



cfe

CHANGING
FOR GOOD

ANNUAL REPORT 2023



Annual report 2023

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

This report includes:

- the combined statutory and consolidated annual report of the Board of Directors, drawn up in accordance with Article 3:32§1, last paragraph, of the Code of Companies and Associations (CSA),
- a condensed version of the statutory financial statements, drawn up in accordance with Article 3:17 of the CSA, 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 CSA. The statutory auditor has issued an unqualified opinion on the statutory and consolidated financial statements.

Pursuant to Article 12, §2, 3° of the Royal Decree of 14 November 2007, Trorema SRL, represented by Raymund Trost, CEO and Chairman of the Executive

Committee, and MSQ SRL, represented by Fabien De Jonge, CFO, 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 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 CFE and of the companies included in its scope of consolidation, along with a description of the main risks and uncertainties to which they are exposed;

The annual report, the full versions of the statutory and consolidated financial statements, and the statutory auditor's report on those financial statements are available on the website (www.cfe.be) or can be obtained free of charge and on request at this address: avenue Edmond Van Nieuwenhuyse 30 - 1160 Brussels (Belgium) - Tel. +32 2 661 18 15 - info@cfe.be.



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Shareholder information

Financial calendar

- 2 May 2024: ordinary shareholders meeting
- 22 May 2024: trading update of 31 March 2024
- 29 August 2024: half-year results 2024
- 22 November 2024: trading update of 30 September 2024

Proposed dividend

It will be proposed to the Ordinary General Meeting of 2 May 2024 to approve the profit appropriation with regard to the financial year 2023, or a gross amount of € 0.40 per CFE share, corresponding to € 0.28 net per share (after deduction of 30% withholding tax).

This dividend shall be payable from 23 May 2024, 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
- On-line subscription to receive investor information (notices of publications, press releases, etc.)

Profile of the CFE Group

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

CFE aims to play a leading role in these key markets by challenging the status quo and changing anything that needs to be changed for future generations. The Group has therefore placed innovation, sustainability and safety at the heart of its business. CFE's ambition is to bring people, skills, materials and technology together in a community of "changing for good". This focus has enabled the Group to assume a pioneering role in the use of sustainable building materials, large-scale renovation, advanced energy management and other high value areas for society. CFE has been recognised as a top ESG company by Sustainalytics.

CFE's strategy is expressed under the acronym "SPARC", which serves as a compass for the Group's entities. It guides the Shift towards innovation and sustainability, the desire to Perform and achieve operational excellence, to Accelerate its growth through an integrated approach, to create value and a Return for all stakeholders, as well as a genuine Community as agents of change both inside and outside the organisation.



Message from the Chairman and CEO

CFE is well positioned in the net-zero transition

In this discussion, Raymund Trost and Luc Bertrand, CEO and Chairman of the Board of Directors of CFE, respectively, reflect on the past year and what lies ahead for the CFE Group.

Safety: Go for Zero

Raymund Trost: "Let's start with safety. We start every major meeting with our safety dashboard to keep it top of mind. So, let's do likewise here.

Last year, we further improved our **accident severity and frequency rates**. This is the merit of everyone, I am very grateful for all the colleagues who pay closer attention to the safety of their team members and themselves. At the same time, we are convinced we can and must do better. We conducted a **safety culture survey** which showed that still too often accidents are seen as an unavoidable part of the job. This we will change. We will **'Go for Zero'** – our new safety motto – and mobilize the whole



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



organization towards this ambitious goal. I want CFE to lead in safety.”

Top ESG company (again) and Top Employer

Luc Bertrand: “Over the years we have developed a strong strategy for the Group based on the ESG standards and it’s delivering results: in 2023 the **taxonomy-aligned business** increased from 13,6% to 20,0%, and the Group is well on track for its 2030 reduction targets for CO2 and waste. Being named a Top ESG company was well deserved, in my opinion. This is exactly what CFE is all about: to change what needs to be changed, to look holistically at what it means to run a good business.”

Raymund Trost: “Receiving the **Top ESG label** was indeed a great recognition of our work. I have always firmly believed that People, Planet and Profit can and should go hand in hand to create long term value. People make CFE successful. Therefore, I was at least as proud when we also received the **Top Employer** certification. It is a true recognition of our world-class HR practices. Key strengths identified in the report were our focus on learning and development – last year our people completed more than 15,000 training courses in the **CFE Academy** – and how we engage the whole organization in our purpose and strategy. This certification confirms that CFE is a community where people can flourish and contribute to positive change. That’s a great foundation that I look forward to further strengthen in the coming years.”

Strong projects in all core markets

Raymund Trost: “In terms of making a positive change, I want to thank all our people for their hard work last year – they truly rose to the challenge. We successfully delivered **strong projects that challenged the status quo in all three of our core markets** of sustainable buildings, smart industries, and infrastructure for tomorrow’s energy and mobility. Three markets that are right in the core of the net-zero transition.

We are particularly proud of the flagship **sustainable buildings** we delivered in 2023, combining the best of what we have to offer within the Group: real estate development knowhow, bio-based materials, circular and renovation techniques, our VMANAGER smart building technology, and our building maintenance offering.”

Sustainable buildings

Raymund Trost: “I am proud to see CFE walk the talk with multiple of its companies creating their own new headquarters with bio-based materials and state of the art energy criteria. There is Wood Hub, home to CFE and multiple of its business units, which is setting a record in terms of sustainability and energy efficiency but also the wellbeing of the people using it. Then there are also the Luxembourg teams which moved into the Wooden building last year, one of the largest wooden office buildings in the country, Van Laere which built its own wood-based headquarters near Antwerp, and VMA which has made its new headquarters into a showcase of everything that is possible in terms of energy



“We have built a solid strategy for CFE over the years with an ambitious ESG roadmap, diversified revenue streams, and leadership positions in three core markets.”

Luc Bertrand



“We are moving ahead with confidence. CFE is well positioned in the net-zero transition and we have built strong partnerships with our clients, helping them with total solutions for complex challenges.”

Raymund Trost

efficiency with the VMANAGER platform. I am convinced CFE inspires the market that this is the future of sustainable living and working.

Also in the **renovation** market we are building extensive expertise. We recently delivered the first phase of the Zin in Noord building which is the largest circular principle-based building of its kind in the Benelux. But also, buildings such as Kanal-Centre Pompidou, Usquare and Chancelier in Brussels, Howest and the Military Hospital in Bruges, the American School in Warsaw, and so many more, are solidly positioning us as an expert in efficient large scale renovations.

A key element in many of these projects is our **VMANAGER** smart building platform. We are currently expanding the capabilities to include smart EV charging and predictive maintenance. Our aim is to develop an integrated solution for clients to drastically reduce the total cost of ownership of their buildings and by doing so increase their value.

We said we wanted to change for good how people live and work. Our collection of flagship **residential** developments sets a high standard for how people can live, and cities of tomorrow should function. Noteworthy is also the large number of **hospitals and care facilities** we have delivered over the years. The combination of our construction and building technology teams offers clients a total solution for the typically very complex projects in this sector.”

Smart industries

Raymund Trost: “We also continued strengthening our track record with **industrial** clients. Some flagship projects are the ethane cracker we are building for Ineos’ Project One in Antwerp, the battery factories we built in Poland for leading manufacturers, and the new Topaspark logistics center we built in Berlin, a first project in Germany by our Polish team.

But there is of course also VMA’s **industrial automation** team working on production lines for long-time clients and leading brands in the **automotive** sector such as JLR, Volvo, VW, Scania and Ford. With production lines for Enough Foods, Innocent Drinks, Indaver, Daikin and Astra Sweets VMA is rapidly gaining traction in the **processing** industry.”

Luc Bertrand: “The **industrial land zones in Vietnam** which are developed by Deep C Holding, in which CFE holds 50% of the shares, had a record year with 127 hectares sold and a very solid contribution to CFE’s results. Deep C’s outstanding geographic position and Vietnam’s dynamic market hold a lot of promise for the coming years.”

Infrastructure for tomorrow’s energy & mobility

Raymund Trost: “MOBIX continues building a strong track record in **rail infrastructure**. The team further deployed the ETCS II technology for automated train operations and constructed the catenary



infrastructure on the Ghent–Ostend connection. Infrabel’s 10-year investment plan should provide a solid activity level for years to come. MOBIX’s **energy infrastructure** work included the finalization of the LED lighting on Walloon highways for the LuWa project and lighting & signage installation on the taxiways of Brussels Airport. This diversification towards new clients will continue in 2024 with multiple contracts being negotiated for the installation of energy infrastructure and services.

Luc Bertrand: “CFE’s investments in green energy infrastructure continued to pay off in 2023. Green Offshore’s **wind energy** park benefited from favorable weather conditions and registered a record production. BSTOR’s 10mW **battery park** delivered solid results again and will see its capacity increased with an extra 150mW in the coming years.”

Resilient in a challenging context

Luc Bertrand: “CFE is robust with its multidisciplinary model and diversified revenue streams. We chose very consciously for this model because it allows CFE to combine its activities for total solutions, but also because it makes the Group resilient in a challenging context.”

Raymund Trost: “We delivered overall solid results in 2023, with a significant increase of our revenues and a net result that suffered from the current economic context and also from operational issues on a limited number of projects.

Our **Real Estate** segment maintained consistent positive results with a Return on Equity close to 10% despite the significant market slowdown, and our **Investments** segment delivered record results in 2023. Our **Multitechnics** segment is well positioned with strong underlying trends in the

net-zero transition and the rapid digitalization and automation of the industry segment. Its underlying solid results were overshadowed by operational issues on two large projects. Likewise for our **Construction & Renovation** segment. We had strong activity levels and outstanding cash generation, while our operating margins were impacted by a select number of projects and the bankruptcy of some customers and subcontractors.

Risk management and operational excellence

Raymund Trost: “We already see positive results from the new strategy we put in place, with performance improvements in many areas. But we have the most to gain in meticulously following our **selective bidding process**.

We installed this process some years ago and this has by now become second nature for our teams. Our projects run over multiple years, and it takes some time before such a process shows its full benefit. It’s important to notice that the challenging projects in question were taken on before we had implemented this new process. Since, we have been a lot more diligent on which projects we take on and at which conditions.

Moving ahead with confidence

Raymund Trost: “Despite these challenges, CFE maintains a healthy financial position with a gearing that remains low, while significantly investing for future growth. The Group’s full focus on innovation, , operational excellence and sound risk management will pay off over the coming years.

We said we would build a community of Change for Good, and it is great to see this ecosystem of clients, partners and other stakeholders come together.

In the end, it only takes a handful of visionary individuals and organizations to set things in motion – with CFE we are proud to be part of this.”

Luc Bertrand: “We are moving ahead with confidence. I expect the market to remain challenging in 2024, especially in Belgium and Luxembourg, whereas Poland and Vietnam are showing strong growth. But we will continue to leverage the strength of our Group to unburden our clients with integrated solutions for complex challenges in the net-zero transition. We have a strong team in place, with Peter Matton recently having joined us to lead VMA, and I am confident in our strategy for sustainable growth.”



Our ambitions and achievements



Financial key figures

LOOKING BACK

In 2023, we showed the strength and resilience of our Group in a challenging context. Our multidisciplinary model allowed us to maintain a double digit Return on Equity and keep our debt ratio low despite significant investments for our future growth such as the Kronos project.

Revenue was up by 7% compared with the previous year while **Net income** was lower than that of 2022 due to the negative impact of a small number of challenging projects and a complicated macroeconomic context. The full benefits of our risk management and operational excellence process are still to be realized, knowing that the projects mentioned were taken on before this process was in place.

Our **Debt level** increased last year because of the acquisition of the Kronos project, the largest real estate acquisition in our history. Excluding this project, our debt level would have decreased. Also, our debt ratio remains well below the historical average of recent years.

Our **order book** decreased by 26% in 2023, main reasons being the unsettled macroeconomic environment but also our much greater selectivity in order intake under our risk management process.

LOOKING FORWARD

The economic environment remains challenging in the **short term** in Belgium and Luxembourg, both in the residential and office markets. In this context, we expect a moderate contraction in turnover in 2024 but an improved operating margin compared to 2023.

The **medium- and long-term** outlook for CFE remains positive, thanks to our positioning in the growth markets of renovation and energy performance improvements of existing buildings, re-industrialization and the development of infrastructure linked to the energy transition.

Overall, CFE shows a healthy balance sheet and great resilience in the current market context, making us move forward with confidence.

(in million €)	2019	2020	2021	2022	2023
Revenue	1,002.8	1,026.1	1,125.3	1,167.2	1,248.5
EBITDA	14.2	45.2	68.5	63.1	49.5
EBIT	22.9	38.1	58.0	51.0	33.0
Result for the period - share of the group	12.0	17.7	39.5	38.4	22.8
Equity - share of the group	84.8	95.3	133.8	224.7	236.8
Net financial debt	89.6	112.4	113.0	48.9	93.3



“In 2023 we showed the resilience of our Group in a challenging context. We have a healthy company that is ready for the future.”

Fabien De Jonge, Chief Financial Officer

REVENUE

1,248.5m

NET RESULT

22.8m

ORDER BOOK

1,268.6m



Real Estate Development

LOOKING BACK

Jacques Lefèvre: "BPI Real Estate maintained consistent results in 2023 with a return on equity close to 10%. This is a solid achievement seeing the very challenging market environment we saw in 2023. The rapid increase in interest rates slowed down the market: for residential customers who had a harder time getting access to financing, for the office market where the investment rate decreased significantly. But we continued to deliver solid results and I expect the market to stabilize in 2024. Our sector works in longer cycles, so I see 2024 as a year of transition for BPI Real Estate, with a return to a more dynamic real estate market in 2025. In Belgium, the main challenge remains the lengthy process to obtain definitive building permits.

Our activities in Poland were a commercial success. We sold 350 units thanks to flagship projects such as **Cavallia** in Poznan, our largest development ever in Poland. **Chmielna Duo** in the center of Warsaw is also progressing well and we successfully sold 50% of its shares to Compagnie Bois Sauvage, showing the continued trust of investors in our projects."

Arnaud Regout: "In Luxembourg we successfully delivered the mixed-use projects **Gravity** and **Liv-**

ingstone III. Highlight of the year was the agreement with BGL and KPMG for the acquisition of the **Kronos** building in the heart of the Luxembourg financial district, which was quite the accomplishment in the current economic context. We will develop it into the new 31,000 m² headquarters of KPMG Luxembourg and an additional 24,658 m² own development. This is the largest acquisition and development we have ever done and will be another addition to our list of highly sustainable wood-based buildings."

Jacques Lefèvre: "In Belgium we successfully delivered **Wood Hub**, the new headquarter of CFE, BPC Group and BPI Real Estate, and sold it to Ethias. Also, the first residents are moving into the neighboring residential project **Serenity Valley**. We successfully signed a sale agreement for the joint venture "JOMA2060 nv", which is currently developing the former **John Martin brewery** at Park Spoor Noord in Antwerp into a mixed-use residential project, with ION Residential Platform. Other residential projects located in Brussels such as **Pure**, **Tervuren Square** and **Arboreto** made steady progress in 2023 and will be delivered in the course of 2024."



"We maintained consistent results in a very challenging market. That's the merit of an experienced team that knows what it takes to develop successfully in these circumstances."

Jacques Lefèvre, CEO BPI Real Estate



LOOKING FORWARD

Jacque Lefèvre: "In 2023, we were very selective and made few acquisitions in Luxembourg (except for Kronos) with a more voluntaristic approach in Poland. Moving forward we will start working on the pipeline for 2025-2026, focusing on developments that have as low a risk as possible in terms of permit procedures."

Arnaud Regout: "We have fruitful collaborations with our colleagues from the CFE construction & renovation companies. We want to further develop these synergies because they can deliver a lot of added value and efficiencies."

Jacques Lefèvre: In terms of efficiencies, we are also progressing on our digital ERP and IT setup for BPI Real Estate. We find real value in solid customer insights, better reporting, and quality lead generation & follow-up."

Arnaud Regout: "Sustainability will increasingly become a key differentiator for BPI Real Estate. We published our ESG highlight reports showcasing how we



Tervuren Square Brussels



want to be the partner of choice for clients in developing sustainable buildings. Also our involvement in the Low Carbon Building Initiative (LCBI Label) is a strong proof point to this commitment."



"Sustainability will increasingly become a key differentiator for us. We want to be the partner that guide clients to the most sustainable solution for their project. And our track record gives us that credibility."

Arnaud Regout, Chief Investment Officer & New Development Real Estate



Wood Hub Brussels



Multitechnics | VMA

End 2023, **Guy Wynendaele** handed over his position as CEO of VMA, after having led the company for 20 years, to **Peter Matton**. Guy remains Member of the VMA Board of Directors and serves as Senior Advisor to the VMA executive committee.

LOOKING BACK

Guy Wynendaele: "By far the largest project for VMA this year was **Zin in No(o)rd** which we developed together with our colleagues from BPC Group and Van Laere. The project came with considerable operational challenges, but the end result is a paradigm shift in how we conceive of sustainable and smart buildings. It is also the largest implementation of our VMANAGER smart building platform to date.

Our Building Technology team also progressed on **Marnix, Howest, Tivoli** and the hospitals **Grand Hôpital de Charleroi, AZ Diest** and **AZ Sint-Lucas**. We worked directly for industrial clients such as **La Lorraine, Winery Delhaize, EdgeConneX datacenter**, and **Sonaca**. Our maintenance unit was an important contributor to our result this year with recurring revenues from contracts with **UGent, the city of Aarschot**, and additional works for long-time client **Nike**."

Peter Matton: "We recently signed a new 15-year ESCO contract with the communes of **Beerse and Oud-Turnhout** to optimize energy consumption of 18 public buildings. This contract is a new addition to ongoing ESCO contracts such as with the **city of Aarschot** and the **PXL Hogeschool** in Diepenbeek."

Guy Wynendaele: "Our Automotive team continued its strong track record with production lines for **Jaguar Land Rover**, the **Volvo EX90** and the **VW ID.3**, and with new battery lines for **Scania** and **Ford**. Our Process Manufacturing Technology team successfully delivered production lines for **Enough** and **Vyncolit**, and has started working on **Indaver** and **Daikin's** new innovation center in Ghent."

LOOKING FORWARD

Peter Matton: "This year we will continue to invest in our VMANAGER platform. Research is ongoing to enrich it with dynamic EV charging and predictive building maintenance capabilities. The goal is to evolve to a one-stop-shop solution that reduces the total cost of ownership of buildings. We also want to work more directly for industrial clients, putting to use this logic for other types of buildings.



Zin in No(o)rd Brussels



Grand Hôpital de Charleroi



"I am very proud of the journey we made with VMA. With Peter we have a strong and experienced leader who can help the team further develop and realize its potential. They are in good hands."

Guy Wynendaele, Senior Advisor VMA



Guy Wynendaele: “In the processing market our industrial automation team is still a challenger but flagship projects such as the ones we delivered last year for some leading brands are quickly making a name for VMA. In the automotive market we see the landscape rapidly changing with new players entering but we’re confident that our quality robotization offering will stand, especially with the boom in the EV market still to come.”

Peter Matton: “The challenging economic context in 2023 mostly impacted the speed at which our order book is filled. Clients are more often postponing their projects, making for a lot of projects under study that have yet to be closed.”

But I see a very promising company with great further growth potential. Our focus will be on strengthening the collaboration with our fellow CFE companies and other partners, the digitalization of our processes, and increased operational excellence. We have a strong team, and I am confident that we can make big strides forward in 2024.”



“There is a real passion at VMA to develop innovative solutions for our clients’ most complex problems. I can’t wait to see what this team can achieve and what the future holds.”

Peter Matton, CEO VMA



Multitechnics | MOBIX

Mid 2023, **Laurent Eeraerts** handed over his role as CEO of MOBIX to **David Vanhelimont**, at that time the CFO, to take on the new function of Executive Chairman of CFE companies MBG, Wood Shapers and Laminated Timber Solutions.

LOOKING BACK

David Vanhelimont: “Our main project in 2023 was the installation of ETCS II technology for automated train operations on the Belgian rail network under the **ENVES** contract with Infrabel. We also installed catenary infrastructure on a third and fourth rail line between **Ghent and Ostend**, thereby helping to double its capacity.

In the non-rail segment, we installed new lighting and signage on the **Brussels Airport** taxiways, using the competencies of our Signage teams for complex cabling infrastructure. Last year we also entered the final stages of the installation of LED lighting on all Walloon highways as part of the **LuWa** project.”

LOOKING FORWARD

David Vanhelimont: As foreseen, 2023 was a transition year with lower turnover coming from track & catenary services because of the contraction of Infrabel’s budget. This is reflected in a reduction in the volume of new tenders, but also in a reduction in the number of service orders resulting from existing framework con-

tracts. Infrabel’s new 10-year investment plan should bring more stability over the coming years.

To decrease our dependency on Infrabel, MOBIX has started diversifying its portfolio. A first new activity is large-scale cabling services for energy infrastructure providers with multiple contracts in the final stages of negotiation. The experience at Brussels Airport will see MOBIX expanding its activity to include other airports in Belgium and its rail services will also be offered to private clients in the Belgian ports.

The strength of MOBIX lies in our highly skilled workforce that combines multiple highly specialized competencies to deliver quality work and really unburden our clients. With the energy transition gaining speed over the coming years, we are very well placed to tap into this growth.”



Belgian rail network ENVES



LuWa



Catenary infrastructure works

“Over the years we have built a very competent workforce at MOBIX that we can now also deploy in the energy transition that is speeding up.”

David Vanhelimont, CEO MOBIX



Construction & Renovation

LOOKING BACK

Alexander Hodac: “In Belgium we continued CFE’s streak in building our own wood-based headquarters after our Luxembourg teams already moved into Wooden in 2022. Van Laere built and moved into their self-built **Baarbeek** near Antwerp, and CFE, BPC Group, Wood Shapers and BPI Real Estate moved into **Wood Hub** which they developed together in Brussels.

All three buildings show CFE’s ambition to lead in bio-based construction, which is a vital ingredient in our sector’s decarbonization efforts. Noteworthy is also the large number of wood-based buildings our **Laminated Timber Solutions** team contributed to, especially in The Netherlands.

We continued to pursue large-scale renovations with **Zin in No(o)rd** being by far the largest project so far. BPC Group and Van Laere worked closely together with VMA to deliver the first phase of the building beginning 2024 to the Vlaamse Overheid as their new headquarters in Brussels. Zin is a new standard in circular renovation and of the largest realizations of its kinds in the Benelux.

Other renovations that continued were **Usquare** for ULB-VUB, **Chancelier** for CODIC, and the **Kanal - Centre Pompidou** for Kanal Foundation. Also, for **Howest**

we continued building their new campus in Bruges which combines both large-scale renovation and new construction. With these developments we successfully show our ambition and leadership in the market of sustainable buildings.

In the residential market, flagship projects included 121 apartments of **Canal Wharf** in Brussels for AG Real Estate, 300 apartments of the **BAN** project in Antwerp by Japanese architect Shigeru Ban for Triple Living NV, and phase 1 of 314 apartments of **Park Lane** in Brussels for Nextensa.

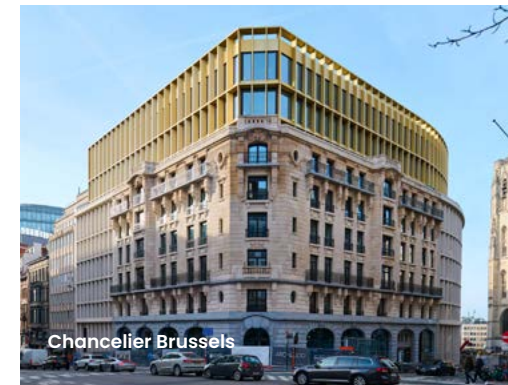
Works continued on the **Oosterweel**, and resumed on the **Ineos Project One** ethane cracker in the port of Antwerp early 2024 after a temporary standstill in 2023 because of permit issues. We delivered the new cash centre for the **National Bank of Belgium** in Zellik.

We also continued to leverage our expertise in hospitals with **UZ Ghent**, **ZNA Cadix** in Antwerp, and **Sint-Jan hospital** in Genk, the latter two in collaboration with VMA for the technical installations.”

Bruno Lambrecht: “In Poland we continued our strong collaboration with BPI Real Estate. Projects included 108 apartments of **Bernadovo** in Gdynia (Poland), 272 apartments of **Panoramia** in Poznan (Poland), 243 apartments of **Chmielna Duo** in Warsaw, and 857 apartments for the mixed-use project **Cavallia** in Poznan.



Wood Hub Brussels



Chancelier Brussels

“I want us to be great listeners, to really understand what our community of clients and partners needs, and then mobilize all the expertise we have in our Group towards answering those.”

Alexander Hodac, CEO Construction & Renovation Belgium



In the industrial market we built new battery factories for **Umicore** and **Northvolt**, a new warehouse and campus & production complex for **Reynaers Aluminium**, three large retail centres, and we continued our strong partnership with Majaland for their parks in Warsaw and Gdansk. We also worked on the **Topaspark** logistics center in Berlin, a first project in Germany for which our Polish team are ideally located and equipped."

Christophe Herrmann: "In Luxembourg we worked on multiple projects for BPI Real Estate among which **Domaines des Vignes**, **Livingstone** and also **Gravity**. We moved to our new headquarters **Wooden** which is a perfect example of our strategy of using bio-based materials. We also delivered projects for other developers such as **Omia** for IKO Real Estate, and public projects such as **Differdange** and **Pétange**. In 2024 we will start construction of the new headquarters for the **Red Cross**."

LOOKING FORWARD

Alexander Hodac: After a very challenging 2023 I expect a stabilization of the Belgian market in 2024. Competition is fierce at the moment, but we continue to bid very selectively. We look for the more complex projects where our expertise adds value. For BPC Group there is clear opportunity to further leverage our office renovation expertise for a market that will boom over the coming years, for MBG there is their expertise in industrial projects in the Port of Antwerp to further develop, and Van Laere will increasingly focus on complex logistics projects."

Bruno Lambrecht: "The same goes for Poland: the market is stabilizing but competition is very strong. We continue to bid selectively and keep a good mix of residential, office, industry and logistics, and some retail and other projects. The residential market is very dynamic again, whereas the other markets are



"My top priority is staying close to our clients and partners, because business is done between people. I want us to know and trust each other because that's how great things are achieved."

Bruno Lambrecht, CEO Construction & Renovation Poland

Topaspark Berlin



Wooden Luxembourg





“The strength of our Group is our values, that we do as we say. And it’s great to see likeminded people find each other at CFE around a common purpose of having a positive impact.”

Christophe Herrmann, CEO CLE

weakened but can only go up from here. In 2024 we will start work on a new very large logistics centre for which we won the contract by proactively proposing a sustainable wooden roof structure using parametric design. I believe there is fertile ground for bio-based construction in Poland and we are well placed with existing expertise in the CFE Group. With our newly created knowledge centre we want to partner with clients in an early stage to help them to find the best solutions in terms of sustainability and price.”

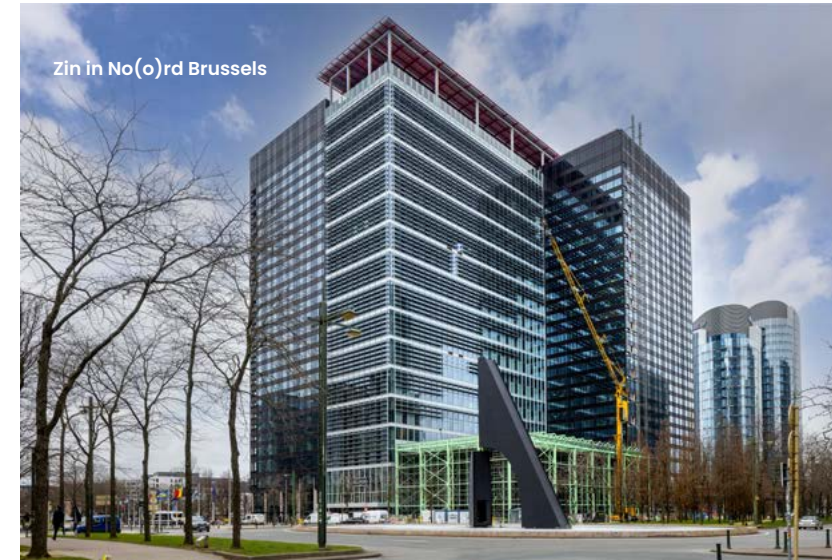
Christophe Herrmann: “The market in Luxembourg is still in slowdown and will remain so in 2024. We will continue to bid selectively and work in bouwteam which for CLE has proven a valuable collaboration model. An important project we will start working on is the new headquarters of the Red Cross. We are also studying a series of larger projects for which construction is set to start between the end of Q2 and Q4 2024. This year will be a transition year during which we will prepare for when the market picks up again in 2025.”



Domaine des Vignes Luxembourg



Panoramija Poznan



Zin in No(o)rd Brussels



ZNA Cadix Antwerp



Investments

LOOKING BACK

Fabien De Jonge: “Our Investments delivered record results in 2023, mainly explained by the strong increase in contributions from Green Offshore and Deep C Holding, and the termination compensation on the DBFM contract for the Eupen schools.

Green Offshore’s wind farms off the Belgian the coast experienced exceptional weather conditions and registered a record production of about 2.9 TWh of green electricity in 2023, 0.5 TWh more than in 2022. The two farms also benefited from the rise in electricity prices, part of which was paid back to the Belgian State in accordance with the new regulatory framework.

The results of the **BSTOR’s** 10 mW battery park normalized after the exceptional year of 2022.

In Vietnam, **Deep C Holding** saw all-time high sales of its industrial land (127 hectares), and recurring revenues being generated by service activities.”

LOOKING FORWARD

Fabien De Jonge: “The agreement with the Belgian state on the new regulatory framework for electricity prices will benefit all stakeholders involved including Green Offshore.

BSTOR’s 10 MW park has been operational since the end of 2021, while two other projects with a combined capacity of 150 MW are currently under development. Construction is due to start at the end of 2024 once planning permission has been obtained and financing has been secured.

Deep C Holding’s objective is to extend to new zones, thereby further leveraging the outstanding geographic position and the positive dynamic of the Vietnamese market.”



“Our investments delivered record results in 2023 and are set to further grow over the coming years.”

Fabien De Jonge, Chief Financial Officer



Green Offshore SeaMade North Sea



Deep C Holding Vietnam



Bstor Battery park Bastogne



People

LOOKING BACK

Valérie Van Brabant: "Throughout 2023, a red thread was the audit process to obtain our **Top Employer** certification. The process was tough but receiving the certificate was a real recognition of our hard work as an organization to be a great place for people to work. We're very proud of this certification.

One of the aspects CFE was lauded for is the learning and development opportunities in our Group. The project I am probably most proud of is our **CFE Academy**. We said we wanted to develop our people, to give them the tools to learn, and we did. One year after launch more than 15,000 courses have been completed, building a wide range of skills. We also developed our set of **CFE core competencies**, linked to the Group's values, that we want to foster in our Group. These are now used throughout everything we do, from recruitment to evaluations to development.

Another strength of the CFE Group mentioned in the Top Employer audit is how we engage our people in the strategy and values of the company. Two key moments stand out: the **Heroes Family Day** which for the first time brought together all our workers, employees and their families for a whole day of interaction and connection. Another momentum was our **Future Leaders Alumni** day during which we brought all leaders from the last 3 editions together to talk about the future of our Group.

To further strengthen our people strategy, we conducted our **employee engagement survey** again which showed engagement had improved for the third year in a row. The learnings from the survey were used to define local action plans with a focus on **wellbeing and DE&I**, areas we want to further improve in."

LOOKING FORWARD

Valérie Van Brabant: "In 2024 we have a few must win battles. The first one is our **leadership development track** which will see more than 800 leaders throughout the Group be trained. I firmly believe that our leaders gaining vital skills will make our organization step up its game. Important in this respect is that our leaders discover the strength of working together with other business units in the Group.

A second one will be the **fourth edition of our Future Leaders program**, which has proven a real incubator of emerging leaders and new innovative business ideas. Moreover, it has become a tight community of changemakers who trust each other and set the course of our company. This has proven gold to our Group over the past years and I can't wait to see what this year's talent will bring to the table.

Another battle is improving **HR operational excellence**. I have called 2024 the year of digital and data. We will digitalize our talent review system to better follow our people's development progress and to foster an open feedback culture, and we'll launch our HR core platform which gathers all our people data and will allow for better decision-making."



Future Leaders Program



Heroes Family Day



NUMBER OF EMPLOYEES

2,990

NUMBER OF TRAINING HOURS

60,131

"It's great to see with which energy and determination our teams are driving the success of our flagship projects. Their teamwork speaks to the culture we want to strengthen even more."

Valérie Van Brabant, Chief People Officer



Sustainability

LOOKING BACK

Isabelle De Bruyne: “For the second year in a row, CFE was named **Top ESG Company** by independent auditor Sustainalytics. Needless to say, we are very proud of this. It is basically a recognition that we are doing exactly what needs to be done as a responsible company. Key criteria were corporate governance, human capital, health and safety, community relations, and carbon footprint in our operations.

Safety remained our top priority in 2023: we successfully further decreased our accident severity and frequency rates. We also conducted the industry-standard Nosacq safety culture survey which was then developed into a Group-wide campaign with local action plans.

Our **Taxonomy-aligned business** increased from 13.56% to 20.03%, which is a great achievement seeing its very tough criteria. Our focus on markets in the net-zero transition informs which projects we take on and will surely further increase our Taxonomy-aligned business over the coming years.

Our **CO₂ and waste reduction** plans are on track for our 2030 target. Waste was slightly higher than previous year because we did more renovations last year, which means we took more of the waste into our own reporting.

				2021	2022	2023	Target 2030
People	Safety	Severity rate ⁽¹⁾	ratio	0.69	0.72	0.68	0.52 ⁽⁸⁾
	Training	Number of training days per employee ⁽²⁾	d/FTE	2.06	2.20	2.51	5
Mobility	Green fleet	% of electric or hybrid vehicles	%	4	7	33	90
	Direct CO ₂ emissions (scope 1 and 2)	Carbon intensity ⁽³⁾	ton/ k€	15.9	13.5	12.7	11.6
Energy	Green energy	Proportion of green energy ⁽⁴⁾	%	54.9	80%	81%	100 ⁽⁹⁾
Materials	Waste reduction	Waste intensity ⁽⁵⁾	ton/ME	28.13	21.60	24.03	17.75
	Use of biobased materials	Surface area of buildings built or developed in wood ⁽⁶⁾	m ²	-	53,355	50,299	tbc
	Reasonable water consumption	Percentage of pumping water that is reused ⁽⁷⁾	%	-	-	-	100
Governance	Transparency and risk management	Sustainalytics Rating	-	27.8 (medium)	26.1 (medium)	24 (medium)	tbc

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



“I hope to be out of a job in a few years, because that would mean sustainability is maximally engrained in all aspects of our organization.”

Isabelle De Bruyne, Chief Sustainability Officer



A key initiative was the development and rollout of the **CFE Green Book** which lists a comprehensive overview of all actions that a project can take to decrease its environmental impact. Our teams evaluate each project and identify the maximum measures they can take, including water recuperation, alternative energy sources, smart mobility, and many others.

Another key project was the launch of our internal **Bazaar** platform which serves as an exchange hub between Group projects for recycled or surplus materials, thereby reducing costs and waste.”

design of the **Heroes for Good Foundation** which will be launched in 2024. The foundation will be supporting non-profit organizations active in health, social justice and education, and that were submitted by CFE employees.

We have a **strong ESG framework** with solid foundations that delivers results, and we keep setting the bar higher for ourselves. CFE continues to walk the talk in sustainability, true to its purpose!

LOOKING FORWARD

Isabelle De Bruyne: “2023 was marked by the delivery of **multiple flagship projects in our sustainable buildings segment**. From bio-based construction to circular renovation to smart building technology, these projects are providing us with a wealth of data and expertise. In 2024 we will be bundling these into our new **Sustainability Knowledge Centre** which will function as a hub for all our projects to generate efficiencies and top-notch know-how.

We have started preparing for the **EU CSRD framework** to be ready by the end of 2024 in compliance with EU climate regulation. This exercise follows our implementation of the EU Taxonomy standard and confirms our existing ESG strategy.

In terms of safety, we have just launched our new **Go for Zero** campaign which sees the whole Group focus on further decreasing our accident rates.

In 2023, we engaged the whole organization in the



Usquare Brussels



HQ Van Laere Zwijndrecht



IT, digital & innovation

LOOKING BACK

Hans Van Dromme: “In 2023, we rolled out and upgraded to a new **ERP platform** in the real estate segment, while also significantly progressing with the preparations for a new and even larger ERP platform for all companies in the construction and renovation area. We selected our international solution partner, built our internal implementation team, defined our roadmap, and started setup and specific developments. In doing so, we are further expanding our Microsoft eco system as technology for ERP systems across CFE.

We also managed **3 office moves** to our new headquarters in Luxembourg, Antwerp, and Brussels. All IT environments were successfully migrated thereby contributing to the outstanding ‘new way of working’ these buildings can offer.

To support our Group-wide innovation process, we continued building on our crowdsourcing platform **Innovate-it** where employees can pitch and up-scale their innovative ideas to receive the necessary support and resources. One such digital innovation we have custom developed is our own **Bazaar** application where recycled or surplus materials can be exchanged between our different projects, thereby saving costs, and reducing waste.

