstone of that commitment is obviously safety, whose scope of application has been further expanded with the prophylactic measures linked to the pandemic.

SAFETY AND WELL-BEING FOR ALL

Awareness initiatives and concrete actions to combat the spread of the coronavirus have been efficiently adopted within all entities of the CFE Group. In this respect, the coordination led by the Health & Safety Board has been essential. This has in no way affected the efforts made in other areas of safety, in particular with regard to the digitalization of the objectives by the Safety Board at CFE Contracting. The Executive Committee at MOBIX has directly addressed the construction sites in order to remind the workforce of the safety rules, and to underline the absolute priority of zero accidents.

Ensuring decent working conditions for everyone, regardless of their profile, is another pillar of CFE's human resources policy. To this end, BPC has carried out an audit regarding access to construction site offices for people with reduced mobility. Diversity, in the broadest sense of the word, is embedded in the DNA of the Group, as is the internal promotion of talent through training and personal development. Accordingly, DEME was awarded the title of 'Belgium's most attractive employer' on the occasion of the 2020 Randstad Awards.

BPI places a particular emphasis on these aspects through its declared aim to strengthen well-being at work through training sessions, but also by promoting career development, and by enhancing the quality of the professional environment.
CFE's human values are widely shared by all the Group employees. CFE Contracting has therefore renewed its partnership with the YouthStart non-profit organization. This organization provides several hundred young people who have dropped out of school with the opportunity to attend a programme that helps them find a place in the job market, in particular by developing a business plan to set up their own projects. The same commitments are reflected in the sponsorship choices made by the employees of BPC for the coming three years. When asked about the orientation of the company's social policy, they opted for the following two projects: 'Laughter at the hospital', which brings consolation and encouragement to the youngest patients, and 'Les Ateliers de l'Avenir' (TADA - Workshops for the Future), through which young people with difficulties can meet coaches who introduce them to their professional activity.

A promotion video for the 'Join the Framily' campaign featuring a cast of enthusiastic colleague.

WIDENING THE CIRCLE

One of the major challenges of the construction sector is the recruitment of qualified profiles. The job of site manager comes second in the list of the top ten scarcity professions in 2020. Other professions, in particular estimators or technicians, are also among the ten positions that are hardest to fill in Belgium.

CFE Contracting has therefore launched a unique campaign aimed at attracting talent. In order to better define the arguments of this 'employer branding', an extensive survey has been carried out among the employees of the various entities. This has highlighted the many strengths of CFE, which is seen as a stable employer that is dedicated to innovation and sustainability, while also offering numerous development opportunities within the Group. All this was used as the basis for a promotion video for the 'Join the Framily' campaign (Framily = family and friends), featuring a cast of enthusiastic colleagues. The movie has a unique tone and atmosphere, as a remedy against the temptation towards pessimism during the pandemic.

The COVID crisis has given the CFE Group as a whole the opportunity to demonstrate this collegial dynamic 'in vivo'. Synergies and collaboration between the different entities have made it possible to make the necessary adjustments in a quick and efficient manner. The employees were supported in several ways during this difficult period, through workshops and training programmes in well-being, in leadership, and in the use of computer teleworking tools. Based on video tutorials, various entities within CFE Contracting have created educational videos to help employees and subcontractors respect the social distance when restarting the construction sites after the first lockdown. These videos were made available to site managers and were received with great enthusiasm by the employees. It was not easy to learn to work differently after years of habits.

Various well-being initiatives were also organized at DEME to counteract the major impact on mental health. In addition, DEME also had to solve practical logistical problems. Due to the various lockdowns and travel restrictions, many DEME employees had to stay on vessels and projects across the globe for much longer than anticipated. Around 1,200 crew members had extended stays on board. DEME chartered more than 10 aircraft to bring people home. Several ships were diverted to change crews and continue projects. Several vessel deviations took place so crew changes could be carried out and projects could continue. Additionally, special extraction teams and a crew change task force were organized to repatriate people. Throughout this challenging period, the health and safety of employees has always been a top priority.

GLOBAL SOLUTION

SUSTAINABILITY APPROACH

CFE SETS THE EXAMPLE IN POLAND

The sustainability strategy and priority actions defined by the Sustainability board for CFE Contracting and BPI require certain adjustments from the different entities. In 2020, CFE perfectly reflected this in Poland by developing its own sustainability strategy in just a few months, based on a strong and easy-to-understand baseline: Together we go green'. The different management levels were involved in the process and the roles and responsibilities were defined. Thanks to clear communication, both internally and to customers and subcontractors, the objective of the strategy - based on four pillars: partnership, people, call to action and environment - was well understood by everyone. A group of employees motivated by the theme thought about simple and concrete actions that will produce convincing results in the short term. A pragmatic approach that has paid off and has already led to a change in mindset.

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Project SeaMade - North Sea

OFFER INNOVATIVE SOLUTIONS

INNOVATION IS A FUNDAMENTAL COMPONENT OF THE SUSTAINABLE STRATEGY OF THE CFE GROUP. IT IS BOTH A DRIVING FORCE AND AN APPLICATION METHOD. THE OPERATIONAL EXCELLENCE OF ALL ENTITIES IS BASED ON A CONTINUOUS SEARCH FOR INNOVATIVE SOLUTIONS, NOT ONLY IN THE MANAGEMENT OF DAILY TASKS AND IN TERMS OF ADMINISTRATIVE PROCEDURES OR THE RELATIONSHIPS WITH DIFFERENT PARTNERS, BUT ALSO IN SEEKING TO DEVELOP TECHNOLOGIES THAT ARE CAPABLE OF BRINGING ABOUT A THOROUGHGOING TRANSFORMATION OF OUR WAY OF LIFE.

In order to support these commitments to innovation, a Development and Innovation Director has been appointed at BPI, and a Chief Digital Officer at CFE. As an extension to the latter appointment, a new ‘Digitalization & Innovation Board’ has also been created. Its multiple objectives include, in particular, the translation of the strategic objectives of CFE into actions and priority plans, with a focus on sustainability, continuous improvement of processes, and the sharing of best practices. Its first task in 2020 was to harmonize the collection of HSEQ (Health, Safety, Environment, Quality) statistics, and to use them to define the key indicators that will serve as benchmarks from now on.

In terms of innovation, DEME focuses on joint value creation by establishing partnerships with multiple stakeholders, in addition to a strong emphasis on internal entrepreneurship. In order to support internal entrepreneurship, various innovation programmes were set up in 2020 to record new ideas on the one hand and to reward initiatives implemented on the other. In

Computer aided systems, connected tools, dedicated applications, virtual reality, Internet of Things digital modelling ... so many solutions that now form part of the Group's DNA.

2020, 2 specific innovation challenges were set up on the one hand around climate and energy and on the other hand around waste and materials management. Sustainability is included in the evaluation criteria throughout the innovation process.

DIGITALIZATION ON THE FRONT LINE

This new board will enable the further acceleration of the modernization and digitalization processes. The latter is naturally at the heart of the technological advance of CFE. Computer aided systems, connected tools, dedicated applications, virtual reality, Internet of Things digital modelling ... so many solutions that now form part of the Group's DNA and serve to exponentially increase efficiency and productivity, while at the same time opening up many perspectives.

The joint pilot project of MBG and VEMAS, enabling the monitoring of electricity and water consumption on construction sites, with monitoring of the site quarters, the site installations and the cranes, perfectly illustrates the validity of this collegial approach and of the shared use of knowledge and techniques. The progress made by the Automation Business Unit of VMA has, for its part, led to the creation of a software program that will enable the virtual testing of automotive production lines in 3D.

SERVICE INCLUDED

The direct consequence of the digital evolution is the emergence of the 'product as a service', an economic model in which the business relationship with the customer is not limited to the simple delivery of a product or a building, but also extends to the long-term provision of services. With its rich store of know-how, the CFE Group has all that is needed for this model. The development of synergies between the entities, facilitated by the digitalization, is an additional asset for the future. MOBIX has shown the way with its impressive massification project in Denderleeuw for Infrabel, the manager of the Belgian railway network. The three units – tracks,

KEY PROJECT

GARE MARITIME

AN EXEMPLARY DEVELOPMENT

PROJECT OWNER: EXTENSA

ARCHITECT: NEUTELINGS RIEDIJK

CONSTRUCTION PERIOD: 2016 - 2020

PROJECT REALIZED BY: MBG / VMA

The Gare Maritime, the former Tour & Taxis freight station that was constructed in 1907, has been completely renovated 110 years later, and is now an energy-neutral building. Awarded with several prizes, the building focuses on the transformation of the former freight station into a modern and sustainable building through the use of geothermal energy for heating and air conditioning, solar panels on the roof and on the southern façade, a rainwater collection system and dynamic glazing that adapts to the sunlight.

The building shell has been optimized to waste as little energy as possible, while benefiting as much as possible from natural daylight. A triple-glazed sun screen that is both insulating and dynamic contributes to the circularity principle, and reduces energy requirements.

10,000 m³ of glued prefab timber was used for the construction of the 12 wooden blocks, with a total area of ± 45,000 m². This makes the project one of the largest wooden structures ever built in Europe. The wood is FSC-certified.

In addition, innovative techniques and methods, such as the application of LEAN planning principles, were used for the planning of the work and the development of the entire project in BIM. Building Information Modelling (BIM) is a solution for the digital modelling of building information. It allows the use of a shared digital representation of the building in question. All the information can be accessed, and any changes appear in real time. Full 3D visualisation gives an accurate picture of the project and all the infrastructural elements. It is a highly efficient tool for making decisions in connection with both the construction and the operation of the building.

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AUREA TOWER

A SUSTAINABLE AND INNOVATIVE TOWER

PROJECT OWNER: IKO REAL ESTATE

ARCHITECT: MORENO ARCHITECTES

CONSTRUCTION PERIOD: 2018 - 2021

PROJECT REALIZED BY: CLE

A 14-storey tower with a height of 58 metres, anchored on two basement levels that house car parks. There are shops on the ground floor, offices on the first floor, and 138 apartments - including 8 duplexes – on the upper floors. The Aurea tower in Differdange, in the south-west of the Grand Duchy of Luxembourg, is a sustainable and innovative project, in particular thanks to the use of a system for the composition of the aluminium of the exterior joinery work. This process makes it possible to utilise pre-used, 75% recycled aluminium, and to reduce the carbon footprint of this material by a factor of eight.

The construction site also benefited from the first consolidation centre that has ever been set up in Luxembourg. This platform for material centralisation enables optimized redistribution on the construction site. The average storage duration on the construction site can usually be up to three months. With the consolidation centre, it has been reduced to 8 days. As a result, energy consumption has halved, as have CO_2 emissions.

KEY PROJECT

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> Philosophy in real estate development is resolutely centred on the reinvention of our lifestyles and ‘human’ innovation.

catenaries and signalling – have joined forces in order to deliver a turnkey solution for the entire infrastructure.

INNOVATION AT THE SERVICE OF SUSTAINABILITY

Innovation within the CFE Group is strongly driven by the principles of the circular and modular economy. Proof of this is provided by Wooden and Domaine des Vignes, the first achievements of Wood Shapers, which is a joint venture between BPI and CFE Contracting that is entirely dedicated to wood construction. Another example of this is the site of the Aurea tower in Luxembourg, which is managed by CLE. An innovative system 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 of this is the ZIN project in Brussels, an ambitious redevelopment of the WTC 1 & 2 buildings, whereby 95% of the materials will be preserved, reused or recycled.

DEME, for its part, has strongly invested in the search for a solution for ‘green’ hydrogen, and has made great technological progress in solving the question of the ‘plastic soup’ that pollutes the oceans. In general, the maritime hub of the CFE Group is not only at the technological forefront with its fleet, where the renewal process is synonymous with constant achievements and innovations, but also with regard to its overall strategy based on the consideration of ecological and energy impacts.

A ‘big picture’ approach of this kind can be found at BPI, whose philosophy in real estate development is resolutely centred on the reinvention of our lifestyles and ‘human’ innovation. This pioneering vision also opens an innovative path in Poland with the acquisition of 5.5 hectares of land position in Poznań. On the site of a former military barracks in the center of the metropolis, BPI Real Estate and its partner will build a mixed use project in the coming years with more than 1,000 apartments, offices, commercial and service spaces. A striking example because such mixed projects are completely new in this country. Innovation for the benefit of sustainability is certainly also a given within the real estate division of the CFE Group, which integrates this from the onset of each project, and systematically aims to rationalise the consumption of energy and materials by adopting the most recent technologies.

OPENING THE DOORS TO THE FUTURE

Digitalization is also synonymous with the improvement and simplification of procedures, both upstream and downstream of the construction sites. This very specifically translates into the development of LEAN within all entities. This method, which originated in the United States in the early 1990s and is inspired by Japanese organizational models, is nowadays applied to management as well as to industrial production and the construction industry. As its name suggests, it is based on the principles of reduction of waste - of time, energy or materials - with the aim of increasing efficiency and productivity.

At Van Laere, where the new position of 'LEAN and Innovation Manager' has been created, LEAN is now adopted on all its construction sites. Moreover, architectural firms and customers are being offered LEAN training sessions, in order to implement its principles from the very design phase of projects.

From an administration point of view, the simplification becomes apparent in many ways. MBG has set up a fully digital 'checkin@work', while CLE has also implemented the digitization of visit reports. A completely new online platform for documentation exchange, now facilitates the process of optimizing technical data sheets on the construction site at BPC. Underpinned by a digital signature solution, it will from now on shape the future of connected construction.

GLOBAL SOLUTION

PLASTIC WASTE COLLECTOR

DEME INNOVATES TO FIGHT POLLUTION

In partnership with the University of Antwerp and the Institute for Nature and Forest Management, DEME has devised an innovative solution to reduce the pollution of our waterways. Now tested for a year, this solution is based on the collection of waste from the water. The device consists of a mobile system and a fixed installation, which includes a smart detection system, a workboat capable of autonomous navigation, and a charging station.

Floating waste is detected by artificial intelligence that is linked to cameras. An autonomous workboat, the 'Marine Litter Hunter', intercepts the waste and pushes it towards a collection pontoon, where a crane (remotely controlled in virtual reality by an operator) transloads it into a container. Once the container is full, the workboat autonomously transports the waste to an unloading station. The "Marine Litter Hunter" navigates without emitting CO_2, and the vessel independently docks at the docking station for charging.

DEME is also testing a fixed installation for collecting floating waste. The latter consists of a V-shaped trap with a collection pontoon.

Luc Vandenbulcke, CEO of DEME: "When carrying out our activities around the world, we are confronted every day with waste in rivers and oceans. For DEC, the environmental subsidiary of DEME specializing in, among other things, soil, sludge and water decontamination, deploying our expertise with a view to actively working together on solutions to the global waste problem is a step that makes sense. By collecting plastic waste from rivers, we can prevent it ending up in our seas and oceans. As a pioneering company, we continue to invest in technologies and in innovations in order to provide solutions to global challenges. By collaborating with the Vlaamse Waterweg (*Flemish Waterway*), we are able to thoroughly test the operation of the plastic waste collector, as well as to examine whether we could use the technology on a larger scale in rivers, deltas and ports."

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KEY PROJECT

MASSIFICATION AT DENDERLEEUW

RENOVATION OF THE RAILWAY INFRASTRUCTURE

PROJECT OWNER: INFRABEL

CONSTRUCTION PERIOD: AUGUST 2020

PROJECT REALIZED BY: MOBIX

One of the largest projects in Belgian railway history was realized by MOBIX on the railway lines 50 and 50C, between Denderleeuw and Essene-Lombeek, from the 1st to the 24th August 2020.

The Track, Catenary and Signalling teams joined forces in order to successfully complete the total renewal of infrastructure and tracks: replacement of 17,500 tonnes of ballast, 10,000 railway sleepers, 14 switching points and 9 km of overhead contact lines. All this was achieved in just 23 days of work, 24 hours a day, 7 days a week, in very difficult conditions due to the heatwave that prevailed during this period.

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Project Aurea - Differdange

TOWARDS CLIMATE NEUTRALITY

IN DECEMBER 2019, THE EUROPEAN COUNCIL, WHICH IS COMPOSED OF THE HEADS OF STATE AND GOVERNMENTS OF THE EUROPEAN UNION MEMBER STATES, OFFICIALLY ADOPTED THE UNION'S GOAL TO ACHIEVE CLIMATE NEUTRALITY BY 2050. THIS POLITICAL BREAKTHROUGH TESTIFIES TO THE GROWING IMPORTANCE OF THE ENVIRONMENTAL CHALLENGES AT ALL LEVELS OF SOCIETY. THE CFE GROUP SHARES THIS COMMITMENT AND IS ALREADY IMPLEMENTING SEVERAL SETS OF MEASURES TO ACHIEVE CLIMATE NEUTRALITY IN THE LONG TERM.

Optimizing the transport of materials and waste is a key factor in reducing the ecological impact and the carbon footprint of construction sites. In 2020, the CFE Group initiated several large-scale projects to address this issue in an innovative and effective way. One of the most striking solutions is the collaboration with consolidation centres. These logistics platforms, which centralise the supply of materials, enable the rationalisation of the rotation of deliveries and the limitation of their number. The loads are optimized, waiting times are shortened and the construction sites reduce their storage needs, and thereby the pollution in urban areas.

A LEAP FORWARD IN LOGISTICS

The Brussels Consolidation Construction Centre (BCCC) is the flagship of this concept in Brussels, and several sites have benefited from its services in the past year. First of all, Park West, a housing complex of more than 6,000 m2 being developed by BPI in the European District, which has been using the BCCC from the start of the structural work. Virtually all the sand-lime blocks for the project were delivered in one go by barge, or the equivalent of 50 trucks, resulting in a significant reduction of the carbon footprint and a simplified planning organization. Located at 5 kilometres from the building site, the BCCC can indeed deliver each component in an extremely precise and targeted manner.

SYNERGIES WITH DEVELOPMENT POTENTIAL

The BCCC will also serve as the logistics base for the landmark ZIN project. This is an ambitious redevelopment of the WTC 1 & 2 buildings in the business district of the capital, involving Van Laere, BPC and VMA as associates. For the first time in Belgium, the principles of the circular economy will be applied to such a large-scale building site. At the end of the day, 95% of the materials will be preserved, reused or recycled.

In the same manner, CLE has set up a consolidation centre for two projects in Luxembourg: the Aurea tower in Differdange and the Omnia tower in Belval. The logistics platform for the latter has been used from the structural work onwards. On-site storage time, which typically reached up to 3 months, has been reduced to a maximum of 8 days, while energy consumption and CO_2 emissions have been halved. In addition, deliveries could be made outside working hours, which facilitates the work of the teams and improves safety.

RATIONAL RESOURCE MANAGEMENT

Among other things, reducing CO_2 emissions requires an alternative approach to modes of transport and equipment. The efforts made throughout the CFE group with regard to the vehicle fleet and on-site equipment are aimed towards this. The mobility plan set up by CFE Contracting, which includes ‘green cars’, is a prime example.

The use of renewable energy sources is another essential lever in reducing the carbon footprint. The various entities are participating in this effort by equipping themselves with their own ecological generators, or by turning towards ‘green’ suppliers. Benelmat and BPC have developed an autonomous energy container, equipped with a wind turbine and solar panels. At the City Dox building site in Anderlecht, various types of equipment for producing alternative energy through the use of solar panels have been tested. For its part, MBG switched entirely to green energy for all its building sites, its offices and its hub. VMA has launched a new refrigerating operation using ‘green’ gases, such as ammonia or CO_2, as refrigerants.

FOCUS ON INNOVATION

The CFE Group is strongly committed to the development of new technologies and sustainable, innovative solutions that provide a response to the current ecological challenges. In Bastogne, the ESTOR-Lux consortium, of which Rent-A-Port Green Energy is a part, has propelled electricity storage into a new era. The storage battery farm, which will be put into operation in 2021, will mark a turning point in the modular capacity of renewable energies and

CONSOLIDATION CENTRES

A LOGISTICS REVOLUTION FOR THE CONSTRUCTION SITE

GLOBAL SOLUTION

Three CFE group projects have been realized with the support of a consolidation centre in 2020. The Aurea tower in Differdange, in the south-west of the Grand Duchy of Luxembourg, was the first to test its possibilities. The ZIN and Park West construction sites in Brussels were then able to benefit from this experience with the Brussels Construction Consolidation Centre (BCCC), an initiative supported by Innovaris, which is the outcome of a collaboration between the CSTC, the Confederation of Construction Industries, Shipit, the VUB (MOBI) and Urbantz.

Consolidation centres are logistics platforms that allow the centralisation of material supplies in a single location. The shipments are optimized and deliveries are less frequent, which naturally reduces the carbon impact of the transport in question. In Brussels, it was even possible to use the waterways. Consolidation centres help reduce congestion and improve efficiency on the construction sites, where storage space is limited. The materials arrive on the construction site on a just-in-time basis, in accordance with the precise needs in line with the progress of the work. The average storage duration on the construction site can usually be up to three months. For the Aurea project, energy consumption has been halved in this way, as have CO_2 emissions, and storage time has been reduced to 8 days. A future-oriented solution, especially for projects in urban areas where free space is often scarce.

WHAT IMPACT?

- PARTNER FOR CHANGE
- OFFER INNOVATIVE SOLUTIONS
- BUILD FOR THE FUTURE
- TOWARDS CLIMATE NEUTRALITY
- GREAT PLACE TO WORK

GREEN JADE

A PIONEERING VESSEL FOR OFFSHORE WIND FARMS

GLOBAL SOLUTION

The "Green Jade" is the first floating DP3 heavy-duty installation vessel to have been built in Taiwan. With a length of 216.5 metres, this new flagship of the DEME fleet, whose construction started in 2020, will feature an exceptional combination of high transport and high load-carrying capacity, coupled with impressive lift heights and green technologies.

The vessel has a crane with a lifting capacity of 4,000 tonnes, and a DP3 capacity that will enable CDWE and its customers to transport a large number of turbines with a power of several megawatts, jackets and next-generation components in a single shipment, which makes it extremely cost-effective. It will be able to install these mega-monopile foundations and jackets at greater depths. Its DP3 technology enables the vessel to continue to operate in the most difficult conditions.

Thanks to its dual-fuel engines, its Green Passport and Clean Design ratings, as well as its residual heat recovery system, which converts the heat from exhaust gases and the cooling water into electrical energy, the Green Jade fully embodies the ecological commitments of DEME.

WHAT IMPACT?

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- ○ GREAT PLACE TO WORK

in the flexibility of their distribution.
With the same desire to conceive solutions for the future, DEME has joined forces with other industrial and public players in order to move forward on the path to 'green' hydrogen. The most immediate realization of this is the creation of two factories in Ostend and Duqm, in the Sultanate of Oman, that produce this gas in an environmentally-friendly way. The end product will be used as a source of energy for electricity, mobility and combustion, or as a raw material for certain industrial centres.

PRESERVE AND PROTECT

For DEME, 2020 will be a milestone in the field of offshore wind farms, with a series of projects in Belgium and abroad: the completion of SeaMade, the largest offshore wind farm in Belgium, as well as of the Saint-Nazaire offshore project in France, the installation of 94 turbines on the Dutch wind farms Borssele 1 and 2, laying the foundations for the Parkwind Arcadis Ost1 project in Germany, and preliminary work for Hornsea Two off the British coast, which will be the largest offshore wind farm in the world, etc.

The implementation of the 'Fleet of the future', whose greenhouse gas emissions have been drastically reduced, is continuing, as well as the emission-free infrastructure network, which will accelerate the energy transition of the infrastructure sector. The focus here is on the construction of zero-emission equipment by 2026. Of particular note is the construction of the Green Jade, the first offshore wind farm installation vessel in Taiwan. With its length of 216 metres, its capacity of 4,000 tonnes and its maximised space, this unique vessel will be able to transport and install the components of new generations of giant wind turbines in a single shipment, in the most profitable and sustainable manner possible.

Respect for the environment is a natural corollary of carbon neutrality. The preservation of biodiversity is therefore the central focus of the CFE Group, whether this relates to the soil remediation work of the Samaya project of BPI or the environmental campaign of DEME. The latter – which was awarded with a silver medal in the Management category of the European Business Awards for the Environment by the European Commission – underlines the rational use of natural resources and the prevention of water pollution. The promotional tools for this campaign have been successfully used more than 400 times on 198 projects in 37 countries.

KEY PROJECT

SEAMADE

THE LARGEST OFFSHORE WIND FARM IN BELGIUM

CONSTRUCTION PERIOD: 2019 - 2020

PROJECT REALIZED BY: DEME OFFSHORE

WHAT IMPACT?

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- ○ GREAT PLACE TO WORK

With the installation of the last of the 58 turbines, the installation work for the SeaMade project was completed on 30 November 2020. The largest offshore wind farm in Belgium will supply 485,000 households with green energy, and will lead to a significant reduction in CO_2 emissions by at least 50,000 tonnes annually.

The offshore construction of the SeaMade wind farm was launched in September 2019, with the installation of the foundations. DEME was responsible for the engineering, procurement, construction and installation (EPCI) of the foundations, the turbines, the in-field and power export cables, as well as the installation of the two offshore substations. The "Apollo", DEME's DP2 offshore installation vessel, installed 58 Siemens Gamesa turbines of 8.4 MW on monopile foundations.

The achievement of this large-scale project in such a short time frame was only possible thanks to the integrated Balance of Plant approach and the extensive cooperation with the client, as well as the efforts and unwavering determination of all the teams involved. DEME is very proud to have played a key role in the development of this major wind farm, which is an essential step in the realization of the ambitious climate objectives of the Belgian government.

PARTNER FOR CHANGE

IN A WORLD IN CONSTANT CHANGE, THE NEEDS AND REQUIREMENTS OF SOCIETY COMBINE WITH CLIMATIC, DEMOGRAPHIC AND HEALTH CHALLENGES TO GIVE RISE TO EVER FASTER CHANGES IN OUR WAY OF LIFE. CONCEIVING, INVENTING AND BUILDING A BETTER FUTURE FOR ALL: THE CFE GROUP IS READY TO MEET THOSE CHALLENGES AND MAKES ITS COMMITMENT TO BE AN ACTOR OF CHANGE INTO THE COMMON THREAD OF ITS SUSTAINABLE STRATEGY.

A ROLE WITHIN THE COMMUNITY

Whether in the areas of housing, health care, mobility or energy, the achievements of the CFE Group have a significant impact on our society. They entail an in-depth transformation and a positive evolution at many levels. As a partner of businesses and public institutions, CFE provides them with its know-how in a manner that exceeds their expectations, while exploring all avenues of innovation in order to be a pioneer in the field of sustainable construction.

By developing projects that help to strengthen the social fabric, by integrating environmental and social considerations in its way of thinking, by seeking positive impacts on the communities concerned and by fully taking up its missions in connection with the infrastructures, the CFE Group improves the living environment and, in turn, gives its customers the means to realize their vision of change.

MOVING FORWARD TOGETHER

As a symbol of its desire to actively participate in building a sustainable future, the CFE Group has entered into a partnership with the Belgian Alliance for Climate Action. This NGO, founded jointly by The Shift and WWF Belgium, unites private sector companies, 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.

non-profit organizations and academic institutions around a series of joint sustainability objectives. Through the exchange 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.

In addition, DEME has joined the European Clean Hydrogen Alliance, in support of the EU's ambitious hydrogen and decarbonation strategy and to become the first climate-neutral continent by 2050. With this membership, DEME demonstrates its commitment to use its expertise in the production, transport and storage of green hydrogen from renewable energy sources. This initiative, which aims to launch an investment programme and support the development of the hydrogen value chain across Europe, fits perfectly within DEME's own sustainability goals.

In the Netherlands, DEME participates with Neptune Energy on the PosHYdon offshore hydrogen pilot project, in which the company will be involved in the design of a 100 MW offshore hydrogen production platform. The combination of renewable energy with green hydrogen and the incredible potential that this represents is fully in line with DEME's vision of innovation, which invests in, among other things, the development and large-scale production, storage and supply of green hydrogen.

Another important partnership is the one concluded between CFE - and more specifically VEMAS - and the 'Vlaamse Instelling voor Technologisch Onderzoek' (VITO), the Flemish Institute for Technological Research. As an independent research organization, VITO has set itself the goal of making sustainability the standard in our society, by developing global projects that facilitate the ecological transition through technological innovations. An

GLOBAL SOLUTION

BELGIAN ALLIANCE FOR CLIMATE

CFE CONTRACTING IS COMMITTED TO THE PARIS AGREEMENTS

CFE Contracting is one of the 74 Belgian organizations to be part of a unique climate alliance. The Belgian Alliance for Climate Action motivates organizations within our country to set and achieve ambitious climate goals. Through this commitment, CFE Contracting aims to strengthen its ambitions with regard to sustainability even more.

The Belgian Alliance for Climate Action is an initiative of The Shift and WWF-Belgique. It responds to the call of the World Economic Forum to integrate climate objectives at the heart of the post-corona recovery strategy. The participating companies, such as CFE Contracting, commit to align their activities with the objectives of the Paris Climate Agreement.

"This commitment demonstrates that our 'Together shaping tomorrow's world' credo is not an empty promise", says Raymund Trost, CEO of CFE Contracting. "One of our primary objectives in 2020 was to define more specific environmental KPIs in order to find ways to further reduce our carbon impact. Our endorsement of the Science Based Targets of the Belgian Alliance for Climate Action constitutes an additional stimulus at this level." CFE Contracting is pleased with today's creation of the Belgian Alliance for Climate Action. "We will take up the climate challenge together with other Belgian organizations, and hope to be able to make a difference. This commitment makes us even more aware of the role that we can play in the development of a sustainable society."

WHAT IMPACT?

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- ○ GREAT PLACE TO WORK

That's why we, as CFE Contracting, are part of

Belgian Alliance for Climate Action

SUSTAINABLE RESOURCES

DEME IS COMMITTED TO GREEN HYDROGEN

GLOBAL SOLUTION

European Clean Hydrogen Alliance

In October, DEME joined the European Clean Hydrogen Alliance, an entity launched by the European Commission in July 2020 in the context of its general hydrogen strategy. The Alliance, whose objective is to set up an investment programme and to support the development of the hydrogen value chain across Europe, is already bringing together more than 200 industries, national public authorities and local, civil societies and other stakeholders.

Through this membership, DEME is expressing its commitment to use its expertise in the production, transport and storage of green hydrogen from renewable energy sources, and is actively participating in the EU's ambitious strategy with regard to hydrogen and decarbonisation.

As a natural extension of this commitment, DEME Concessions will participate in the construction of two green hydrogen production plants through partnerships concluded at the end of 2020, 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 has great long-term potential with regard to the energy transition. It can be used as an energy source for electricity, mobility, heat and combustion purposes, or as a raw material for industrial reconversion.

The combination of renewable energies and green hydrogen is perfectly in line with DEME's innovative vision. This is why the pioneer in the development of offshore energy projects is ready to invest in the large-scale development and production, as well as the storage and delivery of green hydrogen.
In the long run, HYPORT® Ostend will allow a CO_2 reduction of about 500,000 tonnes, to 1,000,000 tonnes per year. The plant in Ostend will therefore make a major contribution to meeting Belgian and European climate objectives.

WHAT IMPACT?

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approach that provides concrete answers, but also emphasizes the sharing of knowledge and synergies between the private sector and the world of research.
In the same spirit of cooperation and taking advantage of technical advances, CFE Contracting and BPI have pooled their know-how to create the joint venture Wood Shapers at the beginning of 2020. This new entity, which is entirely dedicated to wood construction and assembly, perfectly embodies the Group's thinking on the expertise of materials and the optimization of construction methods. The sustainable approach of Wood Shapers and its integrated vision of construction sites has scored an initial success with the projects Wooden and Domaine des Vignes in Luxembourg.

SOLIDARITY AT EVERY LEVEL

Innovation and the safeguarding of our natural resources are also at the heart of the activities of DEME, which is a member of the 'Blauwe Cluster', an association that brings together more than 200 companies, public agencies and institutions seeking to develop their activities within the context of the 'Blue Economy'. This partnership has already given rise to some successes, in particular the Coastbusters project. Concluded in April 2020, the latter provides an innovative and sustainable alternative to dykes to fight the rising water levels and to protect coasts from erosion through the use of natural reefs.

CFE fully assumes its place in the social fabric and its responsibilities towards the community. During the COVID-19 crisis, for example, the Group supported the 'Medical Equipment for Belgium' organization, whose objective is to facilitate access of Belgian hospitals to essential medical equipment. For their part, all the management teams donated 20% of their remuneration for the months of May and June to charity work, a strong gesture that underlines the deep sense of solidarity that animates the different entities at all levels.

GLOBAL SOLUTION

WOOD SHAPERS

CONSTRUCTION IN WOOD AND RATIONAL FOREST MANAGEMENT

WHAT IMPACT?

- ○ PARTNER FOR CHANGE
- ○ OFFER INNOVATIVE SOLUTIONS
- ● BUILD FOR THE FUTURE
- ● TOWARDS CLIMATE NEUTRALITY
- ○ GREAT PLACE TO WORK

Wood Shapers is a new Belgian and Luxembourg company, launched at the beginning of 2020 by BPI Real Estate and CFE Contracting. Its ambition is to rethink the real estate sector by adopting a sustainable development approach through the optimization of construction processes. Wood Shapers stands out in particular by the development of large-scale projects using wood as the principal material, which is the only building material that stores CO_2.

The skills available within the company range from the design to the delivery of the project, including the engineering department and the prefabrication of wooden structures. By reforming the construction industry thanks to an integrated construction process, Wood Shapers is able to realize sustainable, pleasant and healthy spaces faster and more efficiently.

In the same spirit of sustainable development, Wood Shapers committed to plant 2,000 trees in Belgium in 2020, in partnership with the Belgian Royal Forest Society (SRFB), a non-profit organization dedicated to the protection of forests and the promotion of their sustainable management.

