



ANNUAL REPORT
2023

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01

Introduction



Letter of the CEO and Chairman

2023 demonstrates that DEME is firmly on track. The year was defined by geographic expansion, new vessels, significant growth, and several wins. We delivered outstanding results, generating a 24% growth in turnover and a 26% increase in EBITDA.

We accomplished so much in 2023, but that's not to say it was easy. Why? Because we push boundaries. Just in 2023 alone, we entered the US offshore wind market and started constructing a wind farm in Taiwan – two new territories for DEME. We introduced revolutionary new vessels - 'Viking Neptun' and 'Green Jade' - and new offshore installation concepts, new technologies... We have again dared to be a pioneer while mastering the risks.

Working hard to deliver on our promises

These achievements are only possible due to the remarkable 'One DEME team'. Behind our success is an immense amount of hard work, determination, smart thinking, and ingenuity. Our people are renowned for their inventive, innovative spirit and their commitment. They work every day to ensure we deliver on our promises to our customers worldwide. We would personally like to thank them for the huge efforts they have made in 2023.

Safety and sustainability are always top priorities. In terms of safety, we continued our strenuous efforts to improve, and we are pleased that our 'Safety Success Stories' are having

such a positive influence. Here, DEME employees and teams share positive experiences and tips for improving safety.

Sustainability is a consideration in everything we do. We have an ambitious programme in place to reduce greenhouse gas intensity, targeting a 40% reduction by 2030, relative to 2008, per unit of work, and we aim to provide a safe, secure, and healthy working environment for everyone DEME works with. Our care for our employees, and indeed the well-known spirit of our people is reflected in our Energy@DEME sports and wellbeing programme. Our goal is to foster camaraderie and meaningful connections through friendly competition. Beyond personal rewards, our physical activity contributes directly to two very worthy charities - the Belgian cancer charity 'Kom op tegen Kanker' and 'Mercy Ships' globally.

All four segments put in a strong performance

Moving on to our four core segments, we are pleased to say that all of them have put in a strong performance. Our strategy of leveraging the synergies between them with mutual reinforcement is certainly working.

During the year we have witnessed a recalibration in parts of the offshore wind sector following the fact that industry assumptions of a few years ago are no longer valid today. However, we remain fully convinced of the enormous potential that offshore wind offers to achieve the green energy transition. We believe in this industry and always have done - and we are certain of the value that DEME can continue to bring to the industry.

2023 had many wonderful highlights for the Group. For example, the second edition of the North Sea Summit. The event was hosted by the Belgian Prime Minister, and governments from nine countries and 100 CEOs attended, and underlined the ambition to make the North Sea the new green energy hub of Europe. The summit led to the 'The Ostend Declaration' which aims to accelerate the deployment of offshore renewables from the North Sea. We also had the chance to showcase a model of the Princess Elisabeth Island, the first energy island in the world, to the European leaders, including European Commission President Ursula von der Leyen. Princess Elisabeth Island was one of our most exciting wins of the year.



Left: Luc Vandembulcke, CEO
Right: Luc Bertrand, Chairman

The accelerated push to achieve the energy transition is evidenced in many of our wins during 2023. In our Offshore Energy segment, we installed first steel in the water in the US. Again, we pioneer. This project has kickstarted a completely new industry in the US market. Southfork Wind is done, Vineyard Wind 1 is well underway and we are now preparing for the Coastal Virginia Offshore Windfarm.

In France, we scored the Le Tréport and Noirmoutier offshore wind farms on the basis of our unique drilling expertise and experience. 'Green Jade', our new floating offshore installation vessel, joined the fleet and started to work on

the Zhong Neng project in Taiwan in July. Other Offshore highlights included a substantial cable contract for Baltic Power, our first offshore wind farm project in Poland. We also continued our activities at the Hinkley Point nuclear power plant in the UK, drilling the shafts for the intake and outfall structures.

In Dredging and Infra, again the pressing need for the energy transition is demonstrated. DEME made history and the year kicked off with the award for Princess Elisabeth Island, which as mentioned earlier, was a particularly special moment. We continued capital dredging works in Abu Qir in Egypt and

started dredging and land reclamation works in Abu Dhabi, deploying multiple hopper and cutter dredgers including our 'Spartacus' flagship. Furthermore, we have successfully delivered port expansion projects in Sri Lanka, Italy, Poland and we have won new contracts in Africa, India and The Maldives. In the last quarter of the year, we also signed a major contract for the second phase of transformation work for the Port of NEOM, Saudi Arabia, which stands alongside Abu Qir in Egypt as one of the biggest dredging contracts in DEME's history.

Infra has made good progress on the Fehmarnbelt Fixed Link, Oosterweel,

“We remain fully convinced of the enormous potential that offshore wind offers to achieve the green energy transition. We believe in this industry and always have done.”



Luc Bertrand
Chairman DEME Group

New Lock Terneuzen and the Blankenburg Connection, showcasing our unrivalled immersed tunnel expertise. In the case of the 18-km-long Fehmarnbelt Fixed Link, it will be the longest immersed road and rail tunnel in the world and this mega-tunnel actually crosses a stretch of open sea.

Our Environmental segment successfully progressed with flagship projects in Belgium and in Scotland. Additionally, the team is performing major dyke reinforcement projects that are an important part of the Dutch National Flood Protection Programme. Environmental is also taking the lead in tackling PFAS pollution.

DEME Concessions is forging ahead with the Blankenburg Connection and Port-La Nouvelle and meanwhile, things are progressing well at its 2 GW offshore wind concession, ScotWind. At our flagship green hydrogen project HYPOR Duqm in Oman, DEME and its development partner OQ signed a Project Development Agreement with Hydrom. HYPOR Duqm remains on track to be

amongst the first in the world to produce green hydrogen and green ammonia.

GSR marked a decade of deep ocean exploration and innovation in 2023, and also saw the entry of Transocean into the company. This powerful strategic alliance will both strengthen GSR's subsea experience and in turn contribute to its leadership position in the deep seabed minerals sector.

Investment programme sees exceptional vessels join the fleet

In 2023, DEME continued its multi-year investment programme with exceptional vessels such as 'Viking Neptun' and 'Green Jade' joining the fleet, and in 2024 another remarkable vessel 'Yellowstone', the largest fallpipe vessel in the world, will become a member of our fleet.

The specialist wind turbine installation vessel 'Sea Installer' underwent a major upgrade that boosted its crane capacity and it successfully installed turbines at Vineyard Offshore Windfarm.

This was another milestone moment, being the first offshore wind turbine installation campaign in US history.

The arrival of these new vessels follow strategic choices made many years ago and demonstrate how we anticipate our customers' needs. The new vessels immediately started contributing to our orderbook and turnover and here, we show that we have the right assets for the future. They also help to deliver on our sustainability goals – both 'Viking Neptun' and 'Yellowstone' feature a hybrid power plant. 'Yellowstone' will actually be the first in the fleet to be prepared for (green) methanol.

DEME lives and breathes innovation

DEME works hard to encourage innovation to flourish in our company, for instance through our disruptive, transformational programme DEMEx. Hundreds of new ideas were suggested by employees looking at how we solve the major global challenges. At the final showcase event in June, we chose the best ideas to be further developed and launched. And certainly, this ability to push boundaries - to dare - is also due to the long-term vision and support of our Board. Endorsed and inspired by the Board, DEME's leadership team is committed to work towards a more sustainable world for the generations to come.

On that note, one of the key members of DEME's Executive Committee, Chief Financial Officer Els Verbraecken, has decided to take the next step in her career and she will leave the company in May 2024. Els joined DEME in 2002 and was appointed CFO in 2013. She has been instrumental in DEME's continued business development, global strategic growth, and our stock-listing. In a seamless handover, we have subsequently appointed homegrown talent Stijn Gaytant, who has been with DEME for more than 20 years, as her successor. On behalf of us, and the Executive

Committee, we would like to thank Els for her dedication and contribution to DEME's success and we wish her the very best in her future endeavours.

On track to achieve strategic objectives

DEME has a strong financial foundation which will allow us to continue our ambitious strategic objectives. We saw a solid growth in our orderbook to a level of 7.6 billion euro and generated 24% growth in turnover and 26% growth in EBITDA. On the strength of these outstanding results, we enter 2024 confident in our ability to deliver on our sustained profitable growth ambition.

Our carefully considered strategy is succeeding. Whether we are carrying out large-scale immersed tunnel projects or introducing the first monopiles to US waters, the innovation we bring to the industry works. For almost 150 years we have been creating value for our stakeholders and delivering projects in a safe, sustainable, and efficient way. We have the best people, the right assets, technical leadership, the right innovative solutions and crucially, the right spirit!



Luc Vandembulcke
CEO DEME Group

“The new vessels immediately started contributing to our orderbook and turnover and here, we show that we have the right assets for the future.”

Company profile

DEME is a world leader in the specialised domains of dredging, marine infrastructure, solutions for the offshore energy market, environmental works and concessions. We can build on almost 150 years of knowhow and experience, having embraced a pioneering approach throughout our history, being a front runner in innovation and new technologies.



DEME in numbers

Almost
150
years of knowhow
and experience

+5,300
highly skilled
employees

A fleet of
100+
vessels

90
Active in more
than 90 countries

+14k MW
total installed
capacity

+1,200 MW
contributed
capacity in 2023

€ 7.6bn
orderbook
(2023)

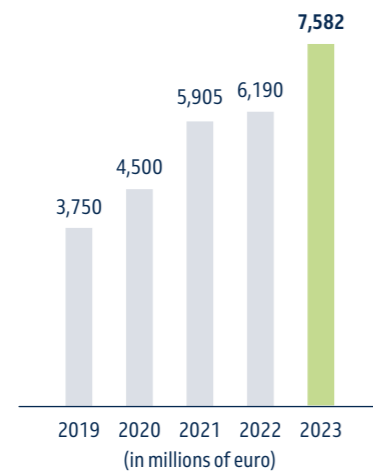
€ 3.3bn
turnover
(2023)

€ 596m
EBITDA
(2023)

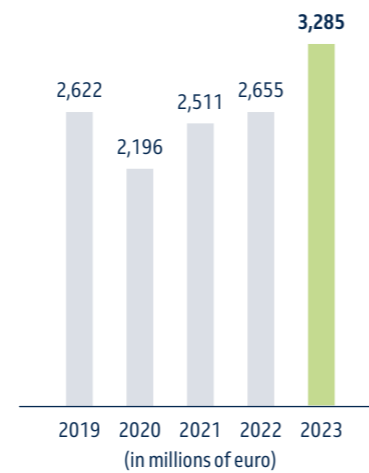
Financial & non-financial key figures

Dashboard financial & non-financial KPIs

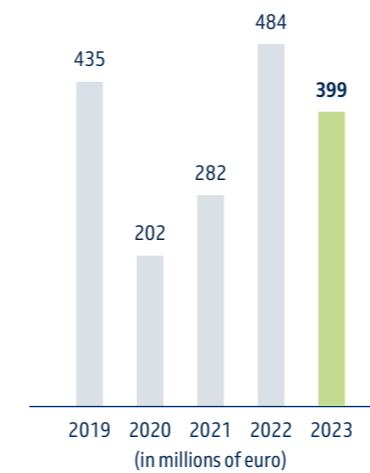
Orderbook



Turnover



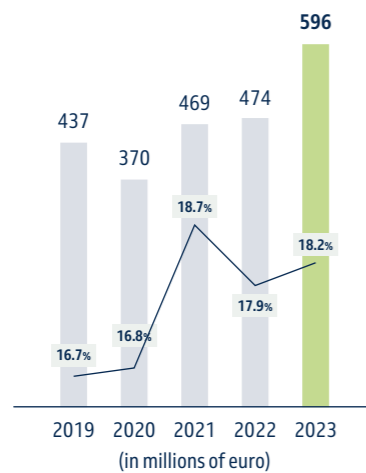
Capital Expenditure



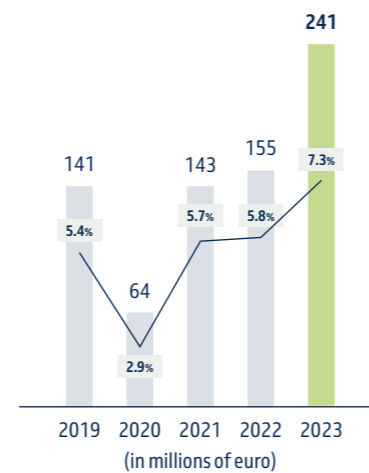
Worldwide Lost Time Injury Frequency Rate



EBITDA & EBITDA margin



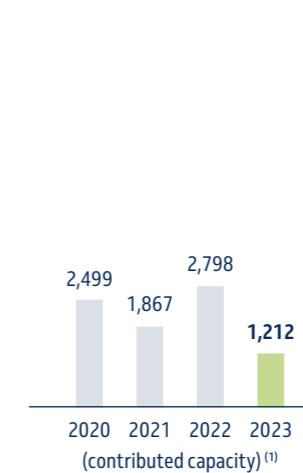
EBIT & EBIT margin



Net Profit & Net Profit margin



MW installed foundations



All definitions for Key Performance Indicators (KPIs) and Alternative Performance Measures (APMs) used in this report are available in the Glossary. See Chapter 7 Appendix of the Annual Report.

⁽¹⁾ Contributed capacity is calculated counting total number of foundations installed by DEME during the reporting period (between 1 January and 31 December) and multiplying by the corresponding turbine capacity. The turbine capacity is also called the rated power of the turbine. Each installed turbine has a specific rated power, expressed as a number of megawatts (MW).

Financial & non-financial key figures

Group key figures

For the year ended 31 December

2023 2022 2021

Financial key figures (in millions of euro)

Turnover	3,285.4	2,654.7	2,510.6
EBITDA	596.5	473.9	469.3
Depreciation and impairment	-355.2	-318.7	-326.0
EBIT	241.3	155.2	143.3
Net result from joint ventures and associates	3.2	15.8	10.5
Net result Share of the Group	162.8	112.7	114.6
Orderbook	7,581.8	6,190.0	5,905.2
Shareholders' equity (excl. non-controlling interests)	1,910.5	1,753.9	1,579.5
Free cash flow	61.6	-80.4	130.7
Net financial debt	-512.2	-520.5	-392.7
Total cash	389.1	522.3	528.6
Operating working capital	-471.3	-506.2	-511.1
Balance sheet total	4,760.1	4,509.8	4,049.6
Investments	398.9	483.9	282.0
Earnings per share (in euro)	6.43	4.45	4.53
Gross dividend for the year per share (in euro)	2.10	1.50	N/A

Non-financial key figures

Average # personnel (in FTE)	5,334	5,153	4,880
Ratio male/female	84/16	85/15	85/15
Worldwide Lost Time Frequency Injury Rate (WW LTIFR - 'Safety Thermometer')	0.19	0.23	0.19
Low carbon fuels (in %) versus total consumed fuels (energy based)	10.3	6.0	- ⁽¹⁾
GHG emissions worldwide in kt CO ₂ e (Scope 1 & 2)	734	653	833
MW installed foundations (contributed capacity)	1,212	2,798	1,867
MW installed wind turbines	712	440	2,378
MW beneficial ownership	144	144	144
Number of approved innovation initiatives	12	12	14
Fleet utilisation rate of Trailing Suction Hopper Dredgers (in weeks)	38.4	38.3	41.4
Fleet utilisation rate of Cutter Suction Dredgers (in weeks)	26.6	29.3	25.3
Fleet utilisation rate of Offshore equipment (in weeks)	40.8	33.6	42.1
EU Taxonomy - Turnover (in %) - Eligible activities	42	29	28
EU Taxonomy - Turnover (in %) - Aligned activities	33	26	24
EU Taxonomy - % of CapEx - Eligible activities	49	52	32
EU Taxonomy - % of CapEx - Aligned activities	49	52	32

⁽¹⁾ 2022 was first year of data measuring and publication.

Group key figures by segment

For the year ended 31 December

2023 2022 2021

(in millions of euro)

Turnover	3,285.4	2,654.7	2,510.6
Offshore Energy	1,501.5	957.8	916.4
Dredging & Infra	1,604.6	1,524.3	1,478.3
Environmental	304.3	206.3	166.2
Concessions	5.0	2.2	1.5
Reconciliation	-130.0	-35.9	-51.7
EBITDA	596.5	473.9	469.3
Offshore Energy	231.4	221.9	170.9
Dredging & Infra	298.3	254.9	305.8
Environmental	51.1	25.0	16.8
Concessions	-13.4	-12.7	-12.5
Reconciliation	29.1	-15.2	-11.7
EBIT	241.3	155.2	143.3
Offshore Energy	101.6	117.1	74.6
Dredging & Infra	73.1	44.9	74.0
Environmental	41.2	16.5	8.8
Concessions	-13.5	-12.7	-12.6
Reconciliation	38.9	-10.6	-1.6
Net result from joint ventures and associates	3.2	15.8	10.5
Offshore Energy	0.0	0.0	0.0
Dredging & Infra	0.0	0.1	0.0
Environmental	0.4	0.5	0.6
Concessions	37.4	9.3	11.1
Reconciliation	-34.6	5.9	-1.1
Orderbook	7,581.8	6,190.0	5,905.2
Offshore Energy	3,754.7	3,260.9	2,816.6
Dredging & Infra	3,472.4	2,615.7	2,833.3
Environmental	354.7	313.4	255.3
Concessions	-	-	-

Highlights 2023

Securing dredging contracts across continents

DEME expands its footprint in Asia, Middle-East, Africa and Europe with several dredging and coastal protection contract awards.



Building the world's first energy island

DEME's involvement in the construction of the world's first energy island in the Belgian North Sea underscores our expertise in complex marine engineering projects.



'Green Jade' joins the fleet

Following the groundbreaking 'Orion', 'Green Jade' becomes DEME's second vessel introducing an innovative floating installation method to the offshore wind market.

Belgian offshore energy pioneers, including DEME, and EU leaders unite at second North Sea Summit in Ostend

The Ostend Declaration sees nine European countries pledging to transform the North Sea into the world's largest green energy power hub.



Coastbusters spearheads sustainable coastal protection

After several years of research, the Coastbusters 2.0 project has introduced a self-growing mussel reef method as a sustainable and effective solution to coastal erosion.



Contracts for two offshore wind farms in France

Proven installation technologies developed by DEME will be deployed for the construction of the Noirmoutier and Dieppe Le Tréport offshore wind farms.

HYPOR Duqm takes next step

DEME and Omani partner OQ inked a project development agreement with Oman's state-owned entity Hydrom for the development of green hydrogen.



First steel in the water in the US

DEME makes history in the US energy transition by installing the first foundation at Vineyard Wind 1, the nation's first commercial offshore wind farm.



Dredging for the port of the future in Saudi Arabia

A consortium including DEME has been selected for the second phase of transformation work for the Port of NEOM, Saudi Arabia. The new port provides access to northwest Saudi Arabia and is adjacent to the nearby Suez Canal.



Strategic cooperation advancing deep sea mineral harvesting

DEME's deep-sea experts GSR and Transocean, a global offshore drilling leader, enter into a partnership to accelerate deep-sea mineral harvesting.



Tunnel element construction at Fehmarnbelt in full swing

The first of 89 elements for the world's longest immersed tunnel emerged from the factory hall.



Reopening of the Condé-Pommeroeul Canal

Following a five-year construction period involving DEME, a 6-km section of the Condé-Pommeroeul Canal has reopened, representing France's largest inland dredging project.

DEME's beliefs

Everything we do is driven by our vision for a better, more sustainable world. We are dedicated to ensuring that our planet thrives for generations to come. Our three core beliefs embody this spirit.

We care

We care about our people, our many diverse stakeholders, the success of our projects and above all, the future of our planet.

The safety and wellbeing of our employees is always our number one priority. We foster a diverse and inclusive environment where everyone feels respected, valued, and empowered to contribute their unique talents and perspectives to our collective success.

Working together as one team, we look out for each other and we ensure that each employee gets the support they deserve to excel in their careers.

We care about our customers and want to support them in achieving their goals. We listen carefully to their exact requirements and work shoulder to shoulder with our customers, partners and suppliers, to ensure that each project is a success.

We care for our planet by addressing the challenges of a growing population, increasing maritime trade, climate change and polluted rivers and land.

We care
We dare
We deliver



We dare

We have been pioneering for almost 150 years. We don't follow. We explore, push boundaries, innovate. We invest in the future, with our fleet of dedicated vessels bringing groundbreaking concepts to the industry. We are first. We go through the learning curve before others have even thought about it. We gain the knowledge needed to take the next step and this expertise allows us to anticipate industry developments – to understand what our customers are going to need in an ever-evolving landscape.

We are not bound by tradition. Our talented professionals look beyond the 'norm'. They develop new equipment, concepts, and technologies, so we can create opportunities and enter new markets - even create new markets.

We deliver

We build on decades of experience and knowhow to provide the safest, smartest and sustainable solutions for our customers, no matter how challenging the project. Our team will always go the extra mile to get the job done.

We understand our customers' business inside out and know how vital it is to complete projects on time and on budget. Our customers know we are a trustworthy and reliable partner.

Our dedication to continuous improvement and operational excellence means we are constantly innovating and refining our approach to deliver even greater value to our customers.

We deliver on our promises.
We deliver excellence.

Group performance 2023

22% surge in orderbook, turnover record high at 3.3 bn euro and profits on the rise

Highlights financial year 2023

Orderbook grew 22% year-over-year to 7,582 million euro, up from 6,190 million euro in 2022

Group turnover grew 24% year-over-year to 3,285 million euro, up from 2,655 million euro in 2022

EBITDA rose 26% year-over-year, reaching 596 million euro, or 18.2% of turnover, up from 474 million euro or 17.9% of turnover in 2022

Net profit increased 44% and amounted to 163 million euro compared to 113 million euro a year ago

Capital expenditure amounted to 399 million euro, compared to 484 million euro in 2022 reflecting continued investments in DEME's fleet

Strong free cash flow generation in the second half of the year contributing to a 512 million euro net financial debt position (or 0.9 times EBITDA) at the end of 2023 compared to 521 million euro (or 1.1 times EBITDA) at the end of 2022

Proposal for a **gross dividend of 2.1 euro per share**, an increase of 40% year-over-year

Outstanding results

"Our 2023, thanks to our capable and dedicated team at DEME, we delivered outstanding results, achieving a 24% growth in turnover and a 26% increase in EBITDA. These figures reflect the effective execution of a variety of projects around the world in all segments while the broader offshore wind market adapted to changing market conditions. In addition, the orderbook reached a robust 7.6 billion euro including sizeable wins across the board, which demonstrate DEME's strong market position and the healthy demand for our capabilities.

On the strength of these outstanding results, we enter 2024 confident in our ability to capture the growth opportunities ahead. DEME is strategically well positioned to continue playing a pivotal role in facilitating the transition to clean energy, addressing environmental challenges and ensuring the reliability and open access of marine trade. We are well equipped to navigate a dynamic market landscape and deliver on our sustained profitable growth ambition supported by our expanded and enhanced fleet capabilities, and our dedicated and highly skilled team." said Luc Vandenbulcke, CEO DEME Group.

Executive Summary

Driven by strong demand across all segments, the orderbook increased 22%, compared to 31 December 2022. This growth is mainly attributed to a series of contract awards in both the Offshore Energy and Dredging & Infra segments, and represents further global expansion.

All segments contributed to the Group turnover growth of 24%. In particular, Offshore Energy achieved an outstanding 57% growth in turnover, reflecting the execution of installation projects in Europe, Taiwan and the US, with the latter two regions illustrating the segment's geographical growth strategy. Additionally, Offshore Energy began to reap the benefits of its recently expanded capacity while further incorporating 'Green Jade', a new floating installation vessel and 'Viking Neptun', a cable laying vessel to its fleet in 2023. Dredging & Infra contributed a solid 5% growth in turnover, reflecting a solid performance and high utilisation starting in the second half of the year. The segment executed a range of projects globally, including maintenance and capital dredging activities. Environmental delivered a remarkable 48% increase in turnover, driven in part by increased market demand resulting from stricter environmental legislation as well as by sustained excellence in long-term projects, particularly in Belgium and the Netherlands.

In 2023, DEME generated an EBITDA of 596 million euro, or a 26% increase compared to the previous year. The EBITDA margin was 18.2%, up from 17.9% in 2022.

Dredging & Infra held its position as a key EBITDA contributor to the Group, with an 18.6% margin for the year, compared of 16.8% up from last year. Also Environmental delivered a solid increase in EBITDA margin to 16.8% from 12.1% last year, driven in part by a favourable settlement on a completed project. These increases offset the lower performance in Offshore Energy, which recorded a 15.4% margin, compared to 23.2% the previous year, that primarily reflects challenges in the start-up phases of two projects.

The increase in EBITDA yielded an increase in EBIT of 55% compared to 2022, reaching 241 million euro, equivalent to 7.3% of turnover.

In 2023, the Group's net result from joint ventures and associates amounted to a positive 3.2 million euro.

The net profit for the Group for 2023 was 163 million euro up from 113 million euro in 2022.

Operating working capital amounted to -471 million euro as of 31 December 2023 compared to -506 million euro a year ago. Capital expenditure for the year amounted to 399 million euro, a decrease from the 484 million euro invested in 2022, as the company continued its investment programme that was primarily focused on expanding and upgrading the fleet to support future growth.

DEME's financial position remains healthy with a net financial debt of 512 million euro (or 0.9 times EBITDA) compared to 521 million euro (or 1.1 times EBITDA) at the end of 2022.

Outlook

The following statements are forward looking, and actual results may differ materially.

Given the robust demand trends and a strong orderbook, DEME's management remains confident about the company's growth prospects and expects turnover to continue to grow in the coming years with an annual EBITDA margin in a 16% to 20% range each year.

For 2024, taking into account present geopolitical and market conditions, current orderbook and fleet capacity, management expects a turnover growth of at least 10% compared to 2023 with an EBITDA margin comparable to 2023.

For 2024, capital expenditure is anticipated to be between 300 and 350 million euro for the year, including fleet, upgrade, repair and maintenance investments. The company also expects to further reduce the net financial debt level in 2024.

Dividend

DEME's Board of Directors will propose to distribute a gross dividend of 2.1 euro per share to the General Assembly, representing an increase of 40% compared to last year. Subject to the approval of the General Assembly, the dividend payment date is proposed to be set at 27 May 2024.

Consolidated results for the financial year 2023

Financial figures

Orderbook⁽¹⁾

Year-over-year comparison (in millions of euro)	2023	2022	2021	FY23 vs FY22
Group	7,581.8	6,190.0	5,905.2	+22%

DEME's order backlog increased 22% reaching a level of 7,582 million euro compared to 6,190 million euro in 2022. The overall orderbook at year-end was 2.2 times the 2023 turnover.

The year-over-year increase was driven by continued strong demand and double-digit growth in all contracting segments.

Noteworthy additions in 2023 for the Offshore Energy segment included the

projects of Île d'Yeu and Noirmoutiers and Dieppe le Tréport in France, Baltic Power in Poland and Greater Changhua in Taiwan and for Dredging & Infra the Princess Elisabeth Island in Belgium, large dredging works in Abu Dhabi and the Port of NEOM project in Saudi Arabia.

From a geographical perspective all regions, except the Americas region, showed solid increases in 2023. While the breakdown illustrates DEME's presence in all

geographies, Europe continues to account for more than half of the orderbook. The aforementioned new projects in Abu Dhabi and Saudi Arabia boosted the orderbook for the Middle East region while the orderbook for the Americas moderated after a strong order intake in 2022 and 2021.

Orderbook run-off

The table represents future values, and actual results may differ materially.
(in millions of euro)

	Year N+1	Year N+2	Year N+3	Beyond Year N+3
Orderbook 2021	2,021.2	1,456.9	1,079.1	1,348.0
Orderbook 2022	2,307.5	1,612.4	1,448.2	821.9
Orderbook 2023	3,692.4	2,650.2	916.1	323.1

Orderbook by segment (in millions of euro)

	2023	2022	2021	FY23 vs FY22
Offshore Energy	3,754.7	3,260.9	2,816.6	+15%
Dredging & Infra	3,472.4	2,615.7	2,833.3	+33%
Environmental	354.7	313.4	255.3	+13%

Geographical breakdown (in % of total)

	2023	2022	2021	FY23 vs FY22 (in nominal value)
Europe	58%	55%	62%	+31%
Africa	5%	5%	7%	+29%
Asia	12%	13%	6%	+12%
America	18%	27%	25%	-21%
Middle East	7%	0%	0%	N/M

⁽¹⁾ Orderbook is the contract value of assignments that are acquired as of 31 December 2023 that is not yet accounted for as turnover because of non-completion. The amount includes DEME's share in the orderbook of joint ventures, but not of associates.

Turnover

Year-over-year comparison (in millions of euro)	2023	2022	2021	FY23 vs FY22
Offshore Energy	1,501.5	957.8	916.4	+57%
Dredging & Infra	1,604.6	1,524.3	1,478.3	+5%
Environmental	304.3	206.3	166.2	+48%
Concessions	5.0	2.2	1.5	+125%
Total turnover of segments	3,415.4	2,690.6	2,562.3	+27%
Reconciliation ⁽²⁾	-130.0	-35.9	-51.7	
Total turnover as per financial statements	3,285.4	2,654.7	2,510.6	+24%

As a group, DEME achieved a historic milestone by surpassing 3 billion euro in turnover for the first time. The turnover of the Group grew 24% year-over-year fuelled by strong growth in Offshore Energy and Environmental of 57% and 48%, respectively.

Notably, Offshore Energy delivered strong turnover growth, accelerating the conversion of orderbook into turnover as it started to leverage its expanded

fleet capacity. The Dredging & Infra segment witnessed a boost in activity levels during the second half of the year, overcoming a -4% decline for the first half to a +5% growth over the full year. The Environmental segment sustained positive growth, primarily driven by its strong positioning within an increasingly stringent environmental regulatory landscape.

DEME's worldwide expansion strategy is well represented in the geographical

breakdown of the turnover, with strong growth in the Americas region, the Middle East and Asia. The European market grew at a more moderate pace and represented 63% of the global turnover in 2023 compared to approximately 75% in previous years, yet it clearly remains DEME's core region.

Geographical breakdown (in % of total)

	2023	2022	2021	FY23 vs FY22 (in nominal value)
Europe	63%	75%	74%	+3%
Africa	8%	12%	19%	-20%
Asia	8%	8%	5%	+27%
America	18%	5%	2%	+379%
Middle East	3%	0%	0%	N/M

⁽²⁾ The reconciliation between the segment turnover and the turnover as per financial statements refers to the turnover of joint ventures. They are consolidated according to the proportionate method in the segment reporting but according to the equity consolidation method in the financial statements.

Profitability

Year-over-year comparison (in millions of euro)	2023	2022	2021	FY23 vs FY22
EBITDA	596.5	473.9	469.3	+26%
EBITDA margin	18.2%	17.9%	18.7%	
Depreciation & impairment expenses	-355.2	-318.7	-326.0	+11%
EBIT	241.3	155.2	143.3	+55%
EBIT margin	7.3%	5.8%	5.7%	
Net profit	162.8	112.7	114.6	+44%
Net profit margin	5.0%	4.2%	4.6%	
EPS (in euro)	6.43	4.45	4.53	+44%

DEME realised an EBITDA of 596 million euro in 2023 (18.2% of turnover), a 26% increase from 474 million euro (or 17.9% of turnover) in 2022, which included the liquidated damages associated with the late delivery of 'Orion'.

EBITDA for Dredging & Infra demonstrated profitability improvement in the second semester driven by increased occupancy and a more favourable project phasing, resulting in an 18.6% EBITDA margin for the year. Also, the Environmental segment contributed a solid EBITDA margin of 16.8% reflecting successful project execution and the positive impact of the settlement on a completed project.

EBITDA for Offshore Energy improved during the second half compared to a relatively weak first half although EBITDA for the year was impacted by losses recorded on projects in the US and Taiwan⁽³⁾.

In the second half of the year, DEME sold 'Groenewind', an offshore service operation vessel, to Cyan Renewables for a gain on disposal of 13 million euro.

With a robust EBITDA, EBIT reached 241 million euro, or 7.3% of turnover, an increase of 55% from the 155 million euro, or 5.8% of turnover recorded in 2022.

Depreciations and impairments increased to 355 million euro compared to 319 million euro in 2022. The higher level of depreciation costs in 2023 is attributed primarily to the investments in 'Orion', DEME's largest offshore installation vessel, that was added to the fleet mid-2022, and in 'Viking Neptun', a cable laying vessel that was integrated into the fleet in the first half of 2023. The amount also includes a 13 million euro impairment for 'Al Jarraf', one of DEME's cutter suction dredger vessels.

In 2023, the net results from joint ventures and associates amounted to 3 million euro, with the net result of the Concessions segment contributing 37 million euro compared to 9 million euro a year ago. This increase was partly driven by higher wind production, increased electricity prices, and the impact of new legislation in Belgium. However, the positive contribution from the Concessions segment was partially offset by the result of DEME's Taiwanese offshore joint venture company, which absorbed project losses on the Zhong Neng project in Taiwan.

The net profit for 2023 amounted to 163 million euro, marking a 44% increase from 113 million euro in 2022.

As a result, earnings per share were 6.43 euro compared to 4.45 euro in 2022 and 4.53 in 2021..⁽⁴⁾

⁽³⁾ Joint ventures are consolidated according to the proportionate method in the segment reporting but according to the equity consolidation method in the financial statements. The project in Taiwan is managed by CDWE, a joint venture in which DEME holds a 50% participation.

⁽⁴⁾ Pro forma assuming the same amount of shares for 2021 as shares in 2022 and 2023 (25,314,482 shares).

Net financial debt and balance sheet

(in millions of euro)	2023	2022	2021	FY23 vs FY22
Operating working capital	-471.3	-506.2	-511.1	+34.9
Investments	398.9	483.9	282.0	-85.0
Net financial debt	-512.2	-520.5	-392.7	+8.3
Free cash flow	61.6	-80.4	130.7	+142.0

The investments⁽⁵⁾ in 'intangible assets' and 'property, plant and equipment', as of 31 December 2023, amounted to 399 million euro compared to 484 million euro a year ago.

Investments in 2023 included 'Viking Neptun', DEME's new cable laying vessel which was officially added to the fleet in the first half of 2023, capitalised maintenance investments in DEME's fleet, and modification investments and conversions for 'Sea Installer' and 'Yellowstone', a fallpipe vessel converted from a former bulk carrier and expected to join DEME's Offshore fleet in the first half of 2024.

Excluded from this investment amount is the expenditure for the 'Green Jade', the latest offshore wind installation vessel, which was constructed in Taiwan by CDWE, a joint venture between CSBC, the largest shipbuilder in Taiwan, and DEME and added to the fleet in the summer of 2023.

Operating working capital⁽⁶⁾ amounted to -471 million euro as of 31 December 2023 compared to -506 million euro in the previous year.

The net financial debt⁽⁷⁾ was -512 million euro as of 31 December 2023, a slight improvement of 8 million euro compared to 31 December 2022 and a reduction

of 203 million euro compared to 30 June 2023. Net financial debt over EBITDA at the end of 2023 was 0.86 compared to 1.09 a year ago and 1.41 at the mid-year point 2023.

Free cash flow⁽⁸⁾ for the year was positive amounting to 62 million euro, up from -80 million euro the year before, mainly thanks to a strong cash flow generation in the second half of the year.

⁽⁵⁾ Investments is the amount paid for the acquisition of 'intangible assets' and 'property, plant and equipment'. These investments exclude investments in 'financial fixed assets'.

⁽⁶⁾ Operating working capital (+ is receivable, - is payable) is net working capital (current assets less current liabilities), excluding interest-bearing debt and cash & cash equivalents and financial derivatives related to interest rate swaps, including other non-current assets and non-current liabilities (if any) as well as non-current financial derivatives (assets and liabilities), except for those related to interest rate swaps.

⁽⁷⁾ Net financial debt (+ is cash, - is debt) is the sum of current and non-current interest-bearing debt (that includes lease liabilities) decreased with cash and cash equivalents.

⁽⁸⁾ Free cash flow is computed as the sum of cash flow from operating activities and cash flow from investing activities decreased with the cash flow related to lease repayments that are reported in the cash flow from financial activities.

ESG Progress

Environmental

EU Taxonomy (in %)	2023	2022	2021	FY23 vs FY22
Turnover				
Taxonomy-eligible activities	42	29	28	+45%
Taxonomy-aligned activities	33	26	24	+27%
CapEx				
Taxonomy-eligible activities	49	52	32	-6%
Taxonomy-aligned activities	49	52	32	-6%

Based on the current interpretation of the rules regarding the EU Taxonomy, DEME's eligible activities expanded in 2023 beyond offshore wind and rail infrastructure to now also include parts of DEME's environmental activities, such as remediation of contaminated sites and soil and sediment management.

As a result of this expanded scope and stronger growth in eligible activities, 42% of the total turnover is now eligible compared to 29% in 2022. 33% of the turnover is now qualified as aligned compared to 26% last year.

Taxonomy-eligible and aligned capital expenditures remained in the same range at 49%, compared to 52% last year in 2022.

In the sections below we provide some more insights on these developments.

Transition to clean energy (megawatts)	2023	2022	2021	FY23 vs FY22
MW installed wind turbines	712	440	2,378	+62%
MW installed foundations (Contributed capacity) ⁽⁹⁾	1,212	2,798	1,867	-57%

DEME continued to execute its strategy to promote the transition to clean energy, installing more than 700 MW of wind turbines and 1,212 MW of foundations in 2023, compared to respectively 440 MW of turbines and 2,798 MW of foundations in 2022.

the primary vessels. These contributions in offshore wind farm projects were made in Europe (France, The Netherlands, Denmark and the UK, in Asia (Taiwan) and in the US.

The Dredging & Infra segment is engaged in constructing the Fehmarnbelt Fixed Link, the world's longest immersed road and rail tunnel between Denmark and Germany, promoting future sustainable trade and tourism, reducing travel time, and facilitating greener transport by

the use of electric trains. The segment is also advancing the design of the Princess Elisabeth Island in Belgium, the world's first artificial energy island and offshore energy hub and a key link in Europe's future North Sea energy grid. Main construction will start in 2024 and continue through 2026.

Finally, DEME is also actively engaged in diverse renewable energy initiatives, including the production and storage of green hydrogen.

⁽⁹⁾ Contributed capacity is calculated counting the total number of foundations installed by DEME during the reporting period (between 1 January and 31 December) and multiplying by the corresponding turbine capacity. The turbine capacity is also called the rated power of the turbine. Each installed turbine has a specific rated power, expressed as a number of megawatts (MW).

Greenhouse Gas (GHG) footprint & Energy management (in % of total volume)	2023	2022	2021	FY23 vs FY22
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Low carbon fuels ⁽¹⁰⁾	10.3%	6.0%	N/A ⁽¹¹⁾	+4.2ppts ⁽¹²⁾
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DEME Group has set a clear target to reduce its GHG intensity by 40% by 2030 (compared to 2008), in line with the decarbonisation trajectory outlined by the International Maritime Organisation (IMO). In May 2023, an independent third party verified that DEME already demonstrated a reduction in GHG intensity of 27% at the end of 2022.

In addition to enhancing the fleet's energy efficiency, DEME is also working to effectively increase the utilisation of low carbon fuels compared to conventional ones. In 2023 the consumption of low carbon fuels amounted to 10.3% of

the total volume consumed, a notable improvement from 6.0% in 2022 and surpassing the 8.0% target set for 2023.

DEME also expanded its sustainable operational capacity with the addition of 'Viking Neptun', a cable laying vessel, and the inauguration of 'Green Jade', a new offshore installation vessel, both fully compliant with the latest emission standards and equipped with the most advanced environmental technology including fuel saving measures and innovations such as a waste heat recovery system.

Further enhancing its fleet, DEME is transforming 'Yellowstone', from a bulk carrier to a fallpipe vessel to join the fleet in the first half of 2024. 'Yellowstone' is set to become the sector's pioneering dual fuel fallpipe vessel and will be fully compliant with the latest emission standards and prepared for (green) methanol. The vessel also features a hybrid power plant with a 1 MWh Li-ion battery, providing additional fuel-saving benefits.

⁽¹⁰⁾ Low carbon fuels combine the fuels for which the CO₂ emissions are lower compared to conventional fuel (marine gas oil). This category includes fuels such as liquefied natural gas (LNG) and blended biofuels.

⁽¹¹⁾ The first reliable measurement took place in 2022.

⁽¹²⁾ ppts: percentage points

Social

Employees force (in FTE)	2023	2022	2021	FY23 vs FY22
Average # personnel	5,334	5,153	4,880	+4%

To continue supporting the Group's short- and long-term growth, significant investments are being made in retaining and attracting human capital and talent. Several initiatives are underway,

with the most prominent being DEME's 'Where Next?' programme featuring targeted career days, participation in job fairs and events.

In 2023, the Group's workforce expanded reaching an average of 5,334 full-time equivalents (FTEs), marking a 4% increase from the previous year.

Safety (Worldwide LTIFR) ⁽¹³⁾	2023	2022	2021	FY23 vs FY22
Worldwide Lost Time Injury Frequency Rate	0.19	0.23	0.19	-17%

Safety is ingrained in DEME's core values and evidenced in the worldwide LTIFR. The worldwide LTIFR for the year stood at 0.19, a notable improvement compared to 0.23 in 2022 and better than the target level of 0.20.

The Group intensified its focus on essential Safety Key Performance Indicators (KPIs), consistently meeting or surpassing targets for toolbox meeting participation, incident reporting, closure of action items, observations, inspections, and incident investigations.

Sustainable innovation

The latest edition of the DEMEx programme which focuses on disruptive and transformational innovation, had its final showcase event in June 2023.

It was a powerful illustration of how firmly innovation and sustainability are embedded in the heart and minds of the DEME team and made it tangible in

powerful initiatives. Out of nine innovative ideas proposed at the final event, three were selected by the Group's Innovation Board to be further developed.

Governance

Board structure

During the Annual General Meeting, held on 17 May 2023, the shareholders approved the appointment of Karena Cancilleri, as an independent director for four years.

Business ethics

Business ethics remains a consistent focal point for DEME, with ongoing refinement of compliance processes, exemplified by 99% of DEME's staff participating in the annual internal compliance training course.

Other ESG accomplishments

To realise DEME's ambitious sustainability goals in all aspects of its activities, the Group converted its long-term financing into sustainability-linked loans in the course of 2022. This commitment underlines DEME's vision of achieving a sustainable future and at the end of 2023 represented a total value of 649.7 million euro. The commercial terms of those loans are directly linked to DEME's sustainability performance in two areas: (1) safety at

work and (2) use of low-carbon fuel, which are in line with two material topics of its current Materiality Matrix. Meeting or not meeting the targets set for key performance indicators (KPIs) have an impact on the interest margins applied to sustainability-linked loans. In 2023, DEME achieved the goal for both KPIs.

Regarding ESG assessments in 2023, DEME Group attained an 'A' – score from MSCI and a first Sustainalytics score as a separate company of 31.8. DEME Offshore received an Ecovadis silver medal, a shift from the gold medal in 2022 primarily influenced by a re-baselining of the assessment parameters. The Carbon Disclosure Project CDP score for DEME Offshore maintained a 'B' rating in 2023, mirroring the outcome from 2022.

⁽¹³⁾ The Worldwide Lost Time Injury Frequency Rate (Worldwide LTIFR) is the metric reflecting accidents of employees and temporary employees involving work incapacity (≥ 24 hours or ≥ 1 shift) multiplied by 200,000 and divided by the number of hours worked. The 'Worldwide' method is a risk-based method that combines 'risk level rate' (= event that resulted in the injury) and 'injury rate' (= type of injury). To determine if an incident scores as 'Worldwide', the 'risk level rate' and 'injury rate' are multiplied.

02

Strategy



Relevant market drivers

In monitoring and developing DEME's corporate strategy we keep a keen eye on global megatrends and assess the implications on our business landscape. We have decided to focus our efforts on four global challenges where we can make the biggest impact with our innovative and comprehensive solutions.

01. Global climate change

Under the heading of global climate change, a number of challenges arise such as the need to limit emissions, rising sea levels, and the scarcity of mineral resources required for the energy transition.

Reducing emissions & tackling climate change

The drive to achieve the ambitious goals of the Paris Agreement is becoming more urgent as countries try to slow global warming and move away from fossil-based fuels. The clean energy transition is seeing increasing demand for offshore wind energy and a focus on the importance of future fuels such as green hydrogen.

Rising sea levels and extreme weather events

With much of the world's population located along the coast and global warming leading to rising sea levels and more extreme weather events, the demand for coastal protection works is increasing, and there is a growing sense of urgency. DEME has been applying its proven coastal protection solutions for decades and in line with its sustainability goals, it is also looking for possibilities to use nature-inspired solutions. These re-examine traditional, unsustainable coastline and river embankment management methods and instead aim to develop circular, nature-based solutions.



Scarcity of mineral resources & increasing electrification

The growth in the world's population, urbanisation, increasing wealth and the energy transition are leading to unprecedented demand for electrification and in turn, the demand for minerals. Many of today's clean energy technologies

are reliant on the plentiful supply of critical minerals. For example, the International Energy Agency forecasts that to meet climate goals, cobalt supply will need to increase 21-fold and nickel 19-fold by 2040.

02. Environmental challenges

Tackling polluted soil and the need to create and protect land

It is even more important today to value precious land resources and as the population continues to grow the demand for new residential or industrial areas will only continue. Therefore, it is crucial to be able to remediate polluted brownfield sites and give them a valuable new purpose. With the increasing focus on promoting a sustainable and circular economy, it is essential to clean and reuse as much of the cleaned material as possible.



03. Growing population and urbanisation

Growing population and urbanisation and the need for coastal protection and land reclamation

According to the UN, the global population is expected to climb to more than 9 billion by 2050. Currently around 40% of the population lives within 100 km of the coast and 10% live in coastal areas that are less than 10 m above sea level, leaving them highly vulnerable to sea-level rise and other weather events such as storm surges. This means that flood defence solutions are vital and will become even more important in the future. Additionally, growing urbanisation makes it necessary to invest in land reclamation and new infrastructure.

04. Increasing maritime trade activity

Globalisation and the growth in world trade and its impact on marine infrastructure

Over the past decades, globalisation has led to a substantial increase in international trade between countries worldwide, which in turn means that existing supply chains and trade routes are developing, and new ones are being created as geopolitical and macro-economic forces shift current trading patterns. This requires new ports or the expansion of existing facilities, together with their access channels and other marine infrastructure.

Another major trend is that vessels – whether containerships, bulkers or tankers – are getting bigger. Berths, fairways and turning basins have to be dredged and widened to accommodate the next generation of vessels.



Purpose, mission and strategic ambition

Purpose

We aim for a better, liveable world and sustainable future by creating value for all our stakeholders. Together with our customers and stakeholders, DEME goes beyond borders, to explore, to challenge and to deliver solutions to face the global challenges our planet is confronted with.

Mission & strategic ambition

DEME builds a better, liveable world by offering solutions at the interface of land, water and energy. We specialise in Offshore Energy, Dredging, Marine Infrastructure, Environmental projects and Concessions. We deliver these projects in a safe, sustainable and efficient way.

DEME's leadership and growth are based on a combination of the best people, the right assets, renowned technical leadership and effective resource allocation. DEME uses these four enablers to ensure its market position and technological leadership in the markets it serves.



Strategic enablers

DEME is committed to achieving its strategic ambition of solidifying its leadership position in providing solutions for global challenges. By leveraging these key strategic enablers, the company will continue to pursue its vision for the future.

01. The best people

DEME has a seasoned, highly skilled and committed workforce, making the company a reliable solution provider which customers can trust.

Our track record of robust execution includes the most challenging and complex projects in the world today. The commitment of DEME's team is exceptional, and we are well equipped to continue to deliver on our promise, based on our unique capabilities and deep industry knowhow and expertise.

02. The right assets

DEME has the right assets to deliver projects. Its state-of-the-art fleet and equipment enable DEME to take on the most challenging projects. We understand what is needed and combine the right set of assets to deliver our customers' projects on time and within budget.

DEME's dedication to innovation is evident in its pioneering technologies for assets, which enable it to tackle complex maritime projects with unprecedented efficiency and precision. DEME remains at the forefront of the industry and anticipates the future needs and challenges of its customers.

Besides assets, DEME is constantly refining its processes and methodologies to minimise its environmental footprint, ensuring that its work leaves a lasting positive impact on the planet.

03. Technical leadership

Innovation and investments give DEME the competitive edge and positions the company as a front runner. For almost 150 years we have pushed boundaries to excel in the markets we serve. DEME's unwavering commitment to break ground has propelled it to the forefront of industry trends. The company relentlessly explores cutting-edge technologies, embracing innovation to tackle the most complex marine challenges and to continue to deliver on the most demanding projects.

DEME's team of highly skilled engineers and professionals is constantly refining and enhancing its methodologies, ensuring that DEME delivers sustainable, long-lasting solutions.

To further strengthen this capability, DEME also continues to invest in exploring new pioneering initiatives and techniques where we can leverage our capabilities and people.

04. Economies of scale and scope

Today, the company is organised around optimising its operational excellence and this is set to continue. At the same time, the company wants to balance its resource allocation (capital investments and human capital development) and as a result, wisely spend the available resources and invest in the right initiatives to fuel growth and further strengthen the leadership position of DEME.

Additionally, and as a result of a continued, disciplined capital allocation policy, the company has a healthy balance sheet and a balanced debt level, allowing it to continue to invest in its mid- and long-term future, and to move swiftly when opportunities arise.

01. The best people

The best people in the industry

Our 5,300 highly skilled professionals demonstrate their innovative, entrepreneurial spirit every day – continually pursuing operational excellence and always with the legendary ‘can do’ attitude. They strive to find smart solutions for our customers, even when faced with seemingly impossible challenges.



Approximately half of the team are our amazing crew. DEME has a specialised fleet of more than 100 vessels. We continually upgrade our fleet and introduce new pioneering concepts to our way of working, pushing the boundaries – becoming more efficient, faster.

Expert crew

The expertise and experience of our crew members is vital in this demanding environment. They are the ones making a huge effort in the field, ensuring that projects are kept firmly on track. Their hard work, dedication and ingenuity directly contributes to the smooth running of our vessels and in turn, DEME's accomplishments.

Our projects demand a very high level of training. DEME is not just sailing from A to B. The crew is active on a complex vessel which has to operate smoothly and safely 24/7.

DEME takes pride in its exceptional team, recognising their unique talents, skills, and capabilities. We understand that our industry is often demanding and versatile, requiring our people to be adaptable and flexible in the face of complex projects. Their contributions are invaluable, and we strive to foster an environment where their expertise is nurtured and appreciated.

Therefore, we continually invest in their education, providing extensive tailored training programmes, so they can develop themselves, direct and shape their careers, and achieve their ambitions.



Unusually today, DEME also provides the possibilities for lifelong careers – whereby people can work in our different core activities or if they have been a seafarer, and wish to return to shore, DEME always does its best to accommodate them.

DEME is also growing and expands its operations on international scale, which means that our people have to be flexible and open to the wonderful, multicultural organisation we are today. Currently, we have employees from 80 nationalities.

Welcoming 500 new talents

The DEME world is undoubtedly an exciting one – we could be constructing a wind farm in the North Sea, an energy island or developing groundbreaking new sectors such as sustainable deep-ocean mineral exploration or green hydrogen production. This fast-paced world means that we need to extend our team. In 2023, we welcomed more than 500 new talents.

Our employer branding campaign 'Where next?' was launched in five countries and proved a big hit. In 2024, we will extend it to other countries. Even though there is intense competition for the

best people in the industry, we will never compromise on the quality of our people and always target the top talents. Many of our new team members are attracted to join DEME because they want to contribute to a better, liveable world.

International environment

Given our growth and increasing presence worldwide, such as our projects in the US, Middle East and Asia, we are also revamping our management development programmes with new training courses for first time, seasoned and strategic leaders, complemented with an accelerated track. DEME's internationalisation is reflected in the programmes, such as cultural differences in doing business, and this will allow us to achieve new challenges and operate successfully in completely different environments.

It is our wonderful people that allow us to make strategic progress and deliver on our promises to create a better, more sustainable world. We are very proud of them!

Second DP3 floating offshore installation vessel joins the fleet

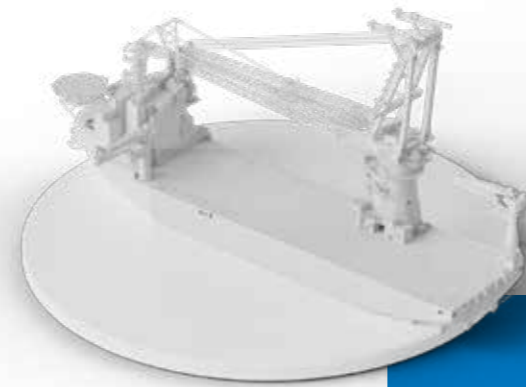
Able to perform floating offshore installations, particularly foundations for the largest wind turbines, the DP3 monohull heavy lift vessel 'Green Jade' entered service in July 2023, and went directly to its first project, smoothly installing the first jacket foundation at the Zhong Neng offshore wind farm in Taiwan.

Built to handle the next generation of mega wind turbines, foundations and components, and owned by the joint venture CSBC-DEME Wind Engineering Co Ltd (CDWE), 'Green Jade' is equipped with a 4,000-tonne, fully electric crane. The new vessel proved its capabilities straight away, lifting and installing the 2,000-tonne foundations at Zhong Neng with ease, and despite challenging weather conditions, the 'Green Jade' experienced little downtime.

The newbuild is designed to work in deeper waters and difficult environments such as those found in Taiwan, which can be prone to earthquakes and typhoons. These conditions mean that jacket foundations are used instead of monopiles and given this requirement, 'Green Jade' is equipped with an enormous, obstacle-free deck for the mega foundations, and it has an exceptionally high load capacity.

'Green Jade' is equipped with an efficient powerplant and has several innovative sustainable features such as a waste heat recovery system that converts heat from the exhaust gases into electric power that can be used aboard. As the vessel has a fully electric crane, significant fuel savings are also possible.

Following on from Zhong Neng, 'Green Jade' is set to work on the Hai Long wind farm in Taiwan, which will generate more than 1 GW of clean electricity.



02. The right assets

DEME Fleet

With more than 100 specialised vessels in its fleet, DEME undeniably has the most modern and technologically advanced fleet in the industry. The ongoing investment in its fleet ensures that DEME anticipates the future needs of its customers, and that it can achieve its ambition of becoming carbon neutral by 2050.

The diverse fleet includes groundbreaking vessels such as 'Orion' and 'Green Jade', which bring a game-changing floating installation concept to the offshore energy market. DEME also operates 'Spartacus', the most powerful mega cutter suction dredger in the world, and two state-of-the-art cable layers, which have unrivalled cabling capacity. Soon the fleet will also be joined by 'Yellowstone', the largest fallpipe vessel in the sector.

With DEME's ambition to have the most sustainable fleet in the industry, several vessels already have dual fuel engines and are capable of running on the cleanest fuels available, and indeed two feature a hybrid power plant. Additionally, 'Yellowstone' will actually be the first in the fleet to be prepared for (green) methanol.

Listening carefully to customers, DEME continuously invests in upgrading its vessels to meet future demands. One example is the upgrading of 'Sea Installer' and 'Sea Challenger' by boosting their crane capacity to 1,600 tonnes so they are fully prepared for the next generation of XXL offshore wind farm components.

100+ vessels



20
specialised
vessels
dedicated to
offshore energy



50+
specialised
vessels
dedicated to
dredging



'Green Jade' on its first assignment, installing jacket foundations at the Zhong Neng offshore wind farm in Taiwan.

Addressing growing demand with DP3 cable laying vessel 'Viking Neptun'

'Viking Neptun' is the second major DP3 cable laying vessel in the DEME fleet. Built to Norwegian quality standards, the offshore installation vessel was acquired from the Norwegian shipping company Eidesvik. The vessel performed its first assignment for DEME in 2023, installing inter-array cables for Dogger Bank, which is currently the largest offshore wind farm in the world.

The DP3 vessel – just like DEME's renowned cable layer 'Living Stone' – has a very high cable carrying capacity of 4,500 tonnes below deck. However, DEME will boost this capacity substantially by adding a second 8,000-tonne cable turntable on deck in 2024.

In a first for the DEME fleet and highlighting the company's efforts to have the most sustainable fleet in the industry, 'Viking Neptun' has a hybrid power plant with a large battery pack of 1.7 MWh installed. This allows the vessel to run on diesel or batteries, leading to substantial fuel savings of 10-15%.

Fully compliant with international environmental standards, 'Viking Neptun' features advanced technology resulting in efficiency gains and fewer emissions, such as a combinator curve for the main propeller and a smart ventilation system.

Impressive power of 22,700kW is combined with great seakeeping and DP abilities, enabling the vessel to work in the harshest conditions. At 145 m in length, 'Viking Neptun' has a spacious, unobstructed deck and a 400-tonne active heave compensated knuckle boom crane.

As well as the upcoming cable carousel, DEME has already equipped the vessel with a complete cable installation system, including stainless steel cable laying chutes over the stern. A high-capacity trencher to plough a route in the seabed is due to be added in the future.

Having two of these mega cable layers in the fleet allows DEME to be even more flexible, enabling the company to swiftly respond to customer demand.



DP3 cable installation vessel 'Viking Neptun' features a very high cable carrying capacity.

Boosting crane capacity of 'Sea Installer' to handle XXL turbines

In order to be able to handle the XXL offshore wind turbines of the future, DEME's well-known turbine installation vessel 'Sea Installer' successfully underwent a major upgrade that boosted its crane capacity to 1,600 tonnes, amongst other improvements.

The new crane is a fully electric leg encircling crane with an ultra-long boom. In addition, Sea Installer's beam was increased by 7 m by adding sponsons on both sides. The spud legs were extended by 10 m, the jacking system was upgraded, a water ballast treatment plant was added and the accommodation capacity increased. Sea Installer's sister vessel, 'Sea Challenger' is also set to undergo the same conversion.



'Sea Installer', equipped with its upgraded 1,600-tonne crane, installing 13 MW turbines at the Vineyard Wind 1 offshore wind farm in the US.

Expanding capabilities with geophysical survey vessel 'Karina'

Our specialised geophysical survey subsidiary, G-tec, expands its service offering with the addition of 'Karina', a new geophysical survey vessel.

'Karina' boasts a permanent suite of cutting-edge technology, including a hull-mounted dual-head multibeam, side scan sonar, sub-bottom profilers, magnetometers, and gradiometer frames. This comprehensive outfitting allows the vessel to tackle a wide range of projects, including UXO (Unexploded Ordnance) surveys.

Particularly well-suited for 2D and 3D Ultra-High Resolution Seismic (UHRS) acquisition, 'Karina' excels due to its exceptionally low acoustic signature. Additionally, the vessel operates with fuel efficiency, even at high speeds, with the capability to run entirely on biofuel, minimising environmental impact.

This DP2-equipped 55 m vessel enters service in 2024 and will immediately start working on a series of planned geophysical survey projects.



'Yellowstone', largest DP2 rock installation vessel in the world set to join the fleet

In order to quickly gear up for increasing demand for scour protection and rock dumping, DEME is investing in the biggest DP2 fallpipe vessel in the world. The new fallpipe vessel is ideal for the longer transit times needed in the US offshore wind industry for example.

A former Supramax bulk carrier is being converted into a 192-m fallpipe vessel that will boast an enormous payload of 37,000 tonnes - doubling the capacity of DEME's existing vessels. The conversion will include a new powerplant and (DP) propulsion system, the creation of two large rock holds with an ample sized moonpool in between, rock handling systems, as well as an upgrade of the accommodation and the construction of a new bridge.

In line with DEME's vision to become climate neutral by 2050 and ambitions to have a net zero GHG vessel, the fallpipe vessel will be the first in the fleet to be prepared for (green) methanol. Additionally, 'Yellowstone' will have a hybrid power plant with a 1 MWh Li-ion battery, making it possible to achieve 10-15% in fuel savings, especially in DP mode.

'Yellowstone' is being equipped with a central vertical fallpipe for water depths of 600 -700 m. A large inclined fallpipe, designed for shallow depths of 30 - 50 m, is also being installed, making it much easier to get closer to monopiles when placing scour protection.

The fallpipe vessel will join the DEME fleet in the coming months.



To meet increasing demand in the offshore energy sector, DEME invests in a new fallpipe vessel.

03. Technical leadership

Leveraging innovation to tackle global challenges

DEME is renowned for its innovative thinking, enabling the company to excel in technological advancements and pioneer into new markets. This capability has solidified DEME's position as a front runner.

Ultimately, innovation enables DEME to work towards its sustainable goals to create a cleaner, greener planet for generations to come. One way DEME stimulates innovation is through its disruptive, transformational programme, DEMEx. This initiative, which is launched every four years, aims to create new business by imagining future worlds and offers smart solutions to global challenges.

Hundreds of new ideas are suggested by employees during the initial phase and the DEME Innovation Board then selects those ideas that have the most potential from different points of view.

Answering the demand for clean energy

A major global challenge is of course, climate change and extreme weather events. Given DEME's remediation and environmental expertise, two teams

are now working on the development of ground-breaking solutions in this context. Then with the demand for clean and stable energy supplies, a third team is developing a novel energy storage solution.

Crucially, the DEMEx campaign and other innovation initiatives are an important part of the culture of the Group. DEME encourages the younger generation to anticipate future trends and challenges and come up with solutions. This innovative culture not only helps DEME attract youngsters who want to work for such a progressive company, but in turn, it helps DEME attract talent and retain it; vital for a sustainable company.

By imagining future worlds and by working together to find business opportunities and sustainable solutions, it is a win-win for both DEME and our planet.

Additionally, DEME regularly launches

fast-track 'Alternatives, Value, Innovation, Smarts and Optimisations' (AVISO) campaigns for specific challenges such as underwater data centres, landfill redevelopment and wave energy.

In 2023, the Innovation and Sustainability teams also worked together to support the DEME 'Captains and Chief Engineers' Summit. The company is aiming to reduce greenhouse gases on an operational and technical level and recognises that the crew is an invaluable source of great ideas to support DEME becoming more sustainable.

Fostering partnerships that drive innovation

Acknowledging that addressing global challenges requires collaboration, the company is also adopting a more open approach to innovation and exploring opportunities with external partners such as port authorities and utility providers.

DEME already has a very high maturity level in terms of innovation but by working together with strategic partners with different perspectives, DEME is sure that solutions can be found more swiftly.

Our partnership with Foss Maritime for the Vineyard Wind 1 offshore wind farm is an example of such collaboration. The groundbreaking feeder barge concept we developed together for the US offshore wind market represents cutting-edge engineering, patented solutions, and tailored modifications to our respective vessels.

Another example is the offshore foundation drill we developed with Herrenknecht to install foundations at the Saint-Nazaire offshore wind farm in France. The offshore foundation drill has successfully demonstrated its capabilities and will again be deployed at the Noirmoutier offshore wind farm.



In a partnership with Foss Maritime, DEME developed a groundbreaking feeder barge concept for the US offshore wind market.



04. Economies of scale and scope

Portfolio benefits, supported by operational excellence and financial profile

Today, in a competitive, project driven business environment, the company is organised around optimising its operational excellence and will further pursue this trajectory. We aim to meet customer expectations while improving our operational process. At the same time, the company wants to balance its resource allocation (capital investments and human capital development) and invest in the right initiatives to fuel growth and further strengthen the leadership position of DEME.

Focus on operational excellence

Throughout the organisation, DEME continuously seeks to improve its performance year after year. This commitment is exemplified by our company-wide and multi-year 'Digital Vision' programme, aimed at aligning our operations to support future growth. This comprehensive initiative encompasses various aspects, including the optimisation of processes, establishment of a digital workplace, and data-driven decision-making to foster integrated insights and facilitate swift value-driven actions. In pursuit of

these goals, we collaborate with leading IT and AI partners such as Microsoft. Another significant endeavour is the 'Fleet Efficiency Programme', a two-year transformation initiative launched in 2023. This programme aims to overhaul DEME's maintenance processes, encompassing routine maintenance, major repairs, and organisational oversight. The overarching objective is to ensure the reliability of DEME's vessels while enhancing efficiency and cost-effectiveness to support the company's future expansion.

Healthy balance sheet

Additionally and as a result of a continued, disciplined capital allocation policy, the company has a healthy balance sheet and a sound debt level, allowing it to continue to invest in its mid- and long-term future, and to move swiftly when opportunities arise. The company maintains strict discipline regarding its debt position and remains below the limit of net financial debt over EBITDA below 3, as set forth in the covenants.

Portfolio perspectives

DEME has an effectively diversified portfolio of activities, mitigating risks and yielding multiple benefits:

Risk resilience

Operating in various segments within the project business, the company's track record demonstrates that challenges in one sector are often balanced by opportunities in another. This resilience has served as a stabilising factor throughout the company's history.

Cross-over effects

By sharing resources, assets, and expertise across different segments and activities, DEME generates mutual benefits throughout the organisation, fostering synergistic effects.

Growth platform

With its current focus on the interface between soil, water and energy, DEME's diversified portfolio provides a robust foundation for stimulating innovation and driving future growth initiatives. This strategic positioning offers ample opportunities for the development of new ideas and expansion into emerging markets.

Besides being a growth platform to the business, this portfolio perspective yields career opportunities, for new hires as well as in terms of internal mobility.



The simulator serves as a digital twin for offshore installation vessel 'Orion'.

03

Segments



How DEME is organised

DEME has evolved into a global provider of sustainable marine solutions, structured into four distinct segments, each serving a specific market and operating with its own unique assets, revenue model, and growth strategies.

Global leader in offshore energy, dredging & infra and environmental solutions



⁽¹⁾ Breakdown compared to the 2023 total turnover of segments



Offshore Energy

The Offshore Energy segment provides engineering and contracting services globally in the offshore renewables and non-renewables industry. These activities are carried out with a fleet of specialised offshore vessels. In offshore renewables, the segment is involved in full EPCI contracts for offshore wind farms. This includes the engineering, procurement, construction and installation of foundations, inter-array cables, export cables and substations.

In the non-renewables industry, the segment performs landfalls and civil works, rock placement, heavy lift, umbilicals, as well as installation and decommissioning services. Furthermore, the segment also provides geoscience services and the installation of suction pile and anchors.



Dredging & Infra

Across the globe, DEME carries out a comprehensive range of dredging activities, including capital and maintenance dredging, land reclamation, soil improvement, port construction and coastal protection. These activities are executed with a fleet of specialised dredging vessels, various types of auxiliary vessels and earthmoving equipment. The segment also provides contracting services for marine infrastructure projects. This includes the engineering, design and construction of complex marine structures such as jetties,

port terminals, locks and weirs, infrastructure works such as bored and immersed tunnels, foundation and marine works for bridges or other constructions in a marine or fluvial environment and civil works for harbour construction, dams and sea defences, canal construction, revetment works, quay wall construction and shore protection. In addition, DEME is active in the marine aggregates business, which includes the extracting, processing, storage and transport of aggregates. Finally, DEME provides maritime services for port terminals.



Environmental

The Environmental segment focuses on innovative environmental solutions for soil remediation and brownfield redevelopment, environmental dredging, sediment treatment and water treatment. The segment primarily operates in the Benelux, France, and across other European countries on a project-by-project basis.



Concessions

The Concessions segment, unlike the contracting segments, invests in and develops projects in offshore wind, port infrastructure, green hydrogen and other special projects. It operates through participations in special purpose companies – greenfield and brownfield. In addition to creating economic value on its projects and generating equity returns on its investments,

the company also aims to secure contracting activities for the Group in the EPC phases of its projects. Under the umbrella of this segment, DEME also holds concessions of seabed areas which contain polymetallic nodules and develops a technology to collect and process these polymetallic nodules containing nickel, cobalt, manganese and copper from the deep ocean floor.

Offshore Energy

DEME Offshore Energy is a global leader in the offshore energy industry, boasting an impressive track record spanning over three decades. With a commitment to innovation and sustainability, DEME plays a pivotal role in supporting the energy transition and helping countries in achieving their ambitious climate goals.

We were among the first companies to enter the renewables sector and today, we are the leading offshore wind contractor in the world, capable of installing the latest generation XL foundations and +15 MW wind turbines, as well as offshore substations, inter-array and export cables. In the conventional energy industry, DEME carries out landfalls, civil works, rock placement, heavy lift and decommissioning services.

Operating a modern and versatile fleet of specialised vessels, DEME Offshore Energy can provide fully integrated Balance of Plant, EPCI, and Transport & Installation contracts. Moreover, DEME provides specialised offshore services, including geoscience services and geophysical offshore and marine site investigations, as well as environmental surveys to both the renewables industry and the non-renewables sector.



2000
the year
we started
offshore activities

+14k MW
total capacity
installed since start

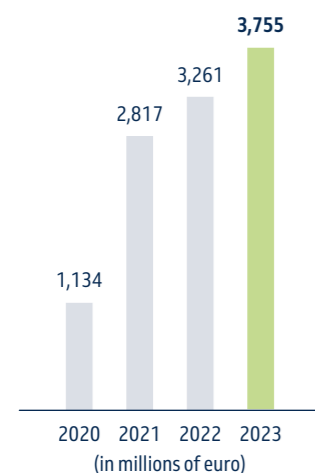
20
dedicated offshore
energy vessels

€ 1.5bn
turnover (2023)

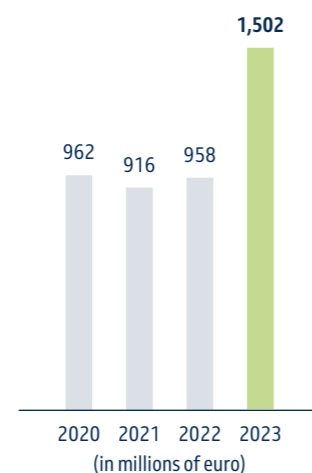
1,212 MW
contributed
capacity in 2023

Performance dashboard

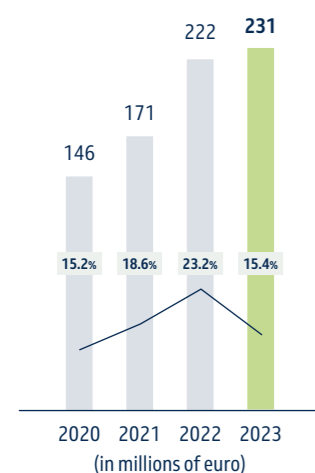
Orderbook



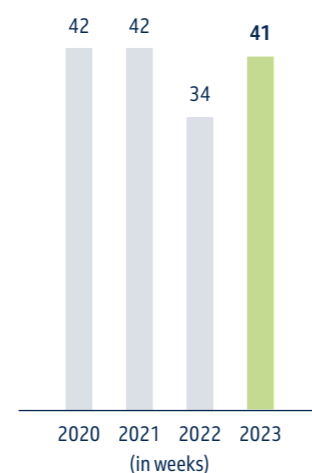
Turnover



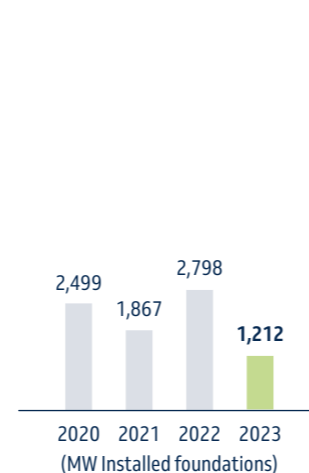
EBITDA & EBITDA margin



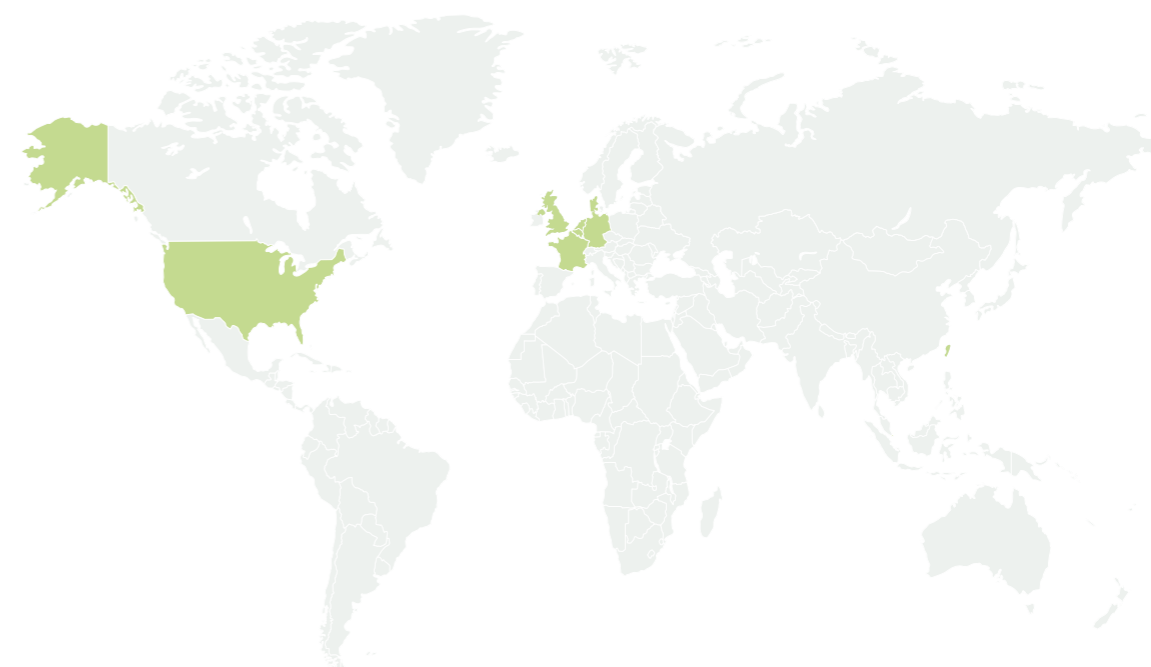
Fleet utilisation rate



Megawatt Contributed capacity



Offshore Energy (in millions of euro)	2023	2022	2021	FY23 vs FY22
Orderbook	3,754.6	3,260.9	2,816.6	+15%
Turnover	1,501.5	957.8	916.4	+57%
EBITDA	231.4	221.9	170.9	+4%
EBITDA margin	15.4%	23.2%	18.6%	
Fleet utilisation rate (weeks)	40.8	33.6	42.1	



Segment performance 2023

The **Offshore Energy** segment increased its orderbook by 15% and grew revenue 57% year-over-year, driven by continued solid demand and reflecting the expanded fleet capacity, coupled with robust project execution.

In addition to solid results, 2023 was also a year of operational accomplishments for DEME Offshore Energy. The segment entered into two new geographies, continued to strengthen the organisation and expanded the fleet with 'Viking Neptune', a cable laying vessel, and 'Green Jade', an additional floating installation vessel, amongst others. 'Orion', which was added to the fleet mid-2022, continued to demonstrate and affirm its technical capabilities and the advantage of the floating installation concept.

'Green Jade' was added to the fleet in June and performed well on the Zhong Neng project in Taiwan, installing jackets. These works will continue during the first quarter of 2024, after which 'Green Jade' will commence the Hai Long project.

In the US, Offshore Energy delivered its "first steel in the water" already before summer, pioneering the adoption of offshore wind in the US market. 'Living Stone' completed the cable installation works for the South Fork project during 2023 and preparations

are on track with Dominion Energy for the Coastal Virginia project for a 2.6 GW wind farm with 176 wind turbines, to kick-off in the first half of 2024. On the Vineyard Wind 1 project and while negotiations on variation orders are still ongoing, the works progressed well in the second half of the year with 47 of 62 monopiles and 30 transition pieces installed by 'Orion', a string of turbines installed by 'Sea Installer' and the first part of the wind farm operational and connected to the grid. For both the Vineyard Wind 1 and the Zhong Neng project, losses to completion have been accounted for in 2023. These losses to completion have been partially offset by expected turnover including specific variation orders, that are pending approval, and have been assessed in line with IFRS standards (IAS 37). This assessment is supported by solid legal opinions.

In Europe, the segment successfully completed installation projects in Denmark and the Netherlands while extending its presence in France. The vessel 'Innovation' made significant progress on the Fécamp project and is gearing up for the commencement of the Île d'Yeu and Noirmoutier projects in early 2024. In the UK, the segment continued its inter-array cabling works for the Dogger Bank and Nearth Na Gaoithe projects, along with initiating preparatory works for the Moray West project.

In the non-renewables, the segment continued its activities at the Hinkley Point nuclear power plant in the UK, completing the drilling of the shafts for the intake and outfall structures.

Vessel occupancy for the Offshore Energy segment was higher compared to 2022, mainly driven by increased utilisation across the globe in the second half of the year and following a period of technical upgrades to the vessels in support of project requirements.