Last, we connected all our business units to our **Security Operations Centre** which now guards all

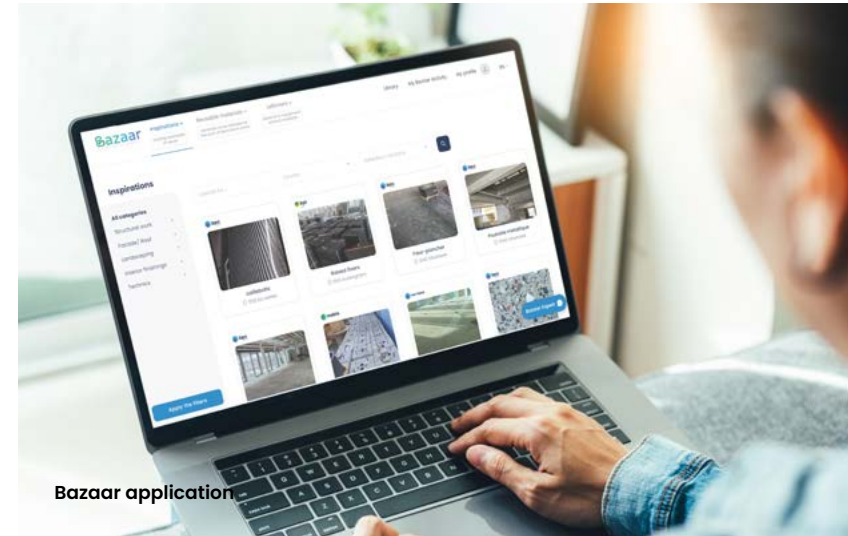
key components in the IT infrastructure, thereby significantly increasing our cyber security capabilities and increasing our responsiveness in case of harmful behavior.

LOOKING FORWARD

Hans Van Dromme: “In 2024, our focus will be on the implementation of our **ERP platform** for Construction & Renovation. We will gradually migrate the Construction & Renovation companies, first the smaller and then the larger ones. The full program will take us several years, but each wave will quickly prove to be a gamechanger in how we make much more efficient use of our data.

In terms of **data management**, we are automating numerous interfaces between our applications and improving dashboarding to better support decision-making and reduce errors. To this end we are also investigating the application of **Generative Artificial Intelligence** for several business processes, wishing to gain efficiency and convenience.

Our **digital workplace** will evolve using extensively the Microsoft device management solutions, like Intune and Autopilot, to manage all end users’ devices efficiently. Furthermore, there is an ongoing exercise of moving applications to the cloud, thereby increasing flexibility and reliability while reducing infrastructure costs.



Bazaar application



“We continuously improve our IT infrastructure to make it more secure, increase our operational efficiency and reduce technical debt. This is foundational for our digital transformation that will allow us to leverage our data for better decision making. We also explore innovative methodologies and technologies in all our business segments.”

Hans Van Dromme, Chief Digital Officer



Management Report



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Dear shareholders,

It is our privilege to report to you on our company's activities during the past financial year and to submit to you for approval the statutory and consolidated financial statements for the year ended 31 December 2023. In accordance with Article 3:32, §1, last paragraph of the CAC, the directors' reports on the statutory and consolidated financial statements have been integrated into one report.

I. STATUTORY FINANCIAL STATEMENTS

1. Equity and shareholder base

At the end of the financial year, the Company's share capital amounted to € 8,135,621.14, divided into 25,314,482 shares, with no nominal par value. All shares are fully paid up. Each share gives right to one vote. No shareholder is owning shares with special control or voting rights.

At the end of the 2023 financial year, the shareholders owning 5% or more of the voting rights relating to the shares they hold are:

Ackermans & van Haaren SA Begijnenvest, 113, B-2000 Antwerp (Belgium)	15,725,684 shares (or 62.12%)
VINCI Construction SAS 1973 Boulevard de la Defense, F-92000 Nanterre (France)	3,066,460 shares (or 12.11%)

2. Notes to the statutory financial statements

2.1. Financial position at 31/12/2023

Income Statement of CFE SA (Belgian standards)

<i>(in € thousands)</i>	2023	2022
Revenue	2,232	5,334
Operating income	(3,021)	(1,410)
Net financial result excluding non-recurring financial income and expenses	17,598	58,160
Non-recurring financial income	1	18,381
Non-recurring financial expenses	(3,516)	(21,907)
Result before tax	11,062	53,224
Taxes	(9)	(8)
Result for the period	11,053	53,216

The 2023 financial result is mainly due to the receipt of dividends distributed by CFE Contracting (€ 6 million), BPI Real Estate Belgium (€ 6 million) and by the subsidiaries of the Investment segment (€ 7.6 million). In 2022, CFE's statutory result will be positively impacted by the dividend paid by DEME (€ 40.8 million).



Balance sheet of CFE SA after appropriation (Belgian standards)

(in € thousands)	2023	2022
Assets		
Non-current assets	310,461	268,546
Current assets	86,221	62,026
Total assets	396,682	330,572
Equity and liabilities		
Equity	142,322	141,190
Provisions	4,006	6,046
Non-current liabilities	90,408	75,248
Current liabilities	159,946	108,088
Total equity and liabilities	396,682	330,572

Non-current assets increased by € 42 million in 2023, mainly due to a € 30 million capital increase and an additional € 20 million subordinated loan from BPI Real Estate Belgium.

Non-current liabilities at 31 December 2023 include € 90 million of loans drawn on confirmed lines of credit.

2.2. Appropriation of profit

Profit for the year 2023	11,053,045 euros
Profit brought forward	10,953,717 euros
Profit to be allocated	22,006,762 euros
Transfer to other reserves	834,947 euros
Profit to be distributed	9,920,770 euros
Profit brought forward	11,251,045 euros

2.3. Outlook 2024

The results for the 2024 financial year will depend to a large extent on the dividends paid by the three main subsidiaries of CFE, namely CFE Contracting, BPI Real Estate Belgium, DEEP C Holding (formerly Rent-A-Port) and Green Offshore.

2.4. Main risks and uncertainties

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

2.5. Major events after the closing of the financial year

No significant change in the financial and commercial situation of CFE has occurred since 31 December 2023.

We also refer to point II.2 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 related transactions are exclusively top-ranking European banks.

2.7. Notices

Research and development

The Company has no research and development activities.

Branches

At year-end 2023, the Company disposed of one branch: CFE Tunisia. This branch has no further operational activity.



Application of Article 7:96, §1 of the CAC

The provisions of Article 7:96 of the CAC concerning conflicts of interest did not have to be applied during 2023.

Transactions between CFE and affiliated companies (Article 7:97, §4/1, par. 4 of the CAC)

No transactions took place between the Company and its affiliated companies in the 2023 financial year necessitating the application of Article 7:97, § 4/1, par. 4 of the CAC.

Additional remuneration for the auditor

EY Réviseurs d'Entreprises received € 131,790 in lump-sum fees for the statutory audit.

In accordance with article 3:65, §3 of the CAC, a total of € 60,350 was paid to EY Réviseurs d'Entreprises as fees for exceptional services or special assignments. This amount is broken down as follows:

- other certification assignments : € 34,850;
- other non-audit assignments : € 25,500.

Acquisition or disposal of own shares

On 5 October 2023, the Board of Directors decided to relaunch a share buyback programme for the period between 16 October 2023 and 20 December 2023.

During this period, 120,399 own shares were acquired at an average price of € 6.93 per share.

No own shares were sold in 2023.

As at 31 December 2023, CFE held 512,557 of its own shares, representing 2% of the capital.

Notices pursuant to Article 74, §7 of the Act of 1 April 2007 on public takeover bids

It appears from a joint declaration made on 7 March 2014 pursuant to the Law of 2 May 2007 on the disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market that the concerted action between VINCI S.A., VINCI Construction S.A.S. and Ackermans & van Haaren NV ('AvH') has been terminated following the closing of AvH's mandatory takeover bid for CFE, and that Stichting Administratiekantoor "Het Torentje" exercises ultimate control over AvH.

As at 31 December 2023, the Company had not received any notification within the meaning of article 74 §7 of the law of 1 April 2007 relating to public takeover bids.

Protection schemes in case of a public takeover bid

On 29 June 2022, the extraordinary general meeting renewed the authorisation of the Board of Directors to proceed, in the event of a 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 CAC. The Board of Directors is allowed to use these powers if the notice of a takeover bid is given to the Company by the Financial Services and Markets Authority ('FSMA') not later than three years after the date of the aforementioned extraordinary general meeting. The Board of Directors is also authorised, for a period of three years from the date of the extraordinary general meeting, to sell or acquire up to 20% of the own shares in the event that such action is necessary to safeguard the Company from serious and imminent harm.



II. CONSOLIDATED FINANCIAL STATEMENTS

1. Comments on the consolidated financial statements

1.1. Financial position at 31/12/2023

A. Key figures 2023

Year ended December 31 (in million €)	2023	2022	Change
Revenue	1,248.5	1,167.2	+7.0%
EBITDA ¹ % of revenue	49.5 4.0%	63.1 5.4%	-21.6%
Operating income (EBIT) ¹ % of revenue	33.0 2.6%	51.0 4.4%	-35.3%
Result for the period of continuing operations (share of the group) % of revenue	22.8 1.8%	38.4 3.3%	-40.6%
Earnings per share of continuing operations (share of the group) (in euro)	0.91	1.53	-40.5%

(in million €)	2023	2022	Change
Equity - share of the group	236.8	224.7	+5.4%
Net financial debt ¹	93.3	48.9	+90.8%
Order book ¹	1,268.6	1,715.1	-26.0%

¹ The definitions are included in the 'Financial Statements' section of the annual report.

B. General overview

Revenue amounted to € 1,248.5 million, up by 7% compared with the previous year. The increase in activity can be observed mainly in Construction & Renovation.

Net income reached € 33 million. This represents 2.6% of turnover. It is lower than that of 2022 due to an unfavourable economic environment and the negative impact of a small number of difficult projects. The situation varies from segment to segment: Real Estate Development and Investments generated high operating income, whereas Construction & Renovation and Multitechnics decreased compared to 2022.

Net income - group share - was € 22.8 million.

Equity (group share) amounted to € 236.8 million as at 31 December 2023, up 5.4%.

Net financial debt increased by € 44.4 million compared to 31 December 2022. The debt ratio¹ was 28%, well below the historical average of recent years. If we exclude CFE's injection into the Kronos project, net financial debt would have decreased by € 20 million in 2023.

CFE SA, the group's parent company, and its subsidiaries BPI Real Estate Belgium and BPI Real Estate Luxembourg have a combined total of € 230 million of confirmed credit lines of which € 117.5 million are available as of 31 December 2023. All the banking covenants have been complied with.

The order book, which amounted to € 1,27 billion, decreased by 26% in 2023. Greater selectivity in order intake in Belgium and an unsettled macroeconomic environment in Belgium and Luxembourg explain this trend.



C. Segment analysis

Real Estate Development

KEY FIGURES

Year ended December 31 (in million €)	2023	2022	Change
Revenue	157.7	85.4	+84.7%
Operating income (EBIT) (*)	17.4	17.6	-1.0%
Result for the period - share of the group	11.7	14.4	-19.0%
Net financial debt (*)	100.1	84.5	18.5%

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

Changes in capital employed (*)

Breakdown by stage of project development

(in million €)	December 2023	December 2022
Unsold units post completion	0	0
Properties under construction	55	52
Properties in development	204	151
Total capital employed	259	203

Breakdown by country

(in million €)	December 2023	December 2022
Belgium	66	108
Grand Duchy of Luxembourg	105	27
Poland	88	68
Total capital employed	259	203

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

The capital employed amounted to € 259 million on 31 December 2023, which is up by 27.6% compared to end of December 2022. The sales value of the projects under development (BPI Real Estate share) is estimated at € 1.79 billion, i.e. 453,000 m² of which 111,000 m² is under construction.

Acquisitions

On 8 December 2023 BPI acquired, in partnership, the Kronos building, the historic headquarters of BGL BNP Paribas. The 3.23-hectare site, located at the entrance to the Kirchberg Plateau in Luxembourg, offers a minimum of 55,700 m² to develop.

BPI Real Estate has injected € 64 million into the project at the time of the acquisition. It holds a 57.45% stake.

BGL BNP Paribas will continue to occupy the Kronos building until it moves to its new offices a few hundred metres from the current site. Relocation is scheduled for the second half of 2025. BPI Real Estate will use this period to launch an architectural competition and to apply for and obtain planning permission. The site will then be redeveloped, taking care to preserve and enhance the existing park, the neighbourhood's green lung. KPMG Luxembourg will be setting up its new head office there, occupying 31,000 m² (12-year lease), while the remainder of the space (24,658 m²) will be for mixed use. Developed on a build-to-suit basis, KPMG Luxembourg's new head office will be perfectly suited to the new, evolving and collaborative ways in which people work. It will offer an exceptional working environment, exemplary in terms of environmental performance. The bearing structure will be made of wood, making it one of the largest timber buildings in the country. Construction should begin at the start of 2026.

At the end of the financial year, BPI Real Estate secured the acquisition of a 3 hectares plot of land ideally located in the historic district of the city of Gdansk (Poland). This site will be redeveloped into a complex of residential buildings comprising more than 700 premium apartments. This strategic investment marks a significant strengthening of BPI Real Estate's presence in the Tri-City region on Poland's Baltic coast, introducing a high quality product with outstanding architectural ambitions and a strong commitment to sustainability. Construction is scheduled to begin in 2026.



Permit applications

In Brussels, the permit for the Move'Hub project (54,000 m², including 38,000 m² of office space) is currently under review. It should be obtained in 2024.

Permits for the Brouck'R (38,000 m²), Key West (63,000 m²), Uni'Vert (9,000 m²) and EQ/Arlon 53 (19,000 m²) projects were received in 2023. An application for annulment is being brought however against the first three before the Court.

In Arlon, BPI Real Estate has introduced a single permit request for its Clarisse project, comprising 60 residential units (6,350 m²).

In the Grand Duchy of Luxembourg, BPI Real Estate has received planning permission for the Roots mixed-use development in Belval (20,000 m²).

Start of construction and commercialisation of new projects

Construction of the 10,000 m² John Martin's residential development in Antwerp began in the second half of 2023. BPI Real Estate and its partner have reached an agreement with ION Residential Platform NV for the sale of the entire project upon provisional delivery of the building, scheduled for mid-2025. This agreement confirms the interest shown by institutional investors in residential projects that can be rented out to meet market demand in a context of rising mortgage rates.

In Luxembourg, BPI Real Estate launched the construction and marketing of the Mimosa residential project (2,000 m² located along the Route d'Arlon in Luxembourg) and the final phase of the Domaine des Vignes project in Mertert (7,000 m²) at the end of the year. Pre-marketing starts in minor mode. The government measures expected in 2024 should stimulate the new residential property market, which has been at a virtual standstill since the summer of 2022.

In Poznan, Poland, construction and marketing of the first three phases of the Cavallia development began in 2023, with a total of 269 apartments (24,800 m²). The pace of sales has been sustained.

Residential programmes in progress.

In Belgium, the 140 apartments at the Serenity Valley development in Auderghem were delivered over at the end of December. It was a commercial success: all the apartments found buyers.

Five other residential projects are currently under construction and being marketed:

- Tervuren Square in Woluwe-Saint-Pierre (12,000 m²)
- Arboreto in Tervuren (7,000 m²)
- Pure in Auderghem (5,000 m²)
- Bavière Bloc D in Liège (19,000 m²)
- Park on the Erasmus Garden site in Anderlecht (9,000 m²)

These projects, which will be delivered between the second quarter of 2024 and the first quarter of 2025, are generally showing satisfactory sales, even if they remain lower than those seen before 2022.

In Luxembourg, BPI Real Estate delivered three major projects: Gravity in Differdange, the third phase of Livingstone (route d'Esch in Luxembourg) and the second phase of Domaine des Vignes in Mertert. These three projects were fully sold well before completion. The third phase of the Mertert project will be delivered in the first half of 2024. This phase is showing a take-up rate of over 90%.

In Poland, BPI Real Estate is continuing construction on the Bernardovo project (13,000 m²) located in the Gdansk region, Panoramia (20,000 m²) in Poznan, Czysta (10,000 m²) in Wroclaw and Chmielna (17,000 m²) in the heart of Warsaw. The first three projects will be delivered in 2024. In contrast to the situation in Belgium and Luxembourg, the Polish property market is again very dynamic, which is reflected in a very satisfactory level of pre-sales.

BPI Real Estate has sold 50% of its stake in the Chmielna project to Compagnie du Bois Sauvage. This partnership is a perfect illustration of the attractiveness and opportunities offered by the Polish property market.

Block sales – Wood Hub

On 22 December 2023, BPI Real Estate sold the Wood Hub building (7,300 m²) located in Auderghem to Ethias. This fully-let building, which brings together teams from CFE, BPI Real Estate, Wood Shapers and BPC Group, as well as third-party tenants, is a reference in terms of sustainability (*BREAAM Outstanding*) and well-being for its occupants (*WELL Platinum*). It is therefore no coincidence that it won the 'Project of the Year' award at the *Belgian Proptech Awards*.

EQUITY AND NET FINANCIAL DEBT

BPI Real Estate's consolidated equity amounted to € 159.1 million on 31 December 2023, up € 40.4 million compared to 31 December 2022. As part of the financing of the acquisition of the Kronos project and convinced of the medium and long-term potential of its property development subsidiary, CFE carried out a capital increase of € 30 million in December 2023.



CFE also doubled its subordinated loan to BPI Real Estate: this has increased from € 20 million to € 40 million. Net financial debt amounted to € 100.1 million as at 31 December 2022, including the € 40 million of subordinated loans.

OPERATING INCOME AND NET INCOME

Operating income and net income were € 17.4 million and € 11.7 million respectively. The main contributors to income are the Luxembourg and Belgian projects delivered in 2023 and the capital gain on the 50% sale of the Chmielna project.

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

Multitechnics

KEY FIGURES

(in million €)	2023	2022	Change
Revenue	338.0	338.8	-0.3%
Operating income (EBIT) ^(*)	-4.3	11.3	-138.0%
Result for the period - share of the group	-6.3	6.9	-190.9%
Net financial surplus ^(*)	-0.5	-1.0	-50.0%
Order book ^(*)	266.5	368.9	-27.8%

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

REVENUE

(in million €)	2023	2022	Change
VMA	252.8	225.8	+12.0%
MOBIX	85.3	113.6	-24.9%
Eliminations intra segment	-0.1	-0.6	n.s.
Total Multitechnics	338.0	338.8	-0.3%

In 2023, VMA achieved revenues of € 252.8 million, which is up 12% compared to 2022.

Despite an extremely tight schedule, the office space on the ZIN project were handed over on 2 February 2024, to the customer's satisfaction. These spaces will be occupied by the Flemish government, which has renamed the building after Marie-Elisabeth Bel-paire. This project, which has mobilised significant human and financial resources, will continue until the end of 2024 (completion of the apartments and hotel).

Among the other major projects ongoing at VMA, the most significant are the Grand Hôpital de Charleroi and ING/Marnix, both of which are progressing satisfactorily.

The Maintenance business continued to grow, with sales exceeding € 25 million for the first time in 2023. This trend should continue over the coming years. The Automotive Business Unit also recorded strong activity, driven by major projects for VW in Germany and JLR in the UK.

Turnover at MOBIX decreased by 24.9% compared to 2022. This decrease is explained by a significant contraction in Infrabel's budget dedicated to track and catenary installations. This is reflected in a reduction in the volume of new tenders, but also in a reduction in the number of service orders resulting from existing framework contracts.

The main project at MOBIX is the installation of automatic train stop systems for Infrabel (ETCS II project).

OPERATING INCOME

Operating income for 2023 amounted to - € 4.3 million.

VMA made a loss in 2023, which is fully attributable to the ZIN project.

Negotiations are ongoing with the client to address various issues, both for the VMA lots and for those carried out by the construction companies, BPC Group and Van Laere.

VMA's other projects are generally generating satisfactory margins.



MOBIX's operating income was negatively impacted by the low level of track and catenary installation activity and the losses made on the modernisation phase of the LuWa project, which will be completed in the first half of 2024.

ORDER BOOK

(in million €)	2023	2022	Change
VMA	163.2	244.9	-33.4%
MOBIX	103.3	124.0	-16.7%
Total Multitechnics	266.5	368.9	-27.8%

VMA's order book amounted to €163.2 million at 31 December 2023. A large number of projects are under study and should be closed in 2024, but it is taking longer than in the past for clients to reach a decision given the economic environment.

The reduction in the volume of new tenders launched by Infrabel in 2023 is having a negative impact on MOBIX's order intake. The order book was €103.3 million as at 31 December 2023. MOBIX is pursuing its policy of diversifying its business lines: the Utilities Business Unit has won a number of framework contracts that enter the order book in the first quarter of 2024. MOBIX is also working to diversify its customer base and reduce its dependence on Infrabel, given the major investments in infrastructure linked to the energy transition in the years ahead.

NEW CEO AT VMA

Guy Wynendaele will be retiring in 2024 having served as CEO of VMA since 2003. He has been succeeded in this role by Peter Matton, effective from 1 January 2024. He is also a member of CFE's Executive Committee. Peter joined VMA from Dyka, where he was COO. He previously managed the Industry Business Unit at Equans and has held various senior positions, notably at ABB and Norgren.

Construction & Renovation

KEY FIGURES

(in million €)	2023	2022	Change
Revenue	872.6	798.7	+9.3%
Operating income (EBIT) ^(*)	-0.2	15.0	-101.5%
Result for the period - share of the group	-0.1	9.0	-100.8%
Net financial surplus ^(*)	208.9	180.6	+15.7%
Order book ^(*)	983.2	1,264.1	-22.2%

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

REVENUE

(in million €)	2023	2022	Change
Belgium	622.3	513.7	+21.1%
Luxembourg	91.2	145.2	-37.2%
Poland	139.7	140.0	-0.2%
Others	19.7	0.7	n.s.
Eliminations intra segment	-0.3	-0.9	-66.7%
Total Construction & Renovation	872.6	798.7	+9.3%

Revenue amounted to €872.6 million, an increase of 9.3% compared to 2022.

Business was particularly buoyant in Brussels. As for VMA, the most significant project remains the ZIN project. This building is the latest addition to CFE's portfolio of sustainable buildings. On the Tour & Taxi site, through its subsidiary MBG, CFE is building several residential buildings totalling around 350 apartments (Park Lane II). In the same district, major renovation work on the future Kanal-Centre Pompidou museum is gathering pace.

In Wallonia, BPC Group is completing the first of three phases of the Shape project, as well as the construction of the new Namur court building.

In Flanders, several major projects are under construction, including Blok 21/24 Nieuw Zuid in Antwerp, the Howest campus in Bruges and the Meadow office building in Nossegem.



In Luxembourg, CLE has completed several residential projects for BPI Real Estate and is starting work on the new headquarters of the Red Cross. Current market conditions have resulted in a decrease in activity since the summer.

In Poland, in addition to the seven building sites under construction for BPI Real Estate, CFE is carrying out several industrial projects and logistical platforms.

In Germany, the first project under construction (a logistics centre) is nearing completion. It will be delivered in the first quarter of 2024.

OPERATING INCOME

Operating income was € -0.2 million, compared to € 15 million in 2022.

Despite MBG's excellent results, the Construction & Renovation Belgium division posted an operating loss in 2023. It is explained largely by operational difficulties on a site in Wallonia (the SHAPE project) combined with the insolvency of a client and several sub-contractors.

Conversely, the Polish and Luxembourg subsidiaries contributed positively to the segment's operating income.

ORDER BOOK

(in million €)	December 2023	December 2022	Change
Belgium	712.7	1,013.1	-29.7%
Luxembourg	78.3	94.2	-16.9%
Poland	190.2	137.0	38.9%
Others	2.0	19.8	-89.7%
Total Construction & Renovation	983.2	1,264.1	-22.2%

The order book amounted to € 0.98 billion, compared to € 1.26 billion as at 31 December 2022.

In Belgium, order intake was sustained in Flanders. On the other hand, it was much more modest in Brussels and Wallonia, reflecting greater selectivity in business opportunities pursued and a delay in the actual launch of projects by our clients.

In Luxembourg, the volume of new projects put out to tender contracted sharply, for both private and public clients.

In Poland, CFE has won several major orders for residential projects and shopping centres.

Among the contracts won in 2023, the most significant are:

- the construction of two lots for the INEOS' "Project One" ethane cracker. Work, which had been suspended following the cancellation of planning permission, restarted at the beginning of January 2024,
- the construction of a shopping centre in southern Poland;
- the renovation of the American School of Warsaw;
- the construction of a new phase of the Marina Royale luxury residential development in Darlowo on the Baltic coast;
- the general contracting for the new headquarters of the Luxembourg Red Cross;
- the construction of the Airport Business Centre office complex in Diegem;
- the construction of a residential building in Uccle (Emerald Garden).

NET FINANCIAL SURPLUS

Net financial surplus amounted to € 208.9 million, up 15.7% compared to 31 December 2022. The improvement in working capital requirements largely explains this positive trend.

Investments & Holding

KEY FIGURES

(in million €)	2023	2022	Change
Revenue excluding eliminations between segments	2.3	5.4	-57.9%
Eliminations between segments	-122.1	-61.0	n.s.
Revenue including eliminations between segments	-119.8	-55.7	n.s.
Operating income (EBIT) ^(*)	20.1	7.2	179.5%
Result for the period - share of the group	17.4	8.1	115.4%
Net financial debt ^(*)	201.6	144.0	40.0%

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



OPERATING INCOME

Operating income was € 20.1 million compared to operating income of € 7.2 million in 2022. This highly positive performance is explained i) by the contribution from Green Offshore, which increased from € 1.8 million in 2022 to € 9.9 million in 2023, ii) by the growing contribution of Deep C in Vietnam, and iii) by the termination compensation on the DBFM contract for the Eupen schools.

Deep C Holding – formerly Rent-A-Port (CFE share : 50%)

In Vietnam, sales of industrial land reached an all-time high: from 66 hectares in 2022 to 126.7 hectares in 2023. IAI's share in sales increased from 56 hectares to 83.8 hectares. A large part of the sales in 2023 being done in an industrial zone owned equally by IAI and a local partner. Deep C's solid operating performance in terms of both land sales and services rendered to clients was partially offset by the negative EUR/USD exchange rate and the increase in financial expenses.

Deep C Holding's contribution to CFE's consolidated income rose to € 4.4 million in 2023.

As a reminder, in June 2023, Rent-A-Port underwent a legal restructuring:

- Rent-A-Port was renamed Deep C Holding
- Deep C Holding sold its 38% stake in BSTOR to a newly created company (Green Stor) owned equally by CFE and AvH. Following this transfer, Deep C Holding will focus exclusively on Deep C's activities in Vietnam.

A new investor participated in a capital increase in Infra Asia Investment (Hong Kong) LTD ("IAI") in April 2023. As a result of the USD 23.8 million capital increase, Deep C's stake in IAI was diluted from 94% to 84%.

Green Offshore (CFE share: 50%)

Green Offshore owns a minority interest in the Rentel (12.5%) and SeaMade (8.75%) offshore wind farms, situated off the Belgian coast. The two parks together produced about 2.9 TWh of green electricity in 2023, about 0.5 TWh more than in 2022 thanks to favourable weather conditions. In 2023, the two wind farms also benefited from the rise in electricity prices, part of which was paid back to the State in accordance with the new regulatory framework.

Green Stor (CFE share : 50%)

Green Stor has a 38% stake in BSTOR, a company that co-develops battery parks in Belgium. The first 10 MW park has been operational since the end of 2021, while two other projects with a combined capacity of 150 MW are currently under development. Construction is due to start in the second half of 2024, once planning permission has been obtained and financing has been secured.

NET FINANCIAL DEBT

Net financial debt amounted to € 201.6 million, up 40% compared to 31 December 2022. The increase in debt is mainly attributable to capital increases in subsidiaries totalling € 46 million.

1.2. Main risks

1.2.1. General

The Executive Committee is responsible for the preparation of a framework for internal control and risk management, which is submitted to the Board of Directors for approval. The Board of Directors is responsible for assessing the implementation of this framework, taking the recommendations of the Audit Committee into account. At least once a year, the Audit Committee evaluates the internal control systems that the Executive Committee has set up, in order to ascertain that the main risks have been properly identified, reported and managed.

The subsidiaries of CFE are responsible for the management of their own operational and financial risks. These risks, which vary according to the sector, are not centrally managed by CFE. The management teams of the subsidiaries in question report to their respective Board of Directors on their risk management.

This section describes, in general terms, the financial and operations risks facing the Group, and the operational risks associated with the various segments in which it operates (either directly or indirectly).

1.2.2. Financial and economic risks at Group level

Interest rate risk

CFE is exposed to the effect of interest rate fluctuations on its variable rate financial debt.

This risk is partially mitigated by the use of Interest Rate Swaps (**IRS**) and CAPs. However, despite the use of hedges, the very significant rise in interest rates has had an unfavourable impact on CFE's financial statements. The average interest rate on gross debt will rise from 2.31% in 2022 to 3.06% in 2023.



Liquidity risk

The Group is exposed to liquidity risk in particular:

- obligations to repay existing debt;
- the general needs of the Group.

To limit the liquidity risk, the Group's Business Units increased their sources of financing, of which there are four:

- confirmed medium-term bilateral credit lines;
- project finance-type loans that certain Business Units set up to finance some of their projects;
- leasing agreements for several Business Units headquarters and for some construction equipment;
- treasury notes to cover short and medium-term cash requirements.

As at 31 December 2023, the Group's confirmed credit lines were € 230 million, of which € 112.5 million was drawn down. In addition, the Group has € 154.1 million available cash.

CFE complied with all of its financial covenants.

Exchange rate risks

The majority of the Group's activities are located in the Euro zone, thereby greatly limiting the exchange rate risk.

The main exposures are in Poland (PLN fluctuation against the Euro) and at Deep C Holding (foreign exchange risk against USD and VND).

Currency hedges partially mitigate this risk.

Counterparty risk

The Group is exposed to counterparty risk on contracts with private customers.

The measures for managing the aforementioned risks are:

- financial analysis of customers prior to signing the contract;
- regular monitoring of credit risk trends throughout the life of the project;
- where necessary, putting in place start-up advances and/or security or parent company guarantees for customers whose financial strength is deemed insufficient.

Risk related to legislative and regulatory changes

Legal instability in all its forms represents a significant risk for the Group in terms of legislation, regulations, taxation and case law, not to mention European regulations.

The Group responds to this risk by continuously monitoring legislation.

1.2.3. Operational risks at Group level

A distinction should be made between the risks common to the four segments and those specific to each segment.

Risks common to all four segments

Risks related to project execution

The main characteristic of the Group's main activities is the commitment made when submitting a proposal to perform a task that is by its nature unique, for a price with predetermined terms and within an agreed time schedule.

The risks are mainly related to:

- upstream phase (before the contract is signed):
 - poor assessment of the project or client;
 - design and costing errors;
 - errors in assessing the terms of the contract;
 - overestimation of available internal resources, and
 - poor evaluation of subcontracting
- downstream phase (after the contract is signed):
 - insufficient or inadequate staff and supplies;
 - difficult customer relations;



- encountering the unexpected;
- pollution or environmental accidents;
- changes imposed by the client during the work;
- poor contract management;
- changes in the cost of materials and supplies;
- supply chain disruption and shortages of raw materials and labour;
- failure of partners (co-contractors, suppliers, subcontractors) or clients;
- organisational, technical, contractual, administrative and regulatory difficulties in performing the contractual objective, which may affect the Group's deadlines, costs, cash flow, quality and reputation, and
- dispute of the invoice and the final account by the customer.

The measures for managing the aforementioned risks are:

- upstream (before the contract is signed):
 - prior analysis;
 - negotiation with the client for a balanced sharing of risks;
 - consideration by the Engagement Committee prior to submitting tenders for projects exceeding a certain threshold;
 - assessment of the right size of the teams involved, and
 - incorporation of feedback in the study phase.
- downstream (after the contract is signed):
 - organising the preparation of project sites;
 - setting up specific and appropriate management systems;
 - applying price revision formulae or upstream consideration of the impact of variations in costs not covered by the formulae;
 - transferring risk to subcontractors and suppliers;
 - prior selection of technical solutions or equipment;
 - dialogue with the customer and the project owner;
 - drafting contractual clauses containing reciprocal commitments;
 - providing payment guarantees, and
 - arranging insurance policies.

Risks related to inflation

The automatic indexation of salaries for the Group's Belgian employees in January 2023 has had a significant impact on the Group's financial results. Furthermore, the continuing war in Ukraine has had a significant indirect impact on the Group's business in 2023, particularly with a sharp increase in the price of materials, subcontracting and energy, as well as disruption to supply chains. However, these market conditions tended to normalise in the second half of 2023.

Economic risks

The four segments of the Group are by nature subject to strong cyclical fluctuations. Nevertheless, this observation must be qualified for each segment, since the key factors can vary between them.

Thus, the construction and real-estate development activities related to the office property market move in line with the traditional economic cycle, while the residential business depends more directly on general economic conditions, consumer confidence and interest rates.

The measures taken by the Group for managing these risks are:

- diversification of the Group's activities;
- monitoring of upstream orders (*selective bidding*), and
- monitoring changes in the order book and project performance.

Legal risks

Segment activities are exposed to a complex regulatory environment as concerns the places where services are performed and the fields of activity involved. Disputes may arise during the performance of contracts, resulting in particular from assessment differences for new elements during performance, a change in the customer's governance, new case law, even or a misinterpretation of contractual clauses.

Information on the main disputes and arbitrations in which the Group is involved is provided in note 28 (Litigation) to the consolidated financial statements. These disputes are reviewed at the year-end date and, if necessary, provisions are made to cover the estimated risks.



Risk management measures mainly involve the inclusion of contractual clauses to:

- passing on to the customer any additional costs and/or time resulting from changes made at the customer's request after the contract has been signed;
- stopping the work in case of non-payment;
- excluding consequential damages;
- excluding or limiting liability for existing pollution;
- limiting contractual responsibility for the entire project to a reasonable share of the contract amount;
- capping penalties for delay and performance at an acceptable percentage of the contract amount;
- providing for an adjustment of the contractual provisions (price, deadline) in the event of legislative, fiscal or regulatory changes;
- obtaining protection from a force majeure clause (political risk, unilateral decision of the customer or grantor, economic disruption, bad weather) or early termination of the project, and
- ensuring that insurance cover is activated.

Legislative and regulatory compliance

Given the diversity of their activities and geographical locations, the Group's different Business Units are exposed to a specific legislative and regulatory environment which varies depending on the services performed and the fields of activity involved.

In particular, these must comply with the rules relating to:

- the procedures for awarding and performing public or private law contracts;
- construction law, particularly the technical rules governing the provision of services, supplies and works; and
- environmental law, economic law, labour law, social law and competition law.

The Group's ability to adapt to new regulations and how it monitors standards enables it to significantly control legislative and regulatory risks.

IT security risks

In the digital and teleworking era, IT risks increasingly constitute threats that are liable to slow down the activities of the Business Units or compromise the integrity of their most valuable resources and data.

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

CFE's risk management measures can be summarised as follows:

- installing professional antivirus software on all workstations, with regular updates;
- installing additional authentication systems for technical users (administrators);
- installing security solutions for cloud solutions (SaaS) used by CFE and to secure Internet use:
- using secure tunnels (VPN) to connect users working remotely;
- putting in place regular cyber security training and awareness-building sessions for all staff, sharing how to protect yourself from a cyber security attack (phishing, data theft etc.);
- adding a professional service to Outlook for reporting and analysing "phishing" e-mails;
- implementing a well-configured and up-to-date complex password and multi-factor authentication strategy;
- using external service providers to analyse systems and alert on anomalies pointing to a potential security incident;
- using the Chief Information Security Officers to audit the implementation of our security policies;
- restricting access to confidential and sensitive files according to user profiles: in this regard, folders and resources are partitioned by department, with authentication;
- setting up an effective backup system, and
- systematically training employees in the use of applications and software.

The year 2023 was characterised by numerous interventions by dedicated IT teams, with no significant consequences for the Business Units concerned.

Operational risks specific to the Construction & Renovation and Multitechnics segments

Risks related to customer solvency

Both segments are exposed to the risk of customer insolvency.

The measures for managing these risks are:

- checking the creditworthiness of customers when submitting tenders;
- regularly monitoring the outstanding amounts owed by customers and adapting, if necessary, the position of the Business Unit



- concerned vis-à-vis the customer, and
- for customers showing a material credit risk, requiring down payments and/or first demand bank guarantees before work starts.

Risks related to the management and workforce

The challenge of attracting and retaining talent is essential in a group where the construction business is evolving very quickly and where specialisation and job-specific expertise gives a competitive advantage in responding to calls for tender.

The Construction & Renovation business and the Multitechnics segment are experiencing a chronic shortage of qualified supervisory staff and workers. The success of projects, in the study, preparation and execution phases, depends both on employees' qualifications and skills and on their availability in the labour market.

The measures taken by the Group for managing the risks are:

- increasing the skills of the Group's employees through a human capital development cycle;
- setting up a training programme for each employee;
- developing programmes to promote internal mobility, and
- setting up local partnerships with economic, social, institutional and academic players.

Contractual risks related to public-private partnerships

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

The measures for managing the risks are:

- discussion by the Engagement Committee prior to tendering;
- setting up the operation in a special purpose vehicle with financing that is for the most part provided through debt without recourse or with limited recourse against the shareholders;
- involvement of the lenders in the early stages of the projects, and
- seeking advice from external consultants.

Environmental risks

The Group's Business Units may be subject to risks related to the environmental conditions of the projects in which they operate, including risks related to climate change and potential contamination of natural environments.

In addition to the economic aspects, environmental risks can be assessed in terms of image and reputation, as the operation may be affected over the long term by their consequences. From a longer term perspective, changes in regulations related to the ecological transition may also constitute a risk factor.

All these risks can therefore generate human, technical, financial and legal issues.

The measures for managing the risks are:

- analysing these risks as early as the tender phase and developing solutions with the development teams, taking into account the issues at stake as early as possible;
- implementing appropriate technical and organisational solutions to reduce risks – bearing in mind that these risks evolve throughout the life of the projects, and
- restoration costs related to major climatic events may be partially covered by insurance companies.

The environmental issues relating to the Group's activities and their potential impact on the environment are detailed more specifically in the Non-Financial Statement, chapter 4.

Legal risks related to social and labour law

The social risks faced by both the Construction & Renovation and Multitechnics segments are based on the cross-border subcontracting chain mainly in the construction sector.

The main risks identified for construction sites in Belgium are the re-classification of first-tier subcontracts, occupation and the absence of a checkin@work statement.

Failure to comply with social legislation may constitute a legal and image risk.



The following risk management measures are therefore in place:

- putting in place sub-contracting policies;
- implementing training applicable to all Business Units;
- carrying out social audits of subcontractors on site with particular attention to compliance with social obligations, and
- half-yearly analysis of social risks and establishing action plans.