Using wood as a construction material has many ecological advantages. Its performance in the area of thermal insulation, in particular, will enable a reduction of the energy consumption of the building over its entire lifespan and, unlike other resources, wood has a natural regeneration cycle, on condition that we support a responsible long-term management of forests, as Wood Shapers does, by cutting down some trees in order to stimulate the growth of others, which is synonymous with the reduction of carbon emissions.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

CONTENTS

Dear shareholders,

It is our privilege to report to you on the activities of our company during the past financial year and to submit to you for approval the statutory and consolidated financial statements for the year ended 31 December 2020. 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. CAPITAL AND SHAREHOLDING

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 2020 financial year, the shareholders owning 3% or more of the voting rights relating to the shares they hold are:

Ackermans & van Haaren SA Begijnenvest, 113, B-2000 Antwerp (Belgium)	15,720,684 shares (or 62,10%)
VINCI Construction SAS 5, cours Ferdinand-de-Lesseps, F-92851 Rueil-Malmaison Cedex (France)	3,066,460 shares (or 12.11%)

During the 2020 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 POSITION AT 31/12/2020

Profit and loss account of CFE SA (Belgian standards)

In € thousands	2020	2019
Revenue	19,065	21,720
Operating income	-5,071	75,803
Net financial result excluding non-recurring financial income and expenses	15,890	68,573
Non-recurring financial income	2,178	60
Non-recurring financial expenses	-6,999	-97,292
Result before tax	5,998	47,143
Taxes	-77	-110
Result of the year	5,921	47,033

The Brussels-South wastewater treatment plant project represents a substantial part of the revenue for the year.
In 2019, the liquidation of several international entities translated into a reversal of provisions in operating income and an equivalent non-recurring financial expense.

The financial income decreased sharply in 2020 due to the fact that DEME paid no dividend for 2019. CFE Contracting, BPI and Green Offshore, on the other hand, paid dividends to CFE SA worth € 9 million, € 3.5 million and € 4.15 million respectively.

Balance sheet of CFE SA after appropriation (Belgian standards)

In € thousands	2020	2019
Assets		
Non-current assets	1,335,220	1,336,844
Current assets	97,005	102,122
Total assets	**1,432,225**	**1,438,966**
Liabilities		
Equity	1,168,944	1,188,337
Provisions for liabilities and charges	12,197	11,544
Liabilities at more than 1 year	115,248	125,248
Liabilities at up to 1 year	135,836	113,837
Total equity and liabilities	**1,432,225**	**1,438,966**

The fixed assets primarily consist of the stakes in DEME, CFE Contracting and BPI.

The long-term debts include € 80 million drawn down on the confirmed bilateral credit lines, and € 35 million medium-term treasury notes. CFE also used its commercial paper programme for an amount of € 10 million.

2.2. APPROPRIATION OF PROFIT

Net earnings for financial year 2020	€ 5,920,808
Profit brought forward	€ 58,303,202
Profit to be appropriated	**€ 64,224,010**
Profit to be distributed	€ 25,314,482
Profit to be carried forward	€ 38,909,528

2.3. OUTLOOK 2021

The results for the 2021 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.

2.4. MAIN RISKS AND UNCERTAINTIES

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

2.5. MAJOR EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

We refer to 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

- **Branches**
  At year-end 2020, the Company disposed of the following branches: CFE Brabant, CFE Infra, Bageci, CFE Ecotech, CFE Algeria, CFE Tunisia and CFE International. With the exception of CFE Infra and CFE Tunisia, those branches have no more 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 2020.

- **Transactions between CFE and affiliated companies (Article 7:97, §4/1, par. 4 of the CCA)**
  No transactions took place between the company and its affiliated companies in the 2020 financial year that necessitated the application of Article 7:97, par. 4/1, al. 4 of the CCA.

- **Remuneration relating to the audit of the financial statements and additional remuneration for the auditor**
  The remuneration of Deloitte Belgium for the audit of the annual and consolidated financial statements of CFE SA amounted to € 130,100. Pursuant to Article 3:65, §3 of the Code of Companies and Associations, an additional fee of € 8,800 was paid to Deloitte Belgium for various assignments.

- **Acquisition or disposal of treasury shares**
  The Company did not acquire or dispose of any treasury shares during the 2020 financial year. The Company did not award any performance bonuses in shares, options or other rights to acquire shares of the Company in 2020.

- **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 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). 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 shares of the company 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 ON 31/12/2020

A. KEY FIGURES 2020

In million €	2020	2019	Change
Revenue	3,222.0	3,624.7	-11.1%
Self-financing capacity (EBITDA) (*) *% of revenue*	414.7 *12.87%*	451.2 *12.45%*	-8.1%
Operating income (EBIT) (*) *% of revenue*	119.5 *3.71%*	177.7 *4.90%*	-32.8%
Result for the period - share of the group *% of revenue*	64.0 *1.99%*	133.4 *3.68%*	-52.0%
Earnings per share (share of the group) (in euro)	2.53	5.27	-52.0%
Dividend per share (in euro) (**)	1.00	0.00	n,s,

In million €	2020	2019	Change
Equity - share of the group	1,787.1	1,748.7	+2.2%
Net financial debt (*)	601.4	798.1	-24.6%
Order book (*)	6,049.1	5,182.9	+16.7%

(*) The definitions are included in the 'Consolidated Financial Statements' section of the financial report.
(**) Dividend for 2020 to be proposed to the annual general meeting of 6 May 2021.

General introduction
The CFE group proved resilient in 2020 despite the exceptional circumstances: its result remained clearly positive, its net financial debt decreased significantly and its cash and order book reached record levels.

The impact of the health crisis explains much of the decrease in revenue (-11.1%) reported by DEME and Contracting. By contrast, BPI recorded a significant increase in activity, particularly in Poland where four residential property projects were delivered in 2020.

Two important factors impacted the group's operating income in 2020: on the one hand the recognition by DEME of a capital gain of € 63.9 million on the disposal of its stake in the Merkur offshore wind farm, on the other hand the direct and indirect effects of the health crisis and of the accident with the 'Orion', estimated at around € 120 million in 2020 in terms of operating income (EBIT).

Adjusted for those two factors, the operating income comes close to the level of 2019.

The equity, share of the group, amounted to € 1,787.1 million, which is slightly up compared to 31 December 2019.

The net financial debt amounted to € 601.4 million, a substantial decrease of -24.6% compared to 31 December 2019. The decrease was particularly marked at DEME. By contrast, the net financial debt increased at BPI (real estate development) following several major acquisitions of building plots in the three countries where the company operates.

All the financial covenants have been complied with on 31 December 2020.

B. ANALYSIS BY DIVISION

DREDGING, ENVIRONMENT, OFFSHORE AND INFRA DIVISION

Key figures

In million €	2020			2019			Change
	DEME	Restatements DEME (*)	Total	DEME	Restatements DEME (*)	Total	
Revenue	2,195.8	0.0	2,195.8	2,622.0	0.0	2,622.0	-16.3%
EBITDA (**)	369.5	0.0	369.5	437.0	0.0	437.0	-15.5%
Operating income (EBIT) (**)	86.7	-5.3	81.4	160.1	-5.3	154.8	-47.4%
Result for the period - share of the group	50.4	-4.1	46.3	125.0	-3.6	121.4	-61.9%
Net financial debt (**)	489.0	0.0	489.0	708.5	0.0	708.5	-31.0%
Order book (*)	4,500.0	0.0	4,500.0	3,750.0	0.0	3,750.0	+20.0%

(*) 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 reported € 2,195.8 million revenue in 2020, which is € 426.2 million less than the previous year. A substantial part of this decrease, estimated at around € 300 million, is attributable to the health crisis including the indirect impact on the oil and gas industry.

The revenue of the Dredging segment amounted to € 877 million in 2020 (-19.1% compared to 2019). This segment was most affected by the pandemic. The main projects were concentrated in Europe, in particular in Belgium (maintenance dredging of the river Scheldt and the Belgian coast), Germany (deepening and widening of the Elbe), Northern Russia (Sea Channel project in the Ob estuary) and Poland (widening of the access channel to the port of Szczecin). The main projects outside Europe were in Africa, India and Papua New Guinea. While the utilisation rate of the hoppers fleet came close to that in 2019 (38.4 weeks), activity of the cutters was low in 2020 (11 weeks). However, the situation should improve considerably in 2021 thanks, among other things, to the start of the Abu Qir project in Egypt.

DEME Offshore reported also a decrease in revenue to € 934.6 million euros (-18.1% compared to 2019). In Scotland, DEME accomplished the feat of finalising the installation of the 103 jackets for the Moray East offshore wind farm before the end of the year, despite the fact that the vessel 'Orion' was unavailable. In Belgium, after installing the foundations in 2019, DEME Offshore went on to install the masts and wind turbines of the Belgian wind farm SeaMade, and laid the subsea cables connecting them to the grid. The works were completed in the fourth quarter of 2020, as were the works on the Dutch wind farms Borssele 1 & 2.

DEME Infra reported a further growth of activity (€ 208.8 million euros in 2020), but was also impacted by the health crisis. As in 2019, revenue was driven by the three projects in the Netherlands: Terneuzen lock, RijnlandRoute, and the Blankenburg connection. Construction work on the Fehmarnbelt link started at the beginning of January 2021. Delivery is due in mid-2029.

Evolution of activity by business area

In %	2020	2019
Capital dredging	29%	31%
Maintenance dredging	11%	10%
Offshore	43%	44%
Infra	9%	7%
Environment	5%	6%
Others	3%	2%

Evolution of activity by geographical area

In %	2020	2019
Europe (EU)	77%	69%
Europe (non-EU)	6%	4%
Africa	6%	9%
Americas	2%	3%
Asia-Pacific	7%	9%
Middle East	0%	3%
Indian subcontinent	2%	3%

Ebitda and operating income (excluding restatements)
The EBITDA amounted to € 369.5 million in 2020, or 16.8% of the revenue.

The operating income (EBIT), which includes the results of the equity-accounted companies, amounted to € 86.7 million, which is down € 73.4 million compared to 2019.

DEME's activities were badly affected in 2020 by the health crisis. Border closures, travel restrictions, reduction and even suspension of air travel were unprecedented logistical challenges for DEME, which nevertheless succeeded in guaranteeing crew and staff rotations, albeit at considerable extra cost. Additionally, the measures taken by the authorities in most of the countries where DEME operates (lockdowns, quarantines, social distancing, etc.) resulted in diminished productivity on certain projects and delays in their execution. Finally, the health crisis and its impact on the oil and gas industry also led to postponement of the award and start of several projects. Nevertheless, it should be emphasised that the award at year-end of several large-scale dredging contracts will have a favourable impact on activity in the sector in the months and years to come. However, the pressure on prices still remains high.

The direct and indirect impact of the pandemic, the oil crisis and the accident with the 'Orion' is estimated at € 100 million in 2020 in terms of operating income (EBIT). This is partly compensated by the capital gain on the disposal of the 12.5% stake in Merkur Offshore GmbH in May 2020 (€ 63.9 million).

Net result (excluding restatements)
DEME's net result amounted to € 50.4 million in 2020.

Order book
The order book amounted to € 4.5 billion as of 31 December 2020, which is up 20% compared to 31 December 2019. This is a record level for DEME. Two-thirds of the order book will be executed over the next two years.

The breakdown of the order book by operating segment is as follows:

- Dredging € 2.2 billion
- Offshore € 1.1 billion
- Infra € 0.9 billion
- Environment € 0.2 billion
- Others € 0.1 billion

During the year, DEME won several major contracts, such as:

- the contract for the construction of the Fehmarnbelt link, for which the Danish authorities have given notice to proceed with the works. The contract is worth € 700 million for DEME;
- the construction of a tunnel under the river Scheldt in Antwerp (Oosterweel project), worth € 140 million;
- the Sea Channel project in Northern Russia (60 million m³), of which the works are phased over three summers, from 2020 to 2022;
- the dredging contract for the port of Abu Qir in Egypt, which includes the deepening of the access channel and the extension of the port (1,000 hectares reclaimed from the sea). More than 150 million m³ has to be dredged in just over two years. Five vessels of DEME's fleet are already operational on site. They will be joined by the mega-cutter 'Spartacus' during the second quarter of 2021;
- the EPCI contract for the design, procurement, transport and installation of 650 km of inter-array cables for the Dogger Bank A and B wind farm in the United Kingdom, 130 km off the Yorkshire coast. Production of the cables will begin in 2021, while the offshore works are scheduled for 2023 and 2024.

The following contracts are not yet included in the order book as of 31 December 2020:

- the construction of the Hai Long 2, Hai Long 3 and Zhong Neng offshore wind farms situated off the coast of Taiwan. DEME and its partner CSBC have the status of preferred bidder. Those projects will be included in the order book once all the conditions precedent for the start of the works are fulfilled;
- the installation of the water intake points of the future nuclear power station of Hinckley Point (United Kingdom). The contract will be included in the order book in the first quarter of 2021;
- the realisation of the Scheldt Right Bank project of the Oosterweel link in Antwerp. This project, valued today at € 2.35 billion, will be realised in a consortium with eight other partners (including Van Laere, a subsidiary of CFE Contracting). It will be included in the order book once all the conditions precedent for the start of the works are fulfilled.

Investments
Investments amounted to € 201.6 million in 2020, which is considerably less than in 2019. Delays in the delivery of the 'Spartacus' and the accident with the 'Orion' led to the postponement of the last advance payments. Moreover, DEME deferred to 2021 the dry docking of several vessels that was initially scheduled for 2020.

The wind turbine installation vessel 'Green Jade' is under construction in Taiwan. Its owner is the joint venture CDWE, which is 50% owned by DEME (integrated under the equity method). The vessel is financed by shareholder loans and bank financing. DEME invested some thirty million euros in this company in 2020.

Acquisition of SPT Offshore
In the fourth quarter, DEME acquired 100% of the shares of the company SPT Offshore. SPT Offshore, which is headquartered in the Netherlands, is a company specialising in the installation of suction pile anchors and offshore foundations. With this acquisition, DEME Offshore acquires an additional environmentally friendly technology for the offshore renewable energy market, which can be used for the installation of fixed foundations and for anchoring floating structures. SPT Offshore is active on the European and Asian markets, employs 45 people, and reported € 20 million revenue in 2020. The acquisition goodwill (€ 16 million), which is entirely allocated to intangible assets (patents and technology) and deferred tax liabilities, will be amortised over 10 years.

Net financial debt
The net financial debt amounted to € 489 million. The relatively low level of investment compared to the previous years, the significant improvement in working capital requirement, and the cash flow from operating activities generated during the year explain the strong decrease in debt (-31% compared to 31 December 2019).

As of 31 December 2020, DEME had € 621.9 million cash available, and € 141 million unused confirmed credit lines.

DEME was in compliance with all of its financial covenants on 31 December 2020.

New developments in green hydrogen
After having concluded an exclusive partnership for the construction of a green hydrogen plant of around 50 MW in the Ostend port area (Belgium), DEME announced in December 2020 the launch of the HYPORT Duqm Green Hydrogen project. The purpose of this project, developed in partnership with the Oman authorities, is the large-scale production of green hydrogen for the

Industrial Zone at the port of Duqm and for international customers in Europe. The planned capacity of the electrolyser for the first phase of the project is estimated between 250 and 500 MW.

CONTRACTING DIVISION

Key figures

In million €	2020	2019	Change
Revenue	911.9	998.7	-8.7%
Operating income (EBIT) (*)	14.9	18.8	-20.7%
Result for the period - share of the group	5.5	9.5	-42.1%
Net financial surplus (*)	123.4	106.1	+16.3%
Order book (*)	1,492.6	1,385.5	+7.7%

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

Revenue
Revenue for CFE Contracting decreased by 8.7% to € 911.9 million.

The impact of the pandemic on activity in 2020 is estimated at around € 90 million, of which € 70 million in the first six months. The entities worst affected by the health crisis are those of the Construction segment in Belgium: the large majority of their building sites were shut down for around six weeks (from mid-March to the beginning of May). The second lockdown in effect in Belgium since the end of October had a much more limited impact as activity on the building sites was able to continue, albeit in less favourable conditions than normal in view of the additional measures to comply with the health protocol.
Business for the Rail & Utilities segment (MOBIX) increased by more than 30% in 2020 thanks in particular to several major rail projects and the ramp-up of the LuWa project (replacement of the public lighting of the Walloon region's main road network).

In million €	2020	2019	Change
Construction	634.8	733.5	-13.5%
Belgium	*459.0*	*543.1*	*-15.5%*
International	*175.8*	*190.4*	*-7.7%*
Multitechnics (VMA)	164.9	179.6	-8.2%
Rail & Utilities (MOBIX)	112.2	85.6	+31.1%
Total Contracting	911.9	998.7	-8.7%

Operating income
The operating income amounted to € 14.9 million, which is down 20.7% on the previous year. The negative impact of the pandemic on the operating income of Contracting is estimated at just under € 20 million in 2020.

The construction entities in Belgium - and to a lesser extent in Luxembourg - were worst affected by the consequences of the health crisis.

The other segments reported satisfactory, even very satisfactory results, especially in Poland, at VMA and MOBIX.

The operating income of the Contracting division showed a marked improvement during the second half of 2020.

Net result
The net result amounted to € 5.5 million in 2020.

Order book
The order book amounted to € 1.49 billion as of 31 December 2020, which is up 7.7% compared to 31 December 2019.

As was the case for DEME, the order book of Contracting reached a record level at year-end 2020.

Of the main commercial successes in 2020, the contract for the construction of the ZIN real estate complex in Brussels is without doubt the most iconic, not only for its size (more than € 200 million), but also for its innovative approach in terms of circular economy. The works started in the fourth quarter and are due for completion in 2024.

The other major contracts landed by CFE Contracting are:
- The construction of the new Courthouse in Namur, won by BPC Wallonie and its partners;
- The construction of the multifunctional real estate complex 'Gravity' in Differdange (Luxembourg) for BPI and a co-developer partner.

In million €	2020	2019	Change
Construction	1,058.7	1,016.8	+4.1%
Belgium	*839.8*	*833.5*	*+0.8%*
International	*218.9*	*183.3*	*+19.4%*
Multitechnics (VMA)	251.1	188.5	+33.2%
Rail & Utilities (MOBIX)	182.8	180.2	+1.4%
Total Contracting	1,492.6	1,385.5	+7.7%

Net financial surplus
The division had a net financial surplus of € 123.4 million at 31 December 2020, which is an increase of 16.3% compared to 31 December 2019, mainly thanks to an improvement in working capital requirement.

REAL ESTATE DEVELOPMENT DIVISION

Key figures

In million €	2020	2019	Change
Revenue	131.1	59.1	+121.8%
Operating income (EBIT) (*)	22.9	13.7	+67.2%
Result for the period - share of the group	13.2	11.6	+13.8%
Net financial debt (*)	106.2	66.4	+59.9%

(*) 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 €	2020	2019
Unsold units post completion	0	4
Properties under construction	36	58
Properties in development	156	81
Total capital employed	**192**	**143**

Breakdown by country

In million €	2020	2019
Belgium	104	97
Grand Duchy of Luxembourg	54	21
Poland	34	25
Total capital employed	**192**	**143**

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

The capital employed amounted to € 192 million, which is up 34% compared to 2019. 2020 saw many new acquisitions of building plots. BPI renewed and expanded its project portfolio in the three countries where it operates. Some forty projects are currently under development, covering 545,000 m² (BPI share), of which 69,000 m² are under construction.
In Belgium, the acquisitions were primarily in the first half of 2020. They concern the projects Brouck'R (mixed-use project of just under 40,000 m² situated in the centre of Brussels), Serenity Valley (6,500 m² of office space and 14,000 m² of housing units in Auderghem), Pure (5,000 m² of high-quality housing units in Auderghem) and Seco (office building to be refurbished in the European district of Brussels).

In Luxembourg, BPI was also particularly active with the acquisition of land and a building in Bertrange, a building plot in Mertert, a municipality near the German border (31,000 m² housing units and 4,000 m² retail). BPI Luxembourg also acquired part of the real estate portfolio of the Luxembourg contractor-developer Soludec, as well as a building plot in Differdange (Gravity project, with 24,000 m² of housing units, co-living spaces, offices, shops and a hotel). At the year-end, BPI acquired a 50% stake in the Wooden project in Leudelange, an office development of approximately 9,500 m², largely pre-let on a long lease to Baloise Insurance. This building will be an example of sustainable development and well-being. The works are carried out by CLE and Wood Shapers (CFE entity specialising in timber construction). It is due for delivery in 2022.

In Poland, BPI also renewed its portfolio by acquiring two new projects:
- a site of 5.5 hectares in the centre of Poznan. Overtime, just under 100,000 m² of housing units, offices and shops will be developed. The project will be co-developed with Revive.
- a building plot, also situated in Poznan, on which 19,000 m² of housing units will be built and marketed (Wagrowska project).

Net financial debt
The net financial debt amounted to € 106.2 million at 31 December 2020. The € 39.8 million increase is explained by the acquisition of new building plots.

BPI complied with all of its financial covenants on 31 December 2020.

Net result
BPI's net result increased by 13.8% to € 13.2 million. The main contributors to the division's result were the Polish projects Vilda Park (Poznan), WolaRE (Warsaw) and Bulwary Książęce (Wroclaw), which were delivered in 2020. The sale of the three office buildings in Luxembourg also had a favourable impact on the net result of the real estate division, as did the margins recognised on the residential projects in progress according to percentage of completion.

As was described earlier, the health crisis had a very limited impact on BPI's result for 2020. However, the delays of more than twelve months in the granting of planning permission for the Brussels projects, largely due to the consequences of the pandemic, will make their effects felt in 2021, with BPI being obliged to postpone the launch of the marketing and construction of several projects.

HOLDING, NON-TRANSFERRED ACTIVITIES AND INTER-DIVISION ELIMINATIONS

Key figures

In million €	2020	2019	Change
Revenue excluding eliminations between segments	21.9	12.4	+76.6%
Eliminations between segments	-38.7	-67.4	n.s.
Revenue including eliminations between segments	-16.8	-55.0	n.s.
Operating income (EBIT) (*)	0.3	-9.6	n.s.
Result for the period - share of the group	-1.0	-9.1	-89.0%
Net financial debt (*)	129.6	129.4	+0.2%

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

Revenue

The revenue, excluding inter-division eliminations, amounted to € 21.9 million in 2020. Activity relates almost exclusively to the Brussels-South wastewater treatment plant project.

Operating income

The operating income was negatively impacted in 2019 by the impairment loss on the balance of outstanding receivables from the Chadian government not covered by Credendo.

In 2020, the positive contribution of Rent-A-Port (€ 0.6 million, CFE share) and Green Offshore (€ 5.8 million, CFE share) allowed this division to report a positive operating income.

<u>Rent-A-Port</u>

Rent-A-Port, through its subsidiary Infra Asia Investment, continued to develop its five port concessions in Northern Vietnam. Despite the health crisis, there was a spectacular increase in sales of industrial land, from 33 hectares in 2019 to 89 hectares in 2020. This upward trend is expected to continue in 2021 with the growing interest of investors and industries in this strategic region. The sharp rise in sales, however, did not translate into a vigorous increase in the results due to non-recurring items such as an unrealised exchange loss following the depreciation of the USD against the euro. Additionally, the strategic partnerships for the development of the two concessions in the province of Quang Ninh were finalised.

<u>Green-Offshore</u>

Like DEME, Green Offshore owns a minority interest in the Rentel and SeaMade offshore wind farms, situated off the Belgian coast. Rentel, which became operational in the second half of 2018, generated 1,150 GWh green power in 2020. The installation of the wind turbines of the SeaMade offshore wind farm was completed at the end of 2020: the 58 turbines of 8.4 GW are now fully operational. The net result of those two offshore wind farms is explained by their operational performance as well as by a non-recurring item, the capitalisation of deferred tax assets.

Net result

The net result amounted to € -1.0 million in 2020, compared to € -9.1 million in 2019.

Net financial debt

The division's net financial debt remained stable at € 129.6 million.

C. OVERVIEW OF THE FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December *(in € thousands)*	2020	2019
Revenue	**3,221,958**	**3,624,722**
Other operating income	197,401	81,042
Purchases	(1,923,661)	(2,120,359)
Remuneration and social security payments	(643,709)	(653,870)
Other operating expenses	(435,297)	(469,248)
Depreciation and amortisation	(324,439)	(318,672)
Goodwill depreciation	(5,000)	0
Income from operating activities	**87,253**	**143,615**
Share of profit (loss) of investments accounted for using equity method	32,240	34,092
Operating income	**119,493**	**177,707**
Cost of financial debt	(11,675)	(2,602)
Other financial expenses and income	(22,673)	(5,120)
Financial result	**(34,348)**	**(7,722)**
Result before tax	**85,145**	**169,985**
Income tax expenses	(20,322)	(38,619)
Result for the period	**64,823**	**131,366**
Result attributable to non-controlling interests	(803)	2,058
Result for the period - share of the group	**64,020**	**133,424**
Earnings per share (share of the group) (EUR) (diluted and basic)	2.53	5.27

Year ended 31 December *(in € thousands)*	2020	2019
Result for the period - share of the group	**64,020**	**133,424**
Result for the period	**64,823**	**131,366**
Changes in fair value related to financial derivatives	(9,033)	(36,479)
Exchange differences on translation	(11,592)	1,153
Deferred taxes	446	2,772
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods	**(20,179)**	**(32,554)**
Re-measurement on defined benefit and contribution plans	(6,239)	(15,444)
Deferred taxes	1,472	3,606
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods	**(4,767)**	**(11,838)**
Total other elements of the comprehensive income recognized directly in equity	**(24,946)**	**(44,392)**
Comprehensive income :	**39,877**	**86,974**
- Share of the group	38,810	89,231
- Attributable to non-controlling interests	1,067	(2,257)
Result for the period (share of the group) per share (EUR) (diluted and basic)	1.53	3.53

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December *(in € thousands)*	**2020**	**2019**
Intangible assets	111,259	90,261
Goodwill	172,127	177,127
Property, plant and equipment	2,515,052	2,615,164
Investments accounted for using equity method	204,095	167,653
Other non-current financial assets	89,196	83,913
Non-current financial derivatives	1,433	0
Other non-current assets	15,052	16,630
Deferred tax assets	127,332	100,420
Non-current assets	**3,235,546**	**3,251,168**
Inventories	184,565	162,612
Trade and other operating receivables	867,761	996,436
Other operating current assets	57,454	72,681
Other non-operating current assets	21,731	6,267
Current financial derivatives	7,831	751
Current financial assets	2,900	0
Assets held for sale	0	10,511
Cash and cash equivalents	759,695	612,206
Current assets	**1,901,937**	**1,861,464**
Total assets	**5,137,483**	**5,112,632**

Year ended 31 December *(in € thousands)*	**2020**	**2019**
Share capital	41,330	41,330
Share premium	800,008	800,008
Retained earnings	1,059,406	995,786
Defined benefit and contribution pension plans	(41,783)	(37,089)
Reserves related to financial derivatives	(49,715)	(40,892)
Exchange differences on translation	(22,133)	(10,440)
Equity – share of the group	**1,787,113**	**1,748,703**
Result attributable to non-controlling interests	17,835	11,607
Equity	**1,804,948**	**1,760,310**
Employee benefit obligations	76,686	70,269
Non-current provisions	13,239	12,414
Other non-current liabilities	32,287	10,651
Non-current bonds	29,794	29,689
Non-current financial liabilities	918,681	1,110,212
Non-current financial derivatives	10,095	8,986
Deferred tax liabilities	96,961	104,907
Non-current liabilities	**1,177,743**	**1,347,128**
Current provisions	44,163	46,223
Trade and other operating payables	1,178,012	1,221,466
Current tax liabilities	75,283	44,078
Current bonds	0	0
Current financial liabilities	412,649	270,366
Current financial derivatives	7,750	9,356
Other operating current liabilities	192,424	155,601
Other non-operating current liabilities	244,511	258,104
Current liabilities	**2,154,792**	**2,005,194**
Total equity and liabilities	**5,137,483**	**5,112,632**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December *(in € thousands)*	2020	2019
OPERATING ACTIVITIES		
Income from operating activities	87,253	143,615
Depreciation and amortisation of intangible assets, property, plant and equipment and investment property	324,439	318,672
(Decrease) increase of provisions	(1,235)	(30,587)
Impairment on assets and other non-cash items	4,258	19,524
Income/(losses) from disposals of property, plant and equipment and financial assets	(75,958)	(6,100)
Dividends received from investments accounted for using equity method	29,127	8,140
Cash flow from (used in) operating activities before changes in working capital	**367,884**	**453,264**
Decrease/(increase) in trade receivables and other current and non-current receivables	122,435	238,441
Decrease/(increase) in inventories	(6,674)	(37,020)
Increase/(decrease) in trade payables and other current and non-current payables	(32,371)	(166,619)
Income tax paid/received	(32,940)	(44,109)
Cash flow from (used in) operating activities	**418,334**	**443,957**
INVESTING ACTIVITIES		
Proceeds from sales of intangible assets and property, plant and equipment	20,715	13,834
Purchase of intangible assets and of property, plant and equipment	(213,897)	(451,258)
Acquisition of subsidiaries net of cash acquired	(16,358)	0
Variation of the investment percentage in investments accounted for using equity method	(1,470)	(8,321)
Capital decrease/(increase) of investments accounted for using equity method	(35,731)	(16,355)
Proceeds from sales of subsidiaries	90,018	0
Repayment of borrowings (new borrowings) given to investments accounted for using equity method	(2,665)	71,659
Cash flow from (used in) investing activities	**(159,388)**	**(390,441)**

Year ended 31 December *(in € thousands)*	2020	2019
FINANCING ACTIVITIES		
Interests paid	(18,585)	(24,529)
Interests received	7,126	14,280
Other financial expenses and income	(19,669)	(6,635)
Receipts from new borrowings	216,542	709,361
Repayments of borrowings	(290,264)	(462,303)
Dividends paid	0	(60,755)
Cash flow from (used in) financing activities	**(104,850)**	**169,419**
Net increase/(decrease) in cash position	**154,096**	**222,935**
Cash and cash equivalents, opening balance	**612,206**	**388,346**
Effect of exchange rate changes on cash and cash equivalents	(6,607)	925
Cash and cash equivalents, ending balance	**759,695**	**612,206**

Notes to the consolidated financial statements
Following the allocation of the acquisition goodwill of SPT Offshore to intangible assets, those assets increased by 23.2%.

The losses incurred on certain projects in India led to a € 5 million impairment of goodwill on the company ISD, an Indian subsidiary of DEME.

The tangible assets decreased in 2020 for the first time in many years. The investments in DEME's fleet were in fact more than offset by the depreciation cost for the year. The tangible assets include € 506 million advance payments on vessels under construction, for the most part the 'Spartacus' and the 'Orion'.

CFE's equity amounted to € 1.8 billion, which is up 2.5%. The equity was negatively impacted by the remeasurement on defined benefit and contribution plans (€ -4.7 million), by the charge in fair value of derivatives (€ -8.8 million), and by exchange differences on translation (€ -11.7 million) which reflect the appreciation of the euro against most currencies.

The working capital requirement amounted to € -560.4 million at 31 December 2020, which is a significant improvement compared to 2019, both for DEME and Contracting.

The net financial debt breaks down into, on the one hand, a current and non-current financial debt of € 412.6 million and € 948.5 million respectively, and, on the other hand, cash and cash equivalents of € 759.7 million.

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 divisions 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. During the 2020 financial year, CFE increased its confirmed credit lines by € 70 million. Those credit lines amount to € 274 million, of which 80 million has been drawn down as of 31 December 2020. In addition, CFE has € 59.3 million available in cash.

CFE complied with all of its financial covenants at 31 December 2020.

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 'Interest Rate Swap' (IRS) type interest rate hedges. The notional amount of the IRS amounted to € 50 million as at 31 December 2020.

Exchange rate risk

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

Counterparty risk

Following the recognition in 2019 of an impairment loss on all the receivables due from the Chadian government not covered by Credendo, CFE has no more 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

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 bid submissions;
  - 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 for corporate long-term financing or project finance, 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. 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 bids, 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 2020.

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 soils, 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 over 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.

These 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 projects or operations in public-private partnerships or through concessions activities, and will continue to participate in special-purpose companies (SPVs) that provide security packages 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 facility.

Risks related to Brexit
Brexit will have an influence on DEME's relationship with its customers, suppliers and employees. In addition, the changes will also have an impact on the following operational departments: Operations, Procurement, Finance, Compliance and Human Resources. An assessment of the impact of Brexit on the activities of DEME has been, and is still being carried out on the basis of the principles of the agreement that came into force on 1 January 2021. No significant risks have been identified at this point.

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 meetings at a distance. The Group is committed to limiting the adverse effects of the pandemic, but it is already clear that in 2021 there will also be a negative impact on the activity, cash flow and results due to
- the delays and temporary closures of several construction sites due to isolation and quarantine measures imposed in different countries;
- the loss of productivity on construction sites that are not closed due to the difficulties in mobilizing the necessary manpower and major disruptions in the supply chain;
- the delays in starting up new projects and obtaining new orders.

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 2020 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 internal audit function was also centralised, and a new internal audit manager was appointed.

Sabetta case file
As indicated in our previous annual reports, the Public Prosecutor's office conducts an investigation since 2016 into alleged irregularities in the award of a contract to Mordraga, a subsidiary of DEME, for the execution of dredging works in the port of Sabetta (Russia) in 2014 and 2015.

The contract in question was awarded to Mordraga by a Russian private general contractor in the context of a private tender.

The Public Prosecutor summoned certain companies and staff members of the DEME group at the end of December 2020 to appear before the Council Chamber.

DEME, Dredging International and one staff member requested the competent investigative judge to take extensive additional investigative actions since they believe that important elements à décharge require further analysis.

The session before the Council Chamber has in the meantime been postponed sine die. 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 having a case judged on its merits by the competent court.

In light of the foregoing, DEME cannot for the time being make a reliable assessment of the financial impact of the pending investigation. Therefore, no provision has been accounted for as of 31 December 2020 (in accordance with IAS 37).