The increase in the Offshore Energy orderbook was fuelled by new contract awards, with project deployments over the next few years, including sizeable project wins such as a cable contract for Baltic Power, DEME's first offshore wind farm project in Poland, contracts in France for the Dieppe Le Tréport, Île d'Yeu and Noirmoutier offshore wind farms and the Greater Changhua contract in Taiwan with the Taiwanese joint venture CDWE. In the non-renewables in North America, Offshore Energy also added the Cenovus White Rose project in Newfoundland in Canada. These additions to the orderbook largely offset the cancellations of both the Norfolk Boreas and Empire Wind 2 projects received in the course of 2023.

Project showcase

Proven track record sees DEME perform largest inter-array cable project at Dogger Bank

With a proven track record in delivering large inter-array cable scopes and already firmly established as the leading offshore wind contractor, DEME is currently performing the largest ever inter-array cabling project in history for the world's biggest wind farm – the 3.6 GW Dogger Bank in the UK. Being built in three 1.2 GW phases, Dogger Bank A, B and C, the project is a joint venture between SSE Renewables, Equinor and Vårgrønn.

Seen as a significant step forward in developing more secure and affordable UK energy, Dogger Bank is located off the Northeast coast of England and is set to generate enough energy to power more than 4.5 million homes a year – around 5% of Great Britain's electricity needs. With the location 130 – 200 km from the shore, Dogger Bank is by far the furthest wind farm offshore.

650 km of cables

DEME Offshore Energy was awarded the original EPCI order in August 2020 for Dogger Bank A and B, representing 650 km of 66 kV inter-array cables. DEME is responsible for manufacturing, supplying, installing and protecting the cables and all related accessories. Then in August 2021, DEME Offshore secured the contract for Dogger Bank C, this time for 250 km of IAC. Separately, DEME carried out a foundation installation campaign and is involved in the scour protection.

These contracts demonstrate the unrivalled capabilities of DEME Offshore and the dedicated fleet of specialised vessels it has for these demanding projects.

Unrivalled cable laying capacity

In December 2022, the team carried out the first loadout of the inter-array cables at Hellenic Cables in Greece. DEME brought in its new DP3 cable laying vessel for the project, 'Viking Neptun'. Built to Norwegian offshore quality standards, 'Viking Neptun' – just like DEME's renowned cable layer 'Living Stone' – has a very high cable-carrying capacity. DEME has equipped the new vessel with a complete cable installation system and will soon boost capacity with the addition of a second turntable on the main deck.

With a very efficient hybrid powerplant, DEME's new cable layer can work for longer periods in harsh weather conditions and during the winter months, ideal for Dogger Bank. A highly experienced crew is ensuring that the first phase of the cabling campaign

for Dogger Bank remains on track. Both DP3 vessels travelled from DEME Offshore's main base in Flushing in the Netherlands to Hellenic Cables and picked up several batches of cables to temporarily store them in Amsterdam until pick-up for installation on the project site. Using the vessels' vast capacity, DEME has been able to reduce the time spent on trips between Greece and the UK to a strict minimum.

DEME Offshore's ability to be flexible and agile is proving vital to ensure the steady progression of the project.

One project team managing all the interfaces

As well as the challenges because of the distance offshore, the sheer number of cables and the interfacing between all the various parties, are other aspects of

the project that demonstrate DEME's project management skills. The scope is not just the actual cable laying, but the procurement, preparation of the seabed and the towers, the cable pull-ins, burial, pre- and post-lay surveying, and the testing of the cable system – all to be aligned with a developing project schedule. These aspects are all managed by DEME Offshore, and this requires a close-knit, fully aligned team.

One project team has been established for all three phases of Dogger Bank project to optimise synergies and take on board lessons learnt for the next phase. DEME works closely with all of its partners in the supply chain. For example, there is very good cooperation and frequent dialogue with Hellenic Cables at project level, but also at all levels of management of both companies.

Taking its legendary 'can do' approach, DEME Offshore does everything it can to accommodate and support its customer and the UK supply chain. The Dogger Bank team is a mix of very experienced people and enthusiastic youngsters, and the project management team and business unit cables make sure everyone is focused and that there is a great team spirit to maintain top levels of productivity.

DEME Offshore understands that a mammoth project such as Dogger Bank is 'a marathon, not a sprint'. But its people are all motivated 'endurance runners', able to perform from day one of preparations for Dogger Bank A to the last minute of the last day of Dogger Bank C.



The new vessel 'Viking Neptun' has a very high cable-carrying capacity.

Project showcase

Delivering engineering excellence towards net zero at Hinkley Point C

DEME is on the frontline of seeing the impact of climate change and its teams are actively engaged in providing sustainable solutions to help combat global warming. A key part of its vision is to support, and even accelerate, the clean energy transition as the world considers alternative low-carbon energy sources instead of traditional fossil fuels.

Many of DEME's projects across the globe are helping various countries as they strive to achieve their net zero goals. This is demonstrated by one of the most complex marine engineering projects taking place today – the Hinkley Point C nuclear power plant in the UK. DEME's highly skilled team is playing a key role in the marine construction part of this five-year project.

Located in Somerset, and being built with a lifespan of 60 years, Hinkley Point C is considered a vital piece of critical infrastructure for the UK's energy future and in the country's shift away from fossil fuels.

Installation in shallow water

DEME's prowess in the offshore wind industry is well known – being the number one contractor - but Hinkley Point C highlights that DEME has a vast range of in-house expertise. Almost uniquely, DEME has the ability to perform dredging, backfilling, heavy lift, rock placement, piling and drilling. At Hinkley the team was lifting and installing heavy structures within tolerances of just centimetres and all of these activities were also carried out in shallow water areas.

The international infrastructure group Balfour Beatty originally appointed DEME as a subcontractor for Hinkley Point under an Early Contractor Involvement (ECI) agreement in 2017. Hinkley Point C involves the construction of three tunnels under the seabed that will supply two reactors with cooling water, before discharging it back into the Bristol Channel.

In this staggering engineering feat, three tunnels, representing approximately 9 km in length will be constructed, and they will be lined with 38,000 concrete segments.

They are then connected to the seabed by vertical shafts and capped with giant intake and outfall heads (four intake and two outfall heads) that allow seawater to pass into the tunnels. The largest head is 44 m long and weighs nearly 5,000 tonnes.

DEME was awarded all the marine works, encompassing dredging six pits required for the construction of the four intake and two outfall structures and the complex dredging campaign to prepare the seabed for the installation of the six tunnel heads. DEME is also responsible for the placement of the pre-cast gravity-based structures, large diameter piling and the construction of shafts and liners. These liners connect the intake and outfall structures with the tunnels bored below.

The first dredging campaign took place in 2018 and the intake and outfall structures were installed in 2022. The last liner was successfully installed and grouted in December 2023.

Unique tandem lift

Initially in 2018, DEME mobilised its hopper dredger 'Artevelde' to commence the first dredging campaign and to check for the ingress of sedimentation. In 2021, 'Artevelde' was remobilised again, together with the backhoe dredger 'Peter the Great' to prepare the seabed. The specialised vessel 'Naseem' then installed

the gravel bed to an extremely precise tolerance to ensure that the intake and outfall heads were perfectly leveled. After extensive training of the crew at DEME's simulation centre in Antwerp and full-scale lifting tests conducted offshore, DEME deployed two heavy lift vessels in a unique tandem lift setup ('Gulliver' and 'Rambiz') from its sister company Scaldis Salvage & Marine Contractors NV (Scaldis) to lift and lower the huge 5,000-tonne structures into place.

The six intake and outlets represented an impressive total weight of 25,000 tonnes and these were installed on the seabed within tolerances of just 20 cm, even though the specifications demanded a 1 m accuracy. Additionally, these operations were performed in significant currents and difficult tidal conditions. A 10 m tidal difference in some of the estuaries with vessels on 16 anchors made the work particularly challenging.

Once the concrete structures had been placed, they were protected with scour protection, which was installed by 'Naseem' in a 24/7 operation.

Expert engineers

The final stage of the marine scope ended in December 2023 when DEME completed the installation and grouting of the six liners. The jack-up vessel 'Neptune' commenced this last phase of operations in early 2023 by installing casings through the pre-fitted holes in the middle of the respective intake and outfall structures. The casings were



Hinkley Point C showcases the engineering skills of the DEME team and their ability to handle extremely complex methodologies.

thereafter encompassed by a retractable outrigger frame fitted alongside 'Neptune' and piled to the target depth.

A dedicated XL drill, which DEME designed with its partners, was deployed from the 'Neptune' and after completion of the drilling, DEME's DP2 jack-up vessel 'Sea Challenger' lifted the 340-tonne liners and lowered them down in the pre-drilled hole. DEME's engineers also designed the lifting tool for the casings, liners and associated components. The structures were installed 35-40 m below the seabed in 6.5 m wide shafts. The annulus between the liner and the drilled hole would subsequently be filled up with grout (approximately 120 m³ per location).

This complicated project highlights the engineering skills of the DEME team and their ability to handle extremely

complex methodologies. A wide variety of DEME engineers were working on the project, including civil, mechanical, and chemical engineers. As well as the expert engineering knowledge, this project demonstrates the capability of DEME's highly skilled crews. In addition to the challenging tidal conditions and currents, they had to carefully navigate between several vessels.

Minimal interfaces

Known for its innovative spirit and its dogged pursuit of smart solutions, very few companies in the world are able to carry out the combination of precision dredging operations, gravel bed installation, heavy lifting operations in shallow water, a complex dual lifting campaign, drilling, and subsea grouting. All of this has been carried

out with precision accuracy and while complying with the most stringent safety precautions in the offshore industry.

It is undoubtedly an extraordinary feat considering that most of the project's scope was taking place in challenging conditions, with shallow and extreme tides of seawater above, and in very strong currents. Undoubtedly the success is also due to an extensive period of Early Contractor Involvement, which took place prior to the commencement of the works. During this period the methodologies were discussed and finalised within the constraints of the required lifetime and nuclear industry requirements.

The project is now fully prepared for the next stage, during which Balfour Beatty will establish the connections between the tunnel and the liners.

Project showcase

Drilling expertise overcomes rocky seabed challenges at Iles d'Yeu and Noirmoutier wind farm

With little doubt that offshore wind power is crucial if the world is to achieve the energy transition, DEME is proud to have been an early pioneer in this industry. More than two decades ago, DEME was already constructing one of the first wind farms in the North Sea. Since then, it has built up an unrivalled portfolio, constructing more than 90 offshore wind farms worldwide, which in turn contributes 30 GW of green energy.



DEME's unique drilling technology, previously deployed at Saint-Nazaire, is once again being used to install foundations Ile d'Yeu and Noirmoutier.

But now the sector has matured - at least in the context of Northern Europe - many of the current projects and those in the pipeline are more demanding, given the complexity of the technical and engineering challenges. They require a highly experienced contractor and an expert team of professionals able to provide innovative solutions based on the knowledge built up through every phase of the development of the offshore wind sector.

Until now, foundation installation at most of the wind farms in Northern Europe has been relatively 'straightforward' - close to shore, in shallow waters, benign seabed conditions etc. But the industry has stepped up a gear and a new era of more difficult wind farm developments has emerged such as some of those in France where XL foundations have to be drilled directly into rock. Additionally, floating wind farms are being designed as offshore wind enters the next phase.

Complicated substrata and locations exposed to oceanic conditions from the Atlantic are certainly defining several upcoming projects in France, and generally future locations in Europe are going into deeper waters. As well as this, the foundations being constructed are for bigger, more powerful turbines. This, in turn, means larger installation vessels and enhanced port facilities.

Saint-Nazaire drilled directly into rock

While a handful of companies can handle this new generation of projects, at the moment there is only one company that has successfully drilled XL monopile foundations directly into rock - and that is DEME.

Constructed in 2022, and after four years of preparation, Saint-Nazaire comprised 80 foundations. At the time, the industry was very sceptical that it could ever be built, believing it was impossible to drill XL monopiles into rock. However, by working proactively with the customer and being willing to take the time to invest in new industry-first equipment and techniques, DEME proved that it was possible.

As no contractor had ever drilled such enormous foundations directly into rock, there was no suitable equipment in the market. But DEME's talented people and the company took the decision to manufacture its own dedicated equipment.

A unique drilling spread consisting of two specific innovations led to the completion of the momentous task in just 13 months: a giant 350-tonne Offshore Foundation Drill (OFD) and the so-called 'MODIGA'. The drill was designed together with partner Herrenknecht, the global leader in tunnel boring machines, and at 50-m high, the MODIGA encapsulated the drilling, installation and grouting operations, protecting them from the harsh Atlantic conditions.

The MODIGA served as a guide for the drilling machine and at Saint-Nazaire it could already reach depths of 25 m. It also provided a much-needed shelter when the grouting - representing a total of 30,000 tonnes across the entire wind farm - was taking place. Another key tool was a gigantic grouting plant, which is the biggest ever used offshore, with an unbeatable capacity of 100 tonnes per hour.

Unique, powerful drilling spread

This drilling rig is twice as powerful when compared to any spreads currently in the market, allowing the offshore team to work swiftly and dramatically reduce downtime as a result of bad weather. Saint-Nazaire highlights DEME's ability to dare to pioneer and this is supported by its willingness to make the large investments needed to achieve significant strides in production capacity offshore.

As well as exceptional equipment, the most important factor that made the difference was the highly experienced captain and crew of DEME's jack-up vessel 'Innovation' and the operations team, who managed to achieve terrific production rates, even though they were working in the notorious long swells of the Atlantic.

Certainly, industry eyes were upon DEME as it embarked on this project. Having proven its methodologies and

delivering Saint-Nazaire even earlier than planned, new contracts have followed.

Rocky seabed at Iles d'Yeu and Noirmoutier

In 2023, DEME was awarded contracts for the Iles d'Yeu and Noirmoutier wind farm - again another challenging location where the XL foundations have to be drilled into rock. The award includes the transport and installation contracts for the foundations and the offshore substation.

The special drilling rig and methods developed at Saint-Nazaire will again be deployed. However, the MODIGA has been adapted and lengthened to 60 m, and can now reach depths of 35 m.

Logistics are also a major challenge for the new project given the 1,000-tonne, 70-m long foundations. These are being shipped from China into La Rochelle and temporarily stored at the port. DEME is responsible for offloading them at La Rochelle and then loading them onto the installation vessel.

Technical competence and managing risks

The key members of the Saint-Nazaire team are also leading the Iles d'Yeu and Noirmoutier wind farm project which is due to get underway in 2024. As the start date approaches, DEME is certain that its strengths - talented people, innovative thinking, technical competence and the ability to manage risk - will enable the company to deliver another complex wind farm safely and successfully.

DEME is ready for the upcoming challenges of the rocky seabed of France, and further afield as countries like Japan embarks on its next round of offshore wind concessions.

Dredging & Infra

For almost 150 years, DEME has been a pioneer in sustainably creating new land and infrastructure for the future.

The Dredging & Infra segment performs a diverse range of activities, extending from capital and maintenance dredging to land reclamation, port construction and coastal protection. DEME operates a fleet of high-tech vessels, including dual fuel trailing suction hopper- and cutter suction dredgers, and takes particular pride in owning the world's most powerful and sustainable cutter suction dredger, 'Spartacus'.

Marine engineering infrastructure works complement and reinforce these dredging activities. The team's expertise includes designing and building port and inland waterway infrastructure, civil works like bored and immersed tunnels, and other marine infrastructure such as dams, sea defences, quay walls and shore protection.



€ 1.6bn
turnover
(2023)

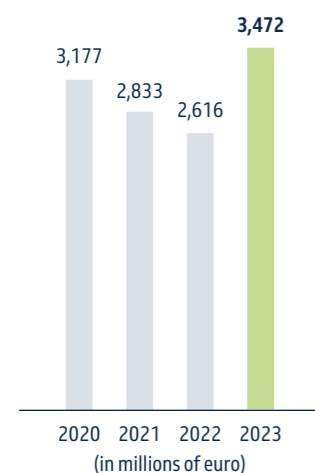
+50
dredging
vessels

active in
more than
90
countries

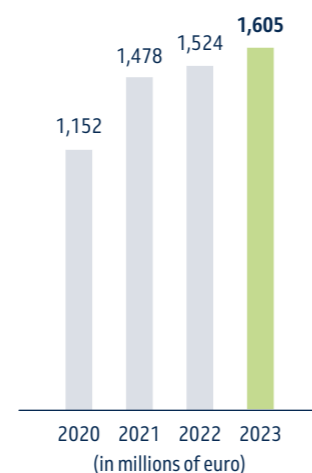
7
immersed
tunnel projects
executed

Performance dashboard

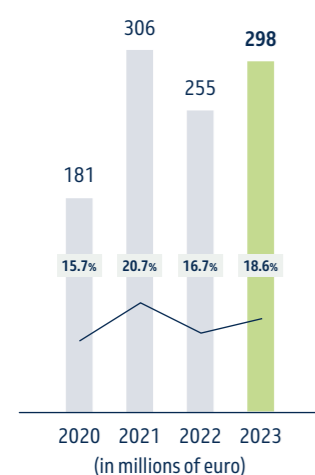
Orderbook



Turnover



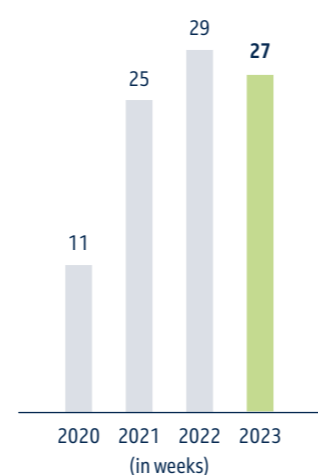
EBITDA & EBITDA margin



Fleet utilisation rate - TSHD



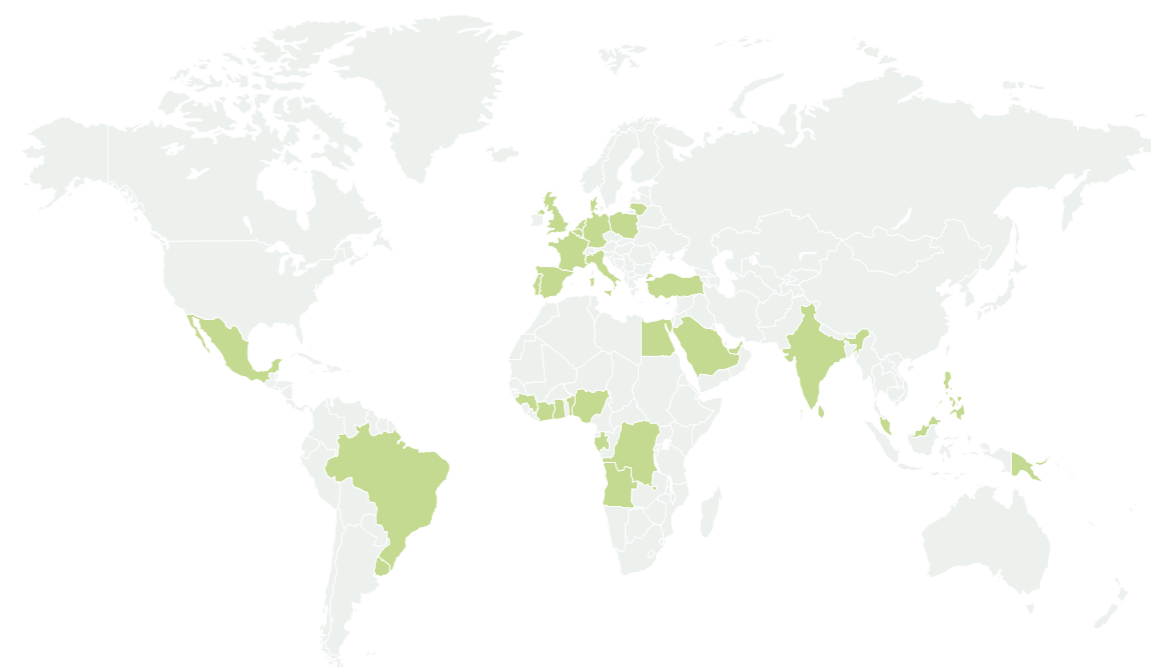
Fleet utilisation rate - CSD



Dredging & Infra (in millions of euro)	2023	2022	2021	FY23 vs FY22
Orderbook	3,472.4	2,615.7	2,833.3	+33%
Turnover	1,604.6	1,524.3	1,478.3	+5%
EBITDA	298.3	254.9	305.8	+17%
EBITDA margin	18.6%	16.7%	20.7%	
Fleet utilisation rate – TSHD (weeks) ⁽¹⁾	38.4	38.3	41.4	
Fleet utilisation rate – CSD (weeks) ⁽²⁾	26.6	29.3	25.3	

⁽¹⁾ TSHD: Trailing Suction Hopper Dredger

⁽²⁾ CSD: Cutter Suction Dredger



Segment performance 2023

Dredging & Infra reported a turnover of 1.6 billion euro, 5% higher than 2022. Orderbook increased 33% compared to the previous year.

The segment continued to perform under long-term maintenance dredging contracts in Europe including different seaports in Belgium. In Germany the segment added both maintenance and new capital dredging work, expanding its presence around the River Elbe between Hamburg and the North Sea. The segment also completed the dredging works for a new container terminal in Gdansk in Poland, started dredging hard rock in the port of La Pallice in La Rochelle in France and continued the modernisation works for the port of Ravenna in Italy.

Overseas, the segment finished the works on a container terminal in Sri Lanka and continued working on several projects in West Africa and maintenance dredging projects in India. The segment also continued capital dredging and land reclamation works for the extension of the port of Abu Qir in Egypt and executed dredging and reclamation works in Abu Dhabi deploying multiple trailing suction hopper dredgers and mega cutter suction dredgers. In Saudi Arabia, the preparatory activities for the Oxagon Phase 2 project were immediately

initiated following the contract award in the last quarter of the year.

Large ongoing marine infrastructure projects testify to DEME's unrivalled immersed tunnel expertise. In the Netherlands, the two tunnel elements for the Blankenburg project were successfully installed and the project is now expected to be completed in the summer of 2024. On the Fehmarnbelt Fixed Link project (Denmark), production of the tunnel elements has started in preparation for the first installation during the second half of 2024. In Belgium, DEME is a member of two consortia for the Oosterweel Connection project. One consortium is overseeing the construction of an immersed tunnel in the River Scheldt to complete the Antwerp Ring Road, while the other is responsible for infra works on the right bank of the River Scheldt. Furthermore, in France the port development in Port-La Nouvelle advanced, and in the Netherlands the New Lock Terneuzen project entered its final stage.

The EBITDA margin in the Dredging & Infra segment increased from 16.7% in 2022 to 18.6% in 2023. Vessel occupation for the full year remained stable for the trailing suction hopper fleet and decreased for the cutter fleet although occupancy increased in the second half

of the year, following a relatively higher level of maintenance activities on the fleet in the first half of the year and driven by a surge in demand and contract wins.

The orderbook increased 33% to 3,472 million euro. Additions to the 2023 orderbook include the new Princess Elisabeth Island, the world's first energy island, for which the first caissons will be installed in the course of 2024, as well as prolonged maintenance projects in Belgium for the River Scheldt and several ports.

Additionally in Europe, the Dredging & Infra segment capitalized on its presence in Italy and around the River Elbe, resulting in new projects. Other noteworthy wins overseas include contracts in the Indian subcontinent, the Maldives and West Africa. At the end of the year, a consortium including DEME, was awarded a large contract for the second phase of capital dredging works and construction of the Port of NEOM in Saudi Arabia.

Project showcase

Local and national economies benefit from DEME's port expansion expertise

According to the United Nations (UN), the global population is expected to reach a staggering 9.8 billion by 2050. This rising population is leading to a significant growth in world trade and further globalisation that result in existing supply chains being extended and new trade routes being developed. All of this has a significant impact on marine infrastructure.



The scope includes all the dredging activities to deepen and widen the port and access channel at Ravenna.

Ports worldwide expand to accommodate larger ships, driving local and national economic growth through new jobs, infrastructure improvements, and boosted trade. Recent projects showcase DEME's expertise in making a difference in port expansion projects.

Restructuring the Port of Ravenna in Italy

The Port of Ravenna has always played a crucial role in the economic development of Italy even since Roman times and that is still true today, being a thriving commercial and industrial maritime hub and a key gateway for Italian exports.

In two separate projects, DEME is very pleased to be assisting both the port authority and alongside that, the Italian gas grid operator Snam, which is investing in a new liquefied natural gas offshore Floating Storage Regasification Unit (FSRU) terminal near Ravenna.

Awarded in late 2020, DEME, together with its Italian joint venture partner Consorzio Stabile Grandi Lavori, is performing a multi-year design & build contract for the entire restructuring of the Port of Ravenna. This large-scale project enables its customer, the port authority, to continue to build on the port's legacy and maintain Ravenna as a key industrial and commercial hub in the Adriatic region. Taking place at the same time, the Snam project facilitates Italy's ambitions to achieve energy independence by increasing its gas import capacity and having a more diverse range of energy supplies.

Multi-year design & build contract

In the first phase of the Ravenna port project, DEME is initially dredging from -11 m to depths of -12.5 m and then in a second phase, the company will dredge up to -15.5 m. Ultimately, the port will be able to handle much larger vessels of 75,000 deadweight tonnage (dwt) and containerships of up to 8,000 twenty foot equivalent unit (teu). The partners will also construct a new 1,000 m quay for the Peninsula Trattaroli, which serves as a new port area.

The scope includes all the dredging activities to deepen and widen the port and access channel and DEME is also managing and transporting the material to various reclamation areas located inland.

Two types of dredging activities are involved at Ravenna. Hydraulic dredging is performed by hopper dredgers and organised in various campaigns. To date, the hopper dredgers 'Bonny River' and 'Nile River' have been deployed. Alongside the hoppers, mechanical dredging is continuously performed by grab dredgers and takes place in specific parts of the port.

DEME's hopper dredger, 'Bonny River', which has a capacity of 15,000 m³, kicked off the hydraulic dredging campaign in March 2022. Eventually 7 million m³ will be dredged overall, of which 1 million to 1.5 million m³ will be treated onsite using a soil treatment plant provided by another contractor who was awarded the dedicated tender independently.

The Ravenna project is particularly complex because of the nature of the dredged material. Contaminated material is not dumped offshore but is instead carefully sorted out and transported to special inland disposal sites. Only clean material is going to designated offshore locations. As such, the dredging activities are preceded by an exhaustive soil characterisation process and various analyses of the contamination levels of the material are done before it is sent to the appropriate site. It is worth noting that part of the dredged material is being used to refill an old quarry. DEME is delighted that it can support the local authority by creating new land and breathing new life into the abandoned quarry. The smooth execution of this scope is only possible because of the management of the interfaces between the dredging team and the land activities, and by working very closely with its local partners, the Port Authority and the regional Environmental Agency to ensure full alignment.

Ahead of schedule

Despite the complexities, the Italian team is powering ahead and is looking to complete the project at the end of 2026. DEME is doing everything it can to speed things up to fulfil its customer's wishes, with the grab dredgers working around the clock. The next hopper dredger campaign, planned for spring 2024, will allow the Port of Ravenna to already welcome the next generation of cruise liners and containerships amongst other vessels.



The Western Container Terminal project in Colombo was completed ahead of schedule.

Boosting container handling capacity in Colombo, Sri Lanka

In a major project in Asia and highlighting the wide-scale economic benefits of its port development work, DEME has successfully performed dredging and reclamation works for the extension of the Western Container Terminal (WCT) in Colombo on behalf of Adani Ports, India's largest private port operator.

Finished well ahead of schedule and carried out by 'Bonny River', this capital dredging project boosts Colombo Port's container handling capacity substantially and further consolidates Sri Lanka's strategic advantage of being located along one of the world's busiest global transshipment routes.

Following the works, WCT now has a quay length of 1,400 m and a depth of 20 m, making it suitable for ultra-large container carriers. Operations began in September 2022 after a large-scale mobilisation and wrapped up in May 2023. Approximately 9 million m³ of reclaimed material was dredged from an offshore sand source.

Here, DEME's experienced international project team and modern fleet, as well as its expertise in logistics management, were fundamental to the smooth running of the project.

Technologically advanced vessels

Being one of DEME's largest hoppers, 'Bonny River' was the ideal size to extract sand offshore and efficiently transport it to the location, which was a considerable distance away and 20 km offshore. 'Bonny River' can reach impressive dredging depths of 74 m and the dual pipe system provides flexibility and redundancy, adding a backup solution if any repairs are needed. The sand encountered in Sri Lanka was very coarse and abrasive, which resulted in the vessel requiring constant maintenance due to wear and tear, but the team could continue working almost without stopping due to the dual pipe system's efficiency and reduced downtimes.

DEME had to mobilise equipment from several countries, including reclamation and floating lines, as well as specialised dry earthmoving equipment suitable for reclamation works. The dry earthmoving equipment was a particular challenge, but fortunately DEME has close partnerships built up over many years with the specialist suppliers.

When preparing for the foundations of the terminal, DEME performed geophysical surveys to assess the various soil layers and performed geotechnical surveys such as seabed Cone Penetration Tests (CPTs), and by combining data from the different sources DEME created a detailed 3D model. This also highlighted the levels of unsuitable material (e.g. silt, 'soft material') that had to be dredged and relocated in a dedicated area outside the port.

With safety a priority, the team also performed drone surveys, allowing data to be collected at freshly reclaimed areas, and thus removing the field surveyors' exposure to unnecessary risks. Additionally, it provided faster survey data collection, resulting in a progress survey of the full reclamation area after the vessel's sand discharge.

Solution-oriented team

In addition to an environmental impact assessment, the project team monitored the water quality and turbidity at the dredging site, within the port, and at the sand winning location.

DEME's team managed to finish the project to a really tight deadline and even ahead of schedule to the full satisfaction of the customer.

Having a proactive and solution-oriented team is undoubtedly the key to success in both Ravenna and Colombo and this allows DEME to foster sustainable collaborations with its customers across the globe.

Project showcase

Fehmarnbelt connects Denmark and Germany with sustainable infrastructure

Efficient and sustainable transport links are vital as the world transitions away from fossil fuels to cleaner energy, and rail transport is certainly one of the greenest ways of transporting people and freight. DEME is playing a key role in contributing to this development through its work at the Fehmarnbelt Fixed Link project.

Heralded as the infrastructure project of the century, and fostering trade and tourism in Northern Europe, the Fehmarnbelt Fixed Link connects Denmark with Germany, and at 18 km, it will be the longest immersed road and rail tunnel in the world.

Fehmarnbelt is set to be one of the most important transport links in the European network of roads and railways and it will vastly improve travel times between Hamburg and Copenhagen and the entire Scandinavian region. The tunnel will shorten car journeys between the German and Danish coasts to just 10 minutes, compared to a 160-km detour via Jutland. In a further boost to sustainability goals, electric freight trains will be deployed.

Bringing decades of expertise in immersed tunnels and large-scale infra marine projects, DEME is a member of the Femern Link Contractors' joint venture, which was awarded the contract in 2016. Following more than four years of preparations, the joint venture officially started the works on 1 January 2021.

Immersed tunnel and offshore expertise

DEME's offshore experience is vital to the smooth running of the project. One of the biggest challenges of the Fehmarnbelt Fixed Link is that it is essentially an offshore project. While most immersed tunnels cross rivers or are land based, this tunnel actually crosses a stretch of open sea and is in the Baltic.

Therefore, the specialist vessels being built for the project have been designed and specifically adapted for offshore conditions. Two new work harbours have also been specially built for the project where the 30 auxiliary vessels can shelter in case of bad weather. All of the construction material, including cement, sand, aggregates, marine rocks and steel rebars, is also brought into the harbours from several destinations across Europe.

2023 is a 'transition year' and marks the completion of the temporary works such as the construction of an enormous production facility with three large halls in Rødby, where the tunnel elements are being constructed. The facilities are partly underwater and connected directly to the harbours to enable the tunnel elements to be floated before they are transported and immersed in the pre-dredged trench.

89 tunnel elements

89 elements will be installed, 79 of which are 217 m long. In addition, in 2023, works started on the access ramp on both sides. 'The Village' was also built which accommodates 1,345 workers. The construction of four customised pontoons also continued. Here DEME's shipbuilding expertise is very much appreciated, with the company having built several pioneering vessels such as the mega cutter suction dredger 'Spartacus' and the floating offshore installation vessels 'Orion' and 'Green Jade'. Due to the challenges offshore, simulations and dynamic modelling tests were carried out to make sure the

pontoons are able to handle the harsh wind and wave conditions experienced in the winter months in the Baltic.

Four customised pontoons

A standout feature of the project is the use of twin "immersion pontoons." These specially designed catamarans can work in tandem and effectively "hook up" the tunnel element, facilitating the offshore transport and immersion operation.

Two additional vessels play crucial roles in the rock installation process. The first, a 130-metre-long Multipurpose Pontoon (MPP), takes care of laying the gravel bed within the trench designated for the tunnel. It can also precisely install a protective filter layer on the top of the tunnel roof. A similar tool was successfully employed in a prior project, demonstrating its effectiveness. The second vessel, the Protection Layer Pontoon (PLP), comes equipped with two excavators with extended reach. These excavators are specifically designed to install the protective layer of rock armor that will safeguard the tunnel elements.

A fourth pontoon, the Spreader Pontoon, will spread sand backfill around the tunnel elements..

The sheer scale is mind blowing. Around 30 vessels will be deployed and even now, when the project has not reached its peak, some 700 staff and 2,200 workers are busy working on the project. Safety and sustainability are always at the foundation of any DEME project, and both have been considered right from the

design stages. DEME's rigorous safety standards are being deployed which means everyone has 'Stop Work Authority' and adopts the 'Take 5 procedure', which requires taking 5 minutes to assess the situation for any risks before taking action.

Reducing emissions

Sustainability is a major consideration, and one significant initiative was to use material from the site to build watertight dykes that form the basins, rather than transporting and importing clay from abroad, and this represented an impressive 1.5 million m³ of material.

Additionally, the joint venture has made a considerable effort to reduce CO₂, particularly emissions arising from concrete production. Ballast concrete in the tunnel is dry rather than the

usual wet concrete which reduces the carbon footprint substantially. Other sustainable initiatives include using shore power for all the vessels, and this is even greener because it is produced from offshore wind. As well as this, the whole production facility (including the six production lines, basins, and gates) will be retained after the project and reused.

After 2.5 years of preparatory works, the team is very pleased to get started on the next major stage of the project with the marine works getting underway this year. For DEME, this is a true legacy project. Not only will the Fehmarnbelt Fixed Link be a feature on Google Earth. Everyone who has worked on it knows they have taken part in a project which is an important step forward in Europe's sustainable ambitions.



The first massive tunnel segment emerged from the factory at the end of 2023.

Expertise showcase

Addressing rising sea levels with innovative coastal protection solutions

Currently, nearly 40% of the global population lives within 100 km of the coast and approximately 10% (representing some 600 million people) live in coastal areas that are less than 10 m above sea level.

Three quarters of the planet's major cities are on the coast. Millions of people are therefore extremely vulnerable to the impact of rising sea levels. In addition to flooding and more severe storms, extreme weather events such as storm surges are likely, as well as stronger currents and higher tidal differences. All of these factors are ultimately leading to more coastal erosion.

Addressing this global challenge, DEME's innovative coastal protection solutions - both traditional and nature-based - are increasingly vital. Coastal protection has always been part of DEME's extensive portfolio of marine solutions. For decades DEME has been constructing dykes, storm walls and groynes, and executing large beach reclamation and restoration projects, alongside solutions inspired by nature such as replanting mangrove swamps.

However, in 2009 DEME started to take a closer look at long-term solutions following increasing awareness in Belgium particularly that the country had to adapt to changes caused by sea level rise. DEME is convinced that nature-based solutions are a valuable additional marine engineering tool.

Three main options were considered. One examined 'giving the land back to the sea', but given the relatively short and highly populated coastline, this was not an option. Another was 'holding the line' - effectively keeping the existing sea protection where it is - and building up beaches, dykes, and flood gates until they are high enough to allow for the rising sea level. But this solution is deemed limited because it is difficult to continually make the sea defences higher and higher.

The third, and optimal solution, is to protect the coastline seawards by creating sand banks offshore and extra dunes onshore through large-scale reclamation and 'dune before the dyke' type solutions.

A major project, funded by the Flemish government with the help of the Blue Cluster, has been underway off the Flemish coast at De Panne: Coastbusters. DEME is a key member of the Coastbusters coastal management project, which aims to take an innovative approach with regards to traditional coastal and river embankment management methods and instead develop pioneering flood defence solutions inspired by nature.

Sustainable reefs inspired by nature

Established in 2017, the Coastbusters concept limits erosion and improves coastal management techniques by the construction of natural biogenic reefs from biobuilder species such as plants, bivalves and worms, which in turn contribute to biodiversity and a healthy, well-balanced ecosystem. In the second phase of the Coastbusters project, the team looked to establish a trial in Belgium with a specific focus on mussels as a pioneering species. Following extensive trials, mussels are considered the best option to kickstart a sustainable reef. During earlier trials, long lines are installed and when the mussels grow to full size, they drop off the lines and create a natural reef. This has proven to be the most effective way to create a reef, holding the sand in place and preventing erosion.

A new design, called The Mussel Shaker, was introduced. This nature-based solution has sparked quite some interest, with one wind farm developer exploring the potential of introducing the system at a wind farm.



Bankbusters in estuarine regions

In another example of using an innovative approach with regards to traditional coastal management methods and pursuing the Coastbusters philosophy, DEME is also part of the Bankbusters consortium. This initiative re-examines traditional river embankment management techniques and instead aims to develop nature-based solutions that deploy natural materials rather than traditional revetment.

To mitigate the impact of sea level rise and flood risks in estuarine regions, the Bankbusters consortium is researching

and designing an engineered tidal marsh using only natural materials and reusing soft dredged sediments. A trial is underway along the River Scheldt whereby DEME is partnering with the Universities of Ghent and Antwerp. This trial brings together DEME's expert knowledge of handling and treating fine dredged materials with its ecological, technical, and morphological expertise.

Circular approach to coastal protection

Separately, DEME is performing the New Lock Terneuzen (Noordzeesluizen)

project in the Netherlands. At 427-m long and 55-m wide, the New Lock is being built in the middle of the existing Terneuzen locks' complex and is generating huge amounts of sand - nearly 2.9 million m³. Part of the dredged sand is being brought to the Belgian coast by DEME where it is used to build up the underwater dunes for shore protection.

This project again demonstrates DEME's focus on the circular economy and how the combination of nature-based solutions, combined with more traditional methods, ensure resilience against climate change for generations to come.

Environmental

DEME Environmental is a leading provider of innovative solutions for soil remediation, brownfield development, environmental dredging, and sediment treatment.

Backed by a well-established network of fixed and mobile treatment facilities across Belgium, the Netherlands, and France, we have been tackling the challenges of polluted soils and waterways for decades. Our expertise and dedication enable us to transform contaminated brownfield sites into valuable assets, breathing new life into these areas.

Our comprehensive soil remediation portfolio includes an advanced soil washing technique specifically designed to address PFAS contamination. Moreover, we are constantly expanding our recycling centres in Belgium, with a current capacity of 500,000 tonnes per annum. This investment demonstrates our commitment to sustainable solutions and our ability to handle large-scale remediation projects.



1988
start of
environmental
activities

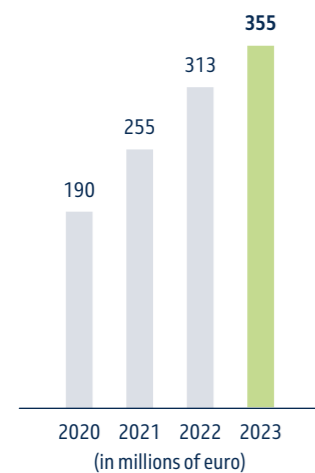
14
soil and sediment
treatment centres

2m tonnes
polluted soils
and sediments
treated in 2023

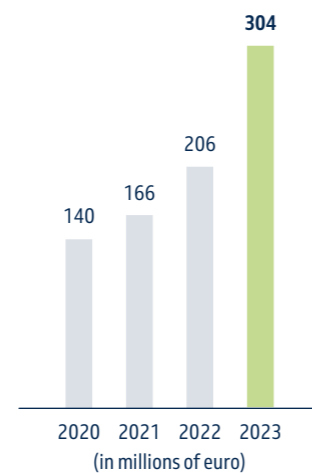
€ 304m
turnover
(2023)

Performance dashboard

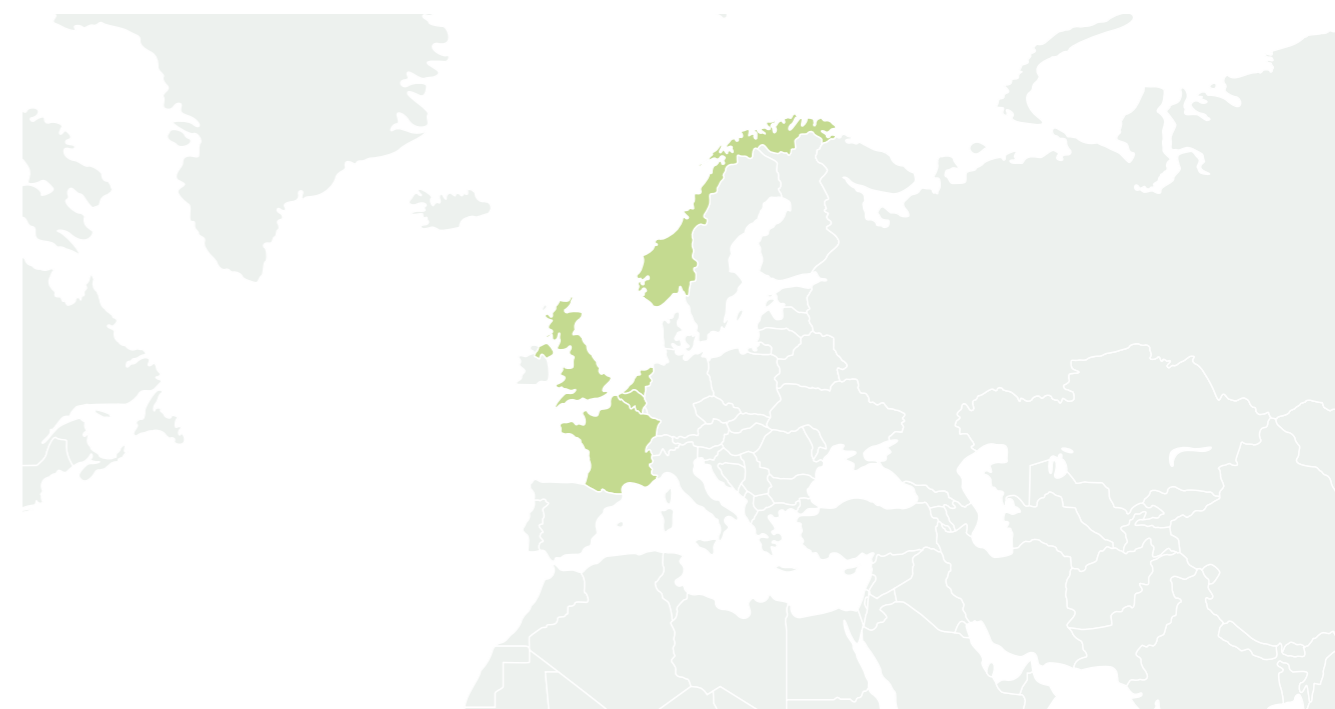
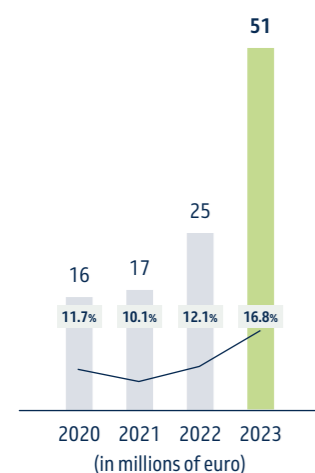
Orderbook



Turnover



EBITDA & EBITDA margin



Segment performance 2023

The **Environmental** segment saw its orderbook further increase to a level of 355 million euro and accelerated its turnover with a growth of 48% compared to 2022. The topline growth was fuelled by ongoing work on the long-term and complex remediation and high-water protection projects in Belgium (Blue Gate in Antwerp, Oosterweel, Cokerie du Brabant), the Netherlands (GoWA), the UK and Norway. The team finalised the multi-year Condé Pommeroeul project in France and kicked off new large projects in Uburg and Marken in the Netherlands.

DEME's Environmental team continues to set the standard for addressing the

environmental challenges of the future, including PFAS pollution, for which it has developed a pioneering solution. The team also continued to invest and expand the capacity of its network of fixed and mobile soil treatment centres. EBITDA for 2023 was 51 million euro, with an EBITDA margin of 16.8%, up from 12.1% in 2022. The strong profitability incorporates a non-recurring impact from a settlement on a completed project in the Netherlands. Excluding this impact, the Environmental segment would still demonstrate an improved profitability compared to 2022.

As of 31 December 2023, the orderbook stood at 355 million euro, an increase of

13% compared to 313 million euro a year earlier, mainly driven by new contract wins in Belgium and the Netherlands. Of note is the recent win in Feluy in Belgium where a brownfield site will be remediated and transformed into an industrial estate in collaboration with public and private partners. The segment is actively exploring new, targeted opportunities in Italy and the UK, commencing initial environmental study efforts.

Environmental (in millions of euro)	2023	2022	2021	FY23 vs FY22
Orderbook	354.7	313.4	255.3	+13%
Turnover	304.3	206.3	166.2	+48%
EBITDA	51.1	25.0	16.8	+105%
EBITDA margin	16.8%	12.1%	10.1%	

Testimonial

Taking the lead in tackling PFAS pollution

PFAS, dubbed ‘forever chemicals’, are a major pollutant across the planet and DEME is a front runner in developing innovative technologies to help rid the world of this ubiquitous problem. With estimates ranging from 8,000 to 15,000 different types of synthetic per- and polyfluoroalkyl substances, the scale is enormous. PFAS is found in hundreds of everyday items, from cosmetics to non-stick pans, to firefighting foam.

In a recent Europe-wide investigation, Le Monde and the Forever Pollution Project identified over 2,100 hotspots that are likely to have such high levels of PFAS contamination that it could be hazardous to health.

Flagged up initially in the Netherlands, DEME’s environmental experts have already been addressing the remediation of with PFAS polluted soil for several years. This has led to the invention of a pioneering treatment method known as the DEME Hybrid Soil Washing Process. This is essentially a combination of a soil washing process and a water purification process.

DEME has conducted extensive trials exploring solutions for cleaning PFAS-containing soil. For example, in 2020, in collaboration with engineering firm Tauw, the company introduced a solution to the Dutch market for the cost-efficient and sustainable cleaning of PFAS contaminated soil.

After many years of refining the technique, PFAS can now be removed from contaminated soil. The soil washing method effectively transfers the PFAS to water and then the water is immediately purified by means of active carbon filters. The active carbon is hence heated to 1,000 degrees Celsius under high pressure and any PFAS remaining in the filters is destroyed and converted into harmless products.

The Environmental team carried out large-scale tests in 2021 on 30,000 tonnes of polluted material from a former car manufacturing factory in Antwerp. The tests were successful and closely monitored by OVAM, the Flemish Waste and Sustainable Material Management authority.

300,000 tonnes per year

The trials then led to an investment decision, together with its partner Mourik, to adapt its soil recycling centre in the port of Antwerp for PFAS treatment. A second soil recycling centre in Belgium has also been equipped for PFAS and DEME has built a mobile treatment facility specifically for PFAS that handles 100 tonnes an hour. With the investment in Antwerp alone DEME and Mourik will be able to clean 300,000 tonnes of PFAS contaminated soil per year.

Currently, the DEME Environmental team is cleaning PFAS pollutants from the Oosterweel Link project in Belgium which will complete the Antwerp Ring Road. Without DEME’s innovative solution, work on the project could not have continued. Approximately, 500,000 tonnes of soil are expected to be treated during the huge infrastructure project.



DEME has conducted extensive trials exploring solutions for cleaning PFAS-containing soil.

Recently DEME has been awarded a contract to bring its unique cleaning solution to one of the largest airports in Europe. DEME will be cleaning and treating PFAS polluted soils at Amsterdam Airport Schiphol. The new installation is expected to be ready in the second half of 2024.

Separately, DEME is looking to establish a fixed PFAS cleaning facility in Den Helder in the Netherlands. As well as treating polluted soils, DEME is exploring the potential of cleaning PFAS from groundwater and adapting its techniques to all types of soil containing PFAS contamination.

With increasing interest in Europe and from many of the large PFAS producers and chemical companies, DEME is sure that it is the ‘go to’ competent company to address this global challenge.

Nature cleaning nature

DEME Environmental and C-Biotech, a subsidiary of the Belgian Cordeel Group, have joined forces to launch Fytolutions, an initiative that harnesses the remarkable cleansing power of industrial hemp to address PFAS pollution. The hemp plants are grown on PFAS-contaminated sites, effectively removing these hazardous chemicals from the soil.

The joint venture’s initial focus will be on providing phytoremediation services within Belgium and Luxembourg. DEME Environmental’s team of experts will identify PFAS-polluted sites, and Fytolutions will work with them to design a tailored remediation solution that combines phytoremediation with traditional remediation techniques when necessary.

Project showcase

Innovative solutions for dyke reinforcement in the face of climate change

With extreme weather events becoming more common and sea levels rising, DEME is at the centre of efforts to build resilient infrastructure. A prime example is the company's involvement in major dyke reinforcement projects in the Netherlands.

Being a low-lying country, with more than a quarter of the country below sea level, the Netherlands has embarked on a major National Flood Protection Programme. The original plan called for the reinforcement of 1,500 km of dykes, but a revised assessment in 2023 has increased the estimated length to 2,000 km.

One vitally important reinforcement project, awarded to DEME in a consortium (the Lek Ensemble), together with Heijmans and GMB, is 'Sterke Lekdijk'. DEME is also teaming up with these partners on the Gorinchem-Waardenburg (GoWa) project, another major dyke reinforcement programme that is part of the national plan.

The river Lek dyke protects a large part of central and western Netherlands against flooding – around a million people - and if there is a breach of this dyke it could endanger many of the biggest cities in the country including Amsterdam, Rotterdam and The Hague.

Protecting cities in the Netherlands

Awarded by the Stichtse Rijnlanden Water Board (HDSR), the Sterke Lekdijk project involves strengthening a 55-km stretch of the dyke. The project has been split into six scopes and DEME and its partners have been awarded two of them: Wijk bij Duurstede - Amerongen and the second route between Jaarsveld – Klaphek. The consortium's solution must last for at least 50 years, and a crucial part of the project is a focus on zero emissions as the Netherlands works towards achieving the clean energy transition.

Unusually, HDSR tendered the project using a so-called 'Innovation Partnership' which means all the parties must design the project whilst taking sustainability, innovation and cooperation into account. In practice this means that the Lek Ensemble consortium will collaborate closely with its customer but also with other contractors on all six sections of the project during this stage.

The new contract form underscores the need to work together as a source of inspiration for innovation for the project. Resulting innovations will then immediately be introduced during all six sections.

Focus on innovation

The Lek Ensemble is exploring innovative dyke reinforcement methods using Soseal, a saline solution that replaces expensive sheet piles. This impermeable barrier is introduced via pipelines and injections, eliminating the need for digging and sheet pile walls, preserving the dyke's integrity. Another innovation involves bentonite mats that expand upon contact with water, forming a waterproof layer and reducing the need for large clay quantities.

A vitally important part of the tender was that the contractors must consider the use of zero emission equipment wherever possible. Therefore, with sustainability top of the agenda, the Lek Ensemble is developing the equipment, and it also



A key emphasis is on zero emissions, using equipment like emission-free excavators.

organised the 'Emission-free network infra' (ENI) foundation during the tender phase. ENI brings all parties together, including competitors, so they can accelerate the development of emission-free equipment for the entire Netherlands Flood Protection Programme by sharing their knowledge and experience. Ultimately, the entire industry can benefit from the shared innovations introduced during the Lekdijk project.

Members of ENI include Volvo, Hyundai, Rijkswaterstaat (the Directorate-General for Public Works and Water Management) and TNO amongst others. This foundation is already expecting to hit its zero target in 2026 rather than 2030.

Investing in emission-free equipment

However, the focus on zero emissions presented a challenge originally when the contract was awarded in 2020. At that time, there were no manufacturers of this equipment. So again, DEME's experts and their partners had to put their heads

together to come up with a sustainable solution. Traditional equipment using diesel engines has been purchased and these are being converted into electrically driven machinery. Currently, two excavators are already working fully emission-free, and these will be joined by two loaders. As well as this, the partners will introduce three fully electric cranes on the Lekdijk project.

Sustainable solutions

Sustainability is considered throughout the project, but it is also considered in a much wider context for DEME's own sustainable goals too. An initiative called 'Working on Zip Zero' has been launched whereby DEME aims to attract the new generation of hydraulic engineers and indeed, anyone who is keen to play a role in achieving a sustainable planet. The Sterke Lekdijk project is a fantastic example of sustainability in action on many fronts.

The Lek Ensemble team is working together, closely with the customer

and its partners, to find sustainable solutions which will benefit the planet and ensure that the Netherlands is secure in the knowledge that the Lekdijk is safe and the cities surrounding it, for the decades to come.

Concessions

DEME Concessions oversees a diverse portfolio of concessions across offshore wind, infrastructure, green hydrogen, and mineral harvesting.

Unlike DEME's contracting work, DEME Concessions actively invests in, develops, constructs, and operates these concessions, fostering long-term partnerships, generating recurring revenue streams, and creating sustainable value for shareholders.

Building on its success in traditional markets, DEME strategically expanded into technically challenging and less mature sectors like offshore energy, green hydrogen, and responsible deep-sea mineral harvesting. This strategic move has already yielded significant achievements, including the 2 GW ScotWind concession.



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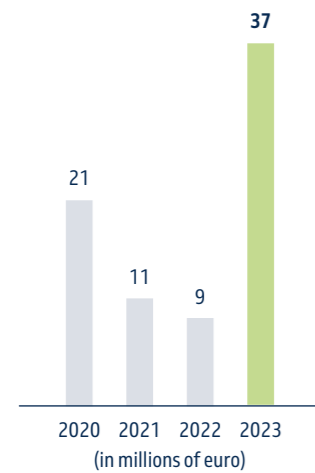
€ 37m
net result
from associates
in 2023

Global network
to source new
project leads and
forge successful
partnerships

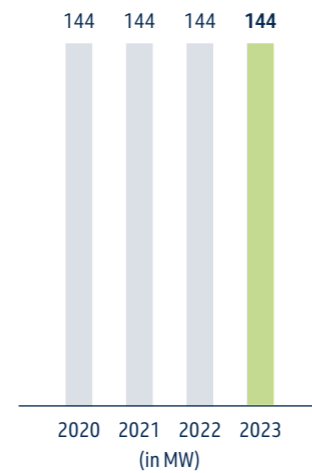
144MW
beneficial
ownership in
wind energy

Performance dashboard

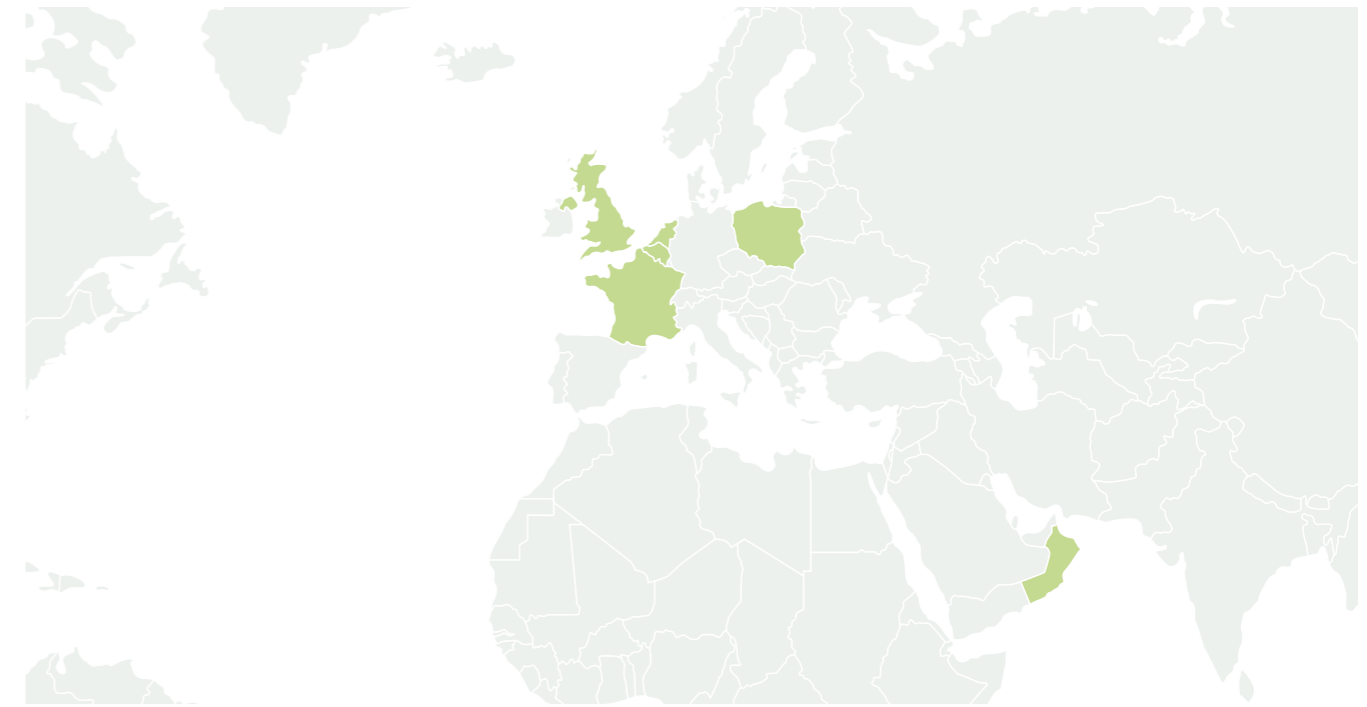
Net result from associates



Beneficial Ownership



Concessions (in millions of euro)	2023	2022	2021	FY23 vs FY22
Net result from associates	37.4	9.3	11.1	+302%



DEME Concessions oversees DEME's development activities in offshore wind, marine infrastructure, green hydrogen and mineral harvesting. In 2023 the concessions activities delivered a net result of 37 million euro compared to 9 million euro in 2022, partly driven by higher wind production and higher electricity prices. The Concessions segment has economic ownership of 144 MW of wind energy from offshore wind concessions in operation, generating recurring income, while building a pipeline that already includes more than 2 GW in Scotland, in which DEME holds a 42.5% participation. As well as this, it is exploring and developing additional opportunities.

For Dredging & infra, the Concessions segment is forging ahead with the Blankenburg Connection in the

Netherlands, Port-La Nouvelle in France and further expanding in Port of Duqm in Oman. DEME continues to explore new opportunities for ports and other concessions, mainly in Europe and Latin America. In this context, a consortium consisting of DEME and QTerminals W.L.L. signed a preliminary agreement in 2023 for the financing, construction, and operation of a new deepwater terminal for the port of Swinoujscie in Poland. DEME Concessions remains on track to be amongst the first in the world to produce green hydrogen and green ammonia. At its flagship green hydrogen project HYPOR Duqm in Oman, DEME and its development partner OQ Alternative Energy signed a Project Development Agreement with the government in Oman. Additionally other locations are being explored to deploy the same HYPOR technological concept.

The Concessions segment also continued to work on the Global Sea Mineral Resources (GSR) initiative, which marked a decade of deep ocean exploration and innovation in 2023. GSR is helping to tackle the scarcity of the planet's resources in the most responsible way and is continuing its research into the possibility of collecting metal-rich, polymetallic nodules from the deep ocean floor. In February 2023, GSR announced a strategic cooperation with Transocean Ltd (NYSE: RIG) whereby Transocean contributed an ultra-deepwater drilling vessel and a cash investment. The ISA⁽¹⁾ council indicated in July 2023 that it is aiming for the adoption of a regulatory framework in 2025.

⁽¹⁾ ISA: International Seabed Authority

Project showcase

Developing a hub for the green energy transition in Port-La Nouvelle

Port-La Nouvelle perfectly embodies DEME's ambition to address long-term global challenges and to pursue its strategy of sustainable growth.

DEME Concessions is the initiator and an indirect shareholder of the SEMOP (a single-purpose public private partnership in France) that has been awarded a 40-year construction, operation, management and development concession for the port of Port-La Nouvelle. The concession was signed and the SEMOP has been operating the port since 1 May 2021. This port project highlights both DEME's efforts to play a vital role in the energy transition (through its work developing the offshore wind and green hydrogen sectors) and its drive to support the growth in world trade and increasing globalisation with its dredging and reclamation activities.

As well as DEME Concessions being a member of the SEMOP, DEME's dredging and infrastructure teams are involved in the construction of the new hub. DEME is performing the Engineering, Procurement and Construction contract at the port.

Key role in energy transition

The SEMOP is developing Port-La Nouvelle as a sustainable green port that contributes to the energy transition. A key element will see the port become a dedicated logistics hub for floating offshore wind projects, and it is worth noting that it is the only commercial development in the Western Mediterranean

for this new industry. Being one of the best areas for wind resources in the Mediterranean, the port is ideal for either assembly or as a maintenance base.

Furthermore, the French port has the ambition to become a green hydrogen hub for both imports into France and Europe and for the distribution and production within the port as well.

Crucially, the SEMOP is repositioning Port-La Nouvelle as the leading terminal for bulk goods and general cargo in the Mediterranean by providing accessibility for larger vessels and dedicated handling facilities. A 80-ha logistics activity zone is also being developed.

Uniquely, Port-La Nouvelle is the first comprehensive port in France jointly managed by private companies and public entities, offering a new public/private model of governance for the country. The SEMOP brings together public players - the Region of Occitania and Banque des Territoires (Caisse des Dépôts) - and Nou Vela, a private shareholder group led by DEME Concessions and including Euroports, a leading international stevedoring company, EPICO, a fund managed by the Flemish Investment Fund, QAIR, an independent power producer of renewable electricity and the Aude Chamber of Commerce and Industry.

With over 140 ha available, Port-La Nouvelle will be the only port between Marseilles and Barcelona with such a large amount of land offering deep water access. It is also the only port directly connected to such a big hinterland, serving as a gateway to Toulouse and other important economic and agricultural centres.

Work to extend the port actually began in 2019 under the management of the regional authority, with the construction of a 2.5 km northern dyke, the extension of an existing southern dyke by more than 600 m, and the construction of a 250-m heavy load quay. The SEMOP continued these extension works with the construction of a large dedicated floating offshore wind terminal (40-ha land and adding 300 m heavy load quay), a new liquid terminal and a bulk terminal in a basin dredged to a depth of 15.9 m to accommodate large seagoing ships.

The port is immediately adjacent to the national rail grid and the port's terminals are directly connected to the grid. Additionally, the port will further expand and enhance its rail network by 2026 to provide optimal rail modality.

Hub for floating offshore wind

The new strengthened quay is next to a 7-ha area of reclaimed land which is where two pilot floating offshore wind projects are based. EolMed and EFGL both have a capacity of 30 MW. Alongside this site, the new, large-scale renewable marine energy terminal specifically for floating wind farms is under construction. Firmly on track, over 40% of the construction works are now completed and will be ready to be fully commissioned in 2025.

The liquid bulk jetty is also under construction and will provide state-of-the-art facilities to Total and Dyneff.

Green hydrogen terminal

Also, the SEMOP is planning the development of an extensive green hydrogen import terminal serving Southern Europe up to Germany. The SEMOP has already inked an agreement with Hyd'Occ, which started construction of a 5-ha site for the production of green hydrogen locally.

Port-La Nouvelle is a showcase for many of DEME's activities and its ambitions to help find solutions for global challenges. DEME is delighted to see the boost to the local economy and to see the port welcomes its first customers.



With over 140 ha available, Port-La Nouvelle will be the only port between Marseilles and Barcelona with such a large amount of land offering deep water access.

Project showcase

A leading role in the growing green hydrogen sector

With a pressing need to accelerate the clean energy transition and move away from the use of fossil fuels, DEME is already establishing itself as a front runner in the green hydrogen sector, just as it did in the offshore wind industry more than 20 years ago. It has become abundantly clear in recent years, that green hydrogen, which is produced from electrolysis using renewable electricity, is now seen as an important contributing 'puzzle piece' in the energy transition, complementary to direct electrification from renewable energy sources.

Green hydrogen is particularly effective when it can be produced at locations where solar and wind energy resources are powerful and abundantly available.

As the renewable electricity is captured in a molecule, green hydrogen offers solutions to use cases where direct electrification is more challenging, particularly in existing hard-to-abate industries (petrochemical, fertilisers, steel) and new hard-to-electrify mobility cases (marine transport, aviation, ...). Furthermore, future use cases include long-term and large-scale storage, crucial for balancing supply and demand on busy, congested energy grids. While there is still a lot of debate about just how much green hydrogen capacity will be needed, there is little debate about the fact it is needed.

With its renowned pioneering mentality, DEME has already been actively exploring the vast potential of this energy vector for many years. The company is taking a careful, step-by-step approach, and recognises that developing this sector is hugely ambitious, given the fact that it is starting from zero.

Supportive shareholders

However, the DEME team is undaunted by this immense task having taken the first steps into new, unproven markets before such as the offshore wind sector.

The commitment to green hydrogen fits perfectly with DEME's track record of entering groundbreaking, undeveloped sectors characterised by a combination of complex technical, commercial and engineering challenges. Although this is a new 'industry', it is not a new approach for the company.

Complementary to existing business

Setting up green hydrogen projects is an extension and complementary to DEME's renewables and port development experience. On the one hand, DEME has vast experience in developing renewable generation assets, which are essential to any green hydrogen production project. On the other hand, DEME's knowledge in and around ports, connecting global clusters, is important as these molecules will primarily be shipped between supply and demand hubs.

In this context, DEME took the strategic decision to start building up its green hydrogen project development expertise in 2018. This recently culminated in 2023, when DEME Concessions established a dedicated green energy initiative where all of its green hydrogen interests are brought together.

The DEME green hydrogen development is growing rapidly its project portfolio (including its flagship HYPOR Duqm

project in Oman globally, and other technology initiatives such as HYVE), where DEME is participating in a consortium to develop the next generation of electrolyzers. The HYVE consortium includes renowned research centres Imec and VITO, together with industrial pioneers Bekaert and John Cockerill. Additionally, DEME Hypor Energy accommodates an impressive expert engineering team and has been building a proprietary digital twin model for simulating the competitiveness of entire green hydrogen value chains.

During 2023, several key milestones were also realised at DEME's flagship project HYPOR Duqm, which is amongst the leading projects in the world that will produce green hydrogen and green ammonia at utility scale.

HYPOR Duqm is being developed on an area of 150 km² within the Special Economic Zone at Duqm. The production of green hydrogen to green ammonia is powered by both wind and solar energy, with a combined capacity of around 1.3 GW under Phase 1 and potentially more than 2.7 GW on completion of Phase 2. The first phase of the project, which is part of Oman's ambitious green energy targets (Vision 2040), is set to produce approximately 330,000 tonnes of green ammonia.

A robust green hydrogen ecosystem

In June 2023, DEME and its development partner OQ, the leading global integrated energy group in Oman, signed a Project Development Agreement with Hydrom, which represents Oman's national interest in green hydrogen and is regulated by the Ministry of Energy and Minerals. With this agreement in place, HYPOR Duqm can kick-off the next stage of project development in 2024, including more detailed engineering following an extensive pre-FEED campaign.

Duqm's strategic location and abundant renewable resources will enable DEME to establish a robust green hydrogen ecosystem. The Project Development Agreement provides DEME the right to develop and operate the project for 47 years and the associated timelines for construction and operation acknowledge HYPOR Duqm's leading position, with a commitment to become the first operational, large-scale green hydrogen project in Oman. Furthermore, the agreement locks in HYPOR Duqm's concept design, whereby the renewable energy will be transmitted from the generation site via a high-voltage transmission line to its industrial site near the Port of Duqm, where the electricity will be used for electrolysis and follow-on ammonia production.

HYPOR concept extended to other countries

In other strategic locations, DEME is also working with local partners in progressing utility-scale green hydrogen/ammonia projects, and more possibilities are being explored globally. The HYPOR concept is proving attractive to de-risk hydrogen



HYPOR Duqm utilises Oman's abundant renewable energy to establish a robust green hydrogen ecosystem.

projects and to attract investors and will be replicated, optimised, and adapted to the project-specific conditions.

DEME's presence and track record globally means the company can tap into its vast working experience and network around the globe, performing large-scale dredging, infrastructure, offshore and environmental projects over the last decades. And the most valuable asset – DEME's ingenious people – is vital when developing a new industry. In contrast to other players in the market, DEME believes it offers a different

proposition because it has taken the time to understand the value chain and it is taking a realistic, carefully paced approach in de-risking all aspects of such a complex development, which takes patience. It can only do this because it has long-term orientated shareholders and a strong team of highly skilled professionals. Green hydrogen highlights its capability to be a developer, think as a contractor, act as an operator and vitally, its ability to attract capital. DEME can deliver long-term, large-scale projects and ones that are breaking new frontiers. The company has proven this once again.

Project showcase

Addressing the global shortage of critical minerals

Global Sea Mineral Resources (GSR) embodies DEME's pioneering spirit and drive to find sustainable solutions. With demand for critical minerals set to increase dramatically in the decades to come due to population growth, increased urbanisation and the clean energy transition, GSR is addressing this global challenge and plans to play an important role in the development of a responsible deep seabed minerals sector.

There is growing recognition that critical minerals are key for a successful decarbonised energy transition and the International Energy Agency has reported that society will need six times more minerals by 2040 to become a net-zero society in 2050. Critical minerals, such as nickel, cobalt, copper and manganese – all found in polymetallic nodules on the deep ocean floor – are seen as crucial ingredients for a low-carbon future.

Marine minerals are emerging as a potential source of these critical minerals and they could expand diversity of supply to help meet growing demand. But this is only if deep seabed minerals can be proven to be one of the more environmentally and socially responsible options for obtaining the minerals society needs.

10 years of deep ocean exploration

Celebrating its 10-year anniversary and a decade of deep ocean exploration, research and innovation in January 2023, GSR is carefully exploring the potential of marine minerals, including developing deep-sea nodule collection technology, and by working together with the scientific community.

Ten years ago, DEME signed an exploration contract with the ISA. Under the contract, GSR has exclusive rights for polymetallic nodule exploration over nearly 75,000 km² of the seabed in the eastern part of the Clarion Clipperton Fracture Zone of the Pacific Ocean.

Seven offshore expeditions

Many milestones have been achieved during this pioneering decade including seven offshore expeditions totalling 266 days at sea, the mapping of the entire Clarion Clipperton Fracture Zone contract area, five and a half years of oceanographic data collection and more than one million photographs of the deep seabed.

One of the world's front runners in the development of polymetallic nodule collection technology, GSR has so far successfully conducted two ultra-deep water technology trials at a depth of 4,500 m.

During this period, 27 scientific publications have been published in peer-reviewed journals. According to the scientific literature, minerals from the deep sea could be delivered with a 40% reduction in carbon footprint, and with less waste, when compared to land-based mining for the same minerals.



Additionally, in 2023 the first independent scientific report of GSR's 'Patania II' (pre-prototype collector) expedition was published, outlining the technical achievements and scientific learnings gained from technology trials conducted in two ISA contract areas. The report's author, Dr. Thomas Peacock, is a professor at the Massachusetts Institute of Technology (MIT). During the trials he was on board the GSR-chartered vessel and led a team of MIT-scientists to validate and further improve sediment plume models.

Since 2018, GSR has collaborated with the MiningImpact2 (MI2) consortium, representing scientists from 29 European institutes and nine different countries. MI2 scientists also independently monitored the technology trials. Commenting on both trials, Professor Peacock said: "This collaboration between industry and independent scientists resulted in unprecedented and transparent monitoring of realistic seabed nodule collector technology on the abyssal plains of the Clarion Clipperton Zone."

Transocean alliance

Highlighting increasing worldwide interest in the sector, Transocean, a global leader in the offshore drilling industry and well known for its ultra-deepwater expertise, teamed up with GSR in early 2023. Transocean decided to invest in the company by contributing an ultra-deepwater drilling vessel, a cash investment and additional engineering capacity.

This powerful strategic alliance will both strengthen GSR's subsea experience and in turn contribute to its leadership position in the deep seabed minerals sector. Under the cooperation, Transocean gains a minority stake in GSR and is entitled to appoint a member of the Board of Directors of GSR.

Transocean's drilling vessel, the 'Ocean Rig Olympia' will be converted for a system integration test. The system integration test is scheduled for 2027 and will entail a trial of a full-scale seafloor nodule collector and riser to lift the nodules to the surface vessel. This trial is deemed a vital step in the technology development as GSR continues to responsibly explore the feasibility of commercial operations.

04

Sustainability



Sustainability strategy

At DEME, it is our ambition to fundamentally contribute to sustainable solutions for the global environmental, societal and economic challenges facing our world today. While addressing these challenges, we continually strive to improve the sustainability of our own operations. This has led to our two-dimensional strategy for sustainable performance – we aim to ‘Explore’ and to ‘Excel’. This strategy will help us to create sustainable value for our customers, DEME and society.

Our two-dimensional strategy for sustainable performance

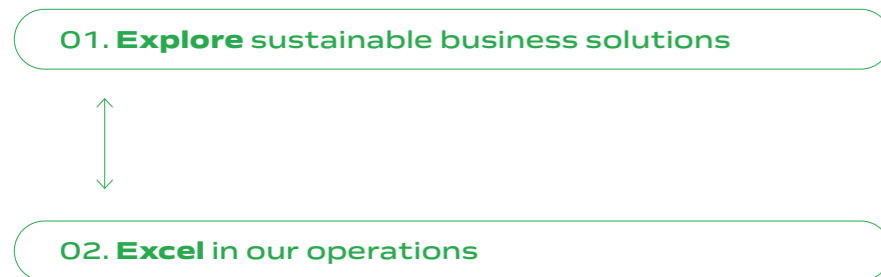
01. Explore sustainable business solutions

by continuously challenging ourselves to enlarge our sustainable business portfolio and to align our business decisions with the Sustainable Development Goals where DEME can create the most impact.

We refer to chapter 3 ('Segments') and to the pages regarding the EU Taxonomy in this chapter for more information on our sustainable business solutions.

02. Excel in our operations

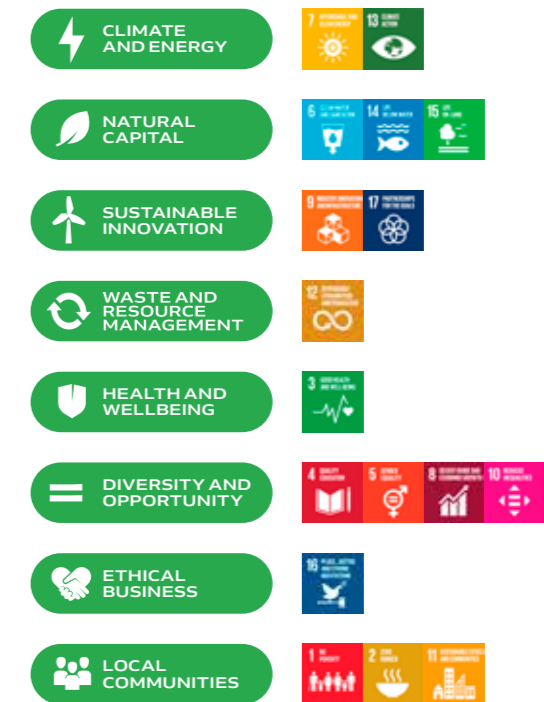
by maintaining and strengthening a sustainable performance in our daily operations.



DEME's eight sustainability themes

DEME's eight sustainability themes are linked to the 17 UN Sustainable Development Goals (SDGs). It is undeniable that the world is facing multiple global challenges that could have a serious impact on society and the environment unless we act now. With its 17 SDGs, the UN has identified its priorities for creating a better world by 2030.

At DEME, we are fully committed to helping achieve the SDGs. These goals have helped us to understand the economic, environmental and social impact of our operations as we move towards a project portfolio with a strong sustainable focus. DEME does not contribute to all of the goals equally, instead we focus on those where we can make the most impact. We have bundled the 17 SDGs into eight sustainability themes with each of them having their own ambition.