The BPC Group Business Unit has already been sued several times in this regard. In particular, BPC Group was convicted on 19 May 2020 by the Brussels Court of First Instance for alleged social law violations committed by one of its subcontractors in 2017. From the outset, BPC Group formally contested the allegations made against it, and lodged an appeal against the judgement. In its ruling of 8 March 2023, the Brussels Court of Appeal acquitted BPC Group of all charges relating to this case. This ruling has not been appealed before the Supreme Court and can therefore be considered closed.

BPC Group was also fully acquitted in a similar case concerning the “Inovplena” construction site by a judgement dated 2 June 2022, which the auditorate has appealed. However, a ruling on 13 September 2023 confirmed BPC Group’s acquittal, and this ruling has not been appealed before the Supreme Court.

Similar facts against BPC Group were also brought before the Court of First Instance of Walloon Brabant (Nivelles), which pronounced a judgement in favour of BPC on 6 July 2022. The auditorate has appealed against this decision. This case was heard by the Brussels Court of Appeal on 21 February 2024.

Finally, as part of a CIT-BPC limited partnership, a similar case was submitted by the auditorate for the “Jardins de la Chasse” site.

Risks related to personal safety

The often complex projects and operations carried out by the Group’s operating Business Units are subject to constraints that can threaten the health, safety and quality of life at work of employees and subcontractors.

In the event of an accident or near-accident, the activity of the Business Unit concerned may be seriously affected and the resumption of that activity is conditional on the implementation of appropriate corrective measures.

To reduce personal safety risks, the Group has strengthened its commitment to safety with a new “GO FOR ZERO” safety policy’. One of the aims of this policy is to ensure that all workers, employees, partners, subcontractors, visitors and customers go home injury-free after work, whatever the operational and commercial challenges. CFE is aiming for “ZERO workplace accidents” and is also committed to reducing pollution and environmental waste by aiming for “ZERO environmental incidents”. To this end, all Group teams are committed to exemplary behaviour and to rigorously following Quality, Health, Safety and Environment policies (**QHSE**), which are based on the requirements detailed in ISO 9001, ISO 45001 and ISO 14001.

In addition, CFE is implementing the following risk management measures:

- the introduction of safety visits to construction sites by Group and Business Unit managers from the Construction & Renovation segment, with the aim of promoting safety and well-being in the workplace and fostering a culture of safety, visible exemplary behaviour, risk identification and improved communication;
- prior analysis of the risks involved as far upstream as possible and at the start of operations;
- providing appropriate personal protective equipment;
- implementing prevention procedures and operating methods resulting from risk assessments (markings, railings, stairs, etc.);
- carrying out dedicated audits;
- organising training and awareness-raising events;
- setting up partnerships with external organisations;
- including dedicated clauses in contracts with subcontractors, and
- complying with the health measures put in place by the local authorities.

Operational risks specific to the Real Estate Development segment **Risks related to the economic environment**

Projects are currently situated exclusively in Belgium, Luxembourg and Poland.

A change in the principal macroeconomic indicators, the geopolitical environment or the economic cycle in general may impact the confidence of households, investors and private and public entities, and may bring about (i) a fall in demand for housing and retail properties, as well as other categories of real estate, (ii) lower sale prices and lower returns 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, conse-



quently, 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 segment's ability to sell residential or office properties.

However, certain factors can help mitigate these risks:

- due to the shortage of well-situated land, supply and demand are in principle under increasing pressure;
- sectoral diversification of customers;
- the value of real estate is primarily determined by the commercial value of the location of the property, and
- investments are concentrated in sub-regions with high purchasing power.

Risks associated with the removal of the reduced 6% VAT rate on the sale of housing (off-plan) following demolition-reconstruction work in Belgium

From 1 January 2024, the reduced 6% VAT rate will no longer apply to sales of housing (off-plan) following demolition-reconstruction work. The reduced rate for demolition-reconstruction work on a principal residence will continue to apply only to natural persons (and no longer to property developers/investors).

This reform is having an impact on BPI Real Estate Belgium's activities insofar as the reduced rate provided an economic stimulus to both the real estate development and construction sectors, with a positive ecological impact given that it contributed to renewing the real estate stock. Applying the standard 21% VAT rate to such transactions will result in additional costs for property buyers and investors, potentially slowing down BPI Real Estate Belgium's sales. However, the property industry's union, *Union Professionnelle du Secteur de l'Immobilier ('UPS')*, in association with several real estate developers including BPI Real Estate Belgium, has decided to lodge an annulment appeal with the Constitutional Court against the provisions limiting the favourable 6% VAT regime on the supply (sales) of real estate.

Risks related to real estate investments

Before acquiring land for development, the Business Units in the Real Estate Development segment study 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 these Business Units' diligent approach, it is possible that they fail to take account of - or do not know - all the relevant factors needed to make an informed decision.

To reduce this risk, the following measures have been taken:

- systematic prior review of all property acquisitions by CFE's Investment Committee, and
- inserting suspensive conditions in land purchase contracts.

Risks related to real estate development

All projects are dependent on planning, building and environmental permits being granted. Consequently, any project may be affected by (i) the segment being unable to obtain, maintain or renew the necessary permits or (ii) any delay in the obtaining, maintaining or renewing of those permits, as well as (iii) the Business Units being unable to comply with the conditions of those permits. In fact, the number of appeals lodged against permits for new projects is on the increase, especially in the Brussels region.

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.

The following risk management measures are therefore in place:

- ensuring that managers and staff have the necessary knowledge concerning planning and permit law;
- using the services of external consultants specialising in planning law in the region concerned;
- prior review of planning permission when developing a building, and
- ongoing assessment of and compliance with changes to planning permits and authorisations, and anticipation of possible changes.

Furthermore, 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. The Business Units in the Real Estate Development segment can also incur additional project construction and development costs and penalties that exceed the initial estimates.

To mitigate these risks, the following measures are in place:

- transferring construction risks to subcontractors;
- almost systematic assigning of project construction to CFE's subsidiaries, and



- arranging appropriate insurance policies.

Liquidity and financing risks

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

It is possible that BPI Belgium, BPI Luxembourg or BPI Poland are unable to renew the existing finance agreements or attract new financing on commercially favourable terms.

To mitigate these risks, the following management measures are in place:

- diversifying funding sources;
- increasing confirmed credit lines;
- using a treasury note and medium-term promissory note programme,
- several new project finance arrangements in both Belgium, Luxembourg and Poland were put in place on similar terms to those prevailing before the health crisis.

As at 31 December 2023, BPI and its subsidiary BPI Luxembourg together had € 60 million in confirmed bilateral credit lines, of which € 22.5 million had been drawn down.

Risks related to special-purpose vehicles

To carry out some of their real-estate projects, BPI Belgium, BPI Luxembourg and/or BPI Poland participate and will continue to participate in **special purpose vehicles ('SPVs')** which provide real guarantees in support of their credit facilities. The risk, in the event of the failure of this type of company and exercise of the guarantees, is that the proceeds from such 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.

The Business Units concerned therefore take measures and steps to mitigate risk, such as:

- sharing risk with partners;
- financing through non-recourse or limited-recourse debt against shareholders;
- paying special attention to the preparation phase and stakeholders' relations, and
- monitoring marketing and the pace of sales.

Risks related to the ability to sell projects

The financial position, results and prospects of Business Units' operating in Real Estate Development 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. The Business Units concerned may be unable to find a suitable buyer for this type of asset in the event of a liquidity need. Moreover, market conditions may force them to sell their projects at lower prices than planned.

The segment's inability to generate positive cash flow from project sales can adversely affect its capacity to repay its debts.

To mitigate this risk, the following measures and factors come into play:

- carrying out careful market research before any investment and during development;
- inserting suspensive conditions in land purchase contracts;
- limiting unsecured transactions, with a minimum pre-commercialisation threshold required;
- elasticity of demand in the residential market, and
- adopting a conservative and prudent financing strategy, characterised by diversification of financing sources and a broad group of banking partners.

Risks related to portfolio concentration

The vast majority of projects in this segment are residential projects. Consequently, any slowdown or regulatory changes or any market changes affecting the residential market may have a considerable negative impact on the segment's results and operations. In the financial year 2023, BPI Luxembourg was particularly affected by a slowdown in the market.

The Group therefore takes the following risk management measures:

- diversifying the portfolio and projects, in Belgium, Poland and Luxembourg, and
- maximising anticipation of any legislative change likely to impact projects by providing for an adjustment of the contractual provisions (price, deadline) in the event of legislative, fiscal or regulatory change.

Risks related to stakeholders



The Real Estate Development segment maintains contractual relations with several parties, such as partners, investors, tenants, entrepreneurs, financial institutions and architects. Those stakeholders may experience disruptions in their operations or be confronted with financial difficulties that may cause a delay or total inability to meet their contractual obligations.

The Business Units of the Real Estate Development segment therefore ensure that the following measures are implemented:

- strengthening controls for awarding and monitoring works;
- including guarantees in contractual agreements, with a preference for first demand bank guarantees;
- prior screening and ongoing monitoring of stakeholder creditworthiness;
- arranging appropriate insurance policies, and
- almost systematic assignment of construction of projects to the Construction & Renovation Business Units.

Risks specific to the Investments & Holding segment

Deep C Holding (port concessions in Vietnam)

Geopolitical risk

The political situation in Vietnam has been stable for many years. However, even if highly unlikely, political risk can never be completely ruled out.

No specific risk management measures are required at this time other than monitoring changes in the country's political situation.

Liquidity and financing risks

Project development requires significant investment.

Deep C Holding may be exposed to liquidity risk, in particular:

- obligations to repay existing debt, and
- general needs.

Deep C Holding has therefore put in place *corporate* financings with its subsidiary Infra Asia Investment HK, as well as local financing in Vietnam to finance both fixed assets such as warehouses or leased infrastructure, and the working capital requirements of the various industrial zones.

Green Offshore (minority stakes in Belgian offshore wind farms, Rentel and SeaMade)

Given that (i) both wind farms are built, financed and fully operational, and (ii) a minimum price for the electricity produced is guaranteed by a green certificate mechanism, the major residual risks are:

- maintenance budget overruns, and
- green electricity production, which depends on weather conditions and turbine availability.

1.3. Major events after the closing of the financial year

No significant change in the financial and commercial situation of the Group has occurred since 31 December 2023.

1.4. Research and development

In 2023, the Group pursued a number of innovative projects. One of these projects concerns "kitting". This intelligent logistics tool is aimed in particular at delivering goods to a consolidation centre, re-palletising ad hoc and LEAN-compliant phased delivery directly to the work area concerned.

In 2023, the BPC Group Business Unit, in association with its partners Buildwise and Ship it, took part in the experiment on the Erasme I and Tervuren Square sites. This experimental phase has already made some progress, notably in terms of the use of a partner for joint deliveries, the identification of activities that are valued for such a process and that can be delivered at the same time, etc. However, these two projects still need to assess (i) the profitability of such a procedure (which could improve subcontracting costs and yields) and (ii) the reduction in CO₂ emissions. A third site will become part of the experiment in 2024.

In addition, the Group has been working on a project based on artificial intelligence, called "*AI-Generated Income Forecasting for Construction Sites*". This project aims to improve the management of a construction site by providing monthly progress forecasts using artificial intelligence, in addition to traditional project manager forecasts. This supports more efficient management of construction sites by:

- identifying discrepancies between actual and anticipated progress, flagging potential site problems requiring analysis and action, and
- facilitating accurate cash flow forecasting thanks to a reliable estimate of work progress.

Finally, CFE Poland has innovated by developing a parametric design model that generates a 3D model, a carbon footprint assess-



ment and a budget estimate for logistics or industrial projects in just a few clicks. This tool helps to understand the impact of different parameters on project budgets and carbon footprints, enabling the Group to propose more optimal buildings to its customers.

1.5. Financial instruments

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

1.6. Outlook for 2024

The medium- and long-term outlook for CFE remains positive, thanks to its positioning in the growth markets of renovation and energy performance improvements of existing buildings, re-industrialisation and the development of infrastructure linked to the energy transition.

The economic environment, however, remains difficult in the short term in Belgium and Luxembourg, both in the residential and office markets. In this context, CFE expects a moderate contraction in turnover in 2024 but an improved operating margin compared to 2023.

Delays in the start-up of several major residential projects in Brussels due to appeals against permits, combined with a decrease in residential sales in Luxembourg, will have a negative impact on BPI Real Estate net income in 2024. This will be partly offset by the positive contribution from the Polish entities.

The subsidiaries of the Construction & Renovation segment in Belgium and Luxembourg and VMA anticipate a moderate decrease in sales in 2024. Priority will be given to improving operational performance.

Conversely, in Poland, business is set to grow, driven by a more favourable economic environment.

For MOBIX, 2024 will be a second transitional year characterised by the end of the LuWa project (modernisation part) and by more modest activity in the Rail Business Division, before an anticipated recovery as from 2025.

Deep C Holding's activities in Vietnam should continue to grow in 2024, while Green Offshore's results will be impacted by the decrease in the price of electricity.



III. CORPORATE GOVERNANCE STATEMENT

1. Reference code

With regard to corporate governance, this statement contains the information required by the Companies and Associations Code, which came into force on 1 January 2020 (the 'CAC'), as well as by the Belgian Corporate Governance code 2020 (the 'Code 2020').

CFE has adopted the 2020 Code as its code of reference and applies its recommendations in accordance with the "comply or explain" principle.

The Company's Corporate Governance Charter and Dealing Code can be consulted on the Company's website www.cfe.be.

This corporate governance statement describes the composition of the CFE's Board of Directors and its Committees, and how they operate. It comments on the practical application of CFE's governance rules during the fiscal year ending 31 December 2023. It also specifies the provisions of the Code 2020 the Company does not comply with and explains these derogations. It also includes the remuneration policy and the remuneration report. Lastly, it reflects the main features of the Company's internal control and risk management systems.

2. The Board of Directors and its Committees

2.1. Board of Directors

The Company has opted for a one-tier structure. Consequently, the Board of Directors is responsible for the general conduct of the Company's business and is accountable for its management in accordance with articles 7:93 and 7:94 of the CAC.

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

In particular, 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 CEO and the Executive Committee;
- ensures that the special committees of the Board of Directors function properly and efficiently.

2.1.1. Members of the Board of Directors, 31 December 2023



LUC BERTRAND	
Position	Non-executive Director - Chairman (since February 2016)
Committees	Chair of the Nomination and Remuneration Committee since May 2021
Nationality and year of birth	Belgian, born 1951
First appointment as Director	December 2013
Current term of office expires	2025 AGM
Training and experience	<p>Luc Bertrand graduated in 1974 as a commercial engineer (KU Leuven). He began his career at Bankers Trust, as Vice-President and Regional Sales Manager, Northern Europe. He has been with Ackermans & van Haaren as a director since 1985, where he joined as financial director in 1986 and was chairman of the executive committee from 1990 to 2016. He is chairman of the board of directors of Ackermans & van Haaren, DEME Group and SIPEF and a director of Delen Private Bank, JM Finn, Bank Van Breda and Verdant Bioscience.</p> <p>Luc Bertrand has deep expertise in governance and principles. Having served on various audit and risk committees, he is well-versed in risk management and internal control systems.</p> <p>Furthermore, he is a founding member of Guberna, a Belgian institute to stimulate good governance, and chairman of its Board of Trustees. He is also chairman of the Duve Institute and Middelheim Promoters and member of several other boards of directors of non-profit associations and public institutions, such as Museum Mayer van den Bergh and Europalia.</p>

**PIET DEJONGHE**

Position	Non-executive Director
Committees	Member of the Audit Committee since June 2022
Nationality and year of birth	Belgian, born 1966
First appointment as Director	December 2013
Current term of office expires	2025 AGM
Training and experience	Piet Dejonghe received, after a degree in law (KU Leuven, 1989), a post-graduate degree in management (KU Leuven, 1990) and an MBA from INSEAD (1993). Before joining Ackermans & van Haaren in 1995, he worked as a lawyer at Loeff Claeys Verbeke and as a consultant at Boston Consulting Group.

**KOËN JANSSEN**

Position	Non-executive Director
Committees	/
Nationality and year of birth	Belgian, born 1970
First appointment as Director	December 2013
Current term of office expires	2025 AGM
Training and experience	Koën Janssen received, after a degree in civil engineering and electro-mechanics (KU Leuven, 1993), an MBA from IEFSI (France, 1994). He worked for Recticel, ING Investment Banking and ING Private Equity before joining Ackermans & van Haaren in 2001. He is a member of the Executive Committee.

**AN HERREMANS**

Position	Non-executive Director
Committees	/
Nationality and year of birth	Belgian, born 1982
First appointment as Director	June 2022
Current term of office expires	2026 AGM
Training and experience	An Herremans received a Master's degree in Business Engineering from the KU Leuven and a Master's degree in Finance from the Vlerick Business School. She has worked as Strategy Office Manager at Barco and as Senior Consultant at Roland Berger Strategy Consultants. She is currently a member of the Executive Committee of Ackermans & van Haaren.

**CHRISTIAN LABEYRIE**

Position	Non-executive Director
Committees	/
Nationality and year of birth	Belgian, born 1956
First appointment as Director	March 2002
Current term of office expires	Christian Labeyrie has resigned from his directorship with effect from 4 May 2023.
Training and experience	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 began his career in the banking industry. Christian is a Chevalier of the Légion d'Honneur and a Chevalier of the Ordre National du Mérite. He is Executive Vice-President, Chief Financial Officer and a member of the Executive Committee of the VINCI Group. Before joining VINCI in 1990, he held various positions in the Rhône-Poulenc and Schlumberger groups.

**HELENE BOSTOËN**

Position	Independent Director
Committees	Member of the Audit Committee since May 2021
Nationality and year of birth	Belgian, born 1977
First appointment as Director	May 2021
Current term of office expires	2025 AGM
Training and experience	Hélène Bostoën (Belgian) is a management engineer (Solvay Business School, ULB, Brussels) and holds an MBA from INSEAD (Singapore and Fontainebleau). She began her career at Merrill Lynch in New York. In 2006 she co-founded Eko Developer Sp.z. o. o., a real estate development company focusing mainly on retail, office and residential property in Poland. In 2007, she took over the management of a family company, Flanders-Immo JB, active in residential real estate development in Belgium, Poland and France. She is also Founder and Managing Director of Fenixco SA, a property development company.

**LIEVE CRETEN BV, represented by LIEVE CRETEN**

Position	Independent Director
Committees	Member of the Audit Committee since July 2022 Member of the Nomination and Remuneration Committee since July 2022
Nationality and year of birth	Belgian, born 1965
First appointment as Director	May 2022
Current term of office expires	2026 AGM
Training and experience	Lieve Creten is a management engineer (KU Leuven, 1989) and also holds a Master's degree in taxation (1989). She was a partner at Deloitte for over twenty years, where she developed the M&A practice and led the Financial Advisory practice as a Managing Partner from 2008 to 2019. She was a member of the Executive Committee of Deloitte Belgium until 2019. In addition, she was a member of Deloitte Financial Advisory's global executive team from 2015 to 2021. Lieve Creten is currently active as an independent consultant.

**B GLOBAL MANAGEMENT BV, represented by STEPHANE BURTON**

Position	Independent Director
Committees	Member of the Nomination and Remuneration Committee since June 2022
Nationality and year of birth	Belgian, born 1973
First appointment as Director	June 2022
Current term of office expires	2026 AGM
Training and experience	Stéphane Burton received a Master's degree in Law at the Catholic University of Leuven (1996), a Master's degree in Social, Economic & Tax Law at Universiteit Gent (1997) and a Global Executive MBA from INSEAD (2013). He began his career as a business lawyer before joining the TAT/Sabena Technics group in 2007. He held various positions within the group, becoming a director of the Belgian subsidiaries in 2008 and a member of the Directoire of the group in 2009. In 2014, he led a management buy-out of the group's Belgian subsidiaries and since then - as CEO - has pursued the development of the ORIZIO Group, born of the merger between Sabena Aerospace and Sabca, now the Orizio Group. He is also Vice-Chairman of Liege Airport and an independent director of SECO, Charleroi Airport and Sopartec/UCLouvain- Technology Transfer Office.



FERNANDO SISTAC	
Position	Non-executive Director
Committees	/
Nationality and year of birth	Belgian, born 1959
First appointment as Director	May 2023
Current term of office expires	2027 AGM
Training and experience	Fernando Sistac is a civil and geotechnical engineer (Polytech Lille, 1982). Until 2022, he was Managing Director of Vinci Environnement and Chief Operating Officer of Entrepouse Group (Vinci). He joined the Vinci group in 2000 as CEO of CBC (Sogea Group). From 2012 to 2016, he was Deputy Managing Director of Vinci Construction France, and from 2016 to 2018, Chief Operating Officer of Vinci Construction France. He was a member of the Comex of Vinci Construction France until 2018.

Following the resignation of H el ene Bosto en as an independent director with effect from 1 January 2024 and the co-optation of her company Waraku BV, represented by H el ene Bosto en, as an independent director by the Board of Directors on 23 February 2024, a proposal will be made to the Annual General Meeting of 2 May 2024 to confirm the appointment of Waraku BV, represented by H el ene Bosto en, as an independent director.

Following the resignation of Fernando Sistac as a director with effect from 26 March 2024 and the co-option of his company Fernando Sistac Management et Conseil SAS, represented by Fernando Sistac, as a director by the Board of Directors on 26 March 2024, it will be proposed to the Ordinary General Meeting of 2 May 2024 to confirm the appointment of Fernando Sistac Management et Conseil SAS, represented by Fernando Sistac, as a director.

2.1.2. Composition and diversity of the Board of Directors

The composition of CFE's Board of Directors reflects the company's controlling shareholders. CFE is controlled by Ackermans & van Haaren SA, a Belgian company whose shares are listed on Euronext Brussels and VINCI Construction SAS. As at 31 December 2023, CFE's eight-member Board of Directors includes four representatives put forward by the reference shareholder, Ackermans & van Haaren NV and one representative put forward by VINCI Construction SAS.

This situation of control also justifies the presence on 31 December 2023 of representatives put forward by the leading shareholder, Ackermans & van Haaren NV, at the Audit Committee (one member out of three) and on the Nomination and Remuneration Committee (one member out of three).

The composition of the Board of Directors is also 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 includes a sufficient number of independent directors to ensure that the interests of all the Company's shareholders are respected, and one-third of its members are women, thus meeting the requirements of article 7:86 of the CAC.

The balance of attendees is re-evaluated each year by the Nomination and Remuneration Committee.

2.2. Role of the Chairman of the Board of Directors

The duties of the Chairman of the Board of Directors are detailed in the Company's Corporate Governance Charter.

The Chairman maintains close links with the Chairman of the Executive Committee and ensures, in close collaboration with the latter, that the Board of Directors, in its composition, deliberations, decision-making and implementation of decisions, operates in accordance with the provisions of the Charter, and draws up, again in close collaboration with the Chairman of the Executive Committee, the agenda for Board meetings.

Generally speaking, the Chairman of the Board also ensures effective communication with all directors, creating a climate of trust that allows open discussion and constructive criticism, and with the Company's shareholders and other stakeholders.

The Chairman is also in charge of the various evaluation procedures for the Board and its Committees.

2.3. Attendance, functioning and competences of the Board of Directors

The Board of Directors is organised so as to ensure that decisions are taken collectively in the interests of the Company and in a way that allows work to be carried out efficiently.



The Board of Directors meets at least five times a year, at times set at the beginning of the year, and whenever the Company's interests so require.

The Board of Directors met on six occasions in 2023.

The attendance rate for Board meetings in 2023 is shown below:

Name	Position	Attendance rate
Luc Bertrand	Non-executive Director, Chairman	6/6
Piet Dejonghe	Non-executive Director	6/6
Koen Janssen	Non-executive Director	6/6
An Herremans	Non-executive Director	6/6
Christian Labeyrie	Non-executive Director until the AGM of May 2023	2/2
Hélène Bostoën	Independent Director	6/6
Lieve Creten BV, represented by Lieve Creten	Independent Director	5/6
B Global Management SRL, represented by Stéphane Burton	Independent Director	6/6
Fernando Sistac	Non-executive Director since the AGM of 2023	4/4

In addition to defining corporate strategy and culture, he is also responsible for overseeing the Committee's tasks; the Board of Directors approves the statutory and consolidated financial statements and management report, decides on the appropriation of net income and the publication of financial information.

Specific decisions taken by the Board of Directors in 2023 mainly concerned:

- approval of the financial statements for 2022 as well as the financial statements for the first half of 2023;
- examination of the 2023 budget updates;
- examination of the 2024 budget;
- review of the strategic plans of the Group's main Business Divisions;
- review of matters that were presented at Engagement Committee meetings and the changes in safety indicators;
- examination of the financial situation of CFE, changes in its debt levels and its working capital requirement;
- review and update of the ESG strategy and materiality matrix as part of the CSRD;
- examination of changes in the value of real-estate projects; and
- approval of the acquisition and sale of several real estate projects worth more than ten million.

During the 2023 financial year, the Directors were not faced with any situations of conflict of interest. Consequently, articles 7:96 and 7:97 of the CAC are not applicable in 2023.

Periodic review procedures are organised by the Board of Directors in accordance with Article II.6 of the Charter. These are held upon the initiative and under the direction of the Chairman. As the Executive Committee was established in July 2022, the annual review of the relationship between the Board and the Executive Committee will take place for the first time in 2024.



3. Audit and Risk Management Committee

CFE has two Committees within the Board of Directors, namely the Audit and Risk Management Committee ('**Audit Committee**') (in accordance with article 7:99 of the CAC) and the Appointments and Remuneration Committee (in accordance with article 7:100 of the CAC).

3.1. The Audit Committee

Generally speaking, the Audit Committee monitors the preparation and verification of the Company's accounting and financial information, as well as the effectiveness of the systems of internal control, supervision and risk management.

As at 31 December 2023, the Audit Committee comprised three members, two of whom are independent within the meaning of article 7:87 of the CAC and the 2020 Code. They are Lieve Creten, represented by Lieve Creten, and H  l  ne Bosto  n. The other member, Piet Dejonghe, is a representative of the reference shareholder.

As a whole, the Audit Committee has the requisite skills in accounting, auditing and IFRS, thanks in particular to its members' studies and experience in financial and real estate companies.

The Audit Committee met four times in 2023, examining in particular:

- the financial statements for the full-year 2022 and the first half of 2023;
- the quarterly financial statements for the first and third quarters of 2023;
- the draft 2024 budget before it was presented to the Board of Directors;
- the reports of the internal auditor;
- changes in the results of the main projects;
- changes in the group's cash position and working capital requirement;
- non-financial indicators;
- the group's off-balance sheet commitments, in particular the bank guarantees, and
- the auditor's reports.

In 2023, the Audit Committee paid particular attention to the group's internal controls and monitored steps taken by CFE to improve them. It also paid particular attention to some of the loss-making sites, such as ZIN, SHAPE and LuWa.

The term of office of Audit Committee members coincides with their term of office as Directors.

Members of the Audit Committee	Current mandate	Participation rates
Lieve Creten BV, represented by Lieve Creten (Chair)	2022-2026	4/4
H��l��ne Bosto��n	2021-2025	3/4
Piet Dejonghe	2021-2025	4/4

Unless the Audit Committee decides otherwise, the chairman of the Executive Committee, the CFO and the responsible of internal audit attend the meetings of the Audit Committee.

Once every three years, the Board of Directors assesses the size, composition and functioning of the Audit Committee, as described in greater detail in article 11.6 of the Charter.

3.2. The Nomination and Remuneration Committee

Generally speaking, the Nomination and Remuneration Committee ensures fair remuneration within the Group, taking into consideration regulatory standards, targets set, and the risks and the rules of conduct set out in the Charter. The Nomination and Remuneration Committee also ensures that the best people are selected to oversee and manage the Company.

As at 31 December 2023, The Nomination and Remuneration Committee comprised three members, two of whom are independent within the meaning of article 7:87 of the CAC and the 2020 Code. These are Lieve Creten BV, represented by Lieve Creten and B-Global Management SRL, represented by St  phane Burton. This Committee is chaired by Luc Bertrand, who is Chairman of the Board of Directors and a representative of the reference shareholder.

As a whole, the Nomination and Remuneration Committee has the requisite expertise in the area of remuneration.



The Nomination and Remuneration Committee met three times in 2023 and examined, in particular:

- the fixed and variable remuneration paid to the CEO;
- the fixed and variable remuneration of the members of the Executive Committee and the directors;
- the annual remuneration report;
- the remuneration of the directors;
- monitoring talent development and succession planning, and
- the *long-term incentive plan* at CFE.

The term of office of the Nomination and Remuneration Committee members coincides with their term of office as directors.

Members of the Nomination and Remuneration Committee	Current mandate	Participation rates
Luc Bertrand, (Chairman)	2021-2025	3/3
Lieve Creten BV, represented by Lieve Creten	2022-2026	3/3
B Global Management SRL, represented by Stéphane Burton	2022-2026	3/3

Whenever remuneration is discussed, the Company's Human Resources Director, i.e. Focus2LER BV, represented by Valérie Van Brabant, is always invited to attend the Nomination and Remuneration Committee meeting.

As for the Audit Committee, every three years the Board of Directors assesses the size, composition and functioning of the Nomination and Remuneration Committee, as described in greater detail in article II.6 of the Charter.

4. The Executive Committee

On 29 June 2022, the Company's Board of Directors set up an Executive Committee comprising at least five members of management, and delegated day-to-day management of the Company exclusively to the Chairman of the Executive Committee, known as the CEO.

The members of the Executive Committee are considered as other directors within the meaning of the CAC and as persons exercising managerial responsibilities within the meaning of the European Market Abuse Regulation.

The Executive Committee, chaired by the CEO, is primarily responsible for presenting the Group's strategy to the Board of Directors and for monitoring and implementing the strategy following the Board of Directors' approval. The main tasks entrusted to the CEO and the Executive Committee by the Board of Directors are detailed in chapter IV.1 of the Charter.

Executive Committee members are appointed and dismissed by the Board of Directors. In principle, they are appointed for an indefinite period. The Board of Directors ensures that the Executive Committee is made up of people of integrity, with a wide range of professional skills, and with the knowledge, experience and complementary skills required to carry out their duties properly.

As of 31 December 2023, the Executive Committee is composed of:

Torema SRL, represented by Raymund Trost	
Position	Chairman of the Executive Committee Chief Executive Officer of CFE ('CEO')
Nationality and year of birth	Belgian, born 1964
Training and experience	<p>Raymund Trost holds a Master's degree in Economics and International Finance as well as a Master's degree in European Affairs & Econometrics (University of Leuven - 1987) and has undergone leadership training (Harvard University - 2014).</p> <p>He started his career at the Ministry of Finance (Research Analyst, 1987-1998). He then worked at BNP Paribas Fortis (Financial Analyst, 1989-1991). In 1991, he joined the European Commission as Deputy Administrator (Audit & Finance). In 1992, he joined Owens Corning (European Business Planning Manager) and for many years held the positions of Financial Director, General Manager and Managing Director (1996-2007). He ended his time with the company as CEO of 3B-The Fibreglass Company (Divested business by Owens Corning, 2007-2008). He then joined Saertex as Managing Director of Strategy & Business Development (2008-2010).</p> <p>In 2011, he joined Tyco Electronics (VP Telecom Networks, 2010-2011). He then served as CEO of the Joris Ide Group (2011-2015).</p> <p>In 2015, he joined the CFE Group as Chairman of the Executive Committee, CFE Contracting. Via his management company, he is currently CEO and Chairman of CFE's Executive Committee.</p>

**MSQ SRL, represented by Fabien De Jonge**

Position	Member of the Executive Committee Chief Financial Officer of CFE ('CFO')
Nationality and year of birth	Belgian, born 1972
Training and experience	Fabien De Jonge holds a Master's degree in Management (Leuven School of Management - 1995). He started his career at Arthur Andersen (Auditor, 1995-2000). He then worked at Bank Degroof Petercam (Internal Auditor, 2000-2001). In 2002, he joined the CFE Group where he started as Project Finance Manager. In 2004, he combined this function with that of Head of Finance at BPI. Since 2014, he has been the Chief Financial Officer of CFE via his management company.

Focus2LER SRL, represented by Valérie Van Brabant

Position	Member of the Executive Committee Chief People Officer of CFE
Nationality and year of birth	Belgian, born 1979
Training and experience	Valérie Van Brabant holds a Master's degree in Business Administration (ICHEC - 2004) and has undergone training in HR Management (Vlerick Business School - 2016-2017) as well as training in General Management (INSEAD - 2022). She started her career at recruitment agency Robert Half and then Robert Walters (Senior Consultant, 2004-2007). In 2007, she joined the CFE group where she started as Recruitment and Development Consultant (2007-2013). She developed her career within the group as HR Manager of Louis Stevens & Co, MOBIX Remacom, MOBIX Engema, MOBIX Engetec and BPI (2014-2019). In 2019, she was appointed Chief Human Resources Officer of CFE, CFE Contracting and BPI, and member of the Executive Committee of CFE Contracting (2019-2022). She is currently Chief People Officer of CFE through her management company.

ARTIST VALLEY SA, represented by Jacques Lefèvre

Position	Member of the Executive Committee Real Estate CEO
Nationality and year of birth	Belgian, born 1962
Training and experience	Jacques Lefèvre holds a degree in Commercial Engineering (ICHEC - 1988). In 2004, he joined the CFE group where he is Managing Director of BPI Real Estate Belgium, via his management company. In 2007, he was appointed member of the Board of Directors of the UPSI-BVS. In 2010, he was appointed Director of BPI Real Estate Poland and in 2014 of BPI Real Estate Luxembourg. Since 2018, he has chaired the Board of BPI Real Estate Poland. Since 2019, he has been a Director of Wood Shapers and Wood Shapers Luxembourg. He has also been appointed member of the Board of Directors of CFE Polska.

AHO Consulting SRL, represented by Alexander Hodac

Position	Member of the Executive Committee CEO Construction & Renovation
Nationality and year of birth	Belgian, born 1981
Training and experience	Alexander Hodac holds a Master's degree in Commercial Engineering (Solvay Business School - 2005). He started his career at Deloitte Financial Advisory Services (Senior Manager, 2005-2013). He then worked at Home Invest Belgium (Chief Commercial Officer, 2013-2015), Immobel (Group Chief Executive Officer, 2015-2019) and Fosbury & Sons (Chief Executive Officer, 2019-2020). In 2020, he joined the CFE Group where he is currently Managing Director of Subsidiaries BPC and BPC Group, via his management company. He is also Managing Director of the Construction & Renovation Division in Belgium.



Bruno Lambrecht	
Position	Member of the Executive Committee CEO Construction & Renovation Poland
Nationality and year of birth	Belgian, born 1971
Training and experience	Bruno Lambrecht holds a degree in Civil Engineering (Katholieke Universiteit Leuven, 1996) and a degree in Industrial Engineering (VIVES, 1993). He started his career at Decloedt Engineering office (Coordinating and monitoring the design of a steel structure for a power plant in Germany, 1996-1997). He then worked at IBS Engineering Office as a design and supervision manager for several projects (1997-1998). In 1998, he joined the CFE Group as site engineer of CFE Nederland. He then worked as Project Manager at CFE Polska (2000-2004). In 2004, he was Project Manager at CFE Brabant. In 2005, he joined CFE Polska again as Area Manager (2005-2009). Since 2009, he has been General Manager of CFE Polska.
COEDO SRL, represented by Arnaud Regout	
Position	Member of the Executive Committee Chief Investment Officer & New development Real Estate
Nationality and year of birth	Belgian, born 1978
Training and experience	Arnaud Regout holds an MBA in Corporate Finance (Solvay Brussels School - 2004). He started his career at Cushman & Wakefield (Valuation Analyst, 2003) and then worked at Ernst & Young (Senior Auditor, 2004-2007). From 2007 to 2008, he worked on several tax and financial projects within the Besix group. In 2008, he joined the CFE Group where he was Administrative and Financial Director of BPI Luxembourg and of the activities in Morocco and Tunisia (2008-2012). In 2012, he was appointed Deputy Director of BPI Luxembourg. He was then appointed Director of BPI Luxembourg where he was responsible for the development of real estate activities (2014-2015). Since 2015, he has been Chief Investment Officer of BPI and Managing Director of BPI Luxembourg. Since 2019, he has also been a Director of Wood Shapers, which he launched to accelerate sustainable development.

In addition, Consulton VoF, represented by Peter Matton, has joined the Executive Committee as a permanent member with effect from 1 January 2024 as CEO of VMA.

The following are invited to attend all meetings of the Executive Committee:

- Hexpedition SRL, having as its permanent representative Hans Van Dromme, in his capacity as Chief Information Officer;
- GARFUNKEL SRL, having as its representative Raphael de Visser, in his capacity as Chief Communication Officer, and
- Isabelle De Bruyne in her capacity as Chief Sustainability Officer.

Over the course of 2023, the Executive Committee has also set up a number of committees. These include the Selection Committee and the Engagement Committee.

The role of the Selection Committee is to review and approve certain business opportunities (a '**Prospect**') that a Business Unit may wish to pursue in the ordinary course of business, where the pursuit of such a Prospect may have a significant impact on the Group's finances, human and/or financial resources and/or risk exposure.

The Selection Committee is made up of the Group CEO, the Group CFO and the Executive Committee member representing the business segment to which the relevant Business Unit belongs.

The Engagement Committee has been set up to examine certain major binding offers which, if accepted, could have a significant impact on the Group's finances, human and/or financial resources and/or risk exposure. This Committee has itself been subdivided into three sub-committees according to the business segment concerned, namely the Construction & Renovation Engagement Committee, the Multitechnics Engagement Committee and the Property Development Investment Committee.

The Engagement Committee is made up of permanent members, namely the Group CEO, the Group CFO, the General Counsel (except for the Real Estate Development Investment Committee, where the latter is replaced by the Head of Legal of BPI Real Estate SA) and two CFE directors (representing the reference shareholder), and *ad hoc* members, who are for:

- the Construction & Renovation Engagement Committee: Executive Committee members representing the Construction & Renovation segment and a senior consultant acting as technical expert on the project under consideration;
- the Multitechnics Engagement Committee: Executive Committee members representing the Multitechnics segment and a senior consultant acting as technical expert on the project under consideration, and
- the Real Estate Development Investment Committee: Executive Committee members representing the Real Estate Development Investment segment and a senior consultant acting as technical expert on the project under consideration.