DEME remains confident about the further development of the procedure.

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), 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:
- approval of the Risk Committee prior to bid submission;
- 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 and the absence of the checkin@work declaration.
Any breach of the 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 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 refutes 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 reduces 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 the obtaining, maintaining or renewing of those permits, as well as (iii) BPI being unable to comply with the conditions of those permits.

Furthermore, changes made by the competent authorities to the legal framework and the administrative procedures surrounding the filing for, delivery or validity of such permits may have a negative impact on the financial result of a project.

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 coverage.

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

BPI could potentially be 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, 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 2020, BPI has € 44 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 2020.

Risk of portfolio concentration
The division aims to constitute a diversified project portfolio. Nevertheless, more than 50% of its projects are situated in Belgium and are related to 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 subsidiaries 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
No significant changes have occurred in the financial and commercial situation of the CFE Group since 31 December 2020.

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 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 2021
Even though the negative impact of the health crisis will continue during the first few months of 2021, CFE expects its revenue and operating income to increase in 2021, without yet returning to the pre-Covid level of 2019.

Thanks to a well-filled order book, DEME should realise a revenue and a net result increase in 2021.

CFE Contracting expects also an increase in revenue and net result in 2021.

In the absence of project deliveries in Poland, which lead to the recognition of the corresponding results, and because of delays in the granting of building permits in Brussels, BPI's net result is expected to decrease in 2021 but should nevertheless remain high.

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 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").

Sinds 9 december 2005 heeft de Raad van Bestuur de volgende wijzigingen van het Charter goedgekeurd:
- 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 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 CCA. 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 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 Nomination and Remuneration Committee.

As at 31 December 2020, 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	2021
Piet Dejonghe (*)	24.12.2013	2021
John-Eric Bertrand	24.12.2013	2021
Jan Suykens	24.12.2013	2021
Koen Janssen	24.12.2013	2021
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
Euro-Invest Management SA represented by Martine Van den Poel	03.05.2018	2021
MucH SRL represented by Muriel De Lathouwer	03.05.2018	2022

(*) Managing Director

The mandates of Luc Bertrand, John-Eric Bertrand, Piet Dejonghe, Koen Janssen, Jan Suykens and Euro-Invest Management SA (represented by Martine Van den Poel) expire at the ordinary general meeting of 6 May 2021. The Board of Directors will propose to the ordinary general meeting to renew the mandates of Luc Bertrand, John-Eric Bertrand, Piet Dejonghe, Koen Janssen and Jan Suykens for a period of four years. Although Luc Bertrand has already passed the age limit, the Board is of the opinion that, with his knowledge and experience, he can still make an exceptional and significant contribution to the deliberations of the Board of Directors.
The Board of Directors extends its thanks to Euro-Invest Management NV, represented by Martine Van den Poel, for the contribution, support and expertise she has provided during her tenure as director and chairman of the Nomination and Remuneration Committee.

Furthermore, the Board of Directors will propose to the ordinary General Meeting of 6 May 2021 to appoint Hélène Bostoen as an independent director for a period of four years, given that Hélène Bostoen meets the independence criteria defined in Article 3.5 of the 2020 Code. Hélène Bostoen studied Commercial Engineering at the Université Libre de Bruxelles from 1995 to 2000 and obtained an MBA from INSEAD in 2005. She is currently managing director of Fenixco and is a co-owner. Her main expertise is real estate development.

The table below summarises the mandates and duties of the eleven Board members as at 31 December 2020.

Luc Bertrand

Chairman of the Board of Directors

Ackermans & van Haaren
Begijnenvest, 113
B- 2000 Antwerp

Member of the Nomination and Remuneration Committee

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.

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
- Member of the Board of Directors, KU Leuven
- Regent of Mayer van den Bergh Museum
- Member of the General Council, Vlerick Leuven Gent School
- Chairman 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 Leasinvest Real Estate

b. Non-listed companies:

- Director of Baloise Belgium
- Director of Bank J.Van Breda & C°
- Chairman of Brinvest
- Director of Delen Private Bank
- Director of Delen Private Bank Luxembourg
- Director of DEME
- Director of FinAx
- Director of GB-INNO-BM
- Director of Leasinvest–Immo-Lux
- 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
- 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 AvH Resources India
- Director of Extensa Group
- Director of Onco DNA
- Director of VMA
- Director of VMA Druart
- Director of VMA Nizet
- Member of the Investment Committee of Inventures
- Director of Profimolux
- Director of Finasucre
- Member of the Investment Committee of Healthquad

c. Associations:

- Director of Belgian Finance Club

Jan Suykens

Director

Ackermans & van Haaren
Begijnenvest, 113
B- 2000 Antwerp

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, Leasinvest Real Estate

b. Non-listed companies:
- Chairman of the Board of Directors, Anima Care
- 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
- Director of Extensa Group
- Director of FinAx
- Director of Grossfeld PAP
- Director of JM Finn & Co (UK)
- Director of Leasinvest Immo Lux
- 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

Koen Janssen

Director

Ackermans & van Haaren
Begijnenvest, 113
B- 2000 Antwerp

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
- 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 North Sea Wave
- Director of Estor-Lux
- Director of Stichting Continuïteit IHC
- Director of Finance Continuïteit IHC

c. Associations:
- Director of Belgian Offshore Platform (BOP) vzw, permanent representative for Green Offshore
- Director of BVBA (Belgian Venture Capital & Private Equity Association)

Philippe Delusinne

Independent Director

RTL Belgium
Avenue Jacques Georgin, 2
B-1030 Brussels

Member of the Nomination and Remuneration Committee

Member of the Audit Committee

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
- 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

c. Associations:

- Chairman of the Théâtre Royal de La Monnaie
- Chairman of Les Amis des Musées Royaux des Beaux-Arts de Belgique ASBL (Friends of the Royal Museums of Fine Arts of Belgium)

Christian Labeyrie

Director

VINCI
1, cours Ferdinand-de-Lesseps,
F-92851 Rueil-Malmaison Cedex

Member of the Audit Committee

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)
- Chairman of ASF Holding
- Chairman of Cofiroute Holding
- Manager of SCCV CESAIRE-LES GROUES
- Manager of SCCV HEBERT-LES GROUES
- Permanent Representative of VINCI Innovation on the Board of Directors of ASF

Ciska Servais SRL, represented by Ciska Servais

Boerenlegerstraat, 204
B-2650 Edegem

Director

Ciska Servais is a partner in the 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 the law firm Van Passel & Greeve. She became a partner at Van Passel & Vennoten 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
a. Listed companies:
- Independent Director of MONTEA Comm. VA
- Chairperson of the Remuneration Committee of MONTEA Comm. VA

b. Non-listed companies:
- Astrea
- 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 the 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 the Japanese group Recruit, she was appointed global CFO of Recruit Global Staffing in 2016.
In May 2019, Leen Geirnaerdt became CFO of bpost.

Mandates held
a. Listed companies:
- Director, Chair of the Risk Committee, Member of the Audit Committee of bpost bank since 2020

Euro-Invest Management SA, represented by Martine Van den Poel

Avenue Molière 164
B-1050 Ixelles

Chair of the Nomination and Remuneration Committee

Independent Director

Martine Van den Poel holds a degree in Political Sciences from the Catholic University of Leuven (KUL), a Master's degree in Public Administration from the Kennedy School of Government, Harvard University (Cambridge, USA), and an Executive Master's degree in Coaching and Consulting for Change from INSEAD (Fontainebleau, France).
She was a research associate at Harvard Business School in 1978 and at Stanford Business School in 1985, and was a member of the Executive Committee of INSEAD from 1995 to 2003 as Executive Education Director and subsequently as Associate Dean for external relations on the campuses of Fontainebleau and Singapore.
At INSEAD, she was also Coaching Director in several continuing education programmes from 2003 to 2019. She also has a private Leadership Coaching practice for several companies in Brussels and Paris.
She is a member of Women on Boards (WOB), Club L, and INSEAD ILI (Inclusive Leadership Initiative). She is also business associate of Kdvi (Kets de Vries Institute).

Mandates held
c. Associations:
- Member of the Board of Directors, Vocatio (Brussels) and Unicef Belgium

MucH SRL, represented by Muriel De Lathouwer

Avenue Jacques Pastur 128
B-1180 Uccle

Member of the Audit 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 Nomination and Remuneration Committee, Etex
- Member of the Board of Directors, Chair of the Nomination 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

2.2. INDEPENDENT DIRECTORS

As at 31 December 2020, 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
- Euro-Invest Management SA, represented by Martine Van den Poel
- MucH SRL, represented by Muriel De Lathouwer
- Philippe Delusinne

2.3. OTHER DIRECTORS

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

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 2020, 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 2019 as well as the financial statements for the first half of 2020;
- examined the 2020 budget and the updates to that budget;
- examined the 2021 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 plans of DEME, CFE Contracting and BPI;
- elected a new statutory auditor for the Group at the proposal of the Audit Committee;
- examined the evolution of real estate projects and approved the acquisition and sale of several real estate projects worth more than ten million euros;
- decided the remuneration and bonus arrangements for the managing director and the executives, at the proposal of the Nomination and Remuneration Committee;

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 2020.

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	5/6
Much SRL, represented by Muriel De Lathouwer	6/6
Euro-Investment Management SA, represented by Martine Van den Poel	6/6

In accordance with Article 2.7 of the Charter, periodic evaluation procedures are organized 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 February 22, 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 (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 2020 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

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 2020, this committee comprised:

- John-Eric Bertrand
- Philippe Delusinne (*)
- 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).

Philippe Delusinne holds a diploma in Marketing & Distribution from ISEC Brussels and a Short MBA from the Sterling Institute of Harvard University.
He has been Chief Executive Officer of RTL Belgium since March 2002.

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. In May 2019, she became 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.

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 2020 financial year.

It examined, among other things:

- the financial statements for full-year 2019 and for the first half of 2020;
- the quarterly financial statements for the first and third quarters of 2020;
- the draft 2021 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 assessment report of the offers of audit services for the CFE Group;
- the Group's off-balance sheet commitments, in particular the bank guarantees;
- the auditor's reports.

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

The table below indicates the individual attendance rate of the members of the Audit Committee at meetings in 2020.

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

4. NOMINATION 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 2020, this committee comprised:

- Euro-Invest Management SA, represented by Martine Van den Poel, chair (*)
- Luc Bertrand
- Philippe Delusinne (*)

(*) Independent directors

4.2. MODE OF OPERATION AND ACTIVITY REPORT

The committee met twice in 2020.

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

- the fixed 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 Nomination and Remuneration Committee at meetings in 2020.

Members	Attendance/Total number of meetings
Euro-Investment Management SA represented by Martine Van den Poel	2/2
Luc Bertrand	2/2
Philippe Delusinne	2/2

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

5. 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 Deloitte, Réviseurs d'Entreprises, represented by Rik Neckebroeck. 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 the CFE Group in December. The statutory auditor was appointed at the ordinary general meeting of 2 May 2019 for a term of three years. Taking into account Article 41 of (EU) regulation no. 537/2014, however, stipulating that, as of 17 June 2020, a listed company cannot accept or renew the mandate of an audit company that has been providing audit services to this company for twenty or more consecutive years, Deloitte Réviseurs d'Entreprises has resigned from its current mandate. The Board of Directors will therefore propose to the next ordinary General Meeting to confirm the resignation of the outgoing auditor, and to entrust the legal control mandate to the firm of company auditors EY, represented by Patrick Rottiers and Marnix Van Dooren, for a term of three years.

The remuneration paid to the statutory auditor in 2020 in respect of the whole Group, including the company, amounted to:

(€ thousands)	Deloitte		Others	
	Amount	%	Amount	%
Audit				
Statutory audit, certification, examination of individual and consolidated accounts	2,003.8	79.65%	874.6	17.83%
Related work and other audits	50.8	2.602%	5.1	0.10%
Subtotal, audit	**2,054.6**	**81.67%**	**879.7**	**17.94%**
Other services				
Legal, tax, employment	194.0	7.71%	1,368.2	27.90%
Others	267.0	10.61%	2,656.0	54.16%
Subtotal, others	**461.0**	**18.33%**	**4,024.2**	**82.06%**
Total statutory auditors' fees	**2,515.6**	**100%**	**4,903.9**	**100%**

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 Nomination 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 departments of the various legal entities, divisions or poles, 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 has developed a control environment that is conducive to high-quality financial reporting;

(iii) CFE's finance department, 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, are built into the administrative cycles at group level.

The Company has 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 guarantee 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 management team 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 SUB-CONSOLIDATION

CFE controls its subsidiary DEME at five different levels:

- The Board of Directors. This is composed of seven directors, including five CFE directors and one CFE representative. 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 2020;

- 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 CFE representatives (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 six times in 2020;

- 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 CFE directors, and one CFE representative.

- 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 continued in 2020 and will be 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 digitalisation of this process will be 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 that 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 CFE's controlling shareholder. 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 CFE's controlling shareholder, 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 bid submission. 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 Finance Director 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 Finance Manager.

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 digital platform, 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 the attainment of 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.

Ten audit assignments were carried out during the 2020 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");
- compliance with the regulations relating to the signing authorisations in the ISABEL payment software;
- the archiving of documents.

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.

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 CFE directors (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 is authorised to approve, on the basis of a formal approval from CFE's Board of Directors, (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 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.

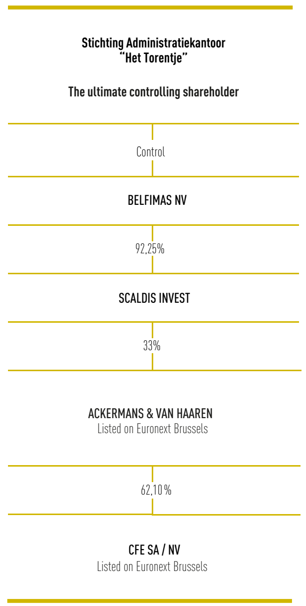
The managing director of BPI is entrusted with the implementation of the internal control system adopted by the Board of Directors. The CEO is supported in his duties by the Executive Committee.

The Executive Committee progressively identifies the risks and adequately analyses them. It suggests appropriate measures to accept, mitigate, transfer or avoid the identified risks

7. SHAREHOLDER STRUCTURE

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'.



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 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 CCA, and the 2020 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, subject to its being approved by the ordinary General Meeting to be held on 6 May 2021. After this, it will be submitted to the approval of the General Meeting every four years and, in any case, every time it is modified significantly.

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 Nomination 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 Nomination 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 Nomination 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 Nomination 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 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

De remuneratie van de gedelegeerd bestuurder omvat uitsluitend de volgende elementen:

- 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 Nomination 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 Nomination 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 2020 is detailed in this report. On 31 December 2020, 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 2020, which was approved with a majority of 96% 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 € 427,940 has been paid to the non-executive directors in 2020, broken down according to the table below. The company has not granted them any other remuneration or benefit, loan or guarantee.

2020 *In €*	Fixed remuneration	Attendance fees	Audit Committee	Remuneration Committee	Total remuneration
Luc Bertrand	100,000	-	-	2,000	102,000
Philippe Delusinne	20,000	12,000	4,000	2,000	38,000
Renaud Bentegeat (until 07/05/2020)	6,940	4,000	-	-	10,940
Christian Labeyrie	20,000	12,000	4,000	-	36,000
Ciska Servais SRL, represented by Ciska Servais	20,000	12,000	-	-	32,000
Koen Janssen	20,000	12,000	-	-	32,000
PAS DE MOTS SRL, represented by Leen Geirnaerdt	20,000	10,000	3,000	-	33,000
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	20,000	12,000	-	4,000	36,000
Much SRL, represented by Muriel De Lathouwer	20,000	12,000	4,000	-	36,000
Total	**286,940**	**110,000**	**23,000**	**8,000**	**427,940**

- 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 VMA 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.

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 %	2016 vs 2015 (%)	2017 vs 2016 (%)	2018 vs 2017 (%)	2019 vs 2018 (%)	2020 vs 2019 (%)
1. Remuneration of the directors (non-executive) (in EUR)					
Name					
Luc Bertrand	76,896 (+104%)	102,000 (+32.64%)	102,000 (+0%)	102,000 (+0%)	102,000 (+0%)
Philippe Delusinne	34,000 (-6.25%)	40,000 (+18.00%)	31,000 (-22.00%)	35,000 (+12.29%)	38,000 (+12.50%)
Renaud Bentegeat (in his capacity of Director until 07/05/2020)	32,000 (+0%)	34,000 (+6.25%)	32,000 (-6.25%)	30,000 (-6.25%)	10,940 (-63.54%)[3]
Christian Labeyrie	32,000 (-12.5%)	38,000 (18.75%)	32,000 (-15.79%)	32,000 (+0%)	36,000 (+12.50%)
Ciska Servais SPRL, represented by Ciska Servais	38,000 (+6%)	41,000 (+7.89%)	40,000 (-2.44%)	33,000 (-17.5%)	32,000 (-3.04%)
Koen Janssen	30,000 (-6.7%)	34,000 (+13.33%)	30,000 (-11.76%)	30,000 (+0%)	32,000 (+6.67%)
PAS DE MOTS BVBA, represented by Leen Geirnaerdt	9,645	35,000 (+262.88%)[3]	36,000 (+2.86%)	31,000 (-13.89%)	33,000 (+6.45%)
Jan Suykens	32,000	34,000 (+6.25%)	30,000 (-11.76%)	30,000 (+0%)	32,000 (+6.66%)
John-Eric Bertrand	39,000 (+8.39%)	42,000 (+7.69%)	40,000 (-5.26%)	38,000 (-5.26%)	40,000 (-5.26%)
Euro-Invest Management SA, represented by Martine Van den Poel			19,260	35,000 (+81.72%)[3]	36,000 (+2.87%)
Much SPRL, represented by Muriel De Lathouwer			21,260	33,000 (+55.22%)[3]	36,000 (+9%)
Piet Dejonghe	32,000	34,000 (+6.25%)	32,000 (-6.25%)	30,000	32,000
2. Remuneration of the Managing Director (in EUR)					
Name					
Piet Dejonghe[1]		-	345,000	345,000 (+0%)	345,000 (+0%)
Renaud Bentegeat Renaud Bentegeat (with regard to his former duties of Managing Director until 01/09/2018)	648,728 (+8%)	1,150.275 (+77.31%)	657,312 (-57.14%)[3]	-	-

3. Results of the company (in thousand EUR)[4]	2016	2017	2018	2019	2020
Criterion 1: Consolidated net income of the CFE Group	168,411	180,442	171,530	133,424	64,020
Criterion 2: EBITDA for DEME	447,356	455,500	458,901	437,011	369,457
Criterion 3: Pre-tax income for CFE Contracting	19,579	27,077	20,652	17,973	12,374
Criterion 4: Return on Equity for BPI	6,6%	52,1%	14,5%	17,0%	17.3%

4. Average remuneration of employees in full-time equivalents (in EUR)[2]	2016	2017	2018	2019	2020
Employees of the company	83,267.50 (+5,52%)	87,086.15 (+4.59%)	81,236.35 (-6,72%)	85,012.02 (+4.65%)	86,061.31 (+1.23%)

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.
[4] The board of directors also pays attention to the balance sheet ratios

The remuneration ratio between the highest paid person and the lowest paid person within the company is 4.29 in 2020.

V. STATEMENT OF NON-FINANCIAL INFORMATION

Pursuant to Article 3:32, §2 of the CCA, 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 22, 2021.

Luc BERTRAND
Chairman of the Board of Directors

STATEMENT OF NON-FINANCIAL INFORMATION

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 2020.

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.

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

3. POLICIES APPLIED IN TERMS OF ESG

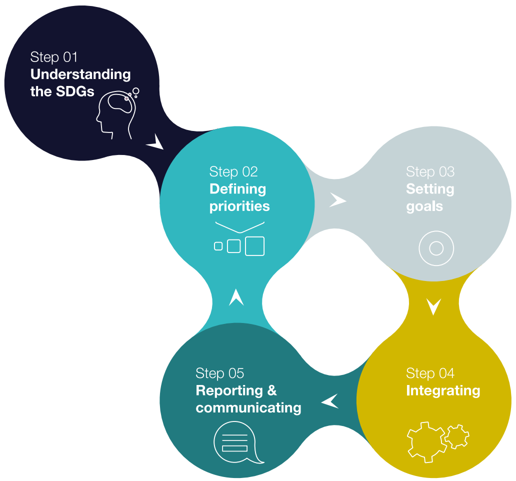
3.1. RULES COMMON TO THE THREE DIVISIONS

As CFE is based on a decentralized decision-making model, each division develops and pursues its own ESG policy. However, as a shareholder, CFE ensures that these divergent policies converge towards 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 CFE's Board of Directors at the end of 2019.

In this context, consultations were held with the ESG managers from the different divisions. For further details on the above process, please refer to the company's Non-Financial Statement as published in the 2019 Annual Report (Annexes 1 to 4).



IMPACT AND MATERIALITY

As it doesn't 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 is active. In addition, special 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 plans and policies of its divisions and that these plans are periodically assessed. The subsidiaries then implement the policy approved by their board of directors and report on its significant aspects. In 2019, steps were taken to refine and, where possible, streamline the reporting processes. Among other things, the divisions draw inspiration from 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 United Nations' 17 Sustainable Development Goals (SDGs). 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.

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

CONTINUOUS IMPROVEMENT AND OPPORTUNITIES

This sustainable approach consists of the willingness to continuously improve the operations and to minimize their negative impact. It also provides opportunities for constantly seeking to create new sustainable values and for exploring and developing new markets.

PARTNERSHIP FOR CHANGE

Last but not least, the CFE group is also convinced that this approach can only be successful with the help of the different stakeholders involved in our activities: employees, suppliers, subcontractors, public authorities, clients, etc. Partnership for change is the key to a successful sustainable strategy. The 17 SDGs show which path to follow in this respect. With this in mind, the CFE group has involved different stakeholders (both internal and external) in its reflection about sustainability from the outset. To ensure the consistency of their approaches, DEME, CFE Contracting and BPI worked together with the same expert consultancy firms in sustainability.

3.2. DEME'S ESG POLICY

DEME, which has actively implemented the SDGs since 2017, has developed through its sustainability approach a number of themes and actions with which it contributes to the seventeen SDGs. All these themes and actions are explained in detail in DEME's 2020 sustainability report. For the CFE group, SDGs 3, 7, 8, 9, 11, 13, 14, 16 and 17 and their related actions have been chosen as the most relevant.

DEME has based its ESG policy on two priorities:

- 'Exploring sustainable business solutions' by proposing solutions and entering into partnerships that are conducive to a changeover to a low-carbon, circular and resilient society. Through the 'Explore' programme, DEME wants to work together with different partners in and outside the industry to find sustainable and holistic solutions. This priority therefore focuses on the development of a portfolio of activities and services that contribute substantially, directly and explicitly to one or more of the SDGs.

- 'Excelling in our operations' by reducing the carbon and environmental footprint of our operations and by being a leading employer. 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' aspect therefore aims to ensure that the implementation of its projects is not only efficient and cost-effective, but also sustainable.

At DEME, the involvement and endorsement of all employees was a driving factor in the definition of the sustainable goals. This rigorous and extensive consultation exercise of internal and external stakeholders, which began in 2017, made it possible 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 detail in DEME's sustainability report (www.deme-group.com/sustainability).

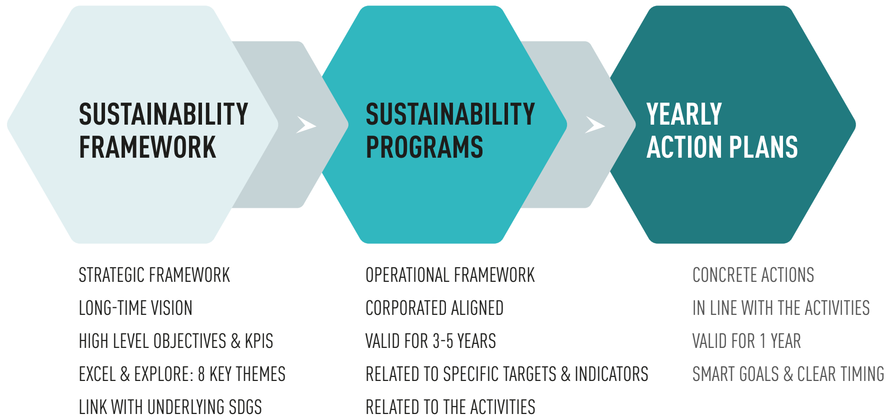
At the same time, as a global company operating in many different places and sites, it is essential for DEME to maintain good working relations with all the stakeholders and also to draw the attention of all parties involved to DEME's sustainable approach.

In 2019, DEME developed an initial materiality matrix to identify priorities and assess them according to their importance for external and internal stakeholders, as well as their impact on DEME's business success.

In 2020, DEME further expanded its sustainability strategy with an operational framework consisting of a set of clearly defined programmes that give more concrete substance to the eight key themes and the associated long-term ambitions. The programmes are directly linked to DEME's activities.

These sustainable programmes link DEME's strategic sustainable vision (long-term vision) with concrete annual action plans.

In concrete terms, for each of the eight themes (Excel and Explore), DEME has defined at least one programme. Every programme, which is valid for three to five years, has its own indicators and ambition and a link to annual action plans.



3.3. CFE CONTRACTING AND BPI'S ESG POLICY

In 2019, CFE Contracting and BPI Real Estate worked together to define a structured policy around the ESG themes. Sustainable Development Goals (SDGs) 3, 4, 7, 8, 11, 12, 13, 16 and 17 were selected as guidelines after an extensive survey conducted among the stakeholders, including staff. This materiality exercise helped define a clear sustainable vision, priority goals and the basis for an action plan and key performance indicators, all of which were validated by the Board of Directors on 3 December 2019. Constant consultation with the various stakeholders, and in particular staff, ensures that the ESG policy is fully supported.

After defining their 10 sustainable priorities in 2019, CFE Contracting and BPI Real Estate used 2020 to set up a concrete action plan and an efficient KPI monitoring system. Each subsidiary was able to assimilate these sustainability concepts and integrate them into their daily actions.

Inspired by this vision, CFE Contracting and BPI Real Estate are increasing their contacts with different stakeholders such as clients and suppliers to establish truly sustainable partnerships based on these values. At the same time, several actions were defined to familiarize our subcontractors with our sustainable vision and to urge them to follow us in that approach. The next step is to involve all of our construction project partners even more in our sustainable approaches in order to have a strong impact on tomorrow's world.
For more complex themes, such as materials transport or circularity, preference has been given to the analysis of major pilot projects for the moment rather than more formal KPIs.

CFE Contracting and BPI Real Estate defined clear goals for each of the priority themes (high materiality themes) from the start. CFE Contracting joined the Belgian Alliance for Climate Action to provide a more concrete basis. By doing so, CFE Contracting undertook to subscribe to the Science Based Targets initiative. This course of action will allow it to attain sustainable goals that meet the ambitions of the Paris agreements.

The ESG policy of CFE Contracting and BPI Real Estate is based on 11 priority goals grouped around the following four key themes: 'Build for the future', 'Be a great place to work', 'Offer innovative solutions', 'Towards climate neutrality'.

Each theme contains a number of goals. The link with the SDGs is permanently maintained to ensure that the goals are in keeping with the logic of the 17 SDGs.

3.4. CONVERGENCE OF THESE ESG POLICIES

To bring together the actions of DEME, CFE Contracting and BPI Real Estate, a concordance matrix has been developed to easily make the link between the themes of DEME and those of CFE Contracting and BPI Real Estate. To make the annual report easier to read, the names of the themes of CFE Contracting and BPI Real Estate have been retained in the value creation diagram and in the different illustrative chapters.
Hence, numerous examples of projects or concrete actions are presented in the main body of the annual report, thus clearly demonstrating the commitment of the CFE group to these various themes (see page 15).

DEME theme	Related SDG	CFE Contracting & BPI theme	Related SDG
Natural Capital	6-14-15		
Waste and resource management	12	Build for the future	6-9-10-11-12
Local communities	1-2-11		
Health & well-being	3		
Diversity and opportunity	4-5-8-10	Be a great place to work	3-4-5-8-10-16
Ethical Business	16		
Sustainable innovation	9	Offer innovative solutions	8-9
Climate & Energy	7-13	Towards Climate neutrality	7-13-15
Partner For Change - SDG 17			

4. MAIN RISKS RELATED TO ESG

4.1. INTRODUCTION

For the three divisions, analyzing the opportunities is just as important as analyzing the risks associated with our business lines. The sustainable strategies - including the materiality exercise, whereby it is possible to determine the themes in which each of the three divisions have the greatest impact - have been developed with this in mind.

4.2. MAIN RISKS AND OPPORTUNITIES ASSOCIATED WITH ESG AT DEME

To understand the key sustainable development goals and the sustainability themes where we can have the most impact, extensive consultations with the stakeholders were conducted in 2017 and 2018, including:

- Consultations with the Executive Committee, the heads of the various business lines and the managers of operational and support services. All interviewees were asked to assess the relevance and impact of the various sustainable development goals (SDG) for us and our external stakeholders. We also discussed the opportunities and challenges that our company will face in the future, in order to define the importance of the SDG in our business context.
- A survey on sustainable development, an online survey and several workshops at the DEMEx 2018 innovation conference. More than 200 young DEME professionals explored the challenges of the sustainable development goals and their impact on the success of our company.
- Research on the key sustainable development themes of and for our external stakeholders.

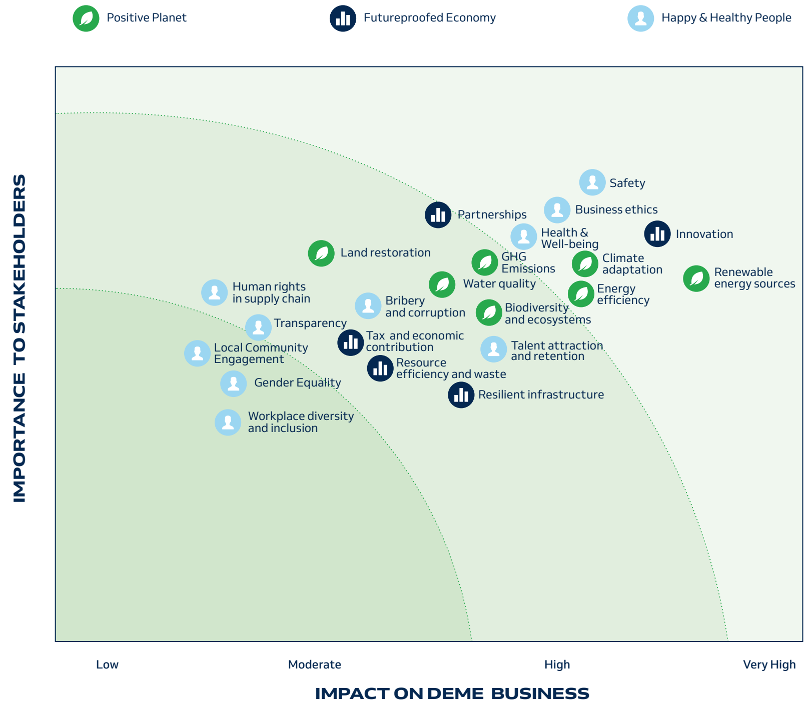
As a result of these consultations, the major risks and opportunities for DEME were identified. These include:

- Safety
- Business ethics
- Innovation
- Partnerships
- Health and well-being
- Renewable energy sources
- Energy efficiency
- Climate adaptation
- Greenhouse gas emissions
- Water quality
- Attracting and retaining talent
- Corruption
- Human rights
- etc.

4.3. DEME'S MATERIALITY MATRIX

These extensive stakeholder consultations and additional research have resulted in a materiality matrix reflecting the key priorities, based on business impact and importance for our stakeholders. The materiality assessment helped us define our sustainable development strategy, resulting in eight key sustainable development themes that are the drivers of our sustainable performance.

Setting those priorities will help us to align our business decisions with the sustainable development goals on which DEME can have the most impact.



In some cases, themes have been grouped together. For instance, the 'Health & well-being' and 'Safety' themes have been included in one goal: 'Health, safety & well-being'. Similarly, 'Climate adaptation', 'Energy efficiency' and 'Renewable energy sources' have become the 'Climate & energy' goal.

Hence, in line with the operational and strategic approach, the eight themes have been systematically applied in those two directions (Excel and Explore). Those goals will help DEME to create real sustainable value. 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 detail in DEME's sustainability report (www.deme-group.com/sustainability).

The high materiality themes selected are therefore:

CLIMATE & ENERGY

Explore sustainable business solutions: our 'Explore' approach to achieving our climate and energy vision focuses on infrastructure. We are building a climate change resilient infrastructure, better adapted to climate hazards. In addition, we are helping to advance the energy transition by developing our renewable energy solutions. We are continuing to explore new marine solutions for energy production. Together, those projects improve access to affordable energy, increase the share of renewable energy and enhance 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.

SUSTAINABLE INNOVATION

Explore sustainable business solutions: our 'Explore' approach is aimed at setting 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, modernizing technological capabilities, and fostering sustainable development and innovation in our projects.

ETHICAL BUSINESS

Explore 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 organization and only working together with third parties that apply the same standards. This includes, but is not limited to, the respect for human rights as defined in the United Nations Universal Declaration of Human Rights.

HEALTH, SAFETY & WELL-BEING

Explore sustainable business solutions: our 'Explore' approach to health, safety and well-being is to develop sustainable infrastructures that 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.

The medium materiality themes are:

NATURAL CAPITAL

Explore sustainable business solutions: our 'Explore' approach is aimed at preventing and reducing marine pollution while at the same time sustainably revitalizing 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 minimize the environmental impact of our operations and, as far as possible, have a net positive impact on biodiversity and ecosystems.

WASTE AND RESOURCE MANAGEMENT

Explore 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 that consists of supplying sustainable alternatives for building materials and minerals. Our technology reuses treated waste materials to maximize the efficient and circular use of materials throughout our projects.