Materiality Matrix

In 2023, we continued to focus on our Materiality Matrix from 2022. To ensure we prioritise the issues that have the biggest impact on our business and that matter most to our stakeholders, we conducted a materiality assessment. This materiality assessment included:

- A review of the ESG and sustainability topics in DEME's existing 2021 Materiality Matrix. These topics were benchmarked within our sector and compared to relevant ESG topics used by risk rating agencies
- Use of the DEME integrated Risk Matrix to define the risk category, impact and exposure
- Application of a scoring methodology to better quantify the potential impact of DEME's ESG risks
- Compilation of the results in the updated matrix and validation of the 2022 Matrix through our governance model







We are preparing ourselves for the upcoming EU Corporate Sustainability Reporting Directive (CSRD) and in 2024 we will be reporting based on a double materiality assessment, which covers both impact materiality and financial materiality.

DEME's Materiality Matrix






DEME's four most material themes

DEME considers the ESG topics in the high-high quadrant of the Materiality Matrix as its most material topics.

Material ESG topics	R/O ⁽¹⁾	Ambition	Target	Target 2023	Performance indicators	Results			Progress	
						2023	2022	2021		
Environment										
 Climate and Energy	O	Energy transition	To expand our offshore renewable energy solutions and to explore new marine-based solutions for renewable energy production, connection and storage.			MW Installed wind turbines	712	440	2,378	
						MW Installed foundations (contributed capacity)	1,212	2,798	1,867	
						MW Beneficial ownership	144	144	144	
	O	Resilient infrastructure	To build resilient marine infrastructure, such as the construction of ports, locks, tunnels and bridges and to provide dedicated flood protection solutions and coastal protection management.				Turnover (% eligible; % aligned)	42; 33	29; 26	28; 24
CapEx (% eligible; % aligned)							49; 49	52; 52	32; 32	
OpEx (% eligible; % aligned)							0; 0	0; 0	0; 0	
O	Energy efficiency	Climate neutral operations by 2050 and improvement of energy efficiency in our operations.				kt of emitted CO ₂ e worldwide (Scope 1 & 2 in CO ₂ e)	734	653	833	
R	GHG emissions	To reduce greenhouse gas intensity by 40% by 2023 relative to 2008.	17% of low carbon fuels consumed (energy based) in comparison to total consumed fuels (energy based) by 2026.	Sustainability-linked loans target: ≥8%	% Low carbon fuels (energy based) versus total consumed fuels (energy based)	10.3	6.0	-		
Social										
 Health and Wellbeing	R	Safety	To provide a safe, secure and healthy working environment for all people involved.	To prevent any Lost Time Injuries on our vessels, projects, sites and offices worldwide.	Sustainability-linked loans target: ≤ 0.20	Worldwide Lost Time Injury Frequency Rate ('Safety Thermometer')	0.19	0.23	0.19	
Governance										
 Sustainable Innovation	O	Sustainable innovation	Enhance scientific research, upgrade technological capabilities and encourage sustainable innovation within our projects.	Sustainability integrated in each innovation campaign as part of the evaluation criteria and incorporated in the innovation stage gate process.		Number of approved innovation initiatives	12	12	14	
 Ethical Business	R	Responsible business conduct	Respect and protect labour rights in our organisation. Embed an ethical mindset within DEME and transparently communicate about our ethical performance.	To ensure every employee has followed frequent training courses about ethical awareness.		% DEME staff who participated in DEME's Compliance Awareness training	99	99	99	
						% DEME crew who participated in DEME's Compliance Awareness training	87	82	-	

⁽¹⁾ Risk/Opportunity

-  Target achieved
-  On track
-  Delay or off track

Focus on highly material topics

The focus of DEME's sustainability priorities lays with its most material topics, including Greenhouse Gas Emissions, Energy Efficiency, Safety, Responsible Business Conduct and Sustainable Innovation.

Greenhouse Gas Emissions

In line with our ambition to achieve climate-neutral operations by 2050 (Scope 1 & 2), we are aiming to be at the forefront of the industry when it comes to integrating climate proof technology and excellence in energy performance into our operations.

We are aligned with the 2023 International Maritime Organisation's GHG Strategy which envisages both a reduction in carbon intensity, as an average across international shipping, by at least 40% by 2030 versus the base year 2008, and to peak GHG emissions from international shipping as soon as possible and to reach net-zero GHG emissions by or around 2050. This is whilst pursuing efforts towards phasing them out consistent with the long-term temperature goal set out in Article 2 of the Paris Agreement. In addition, we intend to reduce GHG emissions across our entire project value chains (Scope 3).

DEME follows the Greenhouse Gas Protocol and reports its GHG emissions according to three scopes (Scope 1, 2 & 3). DEME's total worldwide carbon footprint includes carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄).

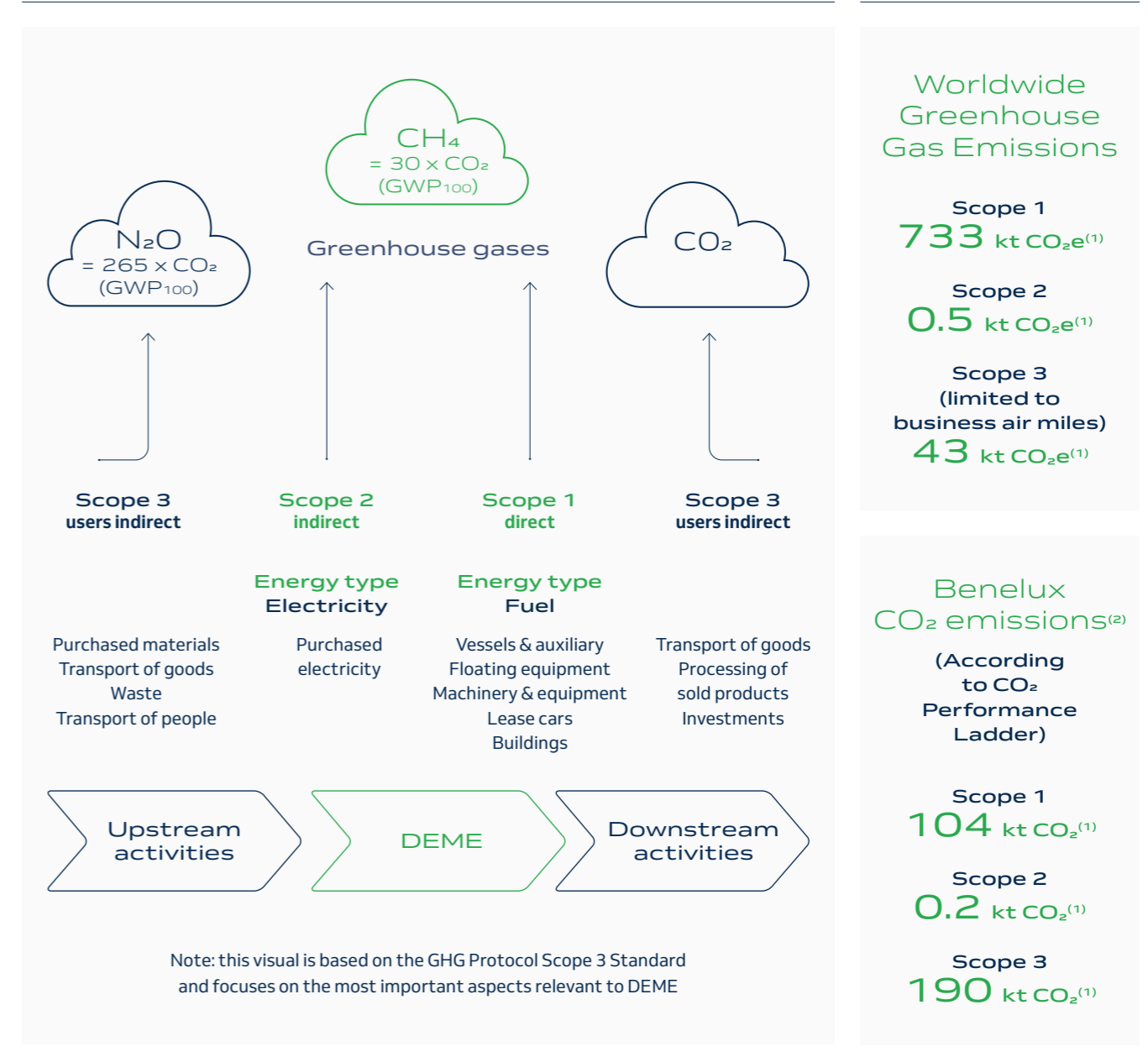
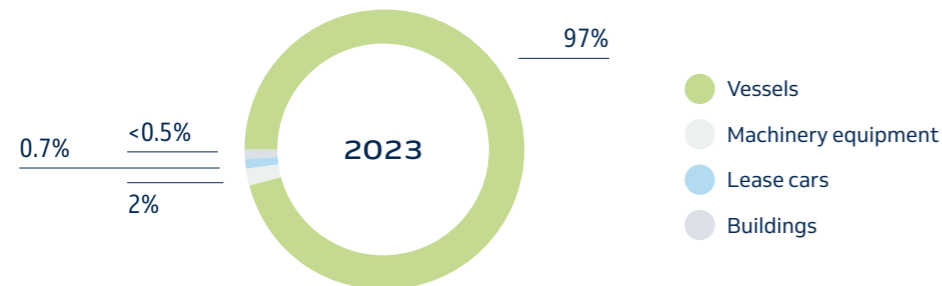
DEME's worldwide greenhouse gas emissions Scope 1 and 2, based on the actual data collection, relates to 95% of our vessels. The remaining portion of Scope 1 and 2 is shared between machinery and equipment, lease cars and buildings.

The increase in total greenhouse gas emissions in Scope 1 and 2 compared to 2022 is caused by a slightly higher occupation of our Offshore Fleet and the deployment of a number of cutter suction dredgers in more energy-intensive projects.

In 2023, total Scope 1 and 2 greenhouse gas emissions amounted to 734 kt CO₂e. The amount of DEME's annual total global greenhouse gas emissions is largely dependent on the type of projects and the vessel occupancy.

In preparing the consolidated financial statements, the Group has considered the potential impact of climate related risks which cover both transition risks and physical risks (Chapter 06).

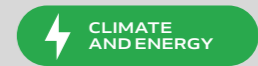
Worldwide Greenhouse Gas Emissions



⁽¹⁾ see glossary.

⁽²⁾ For our overall progress regarding the CO₂ Performance Ladder, we would kindly refer to our dedicated webpage www.deme-group.com/co2-prestatieladder and in particular, DEME's progress report 'Energy Performance booklet', Scope 1 & 2.

Energy Efficiency



DEME Group is certified according to ISO 50001. This is an international standard that specifies a process for controlling and continually improving a company's energy performance.

Within the framework of the ISO 50001, five main significant energy users (SEUs) have been identified: vessels, buildings, machinery and equipment, transport of people and purchase of goods and services.

This framework streamlines our energy management by allowing us to seamlessly integrate it with greenhouse gas emission management.

Here is an overview of all the SEUs with their corresponding targets. The following pages will further clarify how we are working to improve our energy efficiency and reduce GHG emissions within Scope 1, 2 and 3.



01. Vessels

- Reduction of 40% GHG Emissions by 2030 compared to 2008 per dredged m³ or installed MW
- 17% of low carbon fuels consumed (energy based) in comparison to total consumed fuels (energy based) by 2026

02. Buildings

Climate-neutral headquarters by 2025

03. Machinery and equipment

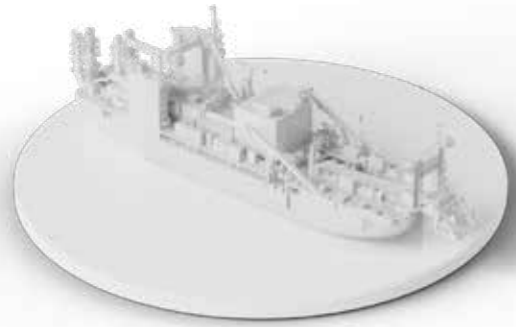
Climate-neutral operations in the Benelux by 2030

04. Transport of people

Reduction to 65 grams CO₂/km for lease cars by 2025 in the Benelux

05. Purchase of goods & services

Reduction of GHG emissions in our project supply chains



01. Vessels

Towards the most efficient and flexible fleet in the sector

We have set two targets related to greenhouse gas emission reduction, specifically targeting the emissions from the vessels within our fleet. These were set to further increase energy efficiency, to reduce greenhouse gas emissions intensity, and to be able to make the switch to the use of future zero carbon fuels in the long run.

Target 1

40% GHG emissions reduction by 2030 compared to 2008 per dredged m³ or installed MW.*

Scope	DEME vessels
Target level	40%
Unit	CO ₂ e/unit of work (dredged m ³ or installed MW)
Absolute / Relative	Relative (GHG intensity)
Baseline value / Baseline year	100% / 2008
Period	2008-2030
Interim targets	-

Target 2

17% of low carbon fuels consumed (energy based) in comparison to total consumed fuels (energy based) by 2026.**

Scope	DEME Vessels
Target level	17%
Unit	%
Absolute / Relative	Relative
Baseline value / Baseline year	2% / 2021
Period	2022-2026
Interim targets	5% / 2022 - 8% / 2023 - 11% / 2024 - 14% / 2025 - 17% / 2026

* The methodology, as well as the data, process and fleet GHG intensity calculations based on the defined methodology were verified and validated in May 2023 by an independent third-party, Lloyds Register.

** The target on the low carbon fuels is anchored in DEME's Sustainability-linked Loans Agreement (p. 244)

DEME's vessel GHG emissions roadmap for the fleet

Key Messages

01. DEME aims to achieve climate neutral operations by 2050 and has set an intermediate GHG intensity target to reduce 40% of its fleet GHG emissions per dredged m³ or installed MW by 2030 versus the base year 2008.
02. DEME's ambition and targets are set in line with the 2023 IMO GHG strategy.
03. By the end of 2022, we have already achieved a reduction in GHG intensity of 26.6% compared to 2008. Another 13.4% needs to be gained by 2030. The methodology, as well as the data, process and fleet GHG intensity calculations based on the defined methodology has been verified for the first time by an independent third-party, Lloyds Register, in May 2023.
04. To further work towards our 2030 target, we are focusing on three strategies: operational efficiency, technical efficiency and fuel shift.
05. The amount of DEME's annual total global GHG emissions is largely dependent on the type of projects and the vessel occupancy. In the mid- and long-term, a reduction in absolute GHG emissions will mainly rely on a further fuel shift towards net zero carbon fuels. The first pilot tests on the use of these future fuels are being set up.

We have a three-pronged strategy in place to reduce the GHG emissions from our fleet:

01. Operational efficiency
Increasing productivity while reducing energy consumption

Throughout the years, we have been focusing on improving the operational efficiency and productivity of our fleet, resulting in the reduction of our GHG emissions. This reduction can be achieved by modernising and upscaling our fleet, improving our working methods, and implementing process improvements.

03. Fuel shift
Using less GHG intensive fuel types

Short and medium-term (low carbon fuels)

Low carbon fuels combine the fuels for which the CO₂ emissions are lower compared to conventional fuel (marine gas oil). This category includes fuels such as LNG and blended biofuels. By incorporating state-of-the-art, dual fuel technology in our vessels, they are able to run on both LNG in gas mode and conventional fossil fuels in diesel mode. From an emissions perspective, the concept is that they can readily access the use of a cleaner fuel with the option to fall back on conventional fossil fuels if alternatives are not available.

Alongside the use of LNG, our vessels can also run on biofuels or a mixture of a fossil fuel with a biofuel, both resulting in a net reduction of our CO₂ and GHG emissions. Biodiesel and biomethane (BioLNG) can be used as a 'drop-in' fuel and on board of vessels currently running on LNG without any technical modifications for storage, handling and combustion.

02. Technical efficiency
Delivering more energy on board with less fuel

We continuously strive to increase our technical energy efficiency across the fleet, and thus at the same time, reduce emissions by implementing different kinds of efficiency measures. These include waste heat recovery systems, which convert heat from the exhaust gases to electrical energy, the use of fly wheels and battery packs, as well as measures to boost propulsion efficiency such as combinator curves.

Medium and long-term (future fuels, zero carbon fuels)

DEME is a keen enthusiast about the potential of future fuels. That is why we are setting up first pilots to gain experience with these future fuels. In 2024 green methanol will be tested on the 'Yellowstone' and green ammonia on the 'Apollo'.

In 2023, we exceeded our target to consume at least 8% of low carbon fuels compared to the total amount of fuels (energy based).

Best practice

Demonstrating our three strategies on 'Yellowstone'



01. Operational efficiency

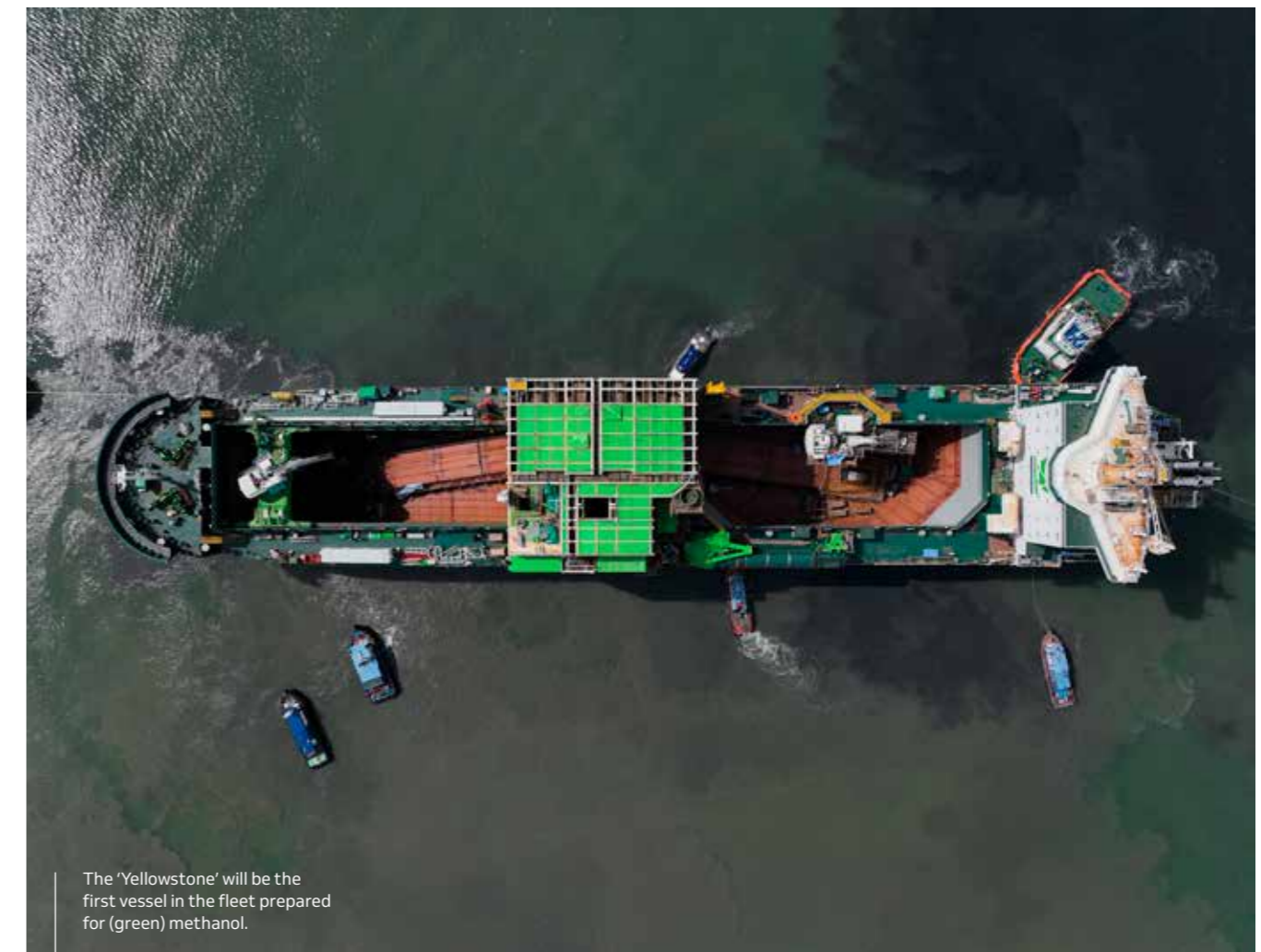
We are continuing with the modernisation and upscaling of our fleet with the conversion of a bulk carrier into a DP2 fallpipe vessel. The payload of the new FPV is more than double that of DEME's existing largest vessel. On projects with long sailing distances, this not only brings great economies of scale but also fewer trips are required, resulting in substantial fuel savings. Furthermore, the long and slender hull and highly efficient propulsion make 'Yellowstone' a champion of reduced fuel consumption per km.

02. Technical efficiency

The vessel will have a hybrid power plant, consisting of a smart power management system and a battery pack, which stands by as a power and energy reserve, allowing the FPV to keep only well loaded engines running, making it possible to achieve 10-15% in fuel savings, especially in DP mode. As well as this, it will be equipped with a waste heat recovery system.

03. Fuel shift

'Yellowstone' will be the first vessel in the fleet prepared for (green) methanol. The first pilots will run during the course of 2024.



02. Buildings

Green offices and creating climate-neutral headquarters by 2025

We are currently working to increase energy efficiency and investing in new sustainable technologies to have a climate-neutral HQ by 2025 and are halfway through the transformation.

Best practice

Sustainable DEME campus

The DEME Campus is halfway through its transformation into a modern, attractive, sustainable and energy-neutral head office. The DEME Labs and new offices have been fitted with heat pumps and fully electrified heating systems as part of our multi-year plan to gradually shift from fossil fuel heating to the use of green electricity.

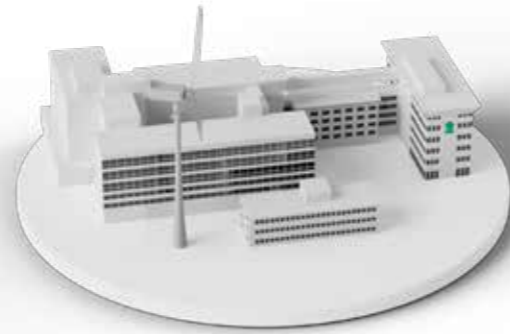
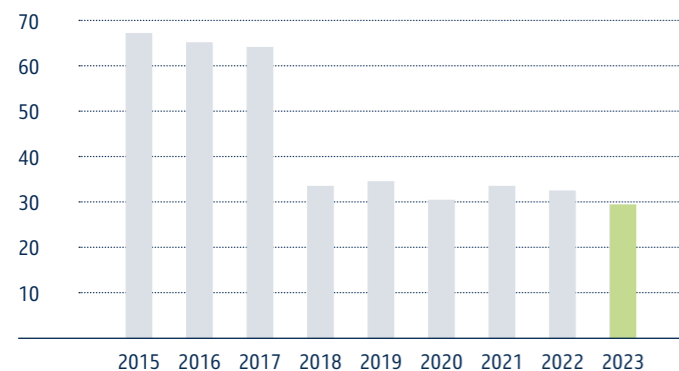
During construction and renovation, we have also focused on the design and insulation in order to reduce the heating and cooling demand. In addition, solar panels have been fitted on the roof of the DEME Labs in Q1 2024.

In 2024 we will further focus on phasing out the remaining diesel consumption:

- Demolishing the older buildings representing 50% of the diesel consumption for heating at the campus
- Extending the cold-heat networks for the offices
- Equip the warehouses with heat pumps and radiant panels to phase out the remaining diesel used for heating

Progress GHG emissions reduction at Headquarters

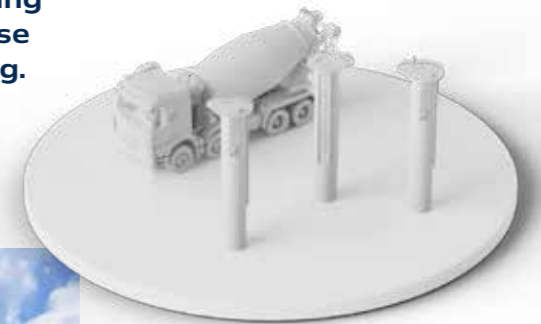
kgCO₂e/GJ energy used



03. Machinery and equipment

Gradually moving to zero-emission machinery and equipment

The electrification of construction equipment and the use of hydrogen gives the construction sector more and more opportunities to move towards zero emissions, yet there is still no solution for remote locations using energy-intensive construction equipment, and these locations are usually exactly where DEME is working.



Best practice

Electric machinery and equipment

In the Netherlands, DEME Environmental operates electric machinery and equipment to achieve a zero-emission work environment. In 2023 the electric excavator Hyundai HX260 arrived and besides this, multiple investments have been made. A hydraulic long reach excavator Doosan 355LC 14mtr and a Doosan DL280 Wheel Loader will be delivered in Q1 2024. Also, in 2023, DEME Environmental has ordered a small electric wheel loader (Volvo L25).



04. Transport of people

Electrification of car fleet progressing swiftly

The transport of people at DEME includes business flights, train travel and our car fleet. We aim to reduce emissions related to business travel, increase green mobility in the Benelux and gather insight into our car fleet worldwide.

Best practice

Electrification of our car fleet

As the composition of our car fleet has significantly changed, this also has an impact on the GHG emissions (Scope 1) related to the transport of our people.

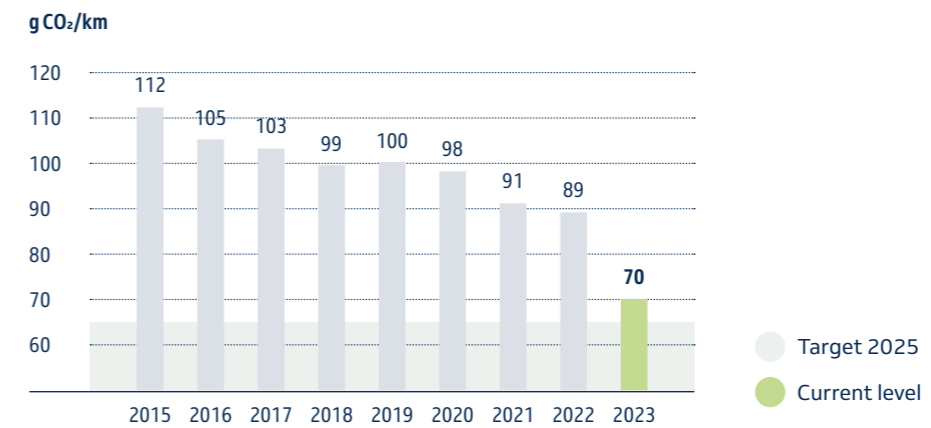
Looking at the number of electric vehicles (EV) compared to 2022, there was an increase of 12%, resulting in a significant drop in the average CO₂ emissions of our car fleet to 70 gCO₂/km, bringing us one step

closer to achieving our target of 65gCO₂/km by 2025 in the Benelux. In addition to that, the number of ordered vehicles shows that we will be able to achieve our target within the foreseen timeframe.

Finally, in order to encourage commuting by bicycle we launched a DEME Bike Lease programme in 2023, becoming effective in Q1 2024.

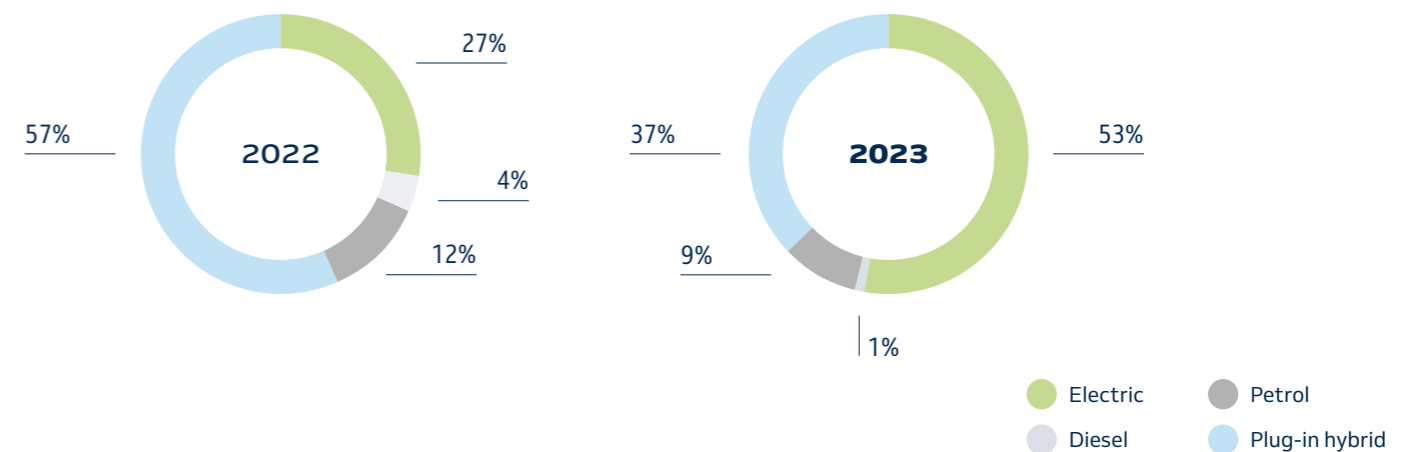


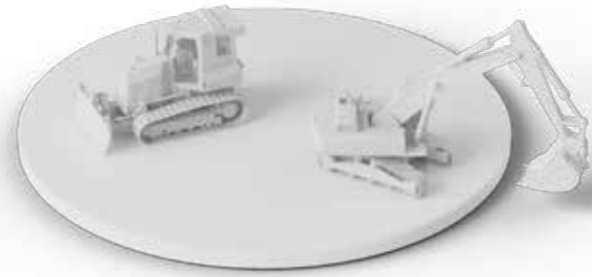
Progress on the amount of grams CO₂ emissions per kilometre for our lease cars in the Benelux



Overview lease cars ordered 2022 vs 2023

- a shift in orders towards fully electric vehicles
- a further decline in the number of petrol and diesel cards ordered, which decreased from 16% to 10%





05. Purchase of goods & services

Reporting on the significant emissions in our value chain

One of the main energy consumers in the project supply chain is the purchase of goods & services. We aim to reduce GHG emissions across our entire project value chain. This includes exchanging energy and emissions performance data. We are determined to gain further insights into our most significant emissions categories and to set dedicated targets and actions based on an analysis of our Scope 3 emissions and related Life Cycle Assessments.

Actions

We developed a vision on sustainable procurement, which entails an alignment of the DEME procurement strategy with our corporate sustainability agenda, focusing on our most material topics of which GHG emissions and energy efficiency are two.

In 2023 we started engaging with both our external stakeholders (suppliers), by means of a pilot with a supplier assessment tool as a potential solution for procuring in a more sustainable way and pushing our suppliers to do better, and our internal stakeholders (procurement employees) by informing them about our sustainability strategy, objectives and next steps in the pilot phase. The sustainable procurement strategy which is being developed is aligned with the ISO 20400 for Sustainable Procurement.

We managed to onboard 110 suppliers which covers 35% of the DEME procurement spend in 2022.

In 2024 we will determine the significant Scope 3 categories and will set out a detailed and phased plan to calculate our worldwide Scope 3 emissions, including the purchase of goods & services. Looking at our internal procurement taxonomy and based on our spend analysis, we estimate that the majority of Scope 3 emissions will come from:

- purchase of goods & services
- upstream fuel- and energy-related activities
- transport activities (Up- and downstream road and water transport)
- business travel



Best practice

Low-carbon grouting material

On the Vineyard Wind 1 project, a different grouting material (GUL) was used for the TP installation that has a smaller carbon footprint because of the way it is produced. The GUL grout is a cement material containing less clinker, reducing the CO₂ emissions by 5-10%. Besides this, the grouting material was locally sourced in Canada, which eliminated the transport from Europe to the US. This resulted in a reduction of approximately 170 tonnes of CO₂.

Safety

DEME works day in and day out on its safety performance and continuous improvement. We devote a lot of attention to what could possibly go wrong, and certainly to what goes right.

Achievement of WW LTIFR ('safety thermometer') target in 2023⁽¹⁾

Targets

- The achievement of eight safety indicators reflecting DEME's Safety Performance.

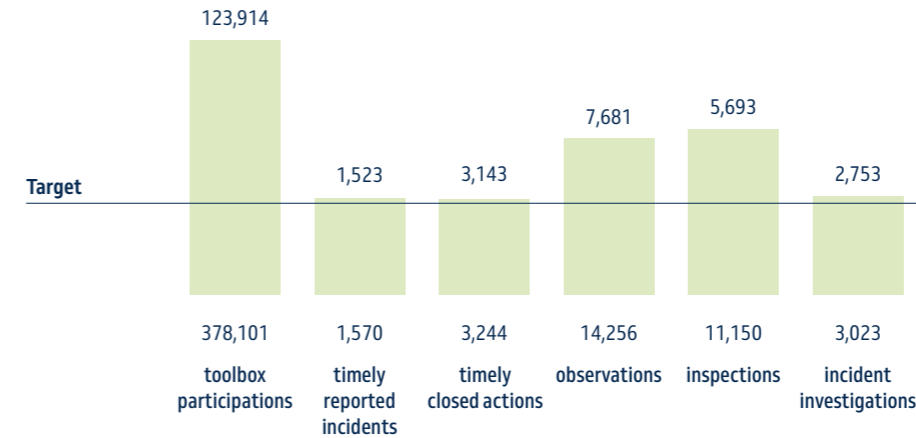
Actions

- Our annual communication plan kicked off with a campaign encouraging our people to proactively inspect their life jackets, framing it as a New Year's resolution for safety.
- Within DEME, we actively incorporate key elements of our Safety DNA to make a meaningful difference. It is easy to say safety is in our DNA, but what does it really mean? In our opinion, it is all about caring and sharing, that's why DEME encourages its employees to take care of each other and share all available data and knowhow regarding operational risk management.
- Unfortunately, in the first half of 2023, there was a notable increase in Lost Time Incidents (LTIs), demanding an immediate call for action. Consequently, last year's Safety Week focused on assessing High Potentials (HIPO) and LTIs. Data and near-misses were analysed to identify root causes and potential improvements. DEME employees directly involved shared their experiences, focusing on prevention through better work preparation and communication. Safety videos on various topics spread awareness during toolbox talks, reaching thousands of participants. The Safety Week resulted in numerous inspiring best practice 'Safety Success Stories' and these are being shared throughout the company.
- Leading up to the Safety Moment Day, nearly 140 projects, vessels, and sites contributed 269 'Safety Success Stories'. These stories highlight achievements and best practices, offering inspiration and identifying areas for improvement. One notable example involves the collaborative effort between the crew and the Safety by Design-team in designing and constructing a roller conveyor system for safe load transportation through watertight doors.
- DEME chose several excellent 'Success Stories' to share during the annual Safety Moment Day. Safe access, work preparation, efficient engineering, working at height, mooring and open manholes were just some of the topics highlighted.

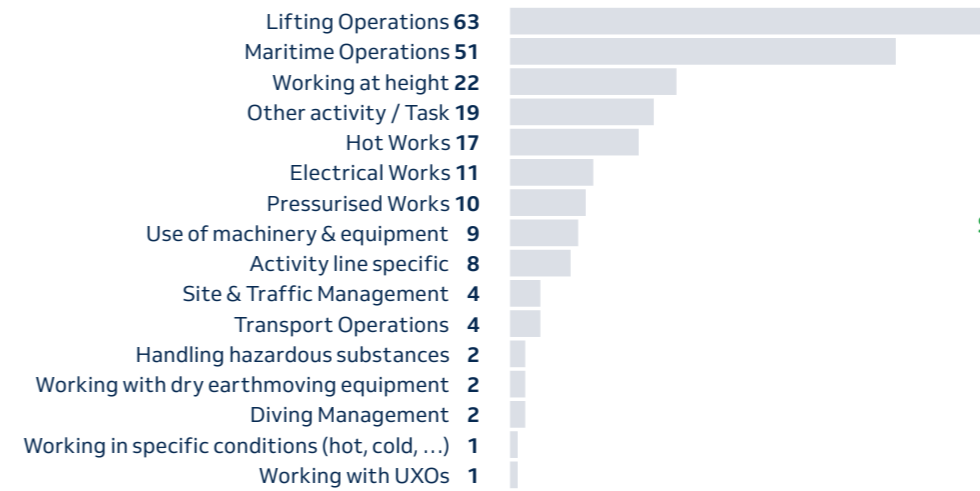
DEME's QHSE-S worldwide performance dashboard

(1 January 2023 - 31 December 2023)

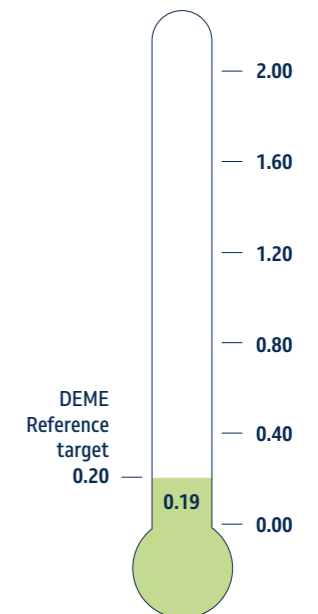
269 Safety Success Stories



Incidents



Safety Thermometer



⁽¹⁾ The target for WW LTIFR is anchored in DEME's Sustainability-linked Loans Agreement (p. 244).

Responsible business conduct



In our daily operations we interact with a variety of different business partners such as customers (including publicly-owned entities), joint venture partners, subcontractors, suppliers and (recruitment) agencies.

Additionally, due to the global nature of DEME's business, we operate in countries with a higher risk profile for non-ethical practices, which is demonstrated for example, by their lower ranking on the Corruption Perception Index published by Transparency International. Therefore, we must remain vigilant and make sure that our ethical standards are adhered to at all times, both by ourselves and our business partners.

In line with our ambitions to create a sustainable business for the long-term with all third parties involved, we aim to conduct our business with honesty and integrity, and actively and proactively prevent corruption or bribery in any form. In addition, responsible business conduct includes other topics such as respect for labour and human rights, abolition of child labour, combating money laundering and encouraging fair competition with our stakeholders, etc.

Targets

- We only work with stakeholders committed to the same ethical standards as our company.
- We ensure decent working conditions for everyone and encourage social dialogue.
- We ensure that every employee has followed frequent training courses about ethical awareness.

Actions

- Following a risk analysis, preliminary feasibility study, partner selection process and detailed process design, 2023 saw the kick-off of the rollout of our highly automated third-party risk management suite. The rollout of the process for Sanctions and Anti-corruption and Anti-bribery (ABAC) screening for suppliers is meanwhile completed for all vendors onboarded on the platform. A similar process for (joint venture) partners and customers is currently nearing completion of the design stage and the rollout will commence during the first quarter of 2024.
- Alongside minor updates to our various (internal) compliance policies, DEME's Raising and Reporting Integrity Issues Policy received a major overhaul in 2023. In addition to a name change to "Whistleblowing Policy", improving clarity, the policy and procedures described in it were further refined in order to ensure full alignment with the European Whistleblower Directive that came into force. This includes the creation of additional reporting channels and a more streamlined procedure amongst other things. The summary is available on the DEME website.
- Our annual Code of Ethics and Business Integrity training yielded a 99% success rate for staff on the mandatory e-learning course and 87% for crew using tailored classroom toolboxes. With nearly all masters and officers trained, we are steadily progressing towards our goal of complete ethics and integrity awareness throughout our organisation.

99%
of DEME staff
successfully
completed
compliance training

87%
of DEME crew
successfully
completed
compliance
training

Sustainable innovation



We all hold key parts of the solution, and we all stand to benefit by collectively driving forward sustainable development. Multistakeholder partnerships therefore can be seen as a way for organisations from different societal sectors to work together.

The ambition to achieve a sustainable world also means that intrapreneurship (whereby employees can behave like entrepreneurs, even though they work within an organisation) should be encouraged within the company. Working towards holistic, sustainable solutions also

requires in-depth knowledge, expertise and R&D on very specific topics, and dedicated cooperation with universities and research institutes. That's why we aim to enhance scientific research, upgrade our technological capabilities, and encourage sustainable innovation.

Targets

- To ensure uptake of sustainability as an integral part of every challenge in each innovation campaign.
- To make sure sustainability is always part of the evaluation criteria of every idea or initiative during the development phase.

Actions

- We completed all four stages of 'DEMEx' - DEME's most ambitious innovation campaign. A customised megatrends map was used to create 10 future planets, all of which included sustainability challenges. These planets were used to create a multitude of promising future ventures for DEME of which nine were selected for a six-month incubation period in 2023. From these nine venture concepts, the Innovation Board selected three to advance to the final DEMEx investment phase. It's interesting to note that all of the final ventures are linked to global sustainability challenges (renewable energy, flood protection and ecology/circularity).
- We continued developing and implementing the most promising nine initiatives from our 'Diver' innovation campaign 2020. One of the ideas being accelerated is the increasing use of zero-emission equipment.
- In 2023, we performed 12 'ad hoc' AVISO innovation workshops. AVISO stands for Alternatives, Value (creation, engineering), Innovation, Smarts & Optimisation and is built around a customised brainstorm process aimed at achieving business excellence through the introduction of innovative solutions in our methods, projects, and equipment. Sustainability is a fundamental aspect of the AVISO process, incorporated both in the formulation of challenges and throughout the ideation phase. Out of the 12 AVISO workshops conducted, seven were specifically focused on sustainability issues, including renewable energy and storage, flood protection, environmental cleanup, and social wellbeing.
- We held 'DEME Talks' (inspired by TED Talks) on both technical and non-technical topics. Subjects included PFAS remediation, Sleep is the new medicine, Corporate Social Responsibility with a non-profit organisation, Doing Business within Planetary Boundaries and the Circular Economy.

12
Approved
Innovation
Initiatives

Best practices other themes



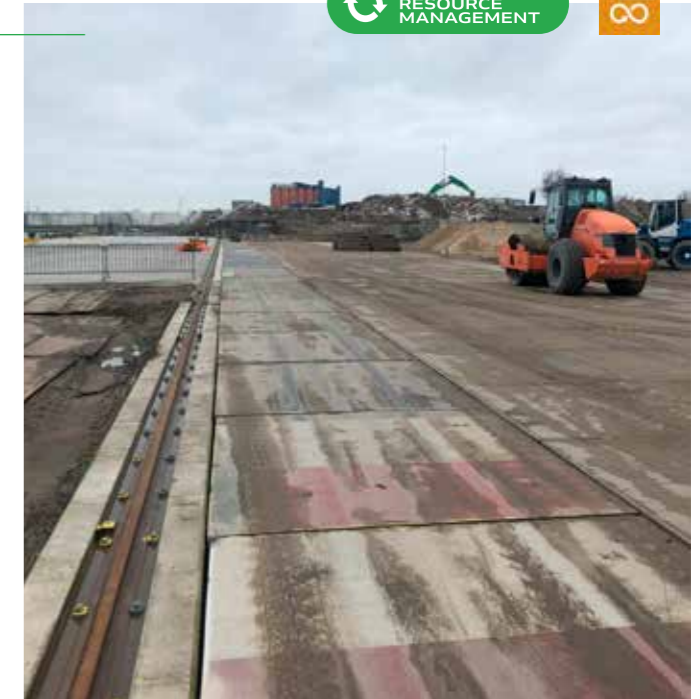
Mitigating noise impact using artificial intelligence

At Vineyard Wind 1, the first commercial-scale offshore wind farm in the US, DEME is working closely with the Bureau of Ocean Energy Management (BOEM) and bringing its operational experience and noise mitigation expertise to the project. Due to the high density of whales in the area, it is vital to minimise the impact of underwater noise from pile driving. Therefore, DEME deployed three offshore noise abatement systems: two single bubble curtains and an enhanced Hydro Sound Damper net around the monopiles. In addition to these state-of-the-art mitigation technologies, we implemented an extensive marine mammal observation system to detect protected species before they entered the zone where potential noise could impact their behaviour. This was based on a combination of underwater acoustic technology and above-water visual observation systems. Aided by artificial intelligence and infrared camera technologies, DEME, in collaboration with its customer and subcontractors, was able to significantly reduce the impact of noise from pile driving.

Reuse of concrete slabs and lifting beams

In line with DEME's commitment to circularity, existing materials were reused during the reconfiguration and installation of a crane rail at one of our project sites. The connection between the concrete base and the track is usually sealed with special plates. But instead of buying new ones, the team cleverly used 1,725 m² of leftover concrete slabs from another DEME project site.

Additionally, lifting beams from dyke reinforcement project GOVa got a second life as collision protection. This not only prevents these beams from ending up as waste but also establishes a safer working environment. The distinctive colour of the lifting beams ensures their visibility and clearly marks height differences. Additionally, these beams can still be used as lifting equipment in the future. This clever solution resulted in a reduction of almost 123 ton of CO₂ emissions.



Pioneering Employer 2024

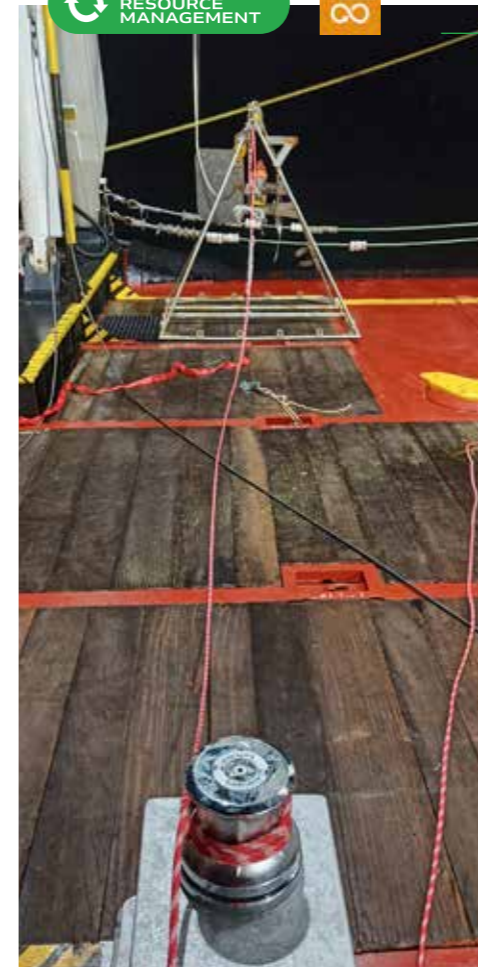
DEME was granted the prestigious title of 'Pioneering Employer 2024' (Baanbrekende Werkgever 2024). Awarded by the Baanbrekende Werkgever partnership, the title recognises our commitment to fostering a healthy work environment and people-oriented employment, demonstrated by our policy regarding hybrid working and mobility amongst others.

Currently, efforts are underway to reinforce and initiate various Health & Wellbeing initiatives.



Replacement of disposable ballast system with recoverable one

In the past, DEME's geophysical and Geographic information system (GIS) specialist, G-tec, used to work with a ballast system that is composed of disposable sandbags, connection pieces (such as shackles) and rope between the ballast and transponder. Usually, an underwater acoustic release system was used but with a keen focus on sustainability, G-tec explored ways to avoid the loss of the ballast system to the seabed. In the end, the project team came up with an innovative idea to use a capstan mounted on the back deck to recover the full setup (buoy, rope, transponder, connection pieces, rope and the ballast). The capstan reduces manual handling on deck and allows the full setup to be recovered efficiently so it can be reused for projects in the future.



Abu Qir 2 project team spreading joy and essential supplies in Alexandria

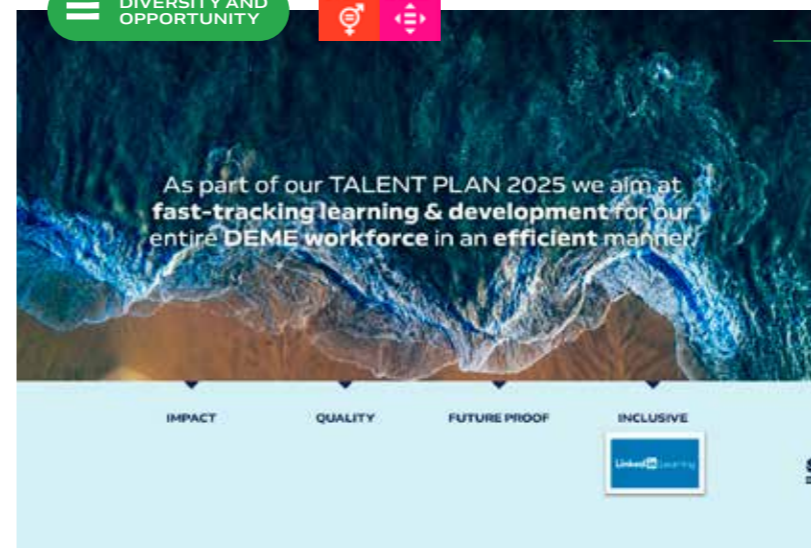
In the spirit of Ramadan, the Abu Qir 2 project in Alexandria stepped up to support the local community. The project team put together special gift boxes with essential supplies and distributed them to the underprivileged, working together with a local charity.



LOCAL COMMUNITIES



DIVERSITY AND OPPORTUNITY



Learning journeys and dedicated leadership courses

We offer five 'learning journeys' to our people, including leadership courses where we invest in our leaders of today and tomorrow with dedicated training programmes that also focus on so-called soft skills. The employees invited to take part are based on the ideal mix of male/female, nationalities, etc. In order to support these programmes we also launched LinkedIn Learning, which stimulates self-paced learning based on personal goals including training courses on diversity, equity and inclusion.

First energy island off the Belgian North Sea coast

Together with our customer Elia, we are building the world's first energy island off the Belgian North Sea coast. To go beyond compliant mitigation and management of the potential disruptive effects the island will have on the surrounding marine environment, a nature-inclusive design (NID) approach is being explored.

DEME was involved in the co-creation process with a group of experts, who are aiming to embed real ecological and environmental value into this project. This resulted in 10 recommendations and different NID models - selected based on their compatibility and interactions to strengthen the overall ecological added value of the local marine ecosystem.

Based on our in-house expertise, we explored the technical and economic feasibility of these models during the detailed design phase, in addition to considering the installation and efficient management of these frontrunning NID measures. Combined with a dedicated scientific follow-up, these pioneering studies will enable DEME to claim a unique leadership position with regard to the NID of energy islands.

NATURAL CAPITAL



Building strong partnerships and community engagement in Ghana

In Elmina, Ghana, we are carrying out a major fishing port rehabilitation and expansion project and the project team has built up an excellent relationship and partnership with the local community and various stakeholders.

Monthly update sessions are held, and community stakeholder groups have been established to ensure two-way feedback. We are maximising employment opportunities and on-the-job training for locals is provided with a focus on upgrading skills. We are also supporting schools and universities, including offering internships.

Many initiatives are underway to enhance local involvement such as seminars on sustainability, a breast cancer awareness campaign, environmental cleanups and road safety training courses. As well as this, DEME is supporting the local community by carrying out repairs and refurbishments. Some highlights are building a new school, the refurbishment of the old fish market and a walkway alongside the Elmina lagoon. Additionally, new access roads to ease congestion in the town centre, and bridge repairs were performed to improve safety.



LOCAL COMMUNITIES



Collaboration with our stakeholders

As a global company operating in many different markets and locations, it is essential to maintain good working relationships with all our stakeholders.

DEME strongly believes in joining forces to enlarge the overall sustainability impact. Our approach is to participate in multistakeholder partnerships and inter- and intra-industry collaborations to drive the transition towards holistic, sustainable solutions. **An extensive list of partnerships related to energy and emissions reduction is available on our website, www.deme-group.com.**

Stakeholder Group	Stakeholder expectations	Our Engagement with stakeholders	Interest in DEME	Influence on DEME	Examples & best practices 2023
Customers	Offering most sustainable and innovative solution to respond to customer's expectations.	Educate customers and collect feedback on sustainability proposal. Collaborate and partner in industry initiatives.	● ● ●	● ● ●	DEME Offshore has joined the Powering Net Zero Pact initiative together with a global group of energy sector companies to transition to net zero. We are participating in the working groups promoting a circular economy and emissions. More information on the pact can be found at www.sse.com/sustainability/poweringnetzeropact .
Employees	Creating healthy & safe working conditions. Enabling career development. Informing about key sustainability themes.	HIPO and Green Initiative communications. Offering more than 600 different training courses. Providing career development plan. Creating sustainability awareness.	● ● ●	● ● ●	Employees had the opportunity to submit their Safety Success Story, resulting in 269 stories from all over the world. Continuation of an internal DEME Sustainability Awareness Campaign 'Everyday Forward' to ensure our employees get to know our eight sustainability themes. If an employee wishes to report or discuss an issue, even anonymously: — They can talk to our confidential advisors — They can report the issue to the Compliance@deme-group.com mailbox
Investors & Shareholders	Create shareholder value Enhance transparency, governance and management focus. Better alignment of capital investment decisions including strategic sustainability and ESG considerations.	Integration of ESG topics in the long-term strategy and board meetings. Disclosure of financial and non-financial indicators and targets. Sustainability-linked loans. Code of Ethics and Business Integrity. Active outreach and open communication towards DEME's the investment community on performance, including ESG investors and selected ESG rating agencies.	● ● ●	● ● ●	We have added a section Investor Relations on the DEME website and will further develop this section in the coming years. Organising outreach to investment community: — The Annual General Meeting of Shareholders — Capital Markets Day, investor conferences and roadshows — Semester conference calls, one-on-one (virtual) meetings More information about our shareholder and investor relations can be found on the Investor portal.
Financial institutions and banks	Handling accounts. Providing account statements Providing financial services such as loans	Solid financial profile & healthy balance sheet Sustainability linked loans	● ● ●	● ● ●	In 2022 DEME converted its long-term financing into sustainability-linked loans which represented at the end of 2023 a total value of 649.7 million euro. In 2023, DEME achieved the goal for both KPIs (LTIFR and Low-carbon fuel) which have a positive impact on the interest margins applied.
Suppliers	Improving transparency. Strengthening long-term relationship. Sharing a common vision.	Code of Ethics and Business Integrity for business partners. Monitoring supplier safety performance. Starting up integration of sustainability aspects into procurement processes.	● ● ○	● ○ ○	We include the Code of Ethics and Integrity for business partners in our contracts with suppliers. We monitor and evaluate supplier safety performance via our internal audit system. Outreach to high carbon risk suppliers to complete ESG assessment.
Public Authorities	Ensuring compliance with legislation. Ethical business behaviour.	External assurance and audits. Compliance with ISO standards. Code of Ethics and Business Integrity.	● ○ ○	● ● ●	Follow-up and implementation of general sustainability regulatory framework (CSRD, CSDD(D), EU Taxonomy...) and sector guidelines.
NGOs & Communities	Building collaboration with shared values. Strengthening local communities to sustain projects we complete.	Supporting charitable organisations and campaigns for local communities. Supporting social projects around the globe.	● ● ○	● ○ ○	Including philanthropy or public-private stakeholder engagement into our projects. Best practices in relation to local communities can be found under Best Practices in this chapter. Start up of skills-based employee volunteering.
Peers	Shaping a sustainable market.	Participation in trade associations.	● ● ●	● ○ ○	DEME is participating in different sector organisations such as the Sustainability Committee of IADC and the Environmental Sustainability Committee of the IMCA.
Academics & researchers	Encouraging sustainable innovation. Building long-term partnerships and strengthening collaboration.	Partnerships with universities (guest lectures, internship support, sponsoring...) Joint project initiatives. Thesis support. Conducting studies with universities.	● ○ ○	● ○ ○	DEME supports the Belgian Innoptus Solar Team engineering students, who became world champions in October 2023 in the world's most extreme solar car challenge.

EU Taxonomy

The EU Taxonomy is a classification system establishing a list of environmentally sustainable economic activities. The goal of the legislation is to play an important role in helping the EU scale up sustainable investment and to support the implementation of the European Green Deal.

For the financial year 2023, DEME is reporting according to the EU Taxonomy standards in compliance with the Non-Financial Reporting Directive and the EU Taxonomy Regulation. DEME performed an eligibility assessment based on the EU Taxonomy Regulation's six environmental objectives to disclose the proportion of Taxonomy-eligible and non-eligible activities of the total turnover, capital expenditure (CapEx) and operational expenditure (OpEx). In addition, DEME performed an alignment

assessment on its Taxonomy-eligible activities related to the Delegated Acts on Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA) to disclose the share of Taxonomy-aligned activities. The assessments were carried out on projects executed in 2023. Compliance with the Minimum Social Safeguards has been verified. The calculation of the proportion of the Taxonomy-eligible and -aligned activities in turnover is based on DEME's official IFRS reporting as per 31 December 2023,

and for capital expenditure, this calculation is based on DEME's CapEx plan as of 31 December 2023. OpEx as defined in the Taxonomy Regulation is negligible and further analysis would not have resulted in a significant amount of eligible or aligned OpEx based on the EU Taxonomy. Therefore, the indicator is considered immaterial. The table below summarises the results of these evaluations. The official EU Taxonomy reporting tables are in the Annexes.

Climate Delegated Act	2023		2022		2023		2022	
	Proportion of turnover (in %)		Proportion of CapEx (in %)		Proportion of OpEx (in %)			
A. Taxonomy-eligible activities (codes)	42	29	49	52	0	0		
Electricity generation from wind power (4.3) – Climate Change Mitigation	34	27	47					
Infrastructure for rail transport (6.14) – Climate Change Mitigation; Enabling activity	2	2	2					
Sorting and material recovery of non-hazardous waste (2.7) – Transition to the circular economy	2	-(1)	0	-(1)				
Remediation of contaminated sites and areas (2.4) – Pollution prevention and control	4	-(1)	0	-(1)				
B. Taxonomy non-eligible activities	58	71	51	48	100	100		
Total (A+B)	100	100	100	100	100	100		
C. Taxonomy-aligned activities	33	26	49	52	0	0		
Electricity generation from wind power (4.3) – Climate Change Mitigation	31	24	47	52				
Infrastructure for rail transport (6.14) – Climate Change Mitigation; Enabling activity	2	2	2	0				
D. Taxonomy non-aligned activities	67	74	51	48	100	100		
Total (C+D)	100	100	100	100	100	100		

(1) Activities that were not in the scope of the EU Taxonomy reporting in 2022.

Based on the current interpretation of the rules regarding the EU Taxonomy, DEME's eligible activities expanded in 2023 beyond offshore wind and rail infrastructure to include parts of DEME's environmental activities, such as remediation of contaminated sites and soil and sediment management.

As a result of this expanded scope and stronger growth in eligible activities, 42% of the total turnover is now eligible compared to 29% in 2022. 33% of the turnover is now qualified as aligned compared to 26% in 2022.

Taxonomy-eligible and aligned capital expenditures remained in the same range at 49%, compared to 52% in 2022, while the investment scope shifted from vessels such as 'Orion' and 'Viking Neptun' in previous years to investments in 'Yellowstone', the new fallpipe vessel.

Certificates and ESG ratings

Certificates

DEME meets international and local legal regulations, but it always aims to operate at higher standards than only meeting the mandatory requirements. DEME holds an ISO Group certificate including more than 50 entities.

All certified entities are compliant with the following standards:

- ISO 9001 Quality Management Systems
- ISO 14001 Environmental Management Systems
- ISO 45001 Occupational Health and Safety Management Systems
- ISO 50001 Energy Management Systems

Additionally, local certificates are in place, such as:

- CO₂ Performance Ladder
- SHE Checklist for Contractors (SCC)



Environmental, social, and corporate governance (ESG) ratings

DEME's sustainability performance has been assessed by multiple ESG analysts. The ESG ratings indicate the sustainability performance of a company based on publicly available information. During 2023, we maintained our positioning in the ESG ratings versus previous years as shown in the table below.

	Rating scale	Rating score 2023	Rating score 2022	Rating score 2021	Sector ranking 2023	Sector average rating 2023	DEME Trend vs 2022
CDP ⁽¹⁾	(D<A)	B	B	C	-	C	Stable
EcoVadis ⁽¹⁾	(0<100)	Silver (66)	Gold (71)	Silver (63)	-	46	Stable
Sustainalytics ⁽²⁾	(100<0)	31.8 High exposure Strong Mgmt	26.1 ⁽³⁾ High exposure Strong Mgmt	27.8 ⁽³⁾ High exposure Strong Mgmt	81 out of 358 (Construction & engineering)	-	Stable
MSCI	(CCC<AAA)	A	AA	AA ⁽³⁾	32 out of 62 (Construction & Engineering)	-	Slightly negative

(1) The scope is limited to the activities of the Offshore Energy segment.

(2) The Sustainalytics ESG Rating gives a lower score to companies with less exposure and better management of their ESG risks.

(3) Scores given are covering the scope of the CFE Group before DEME's separate listing.

05

Corporate governance and risk management



Corporate governance

Declaration regarding the information given in the Integrated Annual Report 2023

Pursuant to the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, DEME Group NV is required to publish its annual financial report.

This report contains:

- the consolidated annual report of the Board of Directors prepared in accordance with Article 3:32, of the Code of Companies and Associations
- a condensed version of the statutory annual accounts prepared in accordance with Article 3:17 of the Code of Companies and Associations, and
- the full version of the consolidated annual accounts.

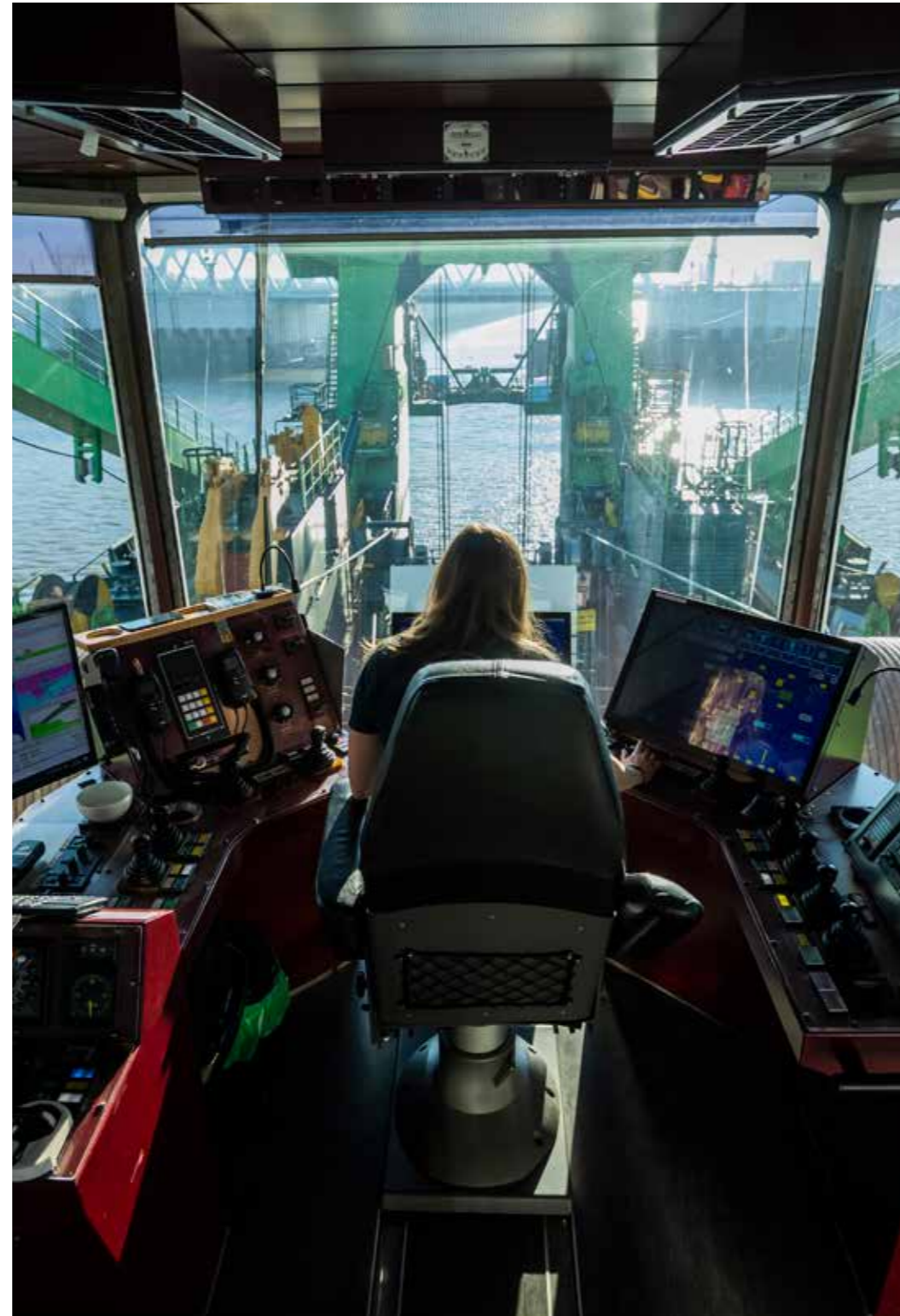
The full version of the statutory annual accounts will be deposited with the National Bank of Belgium, pursuant to Articles 3:10 and 3:12 of the Code of Companies and Associations, together with the annual report of the Board of Directors and the audit report. The auditor has approved the statutory and consolidated annual accounts [without qualification].

We refer to the assurance report in Chapter 7 of this Annual Report for the auditor's approval regarding the statutory and consolidated annual accounts.

- In accordance with Article 12, §2, 3° of the Royal Decree of 14 November 2007, Luc Vandenbulcke, Chief Executive Officer, declares that, to his knowledge:
- the annual accounts contained in this report, which have been prepared in accordance with the applicable standards for annual accounts, present a true and fair view of the assets, financial situation and the results of DEME Group NV and the companies included in the consolidation;
 - the annual report gives a true and fair view of the development and the results of the company and of the position of DEME Group NV and the companies included in the consolidation, as well as a description of the main risks and uncertainties with which they are confronted.

The annual report, the full versions of the statutory and consolidated annual accounts, as well as the audit reports regarding previous said annual accounts are available on the website (www.deme-group.com) and may be obtained upon simple request, without charge, at the following address:

Scheldedijk 30
2070 Zwijndrecht, Belgium
Tel. +32 3 250 52 11
vanden.bussche.carl@deme-group.com



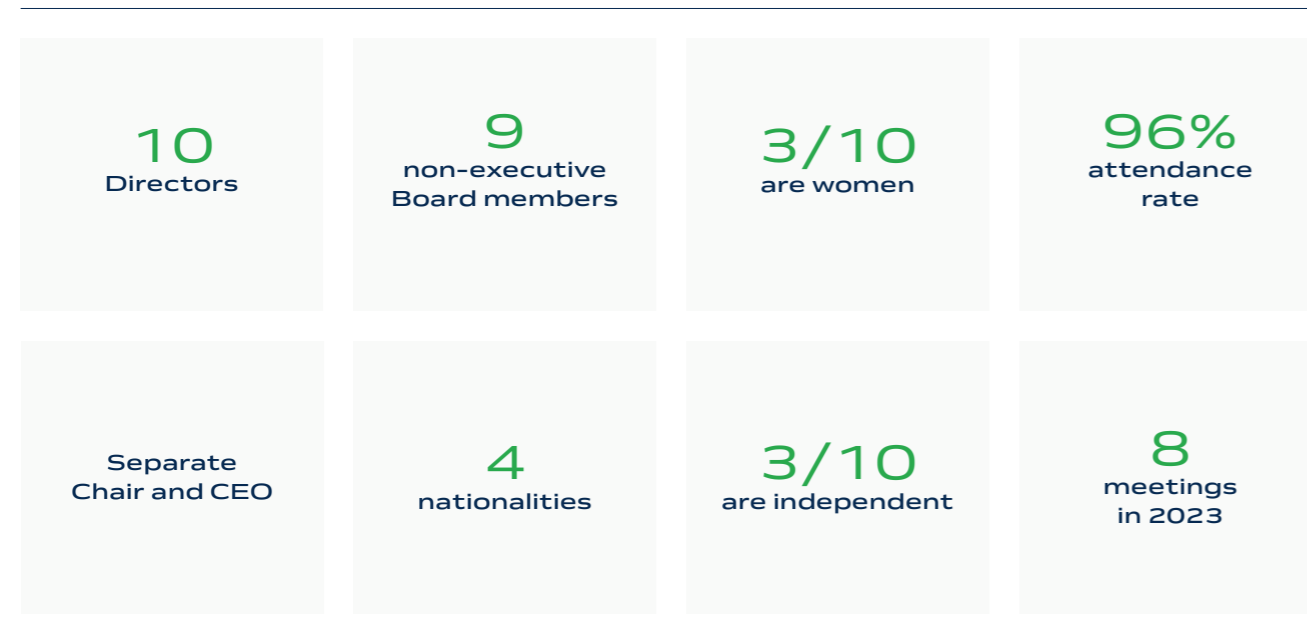
Corporate Governance statement

DEME Group NV applies the Belgian Corporate Governance Code (the '**Code**') as its reference code. The Code can be consulted on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be) and is based on a 'comply or explain' approach. The Committee published a new (third) version of the Code on 9 May 2019, which replaces that of 12 March 2009, and became effective as of 1 January 2020.

On 29 June 2022, the Board of Directors adopted the first Corporate Governance Charter (the '**Charter**'). The Charter has not been amended since. The Charter is available in two languages (Dutch and English) on the company website (www.deme-group.com/governance).

This chapter ('Corporate governance statement') contains the information referred to in Articles 3:6, §2 and 3:32, §1, second paragraph, 7° of the Code of Companies and Associations. In accordance with the Code, this chapter specifically focuses on factual information involving corporate governance matters and explains any derogations from certain provisions of the Code during the past financial year in accordance with the principle of 'comply or explain'. DEME Group NV's governance structure is one-tier, operating pursuant to the Company's articles of association and the Charter.

Corporate structure



Board of Directors

Composition

Situation on 28 March 2024

	Expiry date of term of office at end of Annual General Meeting held in
Chairman	
Luc Bertrand	2026
Directors	
John-Eric Bertrand	2026
Luc Vandenbulcke	2026
Tom Bamelis	2026
Piet Dejonghe	2026
Koen Janssen	2026
Christian Labeyrie	2026
Pas de Mots BV, permanently represented by Leen Geirnaerd ⁽¹⁾	2026
Kerstin Konradsson ⁽¹⁾	2026
Karena Cancilleri ⁽¹⁾	2027
Company Secretary	
Sofie Verlinden	2026



Luc Bertrand
(° 1951, Belgian)
Chairman of the Board of Directors
Non-executive Director

Luc Bertrand is a non-executive Director of the Board of Directors of DEME Group NV since 29 June 2022. 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, CFE and SIPEF, and JM Finn and a director of Delen Private Bank, Bank J. Van Breda & C° (until 4 May 2023) and Verdant Bioscience. Mr. Bertrand has deep expertise in corporate governance and principles. Having served on various audit and risk committees, he is well-versed in risk management and internal control systems. 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.

⁽¹⁾ meets the independence criteria for independent directors of article 3.5 of the Code.



John-Eric Bertrand
(° 1977, Belgian)
Non-executive Director

John-Eric Bertrand is a non-executive Director of the Board of Directors of DEME Group NV since 29 June 2022. He is co-CEO of Ackermans & van Haaren. Following his studies as a commercial engineer (UCL Louvain - 2002), John-Eric Bertrand obtained a master's degree in international management (CEMS - 2002) and an MBA (INSEAD - 2006). He worked at Roland Berger as senior consultant and at Deloitte as senior auditor and joined Ackermans & van Haaren as investment manager in 2008. He is a member of the Board of Directors of Bank J. Van Breda & C°, Sagar Cements, Axe Investments and Venturi Partners and Chairman of the Board of Directors of Agidens among others.



Luc Vandembulcke
(° 1971, Belgian)
CEO
Executive Director

Luc Vandembulcke is an executive Director of the Board of Directors of DEME Group NV since 29 June 2022. Luc Vandembulcke graduated as a Civil Engineer in 1994 at the Catholic University of Leuven. In 1996, he obtained a Master after Master as a Maritime Engineer at the Polytechnic University of Catalonia in Barcelona, Spain. He started his career in 1998 as a Project Engineer for Hydro Soil Services, part of DEME. In subsequent positions, Luc Vandembulcke has worked on projects in various European countries. He is the founder and was the CEO of GeoSea NV (currently known as DEME Offshore Holding NV), a fast-growing entity within the DEME Group which is a pioneer in the construction of offshore wind farms. On 1 January 2019, Luc Vandembulcke became CEO of DEME NV.



Tom Bamelis
(° 1966, Belgian)
Non-executive Director

Tom Bamelis is a non-executive Director of the Board of Directors of DEME Group NV since 29 June 2022. He is a member of the Executive Committee and CFO of Ackermans & van Haaren. After completing his studies as a commercial engineer (KU Leuven – 1988), Tom Bamelis also obtained a master's degree in financial management (VLEKHO - 1991). He joined Touche Ross (now Deloitte) and later Groupe Bruxelles Lambert. Tom Bamelis joined Ackermans & van Haaren in 1999. He is member of the Board of Directors of Delen Private Bank, SIPEF, Turbo's Hoet Group, Van Moer Logistics and EMG, among others.



Christian Labeyrie
(° 1956, French)
Non-executive Director

Christian Labeyrie is a non-executive Director of the Board of Directors of DEME Group NV since 29 June 2022. He is Executive Vice-President and Chief Financial Officer of the VINCI Group, and a member of its Executive Committee. Before joining VINCI in 1990, he held various positions in the Rhône-Poulenc and Schlumberger groups. He began his career in the banking industry. Christian Labeyrie is a graduate of HEC, the Escuela Superior de Administración de Empresas (Barcelona) and McGill University (Canada), and holds a DECS diploma (advanced accounting degree). He is a Chevalier of the Légion d'Honneur and a Chevalier of the Ordre National du Mérite. Mandates held: a. Listed companies: - member of the executive committee of the VINCI Group; b. Non-listed companies: member of the supervisory board of VINCI Deutschland – director of Arcour – director of Consortium Stade de France – director of SMABTP – Director of Lima Expesa (Limex) – director of COBRA Servicios - director of Renewable Projects Management Ventures S.l. – manager of SCCV CESAIRE-LES GROUES – manager of SCCV HEBERT-LES GROUES – permanent representative of VINCI Innovation on the Board of Directors of ASF, chairman and director of VINCI RE.



Kerstin Konradsson
(° 1967, Swedish)
Independent Director

Kerstin Konradsson is an independent Director of the Board of Directors of DEME Group NV since 30 June 2022. Kerstin Konradsson holds a Master of Science degree in Metallurgy from the Royal Institute of Technology where she graduated in 1991. She started her career at SSAB AB, a Swedish listed steel company where she held various management positions before she moved on to Åkers AB as President Åkers Cast Rolls Europe & Asia in 2007. In 2012 she became President for Boliden Smelters, a Swedish producer of base metals. Since July 1st 2023 she holds the position as CEO Erasteel. She has served as a board member of the privately owned Swedish metal powder producer Höganäs AB and in Alleima, a stainless steel producer. In Sibelco she is a member of the Remuneration Committee and also chair of the Sustainability Committee.



Piet Dejonghe
(° 1966, Belgian)
Non-executive Director

Piet Dejonghe is a non-executive Director of the Board of Directors of DEME Group NV since 29 June 2022. He is co-CEO of Ackermans & van Haaren. After his studies for a law degree (KU Leuven – 1990), Piet Dejonghe obtained a postgraduate degree in management (KU Leuven – 1990) and an MBA (INSEAD – 1993). He worked as a lawyer for Loeff Claey's Verbeke (now Allen & Overy) and as a consultant for Boston Consulting Group. Piet Dejonghe joined Ackermans & van Haaren as investment manager in 1995. He is a member of the Board of Directors of CFE, Delen Private Bank, Bank J. Van Breda & C° and Nextensa, among others.



Koen Janssen
(° 1970, Belgian)
Non-executive Director

Koen Janssens is a non-executive Director of the Board of Directors of DEME Group NV since 29 June 2022. He is a member of the Executive Committee of Ackermans & van Haaren. After his studies as a civil engineer, electromechanics (KU Leuven – 1993), Koen Janssen also obtained an MBA (IEFSI, France – 1994). He worked at Recticel, ING Investment Banking and ING Private Equity, before joining Ackermans & van Haaren as investment manager in 2001. He is a member of the Executive Committee of Ackermans & van Haaren and oversees and coordinates the cleantech activities in the portfolio. In addition to DEME, he is board member of Green Offshore, Deep C holding, CFE, BSTOR and Bioelectric among others. Green Offshore holds equity participations in the development and exploitation of Belgian offshore wind farms. BSTOR is involved in the launch of the first large-scale battery park for energy storage on the Belgian high-voltage grid (BStor). Bioelectric is a producer of biogas installations transforming manure to energy and heat.