Other people may be invited to these Committees on a case-by-case basis, depending on their particular expertise.

In 2023, the Executive Committee met twenty-three times, including one off-site meeting.

The Board of Directors, assisted by the Nomination and Remuneration Committee and the CEO, assesses the functioning of the Executive Committee, and in particular the contribution of each Executive Committee member to the Group's business development and results. The Chairman of the Executive Committee (in this case the CEO) does not take part in assessing its own performance.

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 selecting and appointing the members of the Board of Directors and Executive Committee is described in the Company's Governance 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, three of the eight members of the Board of Directors are women. By their complementarity, the directors' areas of expertise cover all the Group's activities and their associated risks and opportunities.

6. Conflicts of interest

With regard to conflicts of interest, the Company is subject to articles 7:96 and 7:97 of the CAC. Directors have a duty to avoid any action that would be in conflict with the interests of the Company and its shareholders. They must immediately inform the Chairman of the Board of Directors of any potential conflict of interest.

Executive Committee members are also subject to specific rules on preventing conflicts of interest, which are described in more detail in chapter IV.7 of the Charter.

Finally, all CFE group employees are also required to avoid any conflict of interest and to inform the Compliance Officer of any such conflict, in accordance with the Group's internal operating rules.

7. External and internal audit and risk management

7.1. External control

The Statutory Auditor's mandate is exercised by EY Réviseurs d'Entreprise SRL, represented by Patrick Rottiers and Marnix Van Dooren. EY Réviseurs d'Entreprise were appointed by the Annual General Meeting of 6 May 2021, for a three-year term expiring at the close of the Annual General Meeting of 2024. The amount of the Statutory Auditor's fees is published, in accordance with article 3:65 of the CAC, in the notes to the consolidated financial statements and the statutory financial statements.

7.2. Internal audit

The Board of Directors oversees the implementation of the internal control and risk management reference framework. Generally speaking, the Audit Committee assists the Board of Directors in fulfilling its monitoring responsibilities with regard to the Group's internal and external controls in the broadest sense, including risks.

The Audit Committee's responsibilities include the following:

- to ensure that the Company's financial statements give a true, fair and clear view of the situation and prospects of the Company and the Group;
- to ensure the correct and consistent application of the Group's accounting standards and valuation rules, and make any necessary recommendations for any modification;
- to review the quality and effectiveness of the Group's internal control and risk management system, to ensure that the main risks are properly identified, managed and reported;
- to assess the effectiveness of internal audits;
- to review and monitor the independence of the Statutory Auditor, in particular with regard to the appropriateness of providing additional services to the Company, and



- to make recommendations to the Company's Board of Directors concerning the appointment of the Statutory Auditor.

In addition, in 2014 CFE hired an internal auditor whose task is to provide assurance on the degree of control over its operations within the Group, offer advice on how to improve them, and help create added value. They help the Group achieve its objectives by systematically and methodically assessing its risk management, control and governance processes, and making proposals to enhance their effectiveness.

Reporting to General Management, the Internal Auditor maintains a close relationship with the Executive Committee and the Audit Committee, providing them with assurance on the effectiveness of risk management and internal control systems.

The internal auditor updates the risk maps drawn up for the Group's main segments: Construction & Renovation, Multitechnics and Property Development.

These maps are reviewed every two years. It involves:

- listing the main sources of identifiable internal and external risks that prevent the attainment of the segment's goals and may have financial, human or 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 Business Units, 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 Business Units.

Ten audits were carried out during the 2023 financial year. They did not reveal any dysfunctions that are likely to have a material impact on the business and financial statements of the Group. Those audits concerned:

- contractual risk in customer relationships at CFE Poland;
- the payment process at LTS;
- the selective submission process (through the Fit4Future programme);
- the risk management and opportunities process (through the Fit4Future programme);
- the operational excellence process (through the Fit4Future programme);
- the change management process (through the Fit4Future programme);
- the transmission of safety instructions;
- Checkin@Work;
- cash management, and
- the application of the 12 principles of good project management at BPI Real Estate Belgium.

7.3. Internal control and risk management systems

7.3.1. System and organisation of internal control

CFE's Executive Committee is responsible for establishing common guidelines for the Group (the **Internal Procedures Manual**).

These directives are mainly related to:

- safety, quality and the environment;
- integrity;
- acceptance of new business;
- project management and monitoring;
- acquisitions of shares in ordinary companies and in the capital of companies;
- procurement and subcontracting;
- investment;
- accounting and financial management;
- human resource management;
- legal affairs, tax and insurance management;
- internal and external communication, and
- the security of information.

The respective managements of the Business Units are responsible for implementing these guidelines, where appropriate, by establishing detailed procedures and structuring the organisation to ensure that these procedures are properly applied.

However, a Group-wide exercise to rewrite and recodify these guidelines was launched in 2023, under the direction of the Group's



General Counsel. This exercise should lead to the publication of a new code of conduct and common policies for the entire Group during 2024.

CFE maintains direct and regular control over its Business Units, in particular by:

- the presence of CFE's directors and/or members of the Executive Committee on the Boards of Directors of its subsidiaries and the Selection Committee and Engagement Committee;
- the quarterly budget review (see 7.3.5.2);
- selecting, monitoring (due diligence) and taking the decision to acquire stakes in third-party companies and monitoring restructuring operations within subsidiaries;
- centralising the subscription and project insurance policies covering all of the Group's insurable risks;
- pooling the Group's cash (cash pooling);
- ad hoc assignments by the internal auditor (see 7.2) for:
 - monitoring the effective implementation by each Group Business Unit of the internal control procedures established in accordance with the guidelines defined at Group level, and
 - centralising the results of internal controls carried out by subsidiaries to gain a sound knowledge and understanding of the nature, intensity and location of the risks to which the Group as a whole is exposed.

The Audit Committee assesses at least annually the internal control procedures that the Executive Committee has developed to ensure that the main risks have been properly identified, reported and managed.

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

The Board of Directors is responsible for assessing the implementation of control procedures within the Group, taking the recommendations of the Audit Committee into account.

7.3.2. Internal control objectives

Internal control objectives are multiple, such as compliance with laws and regulations, application of instructions set by CFE's general management, safeguarding of assets and the reliability of financial information.

7.3.3. Scope of internal control and risk management

The scope of risk management and internal control covers all fully consolidated subsidiaries.

The Boards of Directors of the jointly-held companies, namely GreenStor, Deep-C Holding, Green Offshore and the SPVs in the Real Estate Development segment, are responsible for their internal control. However, CFE seeks to encourage the application of its own best practices through its representatives on the Boards of Directors of these companies.

7.3.4. Risks identified

To identify the main risks, please refer to chapter II.1.2 of this Management Report.

7.3.5. Internal control activities and procedures

Some of the internal control activities and procedures set out in Section 7.2 and described in more detail below are common to the entire Group, while others are specific to one or more segments.

7.3.5.1. Activities and procedures common to the whole Group

Financial reporting

CFE gives clear financial reporting instructions to the subsidiaries with deadlines and rules for preparation and valuation. An external audit of the half-yearly and annual financial statements also takes into account elements of internal control and risk management at entity level.

The adequacy of those procedures is verified and audited at regular intervals and improved if necessary. An appropriate allocation of responsibilities and coordination between the departments involved guarantee an efficient and timely communication of periodical financial information to the market.

Information security is monitored by a periodical IT audit, a proactive approach involving the implementation of updates, backup facilities and timely testing of the IT infrastructure. Business continuity and disaster recovery plans have also been put in place.

CFE keeps track of the standards in the area of financial reporting. Changes in the legal framework and their impact on financial reporting are regularly monitored by the Finance department.



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

Quarterly budget review

Budget review meetings are held quarterly. These meetings are attended by the CEO, the CFO and the Director of Finance & Controlling of CFE, as well as the CEO of the Business Division concerned, the managing director or general manager of the Business Unit concerned, its COO and CFO.

The topics discussed include:

- the budgets (and their quarterly updates);
- the volume of business for the current financial year and the detail of the order book;
- the latest financial statements that were communicated (balance sheet and income statement);
- the projected result of the subsidiary, with details of profit margins per project;
- 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, and
- the cash position and projected changes in the next 12 months.

7.3.5.2. Segment-specific business authorisation procedures

In addition to the specific procedures described above, which are common to the entire Group, authorisation procedures specific to the Construction & Renovation and Multitechnics segments on the one hand, and to Real Estate Development on the other hand, have been put in place for business acquisitions.

Authorisation procedures specific to the Construction & Renovation and Multitechnics segments

- The Selection Committee (see Section 4 for its composition)
Tender studies for Design & Build projects (including DBFM, DBF, DBM) that represent a potential design or financing risk for a Business Unit must be approved in advance by the Selection Committee. If the Selection Committee decides to respond to the submission request, it allocates a submission study budget and sets a timetable. Project progress and the budgetary follow-up of the study is presented to the Selection Committee in accordance with the schedule.
- The Engagement Committee (see Section 4 for its composition)
Projects with a high risk profile and or valued at more than € 50 million for the Construction & Renovation segment, or € 10 million for Multitechnics projects, must be approved by the Engagement Committee before bid submission. The Committee reviews the technical, commercial, contractual and financial risks of the projects that are submitted to its scrutiny.

Authorisation procedures specific to the Real Estate Development segment

- The Investment Committee
The Investment Committee, whose membership is detailed in Section 4, is responsible for analysing and approving all real estate investments made by Business Units active in real estate development, namely BPI Belgium, BPI Luxembourg and BPI Poland. For those valued at more than € 10 million, the agreement of Board of Directors of the legal entities concerned and of CFE's Board of Directors is also required.
The Investment Committee is not empowered to represent the Company and does not exclude the competence of the Board of Directors. The Board of Directors of CFE may at any time deliberate on any investment or divestment project involving any amount and decide, where appropriate, instead of the Investment Committee.

7.3.5.3 Specific internal control activities initiated during the past financial year

During the financial year 2023, CFE's internal control was strengthened mainly through the implementation of the results of the Fit4Future programme aimed at improving the performance of the Construction & Renovation Belgium Business Division. The programme has several elements, including selecting tenders to increase project profitability, maximising operational excellence on site, increasing economies of scale in procurement, improving existing Opportunity & Risk Management ('ORM') systems and strengthening contract change management.

The implementation phase of a new Enterprise Resource Planning system ('ERP') for the Business Units of the Construction & Renovation segment has been launched, and the various stages of this implementation are now underway, including getting to grips with the software, setting up processes in the ERP, operational set-up, testing, preparation of work instructions and strategies for data migration and internal training.



8. Shareholder structure

The Company's reference shareholder is Ackermans & van Haaren, which owns 15,725,684 shares (or 62.12%) of the Company.

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

Stichting Administratiekantoor "Het Torentje"	
The ultimate controlling shareholder	
	Control
BELFIMAS NV	
	92.25%
SCALDIS INVEST	
	33%
ACKERMANS & VAN HAAREN Listed on the Euronext Brussels stock exchange	
	62.12%
COMPAGNIE D'ENTREPRISES CFE Listed on the Euronext Brussels stock exchange	

The latest transparency declaration made by VINCI Construction SAS (the Company's former reference shareholder) on 1 July 2022, pursuant to the law of 2 May 2007 on the disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market, shows that it holds 3,066,460 shares in the Company, representing 12.11% of the capital.

9. Deviations from the 2020 Code

Deviations from the 2020 Code relate exclusively to the remuneration of non-executive Directors, and in particular to principle 7.6 of the 2020 Code. The valid reasons for this deviation are set out in the remuneration policy in section 1.2 below.



IV. REMUNERATION REPORT

1. Remuneration policy

The current remuneration policy has been established within the framework of article 7:89/1 of the Companies and Associations Code ('CAC') and the Belgian Corporate Governance Code 2020 ('Code 2020'). It was adopted by the Company's Board of Directors upon recommendation of the Appointments and Remuneration Committee and was approved by the Company's General Meeting of 29 June 2022.

The remuneration policy applies to the following individuals:

- the directors;
- the CEO, and
- other Company executives who, as members of the Executive Committee, participate in CFE's general management, within the meaning of article 3:1 of the CAC.

The remuneration policy is designed to support the company's performance culture and long-term value creation. It aims to attract and retain the managers and directors with a wide range of skills needed in different areas to grow the company's business.

The following is only a summary of the company's remuneration policy. The latter can be consulted in its entirety on the company's website, in the appendix to the Corporate Governance Charter. In the event of a discrepancy between the remuneration policy and the presentation in this chapter, the remuneration policy takes precedence.

1.1. Governance – Procedure

The remuneration policy is established by the Board of Directors on the recommendation of the Appointments and Remuneration Committee. It is then submitted to the General Assembly for approval. Any significant change in the remuneration policy is also subject to approval by the General Meeting.

Annually, the Appointments and Remuneration Committee receives a proposal from the CEO on how to determine the performance criteria achieved and the level of remuneration for executive managers and directors. The member of the Executive Committee responsible for human resources management within the company makes the proposal for the CEO. These proposals refer to the application of the remuneration policy. If an exception is made, the reasons for the proposed exception shall be set out.

The role of the Appointments and Remuneration Committee is to advise and assist the Board of Directors, and as such, the Appointments and Remuneration Committee:

- reviews the remuneration proposal coming from the Executive Committee;
- makes recommendations to the Board of Directors concerning the individual remuneration of the directors, the CEO and the members of the Executive Committee;
- evaluates the performance of the CEO and, if deemed appropriate, also evaluates the performance of the other members of the Executive Committee, in collaboration with the CEO;
- assesses the Executive Committee's achievement of the company's strategic objectives on the basis of performance indicators and the objectives of the remuneration policy;
- oversees preparation of the remuneration report included in the annual report.

The individual remuneration of the non-executive directors is approved by the general meeting and, where applicable, the individual remuneration of the CEO is approved by the company's Board of Directors. In each case, this remuneration is determined on the basis of the remuneration policy, on the advice of the Appointments and Remuneration Committee.

In general, the rules of the CAC concerning conflicts of interest are followed whenever applicable.

1.2. Directors Remuneration Policy

As at December 31, 2023, the Company had only non-executive directors. The following description therefore relates to the remuneration of the Company's non-executive directors.

The remuneration consists of:

- (i) a fixed annual amount; and
- (ii) attendance fees: these are allocated to non-executive directors for their attendance at Board meetings and, where applicable, for their attendance at meetings of the Audit Committee and the Appointments and Remuneration Committee. Directors' fees are also allocated to directors with specific tasks by the Board of Directors.



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

Non-executive directors are also reimbursed for expenses incurred during the execution of their duties, according to conditions set by the Board of Directors.

Non-executive directors do not receive variable remuneration, such as bonuses or stock options. They also do not receive benefits in kind or benefits from pension plans.

Directors are invited but not obliged to hold shares in the company. This deviation from principle 7.6 of the Code 2020 is justified by the fact that the company's policies adequately promote a long-term perspective. In addition, several directors, in the context of their functions at Ackermans & van Haaren ('AvH'), are already exposed to changes in the value of the company, taking into account the number of shares they hold in AvH, the value of which partly depends on the value of the company.

There are no service contracts between the Company and the non-executive directors, all of whom are self-employed. In accordance with the Company's articles of association, they may be dismissed ad nutum, without cause or compensation.

1.3. CEO Remuneration Policy

1.3.1. Remuneration Structure

The CEO's remuneration includes only the following:

- (i) a fixed annual remuneration based on the market median for a similar position;
- (ii) a variable remuneration determined on the basis of performance criteria to be achieved in a given financial year ('STI'), and
- (iii) a variable compensation granted either on the basis of performance criteria assessed over several financial years ('LTI compensation') or in the form of stock options in accordance with the law of 26 March 1999 (SOP plan).

In accordance with the current remuneration policy, the CEO will not receive LTI compensation if the CEO has become or has the possibility to become a shareholder of the company through the exercise of options granted under a previous remuneration policy.

1.3.2. Contractual terms of the CEO

The relationship between the company and its CEO is one of providing specialist services. The agreement between the company and the company providing the CEO services contains the usual fee provisions (fixed and variable STI and variable LTI compensation or SOP Plan) in line with the provisions of the remuneration policy as well as the usual non-competition and confidentiality provisions. Where appropriate, the agreements will be adapted to reflect changes in the remuneration policy. This service agreement does not provide for any benefit of any kind to any individual.

The agreements between the company and the CEO also include provisions on the criteria for awarding variable remuneration and providing for a right of recovery in favour of the company of all or part of the variable remuneration awarded on the basis of incorrect financial data, irrespective of whether the remuneration has already been paid.

The agreements are valid for an indefinite period.

Both the CEO and the Company may unilaterally terminate their contract with six months' notice.

1.4. Remuneration policy for members of the Executive Committee

1.4.1. Remuneration Structure

The Executive Committee's remuneration includes only the following:

- (i) a fixed annual remuneration based on the market median for a similar position;
- (ii) a variable remuneration, short-term incentives ('STI') are determined on the basis of certain performance criteria to be achieved in a given financial year; and
- (iii) a variable remuneration, long-term incentives ('LTI') granted on the basis of performance criteria assessed over several financial years.

In accordance with the current remuneration policy, a member of the Executive Committee will not receive LTI compensation if this member has become or has the possibility to become a shareholder of the company through the exercise of options granted under a previous remuneration policy.



1.4.2. Contractual conditions of the members of the Executive Committee

The arrangements between the company and members of the Executive Committee may take the form of either an employment contract or a service contract with an independent service provider or a specialist company.

These agreements contain the usual provisions on remuneration (fixed and variable remuneration), non-competition and confidentiality, as well as provisions on the criteria for awarding variable remuneration, and providing for a right of recovery in favour of the company of variable remuneration awarded on the basis of incorrect financial data, irrespective of whether or not the remuneration has already been paid.

The agreements are valid for an indefinite period.

All Executive Committee members perform their duties under a direct service contract or through a company. In such a case, the Executive Committee member has no other benefits. Both the member of the Executive Committee and the Company may unilaterally terminate the contract with six months' notice. For certain members of the Executive Committee, this period may be extended to a maximum of 12 months, depending on the length of the contract concerned at the time the unilateral agreement is terminated by the company.

1.5. Mandates in subsidiaries

Non-executive directors, the CEO or any member of the Executive Committee may serve as an executive or non-executive director of the company's subsidiaries.

It should be noted, however, that this remuneration is also passed on to AvH when it is promoted by a director, who is also a member of AvH, by virtue of an agreement between this director and AvH.

As the company's subsidiaries are not listed, the remuneration of their members who are not directors, CEOs or members of the executive committee of the company does not fall within the scope of the rules of the Companies CAC remuneration policy and remuneration report.

Nevertheless, the company sees to it that a sound and adequate remuneration policy is applied within its various entities. To emphasise the creation of short and long-term value, the company ensures that within its subsidiaries, remuneration based on individual performance and the performance of the company is in place. In addition, it should be noted that the contracts of executive managers in subsidiaries (excluding the position of Managing Director of the company) provide for the recovery of variable remuneration that may have been granted on the basis of incorrect financial information.

Unless otherwise agreed between the parties, termination of the relationship between the company and the director will result in termination of the mandates held in the company's subsidiaries.

1.6. Changes since the last remuneration policy

There has been no significant change in the remuneration policy since its adoption by the General Meeting of 29 June 2022.

1.7. Option to deviate from the remuneration policy

In the event that exceptional circumstances make it necessary to deviate from the remuneration policy in order to serve the long-term interests and viability of the company as a whole or to ensure its viability, the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, is empowered to temporarily modify the remuneration of the members of the non-executive directors, the CEO or members of the Executive Committee. This change may relate to any element of remuneration, while respecting the respective competences of the Board of Directors and the General Meeting.



2. Remuneration report

The remuneration of the non-executive directors, the CEO and the members of the executive committee for 2023 is detailed in this report.

2.1. Remuneration of non-executive directors

A total amount of € 345,000 was paid to non-executive directors in 2023, distributed as shown in the table below. No other remuneration or benefits, loans or guarantees have been granted to them by the company. No non-executive director received variable remuneration in accordance with the remuneration policies in force both before and after 29 June 2022.

2023 (in thousands €)	Fixed remuneration	Attendance fees	Audit Committee	Audit Committee	Total remuneration
Luc Bertrand	100	0	0	4.5	104.5
Koen Janssen	20	15	0	0	35
Fernando Sistac	13.2	10			23.2
Christian Labeyrie	6.8	5			11.8
Hélène Bostoën	20	15	6		41
Lieve Creten BV, represented by Lieve Creten	20	12.5	10	4.5	47
B Global Management SRL, represented by Stéphane Burton	20	15	0	4.5	39.5
An Herremans	20	15	0	0	35
Piet Dejonghe	20	15	8	0	43
Total	240	102.5	24	13.5	380

2.2. Compensation of the CEO and Executive Committee members in 2023

2.2.1. Total remuneration of the CEO and the Executive Committee

The total remuneration broken down by component, paid by the company or by CFE, is as follows for the persons concerned:

(in thousands €)	Fixed remuneration		Variable compensation			Total	Proportion of fixed and variable compensation
	Basic remuneration	Total	Short Term	Long Term	Total		
Trorema SRL, rep. Raymund Trost (Ex. 2023)	560	560	240	0	240	800	70-30
Executive Committee	2,230	2,230	847.5	597	1,444.5	3,674.5	61-39

2.2.2. Explanation of performance during the year 2023

The performance criteria set out in the current remuneration policy have been applied. Financial criteria account for 50% of variable compensation, 25% is linked to non-financial criteria and 25% to the individual performance and attitude of the Executive Committee member.



2.2.3. Share-based remuneration of the CEO and the Executive Committee

	Main provisions of the Stock Option Plan						Information relating to the financial year covered by the Report			
	Identification of the plan	Proposal date	Acquisition date	End of the retention period	Exercise period	Exercise price	Opening balance	In the course of the financial year covered by the Report		Closing balance
							Number of options at the beginning of the year	A) Number of options offered B) Value of underlying shares on the proposal date	A) Number of options granted B) Value of underlying shares @ vesting date C) Value @ exercise price D) Gain on vesting date	Number of options proposed but not yet granted
Valérie Van Brabant	CFE 2022 Option Plan	17/10/22	01/12/22	31/12/25	01/01/26 16/10/29	10,31 €	0	A) 60.000 options B) 10,31 €	A) 60.000 options B) 9,4 €	0
Bruno Lambrecht	CFE 2022 Option Plan	17/10/22	15/12/22	31/12/25	01/01/26 16/10/29	10,31 €	0	A) 140.000 options B) 10,31 €	A) 140.000 options B) 9,01 €	0

2.3. Annual changes in remuneration and Company performance

The table below gives an overview of the annual change in the remuneration of each non-executive director and employees (average on a full-time equivalent basis). It also provides an overview of annual changes in the company's performance.

	2019	2020	2021	2022	2023
Changes in the remuneration of the CEO and the Executive Committee (% compared to previous year)					
Luc Bertrand	0%	0%	0%	+1.46%	0%
Koen Janssen	+0%	+6.25%	0%	+17.19%	-7%
Hélène Bostoën	/	/	/	**+75.3%	-7%
Lieve Creten BV, represented by Lieve Creten	/	/	/	**N/A	*63%
Fernando Sistac	/	/	/	/	**N/A
B Global Management SRL, represented by Stéphane Burton	/	/	/	**N/A	*84%
An Herremans	/	/	/	**N/A	*100%
Piet Dejonghe	-6.25%	+6.25%	0%	**N/A	**N/A
Trorema SRL, represented by Raymund Trost, CEO	/	/	/	**N/A	***-0.8%
Executive Committee	/	/	/	**N/A	***-0.9%

Change in average compensation for employees on a full-time equivalent basis

	2019	2020	2021	2022	2023
CFE SA employee (average)	85,012.02 €	86,061.31 €	80,180.10 €	80,118.92 €	89,087.33 €
Employee of the Belgian subsidiaries of the CFE group (average)					****58,763.00 €
Ratio between the highest remuneration (in this case, that of the CEO of CFE SA) and the lowest among employees of the Belgian subsidiaries of CFE SA					*****18,57

**Company performance**

(in thousands €)	2019	2020	2021	2022	2023
Criterion 1: Net consolidated income of the CFE Group for Continuing operations pre-tax	21,343	29,438	51,937	47,360	31,031
Criterion 2: Return on equity of CFE SA for Continuing operations	13.6%	20.9%	41.5%	22.0%	10.15%
Criterion 3: Return on Capital Employed for BPI (Real Estate Development segment)	9.9%	16.1%	15.7%	9.2%	6.72%
Criterion 4: pre-tax income for the Multitechnics segment			18,337	10,520	-5,502
Criterion 5 Profit before tax for the Construction & Renovation Segment			6,850	12,762	2,607

* The extent of the change is explained by the termination or entry of function(s) during the financial year or the previous one.

** Change not applicable due to the absence of data for the year in question because the persons concerned took up their functions during the financial year or changed their status.

*** Ratio pro rata previous year.

**** The average compensation of employees in 2023 has been calculated on the basis of the gross annual fixed compensation of white-collar and blue-collar workers for the Group's Belgian subsidiaries.

***** The ratio between the lowest and highest remuneration has been calculated on the basis of the lowest annual fixed remuneration for the Belgian subsidiaries and the fixed fee for the highest remuneration (in this case that of CFE's CEO).

The variable remuneration of CFE's CEO is mentioned in section 2.2.1. above.

V. STATEMENT OF NON-FINANCIAL INFORMATION

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

On behalf of the Board of Directors, 26 March 2024.

Luc BERTRAND

Chairman of the Board of Directors



Statement of non-financial information



1. INTRODUCTION

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

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

Changing for good

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

For us, sustainability and innovation are not just buzzwords, for the age of words is over.

These are real commitments that we make together, with our community, with our heroes! Employees, customers, partners, suppliers, investors, passionate women and men who, thanks to their expertise, professionalism and determination, contribute daily to having an impact in our businesses.

In short, CFE's ambition is to bring people, skills, materials and technology together in a community for positive change.

Indeed, by creating this community, we are accelerating positive change much more than each individual can. This is really about change because, being active in industries that have the potential to shape the world, we have a great responsibility to fulfil. We need to challenge the status quo and change what is unsustainable.

We want to reinvent value creation. This is why, together with the financial indicators, sustainability indicators are at the heart of our business: they become one. We are now integrating these new performance indicators to create a balance between people, planet and profit and thereby generate sustainable development in our activities.

SPARC

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

SHIFT

The first focus, "Shift", consists of putting sustainability and innovation at the heart of our strategy. In terms of sustainability, the focus is first and foremost on people, but also on reusing materials, and reducing our CO₂ emissions. Innovation will target the same themes and will be backed by partnerships with pioneering companies or startups that share our values. For example, we are investing in low carbon buildings and mobility, optimising energy performance, bio-sourced materials, the circularity of the materials used and waste management, optimised site logistics, smart buildings, virtual commissioning and digital twins.

PERFORM

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

ACCELERATE

To bring about lasting and radical change, we cannot limit ourselves to optimising what has been done traditionally. The strategic focus called "accelerate" represents this need to rethink how we do things and dare to change, via strong intra-group synergies and partnerships.





And by investing in platforms for sustainable growth like Wood Shapers or VMANAGER.

RETURN

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

COMMUNITY

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

2. BRIEF DESCRIPTION OF THE GROUP'S ACTIVITIES

2.1. AMBITION

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

In concrete terms, this ambition is expressed as follows:

Sustainable buildings:

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

Smart industries:

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

Infrastructure for tomorrow's mobility and energy:

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

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

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

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

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

2.2. CFE'S STRENGTHS IN ACHIEVING ITS AMBITIONS

Expertise and knowledge

This ambition can be based on CFE's current position as a leader in the construction and renovation, real estate development and multitechnics market, as well as its multidisciplinary know-how.

Indeed, CFE is one of the top three construction companies in Belgium and is the leader in the construction of wood/hybrid buildings in Belux. CFE is currently converting Belgium's largest buildings into intelligent and circular buildings. Examples include the Maritime Station or the ZIN project in Brussels. CFE is also setting an example by building new headquarters for several of its subsidiaries and general services, which are pioneering buildings in terms of sustainability.

Its real estate development division is recognised as a leader in projects covering the entire development cycle with a CO₂ friendly approach.



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

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

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

Committed, high-calibre employees

CFE's greatest asset is its employed staff and workers. Nearly 3,000 passionate men and women work for the group. Their well-being and safety are CFE's primary concerns.

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

Happener Engaged Reliable One

CFE employees are "Happeners". Solution-orientated, they dare to think that they can make a difference and change the world.

They are also "Engaged" and passionate people. They actively fight to satisfy their customers and their colleagues.

Trust and respecting our principles are essential values for CFE. We say what we do and do what we say. CFE employees are "Reliable".

Finally, we believe in the strength of our group and act as a team. We are all simply stronger when we act together as "One" team.

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

Strong partnerships with the entire value chain

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

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

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

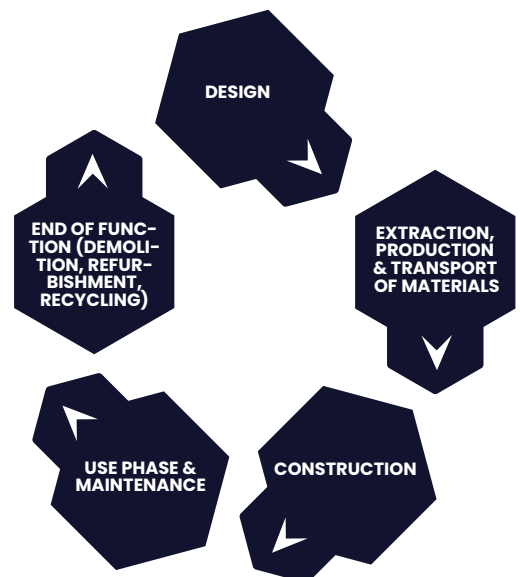
Strong integration of new technologies and digitalisation

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

In addition, CFE promotes partnerships with start-ups and proptechs in the target fields.

Financial resources and investments for the future

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





2.3. FOUR COMPLEMENTARY BUSINESS LINES

To meet this ambition, CFE has structured itself around four business lines (also known as “Business Segments” or “BS”) to shape the future: Real Estate Development, Multitechnics, Construction & Renovation and finally Sustainable Investments.

CFE is a multidisciplinary group with operations in Belgium, Luxembourg, Poland, Germany and the Netherlands.

Real Estate

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

BPI Real Estate focuses on developments in city and town centres with high growth potential, a positive environmental impact, real opportunities for soft mobility and which ensure social well-being. BPI Real Estate thereby focuses on mixed projects combining housing, offices, commercial space and services.

All these ambitions are achievable thanks to the multiple talents that make up the BPI Real Estate teams and their focus on innovation and sustainable approaches.

Multitechnics

CFE's multitechnics activities are split into two divisions (also known as “Business Divisions” or “BD”): VMA and MOBIX.

The CFE Group is at the forefront of 4.0 industrialisation thanks to VMA. VMA is a one-stop-shop for intelligent technological solutions for the construction and industry sector and in the field of automation and robotics. VMA is also the leader in Belgium for intelligent technological solutions to optimise the energy efficiency of buildings. This growing market is served by the VMANAGER activity, which uses its own internally developed intelligent Building Management System.

The VMA activities split into two activities (also known as “Business Units” or “BU”): building technologies and industrial automation.

The Business Unit building technologies includes commercial electricity and HVAC (Heating, Ventilation, Air Conditioning). With experienced multidisciplinary teams, VMA is able to provide comprehensive engineering, design, installation and maintenance solutions mainly in four key sectors: offices, schools, healthcare and industry.

The Business Unit industrial automation division covers both robotisation and automation, or Manufacturing Operations Management (MOM). A centre of excellence based in Poland allows VMA to specialise in particular in “virtual factory commissioning”. Innovation and a customer-focused approach have earned VMA a reputation as a long-term partner of choice.

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

Construction & Renovation

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

In Belgium, there are seven local companies (which also correspond to BUs) that are grouped together in a Business Division called Construction & Renovation Belgium. In Luxembourg there is CLE, in Poland is CFE Polska, and in Germany is CFE Bau. This local approach allows us to provide tailor-made solutions for our customers, whom we consider to be long-term partners.

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

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

Sustainable Investments

Together with Ackermans & van Haaren, the CFE Group invests in sustainable initiatives through its holding in Deep C Holding (former Rent-A-Port), Green Stor and Green Offshore.

Deep C Holding develops greenfield projects for developing ports and related industrial zones, mainly in Vietnam.



In addition to its port activities, GreenStor is also developing battery parks to accelerate the energy transition, including BStor, which is located in Bastogne and, in terms of storage capacity, is the largest in Belgium.

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

Construction & Renovation



Real Estate



Multitechnics



Sustainable Investments



Green Offshore (50%)

Green Stor





3. POLICIES IN THE AREA OF ESG

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

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

A COMPLETE PROCESS AND A COMMITMENT TO CONTINUOUS IMPROVEMENT

Back in 2019, AvH started a process within its main subsidiaries, including CFE, to align the ESG policies and related reporting of the subsidiaries with the renewed ESG policy of the AVH Group. CFE has therefore performed a materiality analysis. This involved identifying its main ESG risks and opportunities and linking them to a strategic vision, key performance indicators ("KPIs") and concrete targets and actions to achieve them. These were then approved by the CFE Board of Directors at the end of 2019. In the interests of continuous improvement, this process is reviewed annually, while keeping in mind the level of ambition set.

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

Since 2022 this ESG policy is confirmed through the group's SPARC strategy.

During 2023, CFE redid its dual materiality exercise according to the criteria defined by the CSRD. This new matrix will serve as a compass for the group's strategy. The collection of specific KPIs from this materiality exercise and the definition of SMART objectives will begin in the first quarter of 2024.

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

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

The overall strategy, long-term vision and target setting is the responsibility of the Executive Committee.

Every three years, the various Business Units (BU) are required to carry out a strategic exercise. They then implement the group's strategy according to their own business lines in a medium-term vision. This ambition is validated by the Executive Committee.

Finally, every year the Business Units (BU) are asked by the *Sustainability Board* to define their specific action plan with SMART objectives.

Last but not least, at the level of each project, specific actions are taken by local teams. To stimulate innovation, the implementation of these actions and the sharing of best practices, a manual called the "Greenbook" has been drawn up. It brings together all the good ideas already implemented on other projects and serves to inspire other employees.

Sustainability is truly at the heart of the Group's strategy. The Group's Chief Sustainability Officer is a permanent guest on the Executive Committee. She also chairs the *Sustainability Board*, a cross-functional body made up of the heads of sustainability in the various BUs. Each BU sustainability responsible is represented on the local management committee by a member of the management committee, who acts as ESG sponsor.





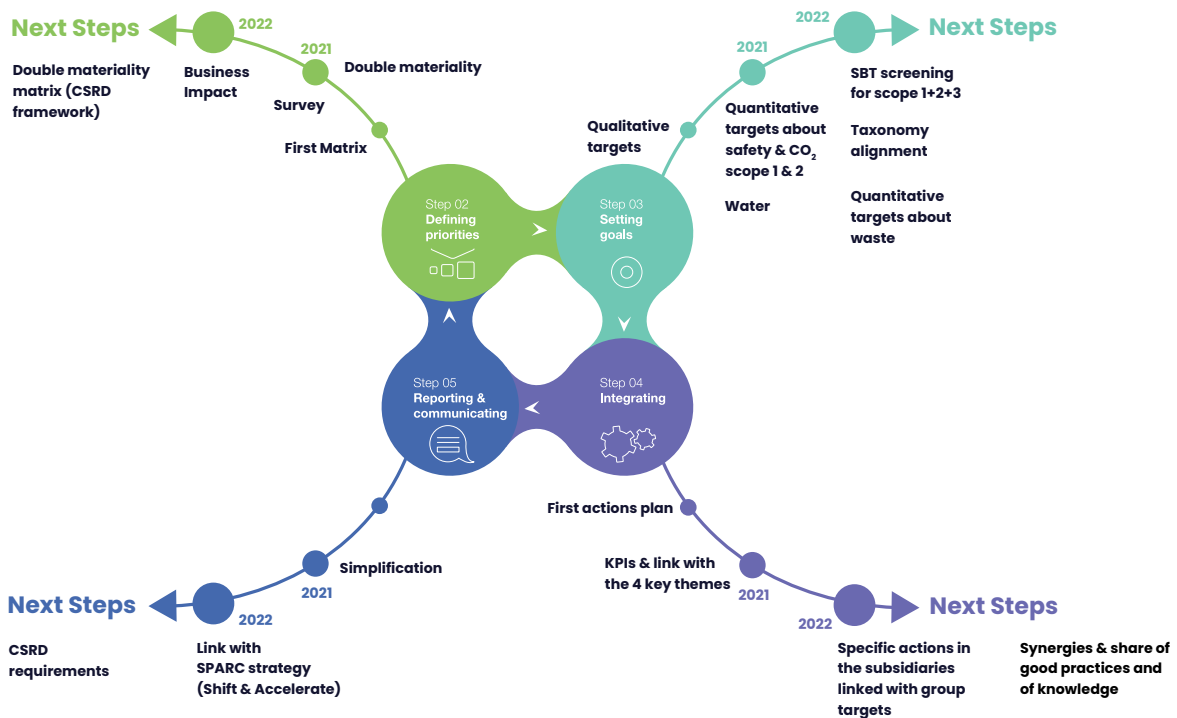
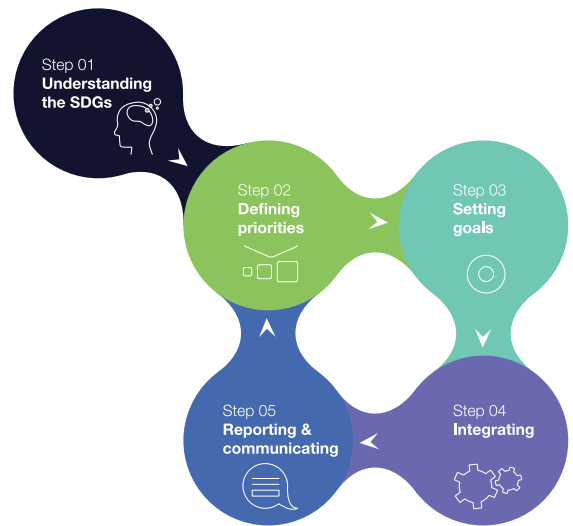
A PROCESS BASED ON THE 17 SDGs

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

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

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

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



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

EUROPEAN TAXONOMY

The aim of the European Taxonomy is to create a classification system for what is considered "sustainable" from an environmental and social point of view. It creates a framework and principles for assessing economic activities in relation to six environmental objectives: "climate change mitigation", "climate change adaptation", "the sustainable use and protection of water and marine re-



sources”, “the transition to a circular economy”, “pollution prevention and control” and “the protection and restoration of biodiversity and ecosystems”. It works as follows: an activity can be considered “sustainable” if it contributes substantially to one of the six environmental objectives, without causing significant harm to any of the other five objectives. An activity must also meet basic social criteria to be considered “sustainable”. This analysis of CFE’s activities is included in chapter 7.