DIVERSITY AND OPPORTUNITY

Explore 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 is aimed at ensuring 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.

LOCAL COMMUNITIES

Explore sustainable business solutions: our 'Explore' approach aims to increase the resilience of communities so that they can face economic, environmental and societal challenges.

Operational excellence: our 'Excel' approach consists of establishing collaborative relations with the local communities through consultation, commitment and participation.

4.4. MAIN RISKS AND OPPORTUNITIES ASSOCIATED WITH ESG AT CFE CONTRACTING AND BPI

The main trends in the construction and real estate sector that are currently emerging are:

- 'Safety': There are numerous risks on building sites. Both employees and third parties are exposed to them there. Work accidents can be serious and have severe consequences. That is why it is essential that safety regulations are applied on building sites.
- 'The talent war': 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 qualification and need additional training.
- 'Complex collaborations': the construction industry is both fascinating and complex, particularly in terms of the number of parties involved (architects, engineering firms, institutions, customers, suppliers, etc.) and the relations between them throughout the design and execution process.
- 'Lack of a long-term view': at present, it is still very difficult to convince the parties involved to have a long-term and global view of the life cycle costs. The sometimes too short-term view of the project authors continues to inhibit innovation, technological optimization or the use of more ecological materials.
- 'Resource scarcity and waste generation management': the management of resources and waste, either by limiting waste or by reuse or recycling, is a crucial issue. Circularity is more than ever a major stake for our business lines.
- 'Complex legislation': the various stringent European, national or 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 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, Chap. II.1.2 of the consolidated annual accounts.

Internal consultations have made it possible to define some thirty concrete goals linked to these different categories of risks or opportunities. In order to adopt these goals and create an internal and external communication campaign specific to CFE Contracting and BPI, these goals have been grouped together according to four relevant themes, thus defining the vision of CFE Contracting and BPI 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 the logic of the seventeen SDGs.

BUILD FOR THE FUTURE

As designers and builders, we are the key players to rethink the cities and infrastructures of tomorrow and to participate in their transformation. Rethinking the ways of working from the viewpoint of sustainability opens up many 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 makes it possible to limit waste, but also to improve the working conditions of employees and limit the inconvenience for the neighbourhood. From the design stage, it is essential that we optimize our buildings and the different technical elements that make them up. By taking into account the maintenance, the durability of the technical elements and the life cycle costs, relevant choices can be made for a well-designed and sustainable building. The main goals established in this respect are: 'Waste and packaging reduction', 'Modular & circular principles in our projects', 'Water management', 'Ease of maintenance' and 'Re-use or recycling of construction waste'.

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					•	•
ECO-FRIENDLY 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, at the heart of CFE Contracting and BPI's concerns. The well-being and physical and mental health of all employees and all parties involved in our projects are absolute priorities. Beyond that, it is essential that each employee is allowed to develop his talents and to grow within our organization according to his abilities. CFE makes every effort to develop a climate of confidence in which every employee can fully develop his abilities, thus contributing to a healthy corporate culture. What better ambassadors can there be than satisfied employees to attract new talents? Obviously the fundamental values of respect, transparency and integrity must be practised and propagated by all. The main goals established in this respect are: 'Health and safety', 'Decent working conditions for all', 'Talent attraction, training & retention', 'Strong corporate governance' and 'Career development for all employees'.

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

LEAN, which is already an integral part of most of our projects, may be extended to all our activities. The digitalization, the continuous improvement of our processes, the search for innovative solutions in our activities and throughout the production chain are all avenues for a sustainable rethinking of our business. Four goals have been defined: 'Innovation across our businesses & supply chains', 'Product as a service', 'Implementation of LEAN philosophy', 'Administrative procedures simplification'.

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 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 and our materials. An optimization of material transport that can be combined with an optimization of waste transport is also being developed. A limitation of CO_2 production is also achieved through a reduction of emissions by our headquarters, offices and building site equipment, as well as through an optimal use of renewable energy. The main goals established in this respect are: 'Material and waste transport optimization', 'GHG emissions reduction (fleet – offices & sites – equipment)', 'Alternative transport modes promotion', 'Renewable energy procurement & production' and 'Biodiversity'.

OUR MAIN OBJECTIVES TO GO TOWARDS CLIMATE NEUTRALITY				
MATERIAL AND WASTE TRANSPORT OPTIMIZATION		•		•
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			•	•

4.5. CFE CONTRACTING MATERIALITY MATRIX

MATERIALITY PRINCIPLE

In a spirit of continuous improvement, a regular materiality assessment allows a reassessment of the impact of different goals and to 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

With regard to the assessment of the importance of the goal in terms of business impact, the 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.

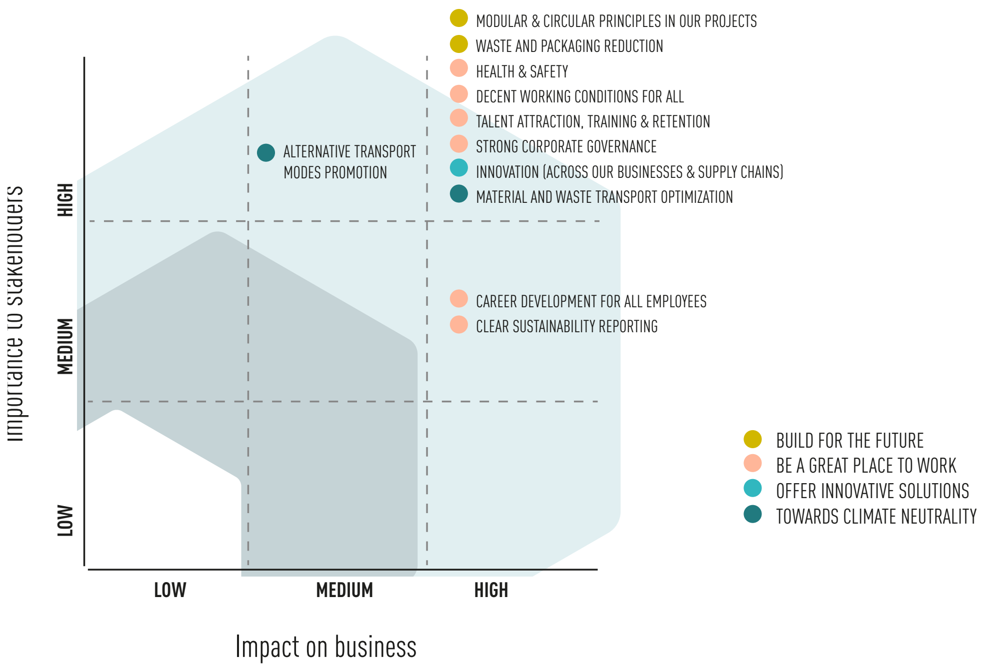
The pooling of those data made it possible to identify the most relevant goals for CFE Contracting and BPI. Since those two divisions have widely different ways of impacting on the goals, it naturally follows that each has developed its own materiality matrix. BPI's materiality matrix is explained in more detail in the following chapter.

All the high materiality goals (priority goals), i.e. having a high impact on the business of CFE Contracting and BPI 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 will allow clear communication both internally and 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.

The priority goals concern all areas of sustainability. As regards CFE Contracting, this especially means taking into account the safety and health, in the broad sense, of all employees; optimizing the transport of materials and waste; reducing waste and packaging materials in particular; ensuring decent working conditions for all workers; encouraging talent attraction, retention and training; establishing strong governance and stimulating innovation at all levels in the production chain.

The three medium goals chosen as the most relevant are taken into account in the same manner. These include: 'Career development', 'Clear sustainability reporting' and 'Alternative transport modes promotion'.



SOCIAL AND PERSONAL MATTERS

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. Special attention is paid to allowing employees to achieve a healthy work-life balance. The well-being of all has to be worked on every day, and several concrete actions take place during the year at the different entities.

The priority goals linked to those themes are: 'Health & safety: Provide a safe and healthy workplace for all & Continuously work on a healthy work-life balance for both our office and on site workers' and 'Reduce traffic time to and from site or office'.

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'.

The greatest asset of our group are the men and women who work for us. It is also very difficult nowadays to find new qualified staff. Remaining a first-rate employer to attract and retain competent and motivated employees who are proud to belong to the CFE group is therefore a major challenge. The training and follow-up of the personal career development of all employees, irrespective of their status, are equally important to allow the development of a climate where confidence is built and talent can thrive within the CFE group and to build a true corporate culture.
The priority goals linked to those themes are: 'Inspire people to join our company', 'Provide training opportunities, both for our office and on site workers' and 'Follow-up personal career development for all employees'.

ENVIRONMENT

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.
To achieve this, the priority goals linked to those themes are: 'Optimize materials and waste transport systems' and 'Promote and stimulate the use of alternative transport modes for our employees'.

Special attention should go to limiting waste on our building sites and in our offices. Besides reuse, recycling or a circular view on our materials, we also need to minimize the production of waste by developing a culture of sensible consumption and also by involving our partners in that process. This applies to materials as well as to the optimization and reduction of packaging. On the latter point, close collaboration with our main suppliers is obviously necessary.
The priority goal linked to this theme is: 'Collaborate (with suppliers) to reduce packaging waste and reduce waste in general'.

GOVERNANCE

Finally, CFE Contracting provides strong governance by means of a charter and specific procedures.
The priority goal linked to this theme is: 'Develop a governance model based on integrity and respect and fight social fraud'.
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 ef-

fects of the actions taken.

The priority goal linked to this theme is: 'Transparently communicate on our sustainable performance and progress'.

INNOVATION
All these goals call for close collaboration between the entities as well as with all the other partners. It is also necessary to stimulate innovation in our different business lines as well as across the whole value chain. Opening up to the outside world and to other partners should not be neglected. Innovation is fostered by partnerships with other players in the industry such as ADEB, research centres, universities or suppliers, as well as by knowledge sharing between the different entities and business lines of the group.

The priority goal linked to this theme is: 'Develop systemic innovative solutions across our divisions and throughout our supply chains'.
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 goal linked to this theme is: 'Incorporate modular and circular principles in our project design'.

4.6. BPI REAL ESTATE MATERIALITY MATRIX

As their areas of activity are closely linked, CFE Contracting and BPI Real Estate have chosen from the outset to work together to develop their sustainable strategies. BPI Real Estate has therefore participated in all the stages of development of these strategies (see previous chapter) and continues to be actively represented on the sustainability board. This working group, composed of representatives from the various subsidiaries of CFE Contracting and from BPI Real Estate, meets on a monthly basis. The goal of this working group is, among other things, to share best practices, to ensure that the sustainability strategy is followed in the various subsidiaries and to advise the Executive Committee on sustainability issues.

As a developer of real estate projects, BPI Real Estate sees its sustainable impact start right from the design stage of a new project.
BPI Real Estate has defined the following themes as priorities in its strategy:

- Circularity: the choice of materials is a crucial stake in a building's carbon footprint. The integration of circular materials can only be done efficiently if this approach is adopted in the design phase.
- Energy: having low-energy buildings, choosing the best energy solutions and always having energy optimization in mind are all key factors.
- And, finally, mobility: as 'Urban shapers'; BPI Real Estate is committed to integrating its projects in towns and cities. Mobility is a crucial issue for the towns and cities of tomorrow and BPI intends to address it with its projects.

To ensure that it is at the top of its game in these areas, BPI Real Estate is focusing above all on innovation.

All these themes will involve the entire value chain of BPI Real Estate's construction projects, thus giving the notion of partnership its full meaning.

5. OUTCOMES OF THOSE POLICIES

PROOF BY EXAMPLE
The various examples and projects shown on pages [15] highlight the attention already being paid to the different themes and goals for the three divisions.

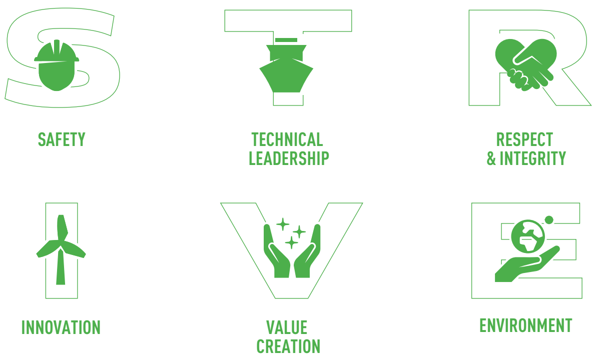
MEASURING THE EFFECT OF ACTIONS
For the group's three divisions, the control of clear KPIs and close monitoring of concrete actions is a priority. This control allows the effect of the actions undertaken to be assessed as quickly as possible and for any appropriate measures to be taken.

This data collection goes hand in hand with an alignment of the actions by division in the different entities to ensure a significant impact. Structured goals and actions will therefore be clearly favoured.

A QUESTION OF MINDSET
Lastly, the three divisions are committed to making sustainability a core principle among all employees and making it a real corporate culture. As a result, targeted actions will concern both large-scale projects and simple everyday actions. However simple the latter, they will help raise awareness among all employees. It is also essential to integrate all the links of the production chain into this approach.

5.1. OUTCOMES OF THOSE POLICIES AT DEME

The basis of DEME's compliance programme is the Corporate Code of Ethics and Integrity.
This code reflects DEME's core values, expressed by the acronym 'STRIVE', which stands for Safety, Technical Leadership, Respect & Integrity, Innovation, Value Creation and Environment.
In addition to legal compliance, which is a sine qua non, respect and integrity are of paramount importance for all DEME staff, and all those who wish to work with DEME must uphold the same standards.



5.1.1. IMPACT OF COVID-19

Despite the COVID-19 crisis, DEME proved to be a resilient company in 2020. DEME has made significant additional efforts to ensure the continuation of its activities, to put the well-being of its employees first at all times and to use these very exceptional global conditions as a driver for innovation.

Despite the COVID-19 crisis, it was possible to continue with nearly all the projects throughout 2020. Maximum efforts were made to facilitate crew changes, for instance, by freeing up resources for a task force and extraction team, diverting more than five operational vessels and chartering 10 aircraft. In addition, significant efforts were made to organize effective COVID-19 tests in combination with a system of pre-quarantine periods, to ensure that the work could be continued safely by the crew and project teams. In addition, a 7-week programme on resilience and mental health was implemented for all DEME employees. Lastly, a specific internal innovation campaign was set up to maximize and secure optimizations related to digital administration, virtual presence and remote tendering teams, among other things. This meant that DEME was able to adapt throughout 2020 from 'business as usual' to 'the new normal', despite the global crisis.

5.1.2. SOCIAL

A safe and healthy workplace for all those involved in DEME projects is a constant point of attention. Given the nature of its activities, DEME is sometimes forced to work in very difficult circumstances. The safety standard that DEME imposes on all employees is very high. It aims to avoid any accidents, either on ships or in other workplaces.

This is continuously monitored by proactive (e.g. observations, inspections) and reactive (e.g. timely reporting of incidents) key performance indicators. Every potentially dangerous situation is analyzed to ensure that the risks remain at acceptable levels.
These specific safety parameters are monitored within each management team and board. Achieving the safety goals is firmly rooted in the bonus policy.

In response to the COVID-19 crisis, DEME also focused on the mental health and well-being of all employees in 2020, including a specific online programme on resilience and mental health, an employee support programme for crew members and their families in collaboration with the health & safety officer, and various initiatives on social cohesion. A specially formed team, reporting to management, monitors the operational impact of COVID-19 on a daily basis.

In addition, as in previous years, a great deal of attention was paid to the recruitment, training and retention of staff. In 2020, DEME was voted most attractive employer in Belgium for the second year in a row and the third time in four years at the Randstad Awards. This recognition is based on the results of a survey conducted among 12,000 Belgians aged 18 to 65. DEME is in the top three as regards financial health, work atmosphere, reputation and use of new technologies.

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

5.1.3. ENVIRONMENT

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

The installation of offshore wind farms, in which DEME is a leader, is making a significant contribution to the necessary climate mitigation and at the same time to the transition to renewable energy. In 2020 DEME's activities contributed to the development of the offshore projects Borssele 1 & 2, SeaMade, Moray East, Triton Knoll and East Anglia One. DEME reached a remarkable milestone in January 2020 with the installation of the 2,200th wind turbine. Since the very first wind turbines were installed in the Baltic Sea in 2000, DEME has installed turbines of all shapes and sizes in 46 different wind farm projects in Europe and in China.

DEME is also working on other forms of sustainable energy such as the production, storage and transport of green hydrogen and is pioneering various 'wind and solar to hydrogen' initiatives such as HYPORT® Ostend, HYPORT® Duqm and PosHydon.

HYPORT® Ostend was launched in partnership with the Port of Ostend and PMV in January 2020. The ambitious goal is to have a green hydrogen plant in operation in the Belgian port by 2025.

In Oman, DEME Concessions and Omani partners announced an exclusive partnership to develop a leading green energy park and green hydrogen plant in Duqm. This facility will contribute significantly to the decarbonization of the regional chemical industry and will also supply green hydrogen and/or derivatives such as green methanol or ammonia to international customers.

Lastly, DEME is also involved in the PosHYdon offshore hydrogen pilot. PosHYdon integrates three energy systems in the North Sea: offshore wind, offshore gas and offshore hydrogen, based on Neptune Energy's Q13a platform. This production platform is the first fully electrified platform in the Dutch North Sea.

In addition, DEME has improvement programmes to further reduce the environmental impact during project implementation. For instance, 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 aims to achieve a 40% reduction in greenhouse gases by 2030 compared to the reference year 2008 set by the International Maritime Organization (IMO). DEME wants to become a climate neutral company by 2050.

Given that more than 90% of greenhouse gas emissions can be attributed to the fuel consumption of ships, DEME is pursuing a multi-year investment plan that involves 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 heat recovery systems that convert the exhaust gas into electrical energy. There is also a constant focus on process optimization and productivity improvement. In 2020, DEME also focused on further optimizing the recording of energy data, setting up an integrated data structure and developing the necessary monitoring tools.

DEME is also contributing to the reduction of emissions in the infrastructure sector. For instance, DEME (De Vries en van de Wiel), in collaboration with GMB and Heijmans, launched the emission-free infrastructure network in April 2020 with the aim of accelerating energy transition specifically for rolling stock used in the four-year infrastructure sector and thus enabling construction with emission-free materials.

Lastly, DEME also has specific programmes to further limit the impact of (underwater) noise and turbidity on the environment, and in particular on marine life.

5.1.4. GOVERNANCE

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

RESPECT FOR HUMAN RIGHTS

DEME respects and protects human rights in general, as well as the fundamental rights and freedoms as defined in the United Nations Universal Declaration of Human Rights. The group doesn't tolerate slavery, child labour, forced or compulsory labour, or human trafficking. The implementation of policies has ensured that all partners are aware of the importance of respecting human rights and know how and where to report possible offences.

DEME is often active in countries with a higher risk profile for unethical practices. The specificity of its activities requires 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 or bribery in any form.

DEME is actively committed to respecting and protecting labour and human rights in its activities. To this effect, DEME has a 'Code of Ethics and Business Integrity' in addition to various specific policies ('Compliance Policy and Practices', 'Human Rights Policy' and 'Whistleblowing Policy and Procedures'). This Code of Ethics and Business Integrity is combined with mandatory annual training, which achieved a 97% success rate in 2020 (all staff except crew members). An approach adapted to COVID-19 has been developed for crew members. In 2020, efforts were also made to carry out an in-depth risk analysis and to design a tool to provide all the information necessary for a thorough review of major third parties.

A good selection of companies, agencies and other third parties is therefore a prerequisite before contracting with them and before starting the cooperation. DEME's policy is always clearly defined contractually with regard to respect in general and respect for human rights in particular. A procedure developed for these companies and agencies, both in the pre-recruitment and post-recruitment phase, gives high visibility to our standards and how they should be met.

Regular audits and inspections of companies, agencies and other third parties who employ staff on our sites ensure that our standards are met effectively.

FIGHTING FRAUD AND CORRUPTION

DEME has a clear policy to conduct all its activities with integrity and to fight against all forms of corruption. In addition to the Code of Ethics and Business Integrity, DEME has implemented a comprehensive corporate compliance programme, which includes the development of anti-corruption policies. Within the framework of this compliance programme, these anti-corruption policies are included in the annual employee awareness programme. Furthermore, the policy itself is complemented by specific procedures to ensure its day-to-day effectiveness. The due diligence of the third-party policy, the outgoing payment integrity policy and the procurement to payment policy for major third parties, as well as a training programme for employees who are involved in such procedures, are an effective means of combating fraud and corruption. Activities are carried out worldwide, including in countries with a higher 'corruption perception index' score. Possible situations of corruption are a risk for the group's image. This is why DEME has set up a due diligence procedure, not only for this type of high-risk country, but also for all situations where a high risk of fraud and corruption might appear. First of all, DEME recommends using sponsors or agents as little as possible. In situations where this can't be avoided, these parties must first be examined, to a greater or lesser extent, depending on the level of risk. Secondly, the group also monitors the third parties with which it operates. Specific clauses are included in the contracts, whereby the parties commit to always act according to the level of compliance required by DEME. Lastly, DEME ensures that these parties effectively comply with the policies and procedures concerning corruption. Furthermore, DEME reduces these risks as much as possible through policies and procedures that are well known and implemented throughout the organization.

5.1.5. INNOVATION

In terms of innovation, DEME focuses on the creation of joint value through multi-stakeholder partnerships in addition to a strong focus on internal entrepreneurship.

DEME is a member of the innovation unit 'The Blue Cluster', which focuses on sustainable growth at sea. For instance, DEME worked with partners on the MARCOS, D4PV @ Sea and Coastbusters 2 start-up projects in 2020. The MARCOS project aims to investigate the potential of large-scale offshore aquaculture. DP4 @ Sea aims to develop a science-based methodology for mapping the challenges and potential solutions of multifunctional marine landscape infrastructures. Coastbusters 2 is a follow-up project that aims to investigate biodegradable and sustainable marine (bio)materials as building blocks for coastal defence, among other things. The first Coastbusters project won the first Blue Innovation Award in October this year.

In 2020, DEME also focused strongly on international cooperation, for instance, by joining forces with the European Clean Hydrogen Alliance, the Sustainable Ocean Business Action Platform and the World Economic Forum Global Partnership for Plastic Action.

In addition, DEME is working with universities and technology providers to develop a solution for the removal of plastic from rivers, ports and coastal areas. In 2020, DEME tested the first installation with a pilot project on the Temse Bridge. This installation consists of a fixed V-shaped trap that uses the water flow to direct plastic and debris floating in the upper layer of the water to a floating collection platform. The floating debris is then intercepted by the Marine Litter Hunter, a vessel that intercepts larger pieces of debris and pushes them to the collection platform. The installation contains various technological innovations such as artificial intelligence for object recognition, virtual reality for equipment operation and (where necessary) autonomous vessel control. The Marine Litter Hunter is also electrically powered and can therefore sail without CO_2.

In order to support internal entrepreneurship, various innovation programmes were set up in 2020 to capture new ideas on the one hand and to reward successful initiatives on the other. In 2020, two specific innovation challenges were introduced concerning climate and energy (SDG 7 & 13) and waste and materials management (SDG 12). Sustainability is included in the assessment criteria throughout the innovation process.

5.2. OUTCOMES OF THESE POLICIES AT CFE CONTRACTING AND BPI

In 2020, key performance indicators were fine-tuned and a dashboard for non-financial indicators was implemented. Several pilot projects have enabled monitoring of the most complex issues such as material transport or circularity. Each indicator ensures the regular monitoring of the defined priority objectives. In terms of concrete actions, in addition to several large-scale sustainable projects such as the ZIN construction site or the use of logistics consolidation centres, the main focus was on internal communication and raising the awareness of the teams about sustainability. These actions will continue in 2021 through action plans within the various group entities.

CFE Contracting joined the Belgian Alliance for Climate Action. By doing so, CFE Contracting undertook to subscribe to the Science Based Targets initiative. This course of action will allow it to attain sustainable goals that meet the ambitions of the Paris agreements.

5.2.1. IMPACT OF COVID-19

The coronavirus crisis has shown the relevance of the priority goals that have been defined, in particular, accelerated digitization and a focus on operational excellence.

5.2.2. SOCIAL

People are at the heart of the CFE construction process. CFE contributes to significant direct employment (3,155 employees), as well as indirectly through the various subcontractors and suppliers. In 2020, CFE Contracting launched an 'employer branding' campaign highlighting the 'Framily' (family & friends) that characterizes it. The human size of the subsidiaries and the solidity of the group, as well as the numerous synergies, lie at the heart of CFE Contracting's strength and distinctiveness. Respect for people applies not only to our own employees, but also to those working for subcontractors and suppliers. This philosophy is reflected in a code of integrity that includes respect for human rights. For instance, there are special written procedures for selecting and interacting with subcontractors. In 2020, no human rights violations were observed.

CFE also wants to pay due attention to safe and healthy workplaces. Each board meeting gives priority attention to the seriousness and frequency of accidents at work. CFE performs better in this area than the sector in Belgium. Nevertheless, this doesn't prevent CFE Contracting from wanting to improve its score every year. A policy of awareness raising, training and prevention are important levers in this respect. 'Lean' methodology also contributes to this. Site visits regularly take place to check these procedures are being respected.

5.2.3. ENVIRONMENT

Both divisions are aware of the impact of their activities on the environment. The transport of people and materials has an effect on mobility and also results in direct CO_2 emissions. Reducing transport needs and an advanced waste policy can help to reduce this impact. 'Lean' construction processes used at the various sites also contribute to this.

In 2020, several construction sites in Belgium and Luxembourg rethought their site logistics by using consolidation centres. Thanks to these logistics hubs, it is possible to considerably limit the number of lorries supplying the sites, thus making the delivery schedules more reliable at the same time. In Brussels, alternative delivery methods such as inland waterway deliveries are also used. The impact on CO_2 emissions is immediate.

Studies show that the choice of materials is a major but indirect factor in the analysis of the CO_2 cost of a building. The use of recycled materials or reuse are ways to reduce the carbon footprint. The choice of more sustainable materials also contributes to this reduction.
CFE Contracting and BPI therefore combined their know-how to create the Woodshapers joint venture in early 2020. The expertise in materials (in particular wood) and construction methods for an optimized structure as well as an integrated view of the projects lie at the heart of Woodshapers' sustainable approach.

CFE Contracting started the ZIN construction site in the Brussels-North district through its three subsidiaries, Van Laere, BPC and VMA. This innovative project of more than 110,000 m² revolves around circular principles. This circular approach starts with the preservation of 65% of the existing WTC towers, which significantly reduces the amount of waste accumulated during dismantling, and the amount of new materials that will be needed for the 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.

Another lever to limit the production of CO_2 lies in the reduction of energy consumption, both for buildings and for site installations. Through its subsidiary VEMAS, CFE Contracting offers ESCO's services, providing guaranteed energy performance to interested customers. This expertise is also used in construction site installations, where electricity and water consumption are monitored to optimize them.

5.2.4. GOVERNANCE

CFE Contracting's governance charter was also updated in 2019 and was validated by the Executive Committee before being sent to all employees. This completes the corporate charter of the CFE group. This charter defines the structure of CFE Contracting, the roles and responsibilities of the various boards and committees, as well as the minimum application procedures, and is then translated into several internal policies.

The structuring of CFE Contracting is designed to provide a clear and robust framework for the development of the activities of the company and the companies in the Contracting division, as well as the smooth running of their business. The company's structure is intended to reflect the rules of good governance while being adapted to the company's needs. The same applies to BPI, for which the governance charter was updated and approved by its Board of Directors in December 2019.

The minimum procedures, also known as internal policies, are updated by the Board of Directors in close consultation with the Executive Committee. At project level, a list of 12 principles of good project management was developed. A risk analysis was also carried out for each entity in 2019.

Each of the policies in the charter is fundamental. However, we should highlight the theme of respect for human rights and integrity.

RESPECT FOR HUMAN RIGHTS

Respect for human rights is one of the fundamental values on which the general policy of the Contracting and Real Estate Development divisions is based. This is done through a policy formulated with a specific code of conduct focusing on the integrity of the employees that forms the general framework and is enforced through individual information and internal audits.

Any discrimination based on criteria related to gender, age, nationality, origin, beliefs or disability is forbidden, be it during recruitment, in day-to-day work relationships and training opportunities, internal mobility or promotion, etc. The general policy also includes respect for the laws concerning the privacy of employees, which is reflected in particular in the subsidiaries by measures at IT level to ensure the security of employees' personal data.
This general policy is also reflected in the contractual clauses with subcontractors, which require compliance with applicable human rights laws. When selecting foreign subcontractors, the required checks are carried out, for instance, with regard to social security and payment of the minimum wage.

To date, no violation of our policy on the respect for human rights has been noted within the Contracting and Real Estate Development divisions. The business lines of both divisions involve working with subcontractors, suppliers and partners who don't necessarily share the same values as CFE in terms of respect for human rights. The reality of construction sites can easily lead to confusion and have serious consequences in terms of the group's image.

This is why CFE takes various measures to prevent these risks as much as possible. These measures are implemented in the following areas:

- Prevention: a charter has been implemented in the subsidiaries, a system of approved suppliers has been organized, contractual clauses with subcontractors have been introduced, and human resources policies that respect the rights of everyone have been put in place.
- Training: this can take many forms (meetings, workshops, sharing experiences, etc.), including training for line managers on legal obligations and well-being.
- Checks: this includes regular site visits by line management and internal audits.

FIGHTING FRAUD AND CORRUPTION

The anti-corruption code published by CFE, which was updated in 2018, has been integrated into the subsidiaries' policies and is intended for all employees, regardless of their role. It makes it clear that any form of corruption or influence peddling, whether direct or indirect, is forbidden, both for companies and for individuals. To ensure the effectiveness and proper understanding of the ethical rules laid down, the code provides concrete details regarding common practices in business relationships, such as benefits, gifts, privileges and hospitality: it specifies what is and isn't allowed, the limits that must be respected, etc., while taking into account national regulations (in Belgium and/or in the foreign country concerned) and international ones. The commitment of the subsidiaries and their employees, the sense of ethics and the willingness to work in a spirit of collaboration and trust, as well as the establishment of a number of internal procedures aimed at limiting the possibilities of fraud and corruption, have all ensured good compliance with the anti-fraud and anti-corruption provisions. CFE Contracting has increased its efforts this year to provide training for its operational staff to enhance their knowledge and understanding of social legislation. To ensure a good understanding of the regulations in force concerning contracts and social legislation, a training course entitled 'Best practices: contract management & social law' was given to more than 450 operational employees from the various CFE Contracting subsidiaries.

In the construction industry, the financial stakes are often high, competition is sometimes fierce and many projects require the use of temporary partnerships and include orders involving numerous subcontractors and suppliers. In addition, customer relations may involve the giving or receiving of gifts, hospitality, invitations to various events, etc. All this can create situations where there is a risk of abuse and corruption. To mitigate these risks, CFE implements an extensive preventive policy.

An anti-corruption code has been set up in the subsidiaries, containing both the basic principles and concrete provisions to be applied in various risk situations. Added to this are the various concrete measures taken by the subsidiaries to ensure the application of these provisions.

Each entity is regularly subjected to an analysis of the risks and procedures by the internal audit unit. The internal audit is independent and its main mission is to support management and help it to better control risks.

The internal auditor reports in a functional way to CFE's Audit Committee 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 CFE Contracting's Audit Committee or Executive Committee. In 2020, the internal audit mainly focused on the principles of good project management. Other topics covered by the internal audits were the separation of powers in ERP systems, archiving, signing authority in payment software and the application of GDPR. A general analysis of the internal control system was also carried out at MOBIX. The results of the audits are presented to the members of CFE's Audit Committee and to CFE Contracting's Executive Committee, in order to agree on the corrective actions to be taken.

6. NON-FINANCIAL KEY PERFORMANCE INDICATORS (KPIS)

6.1. INTRODUCTION

The definition, collection and analysis of KPIs are an integral part of CFE's sustainability strategy. At least one KPI was chosen for each high materiality theme. For some more complex themes, such as transport, preference was given to the analysis of pilot projects. By regularly analyzing and following up on all these KPIs through specific dashboards, it is possible to closely validate the impact of the action plans implemented.

6.2. SOCIAL

To analyze the impact of targeted actions on social themes, all three divisions have been collecting a series of KPIs for several years. These KPIs relate to safety, well-being, diversity and training.

6.2.1. COMMON GENERAL INDICATORS

Employees by division

	CFE	DEME	Total
2018	3,524	5,074	8,598
2019	3,276	5,134	8,410
2020	3,250	4,976	8,226

Staff by category

2020	Manual workers	Office workers	Total
CFE	1,709	1,541	3,250
DEME	2,279	2,697	4,976
Total	**3,988**	**4,238**	**8,226**

Men / Women

	Male office workers	Female office workers	Male manual workers	Female manual workers
2018	3,272	1,064	4,201	61
2019	3,289	1,115	3,934	72
2020	3,106	1,132	3,916	72

Training

Number of hours by type of training	Total 2019	Total 2020	Hommes	Femmes
Technical	68,119	38,020	36,713	1,307
Health and safety	60,580	44,919	43,157	1,762
Environment	907	1,022	966	56
Management	17,129	6,953	6,683	270
IT	17,656	12,445	11,304	1,141
Admin/account/management/legal	14,039	12,001	11,072	929
Languages	8,598	6,498	5,226	1,272
Diversity	310	8,128	7,844	284
Others	13,247	14,342	13,846	496
Total	**200,585**	**144,328**	**136,811**	**7,517**

As safety is a constant concern, CFE Contracting and DEME have developed QHSE dashboards in order to follow the evolution of statistics as closely as possible and to take any necessary corrective measures as soon as possible.