Pas de Mots BV⁽²⁾
permanently represented by Leen Geirnaerd
(° 1974, Belgian)
Independent Director

Leen Geirnaerd is an Independent Director of the Board of Directors of DEME Group NV since 30 June 2022. After studying applied economic science at Antwerp University, Leen Geirnaerd began her professional career at PricewaterhouseCoopers (PwC), where she worked for six years in auditing. She then moved on to Solvus Resource Group, a Belgian listed company where she held the position of corporate controller. After Solvus Resource Group was taken over by the Dutch listed company USG People NV, Leen Geirnaerd was appointed director of the Belgian Shared Services Center, and subsequently in 2010 as Group Chief Financial Officer of USG People in The Netherlands. Following the takeover by the Japanese group Recruit, she was appointed global CFO of Recruit Global Staffing in 2016. From May 2019 until November 2021, Leen Geirnaerd was CFO of Bpost Group. Leen Geirnaerd was also director, chair of the Risk Committee and member of the Audit Committee of Bpost bank from March 2020 until November 2021. Leen Geirnaerd has been serving as Group CFO of House of HR since July 2022 and is a member of the Board of Directors and Chairman of the Audit Committee of H.Essers.

⁽²⁾ References in this annual report to 'Leen Geirnaerd' should be interpreted as Pas de Mots BV, permanently represented by Leen Geirnaerd.



Karena Cancellieri
(°1967, Italian)
Independent Director

Karena Cancellieri is an Independent Director of the Board of Directors of DEME Group NV. She holds a master's degree in chemistry (University of Turin, Italy, 1991) and an MBA of Strathclyde Graduate Business School of Glasgow in the UK (2004). She has a track record spanning over 30 years in the Chemical (Elastomers and Plastics), Textile (Hygiene, Floorcovering, Automotive) and Metal Industries in both private equity, stock listed and family-owned companies. Ms. Cancellieri currently acts as President-Foundry Technologies at Vesuvius Plc. and previously held the position of Vice President-Engineered Products at Beaulieu International Group NV, Director-Hygiene Products at FiberVisions Corp., Business Manager at Kraton Polymers LLC and Sales Manager at Shell Chemicals LP.

Changes to the composition of the Board of Directors

Karena Cancilleri has been appointed as independent Director at the Company's Annual General Meeting of 17 May 2023.

Activity report

In 2023, the Board of Directors was convened eight times to deliberate on key strategic matters, ensuring the sustainable development and compliance of the organisation. The Board of Directors discussed and regularly updated the budget for the current financial year, monitored the results and activities of the DEME Group on the basis of reports prepared by the Executive Committee, examined the off-balance sheet commitments and discussed the recommendations of its advisory committees.

The compliance activity report for 2022 was presented and discussed. An action plan for 2023 was devised to address any identified gaps or areas for improvement, emphasising the importance of maintaining a culture of compliance throughout the organisation. A comprehensive update of the compliance risk software was undertaken, incorporating the latest regulatory requirements and industry best practices. The goal is to enhance the organisation's ability to identify, assess, and mitigate potential risks effectively. Furthermore, the Board reviewed and approved an updated Whistleblowing Policy to strengthen the company's

commitment to transparency and ethical conduct. Enhancements were made to the reporting mechanisms to ensure a robust and confidential process.

The Board extensively discussed and approved the strategic initiatives outlined in the business plans of the various segments. Emphasis was placed on optimising operational efficiency, exploring new markets, and ensuring sustainable practices in line with environmental regulations.

The Board conducted a thorough review of the organisation's patents and intellectual property portfolio. Strategies for protecting and leveraging these assets were discussed, aligning with the company's innovation and market competitiveness goals.

The Board received updates on the progress made related to a new Tax Control Framework. The goal of the framework is to improve management of – and control over – taxes.

The company's commitment to sustainability was reaffirmed, with discussions focused on, among others, the implementation of the Emissions

Trading System on maritime transport activities. The Board emphasised the importance of corporate responsibility in the context of climate change.

Finally, DEME's Chief Financial Officer, Els Verbraecken informed the Board of her decision to take a next step in her professional career and to leave DEME in the spring of 2024. Thereupon, the process for the selection of a new CFO, that provides for a secure and stable transition was started. The succession planning for the CFO position was a key agenda item. The Board engaged in discussions to identify potential candidates. The Board decided to assign Stijn Gaytant as her successor and new CFO of DEME as of spring 2024 and ensured a smooth transition plan.

For the sake of completeness, it should be mentioned that the members of the Executive Committee, as well as the Strategic Operations Director and the Chief Legal Officer attend the meetings of the Board of Directors.

Attendance rate Board of Directors

8
Meetings

96%
Attendance

	Attendance
Luc Bertrand	8/8
John-Eric Bertrand	8/8
Luc Vandembulcke	8/8
Tom Bamelis	8/8
Piet Dejonghe	8/8
Koen Janssen	8/8
Christian Labeyrie	8/8
Leen Geirnaerdt	8/8
Kerstin Konradsson	7/8
Karena Cancilleri	3/5 ⁽³⁾

⁽³⁾ Only 5 board meetings took place since the appointment of Mrs. Cancilleri at the occasion of the company's Annual Meeting on 17 May 2023.

Code of conduct regarding conflicts of interest

In the Charter (Articles 2.12 and 4.8), the Board of Directors published its policy regarding transactions between DEME Group NV or a company affiliated to it on the one hand, and members of the Board of Directors or Executive Committee (or their close relatives) on the other, which may give rise to a conflict of interest (within the meaning of the Code of Companies and Associations or otherwise). In 2023, no decision had to be made to which this policy applied.

Code of conduct regarding financial transactions

The Board of Directors published its policy on the prevention of market abuse in the Charter (Section 7.3). The Charter is aligned with Regulation (EU) no. 596/2014 of the European Parliament and of the Council dated 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

Executive Committee

Composition

CEO

Luc Vandenbulcke	Executive Director
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Other members

Hugo Bouvy	Managing Director - Offshore Energy
Christopher Iwens	Managing Director - Dredging
Eric Tancre	Managing Director - Dredging / Managing Director - Infra
Els Verbraecken	Chief Financial Officer



Luc Vandenbulcke
(°1971, Belgian)
CEO
Executive Director

Luc Vandenbulcke graduated as a Civil Engineer in 1994 at the Catholic University of Leuven. In 1996 he obtained a Master after Master as a Maritime Engineer at the Polytechnic University of Catalonia in Barcelona, Spain. He started his career in 1998 as a Project Engineer for Hydro Soil Services, part the DEME Group. In subsequent positions, Luc Vandenbulcke has worked on projects in various European countries. He is the founder and was the CEO of GeoSea NV (currently known as DEME Offshore Holding NV). On 1 January 2019, Luc Vandenbulcke became CEO of DEME as well as a member of the Executive Committee of DEME.



Hugo Bouvy
(°1970, Dutch)
Managing Director
Offshore Energy

Hugo Bouvy graduated as a Civil Engineer at the Technical University of Delft, where he also obtained a degree in Offshore Engineering. He began his career as an Installation and Project Engineer at various locations in the Gulf of Mexico. Hugo Bouvy was Area Manager for the DEME dredging activity line in the Indian subcontinent and in the Middle East. In 2011, he became a member of the DEME Management Team and became a director of several entities within the DEME Group. Since 2019, he is a member of the Executive Committee of DEME.



Christopher Iwens
(°1968, Belgian)
Managing Director Dredging

Christopher Iwens graduated as a Master of Science in Environmental Sanitation from the University of Ghent in 1992. He began his professional voyage in the environmental business before joining DEME in 1997. After several operational management positions on projects in Belgium, Africa and Germany, he spearheaded DEME's dredging and offshore renewables expansion in Germany and North Europe in various management positions and as director of a number of subsidiaries within the DEME Group. In 2020 he assumed the position of Area Director for Asia Pacific and became a member of the DEME Management Team. In 2023, he was appointed as Managing Director Dredging and became a member of the Executive Committee of DEME.



Eric Tancre
(°1960, Belgian)
Managing Director Dredging,
Managing Director Infra

Eric Tancre graduated as a Civil Engineer in 1983 at the Catholic University of Louvain (U.C.L.). He was briefly an assistant professor at the same university before joining FRANKI SA. In 1993 he started working for DEME, for the subsidiary Ecoterres SA as Operations Manager. In 2000 he became Area Manager of the Northern European countries for Dredging International NV where he had commercial and operational responsibilities. In 2006, he became a member of the DEME Management Team and in 2018, he was appointed as Area Director of Europe as well as General Manager of the Infra activities of DEME. A year later, in 2019, he became a member of the Executive Committee of DEME.



Els Verbraecken
(°1970, Belgian)
CFO

Els Verbraecken obtained her degree in Commercial Engineering at the Catholic University of Leuven in 1993 where she specialised in international business. After her studies, she was an assistant at the Institute of European Policy. At Credendo, the Belgian export credit agency, she specialised in political and commercial risk analysis and management. She also developed financial networks in Central and Eastern Europe. After using these skills within the Seghers Better Technology group for about one year, she became Project Finance Manager for DEME in 2001. She has not only been managing project risks, but also been drawing up financial plans and financing structures for the many global projects of the DEME Group. She has been CFO of the DEME Group since 2013 and in 2019, she became a member of the Executive Committee of DEME.

Changes to the Executive Committee

Els Verbraecken has decided to voluntarily resign as CFO of DEME as from 15 May 2024. The Executive Committee members wish to thank her for her valuable contributions to the deliberations and decisions of the Executive Committee.

Activity report

The Executive Committee operates as an advisory committee (separate of the Board of Directors). It is responsible for discussing the general management of the Company and assists the CEO in the exercise of its powers. The Executive Committee typically meets twice a month. For the sake of completeness it should be mentioned that the Strategic Operations Director and Chief Human Resources Officer attend most of the Executive Committee meetings.

Attendance rate Executive Committee

20 Meetings

90% Attendance

	Attendance
Luc Vandenbulcke	20
Els Verbraecken	20
Hugo Bouvy	19
Christopher Iwens	19
Eric Tancre	12

Management Team

Composition

CEO

Luc Vandenbulcke	Executive Director
Other members	
Steven Bouckaert	General Manager Concessions
Hugo Bouvy	Managing Director Offshore Energy
Hans Casier	Chief Human Resources Officer
Dirk Defloor	Area Director Dredging Benelux
Bart De Poorter	General Manager Offshore Energy
Christopher Iwens	Managing Director Dredging
Amedeo Peyron	Area Director Dredging Middle East
Dirk Poppe	Area Director Dredging Asia Pacific, Managing Director Environmental
Steven Poppe	Area Director Dredging Africa & America
Ronny Simons	General Manager Infra
Eric Tancre	Managing Director Dredging, Managing Director Infra
Koen Vanderbeke	Strategic Operations Director
Kristof Van Loon	General Manager Concessions
Bart Verboomen	Head of Engineering and Technology Green Hydrogen
Els Verbraecken	Chief Financial Officer
Sofie Verlinden	Chief Legal Officer

In its duty to steer the strategy and the day-to-day management of the company, DEME's Executive Committee is supported by the Management Team of DEME. The Management Team is set to meet 7 times per year. Please find above the members of DEME's Management Team on 28 March 2024.

Audit Committee

Composition

Chairman

Tom Bamelis	Non-executive Director
Other members	
Leen Geirnaardt	Independent Director
Christian Labeyrie	Non-executive Director
Koen Janssen	Non-executive Director

Tom Bamelis, Christian Labeyrie and Leen Geirnaardt have the necessary accounting and audit expertise as shown in their biographies.

Activity report

The Group Finance Directors as well as the Internal Audit Director attended all regular meetings. Depending on the agenda and when appropriate, other representatives of DEME participated in the meetings, including members of DEME's Management Team and the Group's Investor Relations Department. The Group's external auditor is invited to every meeting. In advance of the Audit Committee meeting, the members of the committee received the available and respective financial reports. The overview below indicates a number of matters that were reviewed and/or discussed in Audit Committee meetings throughout 2023:

- On 16 February 2023, the Audit Committee discussed the reporting process as well as the analysis of the annual figures.

- The meeting of 11 April 2023 focused on the design and implementation of a Tax Control Framework within the organisation, tailored to the company's needs, size and specific business environment. The Audit Committee discussed the objectives, maturity, principles for responsible tax, their incorporation into DEME's Tax Strategy and their concrete application within DEME's finance and control environment.
- At the meetings of 5 May and 18 August 2023, the Audit Committee deliberated about the key figures and highlights of the first and second quarter, as well as the balance sheet items and investments. Moreover, attention was given to internal audit and control. At the meeting of 18 August 2023, the external auditor also presented its 2023 Audit Plan.

- One 13 June 2023, the Audit Committee discussed a number of statutory audits, the financial calendar 2024 and the management letter, as well as some follow-up topics from previous Audit Committees.
- During its last meeting of the year, on 10 November 2023, next to discussions on the key figures and highlights of the third quarter, the balance sheet items and investments and internal audit and control, an overview of the company's insurance setting was given as well as an update on the Tax Control Framework. Furthermore, the Internal Auditor Director shared the status update of 2023 internal audit activities and the internal audit plan for 2024.

The Audit Committee extensively reported the outcome of each meeting to the Board of Directors.

Attendance rate Audit Committee

6 Meetings

100% Attendance

	Attendance
Tom Bamelis	6
Koen Janssen	6
Christian Labeyrie	6
Leen Geirnaardt	6

Remuneration Committee

Composition

Chairman

Luc Bertrand	Non-executive Director
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Other members

Leen Geirnaerd	Independent Director
Kerstin Konradsson	Independent Director
Karena Cancilleri	Independent Director

Activity report

The Remuneration Committee has met four times in 2023.

The Remuneration Committee of 22 February 2023 has agreed the remuneration of DEME Group Directors and Committee members for the year 2022, as well as the bonus budget for DEME's senior management for the year 2022 reflecting DEME's 2022 performance and financial results. Individual bonus allocations take into account the available bonus budget and the individual contribution to the company results.

On 27 March 2023, the Remuneration Committee extensively discussed and

reviewed the remuneration components and levels of DEME's Executive Committee and Management Team members. The transition of statutory Executive Committee members to self-employment status and their contractual arrangements have been discussed and agreed.

A special Remuneration Committee on 5 May 2023 looked into and confirmed succession and transition arrangements and plan, upon the resignation in May 2024 of Mrs. Els Verbraecken, DEME's Chief Financial Officer. It was also agreed that, upon appointment of Mrs. Karena Cancilleri as Independent Board Member following the Annual Shareholder's

meeting, Mrs. Cancilleri would replace Mrs. Leen Geirnaerd as member of the Remuneration Committee.

On 4 October 2023 the Remuneration Committee has discussed and agreed approach, process and budget for the January 2024 pay review and 2023 bonuses for DEME's global staff. The Committee has also looked into a proposed set-up of a DEME Stock Option plan, envisaging approval and implementation in Q1 of 2024.

Attendance rate Remuneration Committee

4
Meetings

100%
Attendance

	Attendance
Luc Bertrand	4
Leen Geirnaerd ⁽¹⁾	3
Kerstin Konradsson	4
Karena Cancilleri ⁽²⁾	1

⁽¹⁾ Mrs. Geirnaert was a member of the Remuneration Committee until the General Assembly of 17 May 2023, and attended all Remuneration Committee meetings until that date.

⁽²⁾ Mrs. Cancilleri was appointed as a member of the Remuneration Committee following the General Assembly on 17 May 2023, and has attended one Remuneration Committee since that date.

Nomination Committee

As mentioned in DEME's Corporate Governance Charter, the role of the Nomination Committee was assumed by DEME's Board of Directors.

On 27 March 2023, the Board of Directors, in the role of Nomination Committee, decided to propose Karena Cancilleri as an Independent Director of the Company and to submit this proposal to the Annual General Meeting of 17 May 2023. In that same meeting, the Board of Directors, in the role of Nomination Committee, deliberated and decided on the nomination of Sofie Verlinden as the company's Compliance Officer.

Sustainability governance

Our sustainability governance model focuses on two core elements:

To explore sustainable business solutions
Continuously challenge ourselves to develop more sustainable solutions.

To excel in our operations
Sustainable performance in our daily operations.

There are five main layers within our governance structure:

01. Board of Directors

Specific sustainability topics related to safety and greenhouse gas emissions reduction are on the agenda at every meeting of the Board of Directors. The general progress of the implementation of the sustainability strategy is discussed once a year.

02. Executive Committee

Every year, the Executive Committee reviews and approves our sustainability programmes, along with the related objectives and targets.

03. Sustainability Board

The Sustainability Board provides guidance on both strategic and operational sustainability topics to ensure that any decisions are aligned with our values, sustainability strategy and objectives. In 2023, the Sustainability Board met every two months to evaluate the sustainability performance of our project portfolio and the progress made towards our objectives from both a strategic and operational perspective.

04. Sustainability Team

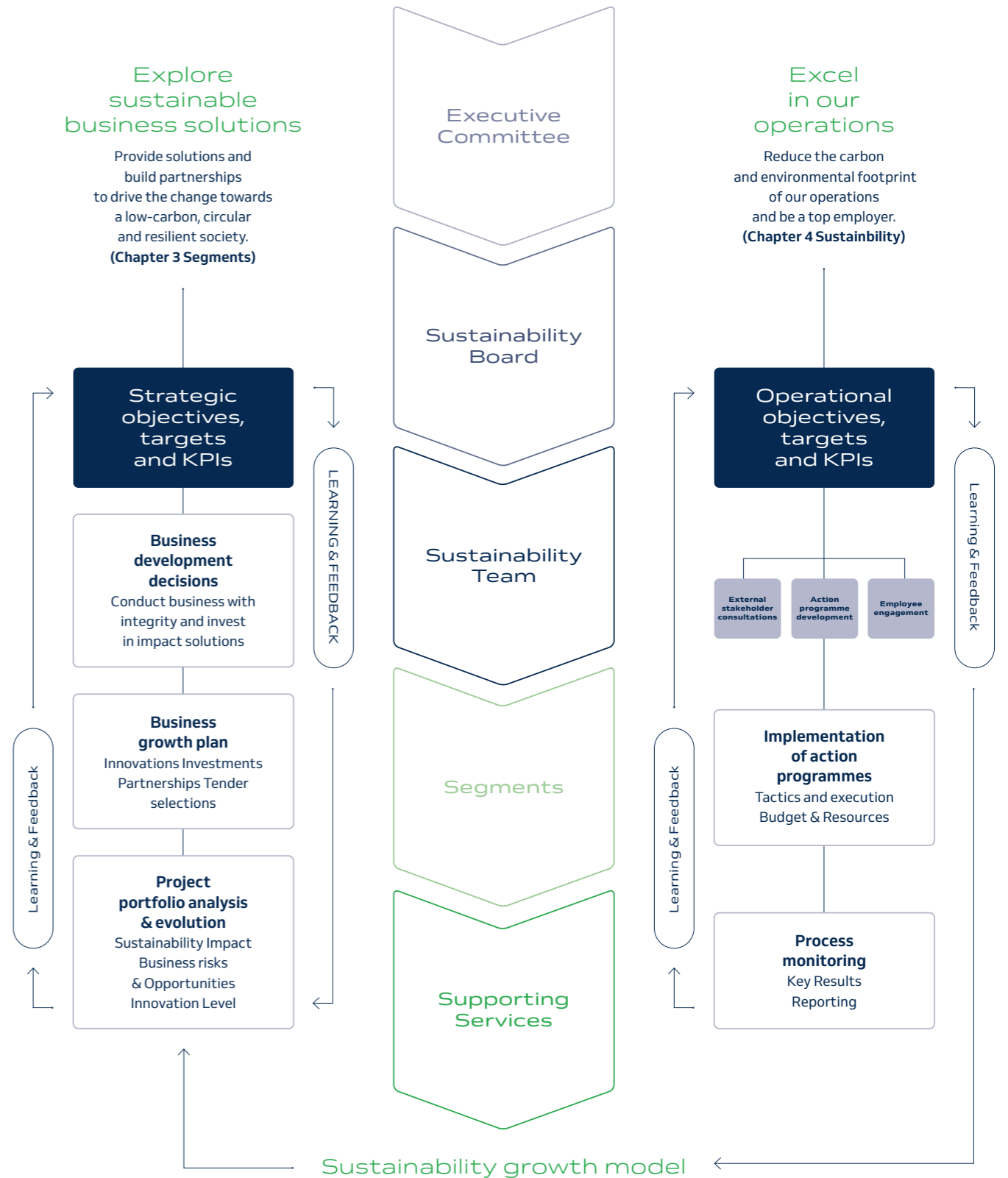
The Sustainability Team is responsible for embedding sustainability into our business operations.

05. Process Owners

Sustainability Ambassadors within the Segments, Theme Leads within the supporting services and Tender Sustainability Single Point of Contacts (SPOCs) have been appointed to support the further implementation of the operational sustainability objectives, targets and measures across the organisation.

CEO

Luc Vandenbulcke	Executive Director
Other members	
Christopher Iwens	Managing Director Dredging
Els Verbraecken	Chief Financial Officer
Eric Tancre	Managing Director Dredging, Managing Director Infra
Jan Gabriel	Head of Fleet Construction & Conversion Department
Koen Vanderbeke	Strategic Operations Director
Jiska Verhulst	Sustainability Director
Olivier Maes	Strategic Planning & Growth Director
Dirk Poppe	Area Director Dredging Asia Pacific, Managing Director Environmental
Hans Casier	Chief Human Resources Officer
Hugo Bouvy	Managing Director Offshore Energy



Information provided to and sustainability matters addressed by the Board of Directors and the Audit Committee

This table presents the information provided to the Board of Directors and the Audit Committee and the sustainability matters deliberated upon during their meetings.

Supervisory body	ESG topics	Topics	Frequency
Board of Directors	GHG emissions	Progress update on performance KPI 'Low-Carbon Fuel' versus Sustainability-linked Loan target	Every meeting
		Progress on GHG emission reduction targets 2050 & 2030	Twice per year
	Energy Efficiency	Energy efficiency measures across the fleet	Ad hoc
	Safety	Progress update on safety performance	Every meeting
	Sustainable Innovation	Innovation focus points 2023 (campaigns & technology scouting) — Patents and IP management — Update Innovation campaigns 4Future & DEMEx	Ad hoc
Responsible Business Conduct	Whistleblowing policy — Compliance activities report 2022 and action plan 2023 (due diligence overview, compliance policies, training, etc.)		
	All material ESG topics	Update ESG KPIs and yearly performance towards set targets	Once per year
Audit Committee	All material ESG topics	Update ESG KPIs and yearly performance towards set targets	Once per year

Diversity policy

DEME Group is convinced of the positive influence of diversity-based human resources and employment policies and practices. As a result thereof, DEME Group sees the attraction, development and career counselling of talented staff as a priority. The composition of our Board of Directors and Executive Committee also reflects our diversity policy in terms of professional background, skills and gender.

With regard to the composition of the Executive Committee (see Charter,

paragraph 4.2), the Board of Directors must also ensure that the members have diverse professional backgrounds with complementary skills. It is the aim of the Board of Directors that the long-term vision of the DEME Group is supported by executives who actively promote the values of the company and, in this sense, contribute to value creation. This translates, among other aspects, into a preference for providing talented staff members with career development opportunities within the DEME Group.

All members of the Executive Committee have been appointed from within the DEME Group based on their personal merits.

Finally, DEME has ongoing investments in training, development, career counselling and the retention of staff members. This is done through a combination of broadening and deepening knowledge through training programs, seminars and workshops, career perspectives within the DEME Group, and through a market-compliant and competitive remuneration policy.

Comply or Explain

The Charter of DEME Group NV complies with the provisions of the Code (as it applied in 2023) in all but the below points:

- **Provision 4.19** of the Code, requiring the Board of Directors to set up a nomination committee with the majority of its members comprising independent non-executive Board members. As the Board of Directors as a whole performs the function of the Nomination Committee at DEME Group NV.
- **Provision 5.2** of the Code, requiring that the Nomination Committee should lead the nomination process and recommend suitable candidates to the Board of Directors.
- **Provision 3.4** of the Code requiring that at least three Directors should qualify as independent according to the criteria described in the Code. The company complied with this provision as of the Annual General Meeting held on 17 May 2023 at which the company's third independent director was appointed.

Given the importance of (re)appointment processes for the company, the Board of Directors currently deems it appropriate to fulfil the role of the Nomination Committee itself and in this way, as a collegiate body, to lead such processes and to be fully involved in the preparation of any recommendations or proposals in this regard.

Annual General Meeting

The Annual General Meeting (AGM) is held on the third Wednesday of May at 2 pm CET. This year the company will hold its AGM on Wednesday 15 May 2024. Shareholders can attend the meeting in person, submit written voting instructions or vote by proxy.

Remuneration report

DEME's remuneration policies envisage the provision of market competitive and equitable pay levels and components for all our employees in their countries of employment/ assignment. DEME's practices also reflect country remuneration regulations, frameworks and prevailing market standards.

DEME has three main groups of employees: staff, (on board) crew and blue-collar workers.

For its staff, DEME uses a job evaluation methodology providing a job family and job level structure underpinning internal career development. DEME's 'Career Map for Staff' outlines a transparent career progression framework. Country specific remuneration policies and practices for equivalent job levels across job families, reflecting market benchmarks for pay levels and components, safeguard the provision of equitable pay.

For crew and blue-collar workers DEME's pay practices reflect applicable (inter)national, regional and/or sector (collective) agreements, complemented with DEME-specific pay components (e.g. purchase power premium, safety premium...).

DEME's Executive Committee members have transitioned to self-employed status in July 2023. Remuneration levels are benchmarked against a peer group of European top executives, including data on the most relevant talent pool for these Executive Committee roles in the industrial sector, with equivalent complexity and international scope.

The remuneration components of DEME's statutory Executive Committee members are reviewed and agreed by DEME's Remuneration Committee and approved by its Board of Directors. These remuneration components consist of:

- An annual remuneration, paid in 12 monthly instalments, reflecting role responsibilities, job characteristics, experience and skills
- A short-term incentive (variable bonus) reflecting performance and contribution for which the annual budget is determined by DEME's annual company performance on a set of safety and financial key performance indicators, as approved by DEME's Board of Directors: Lost Time Injury (LTI) Frequency Rate, EBITDA, Net Profit and Debt Rate
- An insured benefits programme reflecting prevailing country/market practices. Typically, these programmes include a defined contribution pension plan, a hospitalisation insurance and a disability and death-in-service insurance
- A fringe benefits programme reflecting prevailing country/market practices, mainly including provision of a company car
- The integration of a long-term incentive component remains under consideration

The remuneration of DEME's Board of Directors, including Non-executive Directors, and excluding DEME's CEO, consists of an annual fixed component, complemented with a fee for each meeting attended (and international travel cost coverage as applicable).

Board of Directors (in euro)	Annual Fee	Attendance Fee	International Travel Expenses
Chairman of the Board of Directors	100,000	2,500	-
Non-executive Director	50,000	2,500	-
Independent Director	50,000	2,500	2,500

Audit Committee (in euro)	Annual Fee	Attendance Fee	International Travel Expenses
Chairman of the Audit Committee	10,000	2,500	-
Member of the Audit Committee	7,500	2,500	-

Remuneration Committee (in euro)	Annual Fee	Attendance Fee	International Travel Expenses
Chairman of the Remuneration Committee	7,500	2,500	-
Member of the Remuneration Committee	5,000	2,500	-

2023 Remuneration

This report covers the 2023 remuneration of DEME's Board of Directors

Board of Directors

Board of Directors (in euro)		Annual Fee	Attendance Fee
Luc Bertrand	Chairman of the Board of Directors	100,000	20,000
John-Eric Bertrand	Non-executive Director	50,000	20,000
Tom Bamelis	Non-executive Director	50,000	20,000
Piet Dejonghe	Non-executive Director	50,000	20,000
Koen Janssen	Non-executive Director	50,000	20,000
Christian Labeyrie	Non-executive Director	50,000	20,000
Luc Vandenbulcke	Executive Director	-	-
Leen Geirnaerd	Independent Director	50,000	20,000
Kerstin Konradsson	Independent Director	50,000	15,000
Karena Cancillieri	Independent Director	29,167	7,500

Audit Committee

Audit Committee (in euro)		Annual Fee	Attendance Fee
Tom Bamelis	Chairman of the Audit Committee	10,000	15,000
Koen Janssen	Member of the Audit Committee	7,500	15,000
Christian Labeyrie	Member of the Audit Committee	7,500	15,000
Leen Geirnaerd	Member of the Audit Committee	7,500	15,000

Remuneration Committee

Remuneration Committee (in euro)		Annual Fee	Attendance Fee
Luc Bertrand	Chairman of the Remuneration Committee	7,500	7,500
Leen Geirnaerd	Member of the Remuneration Committee	5,000	5,000
Kerstin Konradsson	Member of the Remuneration Committee	5,000	7,500
Karena Cancillieri	Member of the Remuneration Committee	2,917	2,500

Remuneration of CEO

	2023	2022	2021
<i>(in thousand of euro)</i>			
Annual salary	534	343	330
Short-term variable remuneration	1,452	1,454	1,194
Long-term variable remuneration	-	-	-
Total	1,986	1,797	1,524
Group Insurance/Pension (Plan) contributions	87	62	50
Other Benefits	3	3	3

The 2023 annual salary includes an exception of an early single and double holiday pay settlement upon transition towards self-employed status.

Total Remuneration of Executive Committee members (excluding CEO)

	2023	2022	2021
<i>(in thousand of euro)</i>			
Annual salary	1,436	1,260	1,197
Short-term variable remuneration	3,044	3,937	2,984
Long-term variable remuneration	-	-	-
Total	4,480	5,197	4,181
Group Insurance/Pension (Plan) contributions	237	463	383
Other Benefits	15	17	18

DEME share

Share info

DEME Group NV or DEME Group (the “company” or “DEME”) is traded on the regulated market of Euronext Brussels, listed under the symbol “DEME”. Trading commenced on 30 June 2022.

Euronext Brussels	DEME.BR
DEME Share	ISIN BE0974413453
Bloomberg	DEME:BB

The Group has an outstanding share capital and number of shares of the Company at 31 December 2023 as follows:

Share capital (in euro)	33,193,861
Total number of securities carrying voting rights	25,314,482
Total number of voting rights	25,314,482

Shareholder structure

Following the listing of DEME Group NV, Ackermans & Van Haaren NV ('AvH'), and VINCI Construction SAS remained reference shareholders for the company with sizeable shareholder positions. The table below reflects these positions and the Company's share capital which is freely tradable.

Per 31 december 2023

Shareholder	Number of Shares	Shares % (rounded)
Ackermans & van Haaren NV	15,725,684	62.12%
VINCI Construction SAS	3,066,460	12.11%
Free float	6,522,338	25.77%

A study of DEME's global shareholdership performed in the month of October 2023, plotted almost 99% of the company's shareholders. The two reference shareholders collectively own 74% of the shares. Additionally institutional shareholders hold approximately 14% of the shares while the retail community holds about 11%. Geographically, Belgium stands out as the leading ownership region in DEME, followed by France, Luxembourg, the US and the UK.

Share performance

Retrospect 2023

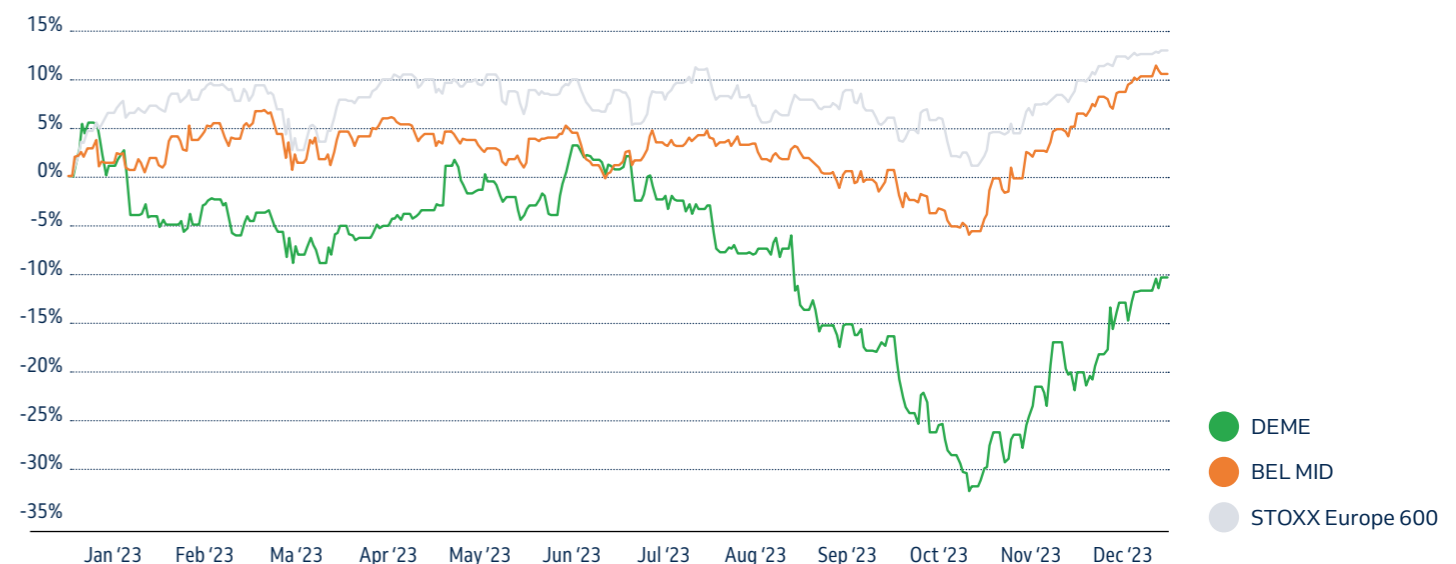
DEME Group became a publicly listed company at the end of June 2022, marking a significant milestone. Over the subsequent 18 months, the company navigated its new status with diligence, establishing consistent reporting cycles and fulfilling the obligations associated with being listed on the stock exchange market. This included conducting earnings calls, convening DEME's first Annual General Assembly as a publicly listed company, and actively engaging with both sell-side and buy-side investors. As DEME shaped its investor relations strategy, it also began to build a commendable track record. As a result, stakeholders gained a clearer understanding of the company's identity and communication style.

Reflecting on 2023, DEME's first full year as a listed entity commenced on a positive note, with its share price peaking at 134 euros in early January. Throughout the first half of the year, the stock remained relatively stable, fluctuating between 110 and 130 euros. However, amid concerns surrounding the offshore market, the share price experienced a decline, bottoming out at 84 euros in late October. Nonetheless, DEME demonstrated resilience, closing the year with a share price of 111 euros. Notably, the stock experienced a decline of approximately 10% over the year, contrasting with the BEL 20 index, which maintained a relatively stable performance over 2023.

DEME Closing Price



Price evolution DEME vs selected indices



Share Indicators

(in euro)

	2023	2022
Average closing price	113.1	113.8
Highest closing price	130.8	127.6
Lowest closing price	84.6	100.0
Closing price on 31 December	111.4	124.0
Stock market capitalisation on 31 December (in millions of euro)	2,820	3,139
Earnings per share (basic and diluted)	6.43	4.45
Gross dividend	2.10	1.50
Net dividend	1.47	1.05
Return on Equity (ROE) ⁽¹⁾	8.5%	6.4%
Gross dividend yield ⁽²⁾	1.9%	1.2%
Annual return on share ⁽³⁾	-9.0%	15.9%
Pay-out ratio ⁽⁴⁾	33%	34%
Price/earnings ratio ⁽⁵⁾	17.3	27.9

⁽¹⁾ Return on equity is calculated as net income (Share of the Group) over shareholders' equity.

⁽²⁾ Gross dividend divided by the share price at year-end closing.

⁽³⁾ The combination of the increase or decrease of the share price over the year and the gross dividend paid out in the year, divided by closing share price of previous year.

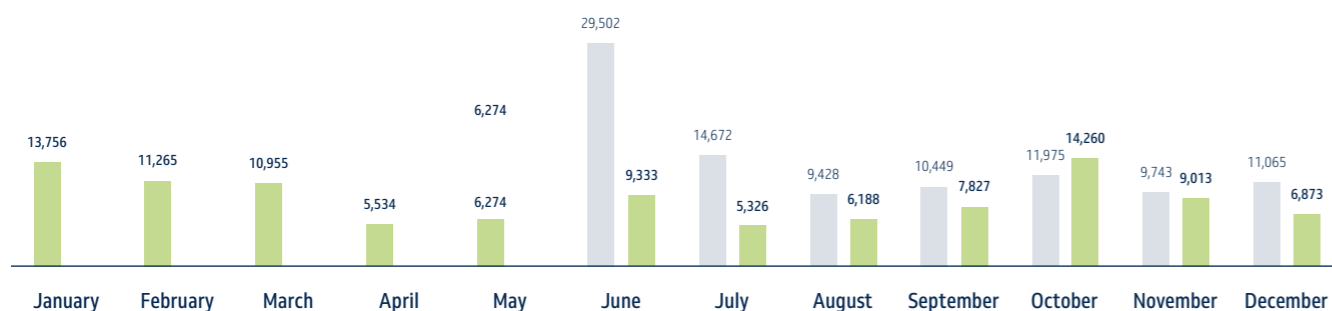
⁽⁴⁾ The pay-out ratio is calculated as the yearly gross dividend per share divided by the earnings per share.

⁽⁵⁾ Share price at year-end closing divided by earnings per share.

Liquidity

	Venue	2023	2022
Total yearly volume of shares traded	Euronext	2,284,010	1,482,514
Daily average number of shares traded	Euronext	8,957	11,316
Total yearly volume of shares traded in turnover (in millions of euro)	Euronext	256.33	167.85
Free float velocity (in %)	Euronext	35.2	

Daily average shares traded per month



● 2023

● 2022

DEME's investment case

The foundation of DEME's investment proposition is built upon several key attributes:

01.

DEME is **market leading** in **healthy sectors** characterised by **high barriers to entry**.

02.

The company is committed to a **sustained growth trajectory**, aligning with the enduring trends inherent to each industry it operates in.

03.

Boasting one of the **world's most extensive and technologically advanced fleets**, DEME combines this asset with a **skilled workforce** and **nearly 150 years** of industry expertise.

04.

DEME places paramount importance on **ESG** principles and **safety**, integrating them at the heart of its operations.

05.

Recognised for its reliability, DEME exhibits an **appealing financial profile** anchored by a robust balance sheet.

06.

Through adept diversification, DEME manages a **portfolio of activities** that minimises its risk exposure.

Shareholder remuneration

Dividend policy

All of the shares will entitle the holder thereof to an equal right to participate in dividends. All of the shares participate equally in the Company's profits (if any).

Subject to the Company's earnings, financial condition, capital requirements and other factors considered important by the Board of Directors, the availability of distributable reserves and the approval by the Shareholders' meeting, the Company intends to declare and distribute an annual non-cumulative dividend to its shareholders based on a target pay-out ratio of 33% of the Group's net profit. There can be no assurance as to whether dividends or similar payments will be paid out in the future nor, if they are paid, as to their amount.

The dividend is set by the Board of Directors and subsequently proposed at the Annual General Meeting of shareholders at the end of each fiscal year.

Dividend

DEME's Board of Directors will propose to the General Assembly to distribute a gross dividend of 2.10 euro per share during 2024. Subject to the approval of the General Assembly, the dividend payment date is proposed to be set at 27 May 2024.

In 2023 and based on the 2022 result, the gross dividend was 1.50 euro per share.

Ex-dividend date	21 May 2024
Record date	22 May 2024
Dividend Payment date	27 May 2024

Analyst coverage

DEME engages with eight institutional sell-side analysts as part of our investor relations programme. Our interactions are consistently maintained through regular communications, which may be prompted by industry developments, DEME's press releases, or participation in conferences and roadshows. In 2023, we organised an 'Analyst Lunch with Management', an initiative we plan to continue in 2024. Additionally, we launched a formal consensus-collection exercise at the conclusion of 2023. Moving forward, we aim to conduct this exercise biannually, aligning with the release of our full-year and half-year results.

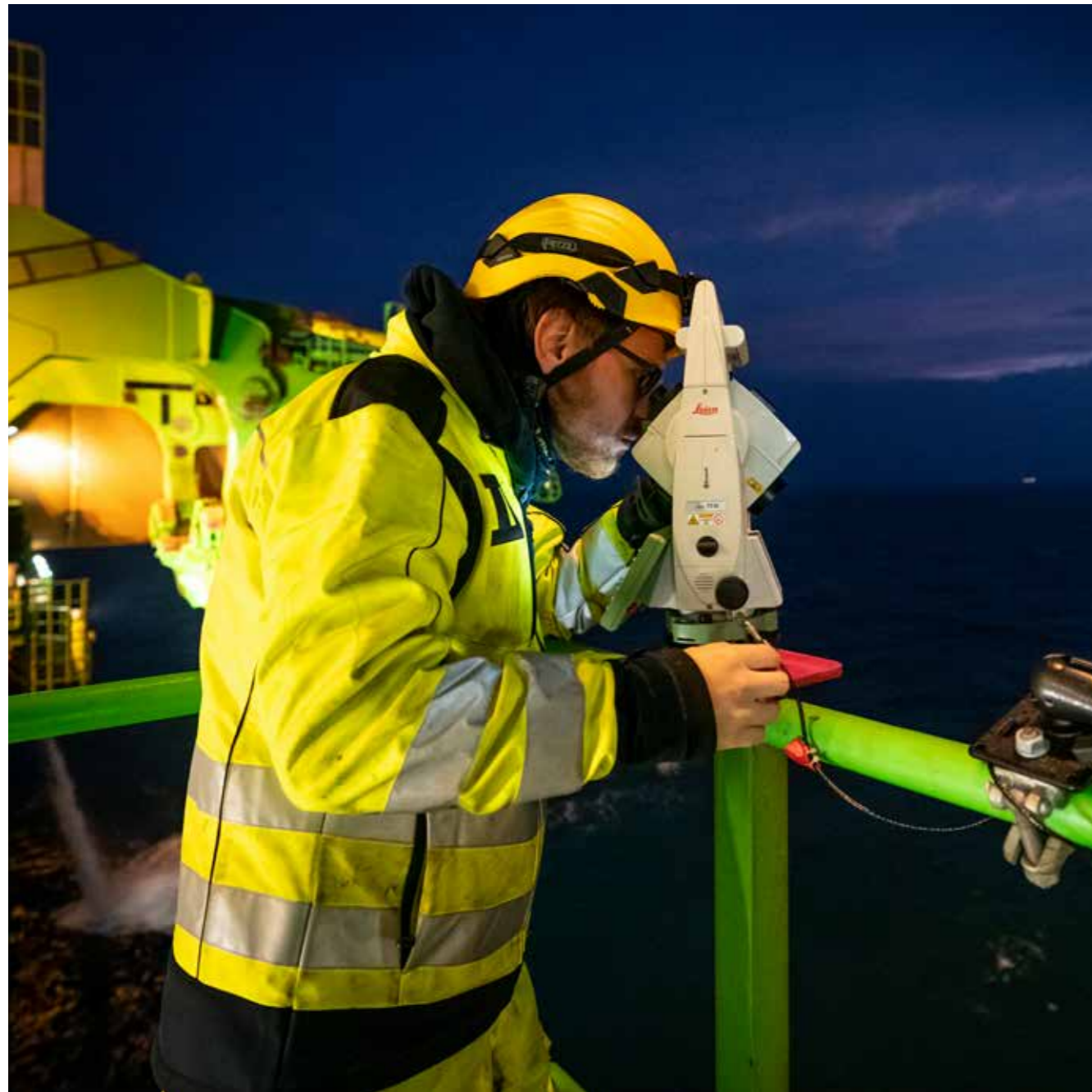
Broker	Analyst
ABN Amro ODDO BHF	Thijs Berkelder
Bank Degroof Petercam SA	Luuk van Beek
Berenberg	Christoph Greulich
BNP Paribas	Thomas Martin - Daniel Thomson
ING	Tijs Hollestelle
Jefferies	David Kerstens
KBC Securities	Guy Sips
Kepler Cheuvreux	Andre Mulder

Financial calendar 2024

Publication of Annual Report 2023	28 March 2024
Trading Update Quarterly results Q1 2024	14 May 2024
General Assembly	15 May 2024
Dividend Payment date	27 May 2024
Half-year 2024 results	29 August 2024
Trading Update Quarterly results Q3 2024	14 November 2024

Risk management

Within the context of its business operations, DEME is exposed to a wide variety of risks that can affect its ability to achieve its business objectives and execute its business strategy successfully. Risk management is the identification, evaluation and prioritisation of risks, followed by a structured and continuous process to monitor, manage and mitigate the probability and the impact of unforeseen events or to maximise the realisation of opportunities.



Overview of the different risk domains and risk items

Industry & market risks

- Macroeconomic developments
- Geopolitical developments
- Capital intensive nature of the industry
- Competition
- Investments in unproven markets

Financial risks

- Financing
- Market risks: Interest risks
- Market risks: Exchange rate risks
- Market risks: Price and commodity risk
- Credit and counterparty risks
- Liquidity risks

Business risks

- Project management and execution risks
- Maintain and renew required approvals, licences and permits for operations
- Uncertainty whether project will effectively materialise
- Third-party risks
- Environmental and climate change risks

Legal and Regulatory risks

- Compliance with, and changes to laws
- Legal and regulatory compliance risks regarding anti-trust, anti-money laundering and anti-corruption
- Compliance and changes to environmental, health and safety laws
- Tax risks
- Litigations

IT Related risk

- IT-related risks
- Cybersecurity risks

Other risks

- Employment
- Intellectual property
- Outbreak of pandemic disease

Climate Change and Environmental risks

- Climate transition risk
- Climate physical risks
- Specific environmental risks

An overall description of these risks, as well as their potential impact and respective risk management and control is provided in the Chapter 7 Appendix - Risk Assessment

Control Environment

The control environment can be defined as the system developed and implemented by management, which contributes to managing the activities of the Group, the overall functioning and the proper use of its assets, aligned with the Group's objectives and complexity of its operations. DEME's control environment, which consists of policies, procedures and departments that ensure the internal controls work effectively, is outlined in this chapter.

01. DEME's risk management and control system

DEME's risk management and control system is based on the Code of Companies and Associations and DEME's Corporate Governance Charter. These are available on DEME's Investor portal which includes more information on how risks are integrated and managed as part of its corporate governance practice.

02. Objectives

When assessing risks and opportunities, the following objectives are always put forward to provide a directional context in the decision taking process.

- Operational & Strategic objectives
- Continuity & Operational excellence
- Compliance with all applicable laws and regulations
- Correct and timely financial reporting

03. Governance

DEME's risk management and control system is based on the Code of Companies and Associations and DEME's Corporate Governance Charter. These are available on DEME's Investor portal which includes more information on how risks are integrated and managed as part of its corporate governance practice.

- Risk management and control processes are actively supported by the **Board of Directors** and the respective Board committees.
- They understand the risks that DEME is facing and ensure that these are effectively managed, with the **CEO** and **Executive Committee** fully engaged in risk management.
- Furthermore, risk mitigation and control are a core task of **DEME's management team** and by extension, **all executives with management responsibilities be it in the different segments or in one of the functional domains of the company.**



04. Programs & systems in place

DEME has a set of supportive programs, systems, policies and procedures that provide the foundation of its internal control environment. These include:

Code of Ethics & Business Integrity

First of all, there is the Code of Ethics & Business Integrity. It is everyone's personal responsibility to adhere to it and this is applicable to all directors, company representatives, staff and crew, full- and part-time employees (permanent and temporary), whether working under a contract or on a freelance basis for DEME and its subsidiaries.

The principles of the Code are simple and clear: at all times, comply with the applicable laws and regulations, act with integrity and honesty and avoid inappropriate behaviour, or even the appearance thereof. The Code covers important areas such as protecting people and company assets, principles on preventing discrimination & harassment, anti-bribery and anti-corruption, compliance with international trade laws, and accounting standards and records.

In order to make sure everyone understands the Code and applies it properly in their daily activity, regular obligatory training sessions are organised. In addition, DEME expects any third-party it does business with, to respect and act according to the Code's principles.

Project execution

Secondly, with respect to project execution, DEME has a universal approach in dealing with projects from evaluation and preparation to execution, including the way these are governed. During tendering, the Acquisition & Tender Management Manual (ATMM) is used, whilst the Project Management System (PMS) Framework is applied during the project's lifecycle. Both are connected using the Project Lifecycle and Governance Manual.

Signature authorities

Thirdly, there is the internal procedure on signature authorities valid for approval on all commitments made by the DEME Group towards external parties. The objective is to streamline the procedure across the entire organisation. It includes the approval of outgoing purchase orders, contracts, invoices, etc. In order to achieve this DEME has developed the Internal Approval Solution to verify the limited list of employees who have the authority up to a certain monetary limit.

Integrated software solutions

Fourthly, DEME has chosen integrated software solutions across its subsidiaries which guarantee a consistent approach.

For accounting, DEME mainly uses Microsoft Dynamics 365 with an ongoing rollout plan for legacy entities using AX 2009 and AX 2012. D365 ensures the uniform processing of all data within the Group. In the area of digitisation, DEME forges ahead with automatic data recognition and e-invoicing. DEME also set up a payment factory named Trax, which is a centralised platform to execute payment instructions and receive bank statements. The payment factory is linked to Bridger from LexisNexis, a sanctions' screening tool, hence outgoing payments are checked regarding sanctions before any disbursement is made.

Uniformity of reporting is a priority for DEME. The financial reporting system, a tailor-made multidimensional database, is integrated in the transaction systems and is fed live. Consolidated financial statements and management reports are automatically linked, allowing perfect alignment between the different reports.

For procurement, a gradual rollout is ongoing where new projects adopt Ivalua. This software manages the process from onboarding suppliers, screening a vendor for compliance, to making and following up on purchases. The uniform software helps DEME make data-driven decisions (identify spending patterns, trends and opportunities for cost savings) which enables informed choices regarding sourcing strategies, supplier selection, and contract negotiations. Furthermore, it streamlines the procurement process and secures DEME's governance because of built-in controls such as compliance screening and the Internal Approval Solution.

Unified Reporting

In Finance, clear reporting instructions with timely communication of deadlines, standardised reporting formats and uniform accounting principles are in place. Worldwide all finance employees use the same methodology, namely DEME's Project Administration & Finance Manual. It details accounting policies and procedures, analytical coding and statutory reporting among others. It is supported by the Finance Processes Portal which charts the key processes using Mavim software.

As an international contractor, both incoming and outgoing guarantees are an important measure in doing business. In order to manage this, the Treasury & Structured Finance Department operates a system which logs and keeps track of all securities such as guarantees, letters of credit, surety bonds, comfort letters etc.

QHSE management system

DEME has a robust Quality, Health, Safety and Environment (QHSE) management system in place. Reflecting the diversity of the activities, industries and customers, DEME works to continually improve the effectiveness of its management system in order to ensure that the highest standards are maintained.

Therefore, DEME has obtained a number of certificates mentioned in the (non-exhaustive) list below:

- ISO 14001, an international standard that specifies a process for controlling and continually improving a company's environmental performance.
- ISO 9001, an international standard that applies to the processes that create and control the products and services an organisation supplies; and prescribes systematic monitoring of activities to ensure that the needs and expectations of customers are met.
- ISO 45001, an international standard to help an organisation control all occupational health and safety risks.
- International Safety Management (ISM) Code, the international standard for the safe management and operation of ships and the prevention of pollution. The purpose of the ISM Code is to ensure safety at sea, to prevent human injury or loss of life and to avoid damage to the environment and the ship.
- International Ship & Port Facility Security (ISPS) Code - a comprehensive set of measures to enhance the security of ships and port facilities.
- CO₂ P-ladder v3-0 Niv 5. The CO₂ Performance Ladder is an instrument that helps companies reduce CO₂. The principle of the ladder is that efforts are rewarded with a concrete advantage in the tendering process in the form of a discount on the registration price.

To emphasise that safety is the highest priority ashore and at sea, all employees have a 'Stop Work Authority' where it is everyone's responsibility to stop work that may result in any type of unwanted event, without fear of reprisal.

Sustainability is interlinked to QHSE and DEME responds to stakeholders transparently by measuring our sustainability performance and publishing the results annually. We are guided by the Global Reporting Initiative (GRI) Standards for Sustainability Reporting. Additionally, good corporate governance is achieved by integrating four main layers within our sustainability governance structure: the Executive Committee, the Sustainability Board, the Sustainability Team and the Process Owners from the different activities and supporting services. The progress on sustainability is discussed at board meetings. We refer to the chapter on Sustainability Governance. Many of the aforementioned systems/processes are listed as tools in the Risk Register, as part of the risk management and control approach.

Risk assessment & management

Based on the supportive systems and programmes in place, a continuous assessment is performed and centralised at Executive Committee level. Input for this assessment comes from several departments.

01. The Opportunity and Risk Management Department

monitors opportunities and risks for all projects in a transparent, systematic, and homogeneous manner from the tender phase until completion.

02. The Internal Audit Department

provides independent and objective assurance about the risk management, governance, business and internal control processes by providing a systematic approach to evaluate and improve processes, as well as conducting internal audits and advisory activities. The Internal Audit Department conducts risk-based audits and advisory services based on annual plans approved by the Audit Committee. It monitors the execution of action plans and collaborates with statutory auditors to share key findings. Advisory services are based on specific requests from the Executive or Audit Committee and include regular meetings with risk management stakeholders, lessons learned analysis, and awareness campaigns.

03. The Enterprise Security Office (ESO)

has the mission to advise and assist Senior Management in protecting the assets of the DEME Group against all risks of malicious origin. This can include everything from sabotage, fraud and piracy to aggressive information gathering, cyberattacks and damage to DEME's image.

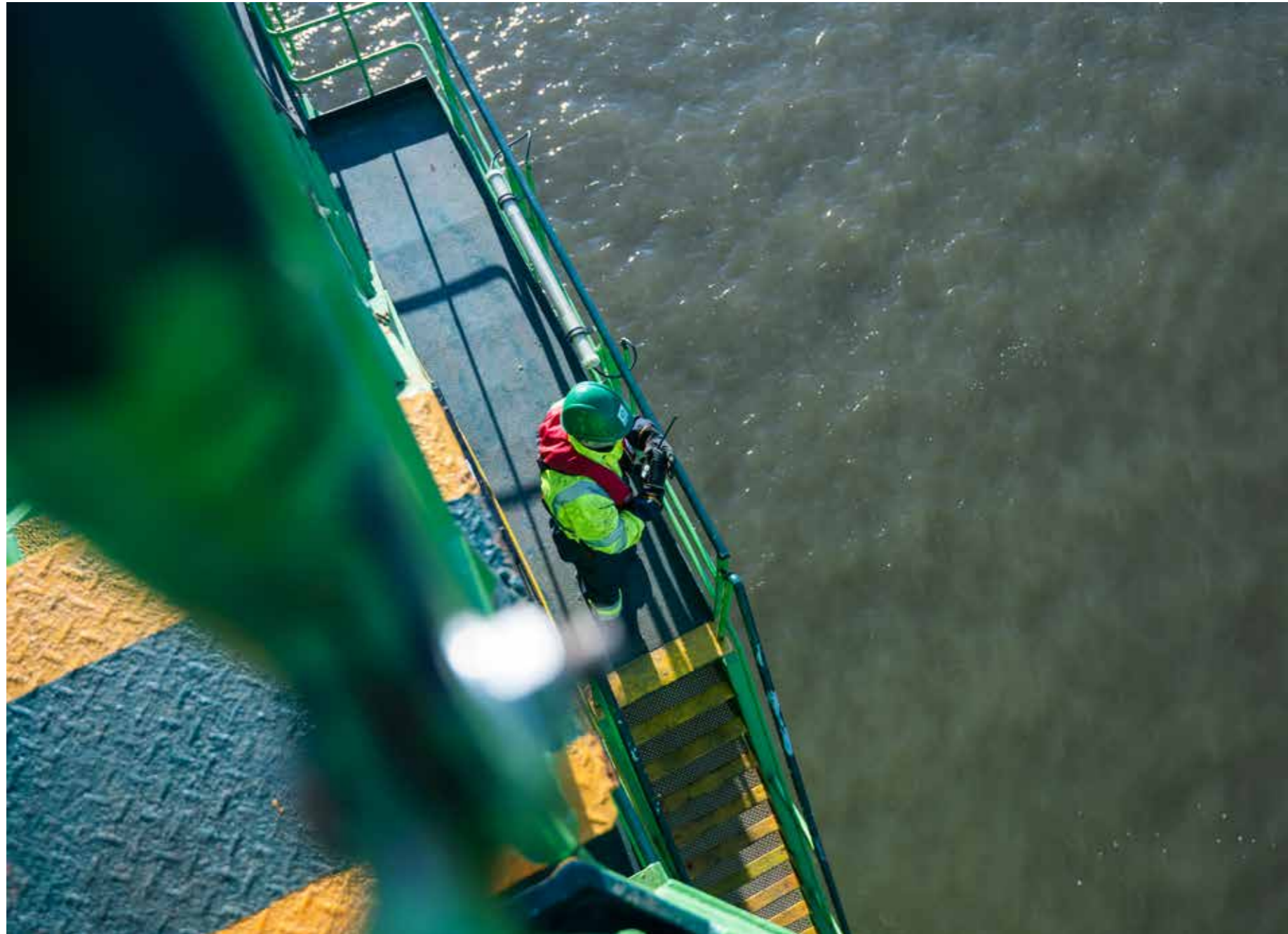
04. The QHSE Department

embodies the 'Zero accidents and zero environmental incidents' ambition of the DEME Group. The company's priority is always the wellbeing of employees and subcontractors, highlighted by DEME's high quality, healthy, safe and eco-friendly work environment. QHSE is always a topic on the agenda of DEME's Management Team, the DEME's Executive Committee and Board of Directors' meetings. Key Performance Indicators are used to track QHSE performance, including both indicators like green initiatives and the safety thermometer.

Key risks

The following outlines a selection of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the company's business, strategy, financial condition and results of operations and prospects.

A more comprehensive description of risks, their potential impact and risk management and control is provided in Chapter 7 Appendix - Risk Assessment.



01. Business and growth opportunities are subject to macroeconomic developments

DEME's activities are driven primarily by the growth of the global population, the trend to locate industry near coastlines and along major rivers, the growth of the global economy and the need for suitable infrastructure that this growth entails, the increasing demand for energy and the transition to renewable energy and climate neutrality, the scarcity of specific minerals and raw materials, and the development of international trade and shipping.

02. Business and growth opportunities are subject to geopolitical developments

DEME's operations are, in some areas where it is active, exposed to elevated risks relating to political and/or social instability (including war and civil unrest, armed conflict, terrorism, hostage taking, piracy, extortion and sabotage).

03. Project management and execution risks

Projects are usually characterised by the obligations entered into upon the submission of the offer as part of the tendering process for a project and, upon award, the signing of a contract to construct or deliver an infrastructure or a scope of work with a unique character for an established fee or variable price and within an agreed period of time.

04. Third-party risks in respect of contractors, suppliers, vendors, joint venture partners or other parties

The successful completion of projects depends on the ability of third parties to perform their contractual obligations and is subject to factors beyond DEME's control, including actions or omissions by these parties and their subcontractors.

06

Financial report



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Consolidated financial statements

Consolidated statement of income

For the year ended 31 December
(in thousands of euro)

	Notes	2023	2022
REVENUES		3,344,091	2,710,796
Turnover	(1)	3,285,422	2,654,725
Other operating income	(2)	58,669	56,071
OPERATING EXPENSES		-3,102,828	-2,555,560
Raw materials, consumables, services and subcontracted work		-2,138,962	-1,704,618
Personnel expenses	(3)	-587,884	-505,743
Depreciation and amortisation expenses	(5)/(7)/(8)	-342,050	-318,240
Impairment of property, plant and equipment and right-of-use assets	(7)/(8)	-13,148	-430
Impairment of goodwill and intangible assets	(5)/(6)	-	-
Other operating expenses	(2)	-20,784	-26,529
OPERATING RESULT		241,263	155,236
FINANCIAL RESULT	(4)	-23,269	-24,311
Interest income		8,252	6,026
Interest expenses		-20,149	-14,914
Realised/unrealised foreign currency translation effects		-9,825	-11,134
Other financial result		-1,547	-4,289
RESULT BEFORE TAXES		217,994	130,925
Current taxes and deferred taxes	(11)	-49,618	-31,361
RESULT AFTER TAXES		168,376	99,564
Share of profit (loss) of joint ventures and associates	(9)	3,217	15,827
RESULT FOR THE PERIOD		171,593	115,391
Attributable to non-controlling interests	(19)	8,831	2,671
SHARE OF THE GROUP		162,762	112,720
Number of shares	(18)	25,314,482	25,314,482
Earnings per share (basic and diluted)	(18)	6.43	4.45

Consolidated statement of comprehensive income

For the year ended 31 December
(in thousands of euro)

	Notes	2023	2022
Result attributable to non-controlling interests	(19)	8,831	2,671
Share of the Group		162,762	112,720
RESULT FOR THE PERIOD		171,593	115,391
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Changes in fair value related to hedging instruments	(21)	-17,655	45,455
Share of other comprehensive income of joint-ventures and associates	(9)	-14,231	50,416
Changes in cumulative translation adjustment reserve		-6,826	3,101
Other comprehensive income that cannot be reclassified to profit or loss in subsequent periods			
Remeasurement of net liabilities relating to defined benefit plans	(23)	1,464	3,953
Share of other comprehensive income of joint-ventures and associates	(9)	-22	100
TOTAL OTHER COMPREHENSIVE INCOME		-37,270	103,025
TOTAL COMPREHENSIVE INCOME		134,323	218,416
Attributable to non-controlling interests	(19)	8,515	3,168
SHARE OF THE GROUP		125,808	215,248

Consolidated statement of financial position

For the year ended 31 December
(in thousands of euro)

ASSETS	Notes	2023	2022
NON-CURRENT ASSETS		3,106,348	2,969,289
Intangible assets	(5)	22,840	24,315
Goodwill	(6)	13,028	13,028
Property, plant and equipment	(7)	2,582,220	2,422,048
Right-of-use assets	(8)	111,093	98,994
Investments in joint ventures and associates	(9)	170,295	202,748
Other non-current financial assets	(10)	48,324	32,540
Non-current financial derivatives	(21)	22,073	39,336
<i>Interest rate swaps</i>		19,862	39,127
<i>Forex/fuel hedges</i>		2,211	209
Other non-current assets	(10)	10,526	11,892
Deferred tax assets	(11)	125,949	124,388
CURRENT ASSETS		1,653,710	1,540,489
Inventories	(12)	32,015	25,696
Contract assets	(13)	633,027	344,751
Trade and other operating receivables	(14)	514,043	469,529
Current financial derivatives	(21)	13,503	22,022
<i>Interest rate swaps</i>		10,938	17,638
<i>Forex/fuel hedges</i>		2,565	4,384
Assets held for sale	(15)	1,630	31,997
Other current assets	(16)	70,408	124,233
Cash and cash equivalents	(20)/(21)	389,084	522,261
TOTAL ASSETS		4,760,058	4,509,778

GROUP EQUITY AND LIABILITIES	Notes	2023	2022
SHAREHOLDERS' EQUITY	(17)	1,910,473	1,753,947
Issued capital		33,194	33,194
Share premium		475,989	475,989
Retained earnings and other reserves		1,411,751	1,218,272
Hedging reserve		38,115	70,020
Remeasurement on retirement benefit obligations	(23)	-35,784	-37,458
Cumulative translation adjustment		-12,792	-6,070
NON-CONTROLLING INTERESTS	(19)	50,337	22,318
GROUP EQUITY		1,960,810	1,776,265
NON-CURRENT LIABILITIES		835,687	1,015,460
Retirement benefit obligations	(23)	54,810	60,523
Provisions	(25)	46,957	42,985
Interest-bearing debt	(20)	652,523	789,904
Non-current financial derivatives	(21)	22,953	53,661
<i>Interest rate swaps</i>		-	-
<i>Forex/fuel hedges</i>		22,953	53,661
Other non-current financial liabilities	(9)	332	1,238
Deferred tax liabilities	(11)	58,112	67,149
CURRENT LIABILITIES		1,963,561	1,718,053
Interest-bearing debt	(20)	248,743	252,870
Current financial derivatives	(21)	20,324	31,579
<i>Interest rate swaps</i>		-	-
<i>Forex/fuel hedges</i>		20,324	31,579
Provisions	(25)	14,045	4,714
Contract liabilities	(13)	447,363	323,300
Advances received	(13)	84,486	72,539
Trade payables		897,610	777,705
Remuneration and social debt		94,791	98,793
Current income taxes	(11)	64,024	66,571
Other current liabilities	(24)	92,175	89,982
TOTAL LIABILITIES		2,799,248	2,733,513
TOTAL GROUP EQUITY AND LIABILITIES		4,760,058	4,509,778

Consolidated statement of cash flows

For the year ended 31 December
(in thousands of euro)

Notes	2023	2022
CASH AND CASH EQUIVALENTS, OPENING BALANCE	522,261	528,632
Operating result	241,263	155,236
Dividends from participations accounted for using the equity method (9)	27,751	10,651
Reclassification of (income) loss from sales of property, plant and equipment and financial participations to cash flow from divestments (2)	-18,544	-5,692
Interest received (4)	8,525	6,026
Interest paid (4)	-17,517	-15,653
Foreign currency translation effects and other financial income (costs) (*) (4)	-14,451	-15,423
Income taxes paid (11)	-61,810	-42,962
NON-CASH ADJUSTMENTS	354,929	319,293
Depreciation and amortisation expenses	342,050	318,240
Impairment of property, plant and equipment and right-of-use assets	13,148	430
(Decrease) increase of retirement benefit obligations (23)	-3,767	505
(Decrease) increase of provisions (2)/(25)	110	-1,034
Other non-cash operating expenses (income) (**)	3,388	1,152
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL	520,146	411,476
CHANGES IN WORKING CAPITAL (26)	-66,488	24,893
Decrease (increase) in inventories and advances received	5,628	-42,056
Decrease (increase) in amounts receivable	-28,501	-85,874
Decrease (increase) in contract assets	-288,276	-18,066
Increase (decrease) in current liabilities (other than borrowings)	120,598	28,684
Increase (decrease) in contract liabilities	124,063	142,205
CASH FLOW FROM OPERATING ACTIVITIES	453,658	436,369
INVESTMENTS	-427,125	-512,855
Acquisition of intangible assets (5)	-2,854	-2,115
Acquisition of property, plant and equipment (7)	-396,093	-481,807
Cash (out) inflows on acquisition of subsidiaries	-	4,433
Cash (out) inflows on acquisition of associates and joint ventures (9)	-8,562	-22,667
New borrowings given to joint ventures and associates (10)	-19,582	-10,097
Cash outflows of other financial assets (10)	-34	-602
DIVESTMENTS	67,443	24,001
Sale of property, plant and equipment (7)	53,721	8,320
Cash (out) inflows on disposal of subsidiaries (scope changes)	9,377	965
Cash (out) inflows on disposal of associates and joint ventures (9)	1,143	-
Repayment of borrowings given to joint ventures and associates (10)	2,825	14,716
Cash inflows of other financial assets	377	-
CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES (***)	-359,682	-488,854
New interest-bearing debt (20)	74,486	465,000
Repayment of interest-bearing debt (20)	-260,894	-380,488
Gross dividend paid to the shareholders (17)	-37,972	-40,843
Gross dividend paid to non-controlling interests	-874	-504
CASH FLOW (USED IN) / FROM FINANCIAL ACTIVITIES (****)	-225,254	43,165
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-131,278	-9,320
Impact of exchange rate changes on cash and cash equivalents	-1,899	2,949
CASH AND CASH EQUIVALENTS, ENDING BALANCE	389,084	522,261

(*) This line relates to a.o. realised foreign currency translation effects whereas note (4) financial result presents both realised and unrealised foreign currency translation effects.

(**) Other non-cash operating expenses (income) mainly relate to bad debt allowances and the gain or losses resulting from the time value of derivative financial instruments.

(***) The amounts of cash flow from investments and divestments can differ from the amounts invested or divested in the notes to which reference is made, due to non-cash corrections such as additions of the year that are not yet paid for.

(****) Repayment of interest-bearing debt includes 32.3 million euro lease repayments in 2023 and 27.9 million euro lease repayments in 2022.

Consolidated statement of changes in equity

2023 (in thousands of euro)	Share capital and share premium	Hedging reserve	Remeasurement on retirement benefit obligations	Retained earnings and other reserves	Cumulative translation adjustment	Shareholders' equity	Non-controlling interests	Group equity
Ending, 31 December 2022	509,183	70,020	-37,458	1,218,272	-6,070	1,753,947	22,318	1,776,265
Impact IFRS amendments	-	-	-	-	-	-	-	-
Opening, 1 January 2023	509,183	70,020	-37,458	1,218,272	-6,070	1,753,947	22,318	1,776,265
Profit	-	-	-	162,762	-	162,762	8,831	171,593
Other comprehensive income	-	-31,905	1,674	-	-6,723	-36,954	-316	-37,270
Total comprehensive income	-	-31,905	1,674	162,762	-6,723	125,808	8,515	134,323
Dividends paid	-	-	-	-37,972	-	-37,972	-874	-38,846
Other	-	-	-	68,689	1	68,690	20,378	89,068
Ending, 31 December 2023	509,183	38,115	-35,784	1,411,751	-12,792	1,910,473	50,337	1,960,810

Share capital amounts to 33,194 thousand euro and **share premium** amounts to 475,989 thousand euro. After the partial demerger of CFE NV on 29 June 2022, a new holding company DEME Group NV replaced DEME NV and the equity components of this new parent company are now reflected in the DEME Group consolidated figures. The impact of this partial demerger is reflected in the line 'other' as a transfer between retained earnings and other reserves and share capital and share premium in the consolidated statement of changes in equity of 2022. Reference is also made to note (17) share capital, dividends and reserves.

The **hedging reserve** includes the fair value fluctuations of effective cash flow hedges, net from income taxes. Reference is made to note (21) financial risk management and financial derivatives. The movement of the year, -31.9 million euro, also includes the changes in the hedging reserve for joint ventures and associates (-14.2 million euro). Some joint ventures and associates, mainly in the DEME Concessions segment, finance substantial assets such as infrastructure works, offshore wind farms or vessels and therefore hold interest rate swaps (IRS). In 2023, the decline in market interest rates compared to the hedged interest rates had a negative impact on the hedging reserve which explains the negative movement of -31.9 million euro in 2023.

Remeasurement on retirement benefit obligations relates to the defined benefit plans (including the Belgian contribution-based plans which are considered to be defined benefit plans under IFRS) actuarial gains/losses (-) and asset limitation, after income taxes. For more information, reference is made to note (23) retirement benefit obligations, where the remeasurement is shown before income taxes.

Retained earnings and other reserves include the revaluation surplus, legal reserve, available reserves, untaxed reserves and retained earnings of the parent company, before result appropriation of the year, as well as the consolidation reserves. The increase of 68.7 million euro in the line 'other' is related to the step-in of a partner in the company Global Sea Mineral Resources NV (GSR) within segment Concessions that is accounted for as an equity transaction. Reference is made to section changes in the consolidation scope.

Non-controlling interests amounts to 50.3 million euro at 31 December 2023. The increase of 20.4 million euro in the line 'other' is also related to the step-in of a partner in the company Global Sea Mineral Resources NV (GSR) within segment Concessions. Reference is made to section changes in the consolidation scope and to note (19) non-controlling interests.

2022 (in thousands of euro)	Share capital and share premium	Hedging reserve	Remeasurement on retirement benefit obligations	Retained earnings and other reserves	Cumulative translation adjustment	Shareholders' equity	Non-controlling interests	Group equity
Ending, 31 December 2021	36,755	-25,872	-41,283	1,618,824	-8,881	1,579,543	19,696	1,599,239
Impact IFRS amendments	-	-	-	-	-	-	-	-
Opening, 1 January 2022	36,755	-25,872	-41,283	1,618,824	-8,881	1,579,543	19,696	1,599,239
Profit	-	-	-	112,720	-	112,720	2,671	115,391
Other comprehensive income	-	95,892	3,825	-	2,811	102,528	497	103,025
Total comprehensive income	-	95,892	3,825	112,720	2,811	215,248	3,168	218,416
Dividends paid	-	-	-	-40,843	-	-40,843	-504	-41,347
Other	472,428	-	-	-472,429	-	-1	-42	-43
Ending, 31 December 2022	509,183	70,020	-37,458	1,218,272	-6,070	1,753,947	22,318	1,776,265

Segment reporting

Description of operating segments

For management purposes, the Group is organised into four business units based on its products and services. The four reportable segments are:

Offshore energy

This segment provides engineering and contracting services globally in the offshore renewables and oil & gas industry. Those activities are executed with specialised offshore vessels. In the offshore renewables, the Group is involved in the full Balance of Plant scope for offshore wind farms. This includes the engineering, procurement, construction and installation of foundations, turbines, inter-array cables, export cables and substations. The Group also offers operations and maintenance, logistics, repair and decommissioning as well as salvage services to the market. In the oil & gas industry, the Group performs landfalls and civil works, rock placement, heavy lift, umbilicals, as well as installation and decommissioning services. In addition to these main activities, the Group also provides specialised offshore services, including geoscience services and the installation of suction pile anchors and foundations.

Dredging & Infra

In this segment the Group performs a wide variety of dredging activities worldwide, including capital and maintenance dredging, land reclamation, soil improvement, port construction, coastal protection and beach nourishment works. These activities are executed with specialised dredging vessels and various types of auxiliary vessels and earth-moving equipment. The Group also provides contracting services for marine infrastructure projects. This includes the engineering, design and construction of complex marine structures such as jetties, port terminals, locks and weirs, infrastructural works such as bored and immersed tunnels, foundation and marine works for bridges or other constructions in a marine or fluvial environment, and civil works for harbour construction, dams and sea defences, canal construction, revetment, quay wall construction and shore protection. In addition, the Group is active in the marine aggregate business, which includes dredging, processing, storage and transport of aggregates. Finally, the Group provides maritime services for port terminals.

Environmental

The Environmental segment focuses on innovative environmental solutions for soil remediation and brownfield redevelopment, environmental dredging and sediment treatment and water treatment. It is mainly active in the Benelux, France, as well as in other European countries on a project-by-project basis. An external partner participates in the Environmental segment. The segment can be considered as a material partly owned aggregated level of subsidiaries with non-controlling interests of 25.1%. Reference is made to note (19) non-controlling interests.

Concessions

The Concessions segment, unlike the contracting segments, invests in and develops projects in wind, port infrastructure, green hydrogen and other special projects. It operates through participations in special purpose companies – greenfield and brownfield. Besides creating economic value on its projects and generating equity returns on its investments, it also aims to secure regular activities for the Group contracting activities in the EPC phases of its projects. Within its concessions activities, the Group also holds concessions of seabed areas which contain polymetallic nodules and develops a technology to collect and process these polymetallic nodules containing nickel, cobalt, manganese and copper from the deep ocean floor.

Each of the four abovementioned segments has its own market, asset base and revenue model and is managed separately requiring different strategies. Dredging & Infra activities are complementary as the marine infrastructure works that DEME Infra undertakes are often combined with a dredging or land reclamation scope. The Offshore Energy segment is involved in and serves the offshore energy industry, both renewables and oil & gas sectors. The Environmental segment focuses on environmental solutions. The Concessions segment, unlike the contracting segments, invests in and develops projects in wind, port infrastructure, green hydrogen and other special projects.

The segment reporting comprises financial information of these four segments that are separate operating segments. On a quarterly basis, separate operating results are prepared and reported to the Chief Operating decision maker, the DEME Executive Committee, as well as the Board of Directors.

For the segment reporting, some activity lines, that are the lowest level of reportable activities within DEME, are aggregated. As such the activities of Combined Marine Terminal Operations Worldwide NV (CTOW) in the maritime services for port terminals and Deme Building Materials NV (DBM) in the marine aggregate business are aggregated in the Dredging & Infra segment. The works performed by Scaldis Salvage & Marine Contractors NV (salvage works) are aggregated in the Offshore Energy segment.

The reporting of the management accounts (reporting on operating results) is an integral part of the financial reporting. At any time, the consolidated management report can be reconciled with the consolidated financial statements, both resulting in the same IFRS net result of the year (as such one version of the truth).

The Group's company structure is mostly, but not completely, built around the different segments. It is possible that a company of the Group is executing projects in both the Dredging & Infra and Offshore Energy segment and also one project can trigger cost and income in different companies of the Group worldwide. The list of Group companies associated with their main operational segment for 2023 is available within the section Group structure and changes in the reporting period. The DEME operational and management structure is aligned with the DEME operational segments as well as the management reporting that is based on a worldwide uniform analytical accounting system. The analytical result by company, that gives a breakdown by project and cost center, is the basis for the segment reporting that can always be reconciled with the income statement of the company.