PARTNERSHIP FOR CHANGE

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

IMPACT AND MATERIALITY

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

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

THREE TOOLS FOR SUSTAINABLE ACTION

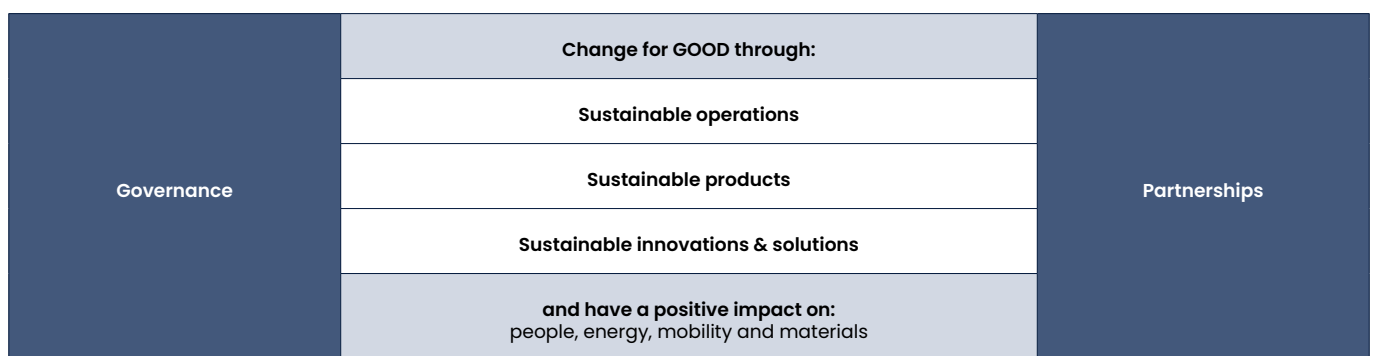
Three tools enable CFE to achieve its sustainable ambitions:

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

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

DEVELOPING INNOVATIVE AND SUSTAINABLE SOLUTIONS (OUR TOTAL SOLUTIONS & INNOVATIONS): CFE also looks to develop innovative global energy management solutions, for example, for new or renovated projects.

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





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

People Health, safety & well-being	Severity Rate (SR)	Go for 0 SR Construction < 0.4 SR Multitech < 0.5 SR Rail&Utilities < 0.9
Mobility Green fleet Logistics on & to the site	CO₂ Fleet Intensity	-40% in 2030* -90% for company cars -25% for the vans -15% for the trucks
Energy Energy on site optimisation Green machines	CO₂ Energy Intensity	-40% in 2030* 100% green energy by 2025
Materials Waste reduction Reuse of materials	Waste intensity NO pumped water to the sewer	-30% in 2030* 100% in 2030

(*) compared to 2020 values (reference year)

FORMALISING THIS SUSTAINABLE STRATEGY IN CLEAR POLICIES

CFE's structure and general governance is included in the corporate governance charter available on the CFE website (www.cfe.be).

A clear explanation of the four business divisions is also available.

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

A code of ethics and integrity (internal and external), distributed to all staff, covers the main policies of the group (anti-corruption, respect for human rights, non-discrimination, data protection, GDPR, etc.). A complete review of the policy guidelines will be carried out in early 2024 in line with the recommendations of the CSRD.

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



4. MAIN RISKS RELATED TO ESG

4.1. Introduction

For CFE and all its subsidiaries, analysing the opportunities is just as important as analysing the risks associated with our businesses. The development of sustainable strategies - including the materiality exercise allowing us to determine the themes in which CFE has the greatest impact - was carried out with this in mind. This double materiality exercise will be finalised during the first quarter of 2024 to comply with the requirements of the CSRD reporting framework.

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

4.2. Link to the SDGs

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

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

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



4.3. Consultation with different stakeholders

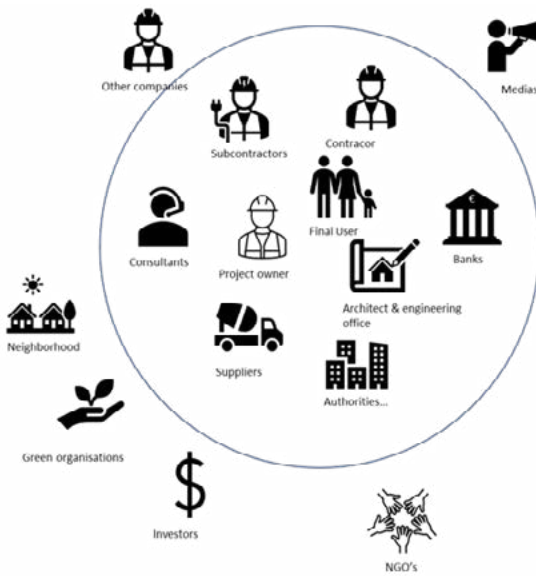
The various CFE businesses have a very large number of stakeholders in common, who collaborate in all their projects. This notion of collaboration and even partnership is key to CFE's strategy. Indeed, we sincerely believe that achieving our ambitions can only be done successfully by involving the entire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

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

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



To make sure we don't forget any key stakeholders in this dialogue, the first step is to analyse the value chain of our projects in detail and list all the stakeholders. We then need to take into account all the other stakeholders affected by our projects.



This analysis starts by taking into account the internal stakeholders:

The employees of the CFE Group

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

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

The results of this strategic exercise were then presented to all employees through specific roadshows. This feedback culture was also applied to regular employee satisfaction surveys (eNPS).

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

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

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

Our clients

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

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

Suppliers and manufacturers of materials and subcontractors

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

Banks and the financial sector

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



The authorities

As a listed company, CFE complies with its legal reporting obligations and communicates relevant non-financial information in a transparent manner. This communication is done through the annual report and ad hoc press releases.

Throughout the development of its projects, during the process of obtaining permits or various authorisations for the projects, CFE is in constant contact with the local and regional authorities.

Technical advisers, architects and design offices

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

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

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

The whole community (from the direct vicinity of our work sites to society at large)

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

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

On all project sites, a 24-hour call number is posted on the site banners so that any risk or nuisance can be reported.

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

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

The sector and our peers

CFE is active in all sector associations such as Embuild, ADEB, UPSI and BA4SC. This involvement through numerous working groups allows us to stay in constant contact with our peers and the sector, but also to define common sustainable objectives for the whole sector. In particular, CFE is a member of the vision committee of Buildwise (a scientific and technical research centre for the construction industry). This committee is responsible for defining the long-term vision of the sector and the themes on which Buildwise should focus its research in the coming years.

Investors

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

CFE also carried out a detailed ESG rating exercise with Sustainalytics. This exercise allowed for constructive dialogue, highlighting CFE's ESG policies and its results, and also ensured that the material themes in the eyes of investors corresponded to those prioritised by CFE. In particular, at the annual debriefing session, areas for improvement are raised.

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

Knowledge centres

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

Each year, CFE strengthens its links with the main schools and universities in Belgium and Luxembourg. This is done through intern-



ships and by attending career days. Several of the group's employees also give lectures and seminars.

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

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

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

4.4. Main risks and opportunities

Several categories of risks and opportunities therefore emerge:

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

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

The risks and opportunities related to the demographic explosion, urbanisation and densification of cities. The challenge is to meet the needs of a growing population and the evolution of families (housing, hospitals, schools etc.) while ensuring well-being and affordability.

The risks and opportunities associated with increasing industry efficiency. The digitalisation and automation of industry and the entire supply chain are the solutions.

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

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

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



Many ESG-related opportunities can also be highlighted: renovation and energy optimization, innovation and digitalisation, off-site manufacturing of construction elements, reuse of materials, use of innovative or bio-based materials, etc.

We must also pay special attention to the risks and positive and negative impacts of our work: production of CO₂ and other greenhouse gases, creation of waste, consumption of energy and raw materials, development of energy optimisation tools, improvement of rail transport, etc.

4.5. Outside-in/Inside-out

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

Methodology:

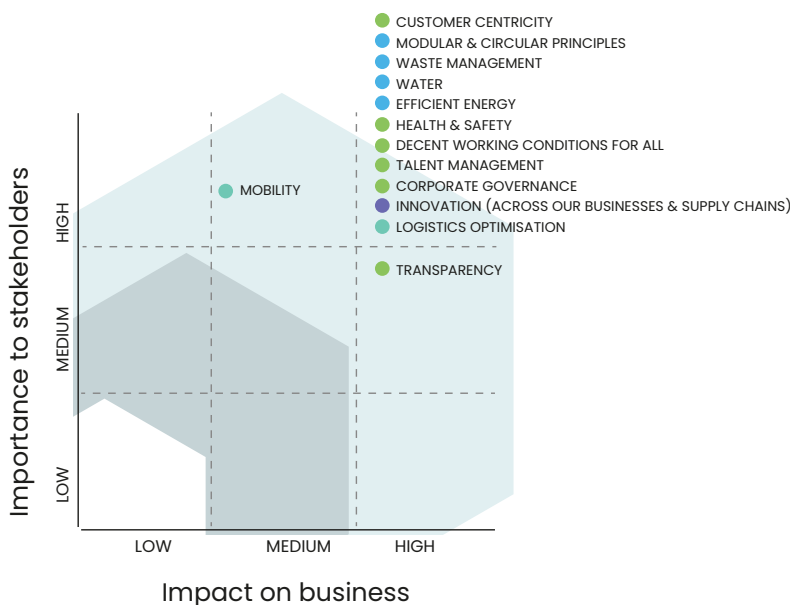
This exercise was conducted for the first time in 2019. All ESG themes have been classified in two matrices, one for the Construction & Renovation and Multitechnics activities and the other for the BPI Real Estate activities. Each goal has been integrated into a materiality matrix taking into account the importance for the different stakeholders and the impact on the business. All the high materiality goals (priority goals), i.e. those having a high impact on CFE's business while being of high importance for its stakeholders, will be closely monitored. Short-, medium- and long-term actions are defined for each of those goals. By means of specific KPIs, the impact of those actions will be monitored and clearly communicated internally to all stakeholders. Certain medium materiality goals will be treated in the same way as high materiality goals. The other medium materiality goals and the low materiality goals will at first not be closely monitored. This exercise resulted in 11 material themes.

Continuous improvement

The double materiality matrix is reviewed annually. This revision takes into account changes in CFE's activities, as well as major social, environmental or regulatory developments. In particular, the strict reporting framework for the CSRD, and therefore strict compliance with the dual materiality methodology, will be finalised in the first quarter of 2024.

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

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



High materiality themes:

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



all employees must be preserved. The priority goal linked to this theme is: **"Health & safety"**.

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

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

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

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

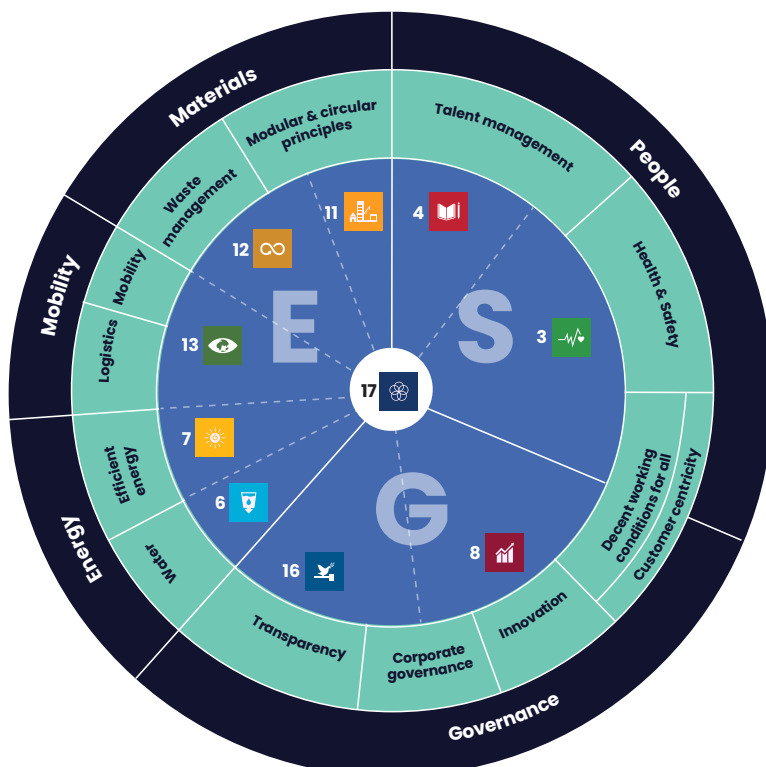
GOVERNANCE: CFE ensures strong governance by means of a charter and specific procedures. The priority goal linked to this theme is: **"Corporate governance"**. To ensure total transparency and satisfy the goal of clear sustainability reporting, regular internal communication with all employees will be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

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

4.6. Message simplification and complementarity

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

This can be seen in the following figure:





4.7. Link to the SDGs

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

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

5. OUTCOMES OF THOSE POLICIES

5.1. A GLOBAL APPROACH

PROOF BY EXAMPLE

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

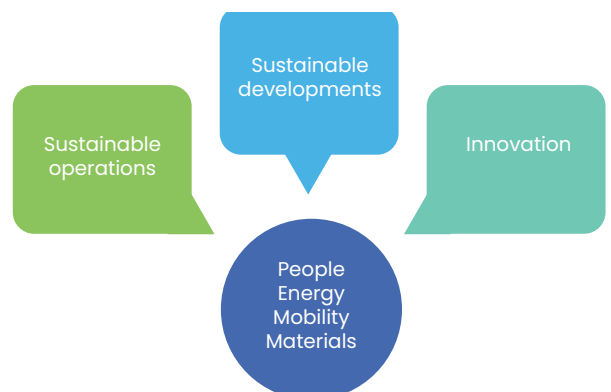
CERTIFICATIONS AND AWARDS TO CONFIRM THIS COMMITMENT TO SUSTAINABILITY

This sustainable approach and effective ESG risk management enabled the CFE Group to achieve remarkable results in the ESG risk analysis exercise carried out by the rating agency Sustainalytics. On a global scale, with a score of 24 (Medium Risk), the CFE Group is improving on its 2022 results and is among the frontrunners in its sector. This result stems from a detailed analysis of the various ESG policies and procedures of the CFE Group and its numerous key indicators, as well as concrete actions put in place within the group. Even better, in recognition of its excellent results, CFE has been recognized for the second year in a row as an "ESG TOP RATED company" in its sector.



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

The approximately 3,000 employees and workers of the CFE group can now say that they work for an official Top Employer. CFE has been ranked among the best of its peers by the independent Top Employer Institute, on the basis of best practice in human resources management and the offer of a workplace favouring the well-being of





employees. The Top Employer certification particularly congratulates CFE for the commitment of its employees and workers to the company's objectives and strategy, its ambitious sustainable development plan, and the training and development opportunities throughout the group.

The ZIN project, which already won a number of awards last year, was honoured again this year. It won the FEBE Element Award in the 'Precast in Structures' category. The Brussels project won the award for using 30,000 tonnes of recycled concrete from the site itself, a first in Belgium.

At Wood Day 2023, Laminated Timber Solutions (LTS), a subsidiary of the CFE group, won the prestigious National Wood Construction Award. LTS and its partners won the award for their innovative approach to the construction of Alliander Westpoort's new regional office in Amsterdam. The seven-storey building is the tallest timber office building in the Netherlands.

In December, BPI Real Estate won the silver Climate Future Project Award at the Belgian Construction Awards for its outstanding WOOD HUB project. The prize, presented by Batichronique, was awarded by a panel of judges who praised the building's far-reaching innovation and sustainability. WOOD HUB was also recently awarded the title of 'Project of the Year' at the Belgian Proptech Trophy ceremony for innovation in the construction and property sector.

BPI and a number of other major players in the European property sector who are resolutely committed to reducing CO₂ emissions have sponsored the Low Carbon Building Initiative (LCBI) label. This pan-European low-carbon label is based on a methodology for measuring the carbon footprint of buildings using Life Cycle Assessment (LCA).

MEASURING THE EFFECT OF ACTIONS

For all the group's divisions, closely monitoring clear KPIs and concrete actions is a priority. Indeed, this monitoring makes it possible to evaluate the effect of the actions undertaken as soon as possible and to take any appropriate measures. The main KPIs are presented in detail in chapter 6 p XX.

This data collection goes hand in hand with aligning actions by division in the different entities to ensure it has a significant impact. Quantified objectives and structured actions are put in place.

At BPI Real Estate, two tools have been developed: on the one hand, to measure the CO₂ impact of each project developed and, on the other hand, the impact on the SDGs in the broader sense. The aim of these tools is not only to measure the current portfolio, but also and above all to design and challenge the projects under development. The objective of the tools developed is to be as "agile" as possible to take into account ESG criteria that could evolve over time and thereby remain in line with social developments. Indeed, understanding the results of these tools and integrating the European Taxonomy criteria will allow BPI Real Estate to design truly sustainable projects.

A QUESTION OF MINDSET

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

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

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

Sharing knowledge and good practice is essential. To this end, a knowledge centre has been set up. Best practices, innovations and experiences in terms of sustainability are collected in a database. But beyond this knowledge, the aim is also to share competencies and encourage synergies.

WALK THE TALK

To give concrete expression to its social and sustainability commitments, CFE has integrated ESG criteria into the majority of its credit agreements, which are taken into account in determining the margin applied to bank loans. The ESG criteria used are, on the one hand - in terms of safety - reducing the severity rate by 15% and, on the other, reducing direct CO₂ emissions (scopes 1 and 2) by 40% by 2030 (compared to 2020).



The short and long term executive reward system also takes into account sustainability-related results.

The Wood Hub project – the new headquarters of CFE and its subsidiaries BPC Group, BPI Real Estate and Wood Shapers – truly showcases the know-how and synergies within the CFE Group. It highlights the circularity of materials, the use of bio-sourced materials and the optimisation of energy consumption. The mixed wood and concrete structure thereby makes it possible to reduce the CO₂ emissions linked to building structure by 30%. Heated and cooled by geothermal energy and heat pumps, in combination with 120 kW of solar panels, it does not rely on any fossil energy sources. Its energy consumption of no more than 10 kWh per m² makes it a Nearly Zero Energy Building (NZEB). In addition, CFE is targeting BREEAM Outstanding and WELL Platinum certification for this project.

A JOINT AND MULTIDISCIPLINARY APPROACH

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

PILOT PROJECTS TO MONITOR MORE COMPLEX ISSUES

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

5.2. VISIBLE RESULTS FOR ALL THEMES

5.2.1. Social Commitment

People are at the heart of CFE's construction process. CFE contributes to significant direct employment (2,990 employees), as well as indirectly through its various subcontractors and suppliers. In 2020, CFE launched an employer branding campaign highlighting the "Family" (family & friends) that characterises it. The modest size of the subsidiaries and the soundness of the group, as well as the numerous synergies are what make CFE strong and unique. Attracting new talent is a major challenge for the group.

HEALTH & SAFETY

CFE wants to pay full attention to safe and healthy workplaces. The severity and frequency of accidents at work are given priority attention by each board of directors. CFE performs better in this area than the sector average in Belgium. This does not prevent CFE from improving its score every year. A policy of awareness raising, training and prevention are important tools in this respect. The integration of safety into site methodology and preparation also contribute to this. Regular site visits are carried out to check compliance with procedures.

To take into account the specificity and level of risk of the CFE teams' various activities, specific objectives have been set. CFE has chosen to use the severity rate (LTIGR) as an indicator to monitor the effect of safety actions.

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

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

2023 was an opportunity to ask each employee about their perception of safety. This NOSAQ survey highlighted the areas for improvement in terms of safety culture.

At Group level, this exercise in reflection on the safety culture led to the development of an awareness-raising campaign called "GO for zero". The aim of this campaign is to remind people that every accident, however minor, is one too many. At the same time, the safety charter has been reviewed and approved by the entire Executive Committee.

eNPS surveys are also conducted on a regular basis. In addition to the positive results of this survey, identifying the points of improvement put forward by employees allowed us to respond rapidly to these expectations.

Well-being on construction sites is also measured in tangible terms. A pilot project has been set up on MBG's Tweewaters site, where a well-being barometer enables employees to indicate how they feel.



DECENT WORKING CONDITIONS FOR ALL

Respect for people applies not only to our own employees, but also to those involved with subcontractors and suppliers. This philosophy is contained in a code of integrity that includes respect for human rights. For example, procedures for selecting and interacting with subcontractors are written for this purpose. In 2023, no human rights violations were noted.

All safety rules naturally apply to our own staff as well as to the various subcontractors and other stakeholders on our sites. The same vigilance is therefore applied to compliance with safety instructions and working conditions. The monthly safety scorecards therefore also include incidents and accidents involving our subcontractors and temporary workers.

BESPOKE TRAINING

In 2023, more than 15,000 hours of training were delivered to CFE employees. These training courses are highly varied and cover technical, management and safety related themes as well as languages and IT, for example.

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

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

5.2.2. Environmental Impact

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

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

CFE has validated its concrete objectives for scope 1 and 2 in line with the SBT and is committed to reducing the intensity of its direct CO₂ emissions (scope 1 and 2) by 40% by 2030, compared to 2020.

Greening its vehicle fleet, optimising logistics on construction sites, monitoring and optimising energy consumption, using 100% green energy on sites and rational management of water on its projects and raw materials are all tactics for achieving these objectives. The various Business Units of Construction & Renovation Belgium have confirmed this effective management of CO₂ emissions by obtaining level 3 certification in the *CO₂ prestatie ladder*.

CFE is also active in a specific task force of the ADEB concerning the standardisation of the calculation of CO₂ emissions, and of scope 3 in particular, for the entire sector. Among other things, this standardisation will make it possible to increase the sector's level of ambition and to find effective solutions that include the various players in the construction value chain.

RETHINKING MOBILITY

Transporting people and materials has a considerable effect on direct CO₂ emissions. Almost 70% of direct CO₂ emissions (scope 1 and 2) are in fact due to employee transport alone.

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

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

By nature, the projects developed by BPI Real Estate, as an Urban Shaper, are located in the heart of cities and each integrate multi-modal mobility. In addition to site logistics and the mobility of its own employees, BPI Real Estate is also working towards low-carbon mobility for its clients and urban partners.



The MOBIX teams continue to renovate the Belgian railways and are therefore playing a major role in soft mobility in Belgium. These large-scale works are made possible by MOBIX's expertise, acquired over decades (railways were CFE's first business line in 1880) but also by its ability to offer total solutions: track repairs, electrification, and signalling repairs. MOBIX is also investing in greening its fleet of machinery. From this year, a new hybrid machine is being used for catenary work. CFE is also committed to carrying out its projects in a sustainable and innovative manner. For example, the Kanal - Centre Pompidou project can be mentioned as a benchmark in terms of mobility and logistics. Soft mobility is strongly encouraged for all workers, and many materials are transported by water, as is the use of a logistics consolidation centre.

AS WELL AS SITE LOGISTICS

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

Since 2020, several construction sites in Belgium and Luxembourg have rethought their site logistics by using consolidation centres. These logistics hubs make it possible to considerably limit the number of lorries supplying the sites, thereby making delivery schedules more reliable. In Brussels, alternative delivery methods such as waterway deliveries are also used. The impact on CO₂ emissions is immediate. Extensive studies carried out on the Auréa site in Luxembourg have shown that the use of logistics hubs has made it possible to reduce CO₂ production linked to the transport of materials by up to 46%. The success of these pilot projects has led to repeating the experiment on new projects in Belgium and Luxembourg. In the Luxembourg projects, the experience is even being complemented by optimising the return journey of lorries to take care of construction waste, thereby optimising its sorting, treatment and recycling. Projects in Brussels using a consolidation centre are taking part in a regional study on site logistics. Researchers from Buildwise and List will therefore continue to take numerous measurements on these projects to analyse the impact of this approach and help define possible areas for improvement.

When requesting prices, transport-linked CO₂ analysis is increasingly being taken into account in selecting suppliers and subcontractors.

THE RATIONAL USE OF MATERIALS

Studies show that the choice of materials is a major factor in analysing the CO₂ cost of a building. The impact of the building's structure is particularly significant. Renovation, the use of recycled materials and reuse are all ways of improving the carbon impact. The choice of more durable materials also contributes to this reduction. To measure the impact of the choice of materials in their projects, the BPI teams carry out LCA studies.

And they are not alone. In tendering, the design teams also propose more sustainable variants based on LCAs whenever possible. The expertise in materials (wood in particular) and building methods for an improved structure and an integrated vision of the projects are central to the sustainable approach of Wood Shapers. Wood Shapers, for example, joined forces with BPC Group and VMA for the Monteco project, currently the tallest wooden building in the Brussels region. In 2022, more than 53,000 m² were built or developed using a wood or hybrid structure. Of particular note are the Wooden, Mertert, Roots or even Wood Hub projects.

Through its three subsidiaries Van Laere, BPC Group and VMA, CFE has launched the ZIN construction site in the North district of Brussels. The first part of the works, the offices, has been handed over. The other phases will follow in 2024. This innovative project of more than 110,000 m² revolves around circularity. This circular approach starts with preserving 65% of existing WTC towers, which significantly reduces the amount of waste during dismantling and the use of new materials for construction. It is the first project in Belgium to apply circular principles on this scale. More specifically, a total of 95% of the materials will be preserved, reused or recycled, and 95% of the new office materials must be Cradle 2 Cradle certified. This expertise in circularity also enables Construction & Renovation teams to specialise in materials passports and urban mining.

And this is not CFE's only exemplary project in terms of circularity. Indeed, BPC Group is also busy working on the Usquare project in Brussels. This project is a real laboratory for circularity. After the Van Laere teams in Flanders, and CLE and BPI Real Estate in Luxembourg, it is now the turn of the BPC Group, BPI Real Estate and central services teams to move into their new Brussels headquarters, Wood Hub. These new buildings are exemplary in terms of sustainability, both in terms of the choice of materials and energy consumption. Built by and for the CFE teams, Wood Hub is the benchmark for the group's combined expertise in sustainability.

Wood Hub was built using a mixed wood and concrete structure and includes numerous bio-sourced and reused materials: false floor, toilet facilities, furniture etc. - various materials now experiencing a second life.

To facilitate circularity within the group, BPC Group has developed an app, Bazaar, which allows construction sites to connect and exchange materials. And it's not just between Construction & Renovation companies. For example, BPI Real Estate has enabled BPC Group to find reused false floors for several of its projects such as Wood Hub. This platform also brings together the best practices achieved by the subsidiaries in terms of sustainability and lists the specific information to be taken into account when using a par-



ticular reused material (impact on planning, tests to be carried out, points to watch out for, list of suppliers, etc.).

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

WATER, A RESOURCE TO BE PROTECTED

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

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

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

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

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

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

LIMITING ENERGY CONSUMPTION

Another tool for limiting CO₂ production is to reduce energy consumption, both for buildings and site installations.

As such, on sites, we monitor energy consumption which allows us to optimise consumption by tracking down abnormal over-consumption in particular. Understanding of this consumption is supported by improvements in the insulation of the building site containers, as well as various corrective measures. Solar panels are also installed on many construction sites. The positioning of the site installations therefore also takes into account the optimisation of sunlight from the site containers.

Particular attention is paid to the generators used, in particular, to start up the site or as a one-off back-up for the heating needs of the sites in winter. These generators consume a lot of energy. Pilot studies are being carried out using batteries or hydrogen generators.

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

CFE, through its subsidiary VMA, offers ESCO services that provide guaranteed energy performance to clients who so desire. In 2020, CFE launched VMANAGER, a piece of software and an app targeting energy savings, energy flow management and, in general, construction technology management. This innovative tool facilitates intelligent and sustainable management of new and renovated buildings by combining VMA's technical expertise with intensive monitoring and tools to supervise and control their actual energy performance. The development of VMANAGER combined with VMA's know-how makes it possible to offer a global solution for energy management. For example, VMANAGER will save 846 tonnes of CO₂ over a period of ten years for the PXL University. To achieve this ambitious project, the Luxembourg institution carried out an educational energy performance contract with VMA for the buildings on its campus. This guarantees savings of around 30% on electricity and natural gas while involving students in the process. CFE's new headquarters, Wood Hub, is exemplary in terms of energy consumption. The building is heated and cooled by geothermal energy and heat pumps, and is equipped with 300 photovoltaic solar panels. This makes Wood Hub almost energy independent, with primary energy consumption of no more than 8.59 kWh per m². Compared with the current average of 180 kWh/m²/year for office buildings, Wood Hub stands out as an exceptional NZEB (Nearly Zero Energy Building), designed for the future.

In its real estate developments, BPI Real Estate seeks to optimise the energy consumption of its buildings and, above all, to use heating methods that do not use fossil fuels (gas, coal and oil). This year, 159,098 m² of projects under study or in development propose cogeneration, a biomass/pellet heating network or geothermal energy, and 93,017 m² integrate a strictly "fossil free" heating system.

CFE is also investing in sustainable energy initiatives. The future of green energy in Belgium lies in the development of battery fleets. In 2021, the EStor-Lux consortium (CFE, SRIW, Ackermans & van Haaren, BEWATT, SOCOFE, IDELUX, SOFILUX) started full commercial



operation of the first battery storage park connected to the Belgian high-voltage grid. With an installed capacity of 10 MW and a storage capacity of 20 MWh, the 480-module lithium-ion battery park, installed at a Kyndryl data centre in Bastogne, is the largest active battery site in the Benelux region in terms of storage capacity. CFE is also investing in offshore wind farms through its holding in Green Offshore.

LIMITING WASTE PRODUCTION

Monitoring the main fractions of waste on site has made all the teams aware of the importance of limiting waste production and seeking solutions for reuse. Framework contracts are also signed with waste collectors who guarantee a sorting rate that meets at least the criteria set out in the European taxonomy.

Prefabrication therefore makes it also possible to limit waste production. This not only concerns the structural work (concrete, wood or hybrid). VMA has therefore launched the prefabrication of technical elements (Skids). For certain finishing elements such as plaster partitions, for example, optimising orders (the height of the boards, for example) makes it possible to drastically limit waste.

Partnerships with certain material manufacturers also help us give waste a second life. On MBG's construction sites, for example, UNILIN recovers wood waste to make recycled chipboard panels.

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

5.2.3. Impact in terms of Governance and Innovation

A TOOL TO BOOST INNOVATION

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

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

ON THE ROAD TO DIGITALISATION

Digitalisation is a key issue for all companies. At CFE this concerns both projects with the integration of BIM, for example, but also the management of CFE as a company. CFE has therefore embarked on a major project to modernise and standardise its ERP throughout all its subsidiaries.

In addition, on-site innovations in terms of digitalisation are appearing, notably through numerous partnerships with start-ups.

TRAINING AND PREVENTION TO BOOST IT SECURITY

The Group's IT teams work on IT security on a daily basis. Regular audits are carried out to check that all the processes needed to ensure the Group's security are in place. They also organise regular, compulsory training courses for all employees to raise awareness of cyber security and help them recognise potential attacks.

TRANSPARENCY

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

All important information is communicated via press releases and on the group's website.

CORPORATE GOVERNANCE

A corporate governance charter with concrete and understandable procedures should ensure the greatest possible impact of the actions undertaken. In 2022, the corporate governance charter and multiple key policies and procedures were updated.

The charter therefore defines the structure of CFE, the roles and responsibilities of the different boards and committees, as well as the minimum applicable procedures, and breaks down into several internal policies.

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

Respect for human rights

Respect for human rights is one of the core values on which the general policy of the Real Estate Development, Multitechnics and Construction & Renovation segments is based. This respect is embodied in a formulated policy with a specific code of conduct focused on the integrity of employees, which constitutes the general framework of which the implementation is ensured by individual



reports and internal audits. This policy is publicly available on the CFE website: <https://www.cfe.be/en/company-documents>. Any discrimination - whether in hiring, day-to-day labour relations or training opportunities - based on criteria related to gender, age, nationality, ethnic origin, beliefs or disability is strictly prohibited. A DE&I charter has been drawn up for this purpose and has been signed by the Executive Committee. The group's general policy also encompasses compliance with staff privacy laws, which is reflected in ICT-related measures at the subsidiaries to protect the security of the personal data of employees.

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

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

Fight against fraud and corruption

A Code of Ethics and Integrity was updated in 2022 and approved by the Executive Committee. It is intended for all employees, regardless of their function. It clearly states that all forms of corruption or influence peddling, direct or indirect, by companies and individuals is prohibited. To ensure that the ethical rules that have been issued are effective and properly understood, the code gives specific details of customary business practices, such as benefits, gifts, privileges and tokens of hospitality: it specifies what is allowed or not, the limits to adhere to, etc., taking into account national (Belgian and/or foreign) and international regulations. The commitment of the subsidiaries and their staff, a sense of propriety and a willingness to work in a spirit of cooperation and trust, and the establishment of a set of internal procedures aimed at limiting the risk of fraud and corruption, are all elements that have guaranteed proper compliance with the anti-fraud and anti-corruption rules.

Internal audit

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

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

5.3. A STRONG CSR POLICY, A REAL PLUS FOR A PEOPLE-CENTRIC COMPANY

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

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

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

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

CFE also supports emergency measures in collaboration with the Red Cross.

To have an even greater impact in the future, CFE has set up a foundation, 'Heroes for Good'. This foundation provides a more structured and effective approach to CSR.

5.4. SUSTAINABLE PARTNERSHIPS

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

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

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



6. NON-FINANCIAL KEY PERFORMANCE INDICATORS (KPIs)

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

The selected indicators cover all aspects of ESG.

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

6.1. Key figures & sustainable ambition

For CFE, the core sustainability subjects are People, Mobility, Energy, Raw Materials and Governance. This concerns both the development of BPI Real Estate's projects and the performance of the work by CFE's Construction & Renovation and Multitechnics teams.

For these themes, strategic KPIs and concrete targets have been defined.

				2021	2022	2023	Target 2030
People	Safety	Severity rate ⁽¹⁾	ratio	0.69	0.72	0.68	0.52 ⁽⁸⁾
	Training	Number of training days per employee ⁽²⁾	d/FTE	2.06	2.20	2.51	5
Mobility	Green fleet	% of electric or hybrid vehicles	%	4	7	33	90
	Direct CO ₂ emissions (scope 1 and 2)	Carbon intensity ⁽³⁾	ton/ k€	15.9	13.5	12.7	11.6
Energy	Green energy	Proportion of green energy ⁽⁴⁾	%	54.9	80%	81%	100 ⁽⁹⁾
Materials	Waste reduction	Waste intensity ⁽⁵⁾	ton/M€	28.13	21.60	24.03	17.75
	Use of biobased materials	Surface area of buildings built or developed in wood ⁽⁶⁾	m ²	-	53,355	50,299	tbc
	Reasonable water consumption	Percentage of pumped water that is reused ⁽⁷⁾	%	-	-	-	100
Governance	Transparency and risk management	Sustainalytics Rating	-	27.8 (medium)	26.1 (medium)	24 (medium)	tbc

(1) Severity rate = number of calendar days of absence x 1,000 divided by the number of working hours. Due to the specific nature of the business lines, different targets were set for Construction, Multitechnics and Rail. This target corresponds to a 50% reduction compared to the Belgian sectoral averages in 2020.

(2) The number of training days per employee is calculated on the assumption of 8 working hours per day. The objective is to have at least 5 days of training (all categories) per employee.

(3) Carbon intensity is calculated by dividing the quantity of scope 1 and 2 emissions produced by CFE by turnover for the past year on CO₂-producing activities (Construction & Renovation and Multitechnics) in the past year. The objective is therefore to reduce this carbon intensity by 40% by 2030 compared to the data for the reference year 2020.

(4) The proportion of green energy is the ratio of green energy to the total energy consumed (on the building sites and in the various headquarters).

(5) Waste intensity is calculated by dividing the quantity of waste produced by CFE by turnover for the past year on waste-producing activities (Construction & Renovation and Multitechnics). The objective is therefore to reduce this carbon intensity by 30% by 2030 compared to the reference year 2020.

(6) These are projects that have been delivered, were under construction, or were in the final stages of development during the year 2022 and contain a wood or wood-concrete frame.

(7) Currently, pumped water from construction sites is often discharged directly into the sewer. CFE's ambition is to no longer discharge any pumped water to the sewer and therefore to find a way to reuse 100% of the pumped water. This data will be monitored from 2023 onwards.

(8) Average based on specific business lines: Construction & Renovation < 0.4; VMA < 0.5; MOBIX < 0.9.

(9) The 100% target is set for 2025 for BELUX.

6.2. Social KPIs

6.2.1. People Indicators

Employees are the most important part of a company. Having healthy, fulfilled and adequately trained employees is an ongoing challenge for human resources teams. Several key performance indicators allow them to monitor these elements closely. CFE's actions to promote employee well-being and training have made a major contribution to our TOP EMPLOYER certification.

6.2.1.1 Indicators related to talent management

Some 2,990 employees worked for CFE in 2023.

**Number of employees by status**

	Workers	Employees	Total
2021	1,620	1,517	3,137
2022	1,505	1,569	3,074
2023	1,420	1,570	2,990

Number of employees by type of contract

	Open-ended contract	Fixed-term contract	Work & studies	Total
2021	3,009	115	13	3,137
2022	2,937	126	11	3,074
2023	2,822	164	4	2,990

Age pyramid

	2021	2022	2023
< 25	183	192	192
26-30	355	338	325
31-35	428	429	407
36-40	438	416	385
41-45	391	394	390
46-50	394	360	352
51-55	421	394	377
56-60	375	374	372
> 60	152	177	190

Seniority

	2021	2022	2023
< 1	349	380	305
1-5	1,135	1,074	1,079
6-10	512	445	439
11-15	426	355	332
16-20	264	304	326
21-25	134	196	204
> 25	317	320	305

Number of men/women

	Employees	Female employees	Male workers	Female workers	% Men	% Women
2021	1,077	440	1,599	21	85.3%	14.7%
2022	1,100	469	1,487	18	84.2%	15.8%
2023	1,103	467	1,400	20	83.7%	16.3%

All HR indicators have been relatively stable over the last three years.