Safety for CFE Contracting	2017	2018	2019	2020	industry average*
Frequency rate	16.76	19.42	13.72	26.12	31.08
Severity rate	0.49	0.49	0.44	0.61	1.05

* industry average 2019, source: fedris.be (NACE codes 41, 42 and 43 taken into account)
Frequency rate CFE = number of accidents with work incapacity x 1million divided by the number of hours worked
Severity rate = number of calendar days of absence x 1,000 divided by the number of hours worked

Safety for DEME	2017	2018	2019	2020	industry average *
Frequency rate	0.27	0.21	0.24	0.19	3.54
Severity rate	0.03	0.072	0.097	0.04	0.67

* industry average 2019, source: fedris.be (NACE codes 08.12, 39, 42.13 and 42.919 taken into account)
Frequency rate DEME = number of accidents with work incapacity (worldwide) multiplied by 200,000 divided by the number of hours worked by employees.
Severity rate DEME = number of calendar days of absence (worldwide) multiplied by 1,000 and divided by the number of hours worked by employees.

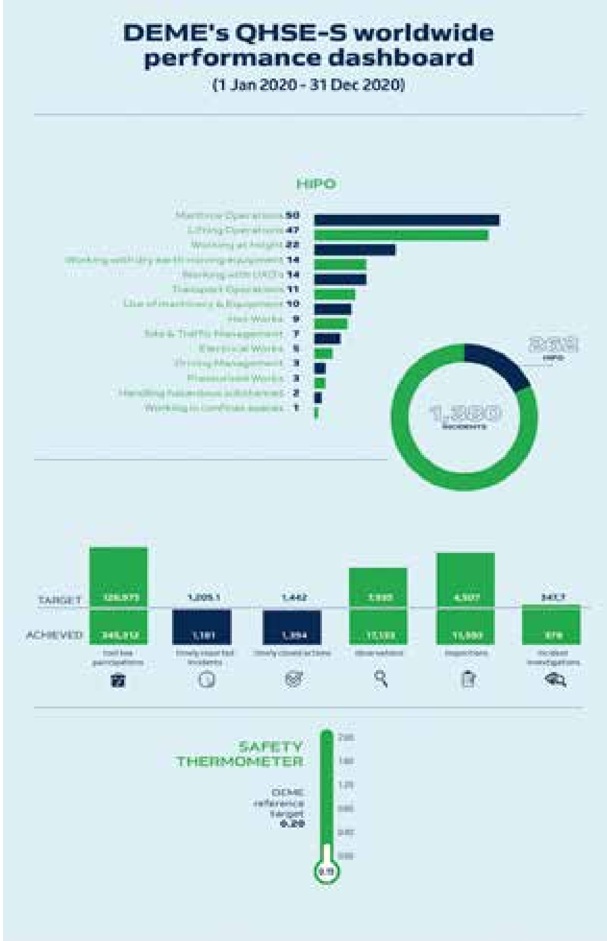
6.2.2. INDICATORS SPECIFIC TO DEME'S PRIORITY OBJECTIVES

High materiality themes: Health, safety & well-being
In the social or societal themes, DEME chose the theme 'Health, safety & well-being' (see materiality matrix defined in chapter 5.3). DEME has therefore developed a safety dashboard which, in addition to the frequency and severity rates as mentioned in point 6.2.1, also includes the number of toolbox participations, 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	Definition of the KPI	Unit	2019	2020
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, JV partners.	#	406	262
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
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
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
Observations	All project, vessel and office staff/crew has to fill in/complete a minimum of 3 observations per year	#	23,191	17,133
Inspections	QHSE-S inspections are to be conducted by the following functions: - Superintendents up to Project Director to each conduct 1 inspection per month on the project - Vessel Management (Master, Chief Engineer) to each conduct 1 inspection per week on board	#	14,605	11,593
Incident investigations	All incidents that require an investigation according to the DEME Incident management procedure, should have an incident investigation	#	381	379

All those KPIs are based on internal guidance, and are part of QHSE-S worldwide performance dashboard



Medium materiality theme: Diversity & opportunity
The indicators concerning the number of hours of training and the gender breakdown are already included in section 6.2.2.

With regard to the number of employees, men/women, DEME's goal is to ensure that all its employees have equal opportunities in terms of internal mobility and to actively support and guide them in this process.

Name of the KPI	Definition of the KPI	Unit	2019	2020
Performance and career development	Participation rate in the performance measurement programme Time To for all Staff and for all crew during the reporting period	percentage	(1) TIMETOSTAFF = 85 (2) TIMETOCREW = 70	(1) TIMETOSTAFF = 86 (2) TIMETOCREW = 80

Name of the KPI	Definition of the KPI	Unit	2019	2020
Number of nationalities	Based on internal guidance. The total number of nationalities among permanent employees in the organisation on December 31st.	#	82	80

All those KPIs are based on internal guidance.

With regard to training, performance and career development, DEME's goal is to improve employee satisfaction through competence-based management and to provide training opportunities and career development plans for all employees.
DEME is also keen to build on our 'One DEME, One team' spirit by drawing on the rich diversity of our operational teams and inclusive social relations.

6.2.3. INDICATORS SPECIFIC TO HIGH MATERIALITY GOALS AT CFE CONTRACTING AND BPI

High materiality theme: Health & Safety
In the social or societal themes, CFE Contracting and BPI have also chosen the theme of health and safety (see materiality matrix defined in Chapter 5.5). A dashboard containing the main information for each subsidiary is updated at least once a month to keep track of safety-related data.

Information on the frequency and severity rate is given in Chapter 6.2.1.

High materiality theme: guarantee decent working conditions for all
As much attention is paid to the safety of subcontractors and temporary workers as that of our own staff.
All the safety indicators take subcontractors into account.

High materiality theme: Talent attraction, training & retention
Training data features in Chapter 6.2.1.
Here is the data for CFE Contracting and BPI only.

Number of hours by type of training	Total 2018	Total 2019	Total 2020	Men	Women
Technical	18,354	15,578	16,434	15,127	1,307
Health and safety	13,203	20,182	12,071	10,309	1,762
Environment	80	180	807	751	56
Management	5,953	5,009	1,434	1,164	270
IT	2,273	4,513	3,354	2,213	1,141
Admin/account/management/legal	1,741	3,840	2,589	1,660	929
Languages	4,561	6,177	3,271	1,999	1,272
Diversity	0	0	3,320	3,036	284
Others	1,951	2,872	2,993	2,497	496
Total (h)	**48,116**	**58,350**	**46,273**	**38,756**	**7,517**
Total / no. employees (h/pers)	**14**	**18**	**14**		

To monitor the inflow and outflow of personnel, CFE Contracting analyses the indicator relating to length of service.

Length of service (excl. DEME)	2018	2019	2020
< 1	452	412	379
1-5	965	1,047	1,150
6-10	567	530	508
11-15	502	511	453
16-20	298	300	287
21-25	127	117	145
> 25	613	359	328
Total	**3,524**	**3,276**	**3,250**

One way to ensure the well-being and health of staff is to monitor the absenteeism indicator.

Absenteeisme	2018	2019	2020
Number of days absence due to illness	70,871	90,498	68,312
Number of days absence due to work-related accidents	4,488	6,957	4,203
Number of days absence due to travel work/home accident	492	122	256
Number of days absence due to occupational illness	0	0	0
Number of days worked	1,892,886	1,802,571	1,805,789
Absenteeism rate	4.01%	5.41%	4.03%

NB: these values relate to the entire CFE group

6.2.4. MISCELLANEOUS

Like every year, other regular KPIs related to human resources issues are also reported:

Number of employees by type of contract for the whole CFE group (incl. DEME)				
	Open-ended contract	Fixed-term contract	Work & studies	Total
2018	7,939	648	11	8,598
2019	8,065	334	11	8,410
2020	**7,895**	**327**	**4**	**8,226**

Age pyramid			
by 5-year bracket	2018	2019	2020
< 25	377	380	331
26-30	1,207	1,165	1,086
31-35	1,320	1,242	1,213
36-40	1,267	1,250	1,267
41-45	1,182	1,176	1,147
46-50	1,049	973	974
51-55	1,040	1,026	1,025
56-60	770	785	773
> 60	386	413	410

Seniority of employees for the whole CFE group (incl. DEME)			
by 5-year bracket	2018	2019	2020
<1	1,144	912	648
1-5	2,652	2,928	3,034
6-10	1,767	1,509	1,508
11-15	1,104	1,352	1,327
16-20	701	685	637
21-25	352	344	409
>25	878	680	663

6.3. ENVIRONMENT

6.3.1. COMMON GENERAL INDICATORS

Again this year, non-financial environmental reporting focuses mainly on the CO_2 production of the three divisions.

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

SCOPE 1

Direct greenhouse gas (GHG) emissions are related to the use of fuel and fossil fuels. Only the production of CO_2 is taken into account, not other greenhouse emissions. This concerns only purchased fuel and fossil fuels that are used in its own facilities, equipment and vessels or on its own projects. Fuel used in its own electricity generators is also included in Scope 1.

SCOPE 2

Indirect greenhouse gas (GHG) emissions are related to the consumption of purchased electricity. Only the production of CO_2 is taken into account, not other greenhouse emissions. The electricity that the companies purchase is in many cases from both renewable and non-renewable sources. Only when the amount of renewable energy purchased by a company is explicitly set out in a contract can a breakdown be made for each party. Otherwise, it isn't possible to know exactly how much renewable energy they have actually received. Subsequently, there is no breakdown in this report.

SCOPE 3

These are the other forms of indirect greenhouse gas emissions. These emissions are the consequence of CFE's activities, but come from sources over which CFE has neither control nor ownership. In this case, the data collected relates 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. Global measurements and those for Belgium and the Netherlands are analyzed separately. Calculation methods differ between DEME and CFE. For CFE Contracting and BPI, the ADEME carbon footprint method is used.

GHG SCOPE 1-2 CFE CONTRACTING & BPI

	unit	2017	2018	2019	2020
CO_2 emissions scope 1	Tons CO_2	13,290	19,298	14,754	15,812
CO_2 emissions scope 2	Tons CO_2	2,583	4,565	3,063	1,872
CO_2 emissions scope 1+2	Tons CO_2	15,873	23,863	17,817	17,684

For DEME, for the Netherlands and Belgium only, dedicated emission factors are used according to the CO_2 performance scale. (https://www.co2emissiefactoren.nl).

For DEME's global GHG emissions, two types of emission factors are used:

- In the selection of emission factors or conversion factors, IMO sector emission factors are used for ships.
- For all other equipment, Defra (the UK Department for Environment, Food and Rural Affairs) global emission factors are used.

GHG SCOPE 1-2- 3 DEME

DEME (Worlwide)	unit	2018	2019	2020
GHG(CO_2+N_2O+CH_4) emissions (scope 1)	Tonnes CO_2-eq.		676,000	659,000
GHG(CO_2+N_2O+CH_4) emissions (scope 2)	Tonnes CO_2-eq.		5,000	1,000
GHG(CO_2+N_2O+CH_4) emissions (scope 3)	Tonnes CO_2-eq.		12,000	10,000
CO_2 emissions (scope 1, 2 & 3)	**Tonnes CO_2-eq.**	**687,000**	**693,000**	**670,000**

CO_2 EMMISIONS BELGIUM + THE NETHERLANDS (according to performance ladder scheme)

DEME Belgium + The Netherlands	unit	2017	2018	2019	2020
CO_2 emissions (scope 1)	Tonnes CO_2	109,178	126,356	148,773	191,000
CO_2 emissions (scope 2)	Tonnes CO_2	4,740	5,376	7,796	2,000
CO_2 emissions (scope 1&2)	**Tonnes CO_2**	**113,918**	**131,732**	**156,569**	**193,000**

We found that the CO_2 emissions for CFE Contracting's construction companies are particularly influenced by the type of construction site and work carried out during the year. In particular, construction sites with large-scale structural work will require significant electricity and fuel consumption to operate all the construction machinery and tower cranes. Completion sites during the winter period will require high energy inputs to heat and dry the buildings. Vehicle consumption will also be strongly influenced by the distance from the construction site. All these elements vary greatly from year to year.

The CO_2 emissions of multi-technical companies are relatively more stable. That is why it is necessary to monitor the different consumptions as closely as possible in order to have a more precise and targeted follow-up of the measures undertaken. The detailed information for CFE Contracting can be found in Chapter 6.3.3.

The significant improvement in Scope 2 at CFE Contracting is especially linked to the switch to green energy in many subsidiaries.

6.3.2. INDICATORS SPECIFIC TO DEME'S HIGH MATERIALITY GOALS

Specific CO_2 reduction goals
DEME has specific improvement programmes aimed at further reducing the impact on the environment during a project's implementation. For instance, specific emission reduction programmes aim to further reduce greenhouse gas emissions that contribute to climate change, as well as other pollutants that contribute to reducing local air quality.

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

Given that more than 90% of greenhouse gas emissions can be attributed to the fuel consumption of ships, DEME is pursuing a multi-year investment plan that involves 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 heat recovery systems that convert the exhaust gas into electrical energy. There is also a constant focus on process optimization and productivity improvement. In 2020, DEME also focused on further optimizing the recording of energy data, setting up an integrated data structure and developing the necessary monitoring tools.

Medium materiality theme: natural capital
To measure the attention given to the preservation of natural capital, DEME records the number of green initiatives approved each year. DEME's goal is to implement at least one green initiative for each project lasting more than 3 months.

Name of the KPI	Definition of the KPI	Unit	2019	2020
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

6.3.3. INDICATORS SPECIFIC TO HIGH MATERIALITY GOALS AT CFE CONTRACTING AND BPI

High materiality theme: Waste reduction
Since the start of 2020, a new indicator is being monitored in all of CFE Contracting's subsidiaries. The five main waste fractions are measured 4x/year and integrated into the environmental dashboard.

Waste	Unit	2019	2020
Mixed	tonnes	/	9,498
Wood	tonnes	/	3,855
Inert	tonnes	/	9,498
Hazardous	tonnes	/	38
Steel	tonnes	/	542
TOTAL	**tonnes**		**23,431**
TOTAL / turnover	**tonnes/M€**		**25.69**

Energy consumption is also a closely monitored point.

Energy	Unit	2019	2020
Electricity	kwh		12,990.826
Gas	kwh		3,195.251
Fuel	kwh		11,064.479
TOTAL	**kwh**		**27,252.576**
TOTAL / turnover	**kwh/k€**		**29.89**

High materiality theme: Modular & circular principles in our projects
Circularity and modularity are at the heart of CFE Contracting and BPI's concerns.
Woodshapers' turnover will be used as a key indicator as of 2021.
As regards circularity, lessons learned from the ZIN construction site will be used to define an appropriate performance indicator. In the meantime, significant awareness-raising is taking place in the various subsidiaries concerning circularity. Training courses have been organized with organizations such as CSTC, build circular or ecobuild.

High materiality theme: Material transport optimization
The pilot consolidation centre project in Brussels as well as the construction sites in Luxembourg that also use a consolidation centre will serve as a reference for determining an effective performance indicator during 2021. In the meantime, all the lessons learned on these construction sites are passed on to the various subsidiaries. Site visits are also performed internally to explain the approach.

Medium materiality theme: alternative transport modes promotion
The fleet is the biggest emitter of CO_2 for Scope 1. CFE Contracting has therefore decided to monitor this consumption.

Fleet	Unit	2019	2.020
Diesel - Car	litre		2,755,474
Hybrid - Car	litre		1,870
Unleaded -Car	litre		287,367
Diesel - Truck	litre		670,768
Hybrid - Truck	litre		0
Unleaded - Truck	litre		4,198
Cars	#		1,909
Trucks	#		108
consumption cars / #cars	litre/#		1,595
consumption trucks / #trucks	litre/#		6,250

6.4. GOVERNANCE

6.4.1. COMMON GENERAL INDICATORS

Good governance of the different divisions is assured by charters and procedures.

	CFE	CFE Contracting	BPI	DEME
corporate governance charter	ok	ok	ok	ok
procedures	*	ok	ok**	ok
code anti corruption	*	ok	ok	ok

* transferred to CFE Contracting and BPI
** internal policy on financial transactions

All the documents specific to governance are regularly reviewed.

6.4.2. INDICATORS SPECIFIC TO DEME'S HIGH MATERIALITY GOALS

High materiality theme: innovation
To measure the attention given to innovation, DEME records the number of innovative initiatives approved each year. DEME's goal is to:
(1) Ensure the adoption of sustainability as (part of) every challenge in every innovation campaign.
(2) Ensure that sustainability is always part of the assessment criteria for each innovation campaign.

Name of the KPI	Definition of the KPI	Unit	2019	2020
Approved innovation initiatives	The total number of approved innovation initiatives following DEME's innovation campaigns during the reporting period.	#	11	18

High materiality theme: Ethical business
To measure knowledge of the governance principles and in particular the procedures relating to business ethics, DEME records the ratio of staff who have undergone specific training known as 'Compliance training'.

DEME's goal is to ensure that every employee has frequently followed training on ethical awareness.

Name of the KPI	Definition of the KPI	Unit	2019	2020
Ratio of staff that has received DEME Compliance Awareness Training	The total number of training hours on ethical awareness received by the organisation's permanent employees during the reporting period	percentage	88	97

6.4.3. INDICATORS SPECIFIC TO HIGH MATERIALITY GOALS AT CFE CONTRACTING AND BPI

High materiality theme: Strong corporate governance
Several audits were carried out during the 2020 financial year. They didn't reveal any dysfunctions that are likely to have a material impact on the group's business or financial statements. Those audits chiefly concerned:
- the application of good project management principles as defined by the members of the executive committee
- compliance with GDPR
- compliance with the rules relating to signing authority in the ISABEL payment software program
- document archiving

The results of the audits are presented to the members of CFE's audit committee and to the executive committee of CFE Contracting in order to agree on the corrective actions to be taken.

High materiality theme: Innovation

In 2020, CFE Contracting and BPI were able to move forward with the development of a strategy structured around innovation. The two divisions respectively appointed a Chief Digital Officer and a Development & Innovation Director. These two managers are responsible for developing and monitoring the innovation strategy. A board known as the 'innovation core team', common to both divisions, meets at least once a month. This board's first task is to set up:

- Governance
- The process
- Targeted monitoring
- Key indicators
- And, finally, the internal and external communication that defines this strategy.

Medium materiality theme: Clear sustainability reporting (transparency)

Dashboards relating to safety, human resources and the environment are published every month and sent to the management of CFE Contracting and to the management committees of all the entities.

These dashboards make it possible to communicate transparently with the various management levels and to inform all employees as frequently as possible.

This regular follow-up also allows the actions undertaken to be readjusted as quickly as possible.

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 + other non-cash items
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.

I. CONSOLIDATED FINANCIAL STATEMENTS

MAIN FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December (in € thousands)	Notes	2020	2019
Revenue	4	**3,221,958**	**3,624,722**
Other operating income	6	197,401	81,042
Purchases		(1,923,661)	(2,120,359)
Remuneration and social security payments	7	(643,709)	(653,870)
Other operating expenses	6	(435,297)	(469,248)
Depreciation and amortisation	12-14	(324,439)	(318,672)
Goodwill depreciation	13	(5,000)	0
Income from operating activities		**87,253**	**143,615**
Share of profit (loss) of investments accounted for using equity method	15	32,240	34,092
Operating income		**119,493**	**177,707**
Cost of financial debt	8	(11,675)	(2,602)
Other financial expenses and income	8	(22,673)	(5,120)
Financial result		**(34,348)**	**(7,722)**
Result before tax		**85,145**	**169,985**
Income tax expenses	11	(20,322)	(38,619)
Result for the period		**64,823**	**131,366**
Result attributable to non-controlling interests	9	(803)	2,058
Result for the period - share of the group		**64,020**	**133,424**
Earnings per share (share of the group) (EUR) (diluted and basic)	10	2.53	5.27

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December (in € thousands)	Notes	2020	2019
Result for the period - share of the group		**64,020**	**133,424**
Result for the period		**64,823**	**131,366**
Changes in fair value related to financial derivatives		(9,033)	(36,479)
Exchange differences on translation		(11,592)	1,153
Deferred taxes	11	446	2,772
Other elements of the comprehensive income to be reclassified to profit or loss in subsequent periods		**(20,179)**	**(32,554)**
Re-measurement on defined benefit and contribution plans	22	(6,239)	(15,444)
Deferred taxes	11	1,472	3,606
Other elements of the comprehensive income not to be reclassified to profit or loss in subsequent periods		**(4,767)**	**(11,838)**
Total other elements of the comprehensive income recognized directly in equity		**(24,946)**	**(44,392)**
Comprehensive income :		**39,877**	**86,974**
- Share of the group		38,810	89,231
- Attributable to non-controlling interests		1,067	(2,257)
Result for the period (share of the group) per share (EUR) (diluted and basic)	10	1.53	3.53

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December (in € thousands)	Notes	2020	2019
Intangible assets	12	111,259	90,261
Goodwill	13	172,127	177,127
Property, plant and equipment	14	2,515,052	2,615,164
Investments accounted for using equity method	15	204,095	167,653
Other non-current financial assets	16	89,196	83,913
Non-current financial derivatives	26	1,433	0
Other non-current assets		15,052	16,630
Deferred tax assets	11	127,332	100,420
Non-current assets		**3,235,546**	**3,251,168**
Inventories	18	184,565	162,612
Trade and other operating receivables	19	867,761	996,436
Other current operating assets	19	57,454	72,681
Other current non-operating assets	19	21,731	6,267
Current financial derivatives	26	7,831	751
Current financial assets		2,900	0
Assets held for sale	5	0	10,511
Cash and cash equivalents	20	759,695	612,206
Current assets		**1,901,937**	**1,861,464**
Total assets		**5,137,483**	**5,112,632**
Share capital		41,330	41,330
Share premium		800,008	800,008
Retained earnings		1,059,406	995,786
Defined benefit and contribution pension plans		(41,783)	(37,089)
Reserves related to financial derivatives		(49,715)	(40,892)
Exchange differences on translation		(22,133)	(10,440)
Equity – share of the group		**1,787,113**	**1,748,703**
Non-controlling interests		17,835	11,607
Equity		**1,804,948**	**1,760,310**
Employee benefit obligations	22	76,686	70,269
Non-current provisions	23	13,239	12,414
Other non-current liabilities		32,287	10,651
Non-current bonds	25	29,794	29,689
Non-current financial liabilities	25	918,681	1,110,212
Non-current financial derivatives	26	10,095	8,986
Deferred tax liabilities	11	96,961	104,907
Non-current liabilities		**1,177,743**	**1,347,128**
Current provisions	23	44,163	46,223
Trade and other operating payables	19	1,178,012	1,221,466
Current tax liabilities		75,283	44,078
Current bonds	25	0	0
Current financial liabilities	25	412,649	270,366
Current financial derivatives	26	7,750	9,356
Other current operating liabilities	19	192,424	155,601
Other current non-operating liabilities	19	244,511	258,104
Current liabilities		**2,154,792**	**2,005,194**
Total equity and liabilities		**5,137,483**	**5,112,632**

CONSOLIDATED STATEMENT OF CASHFLOWS

Year ended 31 December (in € thousands)	Notes	2020	2019
Operating activities			
Income from operating activities		87,253	143,615
Depreciation and amortisation of (in)tangible assets and investment property		324,439	318,672
(Decrease) / Increase of provision		(1,235)	(30,587)
Impairment on assets and other non-cash items		4,258	19,524
Income/(losses) from sales of property, plant & equipment and financial assets		(75,958)	(6,100)
Dividends received from investment accounted for using the equity method		29,127	8,140
Cash flow from (used in) operating activities before changes in working capital		**367,884**	**453,264**
Decrease/(increase) in trade receivables and other current and non-current receivables		122,435	238,441
Decrease/(increase) in inventories		(6,674)	(37,020)
Increase/(decrease) in trade payables and other current and non-current payables		(32,371)	(166,619)
Income tax paid/received		(32,940)	(44,109)
Cash flow from (used in) operating activities		**418,334**	**443,957**
Investing activities			
Proceeds from sales of intangible assets and property, plant & equipment		20,715	13,834
Purchases of intangible assets and of property, plant & equipment		(213,897)	(451,258)
Acquisition of subsidiaries net of cash acquired	5	(16,358)	0
Variation of the investment percentage in investment accounted for using the equity method		(1,470)	(8,321)
Capital decrease/(increase) of investment accounted for using the equity method	15	(35,731)	(16,355)
Proceeds from sales of subsidiaries	5	90,018	0
Repayment of borrowings (new borrowings) given to investment accounted for using the equity method		(2,665)	71,659
Cash flow from (used in) investing activities		**(159,388)**	**(390,441)**
Financing activities			
Interest paid		(18,585)	(24,529)
Interest received		7,126	14,280
Other financial expenses & income		(19,669)	(6,635)
Receipts from new borrowings	25.3	216,542	709,361
Repayment of borrowings	25.3	(290,264)	(462,303)
Dividends paid		0	(60,755)
Cash flow from (used in) financing activities		**(104,850)**	**169,419**
Net increase/(decrease) in cash position		**154,096**	**222,935**
Cash and cash equivalents, opening balance	20	612,206	388,346
Effects of exchange rate changes on cash and cash equivalents		(6,607)	925
Cash and cash equivalents, closing balance	**20**	**759,695**	**612,206**

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

FOR THE PERIOD ENDED 31 DECEMBER 2020

(in € thousands)	Share capital	Share premium	Retained earnings	Defined benefit and contribution pension plans	Reserves related to financial derivatives	Exchange differences on translation	Equity – share of the group	Non-controlling interests	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**

Changes in the fair value of defined benefit or contribution pension plans and of derivative instruments are explained in notes “22. Employee benefits” and “15. Investments accounted for using equity method” respectively.

FOR THE PERIOD ENDED 31 DECEMBER 2020

(in € thousands)	Share capital	Share premium	Retained earnings	Defined benefit and contribution pension plans	Reserves related to financial derivatives	Exchange differences on translation	Equity – share of the group	Non-controlling interests	Total
December 2018	**41,330**	**800,008**	**923,768**	**(25,521)**	**(7,153)**	**(11,554)**	**1,720,878**	**13,973**	**1,734,851**
Comprehensive income for the period			**133,424**	**(11,568)**	**(33,739)**	**1,114**	**89,231**	**(2,257)**	**86,974**
Dividends paid to shareholders			(60,755)				(60,755)		(60,755)
Dividends from non-controlling interests								(920)	(920)
Change in consolidation scope and other movements			(651)				(651)	811	160
December 2019	**41,330**	**800,008**	**995,786**	**(37,089)**	**(40,892)**	**(10,440)**	**1,748,703**	**11,607**	**1,760,310**

SHARE CAPITAL AND RESERVES

The share capital on 31 December 2020 was divided into 25,314,482 ordinary shares. These shares are without nominal value. The owners of ordinary shares have the right to receive dividends and have one vote per share in Shareholders’ General Meetings.

A dividend of € 25,314 thousand, corresponding to € 1.00 gross per share, was proposed by the board of directors and will be submitted to the shareholders’ approval at the general meeting. The appropriation of income was not included in the financial statements at 31 December 2020.

In the evolving context of the Covid-19 pandemic, the Board of Directors of CFE decided to propose to the ordinary General Meeting not to distribute a dividend for the 2019 financial year.

II. 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 2020 include the financial statements of the company, its subsidiaries (the "CFE group") and its interests in companies accounted for under the equity method.

The Board of Directors authorised the publication of the CFE group's consolidated financial statements on 22 March 2021.

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

MAIN TRANSACTIONS IN 2020 AND 2019 WITH AN IMPACT ON THE SCOPE OF THE CFE GROUP

TRANSACTIONS IN 2020

1. Dredging, Environment, Offshore and Infra segment – "DEME"

In 2020, the main changes in the consolidation scope in the DEME segment are the following:

- DEME has acquired:
    - a 100% stake in the newly created company 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.

2. Contracting segment

In 2020, the main changes in the consolidation scope of the Contracting segment 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.

3. Real estate development segment

In 2020, the main changes in the consolidation scope of the real estate development segment 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.

4. Holding and non-transferred activities segment

In 2020, the main change in the consolidation scope of the Holding and non-transferred activities segment 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 2019

1. Dredging, Environment, Offshore and Infra segment – 'DEME'

During the year 2019, DEME acquired:
- a 100% stake in the newly created company Bonny River Shipping SA;
- a 100% stake in the newly created company DEME Offshore US INC;
- a 100% stake in the newly created company DEME Offshore US LLC;
- a 100% stake in the newly created company DEME Offshore BE NV;
- a 100% stake in the newly created company Criver Shipping SA.

The acquired entities listed above have been fully consolidated.

In 2019, the DEME group also acquired:
- a 50% stake in the company DBM-BONTRUP BV;
- a 49.99% stake in the company CSBC DEME Wind Engineering co. Ltd;
- a 50% stake in the company BNS JV Ltd;
- a 60% stake in the Consortium Antwerp Port (Oman) NV company;
- a 50% stake in the Consortium Antwerp Port Industrial Port Land NV company;
- a 48.90% stake in the company DIAP Thailand Co Ltd;
- a 30% stake in the Port of DUQM Company SAOC;
- a 34.90% stake in the DUQM Industrial Land Company LLC company.

The acquired entities listed above have been integrated under the equity method.

In 2019, DEME disposed of all its stakes in the following entities:
- 51.10% of the company B-WIND Polska Sp. z o.o. ;
- 51.10% of the company C-WIND Polska Sp. z o.o. ;
- 50% of the company Earth Moving Al DUQM LLC ;
- 37.45% of the company Hithermoor Soil Treatments Ltd;
- 25.50% of the company Renewable Energy Base Ostend NV.

These companies were integrated under the equity method until their respective dates of disposal.

DEME has also liquidated its stakes in the following entities:
- 100% of the company MDCC NV;
- 100% of the company Baggerwerken Decloedt & Zoon Espana SA;
- 100% of the company Offshore Manpower Panama, SA;
- 100% of the company Offshore Manpower Singapore PTE Ltd.

These companies were fully consolidated until their respective liquidation dates.

DEME has increased its stake in the Dredging International India PVT Ltd company from 99.78% to 99.97%, and in the International Seaport Dredging PVT Ltd company from 86% to 89.61%. These companies remain fully consolidated.

DEME has also increased its stake in the West Islay Tidal Energy Park Ltd company from 17.5% to 35% in exchange of its participation in the Fair Head Tidal Energy Park Ltd company. This company remains integrated under the equity method.

Furthermore, the companies Eversea NV, GeoSea Maintenance NV and ECO Shipping NV, 100% owned, have been absorbed by DEME Offshore Holding NV, a 100% owned company and fully consolidated.

The Tideway BV company, 100% owned and previously consolidated according to the equity method, has been split into two companies, DEME Offshore NL BV and Dredging International Netherlands BV, themselves 100% owned and fully consolidated.

2. Contracting segment

On 29 March 2019, the company P-Multitech BVBA was absorbed by VMA NV, 100% owned by the CFE group, with retroactive effect to 1 January 2019.

On 29 March 2019, the companies be.Maintenance SA, Etablissements Druart SA, Nizet Entreprises SA and Vanderhoydoncks NV, 100% subsidiaries of the CFE group, were renamed VMA be.Maintenance SA, VMA Druart SA, VMA Nizet SA and VMA Vanderhoydoncks NV respectively.

On 16 May 2019, the company CFE Bouw Vlaanderen NV, a 100% subsidiary of the CFE group, was renamed MBG NV.

On 16 May 2019, the companies Engema SA, Engetec SA, José Coghe-Werbrouck NV, Louis Stevens NV and Remacom NV, 100% subsidiaries of the CFE group, were renamed Mobix Engema SA, Mobix Engetec SA, Mobix Coghe NV, Mobix Stevens NV and Mobix Remacom NV respectively.

On 28 May 2019, the company CFE Bâtiment Brabant Wallonie SA, a 100% subsidiary of the CFE group, was renamed Bâtiments et Ponts Construction SA.

On 20 September 2019, the CFE group, through its subsidiary VMA NV which is 100% owned, acquired a 51% stake in VMA RRobotics Sp. z o.o. This company was integrated under the equity method.

During the 4th quarter 2019, the VMA Elektrik Tesisati Ve Insaat Ticaret Limited Sirketi company, a 100% subsidiary of the CFE group, has been deconsolidated. This company was fully consolidated.

3. Real estate development segment

On 24 January 2019, the CFE group, through its subsidiary BPI Real Estate Poland Sp. z o.o. increased its stake in the company ACE 12 Sp. z o.o. from 90% to 100%. This company remains fully consolidated.

On 19 February 2019, that same entity ACE 12 Sp. z.o.o., a subsidiary of BPI Real Estate Poland Sp. z.o.o., was renamed BPI Vilda Park Sp. z.o.o.

On 1 July 2019, the CFE group, through its subsidiary BPI Real Estate Poland Sp. z o.o., created the company BPI Project I Sp. z o.o. This company is 100% owned and has been fully consolidated.

On 30 September 2019, the company BPI Real Estate Belgium SA, 100% subsidiary of the CFE group, liquidated its stake in the companies Immo Keyenveld I SA and Immo Keyenveld II SA, 50% owned and integrated under the equity method.

On 1 October 2019, the CFE group, through its subsidiary BPI Real Estate Belgium SA, increased its stake in the company Goodways SA from 31.20% to 50%. This company remains integrated under the equity method.

On 7 October 2019, the CFE group, through its subsidiary BPI Real Estate Poland Sp. z o.o., created the companies BPI Project II Sp. z o.o. and BPI Project III Sp. z o.o. These companies are 100% owned and have been fully consolidated.
On 17 October 2019, the CFE group, through its subsidiary BPI Real Estate Luxembourg SA, created the company Gravity SA. This company is 100% owned has been fully consolidated.

On 6 November 2019, the BPI Real Estate Belgium SA company, a 100% subsidiary of the CFE group, disposed of its entire 100% participation in the company Sogesmaint SA, 100% owned and fully consolidated.

On 19 November 2019, the BPI Real Estate Belgium SA company, a 100% subsidiary of the CFE group, has acquired 70% of the newly created companies Joma 2060 NV, Life Shapers NV and Tulip Antwerp NV. These companies are integrated under the equity method.