For projects in which two segments are involved (for instance an offshore contract with a dredging scope), the segments only report their own share in revenue and result. When one segment is working for another segment as a subcontractor or when a segment hires equipment, to use on projects, that is dedicated to another segment, this is remunerated at arm's length basis. Inter-segment revenues are included in the revenues of the segment performing the work but are eliminated in the segment that is invoicing to the external customer. Currently intercompany sales for major projects are within the same segment (dredging and infrastructure works; offshore and salvage works) so there is no inter-segment revenue to report on separately.

For each segment the turnover, EBITDA, depreciation and impairment cost and EBIT is reported. For the Concessions segment these measures of performance are only applicable to the subsidiaries (fully consolidated entities included in this segment). As the business of the Concessions segment is often resulting in a minority stake in participations, the operating result of these participations is reflected in the result from associates and joint ventures that is also segmented. The basis for the segment reporting is the management reporting system. Next to all activities done by our subsidiaries, the management report also

includes the projects executed by joint ventures, showing the DEME's share of revenues and expenses in the joint venture. This proportionate consolidation method whereby the Group accounts for the assets, liabilities, revenues and expenses according to its share in the joint venture, is not allowed under IFRS for joint ventures. Management however has to monitor the performance of the entire business, both executed in control as in a joint venture. In the segment reporting the joint ventures are consolidated according to the proportionate consolidation method and the intercompany transactions between the joint ventures and DEME subsidiaries are eliminated following the rules of proportionate consolidation. The total of the reported segment amounts is reconciled with the corresponding amounts in the DEME consolidated financial statements. The Share of the Group (IFRS net result) is not affected by the difference in consolidation method, only the presentation of the result of the year is different.

As for the net result from joint ventures and associates and the carrying amount of joint ventures and associates, the reconciliation column includes the net result and carrying amount of joint ventures that are consolidated according to the equity method in the financial statements but according to the proportionate consolidation method in the segment reporting. Reference is made to note (9) for more information about joint ventures and associates.

DEME's management reporting focuses on both the current and future (financial) performance and on the current and future assets deployed for the execution of projects. The financing activities and monitoring of our working capital is performed centrally at DEME Group level, and therefore no segmented financial information is presented for those activities.

The segmentation of DEME's fleet is done based upon the nature of the equipment dedicated to a specific segment. An overview of the DEME fleet per nature is attached in the Annual Report 2023. A geographical segmentation of the fleet is not applicable for DEME as its vessels are continuously deployed on different projects around the world.

Financial information of operating segments

For the year ended 31 December
(in thousands of euro)

2023	Offshore Energy	Dredging & Infra	Environmental	Concessions	Total Segments	Reconciliation	Group Financial Statements
Turnover	1,501,551	1,604,610	304,314	4,972	3,415,447	-130,025	3,285,422
EBITDA	231,364	298,294	51,113	-13,409	567,362	29,099	596,461
Depreciation and impairment	-129,727	-225,170	-9,912	-113	-364,922	9,724	-355,198
EBIT	101,637	73,124	41,201	-13,522	202,440	38,823	241,263
Financial result					-27,453	4,184	-23,269
RESULT BEFORE TAXES					174,987	43,007	217,994
Current taxes and deferred taxes					-40,998	-8,620	-49,618
Net result from joint ventures and associates	1	-2	377	37,386	37,762	-34,545	3,217
RESULT FOR THE PERIOD					171,751	-158	171,593
Attributable to non-controlling interests					8,989	-158	8,831
SHARE OF THE GROUP					162,762	-	162,762
Net book value intangible assets	12,674	6,098	8	4,067	22,847	-7	22,840
Net book value property, plant and equipment and right-of-use assets	1,480,965	1,247,270	64,473	81,230	2,873,938	-180,625	2,693,313
Carrying amount of joint ventures and associates	28	5,347	2,505	112,989	120,869	49,094	169,963
<i>Booked as non-current financial asset</i>	28	5,347	2,521	113,046	120,942	49,353	170,295
<i>Booked as non-current financial liability (- is credit)</i>	-	-	-16	-57	-73	-259	-332
Acquisition of property, plant and equipment and right-of-use assets (*)	382,488	161,160	19,296	81,184	644,128	-112,186	531,942
Capital investments in joint ventures and associates	-	-	-	7,671	7,671	891	8,562

(*) Acquisitions according to balance sheet (rollforward property, plant and equipment and right-of-use assets) and not according to cash flow statement.

The financial information disclosed in the segment reporting (using the proportionate consolidation method for joint ventures) is reconciled with the financial information as reported in the consolidated statement of financial position and the consolidated statement of income (using the equity consolidation method as required under IAS 28) above. The impact of the different consolidation method for joint ventures is included in the 'reconciliation' column. The proportionate (line-by-line) integrated amounts of joint ventures are deducted and replaced by the Group's share in the result of the joint ventures. In addition, turnover of fully consolidated entities towards joint ventures (that is proportionally eliminated in the segment reporting), is added

again to the turnover in the Group financial statements, as this turnover is not eliminated any longer when joint ventures are consolidated according to the equity method. Therefore, the ratio between EBITDA/EBIT and turnover of the 'reconciliation' column is not reflecting the ratio of the joint ventures itself. Associates are consolidated according to the equity method in both the segment reporting and the Group financial statements. The lines referring to 'net result of joint ventures and associates' or 'capital investments in joint ventures and associates' in the segment reporting only include associates, while the joint ventures are added in the reconciling items. Reference is made to note (9) for more information about joint ventures and associates.

2022	Offshore Energy	Dredging & Infra	Environmental	Concessions	Total Segments	Reconciliation	Group Financial Statements
Turnover	957,810	1,524,316	206,336	2,214	2,690,676	-35,951	2,654,725
EBITDA	221,967	254,889	24,974	-12,675	489,155	-15,249	473,906
Depreciation and impairment	-104,851	-210,002	-8,502	-61	-323,416	4,746	-318,670
EBIT	117,116	44,887	16,472	-12,736	165,739	-10,503	155,236
Financial result					-25,490	1,179	-24,311
RESULT BEFORE TAXES					140,249	-9,324	130,925
Current taxes and deferred taxes					-34,498	3,137	-31,361
Net result from joint ventures and associates	26	108	547	9,255	9,936	5,891	15,827
RESULT FOR THE PERIOD					115,687	-296	115,391
Attributable to non-controlling interests					2,967	-296	2,671
SHARE OF THE GROUP					112,720	-	112,720
Net book value intangible assets	14,488	8,112	1	1,744	24,345	-30	24,315
Net book value property, plant and equipment and right-of-use assets	1,168,802	1,375,574	55,306	159	2,599,841	-78,799	2,521,042
Carrying amount of joint ventures and associates	27	5,471	3,135	98,258	106,891	94,619	201,510
<i>Booked as non-current financial asset</i>	27	5,471	3,135	99,496	108,129	94,619	202,748
<i>Booked as non-current financial liability (- is credit)</i>	-	-	-	-1,238	-1,238	-	-1,238
Acquisition of property, plant and equipment and right-of-use assets (*)	351,501	170,877	19,630	87	542,095	-14,062	528,033
Capital investments in joint ventures and associates	-	-	-	18,771	18,771	3,893	22,664

(*) Acquisitions according to balance sheet (rollforward property, plant and equipment and right-of-use assets) and not according to cash flow statement. In comparison with the DEME Annual Report 2022 an amount of 61 million euro is transferred from segment Dredging & Infra to Offshore Energy.

Summary of material accounting principles

General statement

DEME is specialised in offshore energy, dredging and marine infrastructure, environmental and concessions projects. DEME offers solutions for its clients at the interface of land, water and energy. For almost 150 years, DEME creates value for its shareholders and delivers projects in a safe, sustainable and efficient way with the best people, the right assets, technical leadership and effective resource allocation.

The company can as such build on a lot of experience and is a front runner in innovation and new technologies. DEME's vision is to work towards a sustainable future by offering solutions for global challenges: a rising sea level, a growing population and fast urbanisation, the reduction of emissions, polluted rivers and soils, the scarcity of mineral resources and the rising maritime trade activity that acquires constant marine infrastructure upgrades to ensure vessel access and suitable ports. Through its diversified portfolio of activities DEME is well positioned to tackle each of one of those challenges. DEME can rely on more than 5,300 highly skilled professionals and operates one of the largest and most technologically advanced fleets in the world.

While the company's roots are in Belgium, DEME has built a strong presence in all of the world's seas and continents.

Up to 29 June 2022, the parent company of the DEME Group was Dredging, Environmental and Marine Engineering NV (DEME NV). Since then, a new holding company, DEME Group NV, has come on top of DEME NV as a result of the partial demerger of CFE NV, that transferred its 100% stake in DEME NV to DEME Group NV. Reference is made to note (17) share capital, dividends and reserves, for more information about this transaction and the current shareholder structure of the DEME Group.

Both the head office and registered address of the new parent company, DEME Group NV, as well as DEME NV, a 100% affiliate of DEME Group NV, are Scheldedijk 30, Zwijndrecht, Belgium.

The companies are registered at the Chamber of Commerce (VAT number) in Antwerp, Belgium with number BE 0787829347 and BE 0400473705 respectively. The legal entity identifier (LEI) of DEME Group NV at the Crossroad Bank of Enterprises is 549300FFPQP3PJV37.

DEME Group NV is listed since 30 June 2022, on Euronext Brussels under the symbol 'DEME.BR' and ISIN code BE 0974413453. For the purposes of the EU Directive 2004/109/EC in respect of the harmonisation of transparency requirements relating to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC, the Home Member State is Belgium. DEME Group NV shall notify the Belgian Financial Services and Market Authority (FSMA), as competent supervisory market authority of its Home Member State. DEME Group's securities are only admitted to trading in Belgium.

The website of the Group is www.deme-group.com.

The consolidated financial statements of DEME Group NV for 2023 and 2022 include the Company and group companies hereinafter referred to jointly as the 'Group' and individually as subsidiaries, joint ventures and associates. The section principles of consolidation explains how group companies are included in the consolidated financial statements.

The consolidated key figures, consolidated statement of income, consolidated statement of financial position, consolidated statement of cash flows and all explanatory notes as well as the management reporting and segment reporting were presented to the Board of Directors of 21 February 2024. The Annual Report is presented and authorised for publication by the Board of Directors on 25 March 2024.

Statement of compliance

The consolidated financial statements and the accompanying explanatory notes have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS).

Basis of preparation

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption.

The consolidated financial statements are presented in thousands of euro. They are prepared on the historical cost basis except for derivative financial instruments which are stated at fair value.

The consolidated financial statements are prepared as of and for the period ending 31 December 2023.

They are presented before the effect of the profit appropriation proposed to the Shareholders' General Meeting.

In application of IFRS 1 *first-time adoption of International Financial Reporting Standards*, the Group has applied consistent accounting principles, based on IFRS-EU, for all the periods presented in these financial statements except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Below amendments apply for the first time in 2023, but do not have an impact on the consolidated financial statements of the Group:

- IFRS 17 *insurance contracts*
- 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

Below amendments apply for the first time in 2023 and have an impact on the consolidated financial statements of the Group:

- amendments to IAS 12 *income taxes*: Pillar Two Model Rules International Tax Reform. The amendments include a temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to the Pillar Two income taxes. Reference is made to note (11) current taxes and deferred taxes
- amendments to IAS 1 *presentation of financial statements* and IFRS practice statement 2 *making materiality judgements*: provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any item in the Group's financial statements

The standards and interpretations that are issued, but not yet effective, as of 31 December 2023 are disclosed below:

- amendments to IAS 1 *presentation of financial statements*: non-current liabilities with covenants and classification of liabilities as current or non-current (deferred), effective 1 January 2024 (*)
- amendments to IFRS 16 *leases*: lease liability in a sale and leaseback, effective 1 January 2024
- amendments to IAS 7 *statement of cash flows* and IFRS 7 *financial instruments*: disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements, effective 1 January 2024 (*)
- amendments to IAS 21 *the effects of changes in foreign exchange rates*: the lack of exchangeability, effective 1 January 2025 (*)

(*) The amendments to the standard have not yet been endorsed.

The Group intends to adopt these standards and interpretations, if applicable, when they become effective. None of these standards issued, but not yet effective, are expected to have a material impact on the financial statements.

Significant judgements and estimates

The preparation of financial statements under IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in those financial statements, particularly with regard to the following items:

- the assessment of projects revenue according to the percentage of completion: in accordance with the provisions of IFRS 15, the revenue of projects is measured by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Identified additional costs are incorporated in the estimated result at completion. On the basis of the contractual conditions that are defined for each contract, any compensation granted or, conversely, penalties charged for delays are also incorporated in the estimated result at completion in line with the valuation rules of the DEME group. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of project costs incurred that will probably be recoverable. In the event that the forecast at the completion of the project shows a deficit, the expected loss on completion is immediately recognised as an expense for the period, based upon the principles of IAS 37 *provisions, contingent liabilities and contingent assets* for onerous contracts at the best estimate of the expenditure required to settle the obligation. As such the expected loss to record will reflect management expectations about the costs of satisfying the obligation less the amount to be received from the customer
- the period over which non-current assets are depreciated or amortised and the estimate related to the residual value
- the estimate being the discount rate and the judgement of the lease term
- the measurement of provisions and pension obligations
- the estimates used in impairment tests that have been carried out. For assets where the lower of the value in use or the fair value less costs to sell was lower than the carrying amount, impairment losses were recognised. The main assumptions applied are described in note (6) goodwill
- the estimates used in the assessment of income taxes or uncertain tax positions (see note (11) current taxes and deferred taxes)
- the assessment of control

These estimates assume the operation is a going concern and are based on the basis of the information available at that moment.

Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Estimates consider changes in the macroeconomic and geopolitical environment. Actual results may be different from these estimates.

Risks and uncertainties

Reference is made to chapter '05. Corporate governance and risks- Risk management and control processes' earlier in this Annual Report and to note (25) provisions and contingent assets and liabilities.

Disclosures related to specific topics

Climate related matters

In preparing the consolidated financial statements, the Group has considered the potential impact of climate related risks which cover both **transition risks** and **physical risks**.

Transition risk is the potential cost or decreased demand when evolving to a low carbon economy, to mitigate climate change, that can arise from changes in public sector policies (policy and legal risk), from innovation or new technologies, and from investor and customer sentiment towards a greener environment (market and reputation risk).

The main transition risks relating to the markets in which DEME operates are under review or have been reviewed to the best of the Group's knowledge. Also, the impact of potential costs is subject to pass-through clauses in the contract that are different for every project.

The EU Emissions Trading System (ETS), the world's largest carbon market, was initially established in 2005 as a market-based mechanism to tackle greenhouse gas emissions within the European Union. While it primarily targeted energy-intensive sectors like power generation and manufacturing, there have been recent developments. Directive (EU) 2023/959 of 16 May 2023 provides for the inclusion of greenhouse gas emissions from maritime transport activities into the existing European Union Emission Trading System (ETS). Emissions from maritime transport activities are included in the overall ETS cap, which defines the maximum amount of greenhouse gases that can be emitted, economy-wide, within the European Union under the system. The cap is reduced over time to ensure that all ETS sectors contribute to the EU's climate objectives. Shipping companies, including shipowners of offshore ships, are mandated to (i) report their emissions under the Monitoring, Reporting, and Verification (MRV) regulation (Regulation EU) 2023/957 and (ii) acquire and surrender (use) EU ETS emission allowances for each tonne of reported CO₂ emissions, according to Directive (EU) 2023/959. The obligation to surrender ETS emission allowances applies to cargo and passenger ships of or above 5000 gross tonnage from 2024 and extends to offshore ships of the same tonnage from 2027. The EU Commission is considering the need for guidance on defining 'offshore ships', which is foreseen to be adopted in secondary legislation. It is uncertain whether the definition of 'offshore ships' will include dredging, installation, cable/pipe lying and/or jack-up vessels, among other.

The ETS system for maritime transport activities covers (i) 50% of emissions from voyages starting or ending outside of the EU and (ii) 100% of emissions that occur between two EU ports and when ships are within EU ports. During the transition phase, shipping companies will go through a gradual implementation process within the ETS: for cargo and passenger ships, 40% of their emissions reported in 2024 are required to be surrendered in 2025, followed by 70% of emissions reported in 2025 to be surrendered in 2026, and then 100% as of 2027. For offshore ships, 100% of their emissions reported in 2027 will have to be surrendered in 2028. In addition, CH₄ and N₂O emissions from maritime activities will be subject to control starting from 2026.

Pending the European Commission's guidance on the definition of 'offshore ships', DEME, in its capacity of owner of offshore ships, would be expected to commence reporting emissions under the MRV from 1 January 2025. Subsequently, DEME would be required to surrender 100% of the emissions of its offshore ships reported in 2027 by the year 2028.

As of 31 December 2023, no EU ETS emission allowances or renewable energy certificates are included in the consolidated statement of financial position, nor did the Group account for a liability related to GHG emissions.

The transition risk that exists because of changes in public sector policies is interrelated with the risk of potential cost following innovation and new technologies. Reference is made to chapter '04. Sustainability' where the Group's targets are described related to greenhouse gas emission reduction and the fleet. These targets were set to further increase energy efficiency, to reduce greenhouse gas emissions directly, and to be able to make the switch to the use of future zero carbon fuels in the long run.

Over time, the Group emphasis has been on enhancing the operational efficiency and productivity of DEME's fleet, leading to a decrease in the greenhouse gas (GHG) intensity. In 2023, the Group initiated a 5-year investment plan of approximately 30 million euro. The primary objective was to incorporate fuel-saving technologies across the fleet. These investment costs, along with the expenses related to integrating specific fuel-saving technologies into newly constructed vessels, are included in DEME's investment plan. In addition to the current utilisation of Low Carbon Fuels, DEME is embarking on its first pilot projects to gain practical experience with future green fuels. However, there remains a significant level of uncertainty regarding the specific fuels that will dominate the future market, their availability, and the capacity for bunkering. Consequently, estimating the precise investment required to fully prepare DEME's fleet for the transition to these future fuels is challenging. The investment costs will heavily rely on further innovations and technological breakthroughs.

Next to the fleet, DEME is working to increase energy efficiency of the offices and headquarters and invests in new sustainable technologies to have a climate neutral HQ by 2025. In 2023 the DEME LABS (new offices) have been fitted with a new cold heat storage system and dedicated heat pumps. In this way the Group obtains a fossil free heating and cooling system. Solar panels have been fitted on the roof of the DEME labs in the first quarter of 2024. In 2024 the cold heat storage system loop, previously installed on the site in Zwijndrecht, will be put into operation. The DEME LABS, the new DEME LOOKOUT and other existing buildings will be connected to this loop to optimise heat-cold management over the site. Older buildings will be demolished. Further investments will be done to equip the warehouses and the workshop with heat pumps and radiation panels to phase out the remaining fossil fuel.

As for the transport of people at DEME, that includes business flights, train travel and the car fleet, the pace at which the Group's car fleet is being electrified is increasing. The rise in lease expenses for cars in 2023 primarily results from the rapid electrification of DEME's car fleet, the expansion in fleet size (due to a higher number of cars) and the elevated lease cost associated with electric vehicles. Reference is made to note (8) right-of-use assets.

Physical risks following climate change are those related to the physical impacts such as direct damage to assets, weather delay in execution of the project and supply chain disruption. These risks can be event-driven (acute) or associated with longer-term shifts in climate patterns (chronic).

DEME has always been engaged in climate adaptation as part of the normal business risk management framework and weather delay is a contractual clause in all contracts. Damage to assets due to extreme weather conditions such as storms are covered by casualty insurance policies. When a loss occurs, the negative impact on the result that is not covered or refunded by the client is considered in the end of project margin or recognised in expenses in the related reporting period.

The following impacts of climate change were assessed in the consolidated financial statements:

- the impact of climate change on the residual values and useful lives of assets were considered in determining the carrying value of non-current assets (see note (7) property, plant and equipment)
- the impact of climate change was considered in relation to the recognition and measurement of provisions and contingencies (see note (25) provisions and contingent assets and liabilities)
- the impact of climate change was considered in relation to indications of impairment and the forecast of cash flows used in the impairment assessments of the carrying value of non-current assets including goodwill (see note (6) goodwill)
- the impact of climate change was considered in the future profitability used in the assessment of the recoverability of deferred tax assets (see note (11) current taxes and deferred taxes)

In summary, for the year ended 31 December 2023, no material impact on financial reporting judgement and estimates arising from climate change were identified and as a result the valuations of assets and liabilities have not been significantly impacted by climate change risks. Further, the Group concludes that the climate change risk does not impact the going concern assessment for December 2023.

For the DEME Group, efforts to mitigate and adapt to climate change worldwide generate opportunities as the Group advances the energy transition by developing infrastructure for renewable energy, provides protection against the forces of nature, and builds resilient infrastructure that is better adapted to climate-related hazards. The Group plays a role in the move towards a circular economy with its soil remediation and brownfield development, environmental dredging and sediment treatment and invests in the production, storage, and transport of green hydrogen. Reference is made to note (1) turnover and orderbook, for the disclosure of the taxonomy-eligible turnover realised that makes a substantial contribution to climate change mitigation.

Macroeconomic matters

In 2023, the construction industry, in which DEME is working, recovered from the covid-19 pandemic and its aftermath. Though because of new geopolitical and macroeconomic challenges affecting the entire global economy, market conditions deteriorated again, leading to higher interest rates and inflation.

Interest rates globally increased in 2023 (both long-term and short-term) following several policy enhancements concluded by most central banks in their attempt to slow down inflation. As a result, financing of projects became far more expensive and led to delays in new orders or implementation of ongoing projects. In some circumstances it even led to the cancellation of some projects, following recalibration in parts of the offshore wind market. Fortunately, this had no substantial adverse effect on DEME's financials and outlook.

In 2023, DEME did not secure material new loan facilities whereas in 2022 additional long-term loan facilities totalling 440 million euro were added. To achieve the best possible balance between financing costs and the volatility of the financial results for its long-term borrowings, DEME always tries to cover the vast majority of risks of changes in underlying floating interest rates of borrowings through derivative financial instruments, mainly by using interest rate swaps. Similar to 2022, the entire Group's outstanding long-term interest-bearing debt portfolio had a fixed interest rate character, which limited the exposure of the Group to interest rate fluctuations due to rising interest rates. For short-term financing of the year and commercial paper issued, higher interest rates were paid compared to 2022. Though in general, it can be said that the direct impact of rising interest rates on the 2023 financials remained limited for the Group.

For every company, inflation not only impacts direct costs, but it also affects indirect costs such as energy costs, salaries, etc. Although there is a considerable increase in personnel expenses as a result of the automatic indexation system in Belgium for protecting employees' purchasing power, all those costs are continuously being monitored within the Group and optimised where possible. Inflation effects are passed through to the client where possible.

During 2023, payment terms with both suppliers and clients were not extended and there has been no change in the payment behaviour of the Group towards suppliers nor in the payment behaviour from clients.

Inflation and interest rates, both impact a.o. the assessment of fair values, calculations of future cash flows, discount rates for present value calculations and impairment testing. No impairment losses allocated to cash-generating units were recognised in 2023. Further on, the valuation of the Group's assets and liabilities has not been materially affected by the above macroeconomic conditions. DEME management keeps on monitoring the macroeconomic evolution and its impact on the financials and outlook. If necessary, it will adapt its strategy.

For above topic, reference is made to note (1) turnover and orderbook, note (3) personnel expenses and employment, note (6) goodwill, note (20) interest-bearing debt and net financial debt, note (21) financial risk management and financial derivatives and note (23) retirement benefit obligations.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of subsidiaries which are entities controlled by the Company (fully consolidated entities).

Control is achieved when the Company:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full in the consolidated financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs).

An investment retained is initially measured at fair value. This fair value becomes the initial carrying amount at the date when control is lost and for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Associates are companies in which the DEME Group has significant influence. Significant influence is the power to take part in financial and operating policies of a company without having control or joint control over these policies.

A **joint venture** is a joint arrangement whereby the parties exerting joint control over the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Assets, liabilities, revenues and expenses from joint ventures and associates are accounted for under the equity method in the consolidated financial statements. Under the equity method, an investment in a joint venture or associate is firstly recorded at cost in the consolidated financial statement and then adjusted to record the share of the Group in the net result and in the comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. These losses are recorded as other non-current financial liability on the balance sheet instead of a negative investment within non-current financial assets (note (9)).

The proportionate consolidation method whereby the Group accounts for the assets, liabilities, revenues and expenses according to its interest in the joint venture, is not allowed under IFRS but is still applied in the management reporting which is the basis for the segment reporting. Interests in joint ventures or associates are accounted for from the date when the entity becomes a joint venture or associate. At the acquisition of the interest, any surplus between the cost of the investment and the share in the fair value of net assets of the entity is recorded as goodwill included in the carrying amount of the investment. Any surplus between the share of the Group in the fair value of net assets and the cost of the investment after remeasurement is immediately recorded in the income statement during the period of acquisition of the investment.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests. When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group. The gross amount on transactions with associates or joint ventures is not eliminated; only any gain or loss on these transactions is eliminated.

A **joint operation** is a joint arrangement in which the parties (joint operators) have direct rights over the assets and direct obligations with respect to the entity's liabilities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a DEME Group entity starts activity in a joint operation, the Group recognises, in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred held 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

The group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Within the DEME Group there are also project driven construction consortiums that are not structured as a separate legal entity. They are directly integrated in the figures of the DEME subsidiary that is participating in the consortium. They are considered as joint operations and thus follow the accounting method described above (integration on a line-by-line basis).

Foreign currencies

The Group's consolidated financial statements are presented in euro, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Financial statements of foreign entities with a functional currency not equal to the euro, are translated as follows:

- assets and liabilities are translated at the year-end rate
- income and expenses are translated at the average exchange rate for the year
- shareholders' equity accounts are translated at historical exchange rates

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Foreign currency transactions are accounted for at exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owner of the Company are reclassified to profit or loss.

The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method. In case of a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

In note (21) a table with currency rates from foreign currency to EUR can be found as per 31 December 2023 and 2022.

Intangible assets

Acquired concessions, patents, licences and similar rights

These intangibles, that are separately acquired and that have a finite useful life, are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. These intangibles mainly relate to the acquired technology of the SPT Offshore business that is amortised over the economic lifetime of 10 years.

Costs for configuring or customising a supplier's application software in a Software as a Service (SaaS) arrangement is determined as a service contract and expensed.

Research and development

Expenditure on research activities is recognised in the income statement as an OpEx expense as incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to reliably measure the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Impairment testing is done during the development at each closing period.

In the segment Concessions, some development expenses are capitalised in the associates DEME Concessions participates in, as well as in the participating entity itself that is fully consolidated. For each project, initial recognition has to be approved by the Audit Committee and impairment testing is discussed in the meeting on a semi-annual basis.

Exploration for and evaluation of mineral resources

In the segment Concessions, DEME expenses costs incurred for the exploration and evaluation of mineral resources on the seabed since the recognition criteria are not met.

Goodwill

Goodwill arising from a business combination is recognised as an asset on the date on which control was obtained (the acquisition date). Goodwill is measured at cost being the excess of the consideration transferred, the non-controlling interests in the acquired company and the fair value of the stake already owned by the Group in the acquired company (if any) over the net amount of identifiable assets acquired and liabilities assumed on the acquisition date.

Non-controlling interests are initially measured either at fair value, or at the non-controlling interests' share of the acquiree's recognised identifiable net assets. The basis of measurement is selected on a transaction by transaction basis.

If, after reassessment, the net balance, at the acquisition date, of identifiable assets acquired and liabilities assumed is higher than the sum of the consideration transferred, non-controlling interests in the acquiree and the fair value of the stake in the acquiree previously owned by the Group (if any), the surplus is recognised immediately in the income statement as a gain from a bargain purchase.

Goodwill is not amortised but is subject to impairment tests taking place annually or more frequently if there is an indication that the cash-generating unit to which it is allocated could have suffered a loss of value.

Goodwill is stated on the balance sheet at cost less accumulated impairment losses, if any. Impairment of goodwill is not reversed in future periods.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Property, plant and equipment

Property, plant and equipment are measured at historical cost, less accumulated depreciation and impairment losses. Historical cost includes all direct costs and all expenditure incurred to bring the asset to its working condition and location, as well as for its intended use. Historical cost includes the original purchase price, specific borrowing costs incurred during the construction period, and related direct costs. Main dredging and offshore equipment consists of components with different useful lives that are accounted for as separate items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. The wear and tear of dredging equipment is highly dependent on project-specific combinations of soil conditions, material to be processed, maritime circumstances, and the intensity of the deployment of the equipment (factors that are difficult to predict). Due to these erratic and time-independent patterns, the maintenance and repair costs for upkeep of the assets during the operation of the vessel are predominantly expensed.

Dry-docking costs of the main production equipment (major repair costs) are recognised in the carrying amount of the vessel when incurred and depreciated over five years (normal period foreseen between two consequent dry dockings).

Depreciation is charged to the income statement on a straight-line basis over the useful lives taking into account an estimated residual value. Land is not depreciated as it is deemed to have an infinite life, except for landfills used for sand production that are depreciated according to the tonnes extracted. Buildings are depreciated over 25 years. The depreciation periods of the floating and other construction materials range from 3 years (such as for pipelines) to 21 years. The principal component of trailing suction hopper dredgers and cutter suction dredgers is depreciated over a period of 18 years. For new hopper dredgers, cutter suction dredgers, cable lay vessels and DP3 offshore crane vessels in production since 2019, the principal component is depreciated over a period of 20 years and a second component is amortised over a period of 10 years. For major jack-up vessels this depreciation rule was already applicable. The principal component mainly includes the hull and machinery and the second component relates to parts of a vessel for which the lifespan is shorter than the economic life cycle of the vessel. Furniture and other fixed assets are depreciated over a period between 3 and 10 years.

For all equipment with a residual value, this amount has been estimated as 1% of the investment value from 2019 onwards.

The estimated useful lives, residual values and depreciation methods are reviewed at each year end, also considering the potential impact of climate change. Any changes in estimates are accounted for prospectively.

Property, plant and equipment under construction are included based on the instalments paid and the capitalised interests during the construction period.

Gains and losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and are recognised within other operating income or other operating expenses.

The Group as lessee, right-of-use assets and lease liabilities

The Group as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (less than one year) and leases of low-value assets.

Right-of-use assets and lease liabilities

Assets, representing the right to use the underlying leased asset, are capitalised as right-of-use assets at cost, comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs. The corresponding lease liabilities, representing the net present value of the lease payments to be made over the lease term, are recognised as long-term or current liabilities depending on the period in which they are due. The lease payments are discounted using the lessee's incremental borrowing rate. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease liabilities are included in interest-bearing debt. Lease interest is charged to the income statement as an interest expense. Leased assets are depreciated, using straight-line depreciation over the shorter of the lease term and the estimated useful life of the assets, including the period of renewable options, in case it is reasonably certain that the option will be exercised. When there is reasonable certainty that ownership will be obtained by the end of the lease term, the depreciation policy for the leased asset is consistent with that for depreciable assets which are owned. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, the asset is depreciated over the shorter of the lease term and its expected useful life. The right-of-use assets are also subject to impairment.

Inventories

Inventories are measured at the lower of cost and net realisable value.

The weighted average cost method is used to calculate the cost for raw materials, whereas the cost of consumables is determined using the FIFO method.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and estimated costs to make the sale.

When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs.

The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Contract assets and contract liabilities

Contract assets concern the gross amount yet to be charged which is expected to be received from customers for contractual work performed up to the reporting date (hereinafter: “work in progress”) and services rendered. Work in progress is valued as the sum of the cost price of the work performed, plus a part of the expected results upon completion of the project in proportion to the progress made and less progress billings, and less potential provisions for losses. **Provisions** are recognised for **expected losses** on work in progress as soon as they are anticipated and if applicable, any profits already recognised are reversed. As long as the project is not started and the assumptions regarding execution of the work are not final yet (hence a loss to completion provision is difficult to measure reliably), no loss to completion provision is accounted for, unless there is a certain event supporting the provision. A loss to completion provision is accounted for as a **contract liability**. Revenues for additional work and claims are included in the overall contract revenues if the client has accepted the sum involved. The cost price includes project costs, consisting of payroll costs, materials, costs of subcontracted work, rental charges and maintenance costs of the equipment used and other project costs. The vessel rates used are based on the expected average vessel occupation in the long run. The progress of a project is measured as the ratio of the basis of the cost of the work performed in relation to the total expected cost price of the project as a whole. Profits are not recognised unless a reliable estimate of the end of project result can be made. DEME considers that no such reliable estimate can be made as long as the percentage of completion remains below 10% of the total expected cost price of the project or if the installation vessels for offshore wind farm foundation projects has not yet been mobilised. The balance of the value of work in progress is determined per project.

For projects where the progress billings and advance payments exceed the value of work in progress, the balance is recognised under **contract liabilities** instead of under contract assets.

Advances are amounts received by the Group (no significant financing component) before the related work is performed. The Group presents those separately from other contract liabilities.

Trade and other operating receivables

Trade and other operating receivables are stated initially at fair value and subsequently at amortised cost less accumulated impairment losses.

Assets held for sale

The Group classifies non-current assets as **held for sale** if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and on bank accounts and short-term investments with an initial term of less than three months. Cash, cash equivalents and short-term deposits are carried in the balance sheet at nominal value.

Impairment tangible and intangible assets including goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets and intangible assets to determine whether there is any indication of impairment. If such indication exists or when it is required, the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, and for goodwill, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

When there is an indication that prior recognition impairment losses no longer exist, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement. An impairment loss on goodwill is never reversed.

Provisions

Provisions are recognised in the balance sheet when the Group has a presented obligation (legal or constructive) resulting from a past event, when it is probable (more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

The unwinding of discount on provisions is recognised as a financial expense.

Warranty provisions

Provisions for warranties are recognised based on the best estimate of the expected cash outflows or cost of repair to settle contractually agreed warranties during the defect notification period for completed projects. The carrying amount of these provisions is estimated based on common industry practice and the Group's experience with warranty claims for relevant projects. Initial recognition of these assurance-type warranties is based on historical experience and the estimate of warranty-related costs is revised annually.

Restructuring provisions

Restructuring provisions will be recognised when the Group has a constructive obligation, meaning when there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs and the timeline. The Group must also notify all the employees affected about this plan's main features.

Other provisions

Other provisions, more specifically in the Environmental segment, relate to the legal provision for the capping of the landfill when the dumping areas are full or to the provision for end of contract reinstatement of a site. Other provisions can also be provisions for legal proceedings.

Retirement benefit obligations

Defined contribution plans without interest guarantee by the employer

Contributions to defined contribution plans are recognised as an expense in the income statement when incurred.

Belgian defined contribution plans with interest guarantee by the employer

By law, defined contribution pension plans in Belgium are subject to minimum guaranteed rates of return. Consequently, these 'defined contribution' plans classify as 'defined benefit' plans.

Defined benefit plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected as a separate reserve in equity and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- net interest expense or income
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value adjusted for the attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between the proceeds (adjusted for transaction costs) and redemption value being recognised in the income statement over the period of the loan or borrowings on an effective interest rate basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables

Trade and other payables are stated at amortised cost. Invoices and related payment terms depend on individual contractual terms with suppliers.

Income taxes

Income taxes are classified as either current or deferred taxes. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income (OCI) or equity, in which case it is recognised in OCI or equity.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income taxes include expected tax charges based on the accounting profit for the current year and adjustments to tax charges of prior years. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred taxes are calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation of property, plant and equipment, provisions for defined benefit plans, fair value measurement of derivatives and tax losses carried forward.

Deferred taxes are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be realised or settled, based on tax rates enacted or substantively enacted by the balance sheet date. A deferred tax asset shall be recognised for the carryforward of the unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised unless the deferred tax assets arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax assets are also recognised for all deductible differences arising from investments in subsidiaries, joint ventures and associates to the extent that, it is probable that the temporary difference will reverse in the foreseeable future and the taxable profit will be available against which the temporary difference can be utilised. At each balance sheet date, the Group reassess if all the above criteria are met.

IFRIC 23, which became effective as from 1 January 2019 onwards, clarifies how to apply the recognition and measurement requirements in IAS 12 *income taxes* when an uncertainty over current and deferred income tax treatments exists. The acceptability of a particular tax treatment under tax law may not be known until the relevant taxation authority or a court takes a decision in the future. In assessing whether and how an uncertain tax treatment affects the determination of taxable results, the Group assumes that a taxation authority will examine amounts it has a right to examine and has full knowledge of all related information when making those examinations. If the Group concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable result consistently with the tax treatment used or planned to be used in its income tax filings. If the Group concludes that it is not probable that a taxation authority will accept an uncertain tax treatment, it reflects the effect of uncertainty in determining its accounting tax position.

If the possible outcomes are binary or concentrated to one value, the uncertain tax position is measured using the most likely amount. In case there exists a range of possible outcomes that are neither binary nor concentrated on one value, the sum of the weighted amounts in a range of possible outcomes might best predict the resolution of the uncertainty.

Investment tax credits

Investment tax credits are excluded from the scope of IAS 12 *income taxes* and IAS 20 *accounting for government grants and disclosure of government assistance*. In accordance with IAS 8 *accounting policies*, changes in accounting estimates and errors, the Group defined an accounting policy in respect of investment tax credits by making an analogy to IAS 12 *income taxes*. By making this analogy and when the entity satisfies the criteria to receive the credit, this will be recognised in the income statement (deferred taxes), and the related assets in the statement of financial position (deferred tax asset).

Risks from financial instruments

The Group's financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans, trade and other payables and derivatives. Derivatives are used exclusively as hedging instruments and not for trading or other speculative purposes.

The Group is exposed to the following risks from financial instruments which will be further elaborated in note (21):

- credit and counterparty risk
- liquidity risk
- market risk consisting of currency risk, interest rate risk and price risks

Derivate financial instruments and hedging

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. As already mentioned above, the Group's policy prohibits the use of derivatives for speculation. The company does not hold or issue derivative financial instruments for trading purposes. However, derivatives which do not qualify as hedging instruments as defined by IFRS 9 are presented as instruments held for trading. Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are measured at fair value. Recognition of any resulting unrealised gain or loss depends on the nature of the derivative and the effectiveness of the hedge. The fair value of interest-rate swaps is the estimated amount that the company would receive or pay when exercising the swaps at the closing date, taking into account current interest rates and the solvency of the swap counterparty. The fair value of a forward-exchange contract is the quoted value at the closing date, and therefore the present value of the quoted forward price.

Hedge accounting is applicable if all criteria in the IFRS 9 standard are fulfilled:

- there is formal designation and documentation for the hedging relationship at the inception of this relationship
- the economic relationship between the hedged item and the hedging instrument and the potential sources of ineffectiveness must be documented
- the retrospective ineffectiveness must be assessed at each closing

Variations of fair value between periods are recognised differently according to the accounting classification.

Cash flow hedges

When a derivative financial instrument hedges variations in cash flows relating to a recognised liability, a firm commitment or an expected transaction, the effective part of any gain or loss resulting from the derivative financial instrument is recognised directly in other elements of the comprehensive income and is presented in a separate reserve in equity. When the firm commitment or the expected transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from the comprehensive income and is reported under a separate reserve in the equity. Otherwise, the cumulative gain or loss is removed from equity and recognised in the income statement at the same time as the hedged transaction. The ineffective part of any gain or loss on the financial instrument is taken into result. Gains or losses resulting from the time value of derivative financial instruments are recognised in the income statement. When a hedging instrument or hedge relationship expires but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss (at that point) remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is expected not to occur, the cumulative unrealised gain or loss recognised in equity is immediately taken to income.

Fair value hedges

When a derivative financial instrument hedges variations in the fair value of a recognised receivable or payable, any gain or loss resulting from the remeasurement of the hedging instrument is recognised in the income statement. The hedged item is also stated at the fair value attributable to the risk hedged, with any gain or loss being recognised in the income statement. The fair value of hedged items, in respect of the risk hedged, is their carrying amount at the balance sheet date translated into euro at the exchange rate on that date.

Instruments related to construction contracts

If a derivative financial instrument hedges variations in cash flows relating to a recognised liability, a firm commitment or an expected transaction in the framework of a construction contract (mainly forward purchases of raw materials, or foreign exchange purchases or sales), a documentation of the cash flow hedge relationship as described above will not be prepared. Any gain or loss resulting from the derivative financial instrument is recognised in the income statement. These instruments are, however, submitted to a test of efficiency based on the same methodology as utilised for hedge accounting. The effective part of any gain or loss on the financial instrument is considered as construction cost and is presented as an operational result based upon the percentage of completion of the contract. The fair value variation itself however is not considered for determining the percentage of completion of the contract and deferred hedge charges and income are not part of contract assets or contract liabilities as these are stated at hedge rate and not at market rate. Deferred hedge charges and income are included in other current assets and other current liabilities.

Revenues

Turnover or revenue from contracts with customers

All segments, except for the Concessions segment, which is the Group's investment and development vehicle, are contributing to the Group's turnover.

Consolidated revenue comprises the total of the work and services realised by DEME and its subsidiaries pursuing their main activity.

DEME's activities encompass dredging, land reclamation, hydraulic engineering, construction and services for the offshore oil & gas and renewable energy industries, civil engineering and environmental works. These activities being construction or execution of a service are executed following a contract with the customer.

The consolidated revenue is recognised in accordance with IFRS 15. Revenues don't have any significant financing component. Most construction and service contracts with the customers involve only one performance obligation, which is fulfilled progressively **over time**. For a limited number of "EPCI" contracts in the renewable business (offshore wind farms), multiple performance obligations were identified. In those contracts the EPC and T&I part for the monopiles can be separated, as well as the cable laying part and the EPC and T&I part for the offshore substations (OSS). Those parts of the contract are capable of being distinct, and are distinct in the context of the contract, and accordingly are considered as separate performance obligations.

Where a contract includes several distinct performance obligations, the Group allocates the overall price of the contract to each performance obligation in accordance with IFRS 15. That price corresponds to the amount of the consideration to which it expects to be entitled. The most common variable considerations such as the steel price, fuel consumption or design price modifications shall only be included in the transaction price to the extent that it is highly probable that a significant reversal in the revenue recognised will not occur. When the price includes a variable component, such as a performance bonus or a claim, the Group only recognises that consideration from the moment that agreement is reached with the client (virtually certain).

There are no IFRS 15 service-type warranties.

The Group has concluded that revenue from construction and service contracts should be recognised **over time**. As such, the revenue recognition reflects the rate at which our performance obligations are fulfilled corresponding to the transfer of control of a good or service to our customers. When there is no transfer of control throughout the contract revenue is still recognised over time, based on the fact that the asset created has no alternative use, as well as the fact that an enforceable right to payment exists for performance completed to date.

Revenue from construction and service contracts is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. A correction is made for the cost of material (e.g. steel) that is purchased but not yet manufactured or utilised in the production process at the reporting date. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of project costs incurred that will probably be recoverable. Project costs are recognised as expenses in the period in which they are incurred. Management concluded that costs to fulfil a contract that are not incurred in respect of the satisfaction of the performance obligation have no material impact on the recognition of revenues and margin of the project. As such, these costs are also recognised when incurred and are included computing the stage of completion. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately, based upon the principles of IAS 37 *provisions, contingent liabilities and contingent assets* for onerous contracts at the best estimate of the expenditure required to settle the obligation. As such the expected loss to record will reflect management expectations about the costs of satisfying the obligation less the amount to be received from the customer (more probable than not).

When there are major constraints on transferring cash from the working country to the head office, the profit on a contract is only recognised on a cash basis.

Other operating income

Other operating income includes the gain on sale of intangible assets, the gain on sale of property, plant and equipment as well as the gain on sale of financial assets, next to other non-recurring income.

The latter includes the insurance income received with respect to damages to our vessels and equipment, as well as liquidated damages received in the context of a construction contract of new equipment only if it compensates incremental charges incurred due to late delivery of the new equipment.

Operating expenses

Raw materials, consumables, services and subcontracted work

This category in the consolidated statement of income is the OpEx of the Group. All operating expenses (also SG&A expenses incurred through our normal business operations) are included except for personnel expenses, depreciation, amortisation and impairment costs and other operating expenses that are disclosed in a separate note.

Research and development, advertising and promotional costs and IT systems development costs

Research, advertising and promotional costs are expensed in the year in which they are incurred. Development costs and IT systems development costs are expensed in the year in which they are incurred if they do not meet the criteria for capitalisation. These costs are included in the operating expenses (OpEx) of the Group.

Other operating expenses

Other operating expenses include the loss on sale of intangible assets and the loss on sale of property, plant and equipment. The non-cash movements in amounts written off inventories and trade receivables, in retirement benefit obligations and in provisions is also recorded as other operating expenses. Next to above, other costs such as various taxes, import and stamp duties are also included in other operating expenses.

Financial result

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

All interest expenses and other costs incurred in connection with borrowings, except those which were eligible to be capitalised, are expensed. The interest expense is recognised in the income statement using the effective interest rate method.

Interest income and interest expense also include gains or losses resulting from the time value of derivative financial instruments.

Dividend income (from non-consolidated participations) is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be reliably measured).

Other financial expenses, included in the other financial result, mainly relate to costs incurred for project related bank guarantees.

Group structure and changes in the reporting period

Changes in the consolidation scope in the reporting period

The following subsidiaries, jointly controlled entities and associates were **established** during 2023:

Subsidiaries:

- Vine Shipping SA (Luxembourg) (100%) within Offshore Energy
- Yellowstone Shipping SA (Luxembourg) (100%) within Offshore Energy

Jointly controlled entities:

- D&S Contractors NV (Belgium) (49.50%), within Dredging & Infra

Associates:

- Infra Ron BV (Belgium) (25%), within Concessions
- Terranova Hydrogen NV (Belgium) (8.32%), within Environmental
- Dratohill Investments SA (Poland) (50%) within Concessions

The following 100% subsidiary was **merged** with another entity of the DEME Group during 2023:

- DEME Offshore FR SAS (France) merged with DEME Offshore BE (Belgium) within Offshore Energy

The following subsidiary and jointly controlled entity were **liquidated** in 2023:

Subsidiary:

- Hyport Oostende Holdco NV (Belgium) (70%) within Concessions

Jointly controlled entity:

- Guangzhou Coscocs DEME New Energy Engineering Co. Ltd (China) (50%) within Offshore Energy

The **name** of the following subsidiary and associates **changed** in 2023:

Subsidiary:

- DEME Reinsurance SA (Luxembourg) (former Safindi RE SA), within Infra & Dredging

Associates:

- Bowdun Offshore Wind Farm Ltd (UK) (former Thistle Wind Partners Cluaran Deas Ear Ltd), within Concessions
- Ayre Offshore Wind Farm Ltd (UK) (former Thistle Wind Partners Cluaran Ear Thuath Ltd), within Concessions

The changes in consolidation scope described above have no material impact on the financial statements.

The **percentage** of shareholding in the following **subsidiaries changed** during 2023:

- Global Sea Mineral Resources NV (GSR) (Belgium) and its 100% affiliate Deeptech NV (Belgium), within Concessions, from 100% to 84.3%

The Group has entered into a strategic cooperation with Transocean Ltd (NYSE: RIG), a global leader in the offshore drilling industry. This cooperation brings together the leadership of GSR in ultra-deepwater mineral exploration and seafloor nodule collection technology with Transocean's world-class offshore expertise and capabilities.

As part of its investment, Transocean Ltd contributed the ultra-deepwater drilling vessel 'Ocean Rig Olympia', valued at 85 million USD, for GSR's ongoing exploration work. Next to that, a cash investment of 10 million USD (9.4 million euro) as well as engineering capacity was contributed. In return, Transocean Ltd received a minority stake of 15.7%, including a board seat in GSR.

To become fully operational, the entity needs to obtain a license to operate. GSR is in the process of obtaining such license and at the moment of issuance of this report, there is no indication that the license would not be granted.

As the change in GSR's ownership does not imply losing control, the transaction has been accounted for as an equity transaction with non-controlling interest (NCI), resulting in the following:

(in millions of euro)	
Assets contributed in GSR	89.1
Net assets attributable to NCI	-20.4
Increase in equity attributable to the parent	68.7
Represented by	
Increase in retained earnings	68.7

Changes in the consolidation scope in the previous reporting period

The following subsidiaries and associates were **established** during 2022:

Subsidiaries:

- DEME Group NV (Belgium) (100%), the new DEME parent company
- DEME Dredging NV (Belgium) (100%), within Dredging & Infra
- DEME Hyport Energy NV (Belgium) (100%), within Concessions
- DEME Japan Ltd (Japan) (100%), within Offshore Energy
- Innovation Shipping SA (Luxembourg) (100%), within Offshore Energy

Associates:

- Cedar Luxembourg SARL (Luxembourg) (1.8%), within Offshore Energy
- Thistle Wind Partners Cluaran Deas Ear LTD (United Kingdom) (42.50%), within Concessions
- Thistle Wind Partners Cluaran Ear-Thuath LTD (United Kingdom) (42.50%), within Concessions

The following 100% **subsidiaries** were **merged** with another entity of the DEME Group during 2022:

- DEME Offshore DE GmbH merged with Nordsee Nassbagger- und Tiefbau GmbH (both Germany)
- DEME Offshore LU SA merged with DEME Offshore LU Procurement & Shipping SA (both Luxembourg)

The following subsidiaries and jointly controlled entities were **liquidated** during 2022:

Subsidiaries:

- Berin Engenharia Dragagens e Ambiente SA (Portugal) (100%)
- DEC do Brasil Engenharia Ambiental LTDA (Brazil) (74.90%)
- DEME Concessions Merkur BV (The Netherlands) (100%)
- Marine Construction & Solution Holding LLC (USA) (100%)
- Marine Construction & Solution LLC (USA) (100%)

Jointly controlled entities:

- DEME Brazil Servicos de Dragagem LTDA (Brazil) (50%)
- Transterra NV (Belgium) (50%)

The **name** of the 100% **subsidiary changed** in the course of 2022:

- DEME Offshore Equipment SA (Belgium) (formerly G-tec Offshore SA), within Offshore

The **percentage** of shareholding in or the **consolidation method** of the following subsidiary and associate **changed** in the course of 2022:

Subsidiary:

- Dragafi Asia Pacific Pte Ltd (Singapore) and its subsidiary, within Dredging & Infra, from 40% to 100% and from equity method consolidation to full consolidation

Associate:

- Thistle Wind Partners Ltd (United Kingdom), within Concessions, from 100% to 42.50% and from fully consolidation to equity method consolidation

The shares in Filterres SA (Belgium) (74.90%), within the Environmental segment, were **sold** in the course of 2022 to the partner in the company. The same applied for Hydrogeo SARL (Morocco) (40%), a dormant company in the Offshore Energy segment. In 2022, Seatec Holding BV and its 100% affiliate Seatec Subsea Systems BV, within the Offshore segment, were externally sold.

List of the Group's subsidiaries, joint ventures and associates

The classification to one or another 'operational segment' of a company within the Group can vary each year based upon the projects performed by that company and is not necessarily the same as the operational segment of its legal parent company. A company can also execute projects for more than one operational segment. In that case the main operational segment for the current year is disclosed in the table below.

All subsidiaries, joint ventures and associates have the same year-end closing date as at 31 December, except for those in India and Zeeboerderij Westdiep BV (Belgium) where the year-end closing date is 31 March. When the year-end closing date differs from the 31 December closing date, the figures included in the consolidation are those for the period ended 31 December calendar date.

Further on, within the DEME Group there are no significant restrictions to transfer funds in the form of cash and dividends.

Subsidiaries (fully consolidated)

For the year ended 31 December

Until 29 June 2022, **Dredging, Environmental & Marine Engineering NV** (DEME NV), was the parent company of the Group. On that date CFE NV transferred its 100% stake in DEME NV to a newly established company, DEME Group NV, by means of a partial demerger and as such DEME Group NV became the new parent company. DEME NV, as a subholding, is now included in the list as a subsidiary. Reference is made to note (17) share capital, dividends and reserves for more information.

DEME Environmental NV, the parent company of the Environmental segment, is partially owned (25.10%) by a third party. In the Dredging & Infra segment, particularly in the maritime services business, Combined Marine Terminal Operations Worldwide NV (CTOW) and its affiliates are owned for 45.62 % by third parties. In the marine aggregate business, one affiliate has non-controlling interests amounting to 30%. In the dredging business, only minor interests are held by third parties. In the Concessions segment the same external partner holds interests in two subsidiaries of the Group, and in 2023, a strategic partner invested in Global Sea Mineral Resources NV (GSR) and its affiliate, resulting in a decrease of the Group's interest from 100% to 84.3%. As of 31 December 2023, there are no non-controlling interests in the Offshore segment. Reference is made to note (19) non-controlling interests for further details.

Name	Country	2023 % of Share- holding	2022 % of Share- holding	Main Operational Segment 2023
Dredging, Environmental & Marine Engineering NV	Belgium	100%	100%	
Baggerwerken Decloedt en Zoon NV	Belgium	100%	100%	Dredging & Infra
Cathie Associates Holding CVBA	Belgium	100%	100%	Offshore Energy
DEME Building Materials NV (DBM)	Belgium	100%	100%	Dredging & Infra
DEME Concessions NV	Belgium	100%	100%	Concessions
DEME Concessions Wind NV	Belgium	100%	100%	Concessions
DEME Coordination Center NV	Belgium	100%	100%	Dredging & Infra
DEME Dredging NV	Belgium	100%	100%	Dredging & Infra
DEME Hyport Energy NV	Belgium	100%	100%	Concessions
DEME Infra NV	Belgium	100%	100%	Dredging & Infra
DEME Infrasea Solutions NV	Belgium	100%	100%	Dredging & Infra
DEME Offshore BE NV	Belgium	100%	100%	Offshore Energy
DEME Offshore Equipment SA	Belgium	100%	100%	Offshore Energy
DEME Offshore Holding NV	Belgium	100%	100%	Offshore Energy
Dredging International NV	Belgium	100%	100%	Dredging & Infra
Geowind NV	Belgium	100%	100%	Offshore Energy
G-tec SA	Belgium	100%	100%	Offshore Energy
High Wind NV	Belgium	100%	100%	Offshore Energy
Logimarine NV	Belgium	100%	100%	Dredging & Infra
Deeptech NV	Belgium	84.30%	100%	Concessions
Global Sea Mineral Resources NV	Belgium	84.30%	100%	Concessions
DEME Environmental NV	Belgium	74.90%	74.90%	Environmental
Ecoterres SA	Belgium	74.90%	74.90%	Environmental
Ekosto NV	Belgium	74.90%	74.90%	Environmental
DEME Blue Energy NV	Belgium	69.99%	69.99%	Concessions
Combined Marine Terminal Operations Worldwide NV (CTOW)	Belgium	54.38%	54.38%	Dredging & Infra
Gron Recyclage Centrum NV	Belgium	52.43%	52.43%	Environmental
GRC Zolder NV	Belgium	36.70%	36.70%	Environmental
Hypport Oostende Holdco NV	Belgium	0%	70%	Concessions
Soyo Dragagem LDA	Angola	100%	100%	Dredging & Infra
Dragagem Angola Serviços Lda	Angola	100%	100%	Dredging & Infra
Dredging International Argentina SA	Argentina	100%	100%	Dredging & Infra
Dredging International Australia Pty Ltd	Australia	100%	100%	Dredging & Infra
GeoSea Australia Pty Ltd	Australia	100%	100%	Offshore Energy
Dredging International Bahrain WLL	Bahrain	49%(1)	49%(1)	Dredging & Infra
Dragabras Serviços de Dragagem Ltda	Brazil	100%	100%	Dredging & Infra

(1) The economic rights in this company are 100%

Name	Country	2023 % of Share- holding	2022 % of Share- holding	Main Operational Segment 2023
DEME Offshore CA Ltd	Canada	100%	100%	Offshore Energy
Dredging International Management Consulting Shanghai Ltd	China	100%	100%	Dredging & Infra
Far East Dredging Ltd	Hong Kong SAR China	100%	100%	Dredging & Infra
Bellsea Ltd	Cyprus	100%	100%	Dredging & Infra
DEME Cyprus Ltd	Cyprus	100%	100%	Dredging & Infra
DEME Offshore CY Ltd	Cyprus	100%	100%	Offshore Energy
Dredging International Cyprus Ltd	Cyprus	100%	100%	Dredging & Infra
Dredging International Services Cyprus Ltd	Cyprus	100%	100%	Dredging & Infra
Novadeal Ltd	Cyprus	100%	100%	Dredging & Infra
T.C.M.C. The Channel Management Company Ltd	Cyprus	100%	100%	Dredging & Infra
DEME Offshore DK SAS	Denmark	100%	100%	Offshore Energy
G-tec SAS	France	100%	100%	Offshore Energy
Société de Dragage International SA	France	100%	100%	Dredging & Infra Offshore Energy
DEME Offshore FR SAS	France	0%	100%	Offshore Energy
Nordsee Nassbagger- und Tiefbau GmbH	Germany	100%	100%	Dredging & Infra
Oam-Deme Mineraliën GmbH	Germany	70%	70%	Dredging & Infra
Dredging International India Pvt Ltd	India	99.97%	99.97%	Dredging & Infra
International Seaport Dredging Pvt Ltd	India	93.64%	93.64%	Dredging & Infra
PT Dredging International Indonesia	Indonesia	49%(3)	49%(3)	Dredging & Infra
Societa Italiana Dragaggi Spa	Italy	100%	100%	Dredging & Infra
DEME Co Japan Ltd	Japan	100%	100%	Offshore Energy
Apollo Shipping SA	Luxembourg	100%	100%	Offshore Energy
Bonny River Shipping SA	Luxembourg	100%	100%	Dredging & Infra
CRiver Shipping SA	Luxembourg	100%	100%	Dredging & Infra
Delta River Shipping SA	Luxembourg	100%	100%	Dredging & Infra
DEME Luxembourg SA	Luxembourg	100%	100%	Dredging & Infra
DEME Offshore LU Procurement & Shipping SA	Luxembourg	100%	100%	Offshore Energy
Innovation Shipping SA	Luxembourg	100%	100%	Offshore Energy
Meuse River Shipping SA	Luxembourg	100%	100%	Dredging & Infra
DEME Reinsurance SA (formerly Safindi RE SA)	Luxembourg	100%	100%	Dredging & Infra
Spartacus Shipping SA	Luxembourg	100%	100%	Dredging & Infra
Vine Shipping SA	Luxembourg	100%	0%	Offshore Energy
Yellowstone Shipping SA	Luxembourg	100%	0%	Offshore Energy
SPT Offshore Sdn Bhd	Malaysia	100%	100%	Offshore Energy
Dredging International Malaysia Sdn Bhd	Malaysia	30%(1)	30%(1)	Dredging & Infra
Dredging International Mexico SA de CV	Mexico	100%	100%	Dredging & Infra
Logimarine SA de CV	Mexico	100%	100%	Dredging & Infra
Dragamoz Lda	Mozambique	100%	100%	Dredging & Infra
Earth Moving International Nigeria Ltd	Nigeria	100%	100%	Dredging & Infra
Novadeal EKO FZE	Nigeria	100%	100%	Dredging & Infra
Dredging and Environmental Services Nigeria Ltd	Nigeria	39%(1)	39%(1)	Dredging & Infra
Dredging International Services (Nigeria) Ltd	Nigeria	39%(1)	39%(1)	Dredging & Infra
Combined Marine Terminal Operators Nigeria Ltd	Nigeria	21,25%(2)	21,25%(2)	Dredging & Infra
Dredging International de Panama SA	Panama	100%	100%	Dredging & Infra
Corporacion Arenera Marina SA	Panama	100%	100%	Dredging & Infra
Dredco PNG Ltd	Papua New Guinea	100%	100%	Dredging & Infra
Middle East Dredging Company QSC	Qatar	49%(3)	49%(3)	Dredging & Infra

(1) The economic rights in this company are 100%

(2) The economic rights in this company are 54.375%

(3) The economic rights in this company are 95%

Name	Country	2023 % of Share- holding	2022 % of Share- holding	Main Operational Segment 2023
Dragmorstroy LLC	Russia	100%	100%	Dredging & Infra
Mordraga LLC	Russia	100%	100%	Dredging & Infra
Dredging International Saudi Arabia Co Ltd	Saudi Arabia	100%	100%	Dredging & Infra
Dragafi Asia Pacific Pte Ltd	Singapore	100%	100%	Dredging & Infra
Dredging International Asia Pacific Pte Ltd	Singapore	100%	100%	Dredging & Infra
Dredging International South Africa PTY Ltd	South-Africa	100%	100%	Dredging & Infra
Dredging International España SA	Spain	100%	100%	Dredging & Infra
Naviera Living Stone SLU	Spain	100%	100%	Offshore Energy
DEME Building Materials BV (DBM)	The Netherlands	100%	100%	Dredging & Infra
DEME Concessions Netherlands BV	The Netherlands	100%	100%	Concessions
DEME Infra BV	The Netherlands	100%	100%	Dredging & Infra
DEME Offshore NL BV	The Netherlands	100%	100%	Offshore Energy
DEME Offshore Shipping BV	The Netherlands	100%	100%	Offshore Energy
Dredging International Netherlands BV	The Netherlands	100%	100%	Dredging & Infra
G-tec Nederland BV	The Netherlands	100%	100%	Offshore Energy
SPT Equipment BV	The Netherlands	100%	100%	Offshore Energy
SPT Offshore Holding BV	The Netherlands	100%	100%	Offshore Energy
SPT Offshore BV	The Netherlands	100%	100%	Offshore Energy
Aannemingsmaatschappij De Vries & van de Wiel BV	The Netherlands	74.90%	74.90%	Environmental
De Vries & van de Wiel Beheer BV	The Netherlands	74.90%	74.90%	Environmental
De Vries & van de Wiel Kust- en Oeverwerken BV	The Netherlands	74.90%	74.90%	Environmental
Zandexploitatie maatschappij De Vries & van de Wiel BV	The Netherlands	74.90%	74.90%	Environmental
Milieutechniek De Vries & van de Wiel BV	The Netherlands	74.90%	74.90%	Environmental
Dredging International Ukraine LLC	Ukraine	100%	100%	Dredging & Infra
Dredging International RAK FZ LLC	United Arab Emirates	100%	100%	Dredging & Infra
DEME Building Materials Ltd (DBM)	United Kingdom	100%	100%	Dredging & Infra
NewWaves Solutions Ltd	United Kingdom	100%	100%	Offshore Energy
SPT Offshore Ltd	United Kingdom	100%	100%	Offshore Energy
DEME Offshore US INC	USA	100%	100%	Offshore Energy
DEME Offshore US LLC	USA	100%	100%	Offshore Energy
Servicios Maritimos Servimar SA	Venezuela	100%	100%	Dredging & Infra

Joint ventures (equity method in financial statements but proportionate method in segment reporting)

For the year ended 31 December

Name	Country	2023 % of Share- holding	2022 % of Share- holding	Main Operational Segment 2023
Scaldis Salvage & Marine Contractors NV	Belgium	54.38%	54.38%	Offshore Energy
D&S Contractors NV	Belgium	49.50%	0%	Dredging & Infra
Sédisol SA	Belgium	37.45%	37.45%	Environmental
Blue Site SA	Belgium	37.45%	37.45%	Environmental
Wérisol SA	Belgium	37.45%	37.45%	Environmental
Silvamo NV	Belgium	37.45%	37.45%	Environmental
Top Wallonie NV	Belgium	37.45%	37.45%	Environmental
MSB Minerações Sustentáveis do Brasil SA	Brazil	51%	51%	Dredging & Infra
Guangzhou Coscocs DEME New Energy Engineering Co Ltd	China	0.00%	49.99%	Offshore Energy
Earth Moving Worldwide (EM) Ltd	Cyprus	50%	50%	Dredging & Infra
Japan Offshore Marine Co Ltd	Japan	49%	49%	Offshore Energy
Normalux Maritime SA	Luxembourg	37.50%	37.50%	Offshore Energy
Combined Marine Terminal Operations Marafi LLC	Oman	37.68%	37.68%	Dredging & Infra
Gulf Earth Moving WLL	Qatar	50%	50%	Dredging & Infra
CSBC DEME Wind Engineering Co Ltd (CDWE)	Taiwan	49.99%	49.99%	Offshore Energy
CDWE Green Jade Shipowner Co Ltd	Taiwan	49.99%	49.99%	Offshore Energy
DIAP Thailand Co Ltd	Thailand	48.90%	48.90%	Dredging & Infra
DBM-Bontrup BV	The Netherlands	50%	50%	Dredging & Infra
K3 DEME BV	The Netherlands	50%	50%	Dredging & Infra
Deeprook Beheer BV	The Netherlands	50%	50%	Offshore Energy
Deeprook CV	The Netherlands	50%	50%	Offshore Energy
Overseas Contracting & Chartering Services BV	The Netherlands	50%	50%	Offshore Energy
Earth Moving Middle East Contracting DMCEST	United Arab Emirates	50%	50%	Dredging & Infra
BNS JV Ltd	United Kingdom	50%	50%	Dredging & Infra

Associates (equity method)

For the year ended 31 December

Name	Country	2023 % of Share- holding	2022 % of Share- holding	Main Operational Segment 2023
Consortium Antwerp Port (Oman) NV	Belgium	60%	60%	Concessions
Power@Sea NV	Belgium	51.10%	51.10%	Concessions
Consortium Antwerp Port Industrial Port Land NV	Belgium	50%	50%	Concessions
Blue Open NV	Belgium	49.94%	49.94%	Environmental
Bluepower NV	Belgium	35%	35%	Concessions
Bluechem Building NV	Belgium	25.47%	25.47%	Environmental
Blue Gate Antwerp Development NV	Belgium	25.46%	25.46%	Environmental
Infra Ron BV	Belgium	25.00%	0.00%	Concessions
Terranova NV	Belgium	24.96%	24.96%	Environmental
Zeeboerderij Westdiep BV	Belgium	20%	20%	Concessions
Feluy M2M SA	Belgium	19.47%	19.47%	Environmental
Otary BIS NV	Belgium	18.89%	18.89%	Concessions
Otary RS NV	Belgium	18.89%	18.89%	Concessions
Rentel NV	Belgium	18.89%	18.89%	Concessions
Hyve BV	Belgium	16.67%	16.67%	Concessions
Terranova Solar NV	Belgium	16.01%	16.01%	Environmental
North Sea Wave NV	Belgium	13.22%	13.22%	Concessions
Seamade NV	Belgium	13.22%	13.22%	Concessions
La Vélorie SA	Belgium	12.48%	12.48%	Environmental
C-Power Holdco NV	Belgium	10%	10%	Concessions
Terranova Hydrogen NV	Belgium	8.32%	0.00%	Environmental
C-Power NV	Belgium	6.46%	6.46%	Concessions
Nou Vela SA	France	46.60%	46.60%	Concessions
Port-La Nouvelle SEMOP	France	23.77%	23.77%	Concessions
Rhama Port Hub SRL	Italy	28%	28%	Dredging & Infra
Cedar Luxembourg SARL	Luxembourg	1.80%	1.80%	Offshore Energy
Hypor Coordination Company LLC	Oman	50%	50%	Concessions
Port of Duqm Company SAOC	Oman	30%	30%	Concessions
Duqm Industrial Land Company LLC	Oman	27.55%	27.55%	Concessions
Duqm Logistic Lands and Investment Company LLC	Oman	26%	26%	Concessions
Dratohill Investments SA	Poland	50%	0%	Concessions
DIAP-Daelim Joint Venture Pte Ltd	Singapore	51%	51%	Dredging & Infra
DIAP-SHAP Joint Venture Pte Ltd	Singapore	51%	51%	Dredging & Infra
BAAK Blankenburg-Verbinding BV	The Netherlands	15%	15%	Concessions
Thistle Wind Partners Ltd	United Kingdom	42.50%	42.50%	Concessions
Bowdun Offshore Wind Farm Ltd (formerly Thistle Wind Partners Cluaran Deas Ear Ltd)	United Kingdom	42.50%	42.50%	Concessions
Ayre Offshore Wind Farm Ltd (formerly Thistle Wind Partners Cluaran Ear- Thuath Ltd)	United Kingdom	42.50%	42.50%	Concessions
West Islay Tidal Energy Park Ltd	United Kingdom	35%	35%	Concessions

Business combinations in the course of 2023 and 2022

Business combinations in the course of 2023
There were no business combinations in 2023.

The Group has entered into a strategic cooperation with Transocean Ltd (NYSE: RIG), a global leader in the offshore drilling industry. As part of its investment, Transocean Ltd contributed the ultra-deepwater drilling vessel 'Ocean Rig Olympia', valued at 85 million USD, for GSR's ongoing exploration work. Next to that, a cash investment of 10 million USD (9.4 million euro) as well as engineering capacity was contributed. In return, Transocean Ltd received a minority stake of 15.7%, including a board seat in GSR.

Business combinations and disposals in the course of 2022
There were no business combinations in 2022.

Within the Offshore segment the company Seatec Holding BV and its affiliate Seatec Subsea Systems BV were sold as part of a management buyout. This sale had an immaterial impact on the financial statements. The manufacturing and trading vehicle Seatec was acquired in 2020 as part of the SPT Offshore Group. DEME secured exclusivity on the suction pump equipment manufacturing executed by Seatec through a framework agreement. The shares in Filterres SA (Belgium) (74.90%), within the Environmental segment, were sold in the course of 2022 to the partner in the company. The same applied for Hydrogeo SARL (Morocco) (40%), a dormant company in the Offshore Energy segment. These sales had a very immaterial impact on the financial statements.

Comparative financial statement analysis

This section should be read together with '01. Introduction- Group performance 2023' earlier in this Annual Report, in which the primary contributors to the result of the year are explained. Within '01. Introduction- Group Performance 2023', when discussing segment performance individually, and within the segment reporting, figures from the management report are utilised. The only reconciling item between these figures and the figures as in the financial statements is the impact of the different consolidation method for joint ventures. Joint ventures are consolidated proportionally in the management report figures, whereas according to equity method in the financial statements. The result for the period (Share of the Group) is not affected by the difference in consolidation method, only the presentation is different.

In both the explanatory notes and comparative financial statement analysis, the figures as per financial statements are disclosed.

Consolidated statement of income comparative analysis

For the year ended 31 December
(in thousands of euro)

	Notes	2023	2022	Delta
REVENUES		3,344,091	2,710,796	633,295
Turnover	(1)	3,285,422	2,654,725	630,697
Other operating income	(2)	58,669	56,071	2,598
OPERATING EXPENSES		-3,102,828	-2,555,560	-547,268
Raw materials, consumables, services and subcontracted work		-2,138,962	-1,704,618	-434,344
Personnel expenses	(3)	-587,884	-505,743	-82,141
Depreciation and amortisation expenses	(5)/(7)/(8)	-342,050	-318,240	-23,810
Impairment of property, plant and equipment and right-of-use assets	(7)/(8)	-13,148	-430	-12,718
Impairment of goodwill and intangible assets	(5)/(6)	-	-	-
Other operating expenses	(2)	-20,784	-26,529	5,745
OPERATING RESULT		241,263	155,236	86,027
FINANCIAL RESULT	(4)	-23,269	-24,311	1,042
Interest income		8,252	6,026	2,226
Interest expense		-20,149	-14,914	-5,235
Realised/unrealised foreign currency translation effects		-9,825	-11,134	1,309
Other financial result		-1,547	-4,289	2,742
RESULT BEFORE TAXES		217,994	130,925	87,069
Current taxes and deferred taxes	(11)	-49,618	-31,361	-18,257
RESULT AFTER TAXES		168,376	99,564	68,812
Share of profit (loss) of joint ventures and associates	(9)	3,217	15,827	-12,610
RESULT FOR THE PERIOD		171,593	115,391	56,202
Attributable to non-controlling interests	(19)	8,831	2,671	6,160
SHARE OF THE GROUP		162,762	112,720	50,042
Number of shares	(18)	25,314,482	25,314,482	0
Earnings per share (basic and diluted)	(18)	6.43	4.45	1.98

Total revenues increased by 633.3 million euro in 2023. Turnover surged by 630.7 million euro, marking a 23.8% increase compared to 2022, reaching a milestone amount of 3,285.4 million euro and even surpassing 3 billion euro for the first time in DEME Group's history. **Other operating income** remained consistent with the previous year. The amount of 2023 includes 18.6 million gain on sale of property, plant and equipment, amongst others for the sale of the 'Groenewind' (2022: 7.8 million gain on sale of equipment). Additionally, certain material insurance claim refunds are accounted for in other operating income for 2023. In 2022, liquidated damages for an amount of 18.8 million euro were received as compensation for the incremental costs incurred as a result of a delayed delivery of installation vessel 'Orion' (Offshore Energy segment).

Operating result or EBIT increased with 86.0 million euro primarily due to the significant increase in turnover but also as the result of an increase in the EBIT margin itself, rising to 7.3% from 5.8% last year. **Depreciations and impairment expenses** increased to 355.2 million euro compared to 318.7 million euro in 2022. The higher level of depreciation costs in 2023 is attributable primarily to the investments in 'Orion', DEME's largest offshore installation vessel, that was added to the fleet mid-2022, and in 'Viking Neptun', a cable laying vessel that was integrated into the fleet in the first half of 2023. The amount also includes 13.1 million euro impairment cost for 'Al Jarraf', one of DEME's cutter suction dredger vessels. **Other operating expenses** decreased with 5.7 million euro and will be further explained in the note (2) other operating income and expenses.

Financial result amounts to -23.3 million euro which is 1 million euro less negative than the financial result of last year (-24.3 million euro). The increase in net interest expenses this year is compensated by less negative foreign currency translation effects and more other financial income.

Result before taxes is 87.1 million euro higher compared to last year. Effective tax rate reduced from 24.0% last year to 22.8% this year.

Share of profit of joint ventures and associates decreased with 12.6 million euro despite a high contribution of associates from the Concessions segment with an amount of 37.4 million euro. This positive contribution was partially offset by DEME's Taiwanese offshore joint venture company that absorbed project losses on the Zhong Neng project in Taiwan. **Amounts attributable to non-controlling interests** increased with 6.2 million euro following the increased activity and profitability of the Environmental segment.

Result for the period (Share of the Group) rose by 50.0 million euro compared to previous year, reaching 162.8 million euro, equivalent to 6.43 euro per share.

Consolidated statement of financial position comparative analysis

For the year ended 31 December
(in thousands of euro)

ASSETS	Notes	2023	2022	Delta
NON-CURRENT ASSETS		3,106,348	2,969,289	137,059
Intangible assets	(5)	22,840	24,315	-1,475
Goodwill	(6)	13,028	13,028	-
Property, plant and equipment	(7)	2,582,220	2,422,048	160,172
Right-of-use assets	(8)	111,093	98,994	12,099
Investments in joint ventures and associates	(9)	170,295	202,748	-32,453
Other non-current financial assets	(10)	48,324	32,540	15,784
Non-current financial derivatives	(21)	22,073	39,336	-17,263
<i>Interest rate swaps</i>		19,862	39,127	-19,265
<i>Forex/fuel hedges</i>		2,211	209	2,002
Other non-current assets	(10)	10,526	11,892	-1,366
Deferred tax assets	(11)	125,949	124,388	1,561
CURRENT ASSETS		1,653,710	1,540,489	113,221
Inventories	(12)	32,015	25,696	6,319
Contract assets	(13)	633,027	344,751	288,276
Trade and other operating receivables	(14)	514,043	469,529	44,514
Current financial derivatives	(21)	13,503	22,022	-8,519
<i>Interest rate swaps</i>		10,938	17,638	-6,700
<i>Forex/fuel hedges</i>		2,565	4,384	-1,819
Assets held for sale	(15)	1,630	31,997	-30,367
Other current assets	(16)	70,408	124,233	-53,825
Cash and cash equivalents	(20)/(21)	389,084	522,261	-133,177
TOTAL ASSETS		4,760,058	4,509,778	250,280

The higher operational activity in 2023 together with continued substantial investments explain the increase of 250.3 million euro of **total assets**. The net rise of **property, plant and equipment** amounts to 160.2 million euro whereas the increased activity is reflected in higher contract assets (+288.3 million euro) and trade and other operating receivables (+44.5 million euro). Although there is a positive free cash flow after dividend payment of 22.8 million euro this year, **cash and cash equivalents** decrease with 133.2 million euro after a net decrease or repayment of 154.1 million euro interest-bearing debt (excl. the impact of IFRS 16 *leasing*).

The decrease in **investments in joint ventures and associates** of 32.4 million euro is mainly related to dividend payments for an amount of 27.8 million euro, alongside a decrease in the fair value of interest-rate hedges amounting to 14.2 million euro offset by a result of the year of 3.2 million euro and capital increases totalling 8.6 million euro. The fair value of interest-rate hedges of fully consolidated entities also declined, explaining the decrease within both **non-current and current financial derivatives** and particularly the interest rate swaps.