Training

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



Number of hours by type of training	Total 2021	Total 2022	Total 2023	Men 2023	Women 2023
Technical	18,493	22,862	18,684	15,202	3,482
Health and safety	19,839	17,160	27,763	24,964	2,799
Environment	66	699	43	35	8
Management	3,183	4,554	1,954	1,404	550
IT	1,890	1,910	838	559	279
Admin/Accounting/Management/Legal	2,848	2,227	1,043	631	412
Languages	3,434	2,783	998	913	85
Diversity	126	101	115	58	57
Other	1,794	1,697	8,693	5,912	2,781
Total	51,673	53,993	60,131	49,678	10,453
Number of hours training per FTE	16.5	17.6	20.1	19.8	21.5
Number of training days per FTE (based on 8h/day)	2.06	2.20	2.51	2.48	2.68

6.2.1.2 Indicators related to well-being, health and safety

Absenteeism

	2021	2022	2023
Number of days of absence due to illness	39,574	41,735	36,882
Number of days of absence due to work-related accidents	2,833	3,158	3,478
Number of days of absence due to commuting accidents	248	7	17
Number of days of absence due to occupational disease	0	0	0
Number of days worked	526,764	522,446	495,918
Absenteeism rate	8.10%	8.59%	8.14%

Safety related KPIs (incl. Sub-contracting)

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

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

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

Safety for CFE	2021	2022	2023	Industry average*
Frequency rate	22,37	21,96	18,47	27,09
Severity rate	0,69	0,72	0,68	0,97

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

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

Despite all the measures taken and an open and pro-active safety culture, there remains an inherent risk of having incomplete reporting. Reporting is in fact dependent on the information transmitted by the victim of an accident. The 2023 results are better than the previous year and still significantly better than the industry.

However, we must remain vigilant because safety must remain the priority at all times.

6.3. Environmental KPIs

The issues of climate and energy are crucial.

As such, we are measuring the reduction in CO₂ emissions produced by CFE's operations. These are Scopes 1 and 2 according to the Greenhouse Gas Protocol approach:

SCOPE 1

The direct greenhouse gas (GHG) emissions are linked to the use of fossil fuels. Only the CO₂ emissions are taken into account, not the other greenhouse gas emissions. It only concerns fossil fuels purchased and used for our own installations, machinery and fleet or for our own projects. The fuel used in our own power generators is also included in Scope 1.

SCOPE 2

The indirect greenhouse gas (GHG) emissions are linked to the consumption of electricity purchased. Only the CO₂ emissions are taken into account, not the other greenhouse gas emissions. The electricity that the entities purchase originates in many cases from both renewable and non-renewable sources. A breakdown for each part can only be given if the quantity of renewable energy purchased by an entity is expressly specified by contract. We have therefore adopted the "market-based" method of calculating scope 2 and take into account the green contracts signed by the various subsidiaries.

We follow the ADEME carbon balance method. The CO₂ conversion coefficients used are publicly available on the website <https://www.facteursdemissionco2.be/>. These have been validated by our CO2LOGIC consultant.

	2021	2022	2023	2023 vs 2022	2023 vs 2020	Target 2030
CO ₂ (tonnes CO ₂)						
CO ₂ emissions Scope 1	14,570	13,914	14,044	0.94%	-11.18%	
CO ₂ emissions Scope 2	1,919	1,395	1,342	-3.79%	-28.29%	
CO₂ emissions Scope 1+2	16,489	15,309	15,387	0.51%	-12.99%	
CO ₂ intensity (tonnes CO ₂ /k€)						
CO ₂ intensity (per productive activity*)	15.9	13.5	12.7	-5.56%	-34.46%	11.63

* divided by the turnover of Construction & Renovation and Multitechnics

We have found that the CO₂ emissions of the construction entities of CFE are particularly influenced by the type of projects and works carried out during the year. Projects involving large-scale structural works in particular consume a lot of electricity and fuel to make all the construction machinery and tower cranes work. Building projects nearing completion during the winter period require a significant supply of energy to heat and dry the buildings.

The fuel consumption of vehicles will also be strongly influenced by the distance between home and workplace. All those factors are highly variable from one year to the next.

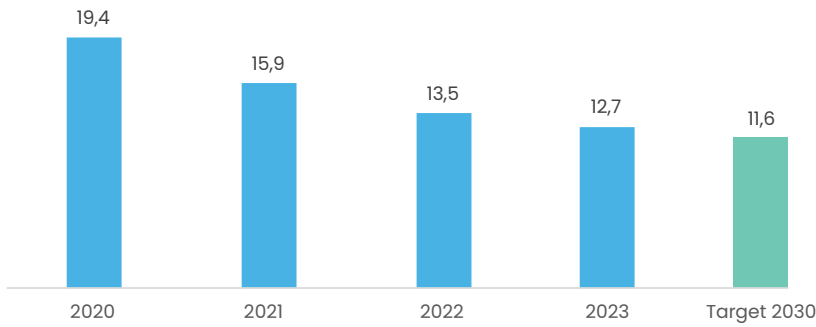
We are seeing a significant decrease in direct CO₂ emissions since 2020, the reference year. This is mainly due to a decrease in scope 2. This decrease is largely due to a significant shift towards green energy. Absolute emissions between 2022 and 2023 have not changed significantly, despite a significant increase in turnover. A detailed analysis by emission source provides a better understanding of this trend.

CO ₂ scope 1+2	Absolute (tonnes CO ₂)			Intensity* (tonnes CO ₂ /k€)				
	2021	2022	2023	2021	2022	2023	2023 vs 2022	2023 vs 2020
Scope 1	14,569.95	13,914.14	14,044.44	14.01	12.23	11.60	-5.16%	-33.09%
Fleet	10,522.46	10,589.99	9,891.58	10.12	9.31	8.17	-12.24%	-36.39%
Fuel	3,157.32	2,649.43	3,078.64	3.04	2.33	2.54	9.18%	-30.14%
Gas	881.77	637.17	992.62	0.85	0.56	0.82	46.38%	-4.10%
Refrigerants	8.39	37.55	81.60	0.01	0.03	0.07		
Scope 2	1,919.06	1,394.96	1,342.15	1.85	1.23	1.11	-9.60%	-45.99%
Electricity	1,919.06	1,394.96	1,342.15	1.85	1.23	1.11	-9.60%	-45.99%
General total	16,489.01	15,309.10	15,386.59	15.86	13.46	12.71	-5.56%	-34.46%

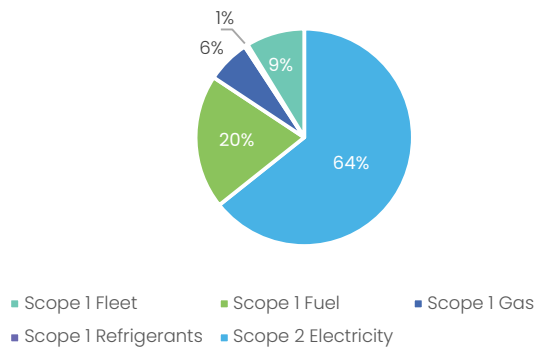
* divided by the turnover of Construction & Renovation and Multitechnics



CO₂ Intensity Evolution



Share of the direct emissions by category in 2023



The largest share of direct CO₂ emissions (64%) is due to the fleet (company cars, vans and trucks). This is where the greatest attention must be paid to our direct emissions. There has been a steady decline in fleet-related emissions, due to the gradual greening of the company car fleet.

The increase in activity in 2023 has, however, led to an increase in the use of energy on construction sites to power machines, generators and heating appliances.

In parallel, CFE has been working since 2021 on understanding its indirect CO₂ emissions (scope 3). By mapping scope 3 we have been able to highlight the largest sources of CO₂ production, i.e. structural materials such as concrete and steel, and to give an initial quantified estimate of this scope 3.

In fact, level 3 (or scope 3) corresponds to other indirect emissions, such as the extraction of materials purchased by the company for producing the product or emissions linked to transporting these materials, emissions linked to waste or emissions linked to the use of its products (in our case, the use of the buildings for 50 years). This is the most significant part of a production company's emissions.

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

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

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

Under the CSRD, Scope 3 emissions will be monitored from 2024.

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



6.3.1. Energy indicators

6.3.1.1 Water management indicators

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

Nevertheless, the data collected are not yet sufficient to be interpreted.

Several pilot projects have been set up to limit consumption (rainwater tanks, decantation water treatment, etc.).

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

6.3.1.2 Energy consumption indicators

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

In its real estate developments, BPI Real Estate seeks to optimise the energy consumption of its buildings and, above all, to use heating methods that do not use fossil fuels (gas, coal and oil). Thus, this year, 159,098 m² of projects under study or in development offer cogeneration, a biomass/pellet heating network or geothermal energy, and 93,017 m² integrate a strictly "fossil free" heating system.

This data is updated regularly and available on the BPI Real Estate website

(<https://bpi-realestate.com/en/sustainability-environmental-commitment-societal-commitment/>).

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

Energy (Kwh)	2020	2021	2022	2023
Electricity	12,990,826	15,369,337	12,433,215	13,540,136
Gas	3,195,251	4,844,905	3,500,947	5,453,974
Fuel	11,064,479	12,050,850	11,066,302	11,750,532
Total	27,250,556	32,265,092	27,000,465	30,744,642
Intensity * (kwh/k€)	29.88	31.03	23.74	25.40

* divided by the turnover of Construction & Renovation and Multitechnics

%green energy	2020	2021	2022	2023
HQs	27%	55%	73%	89%
Sites	28%	60%	80%	76%
Total	28%	60%	80%	81%

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

6.3.2. Material Indicators

6.3.2.1 Waste management indicators

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

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



Waste	Unit	2020	2021	2022	2023
Mixed (ton)	tonne	9,498	10,672	8,489	15,348
Wood (ton)	tonne	3,855	2,896	2,669	3,071
Inert (ton)	tonne	9,498	6,222	10,990	9,483
Hazardous (ton)	tonne	38	33,6	548	95
Steel (ton)	tonne	542	6750,21	1,875	1,089
Total	tonne	23,431	28,595	24,572	29,086
Intensity*	tonne/€M	25.7	27.5	21.6	24.0

* divided by the turnover of Construction & Renovation and Multitechnics

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

6.3.2.2 Modularity and circularity indicators

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

For the on-site analysis, CFE analyses all the data from the ZIN and Usquare project, which serves as a kind of pilot project to define the SMARTest KPIs and realistic stretch targets. CFE is also participating in the Buildwise working group to find solutions to industrialise the circular economy and allow it to grow. CFE has also developed an application, Bazaar, to encourage the re-use of materials between the group's worksites.

BPI Real Estate monitors precisely which materials are reused in its projects. This starts with pre-demolition inventories of pre-existing buildings.

Finally, CFE monitors the use of wood and hybrid structures. This year, more than 50,000 m² were built or developed using wood.

6.3.3. Mobility Indicators

6.3.3.1 Staff mobility indicators

The mobility of employees and workers is an important issue given that it represents more than 60% of Scope 1 and 2 emissions (see chapter 6.3).

Specific targets have therefore been set to reduce CO₂ emissions from company cars, vans and trucks. Given the technology currently available on the automotive market, these objectives differ for these three categories. Overall, the goal is to reduce total emissions by 40% by 2030 (with 2020 as the reference year). This year, there has been a clear reduction in company car consumption. This positive trend is linked to the gradual greening of the fleet.

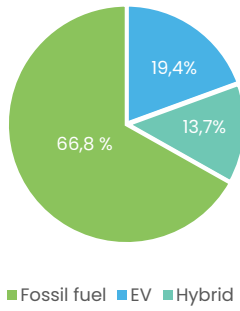
Fleet (litre)

		2021	2022	2023
Diesel	Cars	3,155,234	1,927,973	1,430,492
	Vans		1,134,007	1,354,555
	Trucks		709,639	639,946
Unleaded	Cars	384,526	496,379	526,397
	Vans		28,191	46,070
	Trucks		6,406	6,230
Hybrid	Cars	7,168	20,584	20,817
	Vans		0	0
	Trucks		0	0
Total		4,283,123	4,323,182	4,024,507

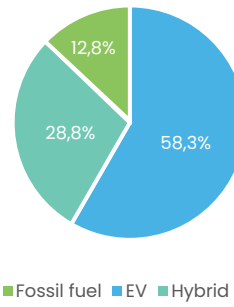
A mobility plan has been set up. It is based on several pillars: reducing the list of authorised vehicles to less polluting vehicles, switching to electric vehicles, promoting alternative means of travel (bicycle, public transport, etc.). This plan is based on the realities and optimised needs of the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



Vehicles in use in 2023 (BE+LUX)
947 cars



Ordered vehicles in 2023 (BE+LUX)
156 cars



6.3.3.2 Site logistics indicators

Due to a lack of reliable data in the value chain, at this stage there are no KPIs related to the transport of materials, although this theme has a high degree of materiality. The preferred approach has been that of pilot projects using logistics consolidation centres to provide a comprehensive view of the issue at project level. The first results are highly encouraging as the very detailed study carried out in Luxembourg indicates a theoretical reduction of 46% of CO₂ linked to the transport of materials relying on the optimisation and use of a consolidation centre.

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

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

6.4. Governance KPIs

6.4.1. Governance indicators

6.4.1.1 Transparency and corporate governance indicators

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

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

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

Rating ESG by Sustainalytics	2021	2022	2023
	27.8	26.1	24.0
	Medium	Medium	Medium

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





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

No major infringements were found.

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

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

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

6.4.1.2 Innovation KPIs

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

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

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

6.4.1.3 Indicators related to respecting working conditions for all

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

6.4.1.4 Customer centricity indicators

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

6.5. Data quality and audit

6.5.1. Is the data complete?

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

From the point of view of the ADEME CO₂ calculation methods, the missing data can be assimilated into scope 3. Calculation of CO₂ (scope 1+2) can therefore be considered complete.

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

Since the lack of data only concerns energy (which represents only 30% of CO₂ scope 1+2) and the percentage of projects for which we did not obtain data represents approximately 15%, we estimate the influence at maximum 5% for 2023. This value is of the same order than in previous years. The independent external auditor (EY) performed a compliance check on the entire non-financial statement. This exercise confirms that the non-financial statement is complete and meets the requirements as provided by the NFRD.

6.5.2. Data quality

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

Any value that is significantly different (+/- 10%) from that reported for the same period in the previous year must be explained. In each subsidiary, one person is responsible for collecting data, and the quality of the data transmitted. To ensure the correct defi-



dition and quality of the data, we have written a manual. It also includes best practice in environmental reporting. This environmental reporting must be validated by the subsidiaries' management committees before being sent for consolidation.

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

6.5.3. Data audit

In 2023, the KPIs relating to safety and calculating carbon intensity (scope 1+2) were audited by the external auditor (EY) as part of a limited assurance audit.

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

Finally, the CO₂ data of the Belgian construction & renovation companies has been audited and validated in the framework of the "CO₂-prestatieladder" certification.

7. EUROPEAN TAXONOMY

7.1. Introduction

The Taxonomy Regulation¹ creates a framework for determining the extent to which economic activities can be considered environmentally sustainable, known as "sustainable activities".

The Taxonomy Regulation also establishes more precise criteria for determining the extent to which investments in specific economic activities are in fact sustainable, thereby improving the transparency of sustainable economic activities.

In concrete terms, the reasoning behind the EU taxonomy is as follows: an activity can be considered "sustainable" if it makes a substantial contribution to one of the six environmental objectives, without causing significant harm to one of the other five objectives. An activity must also respect basic social criteria to be considered "sustainable".



The six environmental objectives set out in the Taxonomy regulation are: mitigation of climate change, adaptation to climate change, sustainable use and protection of aquatic and marine resources, transition to a circular economy, prevention and reduction of pollution, and protection and restoration of biodiversity and ecosystems.

Secondly, an economic activity that contributes substantially to one of the six objectives may not cause significant harm to any of the other five objectives, also known as the "Do no significant harm" or "DNSH" principle.

Finally, an activity is sustainable if the company implements procedures known as "minimum guarantees" to ensure that it carries out its activities in compliance with social standards and human rights. These procedures must be implemented at company level, not at the level of individual activities.

The European Commission has established Technical Screening Criteria (TSC) for a certain number of economic activities considered "eligible" for the taxonomy, and is gradually adding to them.

If the TSCs are met (and the minimum guarantees of respect for social standards and human rights are also met), the activities are said to be "aligned" with the taxonomy. They are then considered to be environmentally sustainable.

In concrete terms, the TSCs describe the environmental performance requirements that an economic activity must meet in order to

¹ Framed by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to support sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter "the Taxonomy Regulation" or "the Regulation").



be considered sustainable. They define the precise technical conditions under which an activity (i) makes a substantial contribution to a given environmental objective and (ii) respects the principle of not causing significant harm.

Applied to the CFE group, the objective of mitigating climate change is, at this stage, the most relevant. This is why, in this report, the exercise has only been carried out for this objective. Contributing to a circular economy as defined by the EU taxonomy is very complicated for the construction of new buildings due to technical limitations and the (non-)availability of resources. Only a few projects such as Zin or Usquare, where the circular economy is central, could be aligned. Nevertheless, we have decided to analyse all our activities from the perspective of climate change mitigation.

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

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

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

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

1. BPI Real Estate:

- Construction of new buildings
- Renovation of existing buildings

2. Construction & Renovation:

- Construction of new buildings
- Renovation of existing buildings

3. Multitechnics (Business Division VMA):

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

4. Multitechnics (Business Division MOBIX):

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

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

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

Overall, the figures for aligned investments (CAPEX) are significantly higher than those for aligned turnover, which is explained by the construction of new headquarters by some subsidiaries. Operating expenses (OPEX), as defined under the EU taxonomy, include a restrictive list of non-capital expenses. Since the financial statements are prepared in accordance with the IFRS, these expenses are already included in capital expenditure (CAPEX). For this reason, OPEX eligibility and alignment are not presented in this report.



7.3. Eligibility & alignment

Company environmental objective(s)	Eligible			Aligned		
	Turnover	CapEx	OpEx	Turnover	CapEx	OpEx
Mitigation	78.98%	86.66%	*	20.03%	19.37%	*
<i>C&R and Multitech</i>	78.28%	85.72%	*	14.46%	11.23%	*
<i>Real Estate</i>	83.84%	94.37%	*	58.57%	85.56%	*
Adaptation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Water	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
Pollution	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL
Circular	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ecosystem	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL

Income by line of business:

1. BPI REAL ESTATE

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

- Pre-construction projects: The projects under development were compared to the various TSC requirements. The projects were found to meet the TSC criteria overall with their sound design. When necessary and if still possible, some adjustments were made to the project. When it became clear that, despite the sustainability of the project and better achievement of some CST criteria, some TSCs could not be met in certain analysed projects. These projects were therefore irrevocably classified as non-alignable.
- Project in pre-construction phase: The necessary risk analysis was performed to estimate the criteria that could still be aligned despite the start of construction. TSCs that have not been met but are still achievable have been implemented.
- Post-construction projects: These are projects that have already been completed and sold to clients. The remaining turnover cannot therefore be aligned.

Since BPI Real Estate is the project developer and therefore also the decision maker in terms of sustainable projects, the alignment is remarkably higher than for the rest of CFE's activities. The strong increase in BPI Real Estate's aligned figures is due to the sale of CFE's new headquarters, "Wood Hub", to Ethias in December 2023.

2. CONSTRUCTION & RENOVATION

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

It should also be noted that projects that may be reported on in 2023 are already in the construction phase. This eliminates many projects that could be aligned if certain steps were taken at the time of bidding.

Compared to 2022, we see a slight increase. This is due to an increase in projects where the customer has set broader sustainability objectives and is applying them to the design of the projects.

3. MULTITECHNICS (Business Division VMA)

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

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

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



4. **MULTITECHNICS (Business Division MOBIX)**

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

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



Economic activities (1)	Codes (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity) (20)	«Category (transitional activity)» (21)	
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)						Y/N
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Installation, maintenance and repair of renewable energy technologies	F42	7,056,894	1%	1%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	1%	1%	E		
Renovation of existing buildings	F41	18,477,203	1%	1%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	1%	1%		T	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42	16,968,363	1%	1%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	1%	1%	E		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42	1,102,741	0%	0%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0%	0%	E		
Construction of new buildings	F41.1	202,826,215	16%	16%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	16%	11%			
Installation, maintenance and repair of energy efficiency equipment	F42	3,618,766	0%	0%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0%	0%	E		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		250,050,182	20%	20%	0%	0%	0%	0%	0%								20%	14%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Renovation of existing buildings	F41	102,666,162	8%																		
Infrastructure for rail transport	F42.12	59,766,910	5%																		
Transmission and Distribution of Electricity	D35.12	7,180,000	1%																		
Construction of new buildings	F41.1	541,100,414	43%																		
Computer programming activities	J62.01	25,306,617	2%																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		736,020,102	59%																		
Total (A.1 + A.2)		986,070,285	79%														20%	14%	2%	1%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities (B)		262.399.715	21%																		
Total (A + B)		1.248.470.000	100%																		



Economic activities (1)	Codes (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Taxonomy-aligned proportion of turnover, year N (18)	Category (enabling activity of) (20)	«Category (transferring activity) (21)»	
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)						Y/N
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
Installation, maintenance and repair of renewable energy technologies	F42	165,093	0%	0%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0%	0%	E		
Renovation of existing buildings	F41	508,235	1%	1%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	1%	0%		T	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42	396,968	1%	1%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	1%	1%	E		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42	25,798	0%	0%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0%	0%	E		
Construction of new buildings	F41.1	6,988,028	17%	17%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	17%	27%			
Installation, maintenance and repair of energy efficiency equipment	F42	84,660	0%	0%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0%	0%	E		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		8,168,782	19%	19%	0%	0%	0%	0%	0%								19%	29%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Renovation of existing buildings	F41	2,980,603	7%																		
Infrastructure for rail transport	F42.12	5,589,330	13%																		
Transmission and Distribution of Electricity	D35.12	362,882	1%																		
Construction of new buildings	F41.1	14,958,867	35%																		
Computer programming activities	J62.01	4,493,692	11%																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		28,385,374	67%																		
Total (A.1 + A.2)		36,554,156	87%														19%		2%	1%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy-non-eligible activities (B)		5,624,713	13%																		
Total (A + B)		42,178,869	100%																		



Economic activities (1)	Codes (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N-1 (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity) (20)	«Category (transitional activity) (21)»		
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)						Y/N	Y/N
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0%	0%	0%	0%	0%	0%	0%	0%											0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	0%																				
Total (A.1 + A.2)	0	0%																		0%		0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
OpEx of Taxonomy-non-eligible activities (B)	0	100%																				
Total (A + B)	0	100%																				



Financial statements



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DEFINITIONS

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



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

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

² As of 31 December 2022, the contribution of discontinued operations to the CFE group's consolidated results relates exclusively to DEME.

³ As of 31 December 2022, comprehensive income items subsequently recyclable in profit or loss mainly include the impact of discontinued operations (DEME).



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

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



CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € thousands)	Share capital	Share premium	Retained earnings	Treasury shares	Defined benefit and contribution pension plans	Reserves related to financial derivatives	Exchange differences on translation	Equity – share of the group	Non-controlling interests	Equity
December 2022	8,136	116,662	105,696	(3,735)	(10,050)	9,687	(1,743)	224,653	(127)	224,526
Comprehensive income for the period			22,779		(1,985)	(4,081)	1,710	18,423	(83)	18,340
Dividends paid to shareholders			(9,969)					(9,969)		(9,969)
Movements related to treasury shares and share-based payments				(675)				(675)		(675)
Change in consolidation scope and other movements			4,456				(118)	4,338	(167)	4,171
December 2023	8,136	116,662	122,962	(4,410)	(12,035)	5,606	(151)	236,770	(377)	236,393

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

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

SHARE CAPITAL AND RESERVES

The share capital on 31 December 2023 was divided into 25,314,482 ordinary shares. These shares are without nominal value. The owners of ordinary shares have the right to receive dividends and have one vote per share in Shareholders' General Meetings.

A dividend of €9,921 thousand, corresponding to €0.40 gross per share (less treasury shares held on 31 December 2023) was proposed by the Board of Directors and will be submitted to the shareholders' for approval at the general meeting. The appropriation of income was not included in the financial statements at 31 December 2023.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

Compagnie d'Entreprises CFE SA (hereinafter referred to as the "Company" or "CFE") is a public limited company incorporated under Belgian law and headquartered in Belgium. The consolidated financial statements for the year ended 31 December 2023 include the financial statements of the company, its subsidiaries and its interests in companies accounted for using equity method (the "CFE group"). CFE is 62.12% controlled by Ackermans & van Haaren (XBRU BE0003764785) whose ultimate controlling shareholder is Stichting Administratiekantoor "Het Torentje". CFE and Ackermans & van Haaren are companies listed on Euronext Brussels.

The Board of Directors authorised the publication of the CFE group's consolidated financial statements on 26 March 2024.

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

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

TRANSACTIONS IN 2023

1. Real Estate Development segment

During the year 2023, the main changes in scope within the real estate development segment of the CFE group are the following:

- The BPI Real Estate Luxembourg SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired a 100% stake in the newly created JFK Développement 1 S.à r.l. and JFK Développement 2 S.à r.l. companies. These companies have been consolidated using the global integration method;
- The BPI Real Estate Luxembourg SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired a 57,45% stake in the newly created Kronos RE S.à r.l., subsequently renamed JFK Real Estate S.à.R.L.. This companies has been consolidated using the equity method;
- The BPI Real Estate Belgium SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, sold its stake (40%) in the Barbarahof NV company. This company was integrated using the equity method.
- The BPI Real Estate Poland Sp. z o.o. company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, sold 10% of its shares in the BPI Obrzezna Sp. z o.o. company to decrease its stake from 100% to 90%. This company remains consolidated using the global integration method. The impact of this transaction is presented in the consolidated statement of changes in shareholders' equity under "Changes in consolidation scope and other movements";
- BPI Real Estate Poland Sp. z o.o., a wholly-owned subsidiary of the CFE group and fully consolidated, sold 50% of its shares in BPI Chmielna Sp. z o.o., reducing its stake from 100% to 50%. This company was fully consolidated until 31 December 2023, and the income statement was fully consolidated for the year 2023. However, following the change in the percentage of control during the fourth quarter, in the consolidated statement of financial position as at 31 December 2023, CFE exclusively includes its share in the equity of BPI Chmielna under investments accounted for using the equity method (see note 15 "Investments accounted for using the equity method" in this report).
- The BPI-Revive Matejki Sp. z o.o. company, a 50% owned subsidiary of the CFE group and integrated using the equity method is renamed Cavallia Sp. z o.o. ;
- The LRP Development BVBA company, a 33% owned subsidiary of the CFE group and integrated using the equity method, has been absorbed by the La Réserve Promotions NV company, itself a 33% subsidiary of the CFE group and integrated using the equity method.



2. Multitechnics segment

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

- The VMA Nizet SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, has been absorbed by the VMA Druart SA company, itself a fully-owned subsidiary of the CFE group and consolidated using the global integration method. Following this merger by absorption, the legal name of the VMA Druart SA company was changed to VMA Sud SA ;
- The Mobix Remacom NV and Mobix Stevens NV companies, fully-owned subsidiaries of the CFE group and consolidated using the global integration method, have been absorbed, with retroactive effect as of 1 January 2023, by the Mobix Engema SA company, itself a fully-owned subsidiary of the CFE group and consolidated using the global integration method. Following this merger by absorption, the legal name of the Mobix Engema SA company was changed to Mobix SA;
- The CFE Contracting SA company, a fully-owned subsidiary of the CFE group and consolidated using the global integration method, acquired a 100% stake in the newly created VMA Sustainability Fund I NV company. This company has been consolidated using the global integration method.

3. Construction & Renovation segment

During the year 2023, the company CFE Contracting SA, a 100% subsidiary of CFE Group sold its entire stake in the company Compagnie Tunisienne d'entreprise (49.90%). This company was 100% consolidated using the global integration method.

4. Investments & Holding segment

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

- Rent-A-Port, 50% owned by the CFE group and integrated using the equity method, sold its stake in BSTOR NV to the newly created company GreenStor NV, 50% owned by the CFE group and integrated using the equity method. Following this sale, Rent-A-Port was renamed Deep C Holding ;
- The stake of Deep C Holding, 50% owned by the CFE group and integrated using the equity method, in Infra Asia Investment Hong Kong Ltd was diluted from 94% to 84% following the \$23.8 million capital increase in which it did not take part of. The impact of this transaction had a positive effect of €4,171 thousand on the CFE group's shareholders' equity, as presented in the consolidated statement of changes in shareholders' equity (on the line « Changes in consolidation scope and other movements »).
- The company Construction Management Tunisie SA, held at 99.96% by the group CFE were sold. This company was consolidated using the global integration method.
- The company CFE Hungary Epitoipari KFT held at 100% by the group CFE were dissolved. This company was consolidated using the global integration method.



TRANSACTIONS IN 2022

1. Real Estate Development segment

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

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

2. Multitechnics segment

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

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



3. Construction & Renovation segment

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

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

4. Investments & Holding segment

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

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

5. Demerger of CFE Group

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



1. GENERAL POLICIES

IFRS AS ENDORSED BY THE EUROPEAN UNION

The accounting principles used for the preparation and presentation of the consolidated financial statements of CFE at 31 December 2023 comply with the IFRS standards and interpretations as endorsed in the European Union on 31 December 2023.

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

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

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. We refer to the note 11. Income tax.
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately – disclosures are required for annual periods beginning on or after 1 January 2023). We refer to the note 11. Income tax.

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

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

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

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025, but not yet endorsed in the EU)



2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

2.2. ADDITIONAL INFORMATION ON THE ENVIRONMENTAL IMPACT OF THE GROUP

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

- **The CFE Group has set itself clear objectives to limit its direct negative impact on the climate by focusing on its direct CO₂ emissions (scope 1 and 2), its water consumption and its waste production.**

CFE's first objective is to reduce CO₂ emissions linked to the **transport of employees and materials by 40%** before 2030 (compared with 2020).

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

Reducing energy consumption is a challenge for both construction sites and head offices. Here too, the aim is to reduce CO₂ emissions by 40% by 2030. To limit this, on-site consumption is monitored daily to prevent energy wastage, solar panels are being installed on the site barracks and more efficient generators are being used. There are no major costs associated with these actions, as the reduction in consumption roughly offsets the investment in equipment. These amounts are marginal. At the same time, a switch to green energy has already been in place since 2020.

The relocation of CFE and its subsidiaries BPC, BPI, CLE, VMA and Van Laere to new buildings that consume very little energy (notably Wood Hub), as well as the renovation of other group headquarters, has also significantly reduced the group's energy consumption. CFE has not identified any assets whose economic lifetime should be reduced.

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

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

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

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



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

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

2.3. RESTATEMENT OF COMPARATIVE FIGURES FOR FINANCIAL YEAR 2022

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

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

- expenses relating to the invoicing of services provided by self-employed and temporary staff are presented under "Personnel expenses". In the comparative statement of income at the end of December 2022, these expenses have been reclassified from "Other operating expenses" to "Personnel expenses" for a total amount of €29,059;
- expenses relating to site equipment rentals, energy supplies, services and miscellaneous goods allocated to construction sites are presented under "Raw materials, consumables, services and subcontracted work". In the comparative statement of income at the end of December 2022, these expenses have been reclassified from "Other operating expenses" to "Raw materials, consumables, services and subcontracted work" for a total amount of €37,875 thousand.

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

- provisions for after-sales service are broken down into current provisions (€1,560 thousand at December 31, 2022) and non-current provisions (€14,044 thousand at December 31, 2022). Previously, they were fully recognized as current provisions ;
- the line items "Other current operating assets" and "Other current operating liabilities" have been renamed "Contract assets" and "Contract liabilities" respectively ;
- provisions for losses on completion (€12,933 thousand at December 31, 2022) are presented under "Contract liabilities" in the consolidated statement of financial position. Consequently, in the comparative consolidated statement of income at the end of December 2022, provisions made for losses on completion have been reclassified from "Other operating expenses" to "Raw materials, consumables, services and subcontracted work" for a total amount of (€1,983) thousand. Hence, in the consolidated statement of cash flows, the change in provisions for losses on completion has been reclassified from "(Decrease)/increase of provisions" to "Increase/(decrease) in trade payables and other current and non-current payables", with an impact of (€1,983) thousand at December 31, 2022.

ACCOUNTING POLICIES AND METHODS

(A) STATEMENT OF COMPLIANCE

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

(B) BASIS OF PRESENTATION

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

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

Accounting policies are applied consistently.

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



General Meeting.

(C) MAIN JUDGEMENTS AND ASSUMPTIONS

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

- the period over which non-current assets are depreciated or amortized (we refer to the disclosure 12 Intangible assets and 14 Tangible assets) ;
- the measurement of provisions and post-employment obligations (we refer to the disclosure 21 Employee benefits) ;
- the measurement of income or losses on construction contracts using the percentage of completion method. We refer to the disclosure 17 Construction contracts. Income from construction contracts is calculated on the basis of the percentage of completion of the project multiplied by the estimated income on completion. This includes identified additional costs as well as any penalties for delay or compensation provided for contractually in accordance with Group rules. Salary and equipment expenses not allocated to projects are excluded from the percentage-of-completion calculation;
- estimates used in impairment tests (we refer to the disclosure 13 Goodwill) ;
- the valuation of financial instruments at fair value (we refer to the disclosure 25 Financial risk management) ;
- the assessment of control ;
- the qualification of the nature of the transaction as a business combination or an acquisition of assets when a company is acquired ; and
- the assumptions used to determine the financial liabilities in accordance with the IFRS 16 standard (we refer to the disclosure 14 Tangible assets).

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

(D) CONSOLIDATION PRINCIPLES

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

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

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

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

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

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

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



the consideration paid or received is recognized directly in equity.

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

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

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

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

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

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

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

(E) FOREIGN CURRENCIES

(1) TRANSACTIONS IN FOREIGN CURRENCIES

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

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

(2) FINANCIAL STATEMENTS OF FOREIGN ENTITIES

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

Components of shareholders' equity are converted at historical rates.



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

(3) EXCHANGE RATES

Currencies	Closing rate 2023	Average rate 2023	Closing rate 2022	Average rate 2022
Polish Zloty	4.68	4.69	4.60	4.56
U.S. Dollar	1.07	1.05	1.13	1.18
Tunisian Dinar	3.32	3.25	3.25	3.29
Hungarian Forint	400.87	391.84	369.19	358.48
Romanian Leu	4.95	4.93	4.95	4.92
British Pound	0.89	0.85	0.84	0.86
Vietnamese Dong	26,883.0	25,773.48	25,233.0	24,636.87

Units of foreign currency per euro

(F) INTANGIBLE ASSETS

(1) RESEARCH AND DEVELOPMENT COSTS

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

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

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

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

(2) RECOGNITION AND MEASUREMENT OF LICENSES

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

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

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

(3) SUBSEQUENT EXPENDITURES

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

(4) DEPRECIATION

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

(G) BUSINESS COMBINATIONS

Acquisitions of subsidiaries and companies are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, and expenses related to the acquisition are recognized in the consolidated statement of income when incurred. In 2023, no material acquisition took place.

When a consideration transferred by the group in the context of a business combination includes a contingent consideration



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

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

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

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

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

Adjustments in the measurement period are a consequence of additional information about the facts and circumstances prevailing at the date of acquisition obtained during the "measurement period" (up to one year from the acquisition date).

(1) POSITIVE GOODWILL

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

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

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

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

(2) BARGAIN PURCHASE

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



(H) PROPERTY, PLANT AND EQUIPMENT

(1) RECOGNITION AND MEASUREMENT

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

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

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

(2) SUBSEQUENT EXPENDITURES

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

(3) DEPRECIATION

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

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

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

(I) LEASES

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

The CFE Group uses an incremental borrowing rate that differs depending on the nature of the asset underlying the contract. The discount rate is revised to the remaining rents in either of the following situations to revalue the rental liability:

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

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

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

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



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

(J) FINANCIAL ASSETS

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

(1) INVESTMENTS IN DEBT SECURITIES AND OTHER INVESTMENTS

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

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

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

(2) TRADE RECEIVABLES

We refer to paragraph (L)

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

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

(K) INVENTORIES

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

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

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

(L) TRADE RECEIVABLES

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

(M) CASH AND CASH EQUIVALENTS

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

(N) IMPAIRMENT OF NON-FINANCIAL ASSETS

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



(1) ESTIMATES OF RECOVERABLE AMOUNTS

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

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

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

(2) REVERSAL OF IMPAIRMENT

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

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

(O) PURCHASE OF TREASURY SHARES

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

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

(P) PROVISIONS

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

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

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

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

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

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

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



(Q) EMPLOYEE BENEFITS

(1) POST-EMPLOYMENT BENEFITS

Post-employment benefits include pension plans and life insurance.

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

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

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

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

a) Defined contributions plans

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

b) Defined benefits plans

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

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

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

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

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

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

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

(2) BONUS

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



(R) FINANCIAL LIABILITIES

(1) LIABILITIES AT AMORTIZED COST

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

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

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

(S) TRADE AND OTHER PAYABLES

Trade and other current payables are recognized at amortized cost.

(T) INCOME TAXES

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

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

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

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

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

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

(U) REVENUE FROM CONSTRUCTION AND SERVICE CONTRACTS

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

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

(1) CONTRACT COSTS

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



(2) CONTRACT REVENUE

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

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

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

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

(3) CONTRACT BALANCES

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

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

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

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

(4) COSTS TO FULFILL OR OBTAIN A CONTRACT

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

(5) SPECIFIC CONSIDERATIONS RELATING TO REVENUE BY SEGMENT

a) Revenue from construction and multitechnics contracts

CFE is responsible for the overall management of a project in which various goods and services are included, such as demolition, earthworks, soil remediation, foundation work, procurement of materials, construction of the shell and facades, installation of technical facilities (electricity, HVAC, etc.), and the finishing works.