On 19 November 2019, the CFE group, through its subsidiary BPI Real Estate Belgium SA, acquired a 50% stake in the newly created KeyWest Development SA. This company was integrated under the equity method.

On 4 December 2019, the CFE group, through its subsidiary BPI Real Estate Poland Sp. z o.o., created the companies BPI Project IV Sp. z o.o., BPI Project V Sp. z o.o. and BPI Project VI Sp. z o.o. These companies are 100% owned and have been fully consolidated.

On 6 December 2019, the CFE Group, through its subsidiary BPI Real Estate Belgium SA, disposed of its entire participation in the Immobilière du Berreveld SA company, 50% owned and integrated under the equity method.

On 18 December 2019, the CFE Group, through its subsidiary BPI Real Estate Belgium SA, reduced its participation in MG Immo SPRL from 100% to 50%. This company, which was fully consolidated, is now integrated under the equity method.

4. Wood Shapers – Partnership between the Contracting segment and the Real Estate Development segment

On 25 October 2019, the CFE group, through its subsidiaries CFE Contracting SA and BPI Real Estate Belgium SA, created the company Wood Shapers SA. This company is 100% owned at the CFE group level, and has been fully consolidated.

On 17 December 2019, the CFE group, through its subsidiary Wood Shapers SA, created the company Wood Shapers Luxembourg SA. This company is 100% owned at the CFE group level, and has been fully consolidated.

On 20 December 2019, the company Wood Shapers Luxembourg SA acquired 100% of the shares of the company Immo-Bechel C.L.E. S.à.r.l. This company is 100% owned at the CFE group level, and has been fully consolidated.

5. Holding and non-transferred activities segment

On 14 February 2019, the CFE group increased its stake in the company Rent-A-Port NV from 45% to 50%. This company remains integrated under the equity method.

On 28 February 2019, the Liveway Ltd company, a 50% subsidiary of the CFE group, was liquidated. This company was integrated under the equity method.

On 19 November 2019, the CFE Slovakia SRO company, a 100% subsidiary of the CFE group, was liquidated. This company was fully consolidated.

On 19 November 2019, the Lockside Ltd company, a 50% subsidiary of the CFE group, was liquidated. This company was integrated under the equity method.

During the 4th quarter of 2019, the Cobel Contracting Nigeria Ltd company, a 50% subsidiary of the CFE group, has been liquidated. This company was integrated under the equity method.

1. GENERAL POLICIES

IFRS AS ENDORSED BY THE EUROPEAN UNION

The accounting principles used for the preparation and presentation of the consolidated financial statements of CFE at 31 December 2020 comply with the IFRS standards and interpretations as endorsed in the European Union on 31 December 2020.

The accounting principles used at 31 December 2020 are the same as those used for the consolidated financial statements at 31 December 2019, except for the standards and/or amendments to standards described below as endorsed in the European Union, mandatorily applicable as of 1 January 2020.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON OR AFTER 1 JANUARY 2020

- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 3 Business Combinations: Definition of a Business
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform – Phase 1
- Amendments to references to the Conceptual Framework in IFRS standards

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 2020

The Group did not apply early any of the following new standards and interpretations, application of which was not mandatory at 31 December 2020.

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after1 January 2023, but not yet endorsed in the EU)
- 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 16 Property, Plant and Equipment: proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- 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, but not yet endorsed in the EU)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IFRS 4 Insurance Contracts deferral of IFRS 9 (applicable for annual periods 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 (applicable for annual periods beginning on or after 1 June 2020)
- Annual Improvements to IFRS Standards 2018-2020 (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. ADDITIONAL INFORMATION REGARDING THE CONTEXT OF THE COVID-19 HEALTH CRISIS

2.1.1. APPLICATION OF ACCOUNTING RULES

In the context of the Covid-19 health crisis, the following elements are specified for the preparation of the financial statements as at 31 December 2020:

- **Assessment of projects revenue according to the percentage of completion**

  In accordance with the provisions of the IFRS 15 standard, the revenue of projects is measured according to the estimated revenue at the completion of the project, according to the percentage of completion at the closing date.

  The identified additional costs are incorporated in the estimated revenue at completion. On the basis of the contractual conditions that are defined for each contract, any compensation granted or, conversely, penalties charged for delays are also incorporated in the estimated revenue at completion in line with the valuation rules of the CFE group. In the event that the forecast at the completion of the project shows a deficit, the expected loss on completion is immediately recognised as an expense for the period.

  The costs of labour or material/equipment that are not allocated to the projects are excluded from the percentage of completion of the project, and are directly recognised as an expense for the period.

- **Estimates used in impairment tests**

  Impairment tests have been carried out. The recoverable amounts of the cash-generating units are higher than the carrying amounts. Consequently, no impairment loss was recognised as at 31 December 2020. The main assumptions applied are described in note 13 *Goodwill.*

- **Trade receivables**

  In line with the valuation rules of the CFE group, the analysis of the bankruptcy risk of customers was performed on a case-by-case basis. No general or statistical provision was recognised as at 31 December 2020. The in-depth review of trade receivables did not give rise to the recognition of significant additional impairment losses.

- **Recognition of deferred tax assets**

  In line with the valuation rules of the CFE group, a deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available to offset the tax advantage. The recovery of deferred tax assets was given special attention as at 31 December 2020.

2.1.2. ASSESSMENT OF THE COVID-19 IMPACT ON THE FINANCIAL SITUATION OF THE CFE GROUP AS AT 31 DECEMBER 2020

Throughout the CFE group, the implementation of social distancing measures and the conditions in which the operating activities could be continued differ according to the segment concerned.

Even though the negative impact of the health crisis will still continue during the first months of 2021, CFE expects its revenue and operating income to increase in 2021, without, however, returning to pre Covid level of 2019.

In the **dredging, environment, offshore and infra segment**, the operating activities were slowed down considerably, but, with some exceptions, could still be continued. Consequently, DEME's financial statements are impacted by a decrease in activity and by additional expenses linked to the health crisis. The estimated impact of the Covid-19 pandemie on the revenue and EBIT in 2020 amounts to € 300 million and € 100 million, respectively, which also includes the impact due to the unavailability of the 'Orion' vessel. This amount of € 100 million consists mainly of:

- the direct impact of the loss of productivity on project margins;
- the direct impact of the health crisis on the economy, in particular on the oil and gas sector;
- the lower coverage of costs relating to the fleet of vessels and overheads, a consequence of the reduction in activity caused by the health crisis;
- additional costs directly attributable to Covid-19; partly offset by
- cost-saving measures decided by the company and the support measures from the public authorities, amounting to € 8.8 million.

The construction activities of the **contracting segment** in Belgium and Luxembourg were suspended from 18 March to the beginning of May. On the other hand, work on the projects in Poland could continue. The activities of VMA and Mobix were partially delayed during that same period. The second lockdown that was in effect in Belgium in the course of the second semester had a more limited impact on the activity: activity on the projects could be continued, albeit in less favourable conditions due to the additional measures that were in place in order to comply with the health protocol. The impact on the revenue of CFE Contracting in 2020 is estimated at € 90 million. The impact of this total or partial suspension of works on the EBIT is estimated at € 20 million. The following elements have been taken into account:

- the additional direct costs allocated to the projects;
- the under-coverage of overheads due to a reduced activity;
- the cost of labour not allocated to the projects;
- the cost of machinery and equipment not allocated to the projects; partly offset by:
- temporary unemployment measures introduced by the Belgian and Luxembourg governments, amounting to € 6.2 million.

The **real estate segment** is impacted by delays in the planning application procedures, particularly in Brussels. For the projects under development, the expenses incurred are not capitalised due to the absence of planning permission. There is no material impact on the pre-tax income.

2.2. ACCOUNTING RULES AND METHODS

(A) STATEMENT OF COMPLIANCE

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

(B) BASIS OF PRESENTATION

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

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

Accounting policies are applied consistently.

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

(C) MAIN JUDGMENTS AND ASSUMPTIONS

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

- the period over which non-current assets are depreciated or amortised;
- the measurement of provisions and post-employment obligations;
- the measurement of income or losses on construction contracts using the percentage of completion method;
- estimates used in impairment tests;
- the valuation of financial instruments at fair value;
- the assessment of control; and
- 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised in the income statement of the financial year during which the entity is sold or liquidated.

(3) EXCHANGE RATES

Currencies	Closing rate 2020	Average rate 2020	Closing rate 2019	Average rate 2019
Polish Zloty	4.56	4.44	4.26	4.30
US Dollar	1.23	1.14	1.12	1.12
Singapore Dollar	1.62	1.57	1.51	1.53
Tunisian Dinar	3.29	3.20	3.12	3.28
CFA franc	655.96	655.96	655.96	655.96
Australian Dollar	1.59	1.65	1.60	1.61
Nigerian Naira	484.55	435.36	408.97	405.01
Russian Rouble	91.46	82.72	69.96	72.45
Egyptian pound	19.26	18.06	18.01	18.83
Taiwanese Dollar	34.49	33.59	33.59	34.61

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 recognised 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 capitalised 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.

Capitalised 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 recognised as an expense as incurred.

Development costs recognised 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 recognised in the balance sheet at their acquisition cost less accumulated amortisation (see below) and impairment. Costs relating to internally generated goodwill and brands are recognised as an expense when incurred.

(3) SUBSEQUENT EXPENDITURE

Subsequent expenditure on intangible assets is recognised 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 recognised when incurred.

(4) DEPRECIATION

Intangible fixed assets are amortised 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 recognised 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 recognised retrospectively; other changes in the fair value of the contingent consideration are recognised 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 net income statement.

On the date of acquisition, identifiable assets acquired and liabilities assumed are recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised of the acquired company. The basis of measurement is selected on a transaction-by-transaction basis.

Goodwill is not amortised, 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 recognised 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 recognised 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	20 years with residual value of 1%
landings stages, boats, ferries and boosters :	18 years without residual value
transport vessels, barges:	25 years 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 capitalised 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 recognised 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) INVESTMENT PROPERTY

Investment property is real estate held to generate rent, to achieve capital appreciation, or both.

An investment property is different from property occupied by its owner or tenant in that it generates cash flows that are independent of the company's other assets.

Investment properties are measured on the balance sheet at cost, including borrowing costs incurred during the construction period, less depreciation and impairment.

Depreciation is calculated from the date the asset is available for use, according to the straight-line method and at a rate corresponding to the estimated economic useful life of the asset.

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

(J) LEASES

CFE essentially acts as a lessee of rental contracts. Leases are recognised 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 recognised 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 recognised 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 recognised as an expense during the period in which the contract is terminated.

(K) FINANCIAL ASSETS

Each category of investments is recognised 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 amortised 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 amortised 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 recognised in the income statement. Impairment losses are recognised in the income statement.

(2) TRADE RECEIVABLES

We refer to paragraph (M).

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

Derivative instruments are recognised at fair value through the income statement, unless there is documentation of hedge accounting (see paragraph Y).

(L) 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.

(M) TRADE RECEIVABLES

Current trade receivables are measured at amortised 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.

(N) CASH AND CASH EQUIVALENTS

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

(O) IMPAIRMENT

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 recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(1) ESTIMATES OF RECOVERABLE AMOUNTS

The recoverable amount of receivables and held-to-maturity investments of the company is the present value of future cash flows, discounted at the original effective interest rate applicable to these assets.
The recoverable amount of other 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

Impairment relating to receivables or held-to-maturity investments is reversed if the subsequent increase in the recoverable value can be related objectively to an event occurring after the recognition of the impairment.

With the exception of goodwill for which impairment losses are never reversed, impairments on other 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 recognised for this asset.

(P) SHARE CAPITAL

PURCHASES 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 recognised 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.

(Q) 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.

(R) 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 recognised 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 recognised 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 unrecognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised as an expense in the year to which they relate.

(S) FINANCIAL LIABILITIES

(1) LIABILITIES AT AMORTISED COST

Interest-bearing borrowings are recognised at their fair amount less attributable transaction costs. Any difference between this net amount (after transaction costs) and repayment value is recognised in the income statement over the life of the loan, using the effective interest-rate method. See section K 2.1 for the definition of this method.

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

Derivative instruments are recognised at fair value through the income statement, unless there is documentation of hedge accounting (see paragraph Y).

(T) TRADE AND OTHER PAYABLES

Trade and other current payables are recognised at amortised cost.

(U) INCOME TAXES

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

A tax credit is recognized in the caption ‘deferred taxes’ in the income statement and in the caption ‘deferred tax assets’ in the consolidated statement of financial position when the entity comply with the requirements to obtain the tax credit.

(V) 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 recognised 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 recognised if one of the following criteria is met:

i. the customer simultaneously receives and consumes the benefits generated by the service provided by the company as it is implemented,

ii. 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,

iii. 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 recognised 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 capitalised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised when the consideration is received in advance, or when the payment is due (whichever is earlier). Contract liabilities are recognised 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 capitalised 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 recognised separately in accordance with IFRS 15, but are included in the recognition of the project and therefore recognised when they are incurred.

(5) SPECIFIC CONSIDERATIONS RELATING TO REVENUE BY SEGMENT

a) Revenue of DEME

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 recognised as a single performance obligation, the realisation of which is progressive. The group has assessed that revenues from construction and service contracts should be recognised 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 recognised 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 recognised 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 recognised separately for each performance obligation.
For some contracts, mainly in the Multitechnics segment, the installation and execution works cover a very short period of time. For such contracts, revenue is recognised 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 legislation 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 recognised 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 recognised 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 recognised 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 legislation 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 recognised 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 recognised at a specific time when it is sold, and the income relating to the monitoring of the construction will be recognised as a percentage of completion, as previously explained.

(W) OTHER REVENUES

(1) RENTAL INCOME AND FEES

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

(2) PUBLIC GRANTS

An income-related grant is initially recognised 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 recognised 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 recognised as a deduction in the cost of these fixed assets. They are recognised 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.

(X) EXPENSES

(1) FINANCIAL EXPENSES

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

All interest and other costs incurred in connection with borrowings, except those that were eligible for capitalisation, are recognised in the income statement as financial expenses. Interest costs relating to lease contracts are recognised 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 recognised in the income statement of the financial year in which they were incurred. Development costs and development costs for IT systems are recognised as an expense when they are incurred if they do not meet the criteria for intangible assets.

(Y) 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised in the income statement. Profits or losses arising from the temporary value of the financial derivative instrument are recognised 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 recognised 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 recognised under 'equity' is immediately recognised in the income statement.

(2) FAIR VALUE HEDGE

For any derivative financial instrument hedging variations in the fair value of a recognised receivable or debt, any profit or loss resulting from the remeasurement of the hedging instrument is recognised 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 recognised 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 FOREIGNE 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 recognised 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 recognised directly in "exchange differences on translation" under other items in the comprehensive income statement, and the ineffective portion is recognised 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 recognised 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 recognised 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 (V) above). This element is, however, not considered for determining the percentage of completion of the construction contract.

(Z) ASSETS HELD FOR SALE

Assets held for sale are measured at either the carrying amount or the fair value less costs for selling, whichever is lower. They are presented separately in the consolidated statement of financial position. At 31 December 2019, this relates to the assets of the Merkur Offshore GmbH company.

(A.A) 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 consists of four operating divisions: DEME, Contracting, Real Estate Development, and Holding & non-transferred activities.

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 DEME and BPI.

The change in the scope of consolidation of the CFE group between 2019 and 2020 is summarised as follows:

Number of entities	2020	2019
Full consolidation	210	200
Equity method	143	142
Total	353	342

INTRA-GROUP TRANSACTIONS

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

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 consists of four operating segments:

Dredging, Environment, Offshore and Infra – « DEME »

The dredging, environment, offshore and infra segment, through its subsidiary DEME, is active in dredging (capital dredging and maintenance dredging), the installation of offshore wind farms, the laying of submarine power cables, the protection of marine pipelines, the treatment of polluted sludge and sediments, as well as marine engineering.

Contracting

The Contracting segment encompasses the construction, multitechnics and rail & utilities activities.

The construction activity is concentrated in Belgium, Luxembourg and Poland. CFE Contracting specialises 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 and non-transferred activities

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 and DEME NV including several civil engineering projects in Belgium and building projects in Africa (except Tunisia) and in Central Europe (except Poland).

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December 2020 (in € thousands)	DEME	*Restatements DEME*	Contracting	Real Estate	Holding and non-transferred activities	*Eliminations between segments*	Consolidated total
Revenue	**2,195,828**		**911,898**	**131,105**	**21,859**	**(38,732)**	**3,221,958**
Income from operating activities	64,281	(4,589)	14,709	18,279	(5,165)	(262)	**87,253**
Share of profit (loss) of investments accounted for using equity method	22,395	(729)	190	4,650	5,734	0	**32,240**
Operating income (EBIT)	**86,676**	**(5,318)**	**14,899**	**22,929**	**569**	**(262)**	**119,493**
% Revenue	*3.95%*		*1.63%*	*17.49%*			***3.71%***
Financial result	(25,651)	0	(2,525)	(4,908)	(1,264)	0	**(34,348)**
Income tax expenses	(9,812)	1,239	(6,867)	(4,800)	(82)	0	**(20,322)**
Result for the period - share of the group	**50,410**	**(4,079)**	**5,507**	**13,221**	**(777)**	**(262)**	**64,020**
% Revenue	*2.30%*		*0.60%*	*10.08%*			***1.99%***
Non-cash items	305,176	4,589	18,403	1,127	(1,833)	0	**327,462**
EBITDA	**369,457**	**0**	**33,112**	**19,406**	**(6,998)**	**(262)**	**414,715**
% Revenue	*16.83%*		*3.63%*	*14.80%*			***12.87%***

Year ended 31 December 2019 (in € thousands)	DEME	*Restatements DEME*	Contracting	Real Estate	Holding and non-transferred activities	*Eliminations between segments*	Consolidated total
Revenue	**2,621,965**		**998,671**	**59,065**	**12,433**	**(67,412)**	**3,624,722**
Income from operating activities	141,645	(4,589)	18,729	1,030	(13,281)	81	**143,615**
Share of profit (loss) of investments accounted for using equity method	18,449	(684)	77	12,656	3,594	0	**34,092**
Operating income (EBIT)	**160,094**	**(5,273)**	**18,806**	**13,686**	**(9,687)**	**81**	**177,707**
% Revenue	*6.11%*		*1.88%*	*23.17%*			***4.90%***
Financial result	(6,749)	611	(833)	(1,338)	587	0	**(7,722)**
Income tax expenses	(30,321)	1,059	(8,446)	(791)	(109)	(11)	**(38,619)**
Result for the period - share of the group	**125,041**	**(3,603)**	**9,527**	**11,598**	**(9,209)**	**70**	**133,424**
% Revenue	*4.77%*		*0.95%*	*19.64%*			***3.68%***
Non-cash items	295,366	4,589	14,393	(888)	(5,851)	0	**307,609**
EBITDA	**437,011**	**0**	**33,122**	**142**	**(19,132)**	**81**	**451,224**
% Revenue	*16.67%*		*3.32%*	*0.24%*			***12.45%***

REVENUE

(in € thousands)	2020	2019
Belgium	1,169,397	1,495,250
Other Europe	1,657,891	1,410,888
Middle East	7,109	77,665
Asia	162,212	290,449
Oceania	37,188	36,662
Africa	137,150	221,397
Americas	51,011	92,411
Consolidated total	**3,221,958**	**3,624,722**

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

In 2020, no customer accounted for more than 15% of group revenue.

BREAKDOWN OF REVENUE OF DEME

(in € thousands)	2020	2019
Dredging	877,045	1,084,553
Offshore	934,565	1,141,093
Infra	208,822	196,898
Environment	118,727	147,417
Others	56,669	52,004
Total	**2,195,828**	**2,621,965**

BREAKDOWN OF REVENUE IN THE CONTRACTING SEGMENT

(in € thousands)	2020	2019
Construction	634,744	733,539
Multitechnics (VMA)	164,945	179,632
Rail & Utilities (MOBIX)	112,209	85,500
Contracting	**911,898**	**998,671**

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

(in € millions)	2020	2019	% change
DEME	**4,500.0**	**3,750.0**	**+20.0%**
Contracting	**1,492.6**	**1,385.5**	**+7.7%**
Construction	1,058.7	1,016.8	+4.1%
Multitechnics (VMA)	251.1	188.5	+33.2%
Rail & Utilities (MOBIX)	182.8	180.2	+1.4%
Real estate development	**40.8**	**12.7**	**+221.3%**
Holding and non-transferred activities	**15.7**	**34.7**	**-54.8%**
Total	**6,049.1**	**5,182.9**	**+16.7%**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2020 (in € thousands)	DEME	Contracting	Real Estate	Holding and non-transferred activities	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**

Year ended 31 December 2019 (in € thousands)	DEME	Contracting	Real Estate	Holding and non-transferred activities	Eliminations between segments	Consolidated total
ASSETS						
Goodwill	155,567	21,560	0	0	0	**177,127**
Property, plant and equipment	2,529,919	81,173	1,742	2,330	0	**2,615,164**
Non-current loans to consolidated group companies	0	0	0	23,600	(23,600)	**0**
Other non-current financial assets	36,178	0	29,874	17,861	0	**83,913**
Other non-current assets	266,417	15,656	51,029	1,287,700	(1,245,838)	**374,964**
Inventories	13,152	15,720	130,837	4,528	(1,625)	**162,612**
Cash and cash equivalents	475,135	67,550	6,411	63,110	0	**612,206**
Internal cash position - Cash pooling - assets	0	75,684	11,167	2,327	(89,178)	**0**
Other current assets	724,124	306,630	23,703	37,824	(5,635)	**1,086,646**
Total assets	**4,200,492**	**583,973**	**254,763**	**1,439,280**	**(1,365,876)**	**5,112,632**
LIABILITIES						
Equity	**1,675,537**	**83,670**	**76,296**	**1,172,271**	**(1,247,464)**	**1,760,310**
Non-current borrowings to consolidated group companies	0	1,800	21,800	0	(23,600)	**0**
Non-current bonds	0	0	29,689	0	0	**29,689**
Non-current financial liabilities	947,798	23,174	13,378	125,862	0	**1,110,212**
Other non-current liabilities	175,248	15,880	14,514	1,585	0	**207,227**
Current bonds	0	0	0	0	0	**0**
Current financial liabilities	235,791	9,857	14,382	10,336	0	**270,366**
Internal cash position - Cash pooling - liabilities	0	2,327	4,698	82,153	(89,178)	**0**
Other current liabilities	1,166,118	447,265	80,006	47,073	(5,634)	**1,734,828**
Total liabilities	**2,524,955**	**500,303**	**178,467**	**267,009**	**(118,412)**	**3,352,322**
Total equity and liabilities	**4,200,492**	**583,973**	**254,763**	**1,439,280**	**(1,365,876)**	**5,112,632**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended on 31 December 2020 (in € thousands)	DEME	Contracting	Real Estate	Holding and non-transferred activities	Consolidated total
Cash flow from (used in) operating activities before changes in working capital	*309,921*	*31,793*	*29,288*	*(3,118)*	***367,884***
Cash flow from (used in) operating activities	401,819	46,809	(21,730)	(8,564)	**418,334**
Cash flow from (used in) investing activities	(147,139)	(8,102)	(278)	(3,869)	**(159,388)**
Cash flow from (used in) financing activities	(103,821)	(30,565)	21,670	7,866	**(104,850)**
Net increase/(decrease) in cash position	**150,859**	**8,142**	**(338)**	**(4,567)**	**154,096**

Year ended on 31 December 2019 (in € thousands)	DEME	Contracting	Real Estate	Holding and non-transferred activities	Consolidated total
Cash flow from (used in) operating activities before changes in working capital	*435,721*	*31,478*	*5,143*	*(19,078)*	***453,264***
Cash flow from (used in) operating activities	388,813	48,832	10,261	(3,949)	**443,957**
Cash flow from (used in) investing activities	(370,319)	(13,417)	(40)	(6,665)	**(390,441)**
Cash flow from (used in) financing activities	168,619	(21,559)	(13,053)	35,412	**169,419**
Net increase/(decrease) in cash position	**187,113**	**13,856**	**(2,832)**	**24,798**	**222,935**

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 the DEME, Real Estate development and Holding and non-transferred activities segments. The DEME segment is not part of the CFE group cash pooling arrangement.

OTHER INFORMATION

For the period ended 31 December 2020 (in € thousands)	DEME	Contracting	Real estate development	Holding and non-transferred activities	Consolidated total
Amortisation	(300,723)	(17,982)	(967)	(701)	(320,373)
Investments	214,583	20,281	1,283	280	236,427
Impairment	(4,042)	(24)	0	0	(4,066)

For the period ended 31 December 2019 (in € thousands)	DEME	Contracting	Real estate development	Holding and non-transferred activities	Consolidated total
Amortisation	(297,638)	(16,662)	(949)	(607)	(315,856)
Investments	432,449	25,222	651	113	458,435
Impairment	(2,816)	0	0	0	(2,816)

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 CFE 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, 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 2020

On 30 October 2020, DEME Offshore Holding NV, a subsidiary of DEME, acquired 100% of the shares of the SPT Offshore Holding BV company. This company also holds 100% of the shares of the SPT Equipment BV, SPT Offshore BV, SPT Offshore UK Ltd, SPT Offshore SDN Bhd, Seatec Holding BV and Seatec Subsea Systems BV companies. These companies were fully integrated according to the equity method.
The identifiable assets and liabilities were valued on 30 June 2020.

The fair values assigned to the assets and liabilities that were acquired are summarised as follows:

(in € thousands)	
Intangible assets	19,252
Goodwill	0
Property, plant and equipment	5,361
Trade and other operating receivables	3,968
Cash and cash equivalents	1,878
Employee benefits obligations	0
Current and non-current financial liabilities	(1,038)
Other non-current assets and liabilities	(3,415)
Trade and other operating payables	(3,870)
Total net assets acquired - group share	**22,136**
Goodwill	0
Acquisition price	**22,136**

The contribution of the SPT Offshore entities to the group revenue amounts to €12,8 million at 31 December 2020.

The following valuation methods were applied to determine the fair value of the main identifiable assets and liabilities:

- Intangible assets (fair value of patents held and developed technological know-how): the fair value was assessed by DEME teams to the best of their abilities. These intangible assets will be amortised over a period of 10 years;
- Other assets and liabilities: the fair value was based on the market value at which those assets or liabilities may be sold to a non-affiliated third party

The acquisition price consists of an amount of € 18.2 million, payable on the date of the transaction, and an earn-out to be paid, estimated at € 3.9 million. Taking into account the transferred consideration, there is no residual unallocated goodwill.

ASSETS HELD FOR SALE AT 31 DECEMBER 2020

On 12 May 2020, DEME sold its 12.5% stake in the Merkur Offshore GmbH company to APG and to The renewables infrastructures Group Limited, "TRIG", for an amount of € 89.9 million. The net carrying amount of the consolidated assets in the financial statements of the CFE Group, i.e. € 10.5 million, had been shown as assets held for sale as at 31 December 2019.

On 31 December 2020, a capital gain on disposal of € 63.9 million is reported in the financial statements of the CFE group.

No other disposal transaction having material impact was carried out in 2020.

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.

6. OTHER OPERATING INCOME AND EXPENSES

Other operating income, which amounts to €197,401 thousand (2019 : €81,042 thousand) are primarily related to:

- the capital gain on the disposal of DEME shares in the Merkur offshore wind farm (+ €63.9 million) ;
- rental income, other compensation and miscellaneous rebillings amounting to €121,186 thousand (2019 : €74,301 thousand) in which the contribution of DEME amounts to €61,511 thousand. The compensation received for the late delivery of the cutter suction dredger Spartacus amounted to € 10.0 million. An arbitration for a project carried out over many years that was won generated an income of € 10.2 million;
- capital gains on disposals of tangible and intangible assets amounting to €12,280 thousand (2019 : €6,741 thousand), of which €11,171 thousand related to DEME.

Other operating expenses are made up of the following elements:

(in € thousands)	2020	2019
Miscellaneous services and goods	(435,480)	(469,946)
Impairment of assets		
- Inventories	(199)	131
- Trade and other operating receivables	4,153	(25,663)
Net additions to provisions (excluding provisions for retirement benefit obligations)	987	28,161
Other operating expenses	(4,758)	(1,931)
Consolidated total	**(435,297)**	**(469,248)**

In 2019, the net allocations to provisions and impairment losses on trade receivables were strongly affected by the fact that the residual receivables held by the CFE group vis-à-vis the Chadian government that are not covered by Credendo had been fully depreciated.

7. REMUNERATIONS AND SOCIAL SECURITY PAYMENTS

(in € thousands)	2020	2019
Remuneration	(486,880)	(512,523)
Mandatory social security contributions	(101,674)	(102,704)
Other wage costs	(38,341)	(25,410)
Service cost related to defined-benefit pension plans	(16,814)	(13,233)
Consolidated total	**(643,709)**	**(653,870)**

The average full-time equivalent number of staff in 2020 was 8,113 (2019: 8,243), which represents 8,410 people on 1 January 2020 (2019: 8,598) and 8,292 on 31 December 2020 (2019: 8,410).

8. FINANCIAL RESULT

(in € thousands)	2020	2019
Cost of financial debt	**(11,675)**	**(2,602)**
Derivative instruments - Fair value adjustments through profit and loss	0	0
Derivative instruments used as hedging instruments	0	0
Assets measured at fair value	0	0
Available-for-sale financial instruments	0	0
Loans and receivables - Interest income	7,126	14,280
Liabilities at amortised cost - Interest expenses	(18,801)	(16,882)
Other financial expenses and income	**(22,673)**	**(5,120)**
Realized / unrealized translation gains/(losses)	(14,494)	1,759
Dividends received from non-consolidated companies	0	0
Defined benefit plan financial cost	(178)	(343)
Impairment of financial assets	0	0
Other	(8,001)	(6,536)
Financial result	**(34,348)**	**(7,722)**

The change in realised (unrealised) exchange gains/(losses) and others at 31 December 2020 is mainly explained by the devaluation of most currencies against the euro for DEME, as well as by the devaluation of the zloty against the euro for BPI and CFE Contracting.

9. NON-CONTROLLING INTERESTS

At 31 December 2020, the share of non-controlling interests in the income statement amounted to €(803) thousand (2019: €2,058 thousand) and is entirely related to the DEME division.

10. EARNINGS PER SHARE

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

(in € thousands)	2020	2019
Result for the period - share of the group	64,020	133,424
Comprehensive income - share of the group	38,810	89,231
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) (€)	**2.53**	**5.27**
Result for the period (share of the group) per share	**1.53**	**3.53**

11. INCOME TAX

RECOGNIZED IN COMPREHENSIVE INCOME

(in € thousands)	2020	2019
Current taxes		
Tax expense for the period	48,540	50,122
Additions to / (release from) provisions in previous periods	7,585	(907)
Total current tax expenses	**56,125**	**49,215**
Deferred taxes		
Additions to and releases from deferred taxes relating to losses from previous periods	(11,129)	26,002
Additions to and releases from temporary differences	(24,674)	(36,598)
Total deferred tax expenses/income	**(35,803)**	**(10,596)**
Income tax for the period	**20,322**	**38,619**
Tax income/expense recognized in other elements of the comprehensive income	1,918	6,378
Total tax expense recognized in comprehensive income	**22,240**	**44,997**

RECONCILIATION OF THE EFFECTIVE TAX RATE

(in € thousands)	2020	2019
Pre-tax income for the period	**85,145**	**169,985**
of which share in the profit/(loss) from investments accounted for using equity method	32,240	34,092
Pre-tax income for the period, excluding investments accounted for using equity method	**52,905**	**135,893**
Income taxes at 25% (*)	**13,226**	**40,197**
Tax impact of non-deductible expenses	5,162	5,529
Tax impact of non-taxable revenue	(21,487)	(3,515)
Tax credit and impact of notional interest	(5,103)	(14,121)
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	7,648	328
Tax impact of using previously unrecognized losses	(1,357)	(1,817)
Tax impact of adjustments to current and deferred tax relating for previous periods	8,906	(589)
Tax impact of deferred tax assets on unrecognized losses for the period	13,327	12,607
Tax expense	**20,322**	**38,619**
Effective tax rate for the period	**38.41%**	**28.42%**

(*) The tax rate in Belgium is 25% for fiscal year 2020 against 29.58% for fiscal year 2019.

The tax expense amounts to €20,322 thousand at 31 December 2020, compared to €38,619 thousand end 2019. The effective tax rate amounts to 38.41% compared to 28.42% at 31 December 2019.

The increase in non-taxable revenue is largely related to the disposal of the DEME participation in the Merkur Offshore GmbH company.

RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

	Assets		Liabilities	
(in € thousands)	2020	2019	2020	2019
Property, plant and equipment and intangible assets	27,546	15,560	(87,629)	(85,204)
Employee benefits	15,131	14,136	0	0
Provisions	2,296	2,177	(22,110)	(18,170)
Fair value of derivative instruments	3,468	2,813	(364)	(12)
Working capital	48,170	30,509	(8,412)	(11,372)
Other items	158	0	(36,838)	(44,904)
Tax losses	147,998	153,903	0	0
Gross deferred tax assets/(liabilities)	**244,767**	**219,098**	**(155,353)**	**(159,662)**
Unrecognized deferred tax assets	(59,043)	(63,923)	0	0
Tax netting	(58,392)	(54,755)	58,392	54,755
Net deferred tax assets/(liabilities)	**127,332**	**100,420**	**(96,961)**	**(104,907)**

Tax loss carried forward and other temporary differences for which no deferred tax assets are recognized amount to €236,172 thousand. As tax losses are mainly recognized by Belgian companies, these do not have an expiration date.

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

TEMPORARY DIFFERENCES OR 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

(in € thousands)	2020	2019
Deferred taxes on the effective portion of changes in the fair value of cash flow hedge	446	2,772
Deferred taxes on the revaluation of defined benefit liabilities	1,472	3,606
Total	**1,918**	**6,378**

12. INTANGIBLE ASSETS OTHER THAN GOODWILL

Year 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**

The acquisitions for the period amounted to €3,890 thousand (2019 : €2,432 thousand) and primarily relate to investments in software licences and concession rights.