Assets held for sale decreased with 30.4 million euro. In 2022 the corresponded to the net book value of the 'Groenewind', a vessel within the Offshore Energy segment, that was sold in July 2023. In 2023 the amount recorded as asset held for sale is related to the reclassification of the net book value of the workshop in Zeebrugge that will be sold in 2024.

GROUP EQUITY AND LIABILITIES	Notes	2023	2022	Delta
SHAREHOLDERS' EQUITY	(17)	1,910,473	1,753,947	156,526
Issued capital		33,194	33,194	0
Share premium		475,989	475,989	0
Retained earnings and other reserves		1,411,751	1,218,272	193,479
Hedging reserve		38,115	70,020	-31,905
Remeasurement on retirement benefit obligations	(23)	-35,784	-37,458	1,674
Cumulative translation adjustment		-12,792	-6,070	-6,722
NON-CONTROLLING INTERESTS	(19)	50,337	22,318	28,019
GROUP EQUITY		1,960,810	1,776,265	184,545
NON-CURRENT LIABILITIES		835,687	1,015,460	-179,773
Retirement benefit obligations	(23)	54,810	60,523	-5,713
Provisions	(25)	46,957	42,985	3,972
Interest-bearing debt	(20)	652,523	789,904	-137,381
Non-current financial derivatives	(21)	22,953	53,661	-30,708
<i>Interest rate swaps</i>		-	-	-
<i>Forex/fuel hedges</i>		22,953	53,661	-30,708
Other non-current financial liabilities	(10)	332	1,238	-906
Deferred tax liabilities	(11)	58,112	67,149	-9,037
CURRENT LIABILITIES		1,963,561	1,718,053	245,508
Interest-bearing debt	(20)	248,743	252,870	-4,127
Current financial derivatives	(21)	20,324	31,579	-11,255
<i>Interest rate swaps</i>		-	-	-
<i>Forex/fuel hedges</i>		20,324	31,579	-11,255
Provisions	(25)	14,045	4,714	9,331
Contract liabilities	(13)	447,363	323,300	124,063
Advances received	(13)	84,486	72,539	11,947
Trade payables		897,610	777,705	119,905
Remuneration and social debt		94,791	98,793	-4,002
Current income taxes	(11)	64,024	66,571	-2,547
Other current liabilities	(24)	92,175	89,982	2,193
TOTAL LIABILITIES		2,799,248	2,733,513	65,735
TOTAL GROUP EQUITY AND LIABILITIES		4,760,058	4,509,778	250,280

Total liabilities, current and non-current, increased with 65.7 million euro.

Group equity rose by 184.5 million euro, boosted by the result of the year of 162.8 million euro. In addition, a positive impact of 68.7 million euro was attributed to the step-in of a strategic partner in Global Sea Mineral Resources NV, accounted for as an equity transaction affecting both Group equity and non-controlling interests (+ 20.4 million euro). Reference is made to section group structure and changes in the reporting period. On the other hand, the other comprehensive income (hedging reserve, remeasurement on retirement benefit obligations and cumulative translation adjustments) reflects a negative impact of 36.9 million euro together with the dividend payment of 37.9 million euro in 2023.

Non-current liabilities decreased with 179.8 million euro of which 137.4 million euro is related to the decrease in non-current interest-bearing debt as in 2023 no material new loans were raised.

The increase in **current liabilities** of 245.5 million euro is mainly explained by the increase in **contract liabilities** (+124.1 million euro) and **trade payables** (+119.9 million euro) reflecting the higher activity in 2023.

Consolidated statement of cash flows comparative analysis

For the year ended 31 December
(in thousands of euro)

	Notes	2023	2022	Delta
CASH AND CASH EQUIVALENTS, OPENING BALANCE		522,261	528,632	-6,371
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		520,146	411,476	108,670
CHANGES IN WORKING CAPITAL		-66,488	24,893	-91,381
CASH FLOW FROM OPERATING ACTIVITIES		453,658	436,369	17,289
Investments		-427,125	-512,855	85,730
Divestments		67,443	24,001	43,442
CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES		-359,682	-488,854	129,172
New interest-bearing debt	(20)	74,486	465,000	-390,514
Repayment of interest-bearing debt	(20)	-260,894	-380,488	119,594
Gross dividend paid to the shareholders	(17)	-37,972	-40,843	2,871
Gross dividend paid to non-controlling interests	(17)	-874	-504	-370
CASH FLOW (USED IN) / FROM FINANCIAL ACTIVITIES		-225,254	43,165	-268,419
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		-131,278	-9,320	-121,958
Impact of exchange rate changes on cash and cash equivalents		-1,899	2,949	-4,848
CASH AND CASH EQUIVALENTS, ENDING BALANCE		389,084	522,261	-133,177
FREE CASH FLOW		61,639	-80,381	142,020

Cash flow from operating activities

The increase in cash flow from operating activities of 108.7 million euro is compensated by changes in working capital for -91.4 million euro resulting in a net increase of 17.3 million euro related to the Group's operations.

Cash flow (used in) / from investing activities

Despite the continued high level of investments in 2023, totalling 427.1 million euro, cash flow used in investing activities was 129.2 million euro less negative compared to 2022. Total investments decreased with 85.7 million euro whereas cash in from divestments (amongst others the sale of 'Groenewind') increased with 43.4 million euro compared to last year. The amount of investments paid for the acquisition of 'intangible assets' and 'property, plant and equipment' amounts to 398.9 million euro compared to 483.9 million euro at the end of last year.

Cash flow (used in) / from financial activities

Cash flow used in financial activities significantly declined from a net cash-in flow of 43.2 million euro in 2022 to a net cash-out flow of 225.3 million euro. This decrease accounts for the reduction in cash and cash equivalents by 133.2 million euro in 2023.

The sum of cash flow from operating activities and investing activities amounts to 93.9 million euro. After deducting 32.3 million euro lease repayments in 2023 (2022: 27.9 million euro) that are included in repayment of interest-bearing debt but that are considered to be operational cash-out flow, the **free cash flow** totals 61.6 million euro (cash surplus) compared to -80.4 million euro (cash shortage) last year.

Explanatory notes to the consolidated financial statements

Note 1 – Turnover and orderbook

For the year ended 31 December

Turnover

A break-down of the DEME turnover by nature, segment and geographical market can be found below.

Turnover by nature (in thousands of euro)	2023	2022
Revenue from contracts with customers	3,268,156	2,644,257
Revenue from ancillary activities	17,266	10,468
Total turnover as per financial statements	3,285,422	2,654,725

Revenue from contracts with customers mainly comprises the net revenue from the operational activities of the segments. For most contracting activities the contract is based on a fixed/lump sum price. The Group can act both as contractor and principal of an engagement.

Revenue from ancillary activities is revenue that can be very divers such as sale of equipment or fees. It is turnover that is not followed up as a separate project in the management reporting system.

The Group has determined that the disaggregation of revenue by product line is best reflected by the revenue information that is disclosed for each reportable segment under IFRS 8, as this information is regularly reviewed by the chief decision makers (see also separate chapter on Segment Reporting) and best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Turnover of segments (in thousands of euro)	2023	2022
Offshore Energy	1,501,551	957,810
Dredging & Infra	1,604,610	1,524,316
Environmental	304,314	206,336
Concessions	4,972	2,214
Total turnover of segments	3,415,447	2,690,676
Reconciliation (*)	-130,025	-35,951
Total turnover as per financial statements	3,285,422	2,654,725

(*) The reconciliation between the segment turnover and the turnover in the consolidated statement of income refers to the turnover of joint ventures. They are consolidated according to the proportionate method in the segment reporting but according to the equity consolidation method (application of IAS 28) in the financial statements.

As a group, DEME achieved a historic milestone by surpassing 3 billion euro in turnover for the first time. The turnover of the Group grew 24% year-over-year fueled by strong growth in Offshore Energy and Environmental of 57% and 48%, respectively.

Notably, Offshore Energy delivered strong turnover growth, accelerating the conversion of orderbook into turnover and starting to leverage its expanded fleet capacity. The Dredging & Infra segment witnessed a boost in activity levels during the second half of the year, overcoming a -4% decline for the first half to a +5% growth over the full year. The Environmental segment sustained positive growth, primarily driven by its strong positioning within an increasingly stringent environmental regulatory landscape.

Turnover by geographical market (*)

(in thousands of euro)

	2023	2022
Belgium	476,773	354,439
Europe - EU	1,090,300	1,271,034
Europe - non EU	486,656	362,975
Africa	256,951	319,256
Asia & Oceania	188,506	136,069
America	597,431	124,832
Indian subcontinent	87,240	81,023
Middle East	101,565	5,097
Total turnover as per financial statements	3,285,422	2,654,725

(*) A **geographical market** is determined as the area (location) where projects are realised and services are provided or the project location for offshore works.

DEME's geographic expansion strategy is well represented in the geographical breakdown of the turnover, with strong growth in the Americas region, the Middle East and Asia. The European market grew at a more moderate pace and represented 63% of the global turnover in 2023 compared to approximately 75% in previous years, yet it remains clearly DEME's core region.

Similar to last year, there are no clients contributing more than 10% in the FY Group's turnover. Moreover, as a result of the occasional nature and spread of the contracts, none of the DEME clients structurally will ever qualify as a material client in relation to the total turnover of the Group.

Additionally, based on the current interpretation of the rules regarding the EU Taxonomy and as elaborated in chapter '04. Sustainability' of this Annual Report, DEME's eligible activities expanded in 2023 beyond offshore wind and rail infrastructure to now also include parts of DEME's environmental activities, such as remediation of contaminated sites and soil and sediment management. They are all DEME's activities making a substantial contribution to climate change mitigation. As a result of this expanded scope and stronger growth in eligible activities, 42% of the total turnover can now be considered as **taxonomy-eligible turnover** compared to 29% a year ago. Further on, 33% of total DEME turnover is now qualified as **aligned** compared to 26% last year.

Orderbook

The Group's orderbook is the contract value of assignments acquired as of 31 December but that is not yet accounted for as turnover because of non-completion. The orderbook also includes the Group's share in the orderbook of joint ventures, but not of associates.

Contracts are not included in the orderbook until the agreement with the client is signed. A letter of award is not sufficient to include the contract in the orderbook according to the Group's policy. In addition, financial close must be reached when projects will be executed in 'uncertain' countries before including them in the orderbook. 'Uncertain countries' are identified at the discretion of the Executive Committee.

Further on, experience shows that once an agreement has been reached, cancellations or substantial reductions in the scope or size of contracts are quite rare, but they do occur, certainly in markets that are under severe pressure.

The Group's orderbook increased 22% reaching a level of 7,582 million euro compared to 6,190 million euro in 2022. The overall orderbook at year-end was 2.2 times the 2023 turnover. The year-over-year increase was driven by continued strong demand and double-digit growth in all contracting segments.

Noteworthy additions in 2023 included for the Offshore Energy segment are the projects of Île d'Yeu and Noirmoutiers and Dieppe le Tréport in France, Baltic Power in Poland and Greater Changhua in Taiwan and for Dredging & Infra the Princess Elisabeth Island in Belgium, large dredging works in Abu Dhabi and the Oxagon phase 2 project in Saudi Arabia.

Orderbook by segments

(in thousands of euro)

	2023	2022
Offshore Energy	3,754,649	3,260,909
Dredging & Infra	3,472,387	2,615,713
Environmental	354,724	313,378
Concessions	-	-
Total orderbook	7,581,760	6,190,000

The increase in the Offshore Energy orderbook is fueled by new contract awards, with project deployments over the next several years, including sizeable project-wins such as a cable contract for Baltic Power, DEME's first offshore wind farm project in Poland, contracts in France for the Dieppe Le Tréport, Ile d'Yeu and Noirmoutier offshore wind farms and the Greater Changhua contract in Taiwan with the Taiwanese joint-venture CDWE. In the non-renewables in North America, Offshore Energy also added the Cenovus White Rose project in Newfoundland in Canada. These additions to the orderbook largely offset the cancellations of both the Norfolk Boreas and Empire Wind 2 projects received in the course of 2023.

The orderbook of Dredging & Infra increased with 33% to a level of 3,472 million euro. Additions to the 2023 orderbook include the new Princess Elisabeth Island, the world's first energy island, for which the first caissons will be installed in the course of 2024 as well as prolonged maintenance projects in Belgium for the River Scheldt and Belgium seaports. Additionally in Europe, the Dredging & Infra segment capitalised on its presence in Italy and around the Elbe River, resulting in new projects. Other noteworthy wins overseas include contracts in the Indian subcontinent, the Maldives and West-Africa. At the end of the year, a consortium including DEME, was awarded a large contract for the second phase of capital dredging works and construction of the Port of Oxagon in Saudi Arabia.

As of 31 December 2023, the Environmental orderbook stand at 355 million euro, an increase of 13% compared to 313 million euro a year earlier, mainly driven by new contract wins in Belgium and the Netherlands. Of note is the recent win in Feluy in Belgium where a brownfield will be remediated and transformed into an industrial estate in collaboration with public and private partners. Environmental is actively exploring new, targeted opportunities in Italy and the UK, commencing initial environmental study efforts.

Orderbook by geographical market

(in thousands of euro)

	2023	2022
Europe - EU	3,708,502	2,467,294
Europe - non EU	683,050	898,747
Africa	394,161	306,325
Asia & Oceania	870,099	752,385
America	1,329,957	1,692,695
Indian subcontinent	48,877	68,033
Middle East	547,114	4,521
Total orderbook	7,581,760	6,190,000

From a geographical perspective all regions, except the Americas region, shows solid increases in 2023. While the breakdown illustrates DEME's presence in all geographies, Europe continues to account for more than half of the orderbook. The aforementioned new projects in Abu Dhabi and Saudi Arabia boosted the orderbook for the Middle East region while the orderbook for the Americas moderated after strong orders intake in 2022 and 2021.

Orderbook 2023 split in time

(in thousands of euro)

	2024	2025	2026	Beyond	Total
Total orderbook	3,692,355	2,650,172	916,088	323,145	7,581,760

Orderbook 2022 split in time

(in thousands of euro)

	2023	2024	2025	Beyond	Total
Total orderbook	2,307,546	1,612,426	1,448,181	821,847	6,190,000

The Group estimates that 48.7% of the orderbook will be executed in the next year (2022: 37.3%). The execution of the orderbook depends on several factors, such as weather circumstances, soil and technical conditions, vessel availability and a lot of other factors.

Note 2 – Other operating income and expenses

For the year ended 31 December

Other operating income

(in thousands of euro/ (-) is expense)

	2023	2022
Gain on sale of property, plant and equipment	18,615	7,752
Gain on disposal of financial fixed assets	-	9
Other operating income	40,054	48,310
Total other operating income	58,669	56,071

Total other operating income for 2023 mainly relates to the sale of 'Groenewind' (Offshore Energy segment), that was classified as assets held for sale at 31 December 2022. Sale took place in July 2023. In 2022 the gain on sale of property, plant and equipment was mainly related to the sale of the jack-up installation vessel 'Thor', also within the Offshore Energy segment. Further on, a damage claim for the 'Ambiorix' was received for an amount of 7 million euro. In 2022 delay damages of 18.8 million euro related to the delivery of the vessel 'Orion' (Offshore Energy segment) were included within other operating income.

The **net of gain and loss on sale of property, plant and equipment** amounts to 18.5 million euro in 2023. This amount is included in the cash flow from divestments.

Other operating expenses

(in thousands of euro/ (-) is income)

	2023	2022
Loss on disposal of financial fixed assets	-	17
Loss on sale of property, plant and equipment	71	440
Movement in amounts written off inventories and trade receivables	-2,431	-5,428
Movement in retirement benefit obligations	-3,767	505
Movement in provisions	2,541	4,389
Other operating expenses	24,370	26,606
Total other operating expenses	20,784	26,529

Movement in amounts written off inventories and trade receivables for both current and prior year is partially caused by a final write-off of a customer receivable and related bad debt allowance. The allowance recognised as a cost in prior years is reversed within amounts written off for trade receivables, whereas the write-off of the customer is booked as a service cost in the consolidated statement of income, resulting in a zero profit & loss impact for the financial year. The other minor movement in amounts written off for inventories and trade receivables relates to the reversal of allowances for bad debtors that are no longer uncollectable.

Movement in retirement benefit obligations is the non-paid net defined benefit cost (related to the retirement benefit obligations) that is recorded in the statement of income. The defined benefit cost that is paid (contributions from employer) is recorded as pension expenses in the statement of income. Reference is made to note (23) retirement benefit obligations and to note (3) personnel expenses and employment.

Movement in provisions mainly relates to the movement in warranty provisions. Reference is made to note (25) provisions.

Other operating expenses mainly include various taxes, import and stamp duties.

Note 3 – Personnel expenses and employment

For the year ended 31 December

Average number of persons employed during the year

(in FTE)

	2023	2022
Employees	3,201	2,985
Workers	2,133	2,168
Total	5,334	5,153

The average headcount reported in this note is based upon the consolidation scope whereby only the average headcount of entities controlled by the Group is included.

Personnel expenses

(in thousands of euro)

2023 2022

	2023	2022
Remuneration	505,674	428,954
Social charges	68,054	61,769
Pension expenses	14,156	15,020
Total	587,884	505,743

Higher payroll expenses compared to last year are the result of an increase in average headcount of 181 FTE together with the automatic indexation of salaries and wages in Belgium as from January 2023 that was notably high due to elevated inflation in 2022.

Note 4 – Financial result

For the year ended 31 December

(in thousands of euro / (-) is cost)

2023 2022

	2023	2022
Interest income from other non-current financial assets	1,585	1,511
Time value of financial derivatives	-274	229
Other interest income	6,941	4,286
Total interest income	8,252	6,026
Interest expenses related to borrowings	-19,398	-14,596
Capitalised borrowing cost	1,601	1,467
Time value of financial derivatives	-414	-151
Interest expenses related to lease liabilities	-1,938	-1,634
Total interest expenses	-20,149	-14,914
Realised/unrealised foreign currency translation effects	-9,825	-11,134
Total realised/unrealised foreign currency translation effects	-9,825	-11,134
Other financial income	5,207	2,151
Other financial expenses	-6,754	-6,440
Total other financial result	-1,547	-4,289
Total financial result	-23,269	-24,311

The **total financial result** of -23.3 million euro is influenced by -9.8 million euro negative **foreign currency translation effects**. The net exchange rate loss is mainly due to the Group's operational activities in Egypt (both USD & EGP exchange rate exposure). In 2022, the financial result of -24.3 million euro was also negatively impacted by -11.1 million euro negative foreign currency translation effects (a.o. as a result of the devaluation of EGP).

The increase in **total interest expenses** is related to a net financial debt that was higher throughout the year in comparison with 2022 and that only in the last quarter of 2023 decreased to a slightly lower level than last year. Although DEME tries to cover the risk of changes in underlying floating interest rates of borrowings through financial derivatives, the impact of rising interest rates besides the level of net financial debt itself, is explaining the increase in total interest expenses as well as **total interest income**. From the total interest expenses of 20.1 million euro, an amount of 17.5 million euro is **interest paid**. Reference is also made to the consolidated statement of cash flows.

Total **other financial result** improved with 2.7 million euro compared to last year, positively impacted by the recognition of delay interests.

Note 5 – Intangible assets

2023

(in thousands of euro)

	Development costs	Concessions, patents, licenses, etc.	Other intangible assets	Total
Acquisition cost at 1 January 2023	5,840	34,408	13,588	53,836
Movements during the year				
Additions, including fixed assets, own production	2,552	229	74	2,855
Sales and disposals	-	-222	-32	-254
Transfers from one heading to another	-	-	-	-
Translation differences	-	-1	-	-1
Additions through business combinations	-	-	-	-
Changes in consolidation scope or method	-	-9	-	-9
At 31 December 2023	8,392	34,405	13,630	56,427
Cumulative amortisation and impairment at 1 January 2023	4,096	15,481	9,944	29,521
Movements during the year				
Amortisation of the year	229	3,048	988	4,265
Written down after sales and disposals	-	-189	-	-189
Transfers from one heading to another	-	-	-	-
Translation differences	-	-1	-	-1
Additions through business combinations	-	-	-	-
Changes in consolidation scope or method	-	-9	-	-9
At 31 December 2023	4,325	18,330	10,932	33,587
Net book value at the end of prior year	1,744	18,927	3,644	24,315
Net book value at the end of the year	4,067	16,075	2,698	22,840

'Concessions, patents and licenses' do not include indefinite useful lives intangible assets.

The 'additions of the year' mainly relate to the capitalisation of development costs in the Concessions segment.

'Amortisation of the year' is recognised under 'depreciation and amortisation expenses' in the consolidated statement of income for an amount of 4.3 million euro. Amortisation of development costs starts at the earliest on the date when financial close of the related project is reached.

The total **net book value** of 22.8 million euro at the end of the year 2023, includes the intangible assets of the SPT Offshore Group (12.6 million euro) that are amortised over the economic lifetime of 10 years. SPT Offshore Holding BV and affiliates within the Offshore Energy segment was acquired by the Group at the end of 2020.

2022

(in thousands of euro)

	Development costs	Concessions, patents, licenses, etc.	Other intangible assets	Total	
Acquisition cost at 1 January 2022	4,096	47,025	12,283	63,404	
Movements during the year	Additions, including fixed assets, own production	1,744	371	-	2,115
	Sales and disposals	-	-12,136	-19	-12,155
	Transfers from one heading to another	-	-	1,324	1,324
	Translation differences	-	1	-	1
	Additions through business combinations	-	-	-	-
	Changes in consolidation scope or method	-	-853	-	-853
At 31 December 2022	5,840	34,408	13,588	53,836	
Cumulative amortisation and impairment at 1 January 2022	4,096	24,717	9,078	37,891	
Movements during the year	Amortisation of the year	-	3,056	885	3,941
	Written down after sales and disposals	-	-12,136	-19	-12,155
	Transfers from one heading to another	-	-	-	-
	Translation differences	-	1	-	1
	Additions through business combinations	-	-	-	-
	Changes in consolidation scope or method	-	-157	-	-157
At 31 December 2022	4,096	15,481	9,944	29,521	
Net book value at the end of prior year	-	22,308	3,205	25,513	
Net book value at the end of the year	1,744	18,927	3,644	24,315	

'Concessions, patents and licenses' did not include indefinite useful lives intangible assets.

Within the line 'transfers from one heading to another', also transfers from assets under construction originally booked within property, plant and equipment were included.

In the 'addition of the year', an amount of 1.7 million euro was related to the capitalisation of development costs in the Concessions segment.

'Amortisation of the year' was recognised under 'depreciation and amortisation expenses' in the consolidated income statement for an amount of 3.9 million euro. Amortisation of development costs starts at the earliest on the date when financial close of the related project is reached.

In 'sales and disposals', a fully amortised licence fee, that expired was disposed of for an amount of 12 million euro.

Note 6 – Goodwill

(in thousands of euro)

	2023	2022	
Balance at 1 January	13,028	13,028	
Movements during the year	Acquisitions through business combinations	-	-
	Disposals	-	-
	Impairment losses	-	-
Balance at 31 December	13,028	13,028	

Impairment testing of goodwill

In accordance with IAS 36 *impairment of assets*, goodwill was tested for impairment at 31 December 2023 and 2022. No impairment losses were recognised.

Within the DEME Group, goodwill is tested for impairment annually. The impairment tests are based on figures and insights of the third quarter of the reporting year. If there is an indication that the cash generating unit to which the goodwill is allocated could have suffered a loss of value, impairment testing is done more frequently than once a year. In 2023, there were no such indicators and no additional impairment tests have been prepared.

Significant judgement by management is required to estimate the impact of macroeconomic and other factors on future cash flows, including those related to climate related matters (more detailed in section disclosures related to specific topics). Management does not foresee activities negatively being impacted by climate related business requirements leading to an impairment loss (climate change risk). The Group believes the estimates and assumptions used in the impairment testing are reasonable and are comparable to those that would be used by competitors.

Carrying amount of goodwill

Goodwill is allocated to the cash generating unit that will benefit most of the knowledge acquired upon the acquisition. Management has identified the **lowest level of cash generating units** based on the most appropriate and most detailed level of information about operations available for internal reporting purposes. The current outstanding goodwill of the DEME Group is allocated as follows:

Carrying amount of goodwill

(in thousands of euro)

	2023	2022
CGU Infra	3,536	3,536
CGU Dredging – Asia Pacific	3,024	3,024
CGU Environmental – Ecoterres	2,496	2,496
CGU Offshore	1,943	1,943
CGU Offshore – Foundations	1,256	1,256
CGU Concessions	605	605
CGU Dredging – DBM	168	168
Total	13,028	13,028

The comparison of the carrying amount of each mentioned cash generating unit with the recoverable amount of the respective cash generating unit did not result in an impairment need for the annual reporting year 2023.

The recoverable amount of each cash generating unit is based on a discounted cash flow model that represents the fair value minus the cost of disposal. The projected cash flows used are obtained from the budgets, prepared by management, of the respective cash generating unit and approved by the Board of Directors. These budgets cover a three-year period. Cash flows beyond the three-year period are extrapolated using a cautious growth rate of 1%. The discount rate used equals the weighted cost of capital (WACC) calculated on the consolidated DEME Group figures, as per the third quarter of 2023, amounting to 7.83%.

Sensitivity analysis

A sensitivity analysis has been performed by adjusting important assumptions used in the calculation of the recoverable amount.

Gross margin

The gross margin used in the discounted cash flow model is based upon the estimates of management and has been approved by the Board of Directors for a period of three years to come. Sensitivity is tested by reducing the estimated gross margins to 95% of their initial value. Adjusting the gross margin downwards did not result in impairment for any of the mentioned cash generating units.

Discount rate

The discount rate used is the weighted average costs of capital, calculated on DEME Group figures. Future cash flows will negatively be impacted if the discount rate rises. Sensitivity is tested by increasing the weighted average cost of capital with 1%. Adjusting the weighted average cost of capital to a higher value did not result in an impairment for any of the mentioned cash generating units.

Growth rate

The DEME Group assumes a careful growth of 1% of its gross margin in the years to come. Should the growth percentage be lower, the recoverable amount of each cash generating unit will drop. Sensitivity is tested by reducing the growth rate to 0%. Adjusting the growth rate did not result in an impairment for any of the mentioned cash generating units.

Note 7 – Property, plant and equipment

2023 (in thousands of euro)		Land and buildings	Floating and other construction equipment	Furniture and vehicles	Other tangible assets	Assets under construction	Total property, plant and equipment
Acquisition cost at 1 January 2023		119,923	4,694,682	20,564	7,257	223,042	5,065,468
Movements during the year	Additions, including fixed assets, own production	3,623	203,174	5,928	-	273,966	486,691
	Sales and disposals	-664	-51,409	-2,502	-3	-	-54,578
	Transfer to 'assets held for sale'	-4,312	-	-	-	-	-4,312
	Transfers from one heading to another	13,572	176,837	336	-70	-190,675	-
	Translation differences	-344	-4,213	-1,010	-1	-	-5,568
	Acquisitions through business combinations	-	-	-	-	-	-
	Changes in consolidation scope or method	-	-	-	-	-	-
At 31 December 2023		131,798	5,019,071	23,316	7,183	306,333	5,487,701
Cumulative depreciation and impairment at 1 January 2023		53,635	2,569,518	17,093	3,174	-	2,643,420
Movements during the year	Depreciation charge of the year	4,981	299,198	2,319	422	-	306,920
	Impairment cost of the year	-	13,148	-	-	-	13,148
	Written down after sales and disposals	-641	-48,410	-2,408	-3	-	-51,462
	Transfer to 'assets held for sale'	-2,682	-	-	-	-	-2,682
	Transfers from one heading to another	-	-81	81	-	-	-
	Translation differences	-230	-3,105	-527	-1	-	-3,863
	Acquisitions through business combinations	-	-	-	-	-	-
Changes in consolidation scope or method	-	-	-	-	-	-	
At 31 December 2023		55,063	2,830,268	16,558	3,592	-	2,905,481
Net book value at the end of prior year		66,288	2,125,164	3,471	4,083	223,042	2,422,048
Net book value at the end of the year		76,735	2,188,803	6,758	3,591	306,333	2,582,220

At 31 December 2023, the net book value of 'floating equipment' as part of 'floating and other construction equipment' contributes 96% to the total of this category. Other construction equipment within 'floating and other construction equipment' consists amongst other of dry earth moving equipment, pipelines and equipment of DEME Infra.

The DP2 jack-up installation vessel 'Sea Installer' received an extensive upgrade, positioning the vessel for offshore wind farm projects in the US, whereas her sister vessel 'Sea Challenger' will similarly undergo the upgrade to support projects in Japan. For both vessels, the crane's lifting capacity increases from 900 tonnes to 1,600 tonnes. Additionally, enhancements such as a wider beam and longer legs enables both vessels to handle the next generation of mega wind turbines. The amount invested in the 'Sea Installer' is included in the additions in 'floating and other construction equipment'. The investment in the 'Sea Challenger' is carried out within a Japanese joint venture between DEME (49%) and partner Penta-Ocean Construction. This company will further upgrade and take ownership of the 'Sea Challenger' and reflag the vessel to the Japanese flag. As the joint venture is integrated according to equity method, the investment is not included in 'property, plant and equipment' of the consolidated statement of financial position. DEME is however financing the vessel through capital and shareholders loan, booked as financial asset.

In January 2022, DEME entered into an agreement with the Norwegian shipping company Eidesvik to acquire the DP3 offshore installation vessel 'Viking Neptun'. DEME upgraded the vessel into a cable laying vessel and from the first quarter of 2023 onward, the vessel has been actively engaged in project deployments. The reclassification of the vessel occurred from 'assets under construction' to 'floating and other construction equipment'.

In 2020 CDWE, the Taiwanese joint venture between DEME (49.99%) and partner CSBC, ordered the offshore wind installation vessel 'Green Jade' in Taiwan. This floating heavy-duty crane and installation vessel with DP3 capacity in Taiwan is equipped with an advanced crane featuring a lifting capacity of 4,000 tonnes. The vessel joined the fleet in July 2023 and since the third quarter of 2023 the vessel has been actively deployed in the thriving local offshore wind market. As the joint venture is integrated according to equity method, the new vessel is not included in 'property, plant and equipment'. However, DEME itself injected approximately 30 million euro in CDWE in 2020 and 13.3 million euro in 2021 as capital for the joint venture. There were no additional capital injections done by DEME in 2022 and 2023. The joint venture itself secured a long-term bank loan in the third quarter of 2023 to facilitate the further payment of the 'Green Jade'.

As part of its efforts to enhance its fallpipe vessel fleet, DEME made an investment in a new DP2 fallpipe vessel by purchasing and converting a bulk carrier. The vessel will be equipped with a central fallpipe system, incorporating a large inclined fallpipe. This design enables the vessel to conduct pre- and post-lay activities using rocks with larger diameters, close to subsea structures. This vessel named 'Yellowstone' will join the DEME fleet in the first half of 2024 and is still included within 'assets under construction'.

In the beginning of 2023, Transocean Ltd, a global leader in the offshore drilling industry, made a non-controlling investment for 15.7% in GSR (deep sea mining) through the contribution of a ultra-deepwater drilling vessel, and a cash investment. The 'Ocean Rig Olympia' is included within the additions and net book value of 'assets under construction' but the addition of the year is considered as a non-cash item.

In addition to the above contribution in kind of the 'Ocean Rig Olympia', the additions within 'assets under construction' mainly include the amounts invested in 2023 in the 'Yellowstone', in the 'Viking Neptun', in some additional modifications for the 'Orion', in a new offshore survey vessel and in a new office building. As of 31 December 2023, the 'Viking Neptun', 'Orion', and the new office building were transferred to 'floating and construction equipment' and 'land and buildings'.

In 2023, specific borrowing costs amounting to 1.6 million euros, related to assets under construction, were capitalised.

At 31 December 2023, the commitments made for investments in coming years amount to 37.5 million euro, mainly relating to upgrades of vessels 'Yellowstone', 'Viking Neptun' and for an offshore survey vessel.

The investments aimed at transitioning the DEME campus into a sustainable and energy-neutral head office have been incorporated into the net book value of 'land and buildings'.

A workshop in Zeebrugge, included within 'land and buildings' and with a net book value of 1.6 million euro, was transferred to 'assets held for sale' (note (15)).

'Depreciation charge and impairment cost of the year' increased to 355 million euro in total compared to 319 million euro in 2022. The higher level of depreciation charges in 2023 is attributed primarily to the investments in 'Orion', DEME's largest offshore installation vessel, that was added to the fleet mid 2022, and in 'Viking Neptun', the cable laying vessel that was integrated into the fleet in the first half of 2023. The amount also includes a 13 million euro impairment for 'Al Jarraf', one of DEME's cutter suction dredger vessels.

The investments in property, plant and equipment by joint ventures such as those in the 'Green Jade' and the 'Sea Challenger' are not reflected in 'property, plant and equipment' of the consolidated statement of financial position as already briefly said above. However, reference is provided to the segment reporting for 31 December 2023 and 31 December 2022 where the amounts included in the 'reconciliation' column under the lines 'net book value property, plant and equipment and right-of-use assets' and 'acquisition of property, plant and equipment and right-of-use assets' relate to joint ventures.

In 2022, 52% of DEME's capital expenditure was considered as taxonomy-eligible and aligned CapEx, while in the current period, this figure stands at 49%. This percentage is directly tied to DEME's fleet engaged in projects aimed at mitigating climate change, such as constructing and installing foundations and wind turbines, along with their shore connections. Additionally, as of now, climate risks are not significantly affecting the useful life of the Group's assets.

2022

(in thousands of euro)

	Land and buildings	Floating and other construction equipment	Furniture and vehicles	Other tangible assets	Assets under construction	Total property, plant and equipment
Acquisition cost at 1 January 2022	107,910	4,272,250	20,221	1,911	308,955	4,711,247
Movements during the year						
Additions, including fixed assets, own production	12,970	154,614	1,983	70	316,342	485,980
Sales and disposals	-1,169	-95,700	-1,711	-996	-	-99,576
Transfer to 'assets held for sale'	-	-34,314	-	-	-	-34,314
Transfers from one heading to another	55	394,451	8	6,311	-402,149	-1,324
Translation differences	-14	3,381	1	-	-	3,368
Acquisitions through business combinations	-	-	-	-	-	-
Changes in consolidation scope or method	171	-	62	-40	-106	87
At 31 December 2022	119,923	4,694,682	20,564	7,257	223,042	5,065,468
Cumulative depreciation and impairment at 1 January 2022	49,098	2,385,178	16,198	1,732	-	2,452,206
Movements during the year						
Depreciation charge of the year	4,483	278,817	2,425	422	-	286,147
Written down after sales and disposals	-17	-94,353	-1,591	-996	-	-96,957
Transfer to 'assets held for sale'	-	-2,316	-	-	-	-2,316
Transfers from one heading to another	-	-2,056	-	2,056	-	-
Translation differences	-13	4,248	15	-	-	4,250
Acquisitions through business combinations	-	-	-	-	-	-
Changes in consolidation scope or method	84	-	46	-40	-	90
At 31 December 2022	53,635	2,569,518	17,093	3,174	-	2,643,420
Net book value at the end of prior year	58,812	1,887,072	4,023	179	308,955	2,259,041
Net book value at the end of the year	66,288	2,125,164	3,471	4,083	223,042	2,422,048

At 31 December 2022, the net book value of 'floating equipment' as part of 'floating and other construction equipment' contributes 99% to the total of this category.

Investments made in 2022 for 'Sea Installer' are included in the additions of 'floating and other construction equipment'.

In the first half of 2022, the DP3 offshore installation vessel 'Orion' joined the fleet and was transferred from 'assets under construction' to 'floating and other construction equipment'.

The amounts invested during 2022 in 'Orion', 'Viking Neptun' and 'Yellowstone' (all assets of the Offshore Energy segment), are included in the additions of 'assets under construction'.

In 2022, **specific borrowing costs** amounting to 1.5 million euros, related to assets under construction, were capitalised.

'Depreciation charge of the year' included a 0.4 million euro impairment cost.

In 2022, the vessel 'Groenewind', within the Offshore Energy segment and with a net book value of 32 million euro, was transferred to 'assets held for sale' (note (15)). The jack-up installation vessel 'Thor', with a net book value of 32.5 million euro and that was transferred in 2021 to 'assets held for sale', was sold in 2022 (note (2)).

In the line 'transfers from one heading to another', transfers to intangible assets were included as well. The transfer to 'other tangible assets' specifically related to the transfer of a vessel that was leased to an associate of the Group for a duration exceeding one year.

The line 'sales and disposals' within 'floating and other construction equipment' incorporated 52 million euro, covering both acquisition cost and cumulative depreciation of priorly activated and fully depreciated dry-docking costs.

In the second half of 2022, a **mortgage on vessels** for an amount of 18.3 million euro was released following the early repayment of the related long-term loan.

At 31 December 2022, the **commitment made for investments** in the coming years amounted to 192.6 million euro, mainly for the upgrades for vessels 'Viking Neptun', 'Sea Installer', 'Yellowstone' and additional modifications to the 'Orion'.

Note 8 – Right-of-use assets

2023

(in thousands of euro)

	Land and buildings	Floating and other construction equipment	Furniture and vehicles	Total Right-of-use assets
Acquisition cost at 1 January 2023	99,303	21,410	38,147	158,860
Movements during the year				
Additions, including fixed assets, own production	25,759	5,599	13,893	45,251
Sales and disposals	-5,485	-3,569	-7,255	-16,309
Transfers from one heading to another	-	-	-	-
Translation differences	-126	-126	-27	-279
Acquisitions through business combinations	-	-	-	-
Changes in consolidation scope or method	-	-	-	-
At 31 December 2023	119,451	23,314	44,758	187,523
Cumulative depreciation and impairment at 1 January 2023	29,639	9,759	20,468	59,866
Movements during the year				
Depreciation charge of the year	14,923	7,437	8,505	30,865
Written down after sales and disposals	-4,843	-3,488	-5,762	-14,093
Transfers from one heading to another	-	4	-4	-
Translation differences	-122	-68	-18	-208
Acquisitions through business combinations	-	-	-	-
Changes in consolidation scope or method	-	-	-	-
At 31 December 2023	39,597	13,644	23,189	76,430
Net book value at the end of prior year	69,664	11,651	17,679	98,994
Net book value at the end of the year	79,854	9,670	21,569	111,093

The **net carrying amount** of right-of-use assets amounts to 111.1 million euro at 31 December 2023, compared to 99.0 million euro at the end of 2022.

At 31 December 2023, the net book value of 'land and buildings' can be split into 63.7 million euro land and 16.1 million euro buildings. The significant increase in 'land and buildings' in 2023 is primarily attributed, among other factors, to the hire of additional land in Flushing.

The category 'floating and other construction equipment' encompasses various items, including support vessels and dry earth equipment.

The increase in additions in 'furniture and vehicles' is mainly related to the accelerated electrification of DEME's car fleet, an increase in fleet size (due to a higher number of cars) and the elevated lease cost associated with electric vehicles.

Lease liabilities corresponding to the right-of-use assets are detailed in note (22).

2022

(in thousands of euro)

	Land and buildings	Floating and other construction equipment	Furniture and vehicles	Total Right-of-use assets
Acquisition cost at 1 January 2022	90,204	10,376	34,142	134,722
Movements during the year				
Additions, including fixed assets, own production	19,843	13,958	8,251	42,052
Sales and disposals	-10,331	-3,309	-4,308	-17,948
Transfers from one heading to another	-	-	-	-
Translation differences	-391	385	124	118
Acquisitions through business combinations	-	-	-	-
Changes in consolidation scope or method	-22	-	-62	-84
At 31 December 2022	99,303	21,410	38,147	158,860
Cumulative depreciation and impairment at 1 January 2022	23,090	5,367	15,645	44,102
Movements during the year				
Depreciation charge of the year	13,632	6,403	8,547	28,582
Written down after sales and disposals	-7,051	-2,216	-3,704	-12,971
Transfers from one heading to another	-	51	-51	-
Translation differences	-141	154	51	64
Acquisitions through business combinations	-	-	-	-
Changes in consolidation scope or method	109	-	-20	89
At 31 December 2022	29,639	9,759	20,468	59,866
Net book value at the end of prior year	67,114	5,008	18,498	90,620
Net book value at the end of the year	69,664	11,651	17,679	98,994

The **net carrying amount** of right-of-use assets amounted to 99 million euro at 31 December 2022, compared to 90.6 million euro at the end of 2021.

At 31 December 2022, the net book value of **'land and buildings'** was split in 52.6 million euro land and 17 million euro buildings.

The category **'floating and other construction equipment'** included amongst others support vessels, accommodation vessels and dry earth equipment. The major increase in 'floating and other construction equipment' in 2022 was related to the hire of vessels.

Note 9 – Investments in joint ventures and associates

Earlier in this report, a comprehensive list can be found detailing the companies contributing to DEME's investments in joint ventures and associates. This list also includes the percentage of shareholding held by the DEME Group, the respective segment in which these companies operate, and their country of incorporation. None of these companies are publicly traded on any stock market. The joint ventures and associates have other contingent liabilities or commitments for which the Group has a corresponding commitment for an amount of 136.5 million euro (about 77.6 million related to Offshore Energy, 55.5 million to Dredging & Infra and 3.5 million euro for Environmental). In 2022 the amount of commitments amounted to 80.0 million euro (about 67.5 million related to Dredging & Infra).

In the financial statements, all investments in joint ventures and associates are accounted for using the equity method. Only in the segment reporting, a separate chapter in this report, joint ventures are accounted for using the proportionate consolidation method.

The **changes over the period** are explained below.

The amount of goodwill included in the carrying amount of the Group's interest in joint ventures is 0.3 million euro with no change in that amount in 2023 nor in 2022. There is no goodwill included in the carrying amount of associates.

Changes over the period

(in thousands of euro)

	Investments in joint ventures	Investments in associates	2023	Investments in joint ventures	Investments in associates	2022
Balance at 1 January	94,619	106,891	201,510	90,565	39,390	129,955
Movements during the year						
Additions	891	7,671	8,562	3,893	18,772	22,665
Disposals (-)	-1,143	-	-1,143	-1,613	-	-1,613
Share in the result of participations accounted for using the equity method	-34,545	37,762	3,217	5,891	9,936	15,827
Dividends distributed by participations	-9,873	-17,879	-27,752	-2,781	-7,870	-10,651
Other comprehensive income	-3,164	-11,089	-14,253	1,177	49,339	50,516
Other movements	393	-1,641	-1,248	336	-3,406	-3,070
Translation differences	1,916	-846	1,070	-2,849	730	-2,119
Balance at 31 December	49,094	120,869	169,963	94,619	106,891	201,510
Booked as a non-current financial asset	49,353	120,942	170,295	94,619	108,129	202,748
Booked as a non-current financial liability (- is credit)	-259	-73	-332	-	-1,238	-1,238

The majority of the 'share in the result of participations accounted for using the equity method' related to **investments in associates** is linked to the Concessions segment (37.4 million euro), more precisely its participations in Rentel NV, C-Power NV and Seamade NV that operate offshore wind farms, as well as to its participation in BAAK Blankenburg-Verbinding BV, Port of Duqm Company SAOC and Duqm Logistic Lands and Investment Company LLC. The result of the year of associates related to the Concessions segment in 2022 was 9.3 million euro. The increase in result in 2023 attributable to the offshore wind farms was partly driven by higher wind production, increased electricity prices, and the impact of new legislation in Belgium.

However, the positive contribution from the Concessions segment in 2023 was offset by the result of DEME's Taiwanese joint venture company in the Offshore segment, which absorbed project losses on the Zhong Neng project in Taiwan. The Offshore segment contributes for -35 million euro to the 'share in the result of participations accounted for using the equity method' related to **investments in joint ventures**.

As for 'dividends distributed by participations' in 2023, the amount received from associates comes from Rentel NV, Seamade NV and C-Power NV, whereas the dividend received from joint ventures mainly comes from Earth Moving Worldwide Cyprus Ltd (EMW).

Some joint ventures and associates finance substantial assets such as infrastructure works, offshore wind farms or vessels and therefore hold interest rate swaps (IRS). As per 31 December 2023, the 'other comprehensive income (OCI)' includes a positive amount of 14.0 million euro compared to a positive amount of 28.2 million euro at the end of 2022 (as such reflecting a year-over-year movement of -14.2 million euro). This figure reflects DEME's share in the fair value of the IRSs of Rentel NV, C-Power NV, Seamade NV, Normalux SA, BAAK Blankenburg-Verbinding BV, Port-La Nouvelle SEMOP and CDWE Green Jade Ltd, net of deferred tax assets. This fair value (DEME share) is indirectly reflected in the consolidated statement of financial position in the net assets of the investees for the same amount. The negative movement of the year in the hedging reserve of joint ventures and associates (-14.2 million euro) is related to the decline in market interest rates compared to the hedged interest rates. A minor amount of -0.024 million euro in the OCI movement is attributable to the remeasurement of net liabilities relating to defined benefit and contribution plans.

There are no equity accounted for investees where DEME has not recorded the share in the negative equity of the joint venture or associate. The equity accounted for investees for whom the share in the net assets is negative, are reallocated to other components of the investor's interest in the equity accounted investee such as shareholder loans on equity accounted investees. This reallocation is presented in the line 'other movements'. The amount can be positive or negative as the transfer from receivable to investment in joint ventures and associates is reversed once the net assets of the equity accounted investees are positive again. If after allocation the negative net asset exceeds the investor's interest, a corresponding liability (non-current financial liability) is recorded instead of a negative investment within non-current financial assets.

In 2023, the 'additions' include investments totalling 7.7 million euro in associates and 0.9 million euro in joint ventures. The current year investments in associates mainly relate to the Concessions segment and more specifically to the investment in Hyport Coordination Company LLC, Ayre Offshore Wind Farm Ltd and Bowdun Offshore Wind Farm Ltd (also in 2022). In the beginning of last year (2022), the latter consortium (previously known as Thistle Wind) had been awarded 2 GW worth of option areas in Scotland's highly competitive ScotWind seabed leasing process. The investments in joint ventures for 2023 are related to an investment in D&S contractors NV, within the Dredging & Infra segment, whereas last year the investment in joint ventures related to the capital increase in Scaldis Salvage & Marine Contractors NV, within the Offshore Energy segment.

2023 summarised financial information and reconciliation to the carrying amount

Summarised financial information of the Group's associates and joint ventures by segments is set out below. This information represents 100% amounts in associates and joint ventures financial statements prepared in accordance with IFRS Standards. Intercompany transactions are not eliminated.

Balance at 31 December

Summarised financial information of associates 2023

(in thousands of euro)
(100% standalone amounts)

	Offshore Energy	Dredging & Infra	Environmental	Concessions	Total
Financial position					
Non-current assets	-	21	30,031	2,755,053	2,785,106
Current assets	25,517	76,954	50,988	1,666,906	1,820,365
Equity	1,569	10,706	12,919	1,108,019	1,133,213
Non-current liabilities	17,817	89	19,066	2,752,111	2,789,083
Current liabilities	6,131	66,180	49,034	561,828	683,173
Net financial debt (+ is net debt)	23,805	-3,331	12,232	2,395,043	2,427,749
Statement of income					
Revenues	-	89,186	32,112	965,141	1,086,439
Result for the period	63	-3	2,785	253,484	256,329

Associates of the Group are mainly situated within the Concessions segment. The non-current assets and liabilities (financial debt) of those associates are related to the offshore wind farms C-Power, Rentel and Seamade as well as to the building of the roadway and tunnel of Blankenburg in the Netherlands (BAAK).

Summarised financial information of main associates 2023

(in thousands of euro)
(100% standalone amounts)

	Concessions				Total
	C-Power NV	Rentel NV	Seamade NV	BAAK Blankenburg-Verbinding BV	
Financial position					
Non-current assets	532,142	715,388	995,600	-	2,243,130
Current assets	132,416	144,285	264,126	946,884	1,487,711
Equity	289,551	165,649	218,094	62,045	735,339
Non-current liabilities	297,204	596,839	856,172	866,004	2,616,219
Current liabilities	77,802	97,186	185,460	18,835	379,283
Net financial debt (+ is net debt)	256,370	526,062	736,955	818,583	2,337,970
Statement of income					
Revenues	161,598	207,645	332,503	166,457	868,203
Result for the period	29,082	73,576	120,867	15,918	239,443

Summarised financial information of joint ventures 2023

(in thousands of euro)
(100% standalone amounts)

	Offshore Energy	Dredging & Infra	Environmental	Concessions	Total
Financial position					
Non-current assets	455,510	2,754	5,374	-	463,638
Current assets	339,511	15,593	13,877	-	368,981
Equity	181,759	2,991	8,291	-	193,041
Non-current liabilities	206,579	1,869	3,083	-	211,531
Current liabilities	406,683	13,487	7,876	-	428,046
Net financial debt (+ is net debt)	178,698	-2,076	-1,985	-	174,637
Statement of income					
Revenues	350,100	24,376	10,296	-	384,772
Result for the period	-68,787	179	1,259	-	-67,349

Within the Offshore Energy segment, the Group's joint venture activities primarily involve offshore projects, including CSBC DEME Wind Engineering Co Ltd (CDWE), CDWE Green Jade Shipowner Ltd, and Deeprock Beheer BV, as well as salvage operations conducted by Scaldis Salvage & Marine Contractors NV. In the Dredging & Infra segment, significant activity is noted in the joint venture K3 DEME BV, a joint venture split equally with DEME Building Materials BV. Silvamo NV and Wérisol SA are contributing to the results of 2023 within the Environmental segment.

The reconciliation of the total net assets to the carrying amount of the Group's interests in the associates and joint ventures is as follows:

Reconciliation to the carrying amount of associates 2023

(in thousands of euro)

	Offshore Energy	Dredging & Infra	Environmental	Concessions	Total
Net assets of associates: 100% standalone amounts	1,569	10,706	12,919	1,108,019	1,133,213
Proportion of the Group's ownership interests in the standalone amounts	28	5,347	2,332	178,669	186,376
Reconciliation items	-	-	173	-65,680	-65,507
Carrying amount of the Group's interest in associates	28	5,347	2,505	112,989	120,869
Booked as a non-current financial asset	28	5,347	2,521	113,046	120,942
Booked as a non-current financial liability (- is credit)	-	-	-16	-57	-73

Reconciliation to the carrying amount of joint ventures 2023

(in thousands of euro)

	Offshore Energy	Dredging & Infra	Environmental	Concessions	Total
Net assets of joint ventures: 100% standalone amounts	181,759	2,991	8,291	-	193,041
Proportion of the Group's ownership interests in the standalone amounts	85,035	1,466	3,105	-	89,606
Reconciliation items	-40,985	-75	548	-	-40,512
Carrying amount of the Group's interest in joint ventures	44,050	1,391	3,653	-	49,094
Booked as a non-current financial asset	44,050	1,650	3,653	-	49,353
Booked as a non-current financial liability (- is credit)	-	-259	-	-	-259

The reconciliation items are related to the recognition of the income in accordance with the DEME Group accounting policies and to the intercompany eliminations.

2022 summarised financial information and reconciliation to the carrying amount

Summarised financial information of associates 2022

	Offshore Energy	Dredging & Infra	Environmental	Concessions	Total
(in thousands of euro) (100% standalone amounts)					
Financial position					
Non-current assets	-	-363	30,610	2,796,443	2,826,690
Current assets	14,063	53,552	43,967	1,361,206	1,472,788
Equity	1,506	10,949	16,224	1,031,499	1,060,178
Non-current liabilities	9,388	90	21,016	2,736,867	2,767,361
Current liabilities	3,169	42,149	37,337	389,282	471,937
Net financial debt (+ is net debt)	12,528	-7,407	10,114	2,604,622	2,619,857
Statement of income					
Revenues	-	47,027	19,566	698,325	764,918
Result for the period	1,494	319	3,625	56,213	61,651

Summarised financial information of joint ventures 2022

	Offshore Energy	Dredging & Infra	Environmental	Concessions	Total
(in thousands of euro) (100% standalone amounts)					
Financial position					
Non-current assets	252,247	2,542	5,070	-	259,859
Current assets	104,258	28,124	8,914	-	141,296
Equity	254,829	19,696	8,352	-	282,877
Non-current liabilities	67,058	2,144	1,783	-	70,985
Current liabilities	34,617	8,826	3,849	-	47,292
Net financial debt (+ is net debt)	26,817	-1,740	-2,633	-	22,444
Statement of income					
Revenues	110,669	16,650	7,132	-	134,451
Result for the period	12,201	-1,244	2,353	-	13,310

The reconciliation of the total net assets to the carrying amount of the Group's interests in the associated and joint ventures is as follows:

Reconciliation to the carrying amount of associates 2022

	Offshore Energy	Dredging & Infra	Environmental	Concessions	Total
(in thousands of euro)					
Net assets of associates: 100% standalone amounts	1,506	10,949	16,224	1,031,499	1,060,178
Proportion of the Group's ownership interests in the standalone amounts	27	5,471	2,938	162,679	171,115
Reconciliation items	-	-	198	-64,423	-64,225
Carrying amount of the Group's interest in associates	27	5,471	3,135	98,256	106,889
Booked as a non-current financial asset	27	5,471	3,135	99,494	108,127
Booked as a non-current financial liability (- is credit)	-	-	-	-1,238	-1,238

Reconciliation to the carrying amount of joint ventures 2022

	Offshore Energy	Dredging & Infra	Environmental	Concessions	Total
(in thousands of euro)					
Net assets of joint ventures: 100% standalone amounts	254,829	19,696	8,352	-	282,877
Proportion of the Group's ownership interests in the standalone amounts	122,119	9,901	3,128	-	135,148
Reconciliation items	-41,491	38	925	-	-40,528
Carrying amount of the Group's interest in joint ventures	80,628	9,939	4,053	-	94,620
Booked as a non-current financial asset	80,628	9,939	4,053	-	94,620
Booked as a non-current financial liability (- is credit)	-	-	-	-	-

Note 10 – Other non-current assets

Other non-current financial assets

	2023	2022	
(in thousands of euro)			
Balance at 1 January	32,540	33,451	
Movements during the year	Additions	19,617	10,699
	Disposals (-)	-3,203	-14,716
	Transfer to (from) other items	-661	3,081
	Other movements	-	-19
	Translation differences	31	44
Balance at 31 December	48,324	32,540	
Of which	Loans to joint ventures and associates	40,300	24,173
	Other non-current financial assets	8,024	8,367

In 2023, 'additions' totalling 19.6 million euro primarily consist of loans granted to Bowdun Offshore Wind Farm Ltd (6.7 million euro), Ayre Offshore Wind Farm Ltd (7.5 million euro), both for the ScotWind OWF-project, and Japan Offshore Marine Ltd (4.7 million euro).

'Disposals' within 2023 include an amount of 1.2 million euro for the repayment of the loan granted to Thistle Wind Partners Ltd in the preceding year, along with an additional amount of 1.1 million euro for the repayment of the loans granted to Bowdun Offshore Wind Farm Ltd and Ayre Offshore Wind Farm Ltd last year. The aforementioned loans have been substituted with new loans as detailed in the additions above. In 2022, a repayment of 11.5 million euro was included for loans granted to companies involved in the development and subsequent operation of the Rentel and Seamade offshore wind farms. Additionally, also a shareholder's loan of 3 million euro was paid back in 2022 within the Dredging & Infra segment.

No expected credit losses are recorded on other non-current financial assets as the repayment of the loans follows a solid business plan.

The equity accounted investees for whom the share in the net assets is negative, are allocated to other components of the investor's interest in the equity accounted investee such as shareholder loans on equity accounted investees. This allocation is presented in the line 'transfer (to) from other items'. The amount can be positive or negative as the transfer from receivable to investment in joint ventures and associates is reversed once the net assets of the equity accounted investees are positive again.

The non-current financial assets, other than loans to joint ventures and associates, mainly include long-term deposits and guarantees.

Other non-current assets

(in thousands of euro)		2023	2022
Balance at 1 January		11,892	4,239
Movements during the year	Additions	108	7,963
	Disposals (-)	-224	-310
	Transfer to other operating receivables	-1,250	-
	Other movements	-	-
	Translation differences	-	-
Balance at 31 December		10,526	11,892

Other non-current assets are non-current operating receivables and loans.

'Transfer to other operating receivables' represents the short-term portion of the long-term loan of 10 million euro that was granted to the buyer of the 'Thor' vessel in 2022 and that was included within the additions of 2022.

Note 11 – Current taxes and deferred taxes

For the year ended 31 December

Current taxes and deferred taxes recognised in comprehensive income

(in thousands of euro)		2023	2022
Current tax expense		52,672	36,558
Adjustments in respect of current income tax of previous years		2,248	7,353
Total current tax expense / (income)		54,920	43,911
Relating to origination and reversal of temporary differences		387	-11,003
Movement of recognised tax losses carried forward		-5,689	-1,547
Total deferred tax expense / (income)		-5,302	-12,550
Current taxes and deferred taxes recognised in the income statement		49,618	31,361
Taxes on remeasurement of retirement benefit obligations		485	1,294
Taxes on changes in fair value related to hedging instruments		6,012	15,122
Current taxes and deferred taxes recognised in other elements of the comprehensive income (+ is liability)		6,497	16,416
Current taxes and deferred taxes recognised in comprehensive income		56,115	47,777

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the tax amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income is recognised in OCI and not in the statement of income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The operational activities of the Group are subject to various tax regimes with tax rates ranging from 0% to 48%.

Current income tax receivables and payables

(in thousands of euro)		2023	2022
Current income tax receivables (+ is debit)		25,937	21,593
Current income tax payables (+ is credit)		64,024	66,571

Current income tax receivables are included in trade and other operating receivables in the consolidated statement of financial position (note (14)).

Reconciliation of the effective tax rate

Below a reconciliation between the effective tax rate and the tax rate applicable in Belgium is made.

(in thousands of euro)		2023	2022
Result before taxes		217,994	130,925
Tax expense at nominal tax rate in Belgium which is 25% in 2023 and 2022		54,499	32,731
Increase (decrease) in tax rate resulting from:			
Tax effect of non-deductible expenses		3,635	2,916
Tax effect of non-taxable revenue (1)		-23,124	-3,711
Tax impact of changes in tax rates		1,051	-
Tax credits and impact of notional interest		-	-
Effects of different tax rates applicable to subsidiaries operating in other jurisdictions or income taxable under special tax regimes such as tonnage tax (2)		-12,802	-4,134
Tax impact of (de)recognition of provisions for uncertain tax positions		-1,446	-6,648
Tax impact of adjustments to current and deferred taxes relating to previous periods		2,248	7,353
Tax impact of losses for which no deferred tax assets were recognised (3)		25,557	2,854
Tax expense		49,618	31,361
Effective tax rate for the period		22.76%	23.95%

- (1) The main components of the tax effect on non-taxable revenue are claw back of previously deferred depreciations and exempt capital gains on sale of assets as well as tax deductible losses on capital.
- (2) The effective tax rate (2023: 22.76%) is lower than the nominal tax rate in Belgium (25%), because in several countries where the Group operated in 2023 the nominal tax rate is relatively lower and because of the application of the tonnage tax regime. The same applied for 2022 (effective tax rate of 23.95%).
- (3) The difference between 2023 and 2022 is caused by on the one hand the (re-)assessment of unrecognised deferred tax assets relating to tax losses during 2023 (increasing the effective tax rate) and on the other hand the usage of unrecognised tax losses in 2023, decreasing the effective tax rate.

Deferred tax assets and liabilities split by origin

The changes of the period of deferred tax assets and liabilities split by their origin is set out below.

Deferred taxes (both assets and liabilities) related to fixed assets are presented separately. These deferred tax positions relate to both temporary differences between the statutory carrying amount and the carrying amount under the DEME Group depreciation policy and impairment corrections on fixed assets.

Deferred taxes regarding retirement benefit obligations (only deferred tax assets) are related to the provisions booked for retirement benefit obligations according to IAS 19 *employee benefits*.

The column **reversal statutory provision** is mainly related to the reversal of the statutory provisions for repair and maintenance which are not allowed under IFRSs.

Deferred taxes on **other timing differences** mainly relate to consolidation adjustments on running projects.

DEME operates in multiple jurisdictions with often complex legal and tax regulatory environments. The Group engages constructively with the tax authorities and where needed asks support from local advisors and counsels to obtain the most correct position on tax legislation and principles. However it is acknowledged that some of the positions are uncertain and include interpretation of complex tax laws as well as transfer pricing considerations. A deferred tax liability is recorded for each item that is not probable of being sustained on examination by the tax authorities and after using all legal remedies of defending the position before Court. The estimates are based on an approach which provides the best prediction of the resolution of the uncertainties with the tax authorities and is calculated using the most likely single amount or expected value method following IFRIC 23. The estimates are based on facts and circumstances existing at the end of the reporting period. Currently, the major **uncertain tax positions (UTP)** relate to ongoing potential tax litigations in Philippines, Belgium, the Netherlands and India.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused **tax credits** and any unused **tax losses**. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The impact of climate related matters was considered for this assessment. The deferred tax assets for tax losses and tax credits are booked separately. For a breakdown of the (un)recognised tax losses, see further section in this note.

Deferred tax assets and liabilities regarding **financial derivatives** only concern fully consolidated companies, see also the section regarding other comprehensive income.

2023

(in thousands of euro)

Deferred tax liabilities related to

	Tangible fixed assets	Retirement benefit obligations	Financial derivatives	Reversal statutory provision	Long-term tax accruals (UTP)	Other timing differences	Netting	Total
Balance at 1 January	34,242	-	14,415	464	24,078	12,882	-18,932	67,149
Recognised in income statement	695	-	-6,552	3,246	-1,446	-6,176	-	-10,233
Charged to equity	-	-	-	-	-	-	-	-
Changes in consolidation scope or method	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	231	-	231
Netting (*)	-	-	-	-	-	-	965	965
Transfer	-	-	-	-	-	-	-	-
Balance at 31 December	34,937	-	7,863	3,710	22,632	6,937	-17,967	58,112

Deferred tax assets related to

	Tangible fixed assets	Retirement benefit obligations	Financial derivatives	Reversal statutory provision	Income tax losses	Tax credits and impact of notional interest	Other timing differences	Netting	Total
Balance at 1 January	22,495	14,211	364	-	50,320	17,184	38,746	-18,932	124,388
Recognised in income statement	712	-760	-6,348	6,243	5,689	-4,701	-5,766	-	-4,931
Charged to equity	-	-485	6,012	-	-	-	-	-	5,527
Changes in consolidation scope or method	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	-
Netting (*)	-	-	-	-	-	-	-	965	965
Transfer	-	118	-	-	-	-	-118	-	-
Balance at 31 December	23,207	13,084	28	6,243	56,009	12,483	32,862	-17,967	125,949

2022

(in thousands of euro)

Deferred tax liabilities related to

	Tangible fixed assets	Retirement benefit obligations	Financial derivatives	Reversal statutory provision	Long-term tax accruals (UTP)	Other timing differences	Netting	Total
Balance at 1 January	54,217	-	65	7,577	29,627	9,126	-26,399	74,213
Recognised in income statement	-19,975	-	14,350	-7,113	-5,549	4,144	-	-14,143
Charged to equity	-	-	-	-	-	-	-	-
Changes in consolidation scope or method	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-388	-	-388
Netting (*)	-	-	-	-	-	-	7,467	7,467
Transfer	-	-	-	-	-	-	-	-
Balance at 31 December	34,242	-	14,415	464	24,078	12,882	-18,932	67,149

Deferred tax assets related to

	Tangible fixed assets	Retirement benefit obligations	Financial derivatives	Income tax losses	Tax credits and impact of notional interest	Other timing differences	Netting	Total
Balance at 1 January	26,180	13,218	1,293	48,773	17,634	54,251	-26,399	134,950
Recognised in income statement	-3,685	-19	14,193	1,547	-450	-13,179	-	-1,593
Charged to equity	-	-1,294	-15,122	-	-	-	-	-16,416
Changes in consolidation scope or method	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-20	-	-20
Netting (*)	-	-	-	-	-	-	7,467	7,467
Transfer	-	2,306	-	-	-	-2,306	-	-
Balance at 31 December	22,495	14,211	364	50,320	17,184	38,746	-18,932	124,388

(*) The tax netting item reflects the netting of deferred tax assets and liabilities per entity

Deferred tax assets and liabilities recorded in other comprehensive income

The following movements in deferred tax assets and liabilities, as well as the items they relate to, were recorded in other comprehensive income:

2023

(in thousands of euro)

	Before income tax	Income tax	Net of income tax
Changes in fair value related to hedging instruments	-23,667	6,012	-17,655
Remeasurement of retirement benefit obligations	1,951	-485	1,466
Total	-21,716	5,527	-16,189

2022

(in thousands of euro)

	Before income tax	Income tax	Net of income tax
Changes in fair value related to hedging instruments	60,577	-15,122	45,455
Remeasurement of retirement benefit obligations	5,247	-1,294	3,953
Total	65,824	-16,416	49,408

Income tax losses carried forward

Subsidiaries:

Maturity date of income tax losses	2023	2022
(in thousands of euro)		
Within 1 year	-	-
Between 1 and 5 years	58,324	32,613
More than 5 years and indefinite	191,379	167,257
Total recognised income tax losses	249,703	199,870
Within 1 year	1,104	1,247
Between 1 and 5 years	44,320	59,131
More than 5 years and indefinite	391,854	199,913
Total unrecognised income tax losses	437,278	260,291
Total (un)recognised income tax losses carried forward of subsidiaries	686,981	460,161

In 2023, **income tax losses carried forward of subsidiaries** amount to 687 million euro. For 250 million euro of these tax losses, deferred tax assets have been recognised. For an amount of 437 million euro of tax losses of subsidiaries, no deferred tax assets are recognised. In 2022, income tax losses carried forward of subsidiaries for which no deferred tax assets were recognised amounted to 260 million euro.

As of this year the tax losses also include the dividend received deductions for a total amount of 221 million euro of which 193 million euro is unrecognised and 28 million euro is recognised. The dividend received deductions have no expiry date and are recorded in the category 'more than 5 years and indefinite'.

Maturity date of deferred taxes on income tax losses

	2023
(in thousands of euro)	
Within 1 year	-
Between 1 and 5 years	8,014
More than 5 years and indefinite	47,995
Total recognised deferred tax assets on income tax losses	56,009
Within 1 year	337
Between 1 and 5 years	9,584
More than 5 years and indefinite	96,983
Total unrecognised deferred tax assets on income tax losses	106,904
Total (un)recognised deferred tax assets on income tax losses from subsidiaries	162,913

As of 31 December 2023 the amount of recognised deferred tax assets on income tax losses amounted to 56.0 million euro whereas the amount of unrecognised deferred tax assets on income tax losses amounted to 106.9 million euro.

Joint ventures and associates (Share of the Group):

	2023	2022
(in thousands of euro)		
Recognised income tax losses	39,287	190
<i>Deferred tax assets on recognised income tax losses</i>	<i>7,884</i>	<i>48</i>
Unrecognised income tax losses	33,219	39,196
<i>Deferred tax assets on unrecognised income tax losses</i>	<i>6,297</i>	<i>8,053</i>
Total (un)recognised income tax losses from joint ventures and associates	72,506	39,386
<i>Total (un)recognised deferred tax assets from joint ventures and associates</i>	<i>14,181</i>	<i>8,101</i>

Tax attributes

Unrecognised deferred tax assets on tax attributes

	2023
(in thousands of euro)	
Tax credits	7,443
Deferred depreciations	5,474
Investment deduction	2,787

Deferred tax assets have not been recognised in view of the uncertain character of the recovery.

Pillar Two

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which DEME operates (ao. Belgium). Ackermans en van Haaren NV (AvH NV) is the Ultimate Parent Entity ('UPE') for Pillar Two purposes of DEME 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 DEME Group 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 DEME 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, DEME will need to record part of the top-up-tax exposure in this jurisdiction in the financial statements of DEME Group.

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

Note 12 – Inventories

For the year ended 31 December

	2023	2022
(in thousands of euro)		
Raw materials	9,163	2,779
Consumables	22,852	22,917
Total inventories	32,015	25,696
Movement of the year recorded in statement of income (+ is credit)	6,319	13,528

Inventories can be split into Raw materials and Consumables. **Raw materials** are mainly related to ballast & dredged material and sand from the marine aggregate business within the segment "Dredging & Infra". **Consumables** mainly consist out of fuel, auxiliary materials, and spare parts.

The movement of the year of consumables is impacted by the moment of refueling of the vessels and the fuel usage up till closing date. Also the start-up of projects and preparation of the fleet can impact this movement.

No inventories are pledged as security for liabilities.

Note 13 – Contract assets and contract liabilities

For the year ended 31 December

Contract assets and **contract liabilities** relate in compliance with IFRS 15 *revenue from contracts with customers* to the work in progress of construction projects executed by the Group and services rendered. Work in progress shows the balance of revenue recognised on those contracts less progress billings, advance payments and provisions for expected losses. **Advances received** are amounts received by the Group before the related work is performed. The Group presents those separately from other contract liabilities.

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 revenue is paid with an advance received at the beginning of the project followed by milestone payments after execution of the work and approval by the client.

(in thousands of euro / (-) is credit)	2023	2022
Contract assets	633,027	344,751
Contract liabilities	-447,363	-323,300
Advances received	-84,486	-72,539
Net balance	101,178	-51,088

Contract assets are the Group's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. A contract asset arises when the Group performed works for a customer that are recognised as revenue to date but are not yet invoiced or paid. As such the revenue recognition reflects the rate at which the Group's performance obligations are fulfilled corresponding to the transfer of control of a good or service to the customers. When there is no transfer of control throughout the contract, revenue is still recognised *over time*, based on the fact that the asset created has no alternative use, as well as the fact that the Group has an enforceable right to the payment for performance completed to date. Contract assets turn into receivables when those works are accepted by the client.

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. A contract liability arises when the Group has invoiced the customer or received payment from them while the work was not done yet and the invoices and/or payments exceed the revenue recognised to date. Provisions are recognised for expected losses on work in progress as soon as they are foreseen and if necessary, any profit already recognised is reversed. Those provisions are also recognised as contract liabilities for an amount of 54.2 million euro as of 31 December 2023, compared to 24.8 million euro at the end of 2022.

The determination of estimated profit (or loss) is based on estimated costs and revenues of the related projects and for profitable projects only, in proportion to the stage of completion. These estimates and judgements may contain some uncertainties.

2023 contract assets and contract liabilities by segments

(in thousands of euro / (-) is credit)

2023 Contract assets	Balance at 1 January	Business-related changes (*)	Changes in consolidation scope	Balance at 31 December
Offshore Energy	102,561	131,981	-	234,542
Dredging & Infra	202,297	149,898	-	352,195
Environmental	39,893	6,397	-	46,290
Concessions	-	-	-	-
Total	344,751	288,276	-	633,027

2023 Contract liabilities	Balance at 1 January	Business-related changes (*)	Changes in consolidation scope	Balance at 31 December
Offshore Energy	-231,791	-75,038	-	-306,829
Dredging & Infra	-83,567	-41,171	-	-124,738
Environmental	-7,942	-7,854	-	-15,796
Concessions	-	-	-	-
Total	-323,300	-124,063	-	-447,363

2023 Advances received	Balance at 1 January	Business-related changes (*)	Changes in consolidation scope	Balance at 31 December
Offshore Energy	-53,098	1,930	-	-51,168
Dredging & Infra	-18,968	6,702	-	-12,266
Environmental	-473	-20,579	-	-21,052
Concessions	-	-	-	-
Total	-72,539	-11,947	-	-84,486

2023 Net balance	Balance at 1 January	Business-related changes (*)	Changes in consolidation scope	Balance at 31 December
Offshore Energy	-182,328	58,873	-	-123,455
Dredging & Infra	99,762	115,429	-	215,191
Environmental	31,478	-22,036	-	9,442
Concessions	-	-	-	-
Total	-51,088	152,266	-	101,178

(*) "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.

Given the high activity of the year, a positive impact on the net balance above is noted, reflected in a higher increase of contract assets compared to the increase in contract liabilities and advance payments. Contract liabilities further increased compared to 31 December 2022, amongst other also due to the loss to completion (included in contract liabilities) for some Offshore projects that has been accounted for in the 2023 figures. These losses to completion have been partially offset by the expected future turnover and specific variation orders, that are pending approval and completion, but that are assessed in line with IAS 37 *provisions contingent liabilities and contingent assets* and supported by solid legal opinions. The increase in advances received within Environmental mainly relates to the recent win in Feluy in Belgium where a brownfield will be remediated and transformed into an industrial estate in collaboration with public and private partners.

As a result of the high number of individual projects (with all different aspects regarding nature, type of clients, contract and payment conditions) a more in-depth description of changes in contract assets and contract liabilities compared to prior year is not deemed relevant.

Around 58% of the performance obligations, meaning the turnover to be executed in the upcoming years regarding the current ongoing construction contracts for which contract assets and contract liabilities are booked, is expected to be fulfilled by the Group next year, followed by 29% in 2025, 9% in 2026 and 4% beyond. The related contract assets and contract liabilities as of 31 December 2023 are expected to follow a similar timing for run-off.

2022 contract assets and contract liabilities by segments

(in thousands of euro / (-) is credit)

2022 Contract assets	Balance at 1 January	Business-related changes	Changes in consolidation scope	Balance at 31 December
Offshore Energy	68,174	34,387	-	102,561
Dredging & Infra	239,379	-37,082	-	202,297
Environmental	19,132	20,761	-	39,893
Concessions	-	-	-	-
Total	326,685	18,066	-	344,751

2022

Contract liabilities	Balance at 1 January	Business-related changes	Changes in consolidation scope	Balance at 31 December
Offshore Energy	-51,075	-180,716	-	-231,791
Dredging & Infra	-124,693	41,126	-	-83,567
Environmental	-5,327	-2,615	-	-7,942
Concessions	-	-	-	-
Total	-181,095	-142,205	-	-323,300

2022

Advances received	Balance at 1 January	Business-related changes	Changes in consolidation scope	Balance at 31 December
Offshore Energy	-79,490	26,392	-	-53,098
Dredging & Infra	-20,464	1,496	-	-18,968
Environmental	-1,113	640	-	-473
Concessions	-	-	-	-
Total	-101,067	28,528	-	-72,539

2022

Net balance	Balance at 1 January	Business-related changes	Changes in consolidation scope	Balance at 31 December
Offshore Energy	-62,391	-119,937	-	-182,328
Dredging & Infra	94,222	5,540	-	99,762
Environmental	12,692	18,786	-	31,478
Concessions	-	-	-	-
Total	44,523	-95,611	-	-51,088

Note 14 – Trade and other operating receivables

For the year ended 31 December

(in thousands of euro)	2023	2022
Trade receivables gross amount	458,784	424,476
Amounts written off	-10,864	-13,018
Trade receivables net amount	447,920	411,458
Corporation taxes	25,937	21,593
Value added tax (VAT)	27,344	27,642
Other operating receivables	12,842	8,836
Total trade and other operating receivables	514,043	469,529

At 31 December 2023, **trade and other operating receivables** amounts to 514.0 million euro, compared to 469.5 million euro at year-end 2022. The increase of the year is mainly related to an increase in activity but also due to the progress of major projects and the timing of invoicing as contract assets are transferred to receivables upon acceptance by the client. The increase in outstanding trade receivables is by all means not caused by an increase in overdue amounts.

The ageing balance of outstanding trade receivables is more elaborated in note (20). The Group carries out a diversity of projects, all with different aspects regarding e.g. nature and scope, type of clients, type of contract, payment conditions and geographical location. A large part of the consolidated turnover is realised through public or semi-public sector customers and is spread out over a large number of clients. The level of counterparty risk is also limited by examining clients solvency prior to finalising contracts and by putting the required payment guarantees in place (including credit insurance policies with public service credit insurers such as Credendo and private credit insurers, bank guarantees and through letters of credit).

For **current income tax receivables** reference is made to note (11).

Other operating receivables mainly relate to amounts due from joint ventures, current accounts with consortium partners and personnel advances. Other operating receivables also includes the short-term part of 1.2 million euro of the long-term loan of 10 million euro that was granted to the buyer of the 'Thor' vessel in 2022. Reference is made to note (10) other non-current assets.

Note (27) related party disclosures summarises amongst others all receivables and payables towards joint ventures and associates.

Note 15 – Assets held for sale

For the year ended 31 December

(in thousands of euro)	2023	2022
Balance at 1 January	31,997	32,456
Movements during the year		
Additions	1,630	31,997
Disposals	-31,997	-32,456
Balance at 31 December	1,630	31,997

According to IFRS 5 *non-current assets held for sale and discontinued operations* the following conditions must be met for an asset (or 'disposal group') to be classified as held for sale:

- management is committed to a plan to sell
- the asset is available for immediate sale
- an active programme to locate a buyer is initiated
- the sale is highly probable, within 12 months of classification as held for sale
- the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value
- actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn

Per 30 June 2023, DEME management was of the opinion that all of the conditions had been fulfilled and a sale for the workshop in Zeebrugge would be highly probable within the next 12 months. The net book value of the workshop amounted to 1.6 million euro and was as such presented as an asset held for sale. All of the above conditions remained the same as per 31 December 2023.