The performance obligations aimed at transferring goods and services are not treated separately in the context of the contract, as the entity provides a significant service of integrating goods and services (the inputs) into the building (the combined output) for which the customer has concluded a contract. This is why the goods and services are not treated separately. The entity recognises all the goods and services under the contract as one and the same performance obligation.

Revenue from construction contracts are recognized according to the percentage of completion using the cost-based method, i.e., according to the share of the contract costs incurred for its completion to date relative to the total estimated costs. To the extent that the contract explicitly identifies each unit individually, and the customer can benefit from each unit individually, the



construction of each unit should be considered as a separate performance obligation, and revenue are recognized separately for each performance obligation.

For some contracts, mainly in the multitechnics division, the installation and execution works cover a very short period of time. For such contracts, revenue is recognized at the exact moment that the work is completed.

b) Real estate developments

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

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

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

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

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

(V) OTHER INCOME

(1) RENTAL INCOME AND FEES

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

(2) PUBLIC GRANTS

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

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

(W) CHARGES

(1) FINANCIAL EXPENSES

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

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



recognized in the consolidated statement of income using the effective interest rate method.

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

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

(X) HEDGE ACCOUNTING

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

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

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

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

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

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

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

(1) CASH-FLOW HEDGES

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

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

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

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

If a hedging instrument or a hedging relationship has expired, but the hedged transaction has yet to take place, the cumulative unrealized profit or loss at that time remains under the 'equity' heading and is recognized according to the principle explained above at the time the transaction takes place.



If the hedged transaction is not expected to take place, the cumulative unrealised profit or loss recognized under 'equity' is immediately recognized in the consolidated statement of income.

(2) FAIR VALUE HEDGES

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

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

(3) HEDGE OF AN INVESTMENT IN A FOREIGN COUNTRY

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

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

(4) INSTRUMENTS RELATED TO CONSTRUCTION CONTRACTS

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

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

(Y) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

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

(Z) SEGMENT REPORTING

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

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



3. CONSOLIDATION METHODS

SCOPE OF CONSOLIDATION

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

Companies over which the group exercises joint control with other shareholders are consolidated using the equity method. This applies in particular to Deep C Holding, Green Offshore, GreenStor and certain subsidiaries of BPI.

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

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

INTRA-GROUP OPERATIONS

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

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

TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES & ESTABLISHMENTS

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

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

FOREIGN CURRENCY TRANSLATIONS

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

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



4. SEGMENT REPORTING

OPERATING SEGMENTS

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

The CFE group can be divided into four operating segments :

Real Estate Development

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

Multitechnics

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

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

Construction & Renovation

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

Investments & Holding

Besides the holding activities, this segment includes participations in Deep C Holding, Green-Offshore, GreenStor and in two Design Build Finance and Maintenance contracts in Belgium.



CONSOLIDATED STATEMENT OF INCOME

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

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

As required by IFRS 5.34, DEME has been presented as a discontinued operation and its contribution to the 2022 consolidated statement of income of the CFE group has been recognized on a separate line (item "Result from discontinued operations - share of the group"). We refer to note 5 of the 2022 financial report.

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



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

BREAKDOWN OF REVENUE

Breakdown by geographical area

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

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

Breakdown by business area

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

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

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

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

ORDER BOOK

Year ended 31 December (in € thousands)	2023	2022	Change
Real estate development	11,868	74,262	-84.0%
VMA	163,205	244,881	-33.4%
MOBIX	103,314	124,015	-16.7%
Multitechnics	266,519	368,896	-27.8%
Construction & Renovation	983,172	1,264,085	-22.2%
Investments & Holding	7,067	7,888	-10.4%
Consolidated total	1,268,626	1,715,131	-26.0%



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

For the period ended December 31, 2022 restated ¹ (in € thousands)	Real estate development	Multi- technics	Construction & Renovation	Investments & Holding	Eliminations between segments	Consolidated total
ASSETS						
Goodwill	0	22,812	911	0	0	23,723
Property, plant and equipment	2,171	43,455	30,700	1,383	0	77,709
Non-current loans to consolidated group companies	0	0	0	31,558	(31,558)	0
Other non-current financial assets	101,653	0	161	36,480	0	138,294
Investments accounted for using equity method	38,018	154	3,697	68,996	0	110,865
Other non-current assets	10,445	1,918	8,780	188,225	(187,817)	21,551
Inventories	152,438	6,096	10,732	26	(825)	168,467
Cash and cash equivalents	4,266	6,639	69,630	46,614	0	127,149
Internal cash position - Cash pooling - assets	1,748	38,763	152,994	28,610	(222,115)	0
Other current assets	23,394	137,317	231,990	15,333	(17,713)	390,321
Total assets	334,133	257,154	509,595	417,225	(460,028)	1,058,079
LIABILITIES						
Equity	118,749	89,243	73,543	131,414	(188,423)	224,526
Non-current borrowings to consolidated group companies	20,000	0	11,558	0	(31,558)	0
Non-current financial liabilities	41,186	25,809	11,892	75,161	0	154,048
Other non-current liabilities	42,544	1,711	20,089	5,383	0	69,727
Current financial liabilities	11,167	4,942	5,357	528	0	21,994
Internal cash position - Cash pooling - liabilities	18,159	15,639	13,188	175,120	(222,106)	0
Other current liabilities	82,328	119,810	373,968	29,619	(17,941)	587,784
Total liabilities	215,384	167,911	436,052	285,811	(271,605)	833,553
Total equity and liabilities	334,133	257,154	509,595	417,225	(460,028)	1,058,079

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended December 31, 2023 (in € thousands)	Real estate development	Multi- technics	Construction & Renovation	Investments & Holding	Consolidated total
Cash flows from (used in) operating activities before changes in working capital	28,596	4,944	14,645	7,174	55,359
Cash flows from (used in) operating activities	(33,668)	7,630	27,139	(852)	249
Cash flows from (used in) investing activities	(830)	(5,581)	(9,160)	4,535	(11,036)
Cash flows from (used in) financing activities	34,377	(5,482)	(11,528)	18,113	35,480
Net increase/(decrease) in cash position	(121)	(3,433)	6,451	21,796	24,693

For the period ended December 31, 2022 restated ¹ (in € thousands)	Real estate development	Multi- technics	Construction & Renovation	Investments & Holding	Consolidated total
Cash flows from (used in) operating activities before changes in working capital	24,735	18,629	23,693	3,395	70,452
Cash flows from (used in) operating activities	9,587	1,192	65,984	(6,869)	69,894
Cash flows from (used in) investing activities	(983)	(5,138)	(1,289)	(15,715)	(23,125)
Cash flows from (used in) financing activities	(10,559)	5,664	(52,492)	(5,183)	(62,570)
Net increase/(decrease) in cash position	(1,955)	1,718	12,203	(27,767)	(15,801)

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

OTHER INFORMATION

Year ended 31 December 2023 (in € thousands)	Real estate development	Multi- technics	Construction & Renovation	Investments & Holding	Consolidated total
Depreciation and amortisation	(1,053)	(9,708)	(9,715)	(872)	(21,348)
Investments	4,616	12,828	21,556	3,665	42,665

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

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

GEOGRAPHICAL INFORMATION

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

The property, plant and equipment are mainly based in Belgium.

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



5. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

ACQUISITIONS AND DISPOSALS FOR THE PERIOD ENDED 31 DECEMBER 2023

During the first half of 2023, the stake of Deep C Holding, 50% owned by the CFE group and integrated using the equity method, in Infra Asia Investment Hong Kong Ltd was diluted from 94% to 84% following the \$23.8 million capital increase in which it did not take part of. The impact of this transaction had a positive effect of €4,171 thousand on the CFE group's shareholders' equity, as presented in the consolidated statement of changes in shareholders' equity (on the line « Changes in consolidation scope and other movements »).

As far as the multitechnics, construction & renovation and investments & holding segments are concerned, no material acquisition or disposal within the meaning of IFRS 3 *Business Combinations* and having a significant impact on the CFE Group's financial statements were carried out in 2023.

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

6. OTHER OPERATING INCOME AND EXPENSES

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

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

Other operating expenses are made up of the following elements :

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

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

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



7. PERSONNEL EXPENSES

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

The average full-time equivalent number of staff in 2023 was 2,914 (2022 : 3,003), which represents 3,074 people as at 1 January 2023 (2022: 3,137) and 2,990 as at 31 December 2023 (2022 : 3,074).

Personnel expenses increased by 2.6% compared with 2022. The cost of salary indexation, particularly in Belgium, is partially offset by a reduction in the number of employees.

8. FINANCIAL RESULT

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

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

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

9. NON-CONTROLLING INTERESTS

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

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



10. EARNINGS PER SHARE

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

For the period ended December 31	2023	2022
Result for the period from continuing operations - share of the group (in € thousands)	22,779	38,434
Result for the period from discontinued operations - share of the group (in € thousands)	0	190,973
Result for the period - share of the group (in € thousands)	22,779	229,407
Comprehensive income - share of the group (in € thousands)	18,423	308,883
Number of ordinary shares at balance sheet date	25,314,482	25,314,482
Weighted average number of ordinary shares outstanding during the period	24,905,237	25,068,231
Earnings per share, based on the weighted average number of ordinary shares outstanding during the period (basic) :		
Earnings per share (share of the group) from continuing operations (€)	0.91	1.53
Earnings per share (share of the group) from discontinued operations (€)	0	7.62
Earnings per share (share of the group) (€)	0.91	9.15
Comprehensive income per share (share of the group) (€)	0.74	12.32

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



11. INCOME TAX

RECOGNIZED IN COMPREHENSIVE INCOME

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

RECONCILIATION OF THE EFFECTIVE TAX RATE

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

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



RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

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

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

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

TAX LOSSES FOR WHICH NO DEFERRED TAX ASSETS ARE RECOGNIZED

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

POTENTIAL IMPACT OF PILLAR II LEGISLATION

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

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

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

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

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

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



DEFERRED TAX INCOME (EXPENSE) RECOGNIZED IN COMPREHENSIVE INCOME

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

As of December 31, 2023, deferred taxes recognized in other comprehensive income amounted to €1,774 thousand and are mainly related to changes in the market values of the hedging instruments (exchange rates hedges) in the operating companies of offshore wind farms such as Rentel and SeaMade (Green Offshore).



12. INTANGIBLE ASSETS OTHER THAN GOODWILL

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

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

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

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

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



13. GOODWILL

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

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

The following assumptions were used in the impairment tests :

Business	Net goodwill value		Parameters of the model applied to cash flow projections			Gross goodwill value	Impairment losses recognized in the period
	2023	2022	Growth rate (terminal value)	Discount rate	Sensitivity rate		
Year ended 31 December (in € thousands)							
VMA	14,955	14,784	0.50%	10.20%	5%	18,844	0
MOBIX	8,028	8,028	0.50%	10.20%	5%	10,161	0
BPC Group	911	911	0.50%	10.20%	5%	911	0
Total	23,894	23,723				29,916	0

Cash-flows figures used in the impairment tests were taken from the budgets presented to the CFE Board of Directors. A growth rate of 0.5% was used in determining the terminal value. The discount rate used is 10.2% (compared to 9.4% as at 31 December 2022) and corresponds to the weighted average cost of capital applicable to the CFE group. As of December 31, 2023, this takes into account the increase in risk-free interest rates in the euro zone.

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



14. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2023 (in € thousands)	Land and buildings	Fixtures and equipment	Furniture, fittings and vehicles	Under construction	Total
Acquisition costs					
Balance at the end of the previous period	64,717	107,298	59,088	5,597	236,700
Effects of changes in foreign exchange rate:	113	73	168	2	356
Changes in consolidation scope	0	(100)	(300)	0	(400)
Acquisitions	13,548	5,886	15,367	5,260	40,061
Transfers between asset items	3,425	(8,437)	2,028	(8,916)	(11,900)
Disposals	(1,753)	(19,058)	(7,348)	(52)	(28,211)
Balance at the end of the period	80,050	85,662	69,003	1,891	236,606
Depreciation and amortisation					
Balance at the end of the previous period	(26,422)	(91,147)	(41,422)	0	(158,991)
Effects of changes in foreign exchange rate:	(66)	(58)	(89)	0	(213)
Changes in consolidation scope	0	100	298	0	398
Depreciation and amortisation	(4,956)	(5,233)	(10,271)	0	(20,460)
Transfers between asset items	3,819	7,663	422	0	11,904
Disposals	1,215	17,799	6,829	0	25,843
Balance at the end of the period	(26,410)	(70,876)	(44,233)	0	(141,519)
Net carrying amount					
As at January 1, 2023	38,295	16,151	17,666	5,597	77,709
As at December 31, 2023	53,640	14,786	24,770	1,891	95,087

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

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

In 2022, effects of changes in consolidation scope mainly concerned the derecognition of Hofkouter NV's properties, plants and equipments, the company that owns the current Van Laere NV headquarters and workshops. Indeed, CFE sold 65% of its stake, resulting in a change in consolidation method from global integration of Hofkouter, to the equity method.

Depreciation and amortisation of property, plant and equipment amounted to €(20,460) thousand (2022 : €(20,001) thousand).



Year ended 31 December 2022 (in € thousands)	Land and buildings	Fixtures and equipment	Furniture, fittings and vehicles	Under construction	Total
Acquisition costs					
Balance at the end of the previous period	71,831	105,211	60,247	1,076	238,365
Effects of changes in foreign exchange rates	(14)	(23)	(41)	1	(77)
Changes in consolidation scope	(11,090)	0	0	(158)	(11,248)
Acquisitions	5,782	7,654	8,530	4,685	26,651
Transfers between asset items	(1,576)	(1,424)	361	(7)	(2,646)
Disposals	(216)	(4,120)	(10,009)	0	(14,345)
Balance at the end of the period	64,717	107,298	59,088	5,597	236,700
Depreciation and amortisation					
Balance at the end of the previous period	(24,656)	(89,409)	(42,017)	0	(156,082)
Effects of changes in foreign exchange rates	5	20	33	0	58
Changes in consolidation scope	1,016	0	0	0	1,016
Depreciation and amortisation	(4,317)	(6,831)	(8,853)	0	(20,001)
Transfers between asset items	1,367	1,388	226	0	2,981
Disposals	163	3,685	9,189	0	13,037
Balance at the end of the period	(26,422)	(91,147)	(41,422)	0	(158,991)
Net carrying amount					
As at January 1, 2022	47,175	15,802	18,230	1,076	82,283
As at December 31, 2022	38,295	16,151	17,666	5,597	77,709

The net book value of property, plant and equipment recognized as right of use amounted to €47,828 thousand as at 31 December 2023 compared to €36,772 thousand as at 31 December 2022. These assets mainly include the group's vehicle fleet, as well as the headquarters of certain subsidiaries of the multitechnics and construction & renovation segments.

Changes in property, plant and equipment recognized under the right of use are presented in the table on next page.

The CFE Group has a limited number of leases with renewal options and exercises significant judgement in determining whether that is reasonable certain that these extension and termination options will be exercised. As of December 31, 2023, the Group has no leases with renewal options that are reasonably certain not to be exercised or termination options that are reasonably certain to be exercised.



Year ended 31 December 2023 (in € thousands)	Land and buildings	Fixtures and equipment	Furniture, fittings and vehicles	Total
Acquisition costs				
Balance at the end of the previous period	28,463	14,706	26,124	69,293
Effects of changes in foreign exchange rates	97	0	91	188
Changes in consolidation scope	0	0	0	0
Acquisitions	12,516	721	11,435	24,672
Transfers between asset items	(3,751)	(6,559)	3,488	(6,822)
Disposals	(4,966)	(1,735)	(6,373)	(13,074)
Balance at the end of the period	32,359	7,133	34,764	74,256
Depreciation and amortisation				
Balance at the end of the previous period	(10,770)	(8,386)	(13,365)	(32,521)
Effects of changes in foreign exchange rates	(64)	0	(30)	(94)
Changes in consolidation scope	0	0	0	0
Depreciation and amortisation	(3,925)	(1,478)	(7,500)	(12,903)
Transfers between asset items	3,635	3,607	(739)	6,503
Disposals	4,799	1,735	6,053	12,586
Balance at the end of the period	(6,325)	(4,522)	(15,581)	(26,428)
Net carrying amount				
As at January 1, 2023	17,693	6,320	12,759	36,772
As at December 31, 2023	26,034	2,611	19,183	47,828
Year ended 31 December 2022 (in € thousands)				
Acquisition costs				
Balance at the end of the previous period	26,532	11,556	24,459	62,547
Effects of changes in foreign exchange rates	(11)	0	(9)	(20)
Changes in consolidation scope	0	0	0	0
Acquisitions	3,757	4,074	5,875	13,706
Transfers between asset items	(1,606)	12	477	(1,117)
Disposals	(209)	(936)	(4,678)	(5,823)
Balance at the end of the period	28,463	14,706	26,124	69,293
Depreciation and amortisation				
Balance at the end of the previous period	(9,012)	(6,666)	(11,597)	(27,275)
Effects of changes in foreign exchange rates	5	0	3	8
Changes in consolidation scope	(3,265)	7,481	(4,285)	(69)
Depreciation and amortisation	(4)	(10,134)	(1,690)	(11,828)
Transfers between asset items	1,349	(3)	(4)	1,342
Disposals	157	936	4,208	5,301
Balance at the end of the period	(10,770)	(8,386)	(13,365)	(32,521)
Net carrying amount				
As at January 1, 2022	17,520	4,890	12,862	35,272
As at December 31, 2022	17,693	6,320	12,759	36,772



15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

CHANGES OVER THE PERIOD

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

Year ended 31 December (in € thousands)	2023	2022
Balance at the end of the previous period	110,865	103,418
Transfers between asset items	10,766	5,499
Share of profit (loss) of investments accounted for using equity method	4,839	8,754
Capital increase/(decrease)	71,421	6
Dividends	(16,115)	(13,641)
Changes in consolidation scope	10,628	(8,759)
Other changes	(7,039)	15,588
Balance at the end of the period	185,365	110,865

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

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

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

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

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

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

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



In 2022, changes in consolidation scope are mainly related to the disposal of the entire stake in Wooden NV and Grand Poste NV and the impact of the acquisition of non-controlling interests in Infra Asia Investment Hong Kong Ltd by Deep C Holding, partially offset by the change in consolidation method applied to Hofkouter NV, which is now accounted for using equity method.

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

The other changes are mainly due to the change in the market value of the interest rate hedging instruments in the Rentel and SeaMade offshore wind farm concession companies as well as the change in the exchange rate differences when integrating foreign currency investments (mainly Deep C Holding).

FINANCIAL INFORMATION RELATING TO INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The list of the most significant investments accounted for using the equity method is set out in note 34, based on their percentage of interests in the CFE group, the segment in which they operate and the geographical area of their head office.

The condensed financial statements by segment presented below are based on the accounts prepared on the basis of the IFRS accounting methods for investments accounted for using the equity method, or, failing this, on the basis of their statutory accounts. Intercompany transactions are not eliminated. The reconciliation between the statutory equity and the contribution to the consolidated accounts is presented after the financial indicators.

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

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

In the real estate development, multitechnics and construction & renovation segments, non-current assets and current assets mainly relate to Gravity SA : €77,026 thousand (100%), MI SA : €33,097 thousand (100%), The Roots Office SàRL : €31,624 thousand (100%), BPI-Revive Matejki Sp. z o.o. : €29,007 thousand (100%), Erasmus Gardens SA : €25,308 thousand (100%), Debrouckère Land SA : €24,001 thousand (100%), Bavière Développement SA : €23,671 thousand (100%), MG Immo SRL : €23,034 thousand (100%), Arlon 53 SA : €21,347 thousand (100%), Goodways SA : €20,235 thousand (100%), Emely SàRL : €16,896 thousand (100%), Debrouckère Office SA : €15,306 thousand (100%), Key West SA : €14,665 thousand (100%), Bataves 1521 SA : €12,078 thousand (100%), Victor Estate SA : €10,968 thousand (100%) and Debrouckère Development SA : €10,523 thousand (100%).



December 2022 (in € thousands)	Real estate development		Multitechnics and Construction & Renovation		Investments & Holding		Total	
	100%	% Share	100%	% Share	100%	% Share	100%	% Share
Income Statement								
Revenue	118,645	51,634	13,507	3,377	61,968	29,837	194,120	84,848
Result for the period - share of the group	9,915	2,980	-1,005	-357	11,411	5,745	20,321	8,368
Financial position								
Non-current assets	53,545	25,369	9,226	3,224	249,767	96,362	312,538	124,955
Current assets	478,374	212,096	12,011	3,241	177,644	83,540	668,029	298,877
Equity	45,215	18,395	11,183	3,852	138,132	72,510	194,530	94,757
Non-current liabilities	151,778	70,745	0	0	188,490	69,779	340,268	140,524
Current liabilities	334,926	148,325	10,054	2,613	100,789	37,613	445,769	188,551
Net Financial Debt	168,262	84,653	(7,087)	(1,876)	192,629	66,572	353,804	149,349

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

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

December 2022 (in € thousands)	Deep C Holding		Green Offshore		Others		Total Investments & Holding	
	100%	% Share	100%	% Share	100%	% Share	100%	% Share
Income Statement								
Revenue	58,027	29,014	0	0	3,941	823	61,968	29,837
Result for the period - share of the group	8,104	4,052	3,560	1,780	(253)	(87)	11,411	5,745
Financial position								
Non-current assets	109,730	54,865	47,275	23,638	92,762	17,859	249,767	96,362
Current assets	150,835	75,418	2,836	1,418	23,973	6,704	177,644	83,539
Equity	99,998	49,999	45,604	22,802	(7,470)	(291)	138,132	72,510
Non-current liabilities	104,858	52,429	4,128	2,064	79,504	15,286	188,490	69,779
Current liabilities	55,709	27,855	379	190	44,701	9,568	100,789	37,613
Net Financial Debt	97,063	48,532	2,853	1,427	92,713	16,613	192,629	66,572



The reconciliation between the share of the CFE group in the statutory net assets of these companies and the carrying amount of the investments accounted for using equity method is as follows :

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

December 2022 (in € thousands, CFE's % share)	Real estate development	Multitechnics and Construction & Renovation	Investments & Holding	Total
Net assets of partners before reconciliation items	18,395	3,852	72,510	94,757
Exclusion of non-controlling interests			(8,242)	(8,242)
Reconciliation items	5,596	0	4,685	10,281
Negative investments accounted for using equity method	14,027	0	42	14,069
CFE Group's carrying amount of the investment	38,018	3,852	68,995	110,865

The reconciliation elements presented at the level of the real estate development are mainly due to the recognition of the income in accordance with the CFE group accounting policies and the intercompany eliminations.



16. OTHER NON-CURRENT FINANCIAL ASSETS

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

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

- the loan of € 9,677 thousand granted by BPI Real Estate Poland Sp. z o.o. for the Chmielna project in Warsaw, in respect of which BPI sold 50% of its shares held at the end of the financial year in order to reduce its stake from 100% to 50% and thereby change its consolidation method to the equity method;
- the granting of loans to project companies in the real estate development segment, which mainly concern Cavallia (€1,899 thousand), Brouck'R (€4,001 thousand), Move'hub (€1,511 thousand), Bavière Développement (€1,126 thousand), Key West (€804 thousand) and Immo Kirchberg, the entity holding the share of JFK Real Estate for the Kronos project (€1,840 thousand) ;
- the granting of loans to LuWa SPV (€3,236 thousand);
offset by
- the partial repayment of the loans granted to Arlon 53 (€7,752 thousand), MG Immo (€4,950 thousand), Deep C Holding (€9,518 thousand) and PPP Schulen Eupen (€1,641 thousand).

In 2022, the increase in the account balance of these non-current financial receivables is mainly due to :

- the granting of an additional shareholder loan of €19,000 thousand to Deep C Holding NV within the context of settling the additional 32.6% stake in Infra Asia Investment ;
- the reclassification of certain loans to Deep C Holding NV as long-term loans for an amount of €9,864 thousand ;
- the granting of loans to project companies in the real estate development segment, which mainly concern Seco (€11,092 thousand), Brouck'R (€4,057 thousand), The Roots (€3,508 thousand) and Emely (€3,159 thousand) ; offset by
- the partial repayment of the loans granted to Green Offshore NV for an amount of €(3,704) thousand.

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



17. CONSTRUCTION CONTRACTS

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

Contract assets and contract liabilities in compliance with IFRS 15 *Revenue from contracts with customers* relate to the work in progress of construction projects executed by the Group and services rendered. Work in progress shows the balance of revenue recognized on those contracts less progress billings, advance payments and potential provisions for losses. The net amount due by or to customers is determined on a contract-by-contract basis as the difference between these items.

As described in paragraphs (L) and (U) of the section relating to significant accounting policies, the costs and revenues of construction contracts are recognized in expenses and revenue respectively based on the percentage of completion of the contract activity at the closing date. The percentage of completion is calculated based on the "cost to cost" method. An expected loss on a construction contract is recognized as an expense immediately.

Contract assets represent the excess of costs incurred and recognized profits and losses over progress billing. They include accrued income and deferred costs relating to work in progress included in the line item "Contracts assets" of the consolidated statement of financial position.

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

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

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

'Business-related changes' relate to cumulative catch up adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification.

The increase in net contract as at 31 December 2023 is primarily attributable to the multitechnics and construction & renovation segments.

Due to the high number of individual projects (with all different aspects regarding nature, type of clients, contract and payment conditions) a more detailed description of changes in contract assets and contract liabilities compared to prior year is not deemed relevant.

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

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

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

18. INVENTORIES

As of December 31, 2023, inventories amounted to €161,844 thousand (2022 : €168,467 thousand) and are mainly derived from real estate projects developed by BPI and its fully consolidated subsidiaries. The inventories are detailed as follows :

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

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

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

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

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

19. CASH AND CASH EQUIVALENTS

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

The cash position includes €67.4 million available at CFE SA. The cash-position balance is broken down into temporary companies and foreign entities not included in the cash pooling.

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



20. INFORMATION RELATED TO STOCK OPTION PLANS ON OWN SHARES

STOCK OPTION PLANS

In the second half of 2022, the Board of Directors approved a stock option plan to involve the members of the Executive Committee in the long-term growth of the Group. The plan provides that each option is for one CFE share and is granted free of charge. Options have a term of seven years. Options are cancelled if the contractual relationship is terminated before the vesting date. The Remuneration Committee is responsible for monitoring the plan and designating beneficiaries.

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

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

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

The value of the options, calculated on the basis of their value when granted, is determined by an independent expert on the basis of the following assumptions :

Year granted	Quoted market price	Number of options exercised	Dividend yield	Volatility	Interest rate	Expected duration	Value according to the Black & Scholes method	
							(€/share)	Total value (k€)
2022	10.46	0	4.31%	33.10%	2.66%	7.0	2.406	481

The total value of the options granted in 2022 amounts to €481 thousand. As no additional stock options were issued during 2023, the assumptions have not been reassessed and the fair value remains unchanged. The fair value is recognized in the consolidated statement of income on a straight-line basis over the vesting period (3 years). Consequently, during the period ending 31 December 2023, an expense of €160 thousand was recognized in this respect, the impact of which is presented on the line "Movements related to treasury shares and share-based payments" in the consolidation statements of changes

TREASURY SHARES

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

At the end of the financial year 2023, the number of own shares held was 512,557, at an average price of €8.91 per share.

Year	Balance at start of year	During the financial year		Year-end balance
		Purchases	Sales	
2022	0	1,241,650	849,492	392,158
2023	392,158	120,399	0	512,557



21. EMPLOYEE BENEFITS

The CFE group contributes to pension and early retirement plans in several of the countries in which it operates. These benefits are recognised in accordance with IAS 19 and are regarded as "post-employment" and "long-term benefit plans".

As of December 31, 2023, the CFE group's net liability relating to obligations for 'post-employment' benefits for pensions and early-retirement amounted to €9,198 thousand (2022 : €8,372 thousand) and corresponds to the item "Employee benefit obligations" in the consolidated statement of financial position. This item also includes provisions for other employee benefits for an amount of €203 thousand as at 31 December 2023.

MAIN CHARACTERISTICS OF THE CFE GROUP'S POST-EMPLOYMENT BENEFIT PLANS

Post-employment benefit plans are classified either as defined-contribution or defined-benefit plans.

Defined-contribution plans

Defined-contribution pension plans are those under which the company makes certain contributions to an entity or separate fund in accordance with the plan arrangements. Where contributions have been made, the company has no additional obligation.

Defined-benefit plans

All plans that are not defined-contribution plans are presumed to be defined-benefit plans. These plans are either funded externally through pension funds or insurance companies ("funded plans") or funded within the CFE group ("unfunded plans"). For the main plans, an actuarial valuation is carried out every year by independent actuaries.

Post-employment benefit plans in which the CFE group takes part confer benefits to staff on retirement and death. All plans are funded externally through an insurance company unrelated to the CFE group. Obligations under defined-benefit plans for are exclusively in Belgium.

Belgian post-employment benefit plans are invested in "Class 21" type plans, which implies that the insurer guarantees a minimum interest rate on the contributions paid.

All plans comply with local regulations and minimum funding requirements.

Most of the CFE group's post-employment benefit plans are defined-benefit.

MAIN CHARACTERISTICS OF DEFINED-BENEFIT PLANS

Belgian retirement plans « Class 21 » type

A number of staff members are covered by a "Class 21" type insurance-funded defined-contribution plan.

Belgian law requires the employer to guarantee for insured defined-contribution plans a minimum return of 3.25% on employer contributions and a minimum return of 3.75% on employee contributions paid prior to January 1, 2016, and a minimum return equal to a proportion (currently 85%) of the average of the last 24 months of the 10-year OLO rates. The rate is a minimum of 1.75% and a maximum of 3.75%. So far, the minimum rate of 1.75% has always applied, but this rate is subject to change in the future. As a result of the modification of this law at the end of 2015, these pension schemes have been accounted for as defined-benefit plans.

Construction workers are covered by the defined-contribution pension plan funded by the "fbz-fse Constructiv" multi-employer pension fund. This pension plan is also governed by Belgian law, requiring a minimum return as mentioned above.

Risk relating to defined-benefit plans

Defined-benefit plans generally expose the employer to actuarial risks such as changes in interest rates, wages and inflation. The potential impact of these risks is illustrated by a sensitivity analysis, details of which are set out below.



The risk arising from benefits being spread over time is limited, since most plans involve a lump-sum payment. However, there is an option to pay annuities. If this option is used, the payment of annuities is handled through an insurance policy that converts the lump sum into an annuity. The risk of death in service is entirely covered through insurance. The insolvency risk of insurance companies is taken into account in the calculation of the fair value of plan assets.

Governance of defined-benefit plans

The administration and governance of insured plans are handled by the insurance company. CFE ensures that insurance companies comply with all retirement laws.

Defined-benefit plan assets

Plan assets invested with an insurance company are not subject to the fluctuations of an active market as they are "Class 21" insurance policies (with interest rate guarantees). These are mainly debt instruments such as government and corporate bonds and real estate. Plan assets do not include the CFE group's own financial instruments or any building used by the CFE group. The fair value of the insurance policies corresponds to the discounted value of contributions paid, taking into account the return contractually agreed with the insurance company (Belgium).

INFORMATION RELATING TO DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

Year ended 31 December (in € thousands)	2023	2022
Provisions taken for defined-benefit and early retirement plan obligations	(9,198)	(8,372)
Accrued rights, partly or fully funded	(59,270)	(54,962)
Fair value of plan assets	50,072	46,590
Provisions taken for obligations in the consolidated statement of financial position	(9,198)	(8,372)
Liabilities	(9,198)	(8,372)
Assets	0	0

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

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

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

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



EXPENSES RECOGNIZED IN THE OTHER ELEMENTS OF THE COMPREHENSIVE INCOME IN RESPECT OF DEFINED-BENEFIT AND EARLY RETIREMENT PLANS

Year ended 31 December (in € thousands)	2023	2022
Expenses recognized in other elements of the comprehensive income	(2,400)	2,184
Actuarial gains and losses	(2,765)	15,618
Return on plan assets (excluding amounts recognized in profit or loss)	365	(13,433)
Effect of changes in foreign exchange rates	0	0

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

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

CHANGES IN DEFINED-BENEFIT AND EARLY RETIREMENT PLAN ASSETS

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

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

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

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



December 2022) in determining its commitments to be provisioned in the consolidated statement of financial position for defined-benefit and early retirement plans as at 31 December 2022 (duration of 11 years).

OTHER CHARACTERISTICS OF DEFINE-BENEFIT PLANS

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

SENSITIVITY ANALYSIS (IMPACT ON THE AMOUNT OF OBLIGATIONS)

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



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

As of December 31, 2023, these provisions amounted to €57,318 thousand, which represents an increase of €10,214 thousand compared to year-end 2022 (€47,104 thousand).

(in € thousands)	After-sales service	Provisions for negative investments accounted for using equity method	Other risks	Total
Balance at the end of the previous period¹	15,604	14,070	17,430	47,104
Effects of changes in foreign exchange rates	147	0	348	495
Transfers between items	0	10,766	1,746	12,512
Additions to provisions	2,574	0	3,778	6,352
Used/reversed provisions	(2,612)	0	(6,533)	(9,145)
Balance at the end of the period	15,713	24,836	16,769	57,318
of which current:	1,522	0	13,752	15,274
non-current:	14,191	24,836	3,017	42,044

The provision for after-sales service increased by €109 thousand and amounted to €15,713 thousand as at 31 December 2023. The change in 2023 was mainly the result of additions to and/or reversals of provisions recognized in relation to 10-year warranties.

When the CFE group's share in the losses from investment accounted for using equity method exceeds the carrying amount of the investment, the latter amount is reduced to zero. The losses beyond this amount are not recognized, except for the amount of the CFE group's commitments to these investments accounted for using equity method. The amount of these commitments is accounted for in the non-current provisions, as the group considers having the obligation to support those entities and their projects.

Provisions for other risks increased by €661 thousand and amounted to €16,769 thousand as at 31 December 2023.

Provisions for other current risks (€13,752 thousand) mainly include provisions for current litigation (€8,548 thousand) as well as provisions for other current liabilities (€5,105 thousand). As regards other current liabilities, we cannot provide more information on the assumptions made, or on the time of the probable cash outflow, given that negotiations with the customers are in still in progress.

Provisions for other non-current risks include the provisions for risks not directly related to construction site operations in progress.

23. CONTINGENT ASSETS AND LIABILITIES

Based on available information at the date on which the financial statements were approved by the Board of Directors, CFE is not aware of any significant contingent assets or liabilities, with the exception of contingent assets or liabilities related to construction contracts (for example, the group's claims against customers or claims by subcontractors), which can be described as normal in the construction & renovation and multitechnics sectors and are handled by applying the percentage of completion method when the revenue is recognized.

CFE also sees to it that the companies of the group take the necessary organisational measures to ensure that the current laws and regulations are observed, including the rules on compliance.

¹ The opening balance for financial year 2023 relating to provisions other than those relating to non-current employee benefit obligations has been restated as described in section 2.3 "Restatement of comparative figures for financial year 2022" of this report.



24. NET FINANCIAL DEBT

BREAKDOWN OF THE NET FINANCIAL DEBT AS DEFINED BY THE GROUP

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

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

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

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

DEBT MATURITY SCHEDULE

(in € thousands)	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Between 5 and 10 years	More than 10 years	Total (including interests)
Bank loans and other financial debts	38,639	13,853	18,197	2,797	6,858	5,305	85,648
Drawings on credit facilities	0	20,479	17,708	75,930	0	0	114,117
Lease debts	11,845	9,421	7,662	11,750	11,132	2,302	54,112
Total long-term financial debt	50,484	43,752	43,566	90,477	17,991	7,607	253,877
Short-term financial debts	8,250	0	0	0	0	0	8,250
Cash equivalents	(27,215)	0	0	0	0	0	(27,215)
Cash	(126,877)	0	0	0	0	0	(126,877)
Net short-term financial debt/(cash)	(145,842)	0	0	0	0	0	(145,842)
Total net financial debt	(95,358)	43,752	43,566	90,477	17,991	7,607	108,035

CASH FLOWS RELATING TO FINANCIAL LIABILITIES

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

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

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

CREDIT FACILITIES AND BANK TERM LOANS

As of December 31, 2023, CFE SA held confirmed long-term bank credit facilities of €170 million, of which €90 million was drawn as at 31 December 2023. For some of them, sustainability and safety criteria for which (non-)compliance has an effect on the margin applied by the bank have been included. CFE SA also has the facility of issuing treasury notes up to an amount of €50 million. This source of financing was used to an amount of €35 million as at 31 December 2023. To limit the interest rate risk, interest rate hedging contracts have been put in place for a notional amount of €70 million; the fair value of these derivatives amounts to €(336) thousand.

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

FINANCIAL COVENANTS

Bilateral credit facilities are subject to specific covenants that take into account factors such as financial debt and the ratio of debt to equity or non-current assets, as well as generated cash flows.

The covenants applicable to the IFRS consolidated financial statements of CFE group, the statutory financial statements of CFE SA and the IFRS stand-alone financial statements of BPI Real Estate Belgium have been fully met at the end of December 2023 and are detailed below.

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



25. FINANCIAL RISK MANAGEMENT

CAPITAL MANAGEMENT

At year-end 2023, the capital structure of the CFE group is made up of a net financial debt €93,267 thousand (we refer to note 24) and of a net equity position of €236,393 thousand. Moreover, CFE SA also has confirmed bank credit facilities (we refer note 24), whereas CFE SA and BPI SA have the option of issuing treasury notes. The CFE Group's equity includes share capital, share premium, retained earnings, treasury shares and non-controlling interests. The CFE group does not own any convertible bonds. The entire equity is used to finance the operations described in the corporate purposes of CFE and its subsidiaries.

INTEREST RATE RISK

The interest rate risk management is assured within the group at the level of the operating segments.

Construction and renovation activities are characterized by a cash surplus. Cash management is mainly centralized through the cash pooling.

On the other hand, CFE SA and BPI Real Estate Belgium SA also uses derivative instruments (IRS & CAP) to hedge the interest rate risk relating to drawings on its confirmed credit facilities.