Acquisitions resulting from the effects of changes in the consolidation scope amount to € 19,254 thousand, and mainly relate to the acquisition of the SPT Offshore company, the details of which are outlined in Note 5. Amortisation of intangible assets is recognised under "amortisation" in the statement of comprehensive income and amounts to € (2,734) thousand.

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

Year 2019 (in € thousands)	Concessions, patents and licenses	Development costs	Total
Acquisition costs			
Balance at the end of the previous period	**129,064**	**3,884**	**132,948**
Effects of changes in foreign exchange rates	3	0	3
Changes in consolidation scope	(25)	(3)	(28)
Acquisitions	2,051	381	2,432
Disposals	(129)	0	(129)
Transfers between asset items	(235)	0	(235)
Balance at the end of the period	**130,729**	**4,262**	**134,991**
Amortisation and impairment			
Balance at the end of the previous period	**(39,801)**	**(3,559)**	**(43,360)**
Effects of changes in foreign exchange rates	(8)	0	(8)
Amortisation during the period	(1,068)	(551)	(1,619)
Changes in consolidation scope	25	3	28
Disposals	129	0	129
Transfers between asset items	100	0	100
Balance at the end of the period	**(40,623)**	**(4,107)**	**(44,730)**
Net carrying amount			
At 1 January 2019	**89,263**	**325**	**89,588**
At 31 December 2019	**90,106**	**155**	**90,261**

13. GOODWILL

(in € thousands)	2020	2019
Acquisition costs		
Balance at the end of the previous period	**401,731**	**403,164**
Changes in consolidation scope	0	(1,433)
Other changes	0	0
Balance at the end of the period	**401,731**	**401,731**
Depreciation		
Balance at the end of the previous period	**(224,604)**	**(226,037)**
Impairment during the period	(5,000)	0
Changes in consolidation scope	0	1,433
Balance at the end of the period	**(229,604)**	**(224,604)**
Net carrying amount at December 31	**172,127**	**177,127**

At 31 December 2020, a depreciation of € 5 million was recorded on the Indian subsidiary of DEME (ISD).

In accordance with IAS 36 *Impairment of Assets*, this goodwill was tested for impairment at 31 December 2020.

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
(in € thousands)	2020	2019	Growth rate (terminal value)	Discount rate	Sensitivity rate		
DEME - group	137,227	137,227	1.50%	7.90%	5%	346,081	-
DEME - subsidiaries	13,339	18,339	1.50%	7.90%	5%	29,510	(5,000)
VMA	11,115	11,115	0.50%	8.50%	5%	11,115	-
Mobix Remacom	2,995	2,995	0.50%	8.50%	5%	2,995	-
Mobix Stevens	2,682	2,682	0.50%	8.50%	5%	2,682	-
Mobix Coghe	2,351	2,351	0.50%	8.50%	5%	2,351	-
VMA Druart	1,507	1,507	0.50%	8.50%	5%	3,360	-
BPC	911	911	0.50%	8.50%	5%	911	-
Total	**172,127**	**177,127**				**399,005**	**(5,000)**

Cash flow figures used in the impairment tests were taken from the 10-year plan presented to the Board of Directors of DEME, as well as from the initial budget presented to the Executive Committee of CFE Contracting. For the activities of CFE Contracting, a growth rate of 0.5% was applied in the determination of the terminal value. For the activities of DEME, a growth rate of 1.5% was considered in the determination of the terminal value given the ongoing investment programs.

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

The DEME group is considered as a cash generating unit, and no impairment loss has been identified with regard to the DEME group. An additional sensitivity analysis relating to changes in the growth rate was carried out. By applying a WACC rate of 8.5% and a growth rate of 0.5%, the DEME value in use remained higher than the carrying amount of the group. The DEME group also carries out its own impairment tests, and these have shown no impairment losses, except for that relating to the ISD subsidiary, the goodwill of which has been entirely written down.

14. PROPERTY, PLANT AND EQUIPMENT

Year 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 1 January 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**

As at 31 December 2020, acquisitions of tangible assets amounted to € 232,537 thousand, mainly related to DEME (€ 211,750 thousand). Investments at the end of 2020 decreased by € 223,466 thousand, compared to 2019.

Of the ten vessels commissioned in 2015, 2016 and 2018, worth a total of over one billion euros, the trailing suction hopper dredgers 'Minerva' and 'Scheldt River', the vessels 'Gulliver' (in joint venture), 'Apollo', 'Living Stone' and 'Bonny River' were delivered in 2017, 2018 and 2019. The hopper dredgers 'Meuse River' and 'River Thames' joined the DEME fleet in 2020, as well as the two barges 'Bengel' and 'Deugniet'. At 31 December 2020, a residual amount of € 129 million will be invested in vessels under construction over the next few years, primarily the 'Orion' and the 'Spartacus'.

The net carrying amount of property, plant and equipment used as collateral for certain loans amounts to € 55,686 thousand (2019: € 55,686 thousand).

The net value of right-of-use assets amounted to € 113,588 thousand as at 31 December 2020 (2019: € 163,529 thousand). These assets mainly include the concessions and buildings of the DEME segment, the vehicle fleet of the CFE group, as well as the registered offices of certain subsidiaries of the Contracting segment.

Depreciation of property, plant and equipment amounted to € (321,705) thousand (2019: € (317,053) thousand). In the DEME segment, depreciation amounts to € (298.4) million, including impairment losses of € (15.6) million on several specific vessels of their fleet, for which the utilization rate was lower than the overall the fleet.

Year 2019 (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	**144,300**	**3,914,871**	**68,409**	**0**	**431,022**	**4,558,602**
Righ-of-use assets, 1 January 2019	72,371	5,311	21,081	0	0	98,763
Effects of changes in foreign exchange rates	116	1,925	6	0	1	2,048
Changes in consolidation scope	(40)	(6)	(9)	0	0	(55)
Acquisitions	21,122	176,306	21,961	0	236,614	456,003
Transfers between asset items	833	132,515	15	0	(127,263)	6,100
Disposals	(8,829)	(160,567)	(8,551)	0	0	(177,947)
Balance at the end of the period	**229,873**	**4,070,355**	**102,912**	**0**	**540,374**	**4,943,514**
Amortisation and impairment						
Balance at the end of the previous period	**(59,027)**	**(2,053,942)**	**(55,397)**	**0**	**0**	**(2,168,366)**
Effects of changes in foreign exchange rates	(127)	(692)	(67)	0	0	(886)
Changes in consolidation scope	6	5	3	0	0	14
Amortisation	(17,668)	(283,621)	(15,764)	0	0	(317,053)
Transfers between asset items	138	(6,063)	173	0	(0)	(5,752)
Disposals	4,002	151,881	7,810	0	0	163,693
Balance at the end of the period	**(72,676)**	**(2,192,432)**	**(63,242)**	**0**	**0**	**(2,328,350)**
Net carrying amount						
At 1 January 2019	**85,273**	**1,860,929**	**13,012**	**0**	**431,022**	**2,390,236**
At 31 December 2019	**157,197**	**1,877,923**	**39,670**	**0**	**540,374**	**2,615,164**

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

CHANGES OVER THE PERIOD

The interests in investments accounted for using equity method are detailed as follows:

(in € thousands)	2020	2019
Balance at the end of the previous period	**167,653**	**155,792**
Acquisitions through business combination	0	0
Transfers	(158)	(13,992)
Share of profit (loss) of investments accounted for using equity method	32,240	34,092
Capital increase/(decrease)	33,412	17,564
Dividends	(29,127)	(8,140)
Changes in consolidation scope	17,338	18,606
Other changes	(17,263)	(36,269)
Balance at the end of the period	**204,095**	**167,653**
Including goodwill in investments accounted for using equity method	**18,838**	**18,811**

All the entities over which the CFE group has significant influence are accounted for using equity method. The CFE group does not have any participations accounted for under the equity method listed on a public market.

The share of the CFE group in the result of investments accounted for using equity method amounts to € 32,240 million (against € 34,092 million in 2019), 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 equity method amount to € 35.8 million, and primarily relate to the development of the activities of DEME Offshore in Taiwan, specifically the investments in the Green Jade vessel. The capital decreases in the investments accounted for using equity method amount to € 2.4 million.

Dividends distributed by investments accounted for using equity method amount to € 29,127 thousand, and arise mainly from the operating companies of offshore wind farms, but also from project companies of the Real estate development segment.

The changes in consolidation scope in financial year 2020 essentially related to Debrouckère Land SA and Wooden SA.

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 33, 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 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 2020 (in € thousands)	DEME		Real estate development and Contracting		Holding and non-transferred activities		Total	
	100%	% Share	100%	% Share	100%	% Share	100%	% Share
Income Statement								
Revenue	1,023,080	249,649	181,215	69,117	77,089	37,294	1,281,384	356,060
Result for the period - share of the group	152,889	22,395	16,572	6,600	14,116	6,588	183,577	35,583
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%), Mall of Europe: € 16,313 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%).

December 2019 (in € thousands)	DEME		Real estate development and Contracting		Holding and non-transferred activities		Total	
	100%	% Share	100%	% Share	100%	% Share	100%	% Share
Income Statement								
Revenue	1,103,471	317,229	172,797	64,239	35,611	16,943	1,311,879	398,411
Result for the period - share of the group	139,360	18,449	24,566	10,201	7,944	4,002	171,870	32,652
Financial position								
Non-current assets	4,277,822	551,388	78,581	19,244	215,268	76,454	4,571,671	647,086
Current assets	776,834	185,208	287,590	117,418	175,074	83,046	1,239,498	385,672
Equity	613,151	67,269	66,578	27,263	120,527	62,861	800,256	157,393
Non-current liabilities	3,312,777	451,710	65,530	23,805	166,559	54,968	3,544,866	530,483
Current liabilities	1,128,728	217,617	234,063	85,594	103,256	41,671	1,466,047	344,882
Net Financial Debt	**2,948,912**	**411,143**	**64,401**	**23,810**	**144,860**	**41,634**	**3,158,173**	**476,587**

In the DEME segment, the non-current assets mainly consist of assets from the entities C-Power NV: € 781,127 thousand (100%), SeaMade: € 686,176 thousand (100%), Merkur Offshore GmbH: € 1,432,970 thousand (100%) and Rentel: € 932,365 thousand (100%). The contribution of those entities to the condensed net financial debt is € 529,062 thousand (100%), € 413,961 thousand (100%), € 952,831 thousand (100%) and € 778,011 thousand (100%) respectively. The contribution of these companies to the condensed net income is € 34,647 thousand (100%), € (36) thousand (100%), € 45,872 thousand (100%), and € 39,496 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: € 57,582 thousand (100%), Les 2 Princes Development SA: € 11,414 thousand (100%), Pré de la Perche Construction SA: € 17,129 thousand (100%), Grand Poste SA: € 24,239 thousand (100%), Victor Estate SA: € 10,979 thousand (100%), Erasmus Gardens SA: € 29,825 thousand (100%), Ernest 11 SA: € 30,384 thousand (100%), Mall of Europe: € 16,430 thousand (100%), LuWa: € 16,172 thousand (100%), and Goodways SA: € 19,588 thousand (100%).

As concerns the non-transferred activities, the net financial debt relates to the PPP concession projects Schulen in Eupen: € 76,663 thousand (100%), and to the companies Rent-A-Port NV: € 55,620 thousand (100%) and Green Offshore NV: € 12,391 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 2020 (in € thousands, CFE's % share)	DEME	Real estate development and Contracting	Holding and non-transferred activities	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**

December 2019 (in € thousands, CFE's % share)	DEME	Real estate development and Contracting	Holding and non-transferred activities	Total
Net assets of partners before reconciliation items	67,269	27,263	62,861	157,393
Reconciliation items	10,405	11,607	(21,182)	830
Negative investments accounted for using equity method	6,389	3,041	0	9,430
CFE Group's carrying amount of the investment	**84,063**	**41,911**	**41,679**	**167,653**

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.

16. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets amount to € 89,196 thousand at 31 December 2020, an increase compared to December 2019 (€ 83,913 thousand). They mainly include loans granted to investments accounted for using equity method, i.e. € 81,811 thousand (2019: € 77,216 thousand). In 2019, the decrease in the balance of these non-current financial receivables was mainly explained by the repayments of loans granted to the operating companies of the wind farms Merkur and Rentel. In 2020, the variation is mainly explained 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 € thousands)	2020	2019
Balance at the end of the previous period	**83,913**	**171,687**
Changes in consolidation scope	10,757	0
Increases	16,276	14,371
Decreases and transfers	(21,557)	(102,145)
Impairment / reversals of impairment	0	0
Effects of changes in foreign exchange rates	(193)	0
Balance at the end of the period	**89,196**	**83,913**

17. 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 (M) and (V) 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 23 *Provisions other than those relating to non-current employee benefit obligations.*

(in € thousands)	2020	2019
Balance sheet data		
Advances and payments on account received	(65,034)	(18,663)
Constructions contracts in progress - assets	343,236	307,462
Constructions contracts in progress - liabilities	(210,503)	(222,930)
Construction contracts in progress - net	**132,733**	**84,532**
Total income and expenses to date recognized on contracts in progress		
Costs incurred plus profit recognized less losses recognized to date	6,637,364	6,847,533
Less invoices issued	(6,504,631)	(6,763,001)
Construction contracts in progress - net	**132,733**	**84,532**

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 19 *Evolution of 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 2020 amount to € 3,715 million, of which € 2,384 million should be executed in 2021.

18. INVENTORIES

As at 31 December 2020, inventories amounted to € 184,565 thousand (2019 : € 162,612 thousand) and broke down as follows:

(in € thousands)	2020	2019
Raw materials and auxiliary products	18,071	20,588
Impairments on inventories of raw materials and auxiliary products	(17)	(166)
Finished products and properties held for sale	167,337	142,669
Impairments on inventories of finished products	(826)	(479)
Inventories	**184,565**	**162,612**

The increase in finished products and buildings held for sale (€ 24,668 thousand) is primarily attributable to the acquisition by the Real estate development segment of lands for development, offset in particular by the delivery of several real estate projects in Poland.

19. CHANGE IN TRADE RECEIVABLES AND PAYABLES AND OTHER OPERATING RECEIVABLES AND PAYABLES

(in € thousands)	2020	2019
Trade receivables	526,696	650,653
Less: provision for impairment of receivables	(64,609)	(68,579)
Net trade receivables	462,087	582,074
Other operating receivables	405,673	414,362
Consolidated total	**867,761**	**996,436**
Other current operating assets	**57,454**	**72,681**
Other current non-operating assets	**21,731**	**6,267**
Trade and other operating payables	1,178,012	1,221,466
Other current operating liabilities	192,424	155,601
Other current non-operating liabilities	244,511	258,104
Consolidated total	**1,614,947**	**1,635,171**
Trade and operating liabilities net of receivables	**(668,001)**	**(559,787)**

We refer to note 26.7 for an analysis of the credit and counterparty risk. Trade receivables of entities included in note 17 *Construction contracts* amount to € 459,937 thousand (2019: € 578,991 thousand).

20. CASH AND CASH EQUIVALENTS

(in € thousands)	2020	2019
Short-term bank deposits	15,965	31,105
Cash in hand and at bank	743,730	581,101
Cash and cash equivalents	**759,695**	**612,206**

Short-term bank deposits consist of money placed with financial institutions with an original maturity of less than three months. These deposits are subject to a floating rate interest, which is usually linked to Euribor or Eonia rates with a floor at 0%.

21. CAPITAL GRANTS

The CFE group did not receive any significant capital grants in 2020.

22. 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 2020, the CFE group's net liability relating to obligations for 'post-employment' benefits for pensions and early-retirement amounted to € 76,686 thousand (2019: € 70,269 thousand). These amounts are included in the item "Retirement commitments and employee benefits". This item also includes provisions for other employee benefits for € 3,324 thousand (2019: € 2,950 thousand), mainly relating to the DEME group.

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 (98.7% of obligations) or a self-administered pension fund (1.3% of obligations) unrelated to the CFE group. Obligations under defined-benefit plans break down geographically as follows: 81% in Belgium and 19% in the Netherlands.

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 until year-end 2015, and a minimum return of 1.75% on contributions made after that date. 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 is either the present value of guaranteed future benefits (Netherlands) or 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

(in € thousands)	2020	2019
Provisions taken for defined-benefit and early retirement plan obligations	**(73,362)**	**(67,319)**
Accrued rights, partly or fully funded	(323,083)	(310,971)
Fair value of plan assets	249,721	243,652
Provisions taken for obligations on the balance sheet	**(73,362)**	**(67,319)**
Liabilities	(73,362)	(67,319)
Assets	0	0

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

(in € thousands)	2020	2019
At 1 January	**(67,319)**	**(54,313)**
Expenses recognized in income statement	(17,321)	(14,093)
Expenses recognized in other elements of the comprehensive income	(6,239)	(15,395)
Contributions to plan assets	17,379	16,484
Effects of changes in consolidation scope	0	0
Other movements	138	(2)
At 31 December	**(73,362)**	**(67,319)**

CHARGES RECOGNISED IN INCOME IN RESPECT OF DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

(in € thousands)	2020	2019
Expenses recognized in income statement	**(17,321)**	**(14,093)**
Service cost	(16,814)	(13,233)
Discounting effects	(2,055)	(4,038)
Return on plan assets (-)	1,651	3,260
Unrecognized past service cost	(103)	(81)

CHARGES RECOGNISED IN THE OTHER ELEMENTS OF THE COMPREHENSIVE INCOME IN RESPECT OF DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

(in € thousands)	2020	2019
Expenses recognized in other elements of the comprehensive income	**(6,239)**	**(15,395)**
Actuarial gains and losses	(10,440)	(47,058)
Return on plan assets (excluding amounts recognized in income statement)	4,184	31,663
Effect of changes in foreign exchange rates	17	0

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

(in € thousands)	2020	2019
At 1 January	**(310,971)**	**(255,602)**
Service cost	(16,814)	(13,233)
Discounting effects	(2,055)	(4,122)
Contributions to plan assets	(906)	(692)
Benefits paid to beneficiaries	15,631	10,671
Revaluation of liabilities (assets)	(10,549)	(47,304)
Actuarial gains and losses resulting from changes to demographic assumptions	*0*	*127*
Actuarial gains and losses resulting from changes to financial assumptions	*(5,601)*	*(42,508)*
Actuarial gains and losses resulting from experience adjustments	*(4,948)*	*(4,923)*
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	2,581	(689)
At 31 December	**(323,083)**	**(310,971)**

The item 'Actuarial gains and losses arising from changes in financial assumptions' reflects the impact of the decrease in the discount rate in 2019.

CHANGES IN DEFINED-BENEFIT AND EARLY RETIREMENT PLAN ASSETS

(in € thousands)	2020	2019
At 1 January	**243,652**	**201,289**
Return on plan assets (excluding amounts recognized in income statement)	4,184	31,716
Return on plan assets	1,651	3,344
Contributions to plan assets	18,108	17,063
Benefits paid to beneficiaries	(15,631)	(10,559)
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	(2,243)	799
At 31 December	**249,721**	**243,652**

The item 'Return on plan assets (excluding amounts recognised in the income statement)' is also strongly affected by the drop in the discount rate in 2019.

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

	2020	2019
Discount rate at December 31	0.46%	0.68%
Expected rate of salary increases	3.09%	3.09%
Inflation rate	1.70%	1.70%
Mortality tables	MR/FR	MR/FR

OTHER CHARACTERISTICS OF DEFINED-BENEFIT PLANS

	2020	2019
Duration (in years)	13.29	15.36
Average real return on plan assets	2.39%	17.11%
Contributions expected to be made to the plans in the next financial year	17,133	16,523

The item 'Average real return on plan assets' is mainly affected by the drop in the discount rate in 2019.

SENSITIVITY ANALYSIS (IMPACT ON THE AMOUNT OF OBLIGATIONS)

	2020	2019
Discount rate		
25bp increase	-3.63%	-3.80%
25bp decrease	3.85%	3.90%
Salary growth rate		
25bp increase	1.96%	1.90%
25bp decrease	-1.86%	-1.80%

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

At 31 December 2020, these provisions amounted to € 57,402 thousand, which represents a decrease of € 1,235 thousand compared to the end of 2019 (€ 58,637 thousand).

(in € thousands)	After-sales service	Other current risks	Provisions for negative investments accounted for using equity method	Other non-current risks	Total
Balance at the end of the previous period	**15,166**	**31,057**	**9,430**	**2,984**	**58,637**
Effects of changes in foreign exchange rates	(113)	(169)	0	(43)	(325)
Transfers between items	569	(138)	(158)	(196)	77
Additions to provisions	1,757	9,038	0	1,542	12,337
Used provisions	(1,992)	(11,012)	0	(320)	(13,324)
Provisions reversed unused	0	0	0	0	0
Balance at the end of the period	**15,387**	**28,776**	**9,272**	**3,967**	**57,402**
of which current:					44,163
non-current:					13,239

The provision for after-sales service increased by € 221 thousand and amounts to € 15,387 thousand at the year-end 2020. The change in 2020 was the result of additions to and/or reversals of provisions recognized in relation to 10-year warranties.

Provisions for other current risks decreased by € 2,281 thousand and amount to € 28,776 thousand at the end of 2020.

These provisions include:
- provisions for current litigation (€ 7,005 thousand), provisions for social security liabilities (€ 50 thousand) as well as provisions for other current liabilities (€ 9,159 thousand). As regards other current liabilities, we cannot provide more information on the assumptions made, or on the time of the probable cash outflow, given that negotiations with the customers are in still in progress;
- provisions for losses on completion (€ 12,562 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 CFE 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.

24.CONTINGENT ASSETS AND LIABILITIES

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. DEME is cooperating fully with a judicial inquiry into the circumstances surrounding the award of a contract that has been executed in Russia in the meantime.

As a matter of fact, the public prosecutor's office has been investigating alleged irregularities in the award of a contract to Mordraga, a subsidiary of DEME, since 2016. This contract relates to the execution of dredging work in the port of Sabetta (Russia) in 2014 and 2015. This contract was awarded to Mordraga by a private Russian entrepreneur in the context of a private call for tenders.

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. Both DEME and Dredging International, as well as a member of staff, have requested additional investigative inquiries by the investigating judge in charge of the investigation, claiming that important exculpatory elements deserve to be analysed.

The hearing at the Council Chamber has meanwhile been postponed indefinitely. 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 for a case to be judged on its merits by a competent court.

In the current circumstances and in light of the above, DEME is unable to reliably estimate the financial consequences of this ongoing procedure. Consequently, no provision has been recognised as at 31 December 2020, in accordance with the provisions of IAS 37.

25.NET FINANCIAL DEBT

25.1. NET FINANCIAL DEBT, AS DEFINED BY THE GROUP, BREAKS DOWN AS FOLLOWS :

	2020			2019		
(in € thousands)	Non-current	Current	Total	Non-current	Current	Total
Bank loans and other financial debts	751,194	212,264	963,458	899,236	207,098	1,106,334
Bonds	29,794	0	29,794	29,689	0	29,689
Drawings on credit facilities	81,000	0	81,000	98,000	0	98,000
Lease debts	86,487	27,435	113,922	112,976	36,374	149,350
Total long-term financial debt	**948,475**	**239,699**	**1,188,174**	**1,139,901**	**243,472**	**1,383,373**
Short-term financial debts	0	172,950	172,950	0	26,894	26,894
Cash equivalents	0	(15,965)	(15,965)	0	(31,105)	(31,105)
Cash	0	(743,730)	(743,730)	0	(581,101)	(581,101)
Net short-term financial debt/(cash)	**0**	**(586,745)**	**(586,745)**	**0**	**(585,312)**	**(585,312)**
Total net financial debt	**948,475**	**(347,046)**	**601,429**	**1,139,901**	**(341,840)**	**798,061**
Derivative instruments used as interest-rate hedges	**10,047**	**4,405**	**14,452**	**8,369**	**3,567**	**11,936**

The bank loans and other financial debts (€ 963,458 thousand) mainly relate to medium-term bilateral bank loans at DEME, which are allocated to the financing of the fleet of vessels.

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 (113,922 milliers d'euros) correspond to contracts that meet the application criteria for IFRS 16 Leases. At 31 December 2020, the contribution of the DEME division amounts to € 77,315 thousand, and primarily concerns their concessions, while the Contracting, Real Estate development and Holding & non-transferred activities segments account for € 36,607 thousands.

Short-term financial debts amount to € 172,950 at the end of December 2020, or an increase of € 145,966 thousand compared to end of December 2019. This increase is mainly explained by the issuance of commercial paper amounting to € 125 million at DEME.

25.2. 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	212,264	210,714	178,741	244,044	117,695	0	963,458
Bonds	0	29,794	0	0	0	0	29,794
Drawings on credit facilities	0	0	71,000	10,000	0	0	81,000
Lease debts	27,435	16,552	14,115	18,630	18,983	18,207	113,922
Total long-term financial debt	**239,699**	**257,060**	**263,856**	**272,674**	**136,678**	**18,207**	**1,188,174**
Short-term financial debts	172,950	0	0	0	0	0	172,950
Cash equivalents	(15,965)	0	0	0	0	0	(15,965)
Cash	(743,730)	0	0	0	0	0	(743,730)
Net short-term financial debt/(cash)	**(586,745)**	**0**	**0**	**0**	**0**	**0**	**(586,745)**
Total net financial debt	**(347,046)**	**257,060**	**263,856**	**272,674**	**136,678**	**18,207**	**601,429**

25.3. CASH FLOWS RELATING TO FINANCIAL LIABILITIES

(in € thousands)			Non-cash movements			
	2019	Cash flow	Changes in consolidation scope	Other changes	Total non-cash movements	2020
Non-current financial liabilities						
Bonds	29,689	0	0	105	105	**29,794**
Other non-current financial debts	1,110,212	(217,924)	13,020	13,373	26,393	**918,681**
Current financial liabilities						
Bonds	0	0	0	0	0	**0**
Other current financial debts	270,366	144,202	0	(1,919)	(1,919)	**412,649**
Total	**1,410,267**	**(73,722)**	**13,020**	**11,559**	**24,579**	**1,361,124**

At 31 December 2020, the financial liabilities of the CFE group amounted to € 1,361,124 thousand, or a decrease of € 49,143 thousand relative to 31 December 2019. This decrease in debt, mainly relating to DEME, is explained in particular by a relatively low level of investment compared to previous years, a significant improvement in the working capital requirement, and operating cash flows generated during the financial year.

25.4. CREDIT FACILITIES AND BANK TERM LOANS

As of 31 December 2020, CFE SA has confirmed long-term bank credit lines of € 274 million, of which € 80 million was drawn as at 31 December 2020. CFE SA also has the facility of issuing commercial paper up to an amount of € 50 million. This source of financing was used to an amount of € 45 million on 31 December 2020.

As of 31 December 2020, BPI Real Estate Belgium SA holds confirmed long-term bank credit facilities of € 45 million, of which € 1 million was drawn on 31 December 2020. BPI Real Estate Belgium SA also has the facility of issuing € 40 million worth of commercial paper. An amount of € 25.25 million was drawn from this source of funding as at 31 December 2020.

DEME has confirmed bank credit facilities (revolving credit facilities) of € 156 million, of which € 15 million was drawn as at 31 December 2020. DEME also has the option of issuing commercial paper up to an amount of € 125 million. This source of financing has been fully used on 31 December 2020.

25.5. 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. These covenants are fully complied with as at 31 December 2020.

Ratio name	Formula	Requirement	December 2020	December 2019
CFE SA, consolidated financial statements IFRS				
Solvency ratio	Net financial debt / (Equity - intangible assets - goodwill)	<1.65	0.38	0.53
Interest rate hedge ratio	EBITDA / Cost of debt	>4,0	20.51	47.49
	Non-current financial debt / Property, plant and equipment	<1	0.38	0.44
	Operating cash flow - current portion of non-current financial debt	>7,5	140.1	205.3
CFE SA, statutory financial statements, Belgian accounting standards				
Solvency ratio	Net financial debt / Equity	<1.65	0.11	0.12
Equity	Equity	>61.75 M€	1,168.90	1,188.30
DEME NV, consolidated financial statements IFRS				
Solvency ratio	(Equity, share of the group - intangible assets - goodwill) / (Total assets - intangible assets - deferred tax assets)	>25%	36.30%	35.80%
Debt ratio	Net financial debt / EBITDA	<3,0	1.2	1.53
Interest rate coverage ratio	EBITDA / Cost of debt	>4,0	46.36	269.76
BPI Real Estate Belgium SA, consolidated financial statements IFRS – *Stand Alone*				
Minimum equity	Group equity + Subordinated Debts	>70 M€	110.5	100.1
Solvency ratio	Net financial debt / (Equity + subordinated debts)	<1.65	0.96	0.66

26.FINANCIAL RISK MANAGEMENT

26.1. CAPITAL MANAGEMENT

At year-end 2020, the capital structure of the CFE group is made up of a net debt of € 601,429 thousand (note 25) and of a net equity of € 1,804,948 thousand. Moreover, CFE also has confirmed bank credit facilities (Note 25), 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.

26.2. INTEREST RATE RISK

The interest rate risk management is assured within the group at the level of the four segments.

DEME must arrange for significant financing in the context of its investments in its fleet. The objective is to reach an optimal balance between the financing cost and the volatility of the financial results. DEME uses derivative instruments such as interest rate swaps (IRS) in order to hedge the interest rate risk. These hedging instruments generally equal the same notional amounts and generally have the same maturity dates as the hedged debts. From an accounting point of view, these products will not always be qualified as hedging operations.

Contracting activities are characterised by a cash surplus. Cash management is mainly centralised through the cash pooling.

On the other hand, CFE SA and BPI Real Estate Belgium SA also use derivative instruments (IRS) to hedge the interest rate risk relating to drawings on their confirmed credit lines.

Effective average interest rate before considering derivatives products

Type of debts	Fixed rate			Floating rate			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	76,875	65.89%	1.07%	886,583	92.59%	0.66%	963,458	89.69%	0.70%
Bonds	29,794	25.54%	3.75%	0	0.00%	0.00%	29,794	2.77%	3.75%
Drawings on credit facilities	10,000	8.57%	1.40%	71,000	7.41%	0.73%	81,000	7.54%	0.81%
Total	**116,669**	**100%**	**1.78%**	**957,583**	**100%**	**0.67%**	**1,074,252**	**100%**	**0.79%**

Effective average interest rate after considering derivatives products

Type of debts	Fixed rate			Floating rate			Floating rate capped + inflation			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	877,955	90.63%	1.18%	85,503	81.04%	0.97%	0	0.00%	0.00%	963,458	89.69%	1.16%
Bonds	29,794	3.08%	3.75%	0	0.00%	0.00%	0	0.00%	0.00%	29,794	2.77%	3.75%
Drawings on credit facilities	61,000	6.30%	1.41%	20,000	18.96%	1.13%	0	0.00%	0.00%	81,000	7.54%	1.13%
Total	**968,749**	**100%**	**1.27%**	**105,503**	**100%**	**1.00%**	**0**	**0,00%**	**0.00%**	**1,074,252**	**100%**	**1.23%**

26.3. 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 2020 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.

	31/12/2020			
(in € thousands)	Result		Equity	
	Impact of the sensitivity calculation	Impact of the sensitivity calculation	Impact of the sensitivity calculation	Impact of the sensitivity calculation
	+50bp	-50bp	+50bp	-50bp
Non-current debts (+ portion due in the year) with variable rates after accounting hedge	5,591	(5,591)		
Net short-term financial debt (*)	865	(865)		
Derivatives not qualified as hedge				
Derivatives qualified as highly potential or certain cash flow			2,935	(2,924)

(*) excluding cash at bank and in hand.

26.4. DESCRIPTION OF CASH FLOW HEDGE OPERATIONS

At the closing date, the instruments qualified as cash flow hedges relate to DEME, CFE SA and BPI SA, and have the following characteristics:

				31/12/2020			
(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	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)**

				31/12/2019			
(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	188,884	186,551	476,252	196,278	1,047,965	0	(11,936)
Interest rate options (cap, collar)							
Interest rate derivatives - certain cashflow hedge	**188,884**	**186,551**	**476,252**	**196,278**	**1,047,965**	**0**	**(11,936)**

26.5. EXCHANGE RATE RISKS

NATURE OF THE RISKS TO WHICH THE GROUP IS EXPOSED

With the exception of DEME, the CFE group and its subsidiaries only rarely make use of exchange rate hedging for the Contracting and Real Estate development activities, these markets being mainly located within the euro zone. DEME practices exchange rate hedges in view of the international character of its activity and the execution of transactions in foreign currency. Changes in fair value are recorded as cost of contract if those hedges occur in the context of a construction contract. The main currencies that are used in the CFE group are listed in Note 2.

DISTRIBUTION OF THE LONG TERME FINANCIAL DEBTS BY CURRENCY

The outstanding debts (without considering lease debts which are mainly in euros) by currency are:

(in € thousands)	2020	2019
Euro	1,074,252	1,234,023
U.S. dollar	0	0
Other currencies	0	0
Total long-term debts	**1,074,252**	**1,234,023**

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

31/12/2020			Notional				
	USD	SGD	PLN	TWD	EGP	Other	Total
(in € thousands)	US Dollar	Singapore Dollar	Zlotys	Taiwan Dollar	Egyptian pound		
Forward purchases	18,786	86,626	10,900	126,984	0	10,672	**253,969**
Forward sales	91,081	0	49,754	186,794	30,770	15,190	**373,589**

31/12/2020			Fair value				
	USD	SGD	PLN	TWD	EGP	Other	Total
(in € thousands)	US Dollar	Singapore Dollar	Zlotys	Taiwan Dollar	Egyptian pound		
Forward purchases	(157)	560	16	0	0	(20)	**400**
Forward sales	2,661	0	1,417	999	(426)	1,519	**6,170**

The fair value variation of exchange rate instruments is considered as construction costs. This variation is presented as an operating result.