Last year at 31 December 2022, DEME management decided that all of the conditions were fulfilled and that a sale within the next 12 months was highly probable for the vessel 'Groenewind' within the Offshore Energy segment. The net book value of the vessel at that time was 32.0 million euro, which was the lower of the carrying amount and fair value at closing date. The vessel was sold in July 2023 resulting in a gain on disposal that is included in 'other operating income' (note (2)).

Note 16 – Other current assets

For the year ended 31 December

(in thousands of euro)	2023	2022
Deferred charges and accrued income	63,767	100,950
Environmental landfill volume reservation fee	1,059	8,320
Advance payments on purchases and cost of material regarding construction contracts	5,582	14,963
Other current assets	70,408	124,233

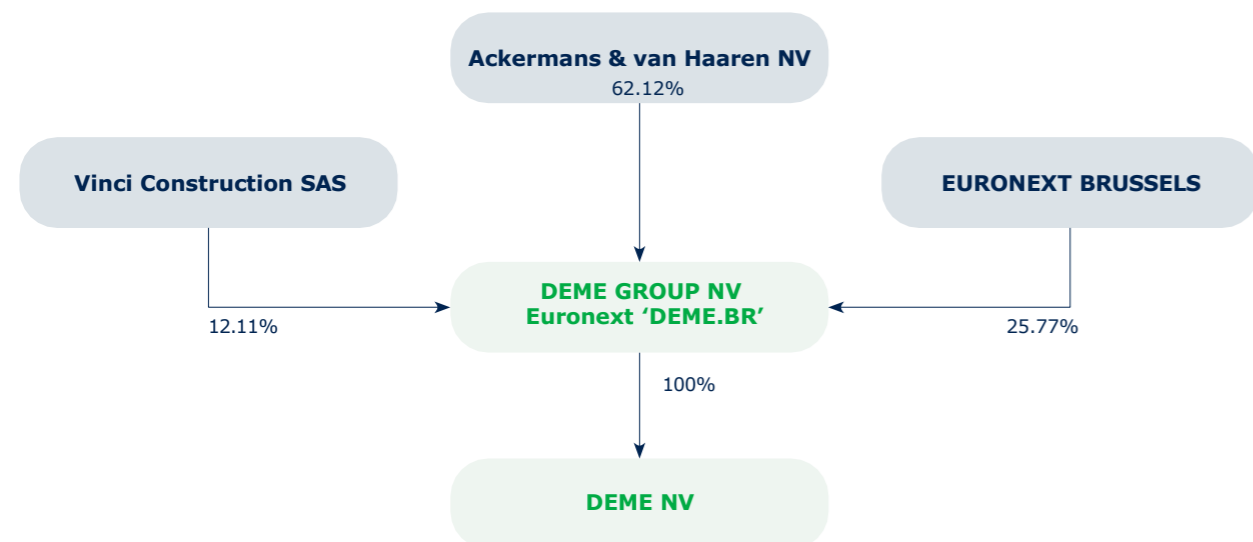
Deferred charges and accrued income include amongst others deferred hedge charges for construction contracts, only for their percentage not completed. The hedge charges of construction contracts are recorded as construction cost for the percentage completed. The decrease in 2023 compared to 2022 is mainly related to the decrease in deferred hedge charges for the offshore energy contracts in the US.

The decrease in **advance payments on purchases and cost of material regarding constructions contracts** for costs not incurred is mainly related to the offshore energy contracts in the US that are now up and running.

Note 17 – Share capital, dividends and reserves

Shareholder structure and share capital

At 31 December 2023, the shareholder structure of DEME Group NV is as follows:



Per 31 December 2023, the share capital of DEME Group NV amounts to 33,193,861 euro and is represented by 25,314,482 ordinary shares without nominal value. The owners of ordinary shares have the right to receive dividends and all shares are of the same class and are entitled to one vote per share in Shareholders' General Meetings.

DEME Group NV shares are listed on Euronext Brussels under the symbol "DEME BR" with ISIN code BE 0974413453. The first day of trading was 30 June 2022. DEME Group's securities are only admitted to trading in Belgium. DEME Group NV is 100 % shareholder of DEME NV. Until 29 June 2022, DEME NV's 100 % shareholder was the Brussels-based civil engineering contractor CFE NV (XBRU BE 0003883031), which is controlled (62.12%) by the Belgian investment Group Ackermans & van Haaren NV (XBRU BE 0003764785). Both CFE NV and Ackermans & van Haaren NV are publicly listed companies on Euronext Brussels.

On 29 June 2022, CFE NV, transferred its 100 % stake in DEME NV to a new company, DEME Group NV, by means of a partial demerger and as such the DEME Group became listed as well. At the date of the demerger, the participation in DEME NV was the only asset of the company booked against equity.

At 31 December 2023, the shareholders of DEME Group NV holding 5% or more of total voting rights for the shares they hold are:

Ackermans & van Haaren NV
15,725,684 shares (or 62.12%)
Begijnenvest, 113
B-2000 Antwerp (Belgium)

VINCI Construction SAS
3,066,460 shares (or 12.11%)
1973, Boulevard de la Défense
F-92757 Nanterre Cedex (France)

Dividends

All of the Shares will entitle a holder thereof to an equal right to participate in dividends. All of the Shares participate equally in the Company's profits (if any). Subject to the Company's earnings, financial condition, capital requirements and other factors considered important by the Board of Directors, the availability of distributable reserves and the approval by the Shareholders' meeting, the Company intends to declare and distribute an annual non-cumulative dividend to its shareholders based on a target pay-out ratio of 33% of the Group's net profit. There can be no assurance as to whether dividends or similar payments will be paid out in the future nor, if they are paid, as to their amount.

For 2023, the Board of Directors will propose to the General Assembly, on 15 May 2024, to distribute a gross dividend of 2.1 euro (1.47 euro net) per share, an increase of 40% compared to last year. Subject to the approval of the General assembly, the record date is proposed to be set at 22 May 2024 and payment date on 27 May 2024.

For 2022, the General Assembly of 17 May 2023 approved the distribution of a gross dividend of 1.5 euro (1.05 euro net) per share. This dividend was paid on 10 July 2023 for a total amount of 37,971,723 euro.

The Company recognises a liability to pay a dividend once the distribution is authorized. A corresponding amount is recognised directly in equity.

Retained earnings and other reserves

The consolidated statement of changes in equity is presented earlier in this report. In the table below, further detail is given about the movement of the period in **retained earnings and other reserves**.

2023 (in thousands of euro)	Parent company reserves before profit distribution						
	Revaluation surplus	Legal reserves	Untaxed reserves	Available reserves	Retained earnings	Consolidation reserves	Retained earnings and other reserves
Balance at 1 January 2023	487,400	3,319	1,716	1,914	55,625	668,298	1,218,272
Parent company result 2022					49,818	-49,818	-
Dividends paid					-37,972		-37,972
Result Share of the Group						162,762	162,762
Other						68,689	68,689
Balance at 31 December 2023	487,400	3,319	1,716	1,914	67,471	849,931	1,411,751

Reference is made to section changes in the consolidation scope for more information on the amount 68.7 million euro included in the line 'other'.

2022 (in thousands of euro)	Parent company reserves before profit distribution						
	Revaluation surplus	Legal reserves	Untaxed reserves	Available reserves	Retained earnings	Consolidation reserves	Retained earnings and other reserves
Balance at 1 January 2022		3,111	28,922	3,270	267,027	1,316,494	1,618,824
Parent company result 2021					79,217	-79,217	-
Dividends paid					-40,843		-40,843
Result Share of the Group						112,720	112,720
Other	487,400	208	-27,206	-1,356	-249,776	-681,699	-472,429
Balance at 31 December 2022	487,400	3,319	1,716	1,914	55,625	668,298	1,218,272

The line 'other' relates to the fact that since 29 June 2022, there is a new parent company DEME Group NV on top of DEME NV, that was the parent company of the Group at the beginning of 2022. The retained earnings and other reserves at the end of 2022 are those of the new parent company DEME Group NV.

Note 18 – Earnings per share

For the year ended 31 December

(in thousands of euro)	2023	2022
Result for the period from continuing operations - Share of the Group	162,762	112,720
Result for the period - Share of the Group	162,762	112,720
Comprehensive income - Share of the Group	125,808	215,248
Number of ordinary shares at balance sheet date	25,314,482	25,314,482
Earnings per share, based on the number of ordinary shares at the end of the period (both basic and diluted) in euro:		
Earnings per share from continuing operations (Share of the Group)	6.43	4.45
Earnings per share (Share of the Group)	6.43	4.45
Comprehensive income (Share of the Group) per share	4.97	8.50

Basic earnings per share is calculated by dividing the 'result for the period-Share of the Group' attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Note 19 – Non-controlling interests

For the year ended 31 December

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion at year-end of equity interest held by non-controlling interests:

Name	Country of incorporation of the parent company	2023	2022
DEME Environmental NV and affiliates	Belgium	25.10%	25.10%
CTOW NV and affiliates	Belgium	45.62%	45.62%
GSR NV and affiliates	Belgium	15.70%	0.00%

Reference is made to the section group structure and changes in the reporting period. No changes incurred in non-controlling interests for DEME Environmental NV and CTOW NV and their affiliates. In 2023, regarding GSR NV, the Group entered into a strategic cooperation with Transocean Ltd (NYSE: RIG), a global leader in the offshore drilling industry. As part of its investment, Transocean Ltd contributed the ultra-deepwater drilling vessel 'Ocean Rig Olympia', valued at 85 million USD, for GSR's ongoing exploration work. Next to that, a cash investment of 10 million USD (9.4 million euro) as well as engineering capacity was contributed. In return, Transocean Ltd received a minority stake of 15.7%, including a board seat in GSR.

Equity attributable to non-controlling interests:

(in thousands of euro)	2023	2022
DEME Environmental NV and affiliates	26,040	18,861
CTOW NV and affiliates	3,003	2,684
GSR NV and affiliates	19,513	-
Other	1,781	773
Total non-controlling interests at 31 December	50,337	22,318

Result attributable to non-controlling interests:

(in thousands of euro)	2023	2022
DEME Environmental NV and affiliates	8,302	3,722
CTOW NV and affiliates	286	-335
GSR NV and affiliates	-880	0
Other	1,123	-716
Total result attributable to non-controlling interests	8,831	2,671
Other comprehensive income attributable to non-controlling interests	-316	497
Total comprehensive income attributable to non-controlling interests	8,515	3,168

DEME Environmental NV and affiliates demonstrate an improved profitability compared to 2022, partially driven by a favorable settlement on a completed project, which explains the increase in result attributable to non-controlling interests from 2.7 million euro to 8.8 million euro at 31 December 2023.

The summarised financial information of these subsidiaries that have material non-controlling interests is provided below. This information is based on amounts before intercompany eliminations.

Summarised financial information 2023	DEME Environmental NV and affiliates	CTOW NV and affiliates	GSR NV and affiliates
(in thousands of euro) (100% standalone amounts)			
Financial position			
Non-current assets	88,466	31,129	107,075
Current assets	274,911	6,930	21,192
Equity	103,983	6,670	124,162
Non-current liabilities	25,081	20,641	-3,563
Current liabilities	234,313	10,748	7,668
Statement of income			
Revenues	335,563	9,380	3,520
Result for the period	32,295	626	-5,604
<i>Share of the Group</i>	23,993	340	-4,724
<i>Non-controlling interests</i>	8,302	286	-880
Other comprehensive income	-996	87	-2
<i>Share of the Group</i>	-748	48	-2
<i>Non-controlling interests</i>	-248	39	0
Total comprehensive income	31,299	713	-5,606
<i>Share of the Group</i>	23,245	388	-4,726
<i>Non-controlling interests</i>	8,054	325	-880

Summarised financial information
2022

(in thousands of euro) (100% standalone amounts)

	DEME Environmental NV and affiliates	CTOW NV and affiliates
Financial position		
Non-current assets	77,622	35,344
Current assets	193,173	6,284
Equity	73,929	5,971
Non-current liabilities	21,057	25,083
Current liabilities	175,809	10,574
Statement of income		
Revenues	228,920	9,626
Result for the period	13,509	-735
<i>Share of the Group</i>	9,787	-400
<i>Non-controlling interests</i>	3,722	-335
Other comprehensive income	790	-489
<i>Share of the Group</i>	585	-266
<i>Non-controlling interests</i>	205	-223
Total comprehensive income	14,299	-1,224
<i>Share of the Group</i>	10,372	-666
<i>Non-controlling interests</i>	3,927	-558

Note 20 – Interest-bearing debt and net financial debt

For the year ended 31 December

Net financial debt as defined by the Group

(in thousands of euro / (-) is debit)	2023			2022		
	Non-current	Current	Total	Non-current	Current	Total
Subordinated loans	677	-	677	677	-	677
Lease liabilities (note (22))	86,208	27,650	113,858	76,383	24,960	101,343
Credit institutions	564,634	191,093	755,727	711,441	227,910	939,351
<i>Long-term loan facility 1</i>	-	6,286	6,286	6,286	31,315	37,601
<i>Long-term loan facility 2</i>	5,295	14,181	19,476	19,476	31,408	50,884
<i>Long-term loan facility 3</i>	78,125	31,250	109,375	109,375	31,250	140,625
<i>Long-term loan facility 4</i>	112,858	44,196	157,054	157,054	44,196	201,250
<i>Long-term loan facility 5</i>	302,500	55,000	357,500	357,500	55,000	-
<i>Asset-based loan 1 (*)</i>	-	-	-	100	2,344	2,444
<i>Asset-based loan 2 (*)</i>	-	-	-	100	3,813	3,913
<i>Asset-based loan 3</i>	100	3,566	3,666	3,666	3,566	7,232
<i>Asset-based loan 4</i>	1,230	4,192	5,422	5,423	4,192	9,615
<i>Asset-based loan 5</i>	12,660	12,560	25,220	25,220	12,560	37,780
<i>Asset-based loan 6</i>	10,275	8,500	18,775	18,775	6,225	25,000
<i>Asset-based loan 7</i>	22,525	7,475	30,000	-	-	-
<i>Asset-based loan 8</i>	12,680	1,806	14,486	-	-	-
<i>Other long-term bank loans</i>	6,386	2,081	8,467	8,466	2,041	10,507
Other long-term loans	1,004	-	1,004	1,404	-	1,404
Short-term credit facilities	-	30,000	30,000	-	-	-
<i>Short-term bank loans</i>	-	-	-	-	-	-
<i>Short-term commercial paper</i>	-	30,000	30,000	-	-	-
Total interest-bearing debt	652,523	248,743	901,266	789,904	252,870	1,042,774
Short-term deposits	-	-109,576	-109,576	-	-31,646	-31,646
Cash at bank and in hand	-	-279,508	-279,508	-	-490,615	-490,615
Total cash and cash equivalents	-	-389,084	-389,084	-	-522,261	-522,261
Total net financial debt	652,523	-140,341	512,182	789,904	-269,391	520,513

(*) Early repayment in 2023. Initial maturity till 2027 for both loans.

To finance the DEME Group capital expenditure (vessels and other equipment), equity participations (e.g. by DEME Concessions) and acquisitions, DEME sources its funding mainly through term loan facilities, which are available for general corporate purposes as well as through asset-based loans.

Currently, DEME Coordination Center NV, which serves as in-house bank financing the DEME-entities, has term loan facilities with eleven different commercial banks. Same as for the revolving credit facilities, the documentation is signed bilaterally (no club deal), catering for optimal financing conditions and maximum flexibility. The term loan facility documentation is identical for all banks, apart from the amount, tenor and commercial conditions.

The net financial debt of -512 million euro as of 31 December 2023 was essentially unchanged from year-end 2022. However, compared to 30 June 2023, net financial debt was 203 million euro lower mainly due to a strong cash flow generation in the second half of the year. Net debt over EBITDA at the end of 2023 was 0.86 compared to 1.09 a year ago.

In 2023, no new long-term loan facilities were added, only two asset-based loans. For reference, in 2022, additional term loan facilities totalling 440 million euro were received with amortisation scheduled over eight years.

The total subordinated loan is contracted by entity Combined Marine Terminal Operations Worldwide NV (CTOW) and includes the part due to the partners in the company. As per contract modalities no fix instalments are due, therefore the loan is reported as long-term debt and will only be reported as short-term debt in the year before the maturity date.

To realise DEME's ambitious sustainability goals in all aspects of its activities, the Group converted its long-term financing into sustainability-linked loans in the course of 2022. This commitment underlines DEME's vision of achieving a sustainable future and at the end of 2023 the sustainability linked loans amount to 649.7 million euro. The commercial terms of those loans are directly linked to DEME's sustainability performance in two areas: (1) safety at work (calculation of worldwide LTIFR) and (2) use of low-carbon fuel, which are in line with two material topics of its current ESG materiality matrix. Meeting or not meeting the targets that are set for the key performance indicators (KPIs) have an impact on the interest margins applied to the sustainability-linked loans. In 2023, DEME achieved the goal for both KPI's.

(in thousands of euro)	Initial amount	Dating from	Maturity till
Long-term loan facilities			
Long-term loan facility 1	435,000	2015-2017	2024
Long-term loan facility 2	240,000	2018	2025
Long-term loan facility 3	250,000	2019	2027
Long-term loan facility 4	350,000	2019	2027
Long-term loan facility 5	440,000	2022	2030
	1,715,000		
Asset-based loans			
Asset-based loan 1 (*)	18,848	2019	2023
Asset-based loan 2 (*)	15,352	2019	2023
Asset-based loan 3	14,364	2020	2028
Asset-based loan 4	18,000	2020	2028
Asset-based loan 5	50,340	2021	2029
Asset-based loan 6	25,000	2022	2030
Asset-based loan 7	30,000	2023	2031
Asset-based loan 8	14,486	2023	2031
	186,390		

(*) Early repayment in 2023. Initial maturity till 2027 for both loans.

The interest rate of the long-term loan facilities is based on EURIBOR plus a margin which is updated each semester based on DEME's leverage ratio. The interest rate risk resulting from this floating interest rate base, is hedged through interest rate swaps (note (2.1)). The interest rate of the asset-based loans is fixed. Next to the long-term loan facilities and asset-based loans, DEME has lease liabilities and other long-term loans.

Debt maturity schedule of total long-term interest-bearing debt

(in thousands of euro)	More than 5 years	Between 1 and 5 years	Less than one year	Total
Subordinated loans	-	677	-	677
Lease liabilities	42,526	43,682	27,650	113,858
Credit institutions	83,136	481,498	191,093	755,727
Other long-term loans	-	1,004	-	1,004
Total long-term interest-bearing debt	125,662	526,861	218,743	871,266

Bank debt securities

(in thousands of euro)	2023			2022		
	Non-current	Current	Total	Non-current	Current	Total
Guaranteed debt	564,634	191,093	755,727	711,441	227,910	939,351
Secured debt	-	-	-	-	-	-
Unguaranteed-unsecured debt	87,889	57,650	145,539	78,463	24,960	103,423
Total interest-bearing debt	652,523	248,743	901,266	789,904	252,870	1,042,774

In contrast to DEME's previous asset financing approach prior to 2015, which involved seeking individual banks (or a few banks) for each investment and offering tangible securities to secure the loans (such as vessel mortgages), the long-term loan facilities and asset-based loans listed above do not require any securities other than the guarantee provided by the Group's parent company. This strategy provides maximum flexibility concerning the underlying assets, enabling intragroup sales and reflagging as per project requirements.

Cash flow related to interest-bearing debt

Total interest-bearing debt		2023	2022
(in thousands of euro)			
Balance at 1 January		1,042,774	921,310
Cash movements as per cash flow from financial activities			-
Movements during the year	New interest-bearing debt	74,486	465,000
	Repayment of interest-bearing debt	-260,894	-380,488
Non-cash movements			
Movements during the year	Assumed in business combinations	-	-
	IFRS 16 leases	44,900	36,952
	Other	-	0
Balance at 31 December		901,266	1,042,774

The non-cash movement related to IFRS 16 leases is the net of new lease contracts and disposal of lease contracts that has no cash impact but that is included in the movement of the year of interest-bearing debt.

Cash and cash equivalents

Cash and cash equivalents relate to cash and cash equivalents centralised at DEME's internal bank, DEME Coordination Center NV, but also at operational subsidiaries and joint operations. Therefore, a portion of the consolidated cash and cash equivalents is not always immediately available as a result of transfer restrictions, joint control (in joint operations) or other legal restrictions.

At 31 December 2023, the amount of cash available at DEME's internal bank ready for use by the Group amounts to 101 million euro out of 389 million euro cash and cash equivalents. As such an amount of 288 million euro is not immediately available for use. At the end of 2022 the cash that was immediately available at DEME's internal bank amounted to 314 million euro out of 522 million euro cash and cash equivalents, resulting in 208 million euro cash not immediately available for use.

Credit facilities and bank term loans

Revolving credit facilities are contracted by DEME Coordination Center NV with four different commercial banks, all being relationship banks for DEME. At 31 December 2023, the Group has 110 million euro available but undrawn bank credit facilities (2022: 125 million euro). In addition, at year-end 2023 the Group had an outstanding issued amount of commercial paper for 30 million euro (2022: none). DEME has the possibility to issue commercial paper for amounts up to 250 million euro in total, compared to a lower amount of 125 million euro last year. The commercial paper programme is accommodated by three agents (banks) that place DEME debt with external investors in tranches of different sizes and for tenors ranging from a few weeks up to maximum one year.

Financial covenants

Bilateral loans are subject to specific covenants. The same set of financial covenants as for the revolving credit facilities is applicable for the long-term loan facilities. At both 31 December 2023 and 2022 the Group complies with the solvency ratio (>25%), the debt/EBITDA ratio (<3), and the interest cover ratio (>3), that were agreed upon within the contractual terms of the loans received.

The **solvency ratio** that should be higher than 25% is computed as shareholders' equity less intangible assets and goodwill divided by the balance sheet total. The solvency ratio at 31 December 2023 equals 39.4 % (2022: 38.1%).

The **debt/EBITDA ratio** computed as total net financial debt (without subordinated and other loans) divided by EBITDA, should be lower than 3. The debt/EBITDA ratio at 31 December 2023 amounts to 0.86 (2022: 1.09).

The **interest cover ratio** computed as EBITDA divided by net financial interest charges (interest charges less interest income), should be higher than 3. The interest cover ratio at 31 December 2023 is 50.2 (2022: 53.3).

Note 21 – Financial risk management and financial derivatives

For the year ended 31 December

The Group's financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing debt, trade and other payables and derivatives. Derivatives are designated exclusively as hedging instruments and not for trading or other speculative purposes. The Group is exposed to the following risks linked to financial instruments: **Market risk**, **Credit and Counterparty risk** and **Liquidity risk**.

Market risk

To finance its investments and activities, DEME frequently makes use of external finance, both on short and long-term. The extent of leverage may expose the Group to various risks, including increasing its vulnerability to downturns or adverse changes in general economic, industry or competitive conditions and government regulations and requiring a substantial portion of its cash flows from operations to be dedicated to the payment of principal and interest on the Group's indebtedness, therefore reducing its ability to use its cash flows to fund its operations, capital expenditures and future business opportunities.

Market risk is defined to be the risk that captures changes in market price variations (foreign exchange rates, interest rates, fuel prices,...) that could affect the Group's income statement or the value of its assets and liabilities. The objective of market risk management is to manage and control market risk exposures and to keep the market risk position within acceptable boundaries while achieving the best possible return.

Market risk consists out of:

- interest rate risk
- currency risk
- price risk/commodity risk

Interest rate risk

DEME contracts considerable financing for the acquisition of its fleet and related capital expenditure. Interest rate risk can be defined as the extent to which the results or value of a financial transaction are affected by a change in market interest rates.

The interest rate risk management is centrally performed within the Group.

To achieve the best possible balance between financing costs and the volatility of the financial results for its long-term borrowings, DEME covers the vast majority of the risks of changes in the underlying floating interest rates through derivative financial instruments, mainly by using **interest rate swaps**. As for the uncovered part of the interest rate risks (which mainly relate to short-term borrowing if applicable) adverse changes in variable interest rates may lead to increases in the interest charges borne by DEME.

These hedging instruments generally equal the same notional amounts and generally have the same maturity dates as the hedged debts. As such the swaps are determined as an effective hedge of outstanding or anticipated borrowings and meet the hedge accounting requirements of IFRS 9. The fair values of the effective portion of the hedging instrument are therefore recognised directly in the other comprehensive income under hedge accounting treatment. The ineffective part of any gain or loss on the financial instrument will be taken in result.

A one-off basis swap was added in 2023 to several ongoing IRSs on Deme Coordination NV loans to optimise and follow a market opportunity at the time. The underlying loans as such were renegotiated from a 6-monthly interest payment to a 3-monthly one.

At closing date, the instruments qualified as cash flow hedges have the following characteristics:

2023 (in thousands of euro)	Non-current asset		Non-current liability		Current asset		Current liability		Total net balance fair value
	< 1 year	Between 1 and 2 years	Between 2 and 5 years	> 5 years	Notional amount				
Interest rate swaps	19,862	-	10,938	-	30,800				
	150,913	135,742	280,536	82,500	649,691				

Some joint ventures and associates finance significant assets such as infrastructure works, offshore windfarms or vessels and therefore also hold interest rate swaps (IRS). Per 31 December 2023, the other comprehensive income (OCI) of the current period includes an amount of +14.0 million euro compared to +28.2 million euro at the end of 2022 for DEME's share in the fair value of the IRSs of Rentel NV, C-Power NV, Seamade NV, Normalux SA, BAAK Blankenburg-Verbinding BV, SEMOP Port-La Nouvelle and CDWE Green Jade Ltd, net of deferred tax assets. The amount for 2023 is lower compared to 2022 due to the decrease of long-term interest rates.

At DEME the hedging instruments swap the variable interest rate into a fixed one as described in the tables below. Lease liabilities are not included in the tables below. Reference is also made to note (20) interest-bearing debt and net financial debt.

2023

(in thousands of euro)

Effective average interest rate before considering derivatives

Type of debts	Fixed Rate			Floating Rate			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Credit institutions, subordinated loans & other loans	107,717	78.22%	3.13%	649,691	100.00%	4.90%	757,408	96.19%	4.64%
Short-term credit facilities	30,000	21.78%	4.47%	-	0.00%	-	30,000	3.81%	4.47%
Total	137,717	100.00%	3.42%	649,691	100.00%	4.90%	787,408	100.00%	4.64%

Effective average interest rate after considering derivatives

Type of debts	Fixed Rate			Floating Rate			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Credit institutions, subordinated loans & other loans	757,408	96.19%	1.81%	-	0.00%	-	757,408	96.19%	1.81%
Short-term credit facilities	30,000	3.81%	4.47%	-	0.00%	-	30,000	3.81%	4.47%
Total	787,408	100.00%	1.91%	-	0.00%	-	787,408	100.00%	1.91%

As in 2022, the entire Group's outstanding long-term interest-bearing debt portfolio features a fixed interest rate character, mitigating the Group's exposure to interest rate fluctuations. The Group does not have interest rate hedges for its floating rate short term borrowings, done via placement of commercial paper and utilisation of its revolving credit facilities. Consequently, the amount and interest rate for short-term credit facilities, both before and after accounting for derivatives, remain unchanged, as illustrated in the table above.

2022

(in thousands of euro)

Effective average interest rate before considering derivatives

Type of debts	Fixed Rate			Floating Rate			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Credit institutions, subordinated loans & other loans	98,572	100.00%	1.75%	842,860	100.00%	3.01%	941,432	100.00%	2.88%
Short-term credit facilities	-	0.00%	-	-	0.00%	-	-	0.00%	0.00%
Total	98,572	100.00%	1.75%	842,860	100.00%	3.01%	941,432	100.00%	2.88%

Effective average interest rate after considering derivatives

Type of debts	Fixed Rate			Floating Rate			Total		
	Amounts	Quota	Rate	Amounts	Quota	Rate	Amounts	Quota	Rate
Credit institutions, subordinated loans & other loans	941,432	100.00%	1.58%	-	0.00%	-	941,432	100.00%	1.58%
Short-term credit facilities	-	0.00%	-	-	0.00%	-	-	0.00%	0.00%
Total	941,432	100.00%	1.58%	-	0.00%	-	941,432	100.00%	1.58%

Total effective average interest rate after hedge increased from 1.58% at year-end 2022 to 1.91% at 31 December 2023, although outstanding debt (excl. lease debt) decreased compared to last year. Older IRSs are winding down, which may now reflect the weight of the latest 'more expensive' loans. New asset-based loans and the withdrawal of 440 million euro new term loan facilities in June 2022 were granted at higher interest rates compared to earlier ones.

Sensitivity to the interest rate risk

The Group could be subject to the risk of fluctuating interest rates for cash flows relating to financial instruments at floating rate that are not hedged. Though because of the fact that the entire Group's outstanding debt portfolio (short and long-term) after hedging, has a fixed interest rate character both at year-end 2023 as well as at 2022, the exposure of the Group to **interest rate fluctuations** is eliminated. As such an increase or decrease of EURIBOR with 50 base points at closing date (assumed that underlying figures remain constant over the year), will not have any impact on the current interest charges in the income statement.

The Group does not maintain a **hedging ratio** as an instruction as such, although the hedge ratio is kept as high as possible. As shown above, for the interest rate risk the ratio between fixed and floating interest rates even amounts to 100%. The funding activity with respect to the fully owned subsidiaries is fully centralised at Deme Coordination Center NV that has taken out long-term loans from various banks at floating rates, that are hedged accordingly. The amount of commercial paper issued at year-end 2023 is defined as short-term credit facility also at fixed rate.

The cash flow schemes that are hedged by means of IRSs are one on one identical to the cashflow schemes representing each individual loan contract. When **in-effectiveness** occurs, the hedge is being amended accordingly. When loans are taken out on an associate or joint venture level, DEME depends on the partner for hedging decisions.

Currency risk

DEME is exposed to risks associated with fluctuations in currency exchange rates. The Group's currency risk can be split into two categories: **translational** and **transactional** currency risk.

Translational currency risk

DEME's reporting currency is euro, however, given the Group's global operations, a significant portion of the Group's assets, liabilities, expenses and revenue are denominated in currencies other than euro. Such assets, liabilities, expenses and revenue are translated to euro at the applicable exchange rates to prepare the Group's consolidated financial statements. Therefore, fluctuations in exchange rates between euro and such other currencies affect the value of those items expressed in euro terms in the Group's consolidated financial statements. A change of one or more of the foreign currencies in which DEME's local subsidiaries operate against euro impacts its revenue and profitability expressed in euro terms accordingly. Changes in the euro values of the Group's consolidated assets and liabilities resulting from exchange rate movements may cause the Group to record foreign currency gains and losses through profit or loss, or through its cumulative translation adjustment reserve recognised in other comprehensive income and accumulated in equity. In 2023 the change in cumulative translation adjustment reserve amounts to -6.8 million euro compared to 3.1 million euro last year.

The main foreign currency companies contributing to the Group's turnover have USD, GBP, DKK, SGD, INR, MXN, and PLN as their currency. For 2023 these entities, especially in USD & GBP, even contributed 42% to the Group's turnover. For 2022 this was only 21%. The Group **does not** hedge against translational currency risk.

Some of the main exchange rates that have been used to convert the financial statements:

	Currency rates from foreign currency to EUR			
	31 December 2023		31 December 2022	
	Closing rate	Average rate	Closing rate	Average rate
AED	0.2467	0.2520	0.2545	0.2576
AOA	0.0011	0.0014	0.0019	0.0021
AUD	0.6171	0.6153	0.6366	0.6570
BRL	0.1867	0.1852	0.1768	0.1835
CAD	0.6841	0.6863	0.6896	0.7268
CNY	0.1277	0.1309	0.1355	0.1408
EGP	0.0293	0.0307	0.0378	0.0498
GBP	1.1534	1.1508	1.1303	1.1717
HKD	0.1160	0.1182	0.1197	0.1208
INR	0.0109	0.0112	0.0113	0.0121
JPY	0.0064	0.0066	0.0071	0.0073
MXN	0.0534	0.0522	0.0480	0.0472
MYR	0.1974	0.2036	0.2124	0.2157
NGN	0.0010	0.0016	0.0021	0.0022
OMR	2.3539	2.4053	2.4289	2.4587
PGK	0.2363	0.2499	0.2584	0.2615
PHP	0.0164	0.0166	0.0168	0.0174
PLN	0.2304	0.2208	0.2135	0.2139
QAR	0.2489	0.2539	0.2549	0.2592
RUB	0.0102	0.0111	0.0129	0.0143
SGD	0.6869	0.6898	0.6974	0.6876
TWD	0.0295	0.0298	0.0306	0.0319
UAH	0.0238	0.0251	0.0253	0.0294
USD	0.9061	0.9255	0.9344	0.9462
UYU	0.0232	0.0239	0.0234	0.0230
ZAR	0.0496	0.0505	0.0550	0.0577

Transactional currency risk

The global nature of DEME's activities means that payments made further to contracts may be in a variety of currencies, thus exposing DEME to exchange rate risks. Similarly, purchases and expenditure in foreign currencies also give rise to exchange rate risks. Most of the Group's purchases are typically transacted in euro or USD. This means that the Group will face a risk of exchange rate fluctuation when the sales are made in a different currency than the purchase. DEME may be unable to pass along increased costs to its customers.

- **Financing & Investing:** DEME's transactional currency risk regarding financing and investing activities could arise from financial loans denominated in currencies other than the euro.
 - The financing transactional currency risk can be considered to be nil for the outstanding long-term debt (without considering lease debts which are mainly in euro).
 - Long-term loans given to joint ventures & associates (recorded as other non-current financial assets note (10) are in euro, except for ScotWind OWF-project (in GBP), minimising the exposure on transactional currency risk.
 - Capital funding in euro in joint ventures and associates denominated in other currencies (e.g. CDWE Taiwan Ltd) is subject to the translational currency risk as described above.

(in thousands of euro)	2023	2022
EUR	757,408	941,432
USD	-	-
Other currencies	-	-
Total long-term debt (*)	757,408	941,432

(*) Lease liabilities are not included. Total long-term debt also includes the current portion of the long-term debt (note (20))

- **Operational activities:** Given the international character of its business operations and the execution of contracts in foreign currency, DEME is exposed to currency risks. DEME's transactional foreign currency risk arises from commercial flows denominated in currencies other than euro.
 - In 2023, 65% of the Group's turnover was contracted in EUR followed by USD, GBP, DKK, INR, SGD, MXN and PGK. In 2022 this was 79% in EUR, followed by USD, SGD, INR, GBP, DKK, BRL and UYU.
 - The Group's expenses are mainly in euro. To a lesser extent costs are charged in a currency not equal to the euro or in the currency of a country in which our activities are performed.
 - The residual foreign currency risk is assessed on a case-by-case basis and, if necessary, DEME uses forward exchange contracts to hedge its residual foreign currency risk on projected net commercial flows denominated in currencies other than the euro. The fair value variation of exchange rate instruments is considered as construction costs. This variation is presented as an operating result.
- Exchange rate risk for large projects and large investments are hedged as much as possible, also for smaller volumes hedging is taken out in most cases. When **in-effectiveness** occurs due to timing mismatches, the FX-trades are being rolled to the future. Ineffectiveness in terms of volumes is in most cases an underhedge. When overhedge occurs due to underlying flow being cancelled or being paid in other currency than the hedged currency, the hedge will be amended accordingly.

The following tables disclose the fair value and the notional amount of exchange rate instruments (forex hedges) issued (forward sales/purchase agreements) (+ is asset / - is liability):

2023					Total net balance
(in thousands of euro)	Non-current asset	Non-current liability	Current asset	Current liability	fair value
Forex hedges	2,198	-22,953	2,198	-20,324	-38,881

2022					Total net balance
(in thousands of euro)	Non-current asset	Non-current liability	Current asset	Current liability	fair value
Forex hedges	68	-53,661	2,481	-30,404	-81,516

2023	Market value			Notional amount		
	(in thousands of euro)			(in thousands of foreign currency)		
Currency	Forward purchase	Forward sale	Total amount	Forward purchase	Forward sale	Total amount
USD	-334	-38,480	-38,814	-115,591	1,076,271	960,680
GBP	-30	-	-30	-9,406	1,183	-8,223
AED	-	49	49	-	29,437	29,437
AUD	11	-	11	-10,602	300	-10,302
DKK	-	-1	-1	-	10,641	10,641
SGD	72	-62	10	-63,301	19,202	-44,099
INR	-	-93	-93	-	2,058,750	2,058,750
MYR	-	-13	-13	-4,614	4,614	-
Balance at 31 December	-281	-38,600	-38,881			

2022	Market value			Notional amount		
	(in thousands of euro)			(in thousands of foreign currency)		
Currency	Forward purchase	Forward sale	Total amount	Forward purchase	Forward sale	Total amount
USD	463	-81,219	-80,756	-118,110	1,176,483	1,058,373
GBP	-91	177	86	-6,645	5,400	-1,245
AED	-	3	3	-	7,841	7,841
AUD	8	-	8	-5,407	-	-5,407
INR	-	113	113	-	505,000	505,000
SEK	-	-	-	-2	-	-2
DKK	1	-	1	-8,180	1,275	-6,905
SGD	-580	-	-580	-105,339	-	-105,339
JPY	-	-	-	-10,008	-	-10,008
EGP	-	-369	-369	-	150,000	150,000
NOK	-20	-	-20	-24,645	-	-24,645
Balance at 31 December	-221	-81,295	-81,516			

Sensitivity

Sensitivity to currency fluctuations is mainly related to the evolution of a portfolio of foreign currencies versus the euro.

The fair value of foreign currency monetary items is impacted by currency fluctuations. In order to eliminate most of these effects in foreign currencies, the Group uses monetary items and/or derivative financial instruments as described above, which are meant to offset the impact of such results to a major extent.

The following analysis is performed supposing that the amount of financial assets/liabilities and derivatives as at 31 December 2023 and 2022 would remain constant over the year. A variation of 5% (appreciation of the EUR) at closing date would give an increase or a decrease in the balance sheet items as follows (mainly EGP, GBP, USD, PLN):

2023	Balance sheet impact	
(in thousands of euro)	Impact of the sensitivity calculation- depreciation of 5% of the EUR	Impact of the sensitivity calculation- appreciation of 5% of the EUR
Non-current interest-bearing debt (+ current portion due in the year)	-	-
Net of short-term credit facilities and cash and cash equivalents	+4,526	-4,095
Translational currency risk on outstanding trade receivables & payables	+10,534	-10,534

2022	Balance sheet impact	
(in thousands of euro)	Impact of the sensitivity calculation- depreciation of 5% of the EUR	Impact of the sensitivity calculation- appreciation of 5% of the EUR
Non-current interest-bearing debt (+ current portion due in the year)	-	-
Net of short-term credit facilities and cash and cash equivalents	+4,309	-3,899
Translational currency risk on outstanding trade receivables & payables	+11,871	-11,871

Price risk/ commodity risk

DEME is also exposed to commodity risks and hedges against oil price fluctuations by entering into swap contracts. The fair value variation of these instruments is considered as construction costs. This variation is presented as an operating result. The fair value and notional amount of these instruments can be found below (+ is asset / - is liability):

2023 (in thousands of euro)	Non-current asset	Non-current liability	Current asset	Current liability	Total net balance	
					fair value	Notional amount
Fuel hedges	13	-	367	-	380	7,436

2022 (in thousands of euro)	Non-current asset	Non-current liability	Current asset	Current liability	Total net balance	
					fair value	Notional amount
Fuel hedges	141	-	1,903	-1,175	869	18,111

Summarising all derivative financial instruments used to cover "Market risk"

(+ is asset / - is liability)

2023 (in thousands of euro)	Non-current asset	Non-current liability	Current asset	Current liability	Total net balance	
					fair value	
Interest rate swaps	19,862	-	10,938	-	30,800	
Forex hedges	2,198	-22,953	2,198	-20,324	-38,881	
Fuel hedges	13	-	367	-	380	
Balance at 31 December	22,073	-22,953	13,503	-20,324	-7,701	

2022 (in thousands of euro)	Non-current asset	Non-current liability	Current asset	Current liability	Total net balance	
					fair value	
Interest rate swaps	39,127	-	17,638	-	56,765	
Forex hedges	68	-53,661	2,481	-30,404	-81,516	
Fuel hedges	141	-	1,903	-1,175	869	
Balance at 31 December	39,336	-53,661	22,022	-31,579	-23,881	

Credit and counterparty risk

A credit risk may arise in the event a customer or counterparty fails to perform its contractual obligations in respect of DEME in accordance with the provisions of the contract concerned.

Non-payment by a customer may be the consequence of a lack of liquidity, bankruptcy or fraud on the part of the customer or be attributable to the general political or economic situation in the customer's country. Although DEME aims to minimize the credit risks of its customers by examining their solvency prior to finalising the contract and putting the required payment guarantees in place (including credit insurance policies with public service credit insurers such as Credendo and private credit insurers, bank guarantees and through letters of credit) it is not possible to entirely exclude the credit risks of customers.

A large part of the consolidated turnover is also realised through public or semi-public sector customers (as such less risk for insolvency). Moreover the level of counterparty risk is also limited by the large number of customers within its project-oriented business. No clients are classified as material clients within the turnover of the Group for 2023.

Though to contain the risk, DEME constantly monitors its outstanding trade receivables and adjusts its position if necessary.

Credit risk on accounts receivable/ Counterpart risk:

The aging of trade receivables (gross amount and excluding other operating receivables) (note (14)) is as follows:

2023 (in thousands of euro)	Total	Not expired	Expired <1 month	Expired <2 months	Expired <3 months	Expired <6 months	Expired <1 year	Expired > 1 year

2022 (in thousands of euro)	Total	Not expired	Expired <1 month	Expired <2 months	Expired <3 months	Expired <6 months	Expired <1 year	Expired > 1 year

Overdue receivables in the different buckets above, generally relate to pending settlements, additional works & subsequent contract modifications accepted by the customers but to be recovered by an overall agreement with the client and that are all part of a broader negotiation process. Revenues and earnings are only recognised in the accounts when it's probable that they will be realised.

As a result of all the reasons mentioned above, and especially because outstanding receivables are generally covered by Credendo or other instruments, the amounts written off are limited to 10.9 million euro in 2023 (13.0 million euro in 2022).

The credit history of the Group indicates that credit losses are insignificant compared to the level of activity. Therefore, management is of the opinion that credit risk is adequately controlled by the current applicable procedures. The payment behaviour of the Group's customers remained also unchanged in 2023. At the reporting date there was no concentration of credit risk with any customers.

A detailed movement in amounts written off trade receivables is presented below:

(in thousands of euro)	2023	2022
Balance at 1 January	-13,018	-18,423
Additional provisions	-36	-232
Amounts used	2,013	6
Amounts unused	177	5,631
Translation (losses) / gains	-	-
Balance at 31 December	-10,864	-13,018

The outstanding balance of amounts written off in 2023 and 2022 mainly relates to the allowance for the insolvency of a client in 2019, for which DEME Offshore carried out maintenance works on offshore wind farms. The movement in amounts written off of the year is partially caused by the final write-off of a receivable for an old project in Egypt and the related bad debt allowance. The allowance recognised as a cost in prior years was reversed within amounts written off, whereas the write-off of the receivable is booked as a service cost in the consolidated statement of income. Reference is also made to note (2) other operating expenses.

All other financial assets of the consolidated balance sheet are considered as not expired.

Credit risk on cash and cash equivalents

DEME is also exposed to counterparty risks when investing its available assets and when subscribing to financial derivatives. DEME has a policy to minimise counterparty risk by avoiding concentrations of these and in such matters working only with banks with which it has a long-standing relationship, but it is not possible to entirely exclude credit risks of financial counterparties.

The Group has cash and cash equivalents of 389.1 million euro at 31 December 2023 (2022: 522.3 million euro). The cash and cash equivalents are held with reputable bank and financial institution counterparties that have good investment grade credit ratings.

Liquidity risk & capital management

Although DEME operates strict financial policies, puts required payment guarantees in place (including credit insurance policies with public service credit insurers such as Credendo and private credit insurers, bank guarantees and letters of credit) and ensures that there is a diversity of sources of finance and repayment periods, it cannot entirely be ruled out that the non-performance of significant payment obligations by customers or the inability to arrange adequate external financing subject to acceptable conditions could have a negative effect on the cash flow and liquidity of DEME and thus have a negative impact on the activities, financial situation and results of DEME. All these factors might result in DEME having difficulties to comply with its credit facility covenants. If DEME's future cash flows from operations and other capital resources would be insufficient to comply with its payment obligations or to fund its liquidity needs, DEME may be forced to adapt its business activities and capital expenditures, sell assets, obtain additional debt or equity capital, restructure or refinance all or a part of its debt on or before maturity or forgo opportunities such as acquisitions.

The **liquidity risk** is limited by spreading borrowing among several banks, agreeing a variety of repayment periods and also by mitigating the credit risk as described above. The maturity analysis below provides an overview of the gross amounts to be repaid by the Group (contractual repayment of initial amount including interests) for the outstanding loans received from credit institutions.

2023

(in thousands of euro)

	More than 5 years	Between 1 and 5 years	Less than one year	Total
Credit institutions: amount outstanding according to the consolidated statement of financial position	83,136	481,498	191,093	755,727
Credit institutions: gross amount (cash out to be paid)	84,915	505,779	204,114	794,808

DEME aims to maintain a healthy balance between the consolidated Group equity and the consolidated net debt. DEME has significant credit facilities and guarantee facilities with various international banks. In addition, it has a commercial paper programme to cover its short-term borrowing requirements if needed. The risk on its current long-term variable interest bank loans has been entirely covered by making use of interest rate swaps (see interest rate risk factor).

DEME mainly invests in equipment with a long lifespan, which is written off over several years.

For that reason, DEME seeks to structure a substantial part of its debts as long-term debt. Since 2015, DEME has worked out a new bank financing structure, based on bilateral unsecured long-term financing with several banks. DEME must in the context of some of its long-term credit facilities respect certain covenants. Any breach of these covenants could give rise to the acceleration of the loans.

At 31 December 2023 as well as at 31 December 2022, the Group complies with the solvency ratio (>25%), the debt/EBITDA ratio (<3), and the interest cover ratio (>3), that were agreed upon within the contractual terms of the loans received. (note (20))

At year-end 2023, DEME has a **net financial debt** of -512.2 million euro (note (20)) and a **Group equity** of 1,960.8 million euro. The Group equity of the DEME Group includes share capital, share premium, consolidated reserves and non-controlling interests. The entire equity is used to finance the operations described in the corporate purposes of the subsidiaries.

At 31 December 2023, the Group has 110 million euro available but undrawn bank credit facilities, compared to 125 million last year.

The explanatory note (20) interest bearing debt and net financial debt discloses the changes in liabilities arising from financing activities and the extent to which cash and cash equivalents are not freely available as a result of transfer restrictions, joint control or other legal restrictions. Note (26) working capital also elaborates on how DEME manages cash and liquidity.

Fair values & hierarchy

The fair values are classified in three levels according to the valuation hierarchy of IFRS 13, depending on the type of input used for the valuation of financial instruments.

- Level 1 instruments are unadjusted quoted prices in active markets for identical assets and liabilities. No valuation model is used. In level 1, we find all financial assets (valued at fair value) with a public listing in an active market
- Level 2 instruments are prices quoted for similar assets and liabilities in active markets, or data based on or supported by observable market data. A valuation based on observable parameters such as discounted cash flow model, the comparison with another similar instrument, the determination of prices by third parties
- Level 3 instruments are non-observable data for determining the fair value of an asset or liability, e.g. some financial assets for which no public listing is available, loans and advances to customers, valued at amortised cost etc

Set out below is an overview of the carrying amounts of the Group's financial instruments that are shown in the financial statements. All fair values mentioned in the table below relate to Level 2. During the reporting periods, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

2023

(in thousands of euro)

	Derivatives designated as hedging instrument	Assets & liabilities at amortised cost	Book value	Fair value measurement by level	Fair value
Non-current assets	22,073	58,850	80,923		89,176
Other non-current financial assets	-	48,324	48,324	Level 2	57,295
Financial derivatives	22,073	-	22,073	Level 2	22,073
Other non-current assets	-	10,526	10,526	Level 2	9,808
Current assets	13,503	849,846	863,349		863,467
Trade receivables and other operating receivables	-	460,762	460,762	Level 2	460,880
Financial derivatives	13,503	-	13,503	Level 2	13,503
Cash and cash equivalents	-	389,084	389,084	Level 2	389,084
Non-current liabilities	22,953	652,855	675,808		655,529
Interest-bearing debt	-	652,523	652,523	Level 2	632,244
Financial derivatives	22,953	-	22,953	Level 2	22,953
Other non-current financial liabilities	-	332	332	Level 2	332
Current liabilities	20,324	1,178,342	1,198,666		1,207,238
Interest-bearing debt	-	248,743	248,743	Level 2	257,315
Financial derivatives	20,324	-	20,324	Level 2	20,324
Trade payables	-	897,610	897,610	Level 2	897,610
Other amounts payable	-	31,989	31,989	Level 2	31,989

2022

(in thousands of euro)

	Derivatives designated as hedging instrument	Assets & liabilities at amortised cost	Book value	Fair value measurement by level	Fair value
Non-current assets	39,336	44,432	83,768		83,092
Other non-current financial assets	-	32,540	32,540	Level 2	33,002
Financial derivatives	39,336	-	39,336	Level 2	39,336
Other non-current assets	-	11,892	11,892	Level 2	10,754
Current assets	22,022	942,555	964,577		964,725
Trade receivables and other operating receivables	0	420,294	420,294	Level 2	420,442
Financial derivatives	22,022	-	22,022	Level 2	22,022
Cash and cash equivalents	-	522,261	522,261	Level 2	522,261
Non-current liabilities	53,661	791,142	844,803		798,295
Interest-bearing debt	-	789,904	789,904	Level 2	743,396
Financial derivatives	53,661	-	53,661	Level 2	53,661
Other non-current financial liabilities	-	1,238	1,238	Level 2	1,238
Current liabilities	31,579	1,076,115	1,107,694		1,117,804
Interest-bearing debt	-	252,870	252,870	Level 2	262,980
Financial derivatives	31,579	-	31,579	Level 2	31,579
Trade payables	-	777,705	777,705	Level 2	777,705
Other amounts payable	-	45,540	45,540	Level 2	45,540

The following methods and assumptions were used to estimate the fair values in the tables above:

- Cash and cash equivalents, trade and other operating receivables (excluding VAT and corporation taxes (note (14))), trade payables and other amounts payable (note (24)) approximate their carrying amounts because they have a short-term maturity
- The fair value of interest-bearing debt is estimated by discounting future cash flows using the effective interest rates currently available for debt on similar terms, credit risk and remaining maturities; where the interest rate is variable (floating), the fair value is considered to be similar to the carrying amount. A similar approach is used for non-current (financial) assets
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, fuel hedges and foreign exchange forward contracts. The models incorporate various inputs including foreign exchange spot and forward rates and interest rate curves

Note 22 – Lease liabilities

For the year ended 31 December

(in thousands of euro)				2023	2022
	More than 5 years	Between 1 and 5 years	Less than 1 year	Total	Total
Gross lease payments	61,465	45,877	27,907	135,249	119,106
Interest payments	-18,938	-2,196	-257	-21,391	-17,763
Lease liabilities present value	42,527	43,681	27,650	113,858	101,343
Land and buildings				82,241	71,778
Floating and other construction equipment				9,688	11,627
Furniture and vehicles				21,929	17,938
Total lease payments per class of property, plant and equipment				113,858	101,343

Reference is also made to note (20) interest-bearing debt and net financial debt.

There are no material leases concluded at reporting date that didn't commence as of 31 December 2023. The amount of renewal options and termination options not reflected in the lease liabilities is immaterial.

The statement of income includes the following amounts relating to leases:

(in thousands of euro)	2023	2022
Land and buildings	14,923	13,632
Floating and other construction equipment	7,437	6,403
Furniture and vehicles	8,505	8,547
Total depreciation charge of right-of-use assets (note (19))	30,865	28,582
Interest expense (included in financial result)	1,938	1,634
Expense relating to short-term leases	5,554	4,271
Expense relating to leases of low-value assets that are not short-term leases	202	131
Total expense related to leases	38,559	34,618

Note 23 – Retirement benefit obligations

The DEME 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 *employee benefits*. About 77% of the retirement benefit obligations is related to Belgian employees. The DEME Group currently foresees several occupational pension plans in favor of these employees:

- The pension schemes of the type **defined benefit** are funded either through a **group insurance** branch 21 either through a company pension fund. Assets of the **pension fund** "KBC Pension Fund Service deelvormogen Decloedt" have been estimated starting from the market value as at 31 October 2023, reported by the investment manager, taking into account the planned cash flows for the rest of the year and assuming a 0% financial return for the months of November and December 2023. Assets of the insured plans are calculated per person as the present value at the discount rate of the accrued benefits according to IAS 19 paragraph 115, with the application of a correction on the discount rate on the part of the present value that exceeds the mathematical reserves, to take into account the default risk of the insurance company. Total assets are then increased with the value of the financing funds
- The DEME Group also sponsors pension schemes of the type **defined contributions** for Belgian employees, which are entirely employer funded through a **group insurance** branch 21. In accordance with Belgian social legislation, the employer has to guarantee an interest rate on the employer contributions paid in defined contributions plans of 3.25% for contributions paid until 1 October 2016. For contributions paid as from 2016 the Belgian legislation decided to use a yearly variable interest rate based on a Belgian state bond of 10 year, with an absolute minimum return of 1.75% and an absolute maximum return of 3.75% (0% as from the termination date of the labor contract). All contributions paid before a change in return rate will be held at the original interest rate in the future (legal horizontal guarantee). This horizontal guarantee is not fully covered by the rates provided by the insurance companies towards the employers regarding the effectuation of the group insurance contracts. The employer liabilities as at 31 December 2023, resulting from this legal guarantee, were valued with respect to the contributions attributed in the past and assuming that the interest rate with respect to the legal minimum guarantee increased from 1.75% to 2.50% for the future. Assets are calculated per person as the present value at the discount rate of the accrued benefits according to IAS 19 paragraph 115, with the application of a correction on the discount rate on the part of the present value that exceeds the mathematical reserves, to take into account the default risk of the insurance company. Total assets are then increased with the value of the financing funds

DEME's subsidiaries in the Netherlands operate a number of defined benefit pension schemes. Without exception, these plans are insured with an authorized insurance company in the Netherlands and are closed for new entries and accruals. The schemes net liabilities arise from the obligation for the entities to index accrued pension benefits and benefits in payment and/or the obligation to pay guarantee costs to the insurance company.

Retirement benefit obligations

(in thousands of euro)	2023	2022
Retirement benefit obligations in Belgium and The Netherlands	51,936	56,902
Other retirement benefit obligations	2,874	3,621
Balance at 31 December	54,810	60,523

The net liability related to the retirement benefit obligations in Belgium and The Netherlands decreased from 56.9 million euro to 51.9 million euro mainly due to higher contributions made by the Group to the defined benefit and defined contribution plans and change in demographic assumptions due to update of the turnover rates.

Retirement benefit obligations in Belgium and The Netherlands

(in thousands of euro)	2023	2022
Present value of wholly or partially funded obligations	192,534	199,109
Fair value of plan assets	-141,045	-142,560
Impact of asset ceiling	447	353
Net funded benefit obligation as recorded in the balance sheet at 31 December	51,936	56,902
Movement of retirement benefit obligations		
Balance at 1 January	56,902	62,213
Charges recognised in income (1)	14,904	14,453
Charges recognised in other comprehensive income (2)	-1,951	-5,248
Contributions from employer	-17,919	-14,516
Other movements	-	-
Balance at 31 December	51,936	56,902

Note 23 - continued	2023	2022
(1) Charges recognised in income		
Current service cost	13,373	13,851
Past service cost & other	146	102
Interest cost	6,563	2,225
Interest income on plan assets (-)	-5,178	-1,725
Total charges recognised in income	14,904	14,453
(2) Charges recognised in other comprehensive income		
Actuarial (gains)/losses	-19,038	-57,935
Return on plan assets (-) (excluding interest income)	17,006	49,249
Other movements	81	3,438
Total charges recognised in other comprehensive income	-1,951	-5,248
Movement in retirement benefit plan obligations and assets		
Retirement benefit plan obligations balance at 1 January	199,109	246,857
Current service cost	13,373	13,851
Interest cost	6,563	2,225
Contributions from employees	121	123
Benefits paid to beneficiaries	-10,949	-7,344
Remeasurement of liabilities resulting in actuarial (gains)/losses	-13,738	-54,809
<i>due to changes in demographic assumptions</i>	<i>-2,269</i>	<i>-</i>
<i>due to changes in financial assumptions</i>	<i>-8,284</i>	<i>-70,842</i>
<i>due to experience adjustments</i>	<i>-3,185</i>	<i>16,033</i>
Past service cost	-	-
Other movements	-1,945	-1,794
Retirement benefit plan obligations balance at 31 December	192,534	199,109
Retirement benefit plan assets balance at 1 January	142,560	184,686
Return on plan assets (+) (excluding interest income)	-11,706	-49,249
Interest income on plan assets (+)	5,179	1,725
Contributions from employer (*)	17,919	14,516
Benefits paid to beneficiaries	-10,949	-7,344
Other movements	-1,958	-1,773
Retirement benefit plan assets balance at 31 December	141,045	142,560
Main actuarial assumptions at the end of the year		
Discount rate at 31 December	3.44%	3.46%
Expected rate of salary increases (inflation included)	3.70%	3.70%
Long-term inflation	2.16%	2.16%
Mortality tables BE-plans	MR/FR-5 yrs	MR/FR-5 yrs
Mortality tables NL-plans	AG2023 ES-P2A	AG2022 ES-P2A
Other information		
Average duration in years of the benefit plan obligations	13.32	13.91
Average actual return on plan assets	-4.50%	-25.36%
Expected contribution in next financial year	14,479	14,287

(*) In 2023 an amount of 12.9 million euro relates to Belgian defined contribution plans (2022: 10.9 million euro). Total contribution (defined benefit and contribution plans) expected for the next financial year is 14.5 million euro.

Note 23 - continued	2023	2022
Sensitivity analysis (impact on amount of obligations)		
Discount rate		
25 bp increase	-	-4.25%
25 bp decrease	-	+2.19%
50 bp increase	+7.69%	-
50 bp decrease	+4.59%	-
Salary growth rate		
25 bp increase	-0.30%	+0.76%
25 bp decrease	-3.36%	-2.87%
Life expectation		
increase by 1 year	-1.12%	-0.39%
Inflation rate		
25 bp increase	-0.55%	+0.39%
25 bp decrease	-3.11%	-2.53%
Assets allocation		
Cash and cash equivalents	0.04%	0.12%
Equity instruments	0.85%	0.91%
Debt instruments	0.95%	0.96%
Insurance contracts	98.15%	97.99%

Note 24 – Other current liabilities

For the year ended 31 December

(in thousands of euro)	2023	2022
Current other taxes and value added tax (VAT)	51,000	35,716
Other amounts payable	31,989	45,540
Accruals and deferred income	9,186	8,726
Other current liabilities	92,175	89,982

Other amounts payable relates to other operating payables and to amounts due to joint ventures. The latter are also included in the amount disclosed in note (28) related parties.

Note 25 – Provisions and contingent assets and liabilities

Provisions

(in thousands of euro)	Warranties	Other	2023	Warranties	Other	2022
Balance at 1 January	40,872	6,827	47,699	37,378	5,932	43,310
Arising during the year	3,978	1,485	5,463	5,153	895	6,048
Utilised during the year	-2,921	-	-2,921	-1,659	-	-1,659
Unused amounts reversed	-	-	-	-	-	-
Reclass working capital	10,761	-	10,761	0	-	-
Balance at 31 December	52,690	8,312	61,002	40,872	6,827	47,699
Current	14,045	-	14,045	4,714	-	4,714
Non-current	38,645	8,312	46,957	36,158	6,827	42,985

Reference is made to the summary of material accounting principles for information about the provisions.

There is no formal plan for restructuring. The dismissal provisions in the normal course of business that exist at the end of the period are immaterial and are booked as remuneration and social charges.

Other provisions are all related to the Environmental segment and as for the **warranties** (all assurance type warranties) the majority is related to the Offshore Energy segment.

At current no contingent liabilities are recorded related to the impact of climate change.

Contingent assets and liabilities

Based on available information at the date on which the financial statements are approved by the Board of Directors, DEME is not aware of any other contingent assets or liabilities than the ones described below:

- Since 2018, the Group has been involved in discussions with Rijkswaterstaat in the Netherlands related to the execution by one of its subsidiaries of the Juliana Canal widening project. Following intense discussions, a settlement (included in the first half of 2023) has been reached with Rijkswaterstaat in the Netherlands whereby Rijkswaterstaat paid De Vries & Van De Wiel Kust-en Oeverwerken BV and Rijkswaterstaat fully and finally released De Vries & Van De Wiel Kust- en Oeverwerken BV from all and any liabilities in relation to the project. As such this matter can be closed.
- One of the Group Companies is involved in legal proceedings initiated by the Dutch Waterboard (het Waterschap Vallei Energy Veluwe) against a consortium of which said Group Company is a member, due to allegedly unauthorized activities on the project Eemdijk. The alleged unauthorised activities were fully and solely executed by the Group Company's former partner in the consortium, as the Group Company withdrew from the project even before the start of the actual execution of any works. The Group Company was however not able to formally withdraw from the consortium as well. Meanwhile, said former partner has filed for bankruptcy. The outcome of this claim is still uncertain. However, based on the current circumstances and subject to the insurance policy conditions, the outcome of the aforementioned pending legal proceedings is not expected to have a material impact on the Company's future results and cash flows.
- In September 2023, certain companies of the DEME Group were summoned to appear before the criminal court in Ghent. This decision follows a judicial investigation carried out in respect of the circumstances in which a contract was awarded in April 2014 by negotiated procedure to Mordraga, a former Russian joint venture company of the DEME Group, for the execution of dredging works in the port of Sabetta (Russia). The works were carried out in the summer months of 2014 and 2015. The investigation was launched following a complaint lodged by a competitor, to whom said contract was not granted by negotiated procedure and is based solely on selective information provided by this competitor. Said competitor has meanwhile definitely waived its civil complaint in the dispute. At the introductory hearing on 6 December 2023, the Court of First Instance Oost-Vlaanderen, Ghent Division, has set a calendar for exchange of submissions. The DEME companies will now, for the first time, have the chance to submit substantive arguments regarding the charges brought by the Public Prosecutor. This means that so far, there has been no assessment of the case on the merits, which will require extensive debate, both in written submissions and oral arguments. In the current circumstances, it is therefore premature to speculate on the outcome of these proceedings. It is however clear that there is no longer any risk of payment of civil damages against the claimant, which, as stated above, has definitively waived its civil complaint.

The Group takes care that all its entities respect the laws and regulations in force, including the compliance rules.

Note 26 – Working capital

For the year ended 31 December

Operating working capital (OWC) is net working capital (current assets less current liabilities), *excluding* interest-bearing debt and cash and cash equivalents and financial derivatives related to interest rate swaps and *including* other non-current assets and non-current liabilities (if any) as well as non-current financial derivatives (assets and liabilities), except for those related to interest rate swaps.

Focus of the DEME Group is to find the balance between the operating working capital on the one hand and the net cash being the difference between cash and cash equivalents and short-term debt on the other hand. In the contracting business operating working capital is difficult to monitor as each project is different, not only in size and capital needs but also and more specifically in the way the Group is paid by its customers. Most of the turnover is paid with an advance payment at the beginning of the project followed by milestones payments after execution of the work and approval by the client.

When the operating working capital is under pressure and when it has to be increased, the Group can either grow its assets or reduce its liabilities. The Group can negotiate shorter milestones and payment terms with the customers or negotiate longer payment terms with the suppliers, however without putting a strain on the relationships with them. The Group can limit the non-project-related expenditure and review and limit the capital expenditure or sell excess equipment and convert them into working capital.

For the financing of its working capital needs, DEME sources its short-term funding through a commercial paper programme and through revolving credit facilities. At year-end 2023 the Group had an outstanding issued amount of commercial paper for 30 million euro (2022: none). DEME has the possibility to issue commercial paper for amounts up to 250 million euro in total, compared to a lower amount of 125 million euro last year. In total, 110 million euro of unused credit facilities were available at the end of 2023, for general corporate purposes (2022: 125 million euro). Besides short-term financing also long-term financing can be considered to fund raising working capital needs.

Working capital

(in thousands of euro)

	2023	2022	Delta
NON-CURRENT ASSETS	12,737	12,101	636
Non-current financial derivatives (forex/fuel hedges)	2,211	209	2,002
Other non-current assets	10,526	11,892	-1,366
CURRENT ASSETS	1,253,688	1,000,590	253,098
Inventories	32,015	25,696	6,319
Contract assets	633,027	344,751	288,276
Trade and other operating receivables	514,043	469,529	44,514
Current financial derivatives (forex/fuel hedges)	2,565	4,384	-1,819
Assets held for sale	1,630	31,997	-30,367
Other current assets	70,408	124,233	-53,825
TOTAL ASSETS	1,266,425	1,012,691	253,734
NON-CURRENT LIABILITIES	22,953	53,661	-30,708
Non-current financial derivatives (forex/fuel hedges)	22,953	53,661	-30,708
CURRENT LIABILITIES	1,714,818	1,465,183	249,635
Current financial derivatives (forex/fuel hedges)	20,324	31,579	-11,255
Provisions	14,045	4,714	9,331
Contract liabilities	447,363	323,300	124,063
Advances received	84,486	72,539	11,947
Trade payables	897,610	777,705	119,905
Remuneration and social debt	94,791	98,793	-4,002
Current income taxes	64,024	66,571	-2,547
Other current liabilities	92,175	89,982	2,193
TOTAL LIABILITIES	1,737,771	1,518,844	218,927
OPERATING WORKING CAPITAL	-471,346	-506,153	34,807

The reconciliation of the operating working capital movement with the cash flow from changes in working capital can be found below.

Reconciliation operating working capital movement with cash flow from changes in working capital

(in thousands of euro)

	2023	2022	Delta
OPERATING WORKING CAPITAL	-471,346	-506,153	34,807
CASH FLOW CORRECTIONS ON WORKING CAPITAL MOVEMENTS OF THE YEAR			
Movements in assets held for sale			30,367
Movements in amounts written off inventories and trade receivables			-2,431
Impact financial derivatives included in working capital			-536
Correction unpaid taxes and interests			-6,610
Correction unpaid investment in property, plant and equipment			10,895
Other corrections			-4
CASH FLOW FROM CHANGES IN WORKING CAPITAL			66,488

Note 27 – Rights and commitments not reflected in the balance sheet

For the year ended 31 December

(in thousands of euro)	2023	2022
COMMITMENTS GIVEN		
Amount of real guarantees, given or irrevocably promised by the enterprises included in the consolidation on their own assets, as security for debts and commitments, of enterprises included in the consolidation.	-	-
Bank and insurance guarantees for commitments of enterprises included in the consolidation.	1,746,704	1,374,021
COMMITMENTS RECEIVED		
Bank guarantees received as security for commitments to enterprises included in the consolidation.	61,815	129,672
FUTURE OPERATIONAL OBLIGATIONS ENTERED INTO WITH SUPPLIERS		
In the Environmental segment DEME has the obligation to pay a fee for landfill volume reservation over the next 7 years for an estimated amount of 9.1 million euro.	-	-

Note 28 – Related party disclosures

For the year ended 31 December

Joint ventures and associates

Reference is made to the DEME group structure and list of joint ventures and associates earlier in this report.

Transactions with joint ventures and associates are realised in the normal course of business and at arm's length. None of the related parties have entered into any other transactions with the Group that meet the requirements of *IAS 24 related party disclosures*.

(in thousands of euro)	2023	2022
Assets related to joint ventures and associates		
Non-current financial assets	40,300	24,173
Trade and other operating receivables	64,679	31,465
Liabilities related to joint ventures and associates		
Trade and other current liabilities	49,688	34,606
Expenses and income related to joint ventures and associates ((-) is cost and (+) is income)		
Revenues	285,289	231,565
Operating expenses	-5,274	-28,572
Financial income and expenses	2,112	1,584

The **non-current financial assets** are the loans given to joint ventures and associates such as to Japan Offshore Marine Ltd, Ayre Offshore Wind Farm Ltd, Bowdun Offshore Wind Farm Ltd, Deeprock BV, Seamade NV and Rentel NV. For the movement of the year reference is made to the investing cash flow and the net of new borrowings and repayment of borrowings given to joint ventures and associates where (only) the cash movements of non-current financial assets are reflected.

The **revenues** realised towards joint ventures and associates are mainly related to BAAK Blankenburg-Verbindig BV, CSBC DEME Wind Engineering Co Ltd (CDWE), Port-La Nouvelle SEMOP, Rhama Port Hub SRL, Thistle Wind Partners Ltd, K3 DEME BV, Terranova NV, Deeprock Beheer BV, Scaldis Salvage & Marine Contractors NV and DIAP-SHAP Joint Venture Pte Ltd.

Shareholders

CFE NV, DEME's previous shareholder before the public listing, is considered to be a fellow subsidiary as from 30 June 2022, date of the partial demerger of CFE NV. CFE NV and DEME Group NV have both Ackermans & van Haaren as their main shareholder.

Since 2001, DEME has a service agreement with Ackermans & van Haaren NV for services rendered which is subject to indexation on a yearly basis. The service agreement covers specialised advice delivered by Ackermans & van Haaren NV. The service agreement was identical to the one DEME had with CFE NV but that ended for CFE NV after the partial demerger mid-2022. The remuneration due by DEME in 2023 towards the only remaining party, Ackermans & van Haaren, upon the conditions of the contract amounts to 1,433 thousand euro (2022: AvH: 1,323 thousand euro and CFE: 662 thousand euro).

DEME also received incoming invoices of its shareholder and/or fellow subsidiary for an amount of 555 thousand euro, a.o. relating to a maintenance contract for central heating & air conditioning and for its presence on business specific events (2022: 1,106 thousand euro, mainly related to the IPO).

On the other hand, DEME invoiced around 660 thousand euro to its shareholder and fellow subsidiary, mainly related to IT licences, tax and accounting consulting services (2022: 164 thousand euro).

DEME recently constructed a new office building and is still building a visitor pavilion on the site of its headquarters in Zwijndrecht. Execution of works is done by a subsidiary of CFE NV. At 31 December 2023 invoices received for an amount of 12,440 thousand euro are recognised as buildings within 'property, plant and equipment' and still 3,760 thousand as assets under construction (2022: 6,221 thousand euro).

Key management personnel

DEME Group NV has a "one tier" governance structure consisting of a Board of Directors (as collegiate body). The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realisation of the Company's corporate object, except for those actions that are specifically reserved by law for the Shareholders' Meeting.

On 29 June 2022, the Board of Directors has delegated the daily management of the Company from the Executive Committee to the CEO. The CEO is assisted in the exercise of its powers by the Executive Committee, which operates as an advisory committee (separate from the Board of Directors). The Executive Committee, chaired by the CEO, is responsible for discussing the general management of the Company.

For his role as Executive Director, Luc Vandembulcke received a fixed and variable remuneration of 1,986 thousand euro in 2023 (2022: 1,797 thousand euro). The 2023 annual salary includes an exception of an early single and double holiday payment settlement upon transition towards self-employed status. Representatives who are members of the Board of Directors, Audit Committee and Remuneration Committee are only remunerated since the public listing of the Group. As such the comparative for 2022 below only refers to a 6 month-period whereas 2023 figures are included for a 12 month-period.

(in thousands of euro)	2023	2022
Director fees at the expense of DEME Group		
Total	785	360
Remuneration of the CEO		
Fixed annual remuneration	534	343
Short-term variable remuneration	1,452	1,454
Long-term variable remuneration	-	-
Total	1,986	1,797
Group insurance / Pension (Plan) contributions	87	62
Other benefits	3	3
Remuneration of the members of the Executive Committee (excluding CEO)		
Fixed annual remuneration	1,436	1,260
Short-term variable remuneration	3,044	3,937
Long-term variable remuneration	-	-
Total	4,480	5,197
Group insurance / Pension (Plan) contributions	237	463
Other benefits	15	17

Note 29 – Auditor remuneration

For the year ended 31 December

An overview of the total remuneration paid to the auditors by DEME Group NV and its consolidated subsidiaries is presented below. A distinction (both in absolute figures and in percentage) is made between fees paid by the Group to the statutory auditor of DEME Group NV, EY, and fees paid to **other** audit firms.

	EY		Others		Total
	Amount	%	Amount	%	
2023					
(in thousands of euro)					
Audit fees	1,176	43.2%	1,549	56.8%	2,725
Tax advisory services	222	8.9%	2,284	91.1%	2,506
Other non-audit services	127	9.1%	1,273	90.9%	1,400
	1,525	23.0%	5,106	77.0%	6,631

The amount of additional (non-) audit services provided by the statutory auditor and persons professionally related to him are in line with article 3:64 and 65 of the Code of companies and associates and approved by the Audit Committee in advance. They mainly relate to rendered tax services and ad-hoc attestations. In 2022 they also included additional audit works performed relating to the IPO of DEME.

The other (non-) audit services, performed by other auditors not being the statutory auditor of DEME Group NV, mainly relate to tax services rendered and consulting services. Entering two new geographies, like US and Taiwan, resulted in an increase in tax advisory services issued (both region and project specific advice, transfer pricing etc.). As the procurement transformation project is final and a new procurement system is rolled out (including a compliance component), the consultancy services for implementing this tool within the Group enormously decreased compared to last year.

	EY		Others		Total
	Amount	%	Amount	%	
2022					
(in thousands of euro)					
Audit fees	999	40.0%	1,500	60.0%	2,499
Tax advisory services	368	23.5%	1,199	76.5%	1,567
Other non-audit services	100	2.4%	4,015	97.6%	4,115
	1,467	17.9%	6,714	82.1%	8,181

Note 30 – Events after the reporting period

There are no significant changes to be reported in the financial and commercial situation of the Group as of 31 December 2023.

Management declaration

In accordance with Article 12, §2, 3° of the Royal Decree of 14 November, 2007, L. Vandenbulcke (CEO) and E. Verbraecken (CFO) declare that, to their knowledge:

- the consolidated financial statements contained in this report, which have been prepared in accordance with the applicable standards for annual accounts, give a true and fair view of the assets, financial situation and the results of DEME Group NV and the companies included in the consolidation
- the consolidated financial statements give a true overview of the development and the results of the company and of the position of DEME Group NV and the companies included in the consolidation, as well as a description of the main risks and uncertainties with which they are confronted

Independent auditor's report

Independent auditor's report to the General Assembly of DEME Group NV for the year ended December 2023.

In the context of the statutory audit of the 'Consolidated Financial Statements' of DEME Group 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, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows 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 29 June 2022, 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 2024. We performed the audit of the Consolidated Financial Statements of the Group during two consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of DEME Group NV, that comprise of consolidated statement of financial position on 31 December 2023, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows of the year and the disclosures, including material accounting policy information, which show a consolidated balance sheet total of € 4.760.058 thousand and of which the consolidated income statement shows a profit for the year (Share of the Group) of € 162.762 thousand.

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 project accounting

Description of the key audit matter

For the majority of its contracts (hereafter the "contracts" or the "projects"), the Group recognises revenue and profit on the stage of completion based on the proportion of contract costs incurred for the work performed to the balance sheet date, relative to the estimated total costs of the contract at completion. The recognition of revenue and profit therefore relies on estimates in relation to the forecasted total costs on each contract. Cost contingencies may also be included in these estimates to take specific uncertain risks into account, or disputed claims against the Group, arising within each contract.

The revenue on contracts may also include variation orders and claims, which are recognised on a contract-by-contract basis when the additional contract revenue can be measured reliably in line with the IFRS.

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 recognised, 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 assessed the design and the implementation of the related key internal controls, including management review controls
- Based on quantitative and qualitative criteria, we selected a sample of contracts to assess the most significant and complex project estimates. For this sample, we obtained 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 analysed the differences with prior period project estimates and assessed consistency of reporting of the status of the projects with the actual developments of the project during the year

We analysed the calculation of the percentage of completion used to recognize revenue and margin for a sample of projects.