Effective average interest rate before considering derivatives products									
Type of debts	Fixed rate			Floating rate			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Bank loans and other financial debts	59,958	100.00%	1.72%	20,240	15.25%	6.35%	80,198	41.62%	2.89%
Drawings on credit facilities	0	0.00%	0.00%	112,492	84.75%	5.40%	112,492	58.38%	5.40%
Total	59,958	100%	1.72%	132,732	100%	5.55%	192,690	100%	4.35%

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

SENSITIVITY TO THE INTEREST RATE RISK

The CFE group is subject to the risk of interest rate fluctuations on its result for the period, taking into account :

- cash flows relating to financial instruments at floating rate after hedging ;
- financial instruments at fixed rate, recognised at fair value in the consolidated statement of financial position through profit and loss ;
- derivative instruments not qualified as hedges.

On the other hand, the variation in the value of derivatives qualified as cash flow hedges does not directly impact the consolidated statement of comprehensive income, and is recognized in 'other elements of the comprehensive income'. In the event that the value of the derivatives has to be restated, the impact is recognized in the consolidated statement of income.

In the analysis below, it is assumed that the figures for the financial debt and the derivative instruments as at 31 December 2023 remain constant over the year.

The consequence of a variation of 50 basis points in the interest rate at the closing date would be an increase or decrease in the equity and result for the period, as indicated by the figures below. For the purposes of this analysis, it is assumed that the other parameters remain constant.



(in € thousands)	31/12/2023				
	Result for the period			Equity	
	Impact of the sensitivity calculation	Impact of the sensitivity calculation	Impact of the sensitivity calculation	Impact of the sensitivity calculation	Impact of the sensitivity calculation
	+50bp	-50bp	+50bp	-50bp	-50bp
Non-current debts (+ portion due in the year) with variable rates after accounting hedge	1,196	(1,196)			
Net short-term financial debt (*)	41	(41)			
Derivatives not qualified as hedge					
Derivatives qualified as highly potential or certain cash flow			1,348	(1,256)	

(*) excluding cash at bank and in hand.

DESCRIPTION OF CASH FLOW HEDGE OPERATIONS

At the closing date, the instruments qualified as cash flow hedges relate to CFE SA and have the following characteristics:

(in € thousands)	31/12/2023						
	< 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Notional	Fair value asset	Fair value liability
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives - highly probable projected cash flow hedges							0
Swap of interest rate receive floating rate and pay fixed rate	0	10,000	72,416	0	82,416	158	(125)
Interest rate options (cap, collar)		10,000	10,000		20,000	178	
Interest rate derivatives - certain cashflow hedge	0	20,000	82,416	0	102,416	336	(125)

(in € thousands)	31/12/2022						
	< 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Notional	Fair value asset	Fair value liability
Swap of interest rate receive floating rate and pay fixed rate							
Interest rate options (cap, collar)							
Interest rate derivatives - highly probable projected cash flow hedges							0
Swap of interest rate receive floating rate and pay fixed rate	0	0	40,000	0	40,000	628	-
Interest rate options (cap, collar)							
Interest rate derivatives - certain cashflow hedge	0	0	40,000	0	40,000	628	0

EXCHANGE RATE RISKS

Nature of the risks to which the group is exposed

The CFE group and its subsidiaries make use of exchange rate hedging for their construction operations in Poland.

Distribution of the long term financial debts by currency

The breakdown of outstanding long-term debts (without considering lease debts which are mainly in euros) by currency is as follows :

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

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



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

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

The fair value variation of exchange rate instruments is considered as construction costs. This variation is presented as an operating result.

The CFE group, is exposed to exchange rate fluctuation risk on its result for the period.

The following analysis is performed supposing that the amount of financial assets/liabilities and derivatives as at 31 December 2023 is constant over the year.

A variation of 5% of exchange rate (appreciation of the EUR) at closing date would have as a consequence an increase or a decrease of the equity and the result for the period for the amounts disclosed here below. For the purposes of this analysis, it is assumed that the other parameters remain constant.

(in € thousands)	31/12/2023 (in € thousand)	
	Result for the period	
	Impact of sensitivity calculation - depreciation of 5% of the EUR	Impact of sensitivity calculation - appreciation of 5% of the EUR
Non-current debts (+ portion due within the year) with variable rates after accounting hedge	5,520	(4,994)
Net short term financial debt	(1,481)	1,340
Working capital	767	(694)

RISK RELATED TO RAW MATERIALS

Raw materials and consumables incorporated into the works constitute an essential element of the cost price.

Although some contracts include price revision clauses or revision formulas, the risk of price fluctuation of raw materials remains significant.

CREDIT AND COUNTERPARTY RISK

The CFE group is exposed to credit risk in the event of insolvency of its clients. It is exposed to the counterparty risk in the context of cash deposits, subscription of negotiable debt securities, financial receivables and derivative products.

The CFE group set up procedures in order to avoid and limit the concentration of credit risk.

Financial instruments

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



Customers

With regard to the risk on trade receivables, the group has set up procedures to limit this risk. It should be noted that a significant part of the consolidated revenue is realized with public or semi-public customers. In addition, the CFE group considers that the concentration of the counterparty risk for customers is limited due to the large number of customers.

In order to reduce the current risk, the CFE group regularly monitors its outstanding trade receivables and adapts its position towards them.

The analysis of credit risk exposure at year-end 2023 and 2022 is as follows :

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

Situation as of December 31, 2022 (in € thousands)	Closing	Not due	< 3 months	< 1 year	> 1 year
Trade and other operating receivables	307,816	235,023	30,465	8,347	33,981
Total gross carrying amount	307,816	235,023	30,465	8,347	33,981
Expected credit losses - Trade and other operating receivables	(23,208)	0	(105)	(423)	(22,680)
Total expected credit losses	(23,208)	0	(105)	(423)	(22,680)
Total net carrying amount	284,608	235,023	30,360	7,924	11,301

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

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

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

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

LIQUIDITY RISK

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



CARRYING AMOUNTS AND FAIR VALUE BY ACCOUNTING POLICY

December 31, 2023 (in € thousands)	FAMMFVV / FLFVPL (3) - Derivatives not designated as hedging instruments	FAMMFVV / FLFVPL (3) - Derivatives designated as hedging instruments	Assets/ liabilities measured at amortised cost	Total of net carrying amount	Fair value measurement by level	Fair value of the class
Non-current financial assets	0	336	142,790	143,126		143,126
Financial loans and receivables (1)	0	0	142,790	142,790	Level 2	142,790
Derivatives	0	336	0	336	Level 2	336
Current financial assets	0	2,657	467,672	470,329		470,329
Trade and other operating receivables	0	0	313,580	313,580	Level 2	313,580
Derivatives	0	2,657	0	2,657	Level 2	2,657
Cash Equivalents (2)	0	0	27,215	27,215	Level 1	27,215
Cash at bank and in hand (2)	0	0	126,877	126,877	Level 1	126,877
Total assets	0	2,993	610,462	613,455		613,455
Non-current financial liabilities	0	125	190,965	191,090		205,549
Financial liabilities	0	0	190,965	190,965	Level 2	205,424
Derivatives	0	125	0	125	Level 2	125
Current financial liabilities	0	0	374,155	374,155		376,495
Trade and other operating payables	0	0	317,761	317,761	Level 2	317,761
Financial liabilities	0	0	56,394	56,394	Level 2	58,734
Derivatives	0	0	0	0	Level 2	0
Total liabilities	0	125	565,120	565,245		582,044
December 31, 2022 (in € thousands)						
Non-current financial assets	0	422	138,294	138,716		138,716
Financial loans and receivables (1)	0	0	138,294	138,294	Niveau 2	138,294
Derivatives	0	422	0	422	Niveau 2	422
Current financial assets	0	206	411,757	411,963		411,963
Trade and other operating receivables	0	0	284,608	284,608	Niveau 2	284,608
Derivatives	0	206	0	206	Niveau 2	206
Cash Equivalents (2)	0	0	15,035	15,035	Niveau 1	15,035
Cash at bank and in hand (2)	0	0	112,114	112,114	Niveau 1	112,114
Total assets	0	628	550,051	550,679		550,679
Non-current financial liabilities	0	0	154,048	154,048		154,048
Financial liabilities	0	0	154,048	154,048	Niveau 2	154,048
Current financial liabilities	0	124	331,198	331,322		331,322
Trade and other operating payables	0	0	309,204	309,204	Niveau 2	309,204
Financial liabilities	0	0	21,994	21,994	Niveau 2	21,994
Derivatives	0	124	0	124	Niveau 2	124
Total liabilities	0	124	485,246	485,370		485,370

(1) Included in item "Other non-current financial assets"

(2) Included in item "Cash and cash equivalents"

(3) FAMMFV : Financial assets mandatorily measured at fair value through profit and loss

FLFVPL : Financial liabilities measured at fair value through profit and loss



The fair value of financial instruments can be classified according to three levels (1 to 3) based on the degree to which the inputs to the fair value measurements are observable :

- Fair value measurements of level 1 are based on quoted prices (unadjusted) in active markets for identical assets or liabilities ;
- Fair value measurements of level 2 are based on inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (through prices) or indirectly (through input derived from prices) ;
- Fair value measurements of level 3 are based on valuation techniques comprising inputs which are unobservable for the asset or liability.

The fair value of financial instruments has been determined using the following methods :

- For short-term financial instruments, such as trade receivables and payables, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost ;
- For floating rate liabilities, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost ;
- For derivative financial instruments (foreign currency, interest rate or forecasted cash flows), the fair value is determined using valuation models discounting future cash flows based on future interest rate curves, foreign currency curves or other forward prices ;
- For the other derivative instruments, the fair value is determined by discounting future estimated cash flows ;
- For fixed rate liabilities, the fair value is considered not to be significantly different from the carrying amount measured at amortized cost due to the fact that fixed and variables rates are not significantly different.

26. OTHER COMMITMENTS GIVEN

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

Year ended 31 December (in € thousands)	2023	2022
Performance guarantees and performance bonds (a)	263,051	247,382
Bid bonds (b)	-	771
Retentions (c)	1,749	1,790
Other commitments given (d)	92,828	139,483
Total other commitments given	357,628	389,426

(a) Guarantees given in relation to the performance of works contracts. If the construction entity fails to perform, the bank (or insurance company) undertakes to compensate the customer to the extent of the guarantee.

(b) Guarantees provided as part of tenders relating to works contracts.

(c) Security provided by a bank to a client to replace the use of retention money.

(d) Letters of credit – completion guarantee, Breyne Act – mortgage mandates and mortgages

The significant fall in other commitments given is mainly due to the release of completion guarantees (Breyne Act), mortgages and mortgage mandates for the Serenity project following the delivery of apartments and also the sale of the Wood Hub building.

27. OTHER COMMITMENTS RECEIVED

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

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



28. LITIGATION

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

In most cases, the CFE group seeks to conclude a transaction agreement with the counterparty, which substantially reduces the number of lawsuits.

CFE group tries to recover outstanding receivables from its customers. However, it is not possible to estimate these potential assets.

LITIGATION MEDIACITE

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

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

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

29. RELATED PARTIES

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

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

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

As of December 31, 2023, the day-to-day management of CFE has been carried out by Trorema SRL represented by Raymund Trost, CEO and Chairman of the Executive Committee. The other six members of the Executive Committee are MSQ SRL represented by Fabien De Jonge, AHO Consulting SRL represented by Alexander Hodac, Artist Valley SA represented by Jacques Lefevre, COEDO SRL represented by Arnaud Regout, Focus2LER SRL represented by Valérie Van Brabant and LAMCO, represented by Bruno Lambrecht.

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

- invoicing for their services through their management company;
- transactions under the long-term incentive plans (we refer to note 22 "Information on stock option plans")

The amount of remuneration and other benefits granted directly or indirectly to the management of CFE, mentioned above, is as follows (amounts expressed globally and in € thousands) :

Year ended 31 December (in € thousands)	2023	2022
Fixed remuneration	2,790	2,655
Short-term variable remuneration	1,684	1,440
Other benefits	0	60
Total	4,474	4,155



Transactions with related parties mainly concerned transactions with companies in which CFE has a significant influence or a joint control. Such transactions are carried out on a market price basis. There were no significant changes in the nature of transactions with associated parties during the financial year 2023 compared to financial year 2022.

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

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

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

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

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

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

30. AUDIT FEES

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

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

31. SUBSEQUENT EVENTS

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



32. COMPANIES OWNED BY THE GROUP

MAIN ENTITIES ACCOUNTED FOR USING GLOBAL INTEGRATION

NAME	HEAD OFFICE	OPERATING SEGMENT	GROUP INTEREST (%)
EUROPE			
Belgium			
BPI PURE SA	Brussels	Real estate development	100%
BPI REAL ESTATE BELGIUM SA	Brussels	Real estate development	100%
BPI SAMAYA SA	Brussels	Real estate development	100%
BPI SERENITY VALLEY SA	Brussels	Real estate development	100%
BPI PARK WEST SA	Brussels	Real estate development	100%
PROJECTONTWIKKELING VAN WELLEN NV	Brussels	Real estate development	100%
WOLIMMO SA	Brussels	Real estate development	100%
ZEN FACTORY SA	Brussels	Real estate development	100%
BRANTEGEM NV	Aalst	Multitechnics	100%
MOBIX NV	Mechelen	Multitechnics	100%
MOBIX ENGETEC SA	Manage	Multitechnics	100%
VMA NV	Sint-Martens-Latem	Multitechnics	100%
VMA Sud SA	Jumet	Multitechnics	100%
VMA BE.MAINTENANCE SA	Brussels	Multitechnics	100%
VMA SUSTAINABILITY FUND I NV	Brussels	Multitechnics	100%
ARTHUR VANDENDORPE NV	Zedelgem	Construction & Renovation	100%
BATIMENTS ET PONTS CONSTRUCTION (BPC) SA	Brussels	Construction & Renovation	100%
BPC GROUP SA	Brussels	Construction & Renovation	100%
BENELMAT SA	Gembloux	Construction & Renovation	100%
DESIGN & ENGINEERING SA	Brussels	Construction & Renovation	100%
GROEP TERRY NV	Moorslede	Construction & Renovation	100%
GROEP TERRY NV CONSTRUCT NV	Moorslede	Construction & Renovation	100%
KORLAM NV	Moorslede	Construction & Renovation	100%
LAMCOL SA	Marche-en-Famenne	Construction & Renovation	100%
MBG NV	Wilrijk	Construction & Renovation	100%
TERRY NV TIMBER PRODUCTS NV	Moorslede	Construction & Renovation	100%
VAN LAERE NV	Zwijndrecht	Construction & Renovation	100%
WEFIMA NV	Zwijndrecht	Construction & Renovation	100%
WOOD SHAPERS SA	Brussels	Construction & Renovation	100%
CFE CONTRACTING SA	Brussels	Investments & Holding	100%
HDP CHARLEROI SA	Brussels	Investments & Holding	100%
Grand Duchy of Luxembourg			
BPI REAL ESTATE LUXEMBOURG S.À R.L.	Leudelange	Real estate development	100%
CENTRAL PARC S.À R.L.	Luxembourg	Real estate development	100%
HERRENBERG S.À R.L.	Leudelange	Real estate development	100%
IMMO KIRCHBERG S.À R.L.	Leudelange	Real estate development	100%
JFK DEVELOPPEMENT 1 S.À R.L.	Leudelange	Real estate development	100%
JFK DEVELOPPEMENT 2 S.À R.L.	Leudelange	Real estate development	100%
MIMOSAS REAL ESTATE S.À R.L.	Leudelange	Real estate development	100%
POURPELT SA	Leudelange	Real estate development	100%
PRINCE HENRI S.À R.L.	Leudelange	Real estate development	100%
COMPAGNIE LUXEMBOURGEOISE D'ENTREPRISES CLE SA	Leudelange	Construction & Renovation	100%
IMMO-BEHEL CLE S.À R.L.	Leudelange	Construction & Renovation	100%
WOOD SHAPERS LUXEMBOURG SA	Leudelange	Construction & Renovation	100%
SOCIETE FINANCIERE D'ENTREPRISES SFE SA	Leudelange	Investments & Holding	100%
Poland			
BPI BERNADOWO SP. Z O.O.	Warsaw	Real estate development	100%
BPI PROJECT II SP. Z O.O.	Warsaw	Real estate development	100%
BPI OBRZEZNA SP. Z O.O.	Warsaw	Real estate development	100%
BPI WAGROWSKA SP. Z O.O.	Warsaw	Real estate development	100%
BPI JARACZA SP. Z O.O.	Warsaw	Real estate development	80%
BPI PROJECT VIII SP. Z O.O.	Warsaw	Real estate development	100%
BPI PROJECT IX SP. Z O.O.	Warsaw	Real estate development	100%
BPI VILDA PARK SP. Z O.O.	Warsaw	Real estate development	100%
BPI BARSKA SP. Z O.O.	Warsaw	Real estate development	100%
BPI CZYSTA SP. Z O.O.	Warsaw	Real estate development	100%
BPI REAL ESTATE POLAND SP. Z O.O.	Warsaw	Real estate development	100%
BPI WOLARE SP. Z O.O.	Warsaw	Real estate development	100%



BPI WROCLAW SP. Z O.O.	Warsaw	Real estate development	100%
VMA POLSKA SP. Z O.O.	Kobierzyce	Multitechnics	100%
CFE POLSKA SP. Z O.O.	Warsaw	Construction & Renovation	100%
Other European countries			
CFE BAU GMBH	Berlin, Germany	Construction & Renovation	100%
VMA MIDLANDS LTD	Yorkshire, UK	Multitechnics	100%
CFE CONTRACTING AND ENGINEERING SRL	Bucharest, Romania	Investments & Holding	100%
AFRICA			
Tunisia			
COMPAGNIE TUNISIENNE D'ENTREPRISES SA	Tunis	Construction & Renovation	100%
CONSTRUCTION MANAGEMENT TUNISIE SA	Tunis	Investments & Holding	100%
AMERICA			
United States			
VMA US INC	South Carolina	Multitechnics	100%

MAIN ENTITIES ACCOUNTED FOR USING EQUITY METHOD

NAME	HEAD OFFICE	OPERATING SEGMENT	GROUP INTEREST %
EUROPE			
Belgium			
ARLON 53 SA	Brussels	Real estate development	50%
BAVIERE DEVELOPPEMENT SA	Liège	Real estate development	30%
BATAVES 1521 SA	Brussels	Real estate development	50%
DEBROUCKERE DEVELOPMENT SA	Brussels	Real estate development	50%
DEBROUCKERE LAND SA	Brussels	Real estate development	50%
DEBROUCKERE LEISURE SA	Brussels	Real estate development	50%
DEBROUCKERE OFFICE SA	Brussels	Real estate development	50%
ERASMUS GARDENS SA	Brussels	Real estate development	50%
ESPACE ROLIN SA	Brussels	Real estate development	33.33%
EUROPEA HOUSING SA	Brussels	Real estate development	33%
FONCIERE DE BAVIERE SA	Liège	Real estate development	30%
FONCIERE DE BAVIERE A SA	Liège	Real estate development	30%
FONCIERE DE BAVIERE C SA	Liège	Real estate development	30%
GOODWAYS SA	Antwerp	Real estate development	50%
IMMOANGE SA	Brussels	Real estate development	50%
IMMO PA 33 1 SA	Brussels	Real estate development	50%
IMMO PA 44 1 SA	Brussels	Real estate development	50%
IMMO PA 44 2 SA	Brussels	Real estate development	50%
JOMA 2060 NV	Brussels	Real estate development	70%
KEYWEST DEVELOPMENT SA	Brussels	Real estate development	50%
LA RESERVE PROMOTION NV	Gent	Real estate development	33%
LES JARDINS DE OISQUERCQ SA	Brussels	Real estate development	50%
LES 2 PRINCES DEVELOPMENT SA	Brussels	Real estate development	50%
LIFE SHAPERS NV	Brussels	Real estate development	70%
MG IMMO SRL	Brussels	Real estate development	50%
PRE DE LA PERCHE CONSTRUCTION SA	Brussels	Real estate development	50%
PROMOTION LEOPOLD SA	Brussels	Real estate development	30.44%
SAMAYA DEVELOPMENT SA	Brussels	Real estate development	50%
TERVUREN SQUARE SA	Brussels	Real estate development	37.5%
TULIP ANTWERP NV	Brussels	Real estate development	70%
VICTOR BARA SA	Brussels	Real estate development	50%
VICTOR SPAAK SA	Brussels	Real estate development	50%
VICTOR ESTATE SA	Brussels	Real estate development	50%
VICTOR PROPERTIES SA	Brussels	Real estate development	50%
VAN MAERLANT RESIDENTIAL SA	Brussels	Real estate development	40%
LUWA MAINTENANCE SA	Wierde	Multitechnics	25%
HOFKOUTER NV	Zwijndrecht	Construction & Renovation	35%
LIGHTHOUSE PARKING NV	Gent	Construction & Renovation	33.33%
WOOD GARDENS SA	Brussels	Construction & Renovation	50%
BPG CONGRES SA	Brussels	Investments & Holding	49%
BPG HOTEL SA	Brussels	Investments & Holding	49%
LUWA SA	Wierde	Investments & Holding	12%
PPP BETRIEB SCHULEN EUPEN SA	Eupen	Investments & Holding	25%
PPP SCHULEN EUPEN SA	Eupen	Investments & Holding	19%
GREEN OFFSHORE NV and its subsidiaries	Antwerp	Investments & Holding	50%
GREENSTOR NV and its subsidiaries	Antwerp	Investments & Holding	50%



DEEP C HOLDING NV and its subsidiaries	Antwerp	Investments & Holding	50%
Grand Duchy of Luxembourg			
BAYSIDE FINANCE SRL	Luxembourg	Real estate development	40%
BEDFORD FINANCE SRL	Luxembourg	Real estate development	40%
CHATEAU DE BEGGEN S.À R.L.	Luxembourg	Real estate development	50%
EMELY S.À R.L.	Leudelange	Real estate development	50%
GRAVITY SA	Luxembourg	Real estate development	50%
IMMO MARIAL S.À R.L.	Leudelange	Real estate development	50%
JFK REAL ESTATE S.À R.L.	Luxembourg	Real estate development	57.45%
MI SA	Luxembourg	Real estate development	33.33%
M7 S.À R.L.	Leudelange	Real estate development	33.33%
THE ROOTS REAL ESTATE S.À R.L.	Luxembourg	Real estate development	50%
THE ROOTS OFFICE S.À R.L.	Luxembourg	Real estate development	50%
Poland			
CAVALLIA SP. Z O.O.	Warsaw	Real estate development	50%
BPI CHMIELNA SP. Z O.O.	Warsaw	Real estate development	50%
AFRICA			
Tunisia			
BIZERTE CAP 3000 SA and its subsidiary	Tunis	Investments & Holding	20%



ALTERNATIVE PERFORMANCE MEASURES RECONCILIATION

As shown below, the CFE group uses alternative performance measures to assess the group's financial performance. The definitions of those performance measures are presented in the 'Definition' section of this report.

The net financial debt an EBITDA have been computed using the consolidated statement of income and the consolidated statement of financial position :

Net financial debt Year ended 31 December 2023 (in € thousands)	Real Estate	Multi-technics	Construction & Renovation	Investments & Holding	Eliminations between segments	Consolidated total
Non-current borrowings from consolidated companies of the group (*)	40,000	0	4,000	0	(44,000)	0
+ Non-current financial liabilities	53,424	26,054	18,838	92,649	0	190,965
+ Current financial liabilities	10,341	5,835	4,951	35,267	0	56,394
+ Internal cash position - Cash pooling - liabilities (*)	18,435	14,386	9,368	209,823	(252,012)	0
Financial liabilities	122,200	46,275	37,157	337,739	(296,012)	247,359
- Non-current loans to consolidated companies of the group (*)	0	0	0	(44,000)	44,000	0
- Cash and cash equivalents	(4,390)	(3,249)	(78,045)	(68,408)	0	(154,092)
- Internal cash position - Cash pooling - assets (*)	(17,749)	(42,529)	(167,981)	(23,753)	252,012	0
Cash and cash equivalents	(22,139)	(45,778)	(246,026)	(136,161)	296,012	(154,092)
Net financial debt	100,061	497	(208,869)	201,578	0	93,267

Net financial debt Year ended 31 December 2022 (in € thousands)	Real Estate	Multi-technics	Construction & Renovation	Investments & Holding	Eliminations between segments	Consolidated total
Non-current borrowings from consolidated companies of the group (*)	20,000	0	11,558	0	(31,558)	0
+ Non-current financial liabilities	41,186	25,809	11,892	75,161	0	154,048
+ Current bonds	0	0	0	0	0	0
+ Current financial liabilities	11,167	4,942	5,357	528	0	21,994
+ Internal cash position - Cash pooling - liabilities (*)	18,159	15,639	13,188	175,120	(222,106)	0
Financial liabilities	90,512	46,390	41,995	250,809	(253,664)	176,042
- Non-current loans to consolidated companies of the group (*)	0	0	0	(31,558)	31,558	0
- Cash and cash equivalents	(4,266)	(6,639)	(69,630)	(46,614)	0	(127,149)
- Internal cash position - Cash pooling - assets (*)	(1,748)	(38,763)	(152,994)	(28,610)	222,115	0
Cash and cash equivalents	(6,014)	(45,402)	(222,624)	(106,782)	253,673	(127,149)
Net financial debt	84,498	988	(180,629)	144,027	9	48,893

(*) These account balances relate to the cash positions with regard to group entities belonging to other group operating segments (mainly CFE SA and CFE Contracting SA).



Working capital requirement Year ended 31 December (in € thousands)	2023	2022¹
Inventories	161,844	168,467
+ Trade and other operating receivables	313,580	284,608
+ Contracts assets	68,411	100,714
+ Other current non-operating assets	5,637	4,487
- Trade and other operating receivables	(317,761)	(309,204)
- Current tax liabilities	(9,358)	(6,816)
- Contracts liabilities	(201,618)	(193,480)
- Other current non-operating liabilities	(71,604)	(63,383)
Working capital requirement	(50,869)	(14,607)

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

Return on equity (ROE)	2023	2022²
Equity - share of the group, at opening	224,653	174,674
Net result from continuing operations - share of the group	22,779	38,434
Return on equity (ROE)	10.1%	22.0%

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

Capital employed Year ended 31 December (in € thousands)	2023	2022
Equity - real estate development segment	159,141	118,749
Net financial debt - real estate development segment	100,061	84,498
Capital employed	259,202	203,247

¹ Working capital requirements for the period ended 31 December 2022 have been restated as described in section 2.3. « Restatement of comparative figures for financial year 2022 » of this report.

² Equity at opening of the financial year 2022 used for the calculation of return on equity includes the dividend paid by DEME Group (€40.8 million)



STATEMENT ON THE TRUE AND FAIR NATURE OF THE FINANCIAL STATEMENTS AND THE TRUE AND FAIR NATURE OF THE PRESENTATION IN THE MANAGEMENT REPORT

Article 12, paragraph 2, 3° of the Royal Decree of 14.11.2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market)

We certify, in the name and on behalf of Compagnie d'Entreprises CFE SA and on that company's responsibility, that, to our knowledge,

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

SIGNATURES

Name : Fabien De Jonge
*Acting on behalf of a BV/SRL
Role : Chief Financial Officer

Raymund Trost
*Acting on behalf of a BV/SRL
Chief Executive Officer and Chairman of the Executive Committee

Date : 26 March 2024



GENERAL INFORMATION ABOUT THE COMPANY

Company name :	Compagnie d'Entreprises CFE
Head office :	Avenue Edmond Van Nieuwenhuys 30, 1160 Bruxelles (Belgium)
Telephone :	+ 32 2 661 12 11
Legal form :	Public limited company (société anonyme (SA))
Incorporated under Belgian law	
Date of incorporation :	21 June 1880
Duration :	Indefinite
Accounting period :	From 1 January to 31 December
Trade Register entry :	RPM Brussels 0400 464 795 – VAT 400.464.795
Place where legal documentation can be consulted :	Head office

CORPORATE PURPOSE (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

“ The purpose of the company is to study and execute any work or construction within each and every of its specialist areas, in particular electricity and the environment, in Belgium or abroad, singly or jointly with other natural or legal persons, for its own account or on behalf of third parties belonging to the public or private sector.

It may also perform services related to these activities, directly or indirectly operate them or license them out or carry out any purchase, sale, rent or lease operation whatsoever in respect of such undertakings.

It may directly or indirectly acquire, hold or sell equity interests in any company or undertaking existing now or in the future by way of acquisition, merger, spin-off or any other means.

It may carry out any commercial, industrial, administrative or financial operations or operations involving movable or immovable property that are directly or indirectly related to its purpose, even partially, or that could facilitate or develop that purpose, either for itself or for its subsidiaries.

The general meeting may change the corporate purpose subject to the conditions specified in Article five hundred and fifty-nine of the Belgian Companies Code. ”

Independent auditor's report to the general meeting of Compagnie d'Entreprises CFE SA/ Aannemingsmaatschappij CFE NV for the year ended 31 December 2023

In the context of the statutory audit of the Consolidated Financial Statements of Compagnie d'Entreprises CFE SA/Aannemingsmaatschappij CFE NV (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of financial position as at 31 December 2023, the consolidated statement of income and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cashflows for the year ended 31 December 2023 and the disclosures including material accounting policy information (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 6 May 2021, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2023. We performed the audit of the Consolidated Financial Statements of the Group during 3 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Compagnie d'Entreprises CFE SA/Aannemingsmaatschappij CFE NV, that comprise of the consolidated statement of financial position on 31 December 2023, the consolidated statement of income and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cashflows of the year and the disclosures, including material accounting policy information, which show a consolidated balance sheet total of € 1.180.586.000 and of which the consolidated income statement shows a profit for the year of € 22.726.000.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2023, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current

year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

**Revenue recognition and contract accounting
(segments Construction & Renovation and
Multitechnics)**

Description of the key audit matter

For the majority of its contracts (hereafter the “contracts” or the “projects”), the Group recognizes revenue and profit on the stage of completion based on the proportion of contract costs incurred for the work performed to the balance sheet date, relative to the estimated total costs of the contract at completion. The recognition of revenue and profit therefore relies on estimates in respect of the forecasted total costs on each contract. Cost contingencies may also be included in these estimates to take into account specific uncertain risks, or disputed claims against the Group. The revenue of contracts may also include variations and claims, which are recognized on a contract-by-contract basis when the additional revenue can be measured reliably.

Revenue recognition and contract accounting often involves a high degree of judgment due to the complexity of projects, uncertainty about costs to complete and uncertainty about the outcome of discussions with clients on variation orders and claims. This is a key audit matter because there is a high degree of risk and related management judgement in estimating the amount of revenue and associated profit or loss to be recognized, and changes to these estimates could give rise to important variances.

Summary of the procedures performed

- We obtained an understanding of the process related to the contract follow-up, the revenue and margin recognition and when applicable the provisions for losses at completion, and we considered the design and implementation of the related key internal controls, including management review controls.
- Based on quantitative and qualitative criteria, we selected a sample of contracts to challenge the most significant and complex project estimates and judgments. As part of this testing, we gained an understanding of the current status and history of the projects, and discussed the judgments inherent to these projects with senior executive and financial management. We analyzed differences with prior project estimates and assessed consistency with the developments of the project during the year.

- We determined the proper calculation of the percentage of completion and the related revenue and margin recognized for a sample of projects.
- We compared the financial performance of projects against budget and historical trends.
- We completed site visits for certain projects, observed the stage of completion of these projects, and discussed with site personnel the status and complexities of the project that could impact its’ total forecasted cost.
- We analyzed correspondence with customers around variation orders and claims and considered whether this information is consistent with the estimates made by management.
- We inspected selected contracts for key clauses. We identified relevant contractual clauses impacting the (un)bundling of contracts, delay penalties, bonuses or success fees, and we assessed whether these key clauses have been appropriately reflected in the amounts recognized in the Consolidated Financial Statements.
- We assessed the adequacy of the information disclosed in notes 2 and 17 to the Consolidated Financial Statements.

**Revenue recognition and valuation of inventories
(Real Estate Development segment)**

Description of the key audit matter

The valuation of the land positions and the incurred constructions costs for residential property developments are based on the historical cost or lower net realizable value. The assessment of the net realizable values involves assumptions relating to future market developments, permit decisions of governmental bodies, discount rates and future changes in costs and selling prices. These estimates are sensitive to scenarios and assumptions used and involve as such significant management judgement. Risk exists that potential impairments of inventories are not appropriately accounted for in the Consolidated Financial Statements.

Revenues and results are recognized to the extent that components (housing units) have been sold and based on the percentage of completion of the development. The recognition of revenue and profit therefore relies on estimates in relation to the forecast total costs on each project. This often involves a high degree of

judgment due to the complexity of projects and uncertainty about costs to complete. This is a key audit matter because there is a high degree of risk associated with estimating the amount of revenue and related profit to be recognized for the period, and changes to these estimates could give rise to important variances.

Summary of the procedures performed

- We obtained an understanding of the process related to the contract follow-up, the revenue and margin recognition, and we considered the design and implementation of the related key internal controls, including management review controls.
- We have selected a sample of project developments and verified the costs incurred to date for land purchases and work in progress. We also recalculated the percentage of completion at balance sheet date, agreed sales values to contracts, and verified the accuracy of the revenue recognition formula.
- We performed an assessment of the calculations of net realizable values and challenged the reasonableness and consistency of the assumptions and model used by management.
- We evaluated the financial performance of specific projects against budget and historical trends, specifically in view of assessing the reasonableness of the costs to complete.
- We assessed the adequacy of the information disclosed in notes 2 and 18 to the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of

Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial

Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements and the non-financial information attached to the Board of Directors' report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements and the non-financial information attached to the Board of Directors' report, as well as to report on these matters.

Aspects relating to Board of Directors' report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Key figures
- Alternative performance measures
- Parent company financial statements

contain any material inconsistencies or contain information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non-financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on Global Reporting Initiative ("GRI"). However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with Global Reporting Initiative ("GRI").

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/en/data-portal>).

In our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/en/data-portal>) of Compagnie d'Entreprises CFE SA/Aannemingsmaatschappij CFE NV per

31 December 2023 are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

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

Other communications.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 29 March 2024

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

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

Unique sequential number of EY reports tracking database

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

PARENT COMPANY FINANCIAL STATEMENTS

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

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



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

ANALYSIS OF STATUTORY STATEMENTS OF FINANCIAL POSITION AND COMPREHENSIVE INCOME

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

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

In 2022, the statutory result of CFE SA was positively impacted by the dividend paid by DEME Group (€40.8 million).



GENERAL INFORMATION ABOUT THE COMPANY

Registered office:

Avenue Edmond Van Nieuwenhuysse 30, 1160 Brussels

RLP Brussels n° 0400.464.795

Email address: info@cfe.be

Website: <https://www.cfe.be>

Date of incorporation, latest amendments to the articles of association

The Company was incorporated by notarial deed of 24 June 1880, published in the Annexes to the Moniteur Belge of 27 June 1880 under number 911, of which the articles of association have been amended several times, most recently by notarial deed of 29 June 2022, published in extracts in the Annexes to the Moniteur Belge of 8 September 2022 under number 22107465.

Duration of the Company

Indefinite

Company form – Applicable law

Public Limited Company incorporated under Belgian law

Purpose of the Company

The purpose of the company is to study and provide any work or construction within each and every of its specialist areas, in particular electricity and the environment, in Belgium and abroad, singly or jointly with other natural or legal persons, for its own account or on behalf of third parties belonging to the public or private sector. It may also perform services related to these activities, directly or indirectly operate them or license them out or carry out any purchase, sale, rent or lease operation whatsoever in respect of such undertakings.

It may directly or indirectly acquire, hold or sell equity interests in any company or undertaking existing now or in the future by way of acquisition, merger, spin-off or any other means.

It may carry out any commercial, industrial, administrative or financial operations or operations involving movable or immovable property that are directly or indirectly related to its purpose, even partially, or that could facilitate or develop that purpose, either for itself or for its subsidiaries.

The company's share capital

Issued capital

At the end of the financial year, the Company's share capital amounted to € 8,135,621.14, divided into 25,314,482 shares, with no declared par value. All shares are fully paid up.

Capital reduction

On 29 June 2022, the company reduced the company's share capital by € 33,193,861.28 without cancellation of existing shares, following the partial demerger of the company on that date.

Authorised capital

In virtue of the decision of the extraordinary general meeting of shareholders of 2 May 2019, the Board of Directors is authorised, in the five-year period starting on 22 May 2019, to increase the Company's capital – in one or more operations – by up to € 5,000,000, with or without the issue of new shares or by the issue of convertible bonds, subordinated or not, or of warrants or other securities, whether or not linked to other securities of the Company.

In virtue of the decision of the extraordinary general meeting of shareholders of 29 June 2022, the Board of Directors may also make use of the authorised capital, in the event of a public bid for the shares issued by the Company, on the conditions and within the limits of Article 7:202 of the CAC. The Board of Directors is allowed to use these powers if the notice of a takeover bid is given to the Company by the Financial Services and Markets Authority (**FSMA**) not later than three years after the date of the aforementioned extraordinary general meeting.

The capital increase decided upon by virtue of this authorisation may be carried out in accordance with the terms and conditions to be determined by the Board of Directors, such as, in particular, by contribution in cash or in kind, with or without issue premiums, by means of conversion of available or unavailable reserves and premiums and profits carried forward, with or without the issue of new shares in accordance with the imperative provisions prescribed by the CAC.



Type of shares

The Company's shares are fully paid up and are registered or in electronic form. Any holder of shares may at any time, at their own expense, request the conversion of their fully paid-up shares into another form, within the limits of the law, suspend ownership, usufruct or bare. The co-owners, usufructuaries and bare owners are required to have themselves represented by a common representative and to notify the Company thereof. In the case of usufruct, the bare owner of the share shall be represented vis-à-vis the Company by the usufructuary, unless the parties agree otherwise.

Place where the Company's documents may be consulted

The statutory and consolidated financial statements of the Company are filed with the National Bank of Belgium. The coordinated version of the Company's articles of association can be consulted at the office of the Commercial Court of Brussels, Brussels division. The annual financial report is sent to the registered shareholders and any person who so requests. The coordinated version of the articles of association and the annual financial report are also available on the website (www.cfe.be).