The CFE group, in particular through its subsidiary DEME, 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 2020 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.

	31/12/2020	
(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	4,210	(3,809)
Net short term financial debt	(1,498)	1,355
Working capital	(573)	519

26.6. 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 and the CFE group sets up, in some cases, hedges against the price of supplies (fuel oil), the risk of price fluctuation of raw materials cannot be completely excluded.

DEME is hedged against fuel oil fluctuations through the purchase of options or forward contracts on fuel. The fair value variation of these instruments is considered as construction costs. This variation is presented as an operating result.

The fair value of these instruments amounts to € (-699) thousand (compared to (-2,468) thousand at year-end 2019.

26.7. 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.

With regard to export, insofar as the country is eligible and the risk can be covered by credit insurance, DEME and CFE regularly cover themselves through competent bodies in this field (Credendo).

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 2020 and 2019 is as follows :

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**

Situation as of December 31, 2019 (in € thousands)	**Closing**	**Not past due**	**< 3 months**	**< 1 year**	**> 1 year**
Trade and other receivables	1,067,249	750,850	95,585	61,796	159,018
Gross total	**1,067,249**	**750,850**	**95,585**	**61,796**	**159,018**
Provision for impairment of trade and other receivables	(70,813)	(111)	0	(377)	(70,325)
Total provisions	**(70,813)**	**(111)**	**0**	**(377)**	**(70,325)**
Total net amounts	**996,436**	**750,739**	**95,585**	**61,419**	**88,693**

The overdue amounts mainly relate to additional works and subsequent contract modifications accepted by the customers, but that are still subject to inclusion in the budget or that are part of a broader negotiation process.

The following table discloses the evolution of the provisions for impairment of trade and other receivables:

(in € thousands)	**2020**	**2019**
Cumulated provisions - opening balance	**(70,813)**	**(44,223)**
Change in consolidation scope	0	152
Impairment losses (reversal/recognized) during the period	4,153	(25,663)
Translation differences and transfers to/from other items	(165)	(1,079)
Cumulated provisions - closing balance	**(66,825)**	**(70,813)**

Following the application of the estimated loss model, as prescribed by the IFRS 9 standard, the receivables of the CFE group due from the Chadian government, which had only been partially written off, were fully written off during financial year 2019 (with the exception of the amounts covered by Credendo).

26.8. LIQUIDITY RISK

DEME, CFE SA and BPI SA were able to negotiate new bilateral credit lines under favourable conditions, allowing them to significantly reduce the liquidity risk.

26.9. CARRYING AMOUNTS AND FAIR VALUE BY ACCOUNTING CATEGORY

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 measure-ment 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**

December 31, 2019 (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 measure-ment by level	Fair value of the class
Non-current financial assets	**0**	**0**	**83,913**	**83,913**		**83,913**
Investments (1)	0	0	6,697	**6,697**	Level 2	**6,697**
Financial loans and receivables (1)	0	0	77,216	**77,216**	Level 2	**77,216**
Derivatives	0	0	0	**0**	Level 2	**0**
Current financial assets	**751**	**0**	**1,608,642**	**1,609,393**		**1,609,393**
Trade and other receivables	0	0	996,436	**996,436**	Level 2	**996,436**
Derivatives	751	0	0	**751**	Level 2	**751**
Cash Equivalents (2)	0	0	31,105	**31,105**	Level 1	**31,105**
Cash at bank and in hand(2)	0	0	581,101	**581,101**	Level 1	**581,101**
Total assets	**751**	**0**	**1,692,555**	**1,693,306**		**1,693,306**
Non-current financial liabilities	**616**	**8,370**	**1,139,901**	**1,148,887**		**1,158,307**
Bond	0	0	29,689	**29,689**	Level 1	**29,689**
Financial debts	0	0	1,110,212	**1,110,212**	Level 2	**1,119,632**
Derivatives	616	8,370	0	**8,986**	Level 2	**8,986**
Current financial liabilities	**3,220**	**6,136**	**1,491,832**	**1,501,188**		**1,503,119**
Trade payables and other operating debts	0	0	1,221,466	**1,221,466**	Level 2	**1,221,466**
Bond	0	0	0	**0**	Level 1	**0**
Financial debts	0	0	270,366	**270,366**	Level 2	**272,297**
Derivatives	3,220	6,136	0	**9,356**	Level 2	**9,356**
Total liabilities	**3,836**	**14,506**	**2,631,733**	**2,650,075**		**2,661,426**

(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 based on the discounted cash flows based on the market interest rates at the closing date.

27. OTHER COMMITMENTS GIVEN

Total commitments given by the CFE group at 31 December 2020, other than real security interests, totalled € 1,566,108 thousand (2019 : € 1,348,770 thousand). These commitments break down as follows:

(in € thousands)	2020	2019
Performance guarantees and performance bonds (a)	1,388,480	1,181,738
Bid bonds (b)	18,144	15,702
Repayment of advance payments (c)	0	840
Retentions (d)	19,724	19,415
Deferred payments to subcontractors and suppliers (e)	37,561	39,005
Other commitments given - including € 55,833 thousand of corporate guarantees at DEME	102,199	92,070
Total	**1,566,108**	**1,348,770**

(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.

28. OTHER COMMITMENTS RECEIVED

Total commitments received by the CFE group for the financial year ending at 31 December 2020 amounted to € 440,094 thousand (2019 : 606,962 thousand), and break down as follows :

(in € thousands)	2020	2019
Performance guarantees and performance bonds	435,733	603,641
Other commitments received	4,361	3,321
Total	**440,094**	**606,962**

29. LITIGATION

The 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.

30. RELATED PARTIES

Ackermans & van Haaren (AvH) owns 15,720,684 CFE shares at 31 December 2020 and is the main shareholder of the CFE group with a stake of 62.10%.

The amounts of the annual fees received by Renaud Bentégeat (Executive Director) for his mandates in subsidiaries of the CFE group, were determined on the basis of his active participation in the Board of Directors of the subsidiaries DEME, Rent-a-Port and BPI, and on the basis of the growth of these companies. In the context of his role as a director until 7 May 2020, he received a fixed and variable remuneration of € 10,940.

Piet Dejonghe, Managing Director, 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 2020.

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.

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; MSQ SRL, represented by Fabien De Jonge, 8822 SRL represented by Yves Weyts, Almacon SRL represented by Manu Coppens, Frédéric Claes SA until 31 August 2020, represented by Frédéric Claes, AHO Consulting SRL as from 1 September 2020, represented by Alexander Hodac, and 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.
- There are no transactions with the companies Trorema SRL, AHO Consulting SRL, Frédéric Claes SA, 8822 SRL, D2C Partners, Artist Valley SA, MSQ SRL and Almacon 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. In 2020, 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):

(in € thousands)	2020	2019
Fixed remuneration	4,184	3,788
Short-term variable remuneration	5,382	5,394
Other benefits	433	379
Total	**9,999**	**9,562**

DEME and CFE SA entered into a service contract with Ackermans van Haaren NV on 26 November 2001. The remuneration due by DEME and CFE SA under this contract amounted to € 1,228 thousand and € 672 thousand in 2020.

As of 31 December 2020, 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 the CFE group has a significant influence or a joint control. These transactions are concluded at arm's length.

In 2020, there were no significant changes in the nature of transactions with associated parties compared to 31 December 2019.

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

(in € thousands)	2020	2019
Assets with related parties	**133,838**	**194,553**
Non-current financial assets	86,576	92,177
Trade and other operating receivables	39,342	95,353
Other current assets	7,920	7,023
Liabilities with related parties	**38,584**	**46,829**
Other non-current liabilities	9,269	1,303
Trade and other operation payables	29,315	45,526

(in € thousands)	2020	2019
Expenses and income with related parties	**320,669**	**453,690**
Revenue and other operating income	337,302	478,432
Purchases and other operating expenses	(22,041)	(35,407)
Financial expenses and income	5,408	10,665

The revenue and other operating income with investments accounted for using equity method decreased mainly at DEME between 2019 and 2020. On the one hand, this can be explained by the sale of Merkur and by the decrease in the volume of the work carried out for the construction of the Rentel and SeaMade wind farms, on the other. The Rentel wind farm started operating at the end of 2018, and the SeaMade wind farm at the end of 2020.

31. STATUTORY AUDITORS' FEES

The remuneration paid to statutory auditors in respect of the whole group in 2020, including CFE SA, amounted to:

(in € thousands)	Deloitte		Others	
	Amount	%	Amount	%
Audit				
Statutory audit, certification and examination of individual company and consolidated accounts	2,003.8	79.65%	874.6	17.83%
Related work and other audits	50.8	2.02%	5.1	0.10%
Subtotal, audit	**2,054.6**	**81.67%**	**879.7**	**17.94%**
Other services				
Legal, tax, employment	194.0	7.71%	1,368.2	27.90%
Others	267.0	10.61%	2,656.0	54.16%
Subtotal, other services	**461.0**	**18.33%**	**4,024.2**	**82.06%**
Total statutory auditors' fees	**2,515.6**	**100%**	**4,903.9**	**100%**

32.MATERIAL POST-BALANCE SHEET EVENTS

There are no significant changes to be reported in the financial and commercial situation of the CFE group as of 31 December 2020.

33. COMPANIES OWNED BY THE CFE GROUP

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			
ANMECO NV	Zwijndrecht	Contracting	100%
ARTHUR VANDENDORPE NV	Zedelgem	Contracting	100%
BATIMENTS ET PONTS CONSTRUCTION SA	Brussels	Contracting	100%
DESIGN & ENGINEERING SA	Brussels	Contracting	100%
BENELMAT SA	Gembloux	Contracting	100%
BRANTEGEM NV	Alost	Contracting	100%
BPC WALLONIE SA	Grâce-Hollogne	Contracting	100%
CFE CONTRACTING SA	Brussels	Contracting	100%
GROEP TERRYN NV	Moorslede	Contracting	100%
HOFKOUTER NV	Zwijndrecht	Contracting	100%
MBG NV	Wilrijk	Contracting	100%
MOBIX COGHE NV	Halen	Contracting	100%
MOBIX ENGEMA SA	Brussels	Contracting	100%
MOBIX ENGETEC SA	Manage	Contracting	100%
MOBIX REMACOM NV	Lochristi	Contracting	100%
MOBIX STEVENS NV	Halen	Contracting	100%
PROCOOL SA	Gosselies	Contracting	100%
VANLAERE NV	Zwijndrecht	Contracting	100%
VMA NV	Sint-Martens-Latem	Contracting	100%
VMA DRUART SA	Gosselies	Contracting	100%
VMA BE.MAINTENANCE SA	Brussels	Contracting	100%
VMA FOOD & PHARMA NV	Sint-Martens-Latem	Contracting	100%
VMA NIZET SA	Louvain-la-Neuve	Contracting	100%
VMA WEST NV	Waregem	Contracting	100%
WEFIMA NV	Zwijndrecht	Contracting	100%
AGROVIRO NV	Zwijndrecht	DEME	74.90%
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 CONTRACTORS 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 CONCESSIONS INFRASTRUCTURE 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	Gosselies	DEME	74.90%
EKOSTO NV	Sint-Gillis-Waas	DEME	74.90%
FILTERRES SA	Gosselies	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	Milmort	DEME	72.50%
G-TEC SA	Milmort	DEME	72.50%
HIGH WIND NV	Zwijndrecht	DEME	99.10%

LOGIMARINE SA	Berchem	DEME	100%
PURAZUR NV	Zwijndrecht	DEME	74.90%
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%
SAMAYA DEVELOPMENT SA	Brussels	Real Estate	100%
WOLIMMO SA	Brussels	Real Estate	100%
ZEN FACTORY SA	Brussels	Real Estate	100%
WOOD SHAPERS SA	Brussels	Contracting/ Real Estate	100%
Cyprus			
BELLSEA LTD	Nicosia	DEME	100%
DEME CYPRUS LTD	Nicosia	DEME	100%
DEME SHIPPING COMPANY 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%
MIDDLE EAST MARINE CONTRACTING LTD (MEMC)	Nicosia	DEME	100%
NOVADEAL LTD	Nicosia	DEME	100%
TCMC THE CHANNEL MANAGEMENT COMPANY LTD	Nicosia	DEME	100%
CONTRACTORS OVERSEAS LTD	Nicosia	Holding	100%
France			
G-TEC SAS	Lambersart	DEME	72.50%
DEME OFFSHORE FR SAS	Lambersart	DEME	100%
SOCIETE DE DRAGAGE INTERNATIONAL SA	Lambersart	DEME	100%
FRANCO-BELGE DE CONSTRUCTIONS INTERNATIONALES SAS	Paris	Holding	100%
United Kingdom			
VMA MIDLANDS LTD	Yorkshire	Contracting	100%
DEME BUILDING MATERIALS LTD	Weybridge, Surrey	DEME	100%
NEWWAVES SOLUTIONS LTD	Weybridge, Surrey	DEME	100%
SPT OFFSHORE UK LTD	Manchester	DEME	100%
Grand Duchy of Luxembourg			
COMPAGNIE LUXEMBOURGEOISE D'ENTREPRISES CLE SA	Strassen	Contracting	100%
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%
DREDGING INTERNATIONAL LUXEMBOURG SA	Luxembourg	DEME	100%
DEME OFFSHORE LU SA	Luxembourg	DEME	100%
DEME OFFSHORE PROCUREMENT & SHIPPING LU SA	Luxembourg	DEME	100%
MARITIME SERVICES AND SOLUTIONS SA	Luxembourg	DEME	100%
MEUSE RIVER SHIPPING SA	Luxembourg	DEME	100%
SAFINDI SA	Luxembourg	DEME	100%
SAFINDI RE SA	Luxembourg	DEME	100%
SOCIETE DE DRAGAGE LUXEMBOURG SA	Luxembourg	DEME	100%
SOCIETE FINANCIERE D'ENTREPRISES SFE SA	Strassen	Holding	100%
BPI REAL ESTATE LUXEMBOURG SA	Strassen	Real Estate	100%
CENTRAL PARC S.à R.L.	Luxembourg	Real Estate	100%
HERRENBERG SA	Grevenmacher	Real Estate	100%
POURPELT SA	Strassen	Real Estate	100%
PRINCE HENRI S.à R.L.	Strassen	Real Estate	100%
IMMO-BECHEL CLE SARL	Strassen	Contracting/ Real Estate	100%
WOOD SHAPERS LUXEMBOURG SA	Strassen	Contracting/ Real Estate	100%
Netherlands			
AANNEMINGSMAATSCHAPPIJ DE VRIES & VAN DE WIEL BV	Amsterdam	DEME	74.90%
DEME BUILDING MATERIALS BV	Vlissingen	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	72.50%
MILIEUTECHNIEK DE VRIES & VAN DE WIEL BV	Amsterdam	DEME	74.90%
SEATEC HOLDING BV	Woerden	DEME	100%
SEATEC SUBSEA SYSTEMS BV	Zierikzee	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%
Poland			
CFE POLSKA SP. Z O.O.	Warsaw	Contracting	100%
VMA POLSKA SP. Z O.O.	Warsaw	Contracting	100%
BPI BERNADOWO SP. Z O.O.	Warsaw	Real Estate	100%
BPI PROJECT II SP. Z O.O.	Warsaw	Real Estate	100%
BPI PROJECT III SP. Z O.O.	Warsaw	Real Estate	100%
BPI WAGROWSKA SP. Z O.O.	Warsaw	Real Estate	100%
BPI PROJECT V SP. Z O.O.	Warsaw	Real Estate	100%
BPI PROJECT VI SP. Z O.O.	Warsaw	Real Estate	100%
BPI PROJECT VII 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%
IMMO WOLA SP. Z O.O.	Warsaw	Real Estate	100%
Other European countries			
VMA SLOVAKIA SRO	Trencin, Slovakia	Contracting	100%
DEME OFFSHORE DK A/S	Fredericia, Denmark	DEME	100%
DREDGING INTERNATIONAL ESPANA SA	Madrid, Spain	DEME	100%
NAVIERA LIVING STONE SLU	Alicante, Spain	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%
SOCIETA ITALIANA DRAGAGGI SPA	Rome, Italy	DEME	100%
CFE CONTRACTING AND ENGINEERING SRL	Bucarest, Romania	Holding	100%
CFE HUNGARY EPITOIPARI KFT	Budapest, Hungary	Holding	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%
Chad			
CFE TCHAD SA	Ndjamena	Holding	100%
Tunisia			
COMPAGNIE TUNISIENNE D'ENTREPRISES SA	Tunis	Contracting	100%
CONSTRUCTION MANAGEMENT TUNISIE SA	Tunis	Holding	99.96%
Other African countries			
CFE SENEGAL SASU	Dakar, Senegal	Contracting	100%
DRAGAMOZ LDA	Maputo, Mozambique	DEME	100%
MASCARENES DREDGING & MANAGEMENT LTD	Ebene, Mauritius	DEME	100%
DREDGING INTERNATIONAL SOUTH AFRICA PTY LTD	Durban, South Africa	DEME	100%
ASIA			
India			
DREDGING INTERNATIONAL INDIA PVT LTD	New Delhi	DEME	99.97%
INTERNATIONAL SEAPORT DREDGING PVT LTD	Chennai	DEME	93.64%

Other Asian countries			
DREDGING INTERNATIONAL SAUDI ARABIA LTD	Saudi Arabia	DEME	100%
DREDGING INTERNATIONAL BAHRAIN WLL	Bahrain	DEME	95%
DIAP THAILAND CO LTD	Bangkok, Thailand	DEME	98%
DREDGING INTERNATIONAL RAK FZ LLC	United Arab Emirates	DEME	100%
DREDGING INTERNATIONAL SERVICES MIDDLE EAST DMCEST	United Arab Emirates	DEME	100%
FAR EAST DREDGING LTD	Hong Kong	DEME	100%
PT DREDGING INTERNATIONAL INDONESIA	Jakarta, Indonesia	DEME	60%
DREDGING INTERNATIONAL MALAYSIA SDN BHD	Kuala Lumpur, Malaysia	DEME	100%
SPT OFFSHORE SDN BHD	Kuala Lumpur, Malaysia	DEME	100%
MIDDLE EAST DREDGING COMPANY QSC (MEDCO)	Qatar	DEME	95%
DREDGING INTERNATIONAL MANAGEMENT CONSULTING SHANGHAI LTD	Shanghai, China	DEME	100%
DREDGING INTERNATIONAL ASIA PACIFIC PTE LTD (DIAP)	Singapore	DEME	100%
AMERICA			
United States			
VMA US INC	South Carolina	Contracting	100%
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%
Canada			
DEME OFFSHORE CA LTD	Halifax	DEME	100%
Other American countries			
DREDGING INTERNATIONAL ARGENTINA SA	Argentina	DEME	100%
DREDGING INTERNATIONAL MEXICO SA DE CV	Mexico	DEME	100%
LOGIMARINE SA DE CV	Mexico	DEME	100%
CORPORACION ARENERA MARINA SA	Panama	DEME	100%
DREDGING INTERNATIONAL DE PANAMA SA	Panama	DEME	100%
SERVICIOS MARITIMOS SERVIMAR SA	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%

LIST OF THE MAIN ENTITIES ACCOUNTED FOR USING EQUITY METHOD

NAME	HEAD OFFICE	SEGMENT	GROUP INTEREST (%)
EUROPE			
Belgium			
LUWA SA	Wierde	Contracting	12.00%
LUWA MAINTENANCE SA	Wierde	Contracting	25.00%
LIGHTHOUSE PARKING NV	Gent	Contracting	33.33%
BLUECHEM BUILDING NV	Gent	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	Gosselies	DEME	37.45%
CONSORTIUM ANTWERP PORT (OMAN) NV	Zwijndrecht	DEME	60.00%
CONSORTIUM ANTWERP PORT INDUSTRIAL PORT LAND NV	Zwijndrecht	DEME	50.00%
C-POWER NV	Ostend	DEME	6.46%
C-POWER HOLDCO NV	Zwijndrecht	DEME	10%
FELUY M2M SA	Gosselies	DEME	19.47%
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%
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	Louvain	Real Estate	40%
BAVIERE DEVELOPPEMENT SA	Liege	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	Liege	Real Estate	30%
FONCIERE DE BAVIERE A SA	Liege	Real Estate	30%
FONCIERE DE BAVIERE C SA	Liege	Real Estate	30%
GOODWAYS SA	Antwerp	Real Estate	50%
GRAND POSTE SA	Liege	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	Gent	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%
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%
Grand Duchy of Luxembourg			
NORMALUX MARITIME SA	Luxembourg	DEME	37.50%
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%
LIVINGSTONE RETAIL S.à R.L.	Luxembourg	Real Estate	33.33%
WOODEN SA	Howald	Real Estate	50%
United Kingdom			
BNS JV LTD	Camberley, Surrey	DEME	50%
WEST ISLAY TIDAL ENERGY PARK LTD	Glasgow, Scotland	DEME	35%

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%
Poland			
VMA RROBOTICS SP. Z O.O.	Sosnowiec	Contracting	51%
IMMOMAX S.P. Z O.O.	Warsaw	Real Estate	47%
Other European countries			
EARTH MOVING WORLDWIDE LTD	Nicosia, Cyprus	DEME	50%
MORDRAGA LLC	Saint-Petersburg, Russia	DEME	40%
AFRICA			
Morocco			
HYDROGEO SARL	Rabat	DEME	43.50%
Tunisia			
BIZERTE CAP 3000 SA and its subsidiary	Tunis	Holding	20%
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			
CSBC DEME WIND ENGINEERING CO LTD	Taipee, Taiwan	DEME	49.99%
COMBINE MARINE TERMINAL OPERATIONS MARAFI LLC	Oman	DEME	37.68%
GUANGZHOU COSCOCS DEME NEW ENERGY ENGINEERING CO LTD	Guangzhou, China	DEME	50%
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%
DUQM INDUSTRIAL LAND COMPANY LLC	Oman	DEME	27.55%
JV KPC-TDI CO LTD	Bangkok, Thailand	DEME	49%
GULF EARTH MOVING QATAR WLL	Qatar	DEME	50%
PORT OF DUQM COMPANY SAOC	Oman	DEME	30%
EARTH MOVING MIDDLE EAST CONTRACTING DMCEST	United Arab Emirates	DEME	50%

All subsidiaries have 31 December as their reporting date, with the exception of Lighthouse Parking (30 June) and the DEME subsidiaries operating in India (31 March).

The CFE Group also works with partnerships in joint ventures set up in Belgium or in foreign countries for the execution of projects. Joint ventures, commonly used as special purpose vehicle in the dredging and construction sector, are not listed here.

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 (in € thousands)	**December 2020**	**December 2019**
Non-current bonds	29,794	29,689
+ Non-current financial liabilities	918,681	1,110,212
+ Current bonds	0	0
+ Current financial liabilities	412,649	270,366
Financial liabilities	**1,361,124**	**1,410,267**
- Cash and cash equivalents	(759,695)	(612,206)
Cash and cash equivalents	**(759,695)**	**(612,206)**
Consolidated net financial debt	**601,429**	**798,061**

EBITDA (in € thousands)	**December 2020**	**December 2019**
Income from operating activities	**87,253**	**143,615**
Depreciation and amortisation of intangible assets, property, plant and equipment and investment property	324,439	318,672
(Decrease)/Increase of provisions	(1,235)	(30,587)
Impairment on assets and other non-cash items	4,258	19,524
Non-cash items	**327,462**	**307,609**
Consolidated EBITDA	**414,715**	**451,224**

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

Capital employed (in € thousands)	**December 2020**	**December 2019**
Equity - real estate segment	**85,532**	**76,296**
Non-current borrowings from consolidated companies of the group (*)	*20,000*	*21,800*
+ Non-current bonds	29,794	29,689
+ Non-current financial liabilities	42,701	13,378
+ Current bonds	0	0
+ Current financial liabilities	17,488	14,382
+ Internal cash position - Cash pooling - liabilities (*)	*3,376*	*4,698*
Financial liabilities	**113,359**	**83,947**
- Non-current loans to consolidated companies of the group (*)	*0*	*0*
- Cash and cash equivalents	(5,707)	(6,411)
- Internal cash position - Cash pooling - assets (*)	*(1,457)*	*(11,167)*
Cash and cash equivalents	**(7,164)**	**(17,578)**
Net financial debt - real estate segment	**106,195**	**66,369**
Capital employed	**191,727**	**142,665**

(*) These accounts relate to the cash positions with regard to group entities belonging to other group segments (mainly CFE SA).

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

Nom :	Fabien De Jonge	Piet Dejonghe
Fonction :	Directeur financier et administratif.	Administrateur délégué.

Date : 22 March 2021

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.”

STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING OF COMPAGNIE D'ENTREPRISES CFE SA/NV FOR THE YEAR ENDED 31 DECEMBER 2020 – CONSOLIDATED FINANCIAL STATEMENTS

In the context of the statutory audit of the consolidated financial statements of Compagnie d'Entreprises CFE SA/NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 2 May 2019, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration"). Our mandate expires on the date of the shareholders' meeting deliberating on the annual accounts for the year ending 31 December 2020, in view of Article 41 of EU Regulation nr. 537/2014 that states that as from 17 June 2020, an audit mandate can no longer be prolonged for those audit mandates running 20 years or more at the date of entry into force of the regulation. We have performed the statutory audit of the consolidated financial statements of Compagnie d'Entreprises CFE SA/NV for 31 consecutive periods.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 5 137 483 (000) EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 39 877 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2020 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current 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 we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition and contract accounting (Contracting and Dredging & Environment segment)	
• For the majority of its contracts, 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 relation to the forecast total costs on each contract. Cost contingencies may also be included in these estimates to take account of specific uncertain risks, or disputed claims against the group, arising within each contract. The revenue on contracts may also include variations and claims, which are recognized on a contract-by-contract basis when the additional contract revenue can be measured reliably. • This 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. Therefor there is a high degree of risk and associated management judgement in estimating the amount of revenue and associated profit (recognized based on percentage of completion) or loss (recognized in full) by the group up to the balance sheet date and changes to these estimates could give rise to material variances. • Contract accounting for the group also involves a significant accounting analysis when it comes to bundling or unbundling of contract. The (un)bundling of one or multiple contracts can significantly impact the revenues and results recognized in the accounting period. • **Reference to disclosures :** • The methodology applied in recognizing revenue and contract accounting is set out in Note 2 (Significant accounting policies) of the consolidated financial statements. In addition, we refer to Note 17 of the consolidated	• Project review: using a variety of quantitative and qualitative criteria we selected a sample of contracts to challenge the most significant and complex contract estimates. We gained an understanding of the current condition and history of the project and challenged the judgements inherent to these projects with senior executive and financial management. Additionally, we analyzed differences with prior project estimates and assessed consistency with the developments during the year. • We determined the proper calculation of the percentage of completion and the related revenue and margin recognized for a selection of projects. We have obtained an understanding of the procedures relating to accounting for costs to complete the project and considered design and implementation of the related controls and processes. • Historical comparisons: evaluating the financial performance of contracts against budget and historical trends. • Site visits: completing site visits to certain higher risk or larger value contracts, observation of the stage of completion of individual projects and identifying areas of complexity through discussion with site personnel. • Benchmarking assumptions: challenging the group's judgement in respect of forecast contract out-turn, contingencies, settlements, and the recoverability of contract balances via agreement to third party certifications and confirmations and with reference to our own assessments and to historical outcomes. • Customer correspondence scrutiny: analyzing correspondence with customers around variations and claims and considering whether this information is consistent with the estimates made by the group.

financial statements relating to construction and service contracts.	• Inspecting selected contracts for key clauses: identifying relevant contractual mechanisms impacting the (un)bundling of contracts, and others such as delay penalties, bonuses or success fees and assessing whether these key clauses have been appropriately reflected in the amounts recognized in the financial statements.
Uncertain tax positions (Dredging & Environment segment)	
• DEME operates in a range of countries subject to different tax regimes. The taxation of the operations can be subject to judgements and might result in disputes with local tax authorities. If management considers it probable that such disputes will lead to an outflow of resources, accruals have been recorded accordingly. Therefore there is a high degree of risk and associated management judgement in estimating the amount of accruals for uncertain tax positions to be recognized by the group up to the balance sheet date and changes to these estimates could give rise to material variances. • **Reference to disclosures** • Refer to Note 2 (Significant accounting policies) and Note 10 (Income tax).	• In order to audit the adequacy of the recorded tax accrual, our audit procedures included an analysis of the estimated probability of the tax risk, of management's estimate of the potential outflows and a review of the supporting documentation. • Involvement of experts: we involved tax specialists to review the assumptions supporting the estimates and to challenge the appropriateness of these assumptions in view of local tax regulations. • We have obtained an understanding of the procedures relating to accounting for (deferred) taxes and considered design and implementation of the related controls and processes. • Assessing the appropriateness of the disclosures relating to (deferred) taxes in the group's consolidated financial statements.
Revenue recognition and valuation of inventories (Real Estate Development Segment)	
• 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, 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. • 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. Therefore, there is a high degree of risk associated with estimating the amount of revenue and associated profit to be recognized by the group up to the balance sheet date and changes to these estimates could give rise to material variances. • **Reference to disclosures :** • Refer to note 2 (Significant accounting policies) and note 18 (inventories).	• A sample of project developments have been tested by verifying the costs incurred to date, relating to land and work in progress as well as recalculating the percentage of completion at the balance sheet date. A selection of these schemes have been reviewed with a sample of costs agreed to third party surveyors' certificates, total sales values agreed to contracts, and the accuracy of the recognition formula has been verified. • 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. • Evaluating the financial performance of specific projects against budget and historical trends, specifically in view of assessing the reasonableness of the costs to complete.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 statutory 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 the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst 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.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, 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 law or regulation precludes any public disclosure about the matter.

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 directors' report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.
In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

The non-financial information as required by article 3:32, § 2 of the Code of companies and associations, has been disclosed in a separate report, attached to the directors' report on the consolidated financial statements. This statement on non-financial information includes all the information required by article 3:32, § 2 of the Code of companies and associations and is in accordance with the consolidated financial statements for the financial year then ended. The non-financial information has been established by the company in accordance with the Global Reporting Initiative ("GRI") reporting framework. In accordance with article 3:75, § 1, 6° of the Code of companies and associations we do not express any opinion on the question whether this non-financial information has been established in accordance with the Global Reporting Initiative ("GRI") reporting framework mentioned in the directors' report on the consolidated financial statements.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014

Signed at Zaventem.

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises
CVBA/SCRL
Represented by Rik Neckebroeck

III. PARENT-COMPANY FINANCIAL STATEMENTS

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

Year ended December 31 (in € thousands)	2020	2019
Start-up costs	**0**	**0**
Non-current assets	**1,335,220**	**1,336,844**
Intangible assets	92	46
Property, plant and equipment	987	1,218
Financial assets	1,334,141	1,335,580
- Related parties	1,334,124	1,335,553
- Other	17	27
Current assets	**97,005**	**102,122**
Receivables at more than 1 year	0	0
Inventories and work in progress	6,013	4,242
Receivables at up to 1 year	31,033	35,053
- Trade receivables	23,899	25,370
- Other receivables	7,134	9,683
Cash investments	0	0
Cash equivalents	59,256	62,529
Prepaid expenses	703	298
Total assets	**1,432,225**	**1,438,966**
Equity	**1,168,944**	**1,188,337**
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)	38,910	58,303
Provisions and deferred taxes	**12,197**	**11,544**
Liabilities	**251,084**	**239,085**
Non-current liabilities	115,248	125,248
Current liabilities	135,467	113,585
- Financial debt	10,792	10,000
- Trade payables	9,341	12,617
- Tax liabilities, social liabilities and down payments on orders	4,867	4,178
- Other payables	110,467	86,790
Prepaid income	369	252
Total equity and liabilities	**1,432,225**	**1,438,966**

Year ended December 31 (in € thousands)	2020	2019
RESULT		
Sales of goods and services	32,074	32,271
Costs of goods sold and services provided	(37,145)	43,532
- Merchandise	(23,215)	(24,440)
- Services and other goods	(8,609)	(7,522)
- Remuneration and social security payments	(3,965)	(4,799)
- Depreciation, amortisation, impairment and provisions	(986)	81,174
- Other	(370)	(881)
Operating income	**(5,071)**	**75,803**
Financial income	21,808	70,948
Financial expenses	(10,739)	(99,608)
Result before tax	**5,998**	**47,143**
Tax (current and adjustments)	(77)	(110)
Result for the period	**5,921**	**47,033**
APPOPRIATION OF INCOME		
Result for the period	5,921	47,033
Retained earnings from previous period	58,303	11,270
Dividend	(25,314)	0
Available reserves	0	0
Legal reserve	0	0
Retained earnings carried forward	38,910	58,303

ANALYSIS OF STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME

The non-current assets primarily consist of the stakes in DEME, CFE Contracting and BPI.

The non-current financial liabilities include € 80 million drawn down on the confirmed bilateral credit lines, and € 35 million medium-term treasury notes. CFE also used its commercial paper program for an amount of € 10 million.

The Brussels-South wastewater treatment plant project represents a substantial part of the revenue for the year.

In 2019, the liquidation of several international entities translated into a reversal of provisions in operating income and an equivalent non-recurring financial expense.

The financial income decreased sharply in 2020 due to the fact that DEME paid no dividend for 2019. CFE Contracting, BPI and Green Offshore, on the other hand, paid dividends to CFE SA worth € 9 million, € 3.5 million and € 4.15 million respectively.

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 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).

COLOPHON

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LuWa
Neutelings Riedijk
Philippe van Gelooven
Tom D'Haenens
YouthStart
51N4E

CONCEPT AND REALISATION:

Brandelicious/Anne Thys - anne.thys@brandelicious.be
Make/Paul Thomas – www.makecontact.nl

This annual report is available in Dutch, French and English.
In case of differences, the French version prevails.