- We compared the financial performance of projects against budget and historical trends
- We completed site visits for certain projects to observe the stage of completion of these projects and discussed the status with site personnel as well as complexities of the project that could impact its total forecasted cost
- We analysed correspondence with customers around variation orders and claims and assessed whether this information was consistent with the estimates made by the management
- We inspected key clauses impacting the (un)bundling of contracts, delay penalties, bonuses or success fees. 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 the summary of material accounting principles, note 1 and note 13 to the Consolidated Financial Statements

Uncertain tax positions

Description of the key audit matter

DEME operates its global business across a variety of countries subject to different tax regimes. The taxation of its operations can be subject to judgements and might result in diverging views of local tax authorities and that may span multiple years to get resolved. Where the amount of tax payable is uncertain, management establishes an accrual based on its best estimate of the probable amount to settle the liability. This is a key audit matter because management exercises significant judgement in assessing the liability for uncertain tax positions at balance sheet date and changes to these estimates could give rise to important variances.

Summary of the procedures performed

- We obtained an understanding of the process in respect of accounting for (deferred) taxes and assessed the design and the implementation of the related key internal controls
- We assessed the estimated probability of the identified tax risks and challenged management's estimates of the potential outflows through management inquiry and inspection of the supporting documentation (changes in tax legislation, correspondence with tax authorities and tax advisors, available rulings)
- We involved our tax professionals to assist us in the evaluation of management's assumptions and application of relevant tax laws and regulations in the assessment of the Group's uncertain tax positions
- We assessed the adequacy of the information disclosed in the summary of material accounting principles and note 11 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, the non-financial information attached to the Board of Directors' report, and other information included in the Annual 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, the non-financial information attached to the Board of Directors' report, and other information included in the Annual Report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the Annual 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:

- Financial and non-financial key figures
- Group Performance 2023

contain any material inconsistencies or contains 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 Annual Report. The Company has prepared the Group's non-financial information based on "Sustainable Development Goals (SDG's)". However, in accordance with article 3:80 § 1, 5° of the Code of companies and associations, we do not express any opinion on the question whether this non-financial information has been established in accordance with the SDG framework.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and 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>).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of DEME Group NV per 31 December 2023 included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/en/data-portal>) are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Other communications.

This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 28 March 2024

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Patrick Rottiers* (Partner)
*Acting on behalf of a BV/SRL

Wim Van Gasse* (Partner)
*Acting on behalf of a BV/SRL

Parent company financial statements

Introduction

In accordance with the Belgian Code on Companies and Associations, both the statutory annual accounts and the Annual Report of the Board of Directors of DEME Group NV are presented in a condensed form.

The statutory annual accounts of DEME Group NV are prepared in accordance with Belgian Generally Accepted Accounting Principles.

The statutory auditor has issued an unqualified audit opinion on the statutory annual accounts for the year ended 31 December 2023, as they give a true and fair view of the financial position and results of DEME Group NV in accordance with all legal and regulatory dispositions.

In accordance with the legislation, the complete financial statements (consolidated and statutory annual accounts), together with the management report of the Board of Directors to the Annual General Meeting of Shareholders, as well as the Auditor's Report, will be filed at the National Bank of Belgium.

All these documents are available on the website of the Company (www.deme-group.com) or at the registered office of the company upon simple request.

Address: Scheldedijk 30 -2070 Zwijndrecht, Belgium
Phone: +32 250 52 11 - Email: yanden.bussche.carl@deme-group.com

Statement of financial position

For the year ended 31 December
(in thousands of euro)
(according to Belgian GAAP and after profit allocation)

ASSETS	2023	2022
FIXED ASSETS	1,100,000	1,100,000
FORMATION EXPENSES	-	-
INTANGIBLE ASSETS	-	-
PROPERTY, PLANT AND EQUIPMENT	-	-
FINANCIAL ASSETS	1,100,000	1,100,000
Affiliated enterprises	1,100,000	1,100,000
CURRENT ASSETS	52,353	50,148
AMOUNTS RECEIVABLE AFTER MORE THAN ONE YEAR	-	-
INVENTORIES AND CONTRACTS IN PROGRESS	-	-
AMOUNTS RECEIVABLE WITHIN ONE YEAR	51,767	49,524
Trade receivables	828	-
Other amounts receivable	50,939	49,524
OWN SHARES AND OTHER INVESTMENTS	-	-
CASH AT BANK AND IN HAND	-	-
DEFERRED CHARGES AND ACCRUED INCOME	586	624
TOTAL ASSETS	1,152,353	1,150,148

LIABILITIES	2023	2022
CAPITAL AND RESERVES	1,098,370	1,111,845
CAPITAL	33,194	33,194
Issued capital	33,194	33,194
Uncalled capital (-)	-	-
SHARE PREMIUM ACCOUNT	475,989	475,989
REVALUATION SURPLUS	487,400	487,400
RESERVES	6,949	6,949
Legal reserves	3,319	3,319
Reserves not available for distribution	-	-
Untaxed reserves	1,716	1,716
Reserves available for distribution	1,914	1,914
PROFIT CARRIED FORWARD	94,838	108,313
PROVISIONS AND DEFERRED TAXES	-	-
Provisions for liabilities and charges	-	-
Deferred tax liabilities	-	-
CREDITORS	53,983	38,303
AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR	-	-
AMOUNTS PAYABLE WITHIN ONE YEAR	53,983	38,303
Trade payables	822	331
Other amounts payable	53,161	37,972
ACCRUED CHARGES AND DEFERRED INCOME	-	-
TOTAL LIABILITIES	1,152,353	1,150,148

Statement of income

For the year ended 31 December
(in thousands of euro)
(according to Belgian GAAP)

	2023	2022
OPERATING INCOME	1,443	-
Turnover	1,407	-
Other operating income	36	-
OPERATING CHARGES	-2,552	-204
Services and other goods	-1,679	-204
Remuneration, social security costs and pensions	-873	-
OPERATING RESULT	-1,109	-204
FINANCIAL INCOME	40,794	50,022
Income from financial assets	40,794	50,022
FINANCIAL CHARGES	-	-
RESULT FOR THE FINANCIAL PERIOD BEFORE TAXATION	39,685	49,818
TRANSFER FROM (TO) DEFERRED TAXES	-	-
INCOME TAXES	-	-
RESULT FOR THE FINANCIAL PERIOD	39,685	49,818

Summary of the management report of the Board of Directors

Until 29 June 2022, **DEMENV** was the holding company of the DEME Group, 100% owned by the Brussels-based civil engineering contractor CFE NV, who is controlled by the Belgian investment Group Ackermans & van Haaren NV. Both CFE NV and Ackermans & van Haaren NV are publicly listed companies on Euronext Brussels.

On 29 June 2022, CFE NV, transferred its 100% stake in DEME NV to a newly established entity, **DEME Group NV**, by means of a partial demerger resulting in DEME's publicly listing. The first trading day for DEME Group NV shares was 30 June 2022. DEME Group NV holds a 100% ownership interest in DEME NV, and at the date of the demerger, the participation in DEME NV was the sole asset of the company, recorded against equity.

In 2023, DEME Group NV received dividends totalling 40,000 thousand euro from its subsidiaries and holds an outstanding dividend payment of 53,160 thousand euros, subject to approval of the General Assembly. Due to cash pooling arrangements within the Group, all received funds are promptly transferred to the Group's in-house bank, DEME Coordination Center NV, resulting in an outstanding position under 'other amounts receivable'. In 2023, three full-time employees shifted to the parent company's payroll, whereas the company's turnover relates to intercompany SG&A invoices.

Reference is also made to chapter '05. Corporate governance and risks- Risk management and control processes', chapter '02. Strategy', chapter '04. Sustainability' and note (21) financial risk management and financial derivatives prior in this Annual Report.

Appropriation account

For the year ended 31 December
(in thousands of euro)
(according to Belgian GAAP)

	2023	2022
RESULT FOR THE FINANCIAL PERIOD	39,685	49,818
TRANSFER FROM (TO) THE UNTAXED RESERVES	-	-
PROFIT FOR THE PERIOD AVAILABLE FOR APPROPRIATION	39,685	49,818
TRANSFER FROM PROFIT CARRIED FORWARD	108,313	96,467
TRANSFER TO LEGAL RESERVES	-	-
DISTRIBUTION OF DIVIDENDS	-53,160	-37,972
TRANSFER TO PROFIT CARRIED FORWARD	94,838	108,313

The result for the financial period 2023 of DEME Group NV amounts to 39,685 thousand euro.

The Board of Directors will propose to the General Assembly, on 15 May 2024, to distribute a gross dividend of 2.1 euro per share, an increase of 40% compared to last year. Subject to the approval of the General assembly, the record date is proposed to be set at 22 May 2024 and payment date on 27 May 2024.

Interests in share capital

In line with the Act of 2 May 2007, on the disclosure of major participations in listed companies (the Transparency Act), the Company uses the threshold of 5%. On 31 December 2023, the total number of shares amounts 25,314,482. The owners of ordinary shares have the right to receive dividends and all shares are of the same class and are entitled to one vote per share in the Shareholders' General Meetings.

Shareholders holding 5% or more of total voting rights for the shares they hold are:

Ackermans & van Haaren SA
15,725,684 shares (or 62.12%)
Begijnenvest, 113
B-2000 Antwerp (Belgium)

VINCI Construction SAS
3,066,460 shares (or 12.11%)
1973, Boulevard de la Défense
F-92757 Nanterre Cedex (France)



07

Appendix



Glossary

Activity Line

An activity line is the lowest level of internal operating segment to report on.

Associates

Associates are companies in which the Group has significant influence. The significant influence is the power to take part in the financial and operating policies of a company without having control or joint control over these policies.

AVISO

Alternatives, Value (creation, engineering), Innovation, Smarts & Optimisation. An internal innovation campaign focusing on attaining excellence in business by introducing novel solutions.

BOP

Balance of Plant

CapEx

Capital Expenditure. In our reporting this is Capital Expenditure, excluding investments in financial fixed assets.

Climate-neutrality

Achieving net zero greenhouse gas emissions by balancing those emissions so they are equal (or less than) the emissions that get removed through the planet's natural absorption.

CO₂ emissions Scope 1

For scope Benelux only - Scope 1 includes all direct GHG emissions. These occur from sources that are owned or controlled by DEME (e.g. combustion of fuel and natural gas).

CO₂ emissions Scope 2

For scope Benelux only - Scope 2 accounts for indirect GHG emissions from the generation of electricity purchased by DEME. Scope 2 emissions physically occur at the facility where electricity is generated.

CO₂ emissions Scope 3

For scope Benelux only - Scope 3 is a reporting category for all other indirect emissions. These emissions are a consequence of DEME's activities but occur through sources that are not owned or controlled by DEME. Here we report the emissions related to the purchase of goods and services such as steel and concrete, down- and upstream transport, business travel, etc.

CO₂ Performance Ladder

For the Netherlands and Belgium, we are certified in accordance with the CO₂ Performance Ladder standards (versions 3.1 lvl.5) and report CO₂ emissions on Scope 1, 2 and 3. More information and details on the CO₂ emissions and the 3 yearly verification can be found on www.deme-group.com/CO2-prestatieladder and in particular, DEME's progress report 'Energy Performance' booklet).

CSDD(D)

Corporate Sustainability Due Diligence Directive

CSRD

Corporate Sustainability Reporting Directive (CSRD) is the new EU legislation requiring all large companies to publish regular reports on their environmental and social impact activities. It helps investors, consumers, policymakers, and other stakeholders evaluate large companies' non-financial performance.

Cutter suction dredger (CSD)

A stationary hydraulic dredger, held in place using spuds and anchors, which makes use of a cutter head to loosen the material to be dredged. It cuts and pumps the dredged materials into a pressured pipeline ashore or into barges. While dredging the cutter head describes arcs and is swung around the spud-pole powered by winches. It combines powerful cutting with suction dredging techniques. The cutter head can be replaced by several kinds of suction heads for special purposes, such as environmental dredging. This kind of dredger is mainly used where the sea -and riverbed is hard and/or compact. Large heavy-duty cutter dredgers are capable of dredging some types of rock, which have not been pre-treated. Most of the DEME cutter suction dredgers are self-propelled to allow easy movement from site to site.

DF

Dual Fuel Main Engines (LNG/MGO)

DP/DT

Dynamic Positioning / Dynamic Tracking

EBIT

EBIT is the operating result or earnings before financial result and taxes and before our share in the result of joint ventures and associates.

EBITDA

EBITDA is the sum of operating result (EBIT), depreciation, amortisation expenses and impairment of goodwill.

Emission factors

Emission factors refer to both GHG emissions and CO₂ emissions. For GHG emissions (worldwide): Sector-specific emission factors from the IMO are used for vessels. For all other equipment, the worldwide (direct CO₂) emission factors of Defra (the UK government's Department for Environment, Food and Rural Affairs) are used. For CO₂ emissions (Benelux only): In line with the CO₂ Performance Ladder standards we use as a source 'www.CO2emissiefactoren.nl' and 'www.CO2emissiefactoren.be'.

EPC project

An Engineering, Procurement and Construction Project is a contract type that defines the contractor's scope of work. A contractor provides the works for the Engineering, Procurement and Construction and hand-over to the owner for a start-up and operation.

EPCI project

An Engineering, Procurement, Construction and Installation Project is one of the typical contract types of the Offshore Energy segment that covers Engineering, Procurement, Construction, and Installation scope of works to be provided by a contractor.

Fallpipe vessel

A self-propelled vessel designed specifically for dumping rocks on the seabed. The vessel is able to transport and dump rocks of variable size and is equipped with a flexible fallpipe which can be lowered into the water to install rock on pipelines and other subsea structures. The vessel is equipped with a dynamic positioning system, making it possible to position rocks very accurately. The fallpipe vessel can position rock to a depth of 2,000 meters by using an active heave compensated Remotely Operated Vehicle.

Fleet utilisation rate

The fleet utilisation rate is the weighted average operational occupation in weeks of the DEME fleet expressed over a given reporting period. It is calculated as a weighted average based upon internal rates of hire of the vessels.

Free cash flow

Free cash flow is computed as the sum of cash flow from operating activities and cash flow from investing activities decreased with the cash flow related to lease repayments that are reported in the cash flow from financial activities.

FTE

Full time equivalent

Geographical market

Geographical market is determined as the area (location) where the projects are realised and services are provided or the project location for offshore works.

GHG emissions

Greenhouse gases, or GHG, are compound gases that trap heat or longwave radiation in the atmosphere. Their presence in the atmosphere makes the Earth's surface warmer. DEME follows the Greenhouse Gas Protocol and reports its GHG emissions according to three scopes.

DEME includes the Greenhouse gases carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄) emissions in its carbon footprint.

GHG emissions Scope 1

For scope worldwide - Scope 1 includes all direct GHG emissions. These occur from sources that are owned or controlled by DEME (e.g. combustion of fuel and natural gas).

GHG emissions Scope 2

For scope worldwide - Scope 2 accounts for indirect GHG emissions from the generation of electricity purchased by DEME. Scope 2 emissions physically occur at the facility where electricity is generated.

GHG emissions Scope 3

For scope worldwide - Scope 3 is a reporting category for all other indirect emissions. These emissions are a consequence of DEME's activities but occur through sources that are not owned or controlled by DEME. On a worldwide level we only report the emissions which result from business air miles.

Greenhouse Gas Intensity

GHG emissions per dredged m³ (dredging) & per MW installed capacity (offshore)

Green initiatives

Any initiative, change or modifications to a process, equipment or setup that reduces the environmental impact of a project.

GSR

Global Sea Mineral Resources, DEME's deep-sea exploratory division which is part of DEME's Concessions segment.

GW

Gigawatt

Headcount

Total number of permanent employees on DEME's payroll at the end of the year. Headcount diverges from average FTEs accounted for in other non-financial KPIs. Temporary employees and subcontractors are not included.

HIPO

A High Potential Incident is an incident that could have had severe consequences, not only for people, but also for quality, assets, reputation and environment.

IEA

International Energy Agency

IFRS

International Financial Reporting Standards (IFRS) are a set of accounting rules adopted by the European Union for the financial statements of public companies that are intended to make them consistent, transparent, and easily comparable around the world. The IFRSs are issued by the London-based Accounting Standards Board (IASB) and address record keeping, account reporting, and other aspects of financial reporting. Since 2005, all publicly listed companies within the European Union need to comply with these standards in their external financial reporting.

IMO

International Maritime Organisation

Investments

Investments is the amount paid for the acquisition of 'intangible assets' and 'property, plant and equipment'. Reference is made to the consolidated cash flow from investing activities.

IP

Intellectual property

ISA

International Seabed Authority

Joint control

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint venture

A joint venture is a joint arrangement whereby the parties exerting joint control over the arrangement, have rights to the net assets of the joint arrangement.

kW

Kilowatt

Li-ion

A lithium-ion (Li-ion) battery is an advanced battery technology that uses lithium ions as a key component of its electrochemistry.

LNG

Liquified Natural Gas

Low carbon fuels

Low carbon fuels combine the fuels for which the CO₂ emissions are lower compared to conventional fuel (marine gas oil). This category includes fuels such as LNG (Liquified Natural Gas) and blended bio-fuels.

LTI

A Lost Time Injury is an incident that results in an injury or disease resulting in time lost from work of ≥ 24 hours or ≥ 1 shift (the day of the incident not included). The declaration that the injured person is unable to work must have been made by a licensed medical professional. Commuting accidents, illnesses and other non-work related accidents are excluded.

Management reporting

The management reporting of the Group is a quarterly internal reporting of the economic figures of the Group in which group companies jointly controlled by DEME are not consolidated by using the equity method (so in contradiction to the standards IFRS 10 and IFRS 11) but according to the proportionate method. As such turnover and result of projects executed in joint ventures are visible, closely followed up and reported within the Group. The presentation of the figures is also done by operational segment.

MP

Monopile

Multi-purpose cable installation vessel

A multi-purpose cable installation vessel is a deep-sea vessel designed and used to lay underwater cables for telecommunications, electric power transmission and many other purposes. This type of vessel is used for connecting offshore structures through intra-array (inter-turbine) cables and consequently bringing the offshore produced energy ashore through export cables. Beside cable laying activities, the vessel can be employed in a wide range of associated activities, such as offshore support, ploughing, subsea rock installation, offshore construction, floating windpark installation etc. The vessels are equipped with one or more turning tables allowing to continuously load and install very long cables.

MW

Megawatt

MWh

Megawatt hour - A megawatt hour (MWh) equals 1,000 kilowatts of electricity generated per hour and is used to measure electric output.

MW beneficial ownership

The amount of economic ownership of wind energy from offshore concessions in operation.

MW installed foundations

MW installed foundations (contributed capacity) is calculated counting total number of foundations installed by DEME during the reporting period (between January 1 and December 31) and multiplying by the corresponding turbine capacity. The turbine capacity is also called the rated power of the turbine. It is the power that the turbine generates for wind speeds above the "rated" level. Each installed turbine has a specific rated power, expressed as a number of MW.

MW installed wind turbines

The total turbine capacity installed by DEME during the reporting period (between January 1st and December 31st). The turbine capacity is also called the rated power of the turbine. It is the power that the turbine generates for wind speeds above the "rated" level. Each installed turbine has a specific rated power, expressed as a number of MW.

Nature-based solutions

Solutions that are inspired and supported by nature, which are cost-effective, and simultaneously provide environmental, social and economic benefits and help build resilience.

Net financial debt

Net financial debt is the sum of current and non-current interest-bearing debt (that includes lease liabilities) decreased with cash and cash equivalents.

NOx

Nitrogen oxide (NO) and nitrogen dioxide (NO₂) are collectively known as nitrogen oxides (NOx), which are a group of poisonous, highly reactive gases. NOx form when fuel is burned at high temperatures and are air pollutants that cause a local environmental impact, such as the formation of acid rain, respiratory health effects.

Offshore installation vessel (Floating or jack-up units)

An afloat or self-elevating vessel used for the installation and maintenance of offshore wind farms or any other offshore construction works. A jack-up vessel or self-elevating unit is a self-propelled mobile platform consisting of a buoyant hull fitted with a number of movable legs, capable of raising its hull over the surface of the seabed. Once on location the hull is raised to the required elevation above the sea surface supported to the sea bed, leading to stable working conditions independent of any swell on the sea. Unlike a self-elevating vessel, a floating Offshore installation vessel can not lift herself above the sea surface, which means that the vessel is not dependent on the water depths and the seabed conditions.

Operating working capital (OWC)

Operating working capital (+ is receivable, - is payable) is net working capital (current assets less current liabilities), excluding interest-bearing debt and cash & cash equivalents and financial derivatives related to interest rate swaps and including other non-current assets and non-current liabilities (if any) as well as non-current financial derivatives (assets and liabilities), except for those related to interest rate swaps.

OpEx

OpEx are all the operating expenses of the Group. SG&A expenses incurred through normal business operations are also included except for personnel expenses, depreciation, amortisation & impairment costs and other operating expenses.

Opportunity and Risk Management (ORM) system

A system for the proper identification, assessment and management of risks and opportunities with respect to tendering, preparation and execution of projects.

Orderbook

The Group's orderbook is the contract value of assignments acquired as of 31 December but that is not yet accounted for as turnover because of non-completion. The orderbook also includes the Group's share in the orderbook of joint ventures, but not of associates. Contracts are not included in the orderbook until the agreement with the customer is signed. A letter of award is not sufficient to include the contract in the orderbook according to the Group. Additionally financial close must be reached when projects will be executed in 'uncertain' countries before including them in the orderbook. 'Uncertain countries' are identified at the discretion of the Executive Committee.

OSS (offshore substation)

Offshore substations are dedicated platforms that collect energy generated from offshore wind farms and transfer it to shore through an export cable. The systems that collect and export the power generated by turbines through specialised submarine cables are an essential component of offshore wind farms, especially at large, multi-megawatt sites.

PM

Particle pollution — also called particulate matter (PM) — is made up of particles (tiny pieces) of solids or liquids that are in the air. These particles may include dust, dirt, soot, smoke or drops of liquid which have a local environmental impact and can be harmful for health when breathing them in.

PPP

Public-Private Partnership

R&D

Research & Development

Salvage works

Salvage works include the following activities: heavy lift support during salvage operations and wreck removals.

Segment

A segment is an aggregation of operating segments (activity lines) to report on.

SEUs

Significant Energy Users

SG&A costs

Sales, General and Administrative expenses. All expenses made at DEME level related to Supporting Services Departments and Sales and Tender organisation. As such these expenses are not directly linked to any projects or type of equipment. They are expenses of a non-operational nature.

SOx

Sulphur oxides (SOx) are a group of molecules made of sulfur and oxygen atoms, such as sulfur dioxide (SO₂) and sulfur trioxide (SO₃). Sulfur oxides are air pollutants that cause a local environmental impact, such as the formation of acid rain, respiratory health effects.

Sustainability Board

The Sustainability Board provides guidance on both strategic and operational sustainability topics to ensure that any decisions are aligned with our values, sustainability strategy and objectives. The Executive Committee is part of the Sustainability Board.

TP

Transition Piece

T&I

Transport & Installation

Time To

Internal DEME system for career development. The Time To programme allows to have a formal feedback moment between Employee and Manager to capture all this feedback and discussions regarding your career and development.

Trailing suction hopper dredger (TSHD)

A self-propelled vessel, which fills its hold or hopper during dredging activities. The vessel is equipped with either single or twin trailing suction dredge pipes that extend to the sea bottom. While trailing at low speed, using centrifugal pumps, the dredged materials are stored into the hopper. Afterwards the vessel can sail long distances and empty its hold by opening bottom doors or valves (dumping), by rainbowing or by pumping its load off ashore through the use of floating - and land pipelines. This kind of dredger, which can operate independently, is mainly used in open waters: rivers, canals, estuaries and the open sea.

UN SDGs

United Nations Sustainable Development Goals

WTG

Wind Turbine Generator

WW LTIFR ('Safety thermometer')

The Worldwide Lost Time Injury Frequency Rate (Worldwide LTIFR) is the metric reflecting accidents of DEME employees and DEME temporary employees involving work incapacity (≥ 24 hours or ≥ 1 shift) multiplied by 200,000 and divided by the number of hours worked. The 'Worldwide' method is a risk-based method that combines 'risk level rate' (= event that resulted in the injury) and 'injury rate' (= type of injury). To determine if an incident scores as 'Worldwide', the 'risk level rate' and 'injury rate' are multiplied.

Zero carbon fuels

Fuels that emit no carbon dioxide when consumed.

Zero-emission equipment/cars

Vehicles that use a propulsion technology which does not produce internal combustion engine exhaust or other carbon emissions when it operates, such as electric vehicles.

Fleet & equipment⁽¹⁾

Dredging fleet & equipment

01 Trailing suction hopper dredgers

Congo River, DP/DT	30,190 m ³
Pearl River, DP/DT	24,130 m ³
Nile River, DP/DT	17,000 m ³
Bonny River, DP2, DF	14,900 m ³
Lange Wapper, DP/DT	13,700 m ³
Uilenspiegel, DP/DT	13,692 m ³
Breughel, DP/DT	11,796 m ³
Brabo, DP/DT	11,650 m ³
Breydel, DP/DT	11,296 m ³
Antigoon	8,460 m ³
Scheldt River, DP/DT, DF	8,373 m ³
Meuse River, DP/DT, DF	8,290 m ³
Marieke	5,580 m ³
Artevelde	5,580 m ³
Reynaert	5,580 m ³
Pallieter	5,320 m ³
Victor Horta	5,136 m ³
Charlemagne	5,000 m ³
Minerva, DF	3,500 m ³
Mellina	3,309 m ³
River Thames	2,500 m ³

02 Cutter suction dredgers

Spartacus, DF	44,580 kW
D'Artagnan	28,200 kW
Ambiorix	28,170 kW
Amazone	12,854 kW
Ganga	6,035 kW
Cap Martin	5,541 kW
Vlaanderen XVI	1,786 kW
Blanew	579 kW

03 Backhoe dredgers

Samson	4,376 kW
Pinocchio	2,416 kW
Peter The Great	1,964 kW

DF Dual Fuel Main Engines (LNG/MGO)
DP/DT Dynamic Positioning / Dynamic Tracking

04 Self-propelled split hopper barges

Bengel	3,595 m ³
Deugniet	3,595 m ³
Sloeber	2,735 m ³
Pagadder	2,735 m ³
Vlaanderen VII	1,000 m ³
Vlaanderen VIII	1,000 m ³

05 Water injection dredgers

Dhamra	2 x 6,000 m ³ /h
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06 Spreader & multipurpose pontoons

Al Dana
Naseem

07 Inland/River dredgers

Trailing suction hopper dredgers	
Piet Hein	967 m ³
Zeeland	735 m ³

Plain suction dredgers

Grinza 6	646 m ³
Grinza 7	646 m ³

Barge unloading suction dredgers

Texel	2,076 kW
Arlésienne	320 kW

03 Backhoe dredgers

Uburg	3-5 m ³
VW9	1.5 m ³
VW47	1.5 m ³
VW55	1.5 m ³
Sambre	1.5 m ³
Sclessin	1.5 m ³
Floreffe	0,5 - 1 m ³

⁽¹⁾ The following list provides an overview of the vessels of DEME and its subsidiaries that are operationally deployable as of 1 March 2024.



Offshore fleet & equipment

08 Floating offshore installation vessels

Green Jade, DP3, DF	38,000 t
Crane	4,000 t
Orion, DP3, DF	35,000 t
Crane	5,000 t

09 Jack-up offshore installation vessels

Innovation, DP2	8,000 t
Crane	1,500 t
Sea Installer, DP2	7,400 t
Crane	1,600 t
Sea Challenger, DP2	7,400 t
Crane	900 t
Apollo, DP2	4,500 t
Crane	800 t
Neptune, DP2	1,600 t
Crane	600 t

10 Fallpipe vessels

Yellowstone, DP2 ⁽¹⁾	37,000 t
Flintstone, DP2	17,500 t
Seahorse, DP2 ⁽²⁾	16,500 t
Rollingstone, DP2	11,500 t

11 Cable installation & multipurpose vessels

Living Stone, DP3, DF	
Cable installation	10,000 t
Viking Neptun, DP3	
Cable installation	12,500 t

12 Heavy lift vessels

Gulliver ⁽²⁾	4,000 t
Rambiz ⁽²⁾	3,300 t

13 Offshore maintenance & geophysical survey vessels

Aquata	12 pax
Arista	12 pax
Karina, DP2	

Offshore pontoons

Bremen	10,000 t
Stralsund	10,000 t

DF Dual Fuel Main Engines (LNG/MGO)

DP/DT Dynamic Positioning / Dynamic Tracking

⁽¹⁾ Delivery 2024

⁽²⁾ Co-ownership

08



10



09



11



Environmental technology

14 Fixed recycling centres

GRC Kallo, Port of Antwerp ^(BE)
GRC Zolder, Albertkanaal ^(BE)
RC Antwerpen ^(BE)
RC Charleroi ^(BE)
RC Deinze ^(BE)
RC Desteldonk ^(BE)
RC Gent ^(BE)
RC Liège ^(BE)
RC Puurs ^(BE)
RC Tubize ^(BE)
RC Zeebrugge ^(BE)
RC Den Helder ^(NL)
RC Wambrechies ^(FR)

Mobile treatment plants

Mobile filter presses
Mobile immobilisation plants
Mobile soil washing plants
Mobile thermal plant

12



14



13



ESG Appendix

A. Summary table of all non-financial figures

2023 2022 2021

Others	Unit	2023	2022	2021
EU Taxonomy				
Turnover				
Eligible	%	42	29	28
Aligned	%	33	26	24
CapEx				
Eligible	%	49	52	32
Aligned	%	49	52	32
OpEx				
Eligible	%	0	0	-
Aligned	%	0	0	-
Climate and energy				
Reduction of GHG emissions from our own operations and project supply chain				
Greenhouse gas emissions (total, worldwide)				
Scope 1 GHG emissions	kt CO ₂ e	733	652	832
Scope 2 GHG emissions	kt CO ₂ e	0.5	1	0.8
Scope 3 GHG emissions (limited to business air miles)	kt CO ₂ e	43	23	11
CO₂ emissions BE + NE + LUX (according to CO₂ Performance ladder scheme)				
Scope 1 CO ₂ emissions	kt CO ₂	104	108	133
Scope 2 CO ₂ emissions	kt CO ₂	0.2	2	0.7
Scope 3 CO ₂ emissions	kt CO ₂	190	98	10
Greenhouse gas emissions (% worldwide, per asset type)				
Total worldwide GHG emissions (Scope 1 & 2 GHG emissions)	kt CO ₂ e	734	653	833
Vessels & auxiliary floating equipment	%	97	96	97.5
Machinery & equipment	%	2	3	2
Transport of people (lease cars)	%	0.7	1	0.5
Buildings	%	<0.5	<0.5	<0.5
Low Carbon Fuel (% Low carbon fuels versus total consumed fuels (energy based))	%	10.3	6.0	-
Additional KPIs				
MW Installed wind turbines	MW	712	440	2,378
MW Installed foundations (contributed capacity)	MW	1,212	2,798	1,867
MW Beneficial Ownership	MW	144	144	144
Sustainable innovation				
Intrapreneurship on sustainability				
Approved innovation initiatives	Number	12	12	14
Health and wellbeing				
Guaranteeing physical and mental health & wellbeing				
QHSE-S worldwide Performance Dashboard				
Worldwide Lost Time Injury Frequency Rate (WW LTIFR)	Number	0.19	0.23	0.19
Toolbox participation	Number	378,101	313,454	283,684
Timely reported incidents	Number	1,570	1,309	1,272
Timely closed actions	Number	3,244	2,905	2,260
Observations	Number	14,256	12,545	12,117
Inspections	Number	11,150	9,964	9,645
Incident Investigations	Number	3,023	2,737	2,869

2023 2022 2021

Diversity and opportunity

Diversity and inclusion				
Total Headcount permanent employees	Headcount	5,555	5,207	5,090
Total Headcount staff	%	59	56	56
Total Headcount crew and workmen	%	41	44	44
Headcount by age group permanent employees				
under 30 years	%	18	16	16
30-49 years	%	58	59	59
50 years or more	%	24	25	25
Gender breakdown permanent employees				
Headcount male permanent employees	Headcount	4,641	4,426	4,334
Headcount male – staff	%	52	49	49
Headcount male – crew and workmen	%	48	51	51
Headcount female permanent employees	Headcount	914	781	756
Headcount female – staff	%	96	95	95
Headcount female – crew and workmen	%	4	5	5
Personal and professional opportunities				
Performance and career development permanent employees				
Participation rate 'Time to' Staff programme	%	84	70	71
Participation rate 'Time to' Crew programme	%	74	68	73
"Participation rate 'Time to' Workmen programme	%	68	-	-
Training hours permanent employees				
Total training hours	Hours	155,730	148,056	208,766
Average hours of formal training per permanent employee	Hours/permanent employee	28	29	40
Training hours for male	Hours	128,241	127,402	192,504
Training hours for female	Hours	27,489	20,654	16,261
Ethical business				
Clear guidance and minimum standards on business ethics & human rights for all parties involved in our operations				
DEME staff that participated in DEME's Compliance Awareness training	%	99	99	99
DEME crew that participated in DEME's Compliance Awareness training	%	87	82	-

B. EU Taxonomy reporting tables

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities (2023)	Codes (2)	Absolute turnover (3) euro	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of turnover, year N (18) %	Taxonomy-aligned proportion of turnover, year N-1 (19) %	Category (enabling activity or) (20) E	Category (transitional activity) (21) T
			Proportion of turnover (4) %	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) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N						
A. Taxonomy-eligible activities																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
	Infrastructure for rail transport	CCM 6.14	59,718,979	2%	2%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	2%	1%	E	
	Electricity generation from wind power	CCM 4.3	1,008,818,765	31%	31%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	31%	24%		
	Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,068,537,744	33%	33%	0%	0%	0%	0%	0%	0%							33%	26%		
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
	Remediation of contaminated sites and areas	CE 2.4	127,091,030	4%																	
	Sorting and material recovery of non-hazardous waste	PPC 2.7	77,440,191	2%																	
	Electricity generation from wind power	CCM 4.3	90,588,982	3%																	
	Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		295,120,203	9%																	
	Total (A.1 + A.2)		1,363,657,947	42%														33%	26%	2%	0%
B. Taxonomy non-eligible activities																					
	Turnover of Taxonomy non-eligible activities (B)		1,921,763,838	58%																	
	Total (A + B)		3,285,421,785	100%																	

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities (2023)	Codes (2)	Absolute turnover (3)	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 or) (20)	Category (transitional activity) (21)	
			Proportion of turnover (4)	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)
A. Taxonomy-eligible activities																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
	Infrastructure for rail transport	CCM 6.14	9,886,378	2%	2%	0%	0%			0%	0%	0%	Y	Y	Y	Y	Y	Y	2%	0%	E	
	Electricity generation from wind power	CCM 4.3	252,961,181	47%	47%	0%	0%			0%	0%	0%	Y	Y	Y	Y	Y	Y	47%	52%		
	CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		262,847,559	49%	49%	0%	0%			0%	0%	0%							49%	52%		
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
	Sorting and material recovery of non-hazardous waste	PPC 2.7	724,499	0,1%																		
	CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		724,499	0,1%																		
	Total (A.1 + A.2)		263,572,058	49%															49%	52%	2%	
B. Taxonomy non-eligible activities																						
	CapEx of Taxonomy-non-eligible activities (B)		271,224,151	51%																		
	Total (A + B)		534,796,209	100%																		

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities (2023)	Codes (2) euro	Absolute turnover (3) euro	Proportion of turnover (4) %	Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')							Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of turnover, year N (18) %	Taxonomy-aligned proportion of turnover, year N-1 (19) %	Category (enabling activity or) (20) E	Category (transitional activity) (21) T
				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) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) 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%	0%	0%
B. Taxonomy non-eligible activities																					
OpEx of Taxonomy-non-eligible activities (B)		0	100%																		
Total (A + B)		0	100%																		

C. Connection between DEME's Materiality Matrix and DEME's 8 Sustainability Themes

	Relevant ESG topics	R/O ⁽¹⁾	Ambition	SDG
Environment				
 CLIMATE AND ENERGY	Energy transition	O	To expand our offshore renewable energy solutions and to explore new marine-based solutions for renewable energy production, connection and storage.	
	Resilient infrastructure	O	To build resilient marine infrastructure, such as the construction of ports, locks, tunnels and bridges and to provide dedicated flood protection solutions and coastal protection management.	
	Energy efficiency	O	Climate neutral operations by 2050 and improvement of energy efficiency in our operations.	
	GHG emissions	R	To reduce greenhouse gas emissions by 40% by 2030 relative to 2008 per unit of work.	
	Air pollutants	R	Minimise the environmental impact of our operations.	
 NATURAL CAPITAL	Biodiversity	R	Minimise the environmental impact of our operations and strive for a net positive impact on biodiversity and ecosystems.	
	Land restoration	O	Maximise efficient and circular use of materials throughout our projects.	
	Resource management	O		
Social				
 HEALTH AND WELLBEING	Safety	R	To provide a safe, secure and healthy working environment for all people involved.	
	Health and wellbeing	R		
 DIVERSITY AND OPPORTUNITY	Talent management	R	Strengthen employee competencies.	
	Workplace diversity and inclusion	R	Ensure an inclusive workplace where all employees are treated equally, with dignity and respect.	
 LOCAL COMMUNITIES	Local community engagement	O	Build collaborative relationships with local communities through consultation, engagement and participation.	
 ETHICAL BUSINESS	Labour practices & human rights	R	Respect and protect labour rights in our organisation.	
Governance				
 SUSTAINABLE INNOVATION	Sustainable innovation	O	Enhance scientific research, upgrade technological capabilities and encourage sustainable innovation within our projects.	
	Partnerships	O		
 ETHICAL BUSINESS	Responsible business conduct	R	Respect and protect labour rights in our organisation. Embed an ethical mindset within DEME and transparently communicate about our ethical performance.	
	Supply chain	R	Respect and protect labour rights in our organisation. Embed an ethical mindset within DEME and transparently communicate about our ethical performance.	
	Corporate and ESG Governance	R	Respect and protect labour rights in our organisation. Embed an ethical mindset within DEME and transparently communicate about our ethical performance.	

⁽¹⁾ Risk/Opportunity

D. Policies

ESG Topic	DEME Policy	Objectives	Scope	Accountable senior management	Reference to third party standards	Available to stakeholders
All ESG topics						
	Sustainability Policy	To summarise DEME's commitments to environmental, social and governance practices.	DEME Employees	Chief Executive Officer	ISO9001; ISO14001; ISO45001; ISO50001; CO ₂ Performance Ladder	-
GHG Emissions and Energy efficiency						
	Energy & Greenhouse Gas Policy	To explain what we aim for in terms of greenhouse gas emissions reduction and energy efficiency and how we intend to achieve our targets.	DEME Employees	Chief Executive Officer	ISO14001; ISO14064-1; ISO50001; CO ₂ performance ladder	-
Safety						
	Quality, Health, Safety and Environment Policy	To explain the main principles to achieve a target of zero accidents and zero environmental incidents.	DEME Employees Subcontractors	Strategic Operations Director	ISO9001; ISO14001; ISO45001; ISO50001; SCC; ISM Code; ISPS Code; Safety Culture Ladder	-
	Drugs and Alcohol Policy	To explain the expectations from DEME employees and subcontractors with regards to drugs and alcohol. There is a zero-tolerance policy which means the use of alcohol or drugs is forbidden during working hours. Working hours are defined as: the hours included in the working schedules (+ any overtime) and any time required for the commute to and from work.	DEME Employees Subcontractors	Chief Executive Officer	-	-
	Code of Ethics and Business Integrity	To establish guidelines for ethical behaviour, acting with integrity and honesty, and avoiding inappropriate behaviour, or even the appearance thereof.	DEME Employees	Chief Executive Officer	-	Available on DEME website
Responsible business conduct						
	Code of Ethics and Business Integrity	To establish guidelines for ethical behaviour, acting with integrity and honesty and avoid inappropriate behaviour, or even the appearance thereof.	DEME Employees	Chief Executive Officer	-	Available on DEME website
	Human Rights Policy	To explain the main principles, rules and values DEME sets out for its own employees and all third parties with regards to human rights aspects such as labour conditions, equal opportunities and hiring practices, child and forced labour, working hours, wages and benefits, health, safety and security, discrimination and harassment.	DEME Employees Third parties	Chief Executive Officer	-	-
	Whistleblowing Policy	To give the possibility to DEME employees and third parties to raise integrity concerns without fear of reprisal to detect potential or suspected infringements and violations of our Code, our policies & procedures and laws and regulations in general, that may otherwise go undetected and remain unremedied.	DEME Employees Third parties	Chief Executive Officer	-	Available on DEME website www.deme-group.com/sites/default/files/2023-05/Whistleblowing%20Policy%20Summary.pdf
	Code of Ethics and Business Integrity for Business partners	To establish guidelines and expectations for third parties with regards to ethical behaviour, acting with integrity and honesty and avoiding inappropriate behaviour, or even the appearance thereof.	Third parties	Chief Executive Officer	-	Available on DEME website

Risk assessment

Industry and market risks

Description of the risk	Potential impact	Risk management and control
Macroeconomic developments		
<p>DEME is a worldwide player and consequently vulnerable to developments that may arise on the macroeconomic level.</p> <p>Our activities are primarily driven by the growth of the global population, (particularly the trend to live near the coast and major rivers), the growth of the worldwide economy and the need for suitable infrastructure to accommodate this (for example port extensions and maritime access routes).</p> <p>This increase in international trade is in turn leading to the ever-increasing size of tankers and containerships, which is an important factor for our dredging business. This results in more investment in deepening and widening access channels and berths.</p> <p>Additionally, the surging demand for energy and targets to achieve the energy transition and climate neutrality, and the scarcity of minerals and raw materials, are other key drivers.</p>	<p>Part of the demand for DEME's services reflects changes in the economic growth rates of the region.</p> <p>Demand is also dependent on developments in the various industries we serve such as new infrastructure related to the energy transition.</p> <p>In addition, a considerable portion of DEME's activities are driven by governmental policies and public spending.</p> <p>Therefore, DEME is particularly exposed to the level of economic activity and susceptible to changes in the external economic conditions in each of the markets in which it is active.</p>	<p>Through geographical diversification, a qualitative customer portfolio and a vast network built up over decades, DEME tries to secure business continuity.</p> <p>However, given the complexity and diversity of our activities worldwide, it is not possible to fully anticipate every major change in the market conditions and the impact these could have on our business.</p>
Geopolitical developments		
<p>Given the global footprint of DEME's operations, we are sometimes exposed to elevated risks relating to political and/or social instability (including war, civil unrest, armed conflict, terrorism, hostage taking, piracy, extortion and sabotage).</p>	<p>Any such events could materially adversely disrupt DEME's operations or affect its business, personnel, equipment and vessels.</p>	<p>DEME aims to mitigate these risks by constantly monitoring the situation and security in those politically unstable areas where projects are being performed.</p> <p>Protectionism is alleviated when and where possible by means of local partnerships. Moreover, DEME may suspend a project in order to bring its personnel, equipment and vessels to safety.</p> <p>DEME's assets (primarily its vessels) can also be swiftly rerouted to an alternative, safe location.</p>
Capital-intensive nature of industry		
<p>The capital-intensive nature of the industry in which DEME is active calls for major investments (specifically in dredging and offshore vessels but also in concession activities).</p>	<p>Investment projects are often highly complex from both a technical and financial point of view.</p> <p>Furthermore, there is a long period of time between the moment that the decision to invest is taken and the mobilisation of the financing upto when the new vessel is delivered. This can give rise to lost opportunities or underutilisation should the market conditions have changed in the meantime.</p> <p>Concession activities and project development may also be subject to uncertainty as to whether the necessary financing will be obtained.</p>	<p>To remain competitive, DEME invests in new vessels and develops, finances and implements groundbreaking technologies.</p> <p>During the construction of new vessels we always work closely with the shipyard to make sure we maintain a tight control of the costs involved.</p>

Description of the risk	Potential impact	Risk management and control
Capital-intensive nature of industry—continued		
<p>The expansion and development of DEME's business can require additional capital, which it may obtain through debt and/or equity financing to fund investments.</p> <p>Specific characteristics of DEME's vessels and other equipment, and the limited number of players in the global markets in which DEME is active (e.g. dredging, offshore wind, etc.) could have a negative impact on the valuation of these assets in the event they would be sold.</p>	<p>Additional debt financing, if obtained, may expose DEME to additional covenants imposed by financial institutions or lenders.</p> <p>A negative impact on the fair value valuation of the fleet and other equipment can give rise to a lower value, and as such, impact the financial statements of the Group.</p>	<p>As a result of the capital-intensive nature of the industry, DEME has had and may continue to have a significant amount of borrowing costs, but these are always closely monitored by management and the Board of Directors.</p> <p>The value of the fleet is continuously monitored by DEME's Technical Department using internal and external information (e.g. valuation reports...). At every reporting date, the fair value of the fleet is compared with the book value and if necessary, an impairment is recorded.</p>
Competition		
<p>The sectors in which DEME operates are highly competitive, with DEME facing both local and international competition.</p> <p>Competitive factors include price, service quality, scope of activities (incl. geographically), reputation, experience and environmental impact, as well as the availability of favourable payment and credit terms.</p>	<p>The dredging industry is cyclical in nature (in terms of capital dredging works), and price pressures are indeed being witnessed, particularly during low cycles.</p> <p>As fleet utilisation is important, DEME's competitors may adopt a strategy of tendering for projects at lower prices. This aggressive pricing could result in DEME having to lower its price or improve credit terms significantly in order to secure projects, thereby reducing its gross profit margins and cash flow.</p>	<p>The large amount of capital required for the sectors in which DEME is active, the resulting limited number of players, and DEME's leading position in both the dredging and offshore wind markets, ease potential competitive pressure to some extent.</p> <p>DEME's ability to compete will largely depend on being able to continue to innovate and provide state-of-the-art solutions to its customers. DEME needs to keep up with evolving technologies (both hardware and software), and ensure it has advanced technology and equipment to retain its market share, reputation and position.</p> <p>At present, DEME has a modern and competitive fleet as a result of a multi-year investment programme.</p>
Investments in unproven markets		
<p>In its business development and diversification efforts, DEME is investing in industries and markets that are not yet established and at least initially, they can rely on unproven technology such as deep-sea mineral harvesting (GSR) and green hydrogen (DEME Concessions).</p>	<p>Investing in unproven markets can give rise to high research and development costs, impacting the financial position of the Group.</p> <p>Moreover, new industries or assets can become obsolete or uncompetitive in view of current market circumstances and evolving standards.</p>	<p>DEME relies largely on its ability to continue to innovate and provide state-of-the-art solutions to its customers, also in unproven markets.</p> <p>Financial investments in these fledgling markets, which are not yet generating income, are covered by the cash flows arising from the other operational segments of the Group.</p>

Business risks

Description of the risk	Potential impact	Risk management and control
Project management and execution risks		
<p>DEME's business largely revolves around projects. We usually construct or deliver an infrastructure or a scope of work with a unique character for a fixed lump sum or variable price and within an agreed period of time. We also execute Engineering, Procurement, Construction and Installation (EPCI) contracts and sometimes we have the obligation to arrange the financing too.</p> <p>Risks can arise throughout the entire project management and execution process, from tendering to contract negotiation and, upon award, during the execution of the engineering, procurement, construction, commissioning and delivery.</p> <p>In addition, there is also the possibility that the customer will not be able to obtain the necessary financing or that it might not be able to do so in a timely manner etc.</p>	<p>Operational risks can lead to possible cost overruns, particularly for those projects with fixed-price contracts or with limited price escalation provisions, where the actual costs may exceed the initial estimation made by DEME due to unanticipated costs (e.g. resulting from supply price increases, additional work, delays in performance, etc.). Such additional costs cannot always be passed on to the customer, resulting in DEME bearing all, or at least a portion of these costs.</p> <p>Depending on the size of a project, variations from the estimated costs due to performance could have an adverse effect on DEME's financial performance, operational results, or cash flows.</p> <p>In particular, projects based on new designs may entail higher risks of cost overruns because DEME may be less able to make a proper cost estimate beforehand, especially when it ventures into new business segments for the first time.</p> <p>Delays (due to possible internal and/or external factors) in meeting delivery performance requirements (e.g. "milestones") may also result in potential penalties or damages.</p> <p>This includes third-party risks in the form of poor performance or non-performance of subcontractors, suppliers, vendors, joint venture partners or other parties, which could affect DEME's ability to execute its projects as planned.</p> <p>For instance, this could happen when substitute manufacturers are limited, especially for those making specialised equipment.</p> <p>Potential penalties or damages, additional costs etc. may arise from not meeting performance requirements. These could be due to quality standards, the contract period, or cost overruns resulting from not complying with warranty obligations (e.g. responsibility for maintenance etc.).</p> <p>Adverse effects on DEME's business could result from failure to comply with any changes in the applicable regulations and legislation, for example, safety and social obligations vis-à-vis subcontractors. There is also the potential of unlimited penalties or damages to be paid as some contracts, in particular public contracts, may not have limitation of liability clauses.</p>	<p>The ORM Department deploys its ORM system for the timely identification, assessment and management of risks and opportunities with respect to tendering, preparation and the execution of projects. Opportunities and risks are continuously monitored so that timely decisions and necessary actions can be taken.</p> <p>There is also a Risk Committee, composed of the CEO, CFO and members of the Executive Committee, or any person appointed by the latter responsible for the relevant segment or any person appointed by the latter, complemented with non-executive directors and/or any other persons designated by the Board of Directors. As well as assisting the CEO in his task of assessing risk management matters, the Committee approves all binding offers related to major contract awards.</p> <p>The Risk Committee reports regularly to the Board of Directors on the performance of its duties and identifies any matters for which it believes action or improvement is necessary and makes recommendations regarding any steps to be taken.</p>

Description of the risk	Potential impact	Risk management and control
Project management and execution risks — continued		
<p>During a project, DEME may be confronted with certain other general risks which are, directly or indirectly, caused by factors that are inherent to DEME's business (e.g. marine engineering contracts).</p>	<p>DEME may be subject to increased project costs due to possible non-working days, a delay in the delivery of the works, injuries to employees or third parties, damage to equipment/vessels or those of third parties, as a result of any of the following factors:</p> <ul style="list-style-type: none"> — the determination of nature and composition of the soil and/or specific site conditions; — weather conditions and extreme events including storms, tsunamis, earthquakes, etc.; — wear and tear of equipment; — technical or mechanical incidents and breakdowns that may influence the performance of the vessels or cause damage to own or third-party equipment; — the concept and engineering of the project, as well as the assessment of the technical suitability of the equipment; — changes to the regulatory framework during the course of the contract; — the relationship with and reliance on subcontractors, suppliers and (joint venture) partners, particularly in the context of Engineering, Procurement, Construction and Installation (EPCI) projects. 	<p>DEME tries to manage all those risks through its project management systems, including taking out appropriate insurance policies.</p>
Maintain and renew required approvals, licences and permits for operations		
<p>DEME requires various approvals, licences, permits and certificates to operate its business. These have to be obtained, maintained and renewed.</p>	<p>Without the required approvals, licences, permits and certificates it may not be possible to operate its business.</p> <p>For instance, Belgian contractors must hold a "Certificate of Recognition" which has to be renewed every five years. Comparable requirements exist for all of DEME's activities worldwide.</p> <p>With respect to the fleet, vessels must fly a flag based on the completion of a registration procedure and a technical survey. Upon the successful completion, the vessel is granted a "Certificate of Registry". The exact technical standards and procedures may differ from jurisdiction to jurisdiction and change with the passage of time.</p>	<p>DEME makes sure that all of its certificates are kept up to date and that it meets international legal and other local mandatory QHSE requirements.</p> <p>Additional certificates are even obtained to ensure that DEME's QHSE standard is higher than industry requirements.</p> <p>DEME holds an ISO Group Certificate, which includes more than 50 of our operational and commercial entities. All certified entities are compliant with the following standards:</p> <ul style="list-style-type: none"> ISO 9001 Quality Management Systems ISO 14001 Environmental Management Systems ISO 14064 Reporting ISO 45001 Health and Safety Management Systems ISO 50001 Energy Management Systems <p>In addition to ISO, the QHSE Management System is compliant with other specific standards.</p> <p>Furthermore, vessels are subject to classification rules which are designed to protect vessels, crews and the environment among others.</p> <p>The "Class and Flag" Department is responsible for maintaining the fleet's flag and regulatory certificates and for planning any surveys required.</p>

Climate change and environmental risks

Description of the risk	Potential impact	Risk management and control
Uncertainty whether a project will effectively materialise		
As a project developer and concession holder, DEME focuses on renewable energy, marine infrastructure, ports, dredging, green hydrogen and other special projects.	The process from the first idea until the actual completion could entail an extensive period of time, even several years. This means that considerable costs could be incurred, and a lot of time may be spent on a potential new project, even though there is no guarantee that the project will eventually materialise. For example, obtaining a concession from the relevant governmental authority can be a risk, due to uncertainty about the interpretation and/or application of regulations, onerous restrictions being imposed or changes being adopted in respect of the conditions of the concession and/or political instability. Furthermore, it is vital to obtain the proper financing for the project with the right partners.	Within DEME there is a Technical Committee overseeing the Group's activities, as well as a special Technical Committee for DEME Concessions in particular. These are composed of the CEO, CFO and members of the Executive Committee, non-executive directors and/or any other persons designated by the Board. Members have the specialist expertise required for specific projects. They evaluate projects/investments that play a special role within the Group from a risk, investment and image perspective.

Uncertainty whether a project will effectively materialise		
DEME is subject to third-party risks in respect of contractors, suppliers, vendors, joint venture partners or other parties.	The successful completion of projects depends on the ability of these third parties to perform their contractual obligations and is subject to factors beyond DEME's control, including actions or omissions by these parties and their subcontractors.	DEME implements strict measures to minimise potential third-party risks, such as carrying out due diligence before doing business with them and procure-to-pay procedures.

Description of the risk	Potential impact	Risk management and control
Developing environmental regulation (climate transition risk)		
DEME is active in a sector with augmented greenhouse gases, which contribute to global warming. With upcoming regulation, DEME could be subject to carbon taxes and emissions trading schemes - referred to as a climate transition risk, more specifically policy and legal risk.	Carbon taxes do not only result in additional direct costs but also increase prices for procured products & services (e.g. steel, concrete, etc.).	DEME has a climate transition plan in place which focuses on increased operational and technical energy efficiency and the shift to alternative fuels, which emit fewer GHG emissions. These measures will lower the exposure and impact from carbon taxes and emissions trading schemes. The impact of potential costs is subject to pass-through clauses in the contract which can be different for every project.
Impact of more extreme weather conditions (climate physical risk, acute)		
DEME's activities face specific climate risks such as more frequent and extreme weather events such as storms, heavy rainfall and flooding. This is referred to as acute physical climate-related risk.	More extreme weather conditions could result in more operational downtime.	DEME continuously monitors and assesses economic and climate-related circumstances to anticipate, limit or avoid any impact on its financials. Damage to assets as a result of extreme weather conditions such as storms are covered by casualty insurance policies.

Impact of climate change (climate physical risk, chronic)		
Climate change may cause certain chronic events such as changing wind patterns, ocean acidification, sea level rise, etc. Dredging, land reclamation, offshore works, infrastructure and environmental projects may face the consequences of these specific climate risks. For DEME Offshore's projects and in view of EU Taxonomy reporting, DEME has chosen the IPCC's RCP 8.5 scenario to serve as the baseline climate scenario. This is referred to as chronic physical climate-related risk	Ocean acidification could have a limited impact on offshore projects. For example, as the pH of the water decreases (and the acidity increases) the corrosion rate of a wind turbine structure increases, which could result in the replacement of sacrificial anodes or an increase in ICCP (Impressed Current Cathodic Protection) current cathodic protection. On the other hand, DEME identifies the rising sea level rise as an opportunity for its dredging activities.	While designing wind turbine foundations, DEME takes parameters looking at chronic physical climate-related risks such as changing wind patterns and ocean acidification into account.

Disturbance of the environment		
Dredging, land reclamation, offshore works, infrastructure and environmental projects or deep-sea harvesting are activities which impact the environment and face specific environmental risks.	DEME faces specific environmental risks relating to the disturbance of flora and fauna, accidental contamination or other undesirable environmental effects. These environmental risks can be broken down into two main components: — Firstly, the environmental companies within the Group must by the very nature of their activities – soil and sludge remediation – deal with dangerous and harmful substances. The contamination types and the technologies used to cope with them are not always free of risks. — Secondly, the Infra business segment of DEME – active in marine infrastructure – relies heavily on natural resources such as sand. Government bodies may impose restrictions on the use of certain natural resources or may demand the reuse of certain resources. The customer for example, will either impose minimum levels of reuse or favour tenders which reuse the most material. As a consequence, DEME has to consider the circular economy and find ways to optimise the recycling of materials.	DEME continuously monitors and assesses economic and climate-related circumstances to anticipate, limit or avoid any impact on its finances. It is also DEME's ambition to fundamentally contribute to sustainable solutions for the global environment, societal and economic challenges faced in the world today. In line with this, DEME is continuing its ambitious strategy to expedite the energy transition and its sustainability ambitions are also embodied in its modern, innovative fleet. Additionally, DEME aims to play a role in the move towards the circular economy by providing integrated circular solutions for soil remediation, brownfield development, environmental dredging and sediment treatment.

Financial risks

Description of the risk	Potential impact	Risk management and control
Financing		
To finance its investments and activities, DEME frequently makes use of external financing sources, both for short- and long-term financing.	<p>The extent of leverage may expose the Group to various risks, including increasing its vulnerability to downturns or adverse changes in general economic, industry or competitive conditions and government regulations.</p> <p>This requires a substantial portion of its cash flows from operations to be dedicated to the payment of principal loans and interest on the Group's indebtedness, therefore reducing its ability to use its cash flows to fund its operations, capital expenditures and future business opportunities.</p>	<p>DEME aims to maintain a healthy balance between consolidated net equity and consolidated net debt. DEME has significant credit and guarantee facilities with various international banks.</p> <p>In addition to this, it has a commercial paper programme to cover its short-term borrowing requirements.</p>
DEME must in the context of some of its long-term credit facilities comply with certain restrictive covenants relating to DEME's capital-raising activities and other financial and operational matters (e.g. the balance sheet total, net equity, net financial debt and EBITDA).	Complying with such restrictive covenants can make it more difficult to obtain additional capital and to pursue business opportunities, including potential acquisitions. Any breach of these covenants could give rise to the acceleration of the loans.	<p>Under the general term of capital management, net financial debt and cash flows are closely monitored by DEME's Treasury Department and the Board of Directors.</p> <p>DEME seeks to diversify its financing resources (though only with banks with which it has a longstanding relationship and with good investment grade credit ratings) and to spread the maturity dates.</p>
Market risk: interest risks		
For its financing, DEME is facing an interest rate risk that can be defined as the extent to which the results or value of a financial transaction are affected by a change in market interest rates.	Changes in interest rates can lead to increases in the interest charges, and in turn, impact the financial statements of DEME.	<p>Interest rate risk management is centrally performed within the Group. Should DEME use short-term borrowings to finance short-term needs (e.g. working capital for projects), DEME could hedge the floating interest rate.</p> <p>For its long-term borrowings, DEME covers the vast majority of the risks of changes in the underlying variable interest rates through derivative financial instruments, mainly by using interest rate swaps.</p>
Market risk: exchange rate risks		
The global nature of DEME's activities means that payments made for contracts, purchases and expenditures may be in a variety of currencies, thus exposing DEME to risks associated with fluctuations in currency exchange rates and with its currency hedging, which could result in increases to DEME's costs.	Most of the Group's purchases are typically transacted in euro or USD. This means that the Group faces the risk of exchange rate fluctuation when sales are made in a different currency than the purchases. DEME may be unable to pass these increased costs on to its customers.	<p>DEME uses derivative financial instruments in order to reduce the effects of currency fluctuations on its cash flows and financial condition.</p> <p>In principle, DEME arranges cover for only committed cashflows in currencies other than the home currency. It does so mainly in the form of forward transactions (project hedging or CapEx) or swaps (operating capital, follow-up of forward transactions). So, the currency exchange risk is particularly relevant in the pre-committed period.</p> <p>To cope with the exchange rate risks associated with foreign currencies subject to local restrictions, use is made - where possible - of non-deliverable forward (NDF) hedging.</p>

Description of the risk	Potential impact	Risk management and control
Market risk: exchange rate risks — continued		
<p>DEME's reporting currency is the euro. However, given the Group's global operations, a significant portion of the assets, liabilities, expenses and revenue are denominated in currencies other than euros. These are converted to euros at the applicable exchange rates to prepare the Group's consolidated financial statements.</p> <p>Fluctuations in exchange rates can therefore affect the value of those items expressed in euro terms in the Group's consolidated financial statements.</p>	<p>A change of one or more of the foreign currencies in which DEME's local subsidiaries operate against the euro impacts its revenue and profitability when expressed in euros.</p> <p>Exchange rate changes also affect the Group's consolidated statement of its financial position and income statement.</p> <p>Changes in the euro values of the Group's consolidated assets and liabilities resulting from exchange rate movements may cause the Group to record foreign currency gains and losses through profit or loss, or through its foreign currency translation reserve recognised in other comprehensive income and accumulated in equity.</p>	DEME does not hedge against translational currency risks.
Market risk: price and commodity risk		
<p>DEME is exposed to risks associated with fluctuations of prices for raw materials and energy. These are essential for the performance of its activities and as such are an important element of its costs.</p> <p>Key raw commodities include construction materials required for infrastructure projects or steel for offshore wind farm foundations.</p> <p>When it comes to energy, this primarily refers to the use of fuel oil or LNG by DEME's vessels and earthmoving equipment.</p>	<p>The prices at which DEME can purchase certain raw materials (e.g. steel) or energy (fuel oil or LNG) may fluctuate significantly according to local and international market conditions (e.g. shortages, market price volatility, currency fluctuations, changes in governmental programmes, etc.), thus exposing DEME to price risks and potentially higher costs.</p>	<p>Some contracts allow cost increases for raw materials and energy to be passed on to the customer by means of price-review mechanisms.</p> <p>DEME also hedges against oil price fluctuations by entering into forward contracts. Though, this practice becomes more costly and therefore unsuitable when it spans a lengthy amount of time or when quantities cannot be estimated reliably.</p>
Credit and counterparty risks		
A credit risk may arise in the event a customer or counterparty fails to perform its contractual obligations.	Non-payment by a customer may be the consequence of a lack of liquidity, bankruptcy or fraud on the part of the customer or be attributable to the general political or economic situation in the customer's country. It can impact our cash flows and financial position.	<p>DEME aims to minimise the credit risks of its customers by examining their solvency prior to finalising the contract and putting the required payment guarantees in place (including credit insurance policies with public service credit insurers such as Credendo and private credit insurers, bank guarantees and through letters of credit). But it is not possible to entirely exclude the credit risks associated with customers.</p> <p>A large part of the consolidated turnover however, is realised through public or semi-public sector customers. Therefore, the level of counterparty risk is limited because these entities represent a substantial proportion of our customers.</p> <p>To contain the remaining risk, DEME constantly monitors its outstanding trade receivables and adjusts its position if necessary.</p>

Legal and regulatory risks

Description of the risk	Potential impact	Risk management and control
Market risk: price and commodity risk — continued		
DEME is exposed to counterparty risks when placing/investing its available liquidities and when subscribing to financial derivatives.	Financial institutions can go into default or be declared bankrupt and in turn, put our invested assets at risk.	DEME has a policy to minimise counterparty risk by avoiding concentrations of these and in such matters working only with banks with which it has a longstanding relationship and with good investment grade credit ratings, but it is not possible to entirely exclude credit risks from financial counterparties.
Liquidity risks		
Although DEME operates strict financial policies and ensures that there is a diversity of sources of finance and repayment periods, not all negative effects on the cash flow and liquidity can be avoided if customers don't meet their payment obligations for example, if DEME doesn't manage to arrange adequate external financing subject to acceptable conditions. This can result in a negative impact on the activities, financial situation and results of DEME.	<p>All these factors might result in DEME having difficulties to comply with its credit facility covenants.</p> <p>If its future cash flows from operations and other capital resources would be insufficient to honour its payment obligations or to fund its liquidity needs, DEME may be forced to adapt its business activities and capital expenditures, sell assets, obtain additional debt or equity capital, restructure or refinance all or a part of its debt on or before maturity, or for opportunities such as acquisitions.</p>	<p>The liquidity risk is limited by spreading borrowing among several banks, agreeing a variety of repayment periods and also by mitigating the credit risk.</p> <p>Moreover, DEME mainly invests in equipment with a long lifespan, which is written off over several years and for that reason, DEME seeks to structure a substantial part of its debts as long-term debt.</p>

Description of the risk	Potential impact	Risk management and control
Compliance with, and changes to laws		
DEME is active in a large number of countries in all parts of the world and is subject to a wide variety of legislation and regulations in each of the jurisdictions in which it operates. And it can be the case that DEME incurs substantial costs in order to comply with these regulations.	<p>The regulations to which DEME is subject vary from jurisdiction to jurisdiction and may change over time.</p> <p>This can include changes to export, import and transit inspections, excise, rates and quotas, income tax, withholding tax, VAT and other tax, environmental legislation, checks on international trade and currency, and workplace and social security policies.</p>	DEME always seeks to monitor and adapt to changes in the legal systems, regulatory controls, customs and practices in the jurisdictions where it operates.

Legal and regulatory compliance risks regarding anti-trust, anti-money laundering and anti-corruption		
<p>In addition, sanctions imposed by international organisations or individual nations restrict or prohibit transactions with certain countries, and with companies and individuals identified on lists maintained by the United Nations, the U.S. Federal Government, the European Union, various EU member states and other local governments.</p> <p>Furthermore, due to the increasing complexity, size and geographical spread of DEME's operations and the extent of its reliance on employees, agents, third-party providers or any other representatives involved in DEME's business, it may become more difficult to effectively monitor and control all of DEME's global activities, and in certain emerging markets, which are known to be more prone to bribery, corruption and other compliance risks.</p>	<p>DEME may be unaware of, or unable to timely anticipate and prepare for developments in such laws, regulations and sanctions.</p> <p>Subsidiaries and joint ventures work autonomously in an international environment with a multitude of stakeholders which participate in or are impacted by the Group's operations: project managers and their representatives, concession-granting authorities, regulatory authorities, contractors, design offices, joint contractors, subcontractors, suppliers, service providers, local residents, communities, etc.</p>	<p>DEME is committed to responsible business practices and has formulated internal policy with the objective to execute all of its activities with integrity and zero tolerance with regard to corruption.</p> <p>DEME operates a global Compliance Programme (through, for instance, DEME's Code of Ethics & Business Integrity and the Group's existing policies, procedures, training, whistle-blower hotline, IT tools, internal controls and risk management in relation to antitrust, anti-money laundering, anti-bribery or anti-corruption laws, regulations and sanctions, including the monitoring thereof by DEME's Compliance Department).</p> <p>But there can be no assurance, however, that such codes, policies and procedures are always being applied by employees, agents, third-party providers or any other representatives involved in DEME's business.</p>

Compliance with, and changes to environmental, health and safety laws		
DEME's business involves certain inherent risks related to the health and safety of employees, subcontractors and others.	<p>DEME could incur substantial liability in the event of accidents, exposure to hazardous substances, spillages or other events resulting in injury or death, even if the event is not DEME's fault.</p> <p>Furthermore, in some of the countries where DEME works, the activities may be affected by social and/or political instability (terrorism, armed conflict, seizure of bank accounts etc.), as well as prone to malicious and/or criminal acts (vandalism, theft, physical attacks, kidnapping, piracy, etc.).</p>	<p>DEME identifies risks of accidents, or injury and health impacts and introduces the appropriate mitigation measures. Though in the event of accidents, injuries to employees or subcontractors cannot be entirely excluded.</p> <p>The QHSE slogan is "Zero accidents and zero environmental incidents". The company's priority is, and remains the wellbeing of employees and subcontractors by creating a high quality, healthy, safe and eco-friendly working environment.</p> <p>QHSE is always on the agenda of DEME's Management Team, Executive Committee and Board of Directors' meetings.</p> <p>As well as this, each employee has a "Stop Work Authority": the right and obligation to stop any activity that is deemed to involve unacceptable risks.</p> <p>Key Performance Indicators (KPIs) are in place at all levels of the organisation to follow up on QHSE performance.</p>

IT Risks

Description of the risk	Potential impact	Risk management and control
Compliance with, and changes to environmental, health and safety laws — continued		
DEME's business involves certain inherent risks related to the environment.	In certain jurisdictions, incidents resulting from dredging, land reclamation, offshore works, infrastructure and/or environmental activities (for instance, contamination of air, water and soil) require the contractor to clean up after the works and bear the cost thereof.	It is DEME's policy to strictly abide by and comply with all the applicable legislation and regulations in every jurisdiction in which DEME is active.
Tax risks		
DEME operates in a range of countries subject to different tax regimes. DEME's effective tax rate and tax liability are based on the application of current income tax laws, regulations and tax treaties. From time to time, various governments make substantive changes to tax rules and the application of rules, including changes potentially impacting the Group's ability to defer taxes on international earnings.	Significant judgment is required to determine tax liabilities worldwide, and this is partly because tax laws and regulations do not always provide clear and definitive guidelines. DEME's effective tax rates and tax exposure could potentially be affected by a multitude of reasons. These include changes in the composition of its earnings in countries or jurisdictions with higher or lower tax rates, changes in applicable tax rates, transfer pricing rules or in the valuation of DEME's deferred tax assets and liabilities, DEME's ability to utilise tax losses and tax credits, changes to interest deductibility or other changes in the tax laws and the way such laws are applied by tax administrations (possibly retroactively). This also encompasses tax arrangements issued by the tax authorities and corresponding challenges by tax authorities to DEME's judgement or interpretation in tax matters.	As mentioned, taxation can be subject to judgements and might result in disputes with local tax authorities. If management considers it probable that such disputes will lead to an outflow of resources, accruals have been recorded accordingly. Although DEME believes its tax estimates are reasonable, due to continuous screening by its Tax Department, any final determination could be different from the treatment reflected in DEME's historical income tax provisions and accruals.
In addition, DEME is regularly subject to audits of its income tax returns and VAT declarations by the tax authorities in the various countries in which DEME operates.		
Litigations		
DEME has been and may continue to be involved in litigation, other legal claims and proceedings, investigations and regulatory enforcement actions from time to time with various parties in the course of its business.	Disputes and legal proceedings are subject to many uncertainties, and their outcomes are often difficult to predict. Some of these proceedings can lead to paying damages, remedies or criminal/civil sanctions, fines or disgorgement of profit.	As a general rule, DEME's contracts are subject to the laws of the countries in which the projects are executed, supplemented where possible by the arbitration clause of the International Chamber of Commerce, in particular for countries where the legal system might not offer sufficient protection.
Disputes may, for instance, arise around different interpretations of new items emerging during the performance of the contract, or around misinterpretations of contractual clauses.	The defence of any such claims and any associated settlement costs can be substantial, even with respect to claims that have no merit.	
DEME's business is also subject to operational risks, including environmental hazards, accidents, disruption or flooding, which could result in damage or even the destruction of equipment, structures or buildings, environmental damage, personal injuries or legal liability towards third parties.		
The company may even be involved in proceedings initiated by employees or former employees with occupational disease claims related to certain activities (e.g. diving, working in the sun for extensive periods) or to exposure to hazardous substances (e.g. fumes, corrosive or toxic substances), among other things.		

Description of the risk	Potential impact	Risk management and control
IT Risks		
DEME increasingly relies on digital communication, connectivity, and the use of technology to run its worldwide business, which has been further accelerated by remote working.	Relying more heavily on digital communication and information technology, increases DEME's exposure to potential cybercrimes, failures or disruptions in IT systems and other related risks. Information technology is crucial in supporting and protecting core and supporting processes. This enables DEME to work more fluidly and efficiently and makes it possible to follow up its local operations in almost real-time from its headquarters, but it also leads to a vulnerability linked to cyber security challenges and dependency on digitalised processes.	Internal policies, procedures and instructions are in place to mitigate the information technology risk. These include Multi-factor Authentication, single sign-on with Office 365 for all cloud-based applications, hard-disk encryption, as well as End-Point protection on all PCs, regular "Ethical hacking" exercises, awareness campaigns and penetration testing by the Enterprise Security Office (ESO). In its role, ESO provides the management with periodic updates on the security risk landscape and performs security risk assessments. As such, the ESO informs the Group about potential threats to the security of staff and property.
Cyber security		
Cyber security is a vital aspect of our business as we operate in a highly competitive and dynamic market that requires constant innovation, adaptation and vigilance.	We are aware of the challenges and opportunities that lie ahead. The cyber threat landscape is constantly evolving and becoming more sophisticated and complex, as cyber criminals and adversaries exploit modern technologies and vulnerabilities. We also face increasing regulatory and customer expectations and demands, as well as competitive and market pressure.	One of the main goals of DEME's Cyber Security Strategy is to establish a robust and consistent framework that guides our policies, procedures, and practices. To this end, it has adopted the Centre for Internet Security (CIS) Controls, a set of best practices that are aligned with the most widely recognised cyber security standards, such as NIST (National Institute of Standards & Technology) and MITRE ATT&CK® (a globally-accessible knowledge base of adversary tactics and techniques based on real-world observations). The CIS Controls, which have been implemented throughout the organisation, provide a comprehensive and actionable roadmap to improve cyber security and to measure progress and performance. In addition, DEME has undertaken several specific initiatives and projects to enhance its cyber security capabilities and resilience: <ul style="list-style-type: none"> — Full rollout of Multi-factor Authentication (MFA) for all employees, contractors, and partners. MFA reduces the risk of unauthorised access and data breaches. — Establishing a 24/7 Cyber Security Centre (SOC), a dedicated team of experts and analysts that monitor, detect, and respond to cyber incidents and threats. — Improvements in Disaster Recovery: increasing our Data Centre redundancy and backup capabilities. DEME has invested in multiple data centres located in different zones, and improved its backup and recovery processes by using cloud-based solutions. — Deployment of Starlink, a satellite-based internet service that provides high-speed and low-latency connectivity to its fleet. Starlink, in combination with next-generation firewalls, enhances cyber security by enabling DEME to encrypt and secure its data transmissions. — Conducting ethical hacker testing to identify and address potential vulnerabilities. — Investing in training to equip the workforce so they can identify and counteract potential cyber security risks
We are committed to protecting our people, data, assets, and customers from cyber threats, and to comply with the relevant regulations and standards.		

Other risks

Description of the risk	Potential impact	Risk management and control
Employment		
<p>DEME heavily relies on qualified, highly skilled personnel, professionals and managers.</p>	<p>The success of DEME's business depends largely on its ability to continue to recruit and retain skilled personnel, and to do so at competitive conditions.</p> <p>DEME must recruit and retain adequate numbers of highly qualified engineers, professionals and managers.</p> <p>Not being able to attract talent could limit the execution of current operations, as well as have an impact on the growth of DEME.</p>	<p>To attract talent in this highly competitive market, DEME has a professional recruitment team.</p> <p>It is vital to motivate and retain its valuable employees, therefore DEME tries to recompense the long working hours, shift work, and night-time and weekend work with attractive conditions of employment and holiday arrangements.</p> <p>The company also invests in the development of employees through various training programmes and prepares candidates for key promotions to improve their leadership capabilities.</p>
Intellectual property		
<p>DEME makes use of certain proprietary technology and knowhow, including intellectual property and innovations that it has developed itself.</p>	<p>To obtain a competitive advantage, DEME must use state-of-the-art technologies, often developed by its own employees.</p>	<p>DEME enters into confidentiality agreements with third parties that are involved in Research & Development.</p> <p>The intellectual property rights arising from this R&D are owned by DEME on the basis of a standard contract with the inventor.</p> <p>Depending on the type and value of the intellectual property it may be protected further by filing a patent application.</p>
Outbreak of pandemic disease		
<p>A pandemic, such as covid-19, can negatively affect DEME's operations. It impacts the health of all our employees, suppliers, subcontractors and can disrupt the delivery of crucial supplies and lower demand.</p>	<p>An outbreak of a pandemic impacts the health of the crew and staff and business continuity, on board, at project sites and offices and consequently, it has an impact on the financial position of the company.</p> <p>Local or international measures can limit travelling and include possible quarantine measures.</p>	<p>Cooperation from all staff and crew, and compliance with DEME's health and safety measures and vaccination recommendations enabled the company to limit the number of covid infections.</p> <p>During 2023, DEME has kept the mitigation measures and protocols largely in place to assess the covid evolution and the associated government measures. The evolution and risks now appear to be reasonably under control with most governments relaxing their regulations.</p>

Assurance report

In this section 'Assurance Report' we refer to Chapter 6 – Financial Report, where the independent Auditor's Report has been included. See page 266-269.