

DEME GROUP NV
Limited liability company
Scheldedijk 30
2070 Zwijndrecht
VAT BE0787.829.347 RLE ANTWERP
(the “Company”)

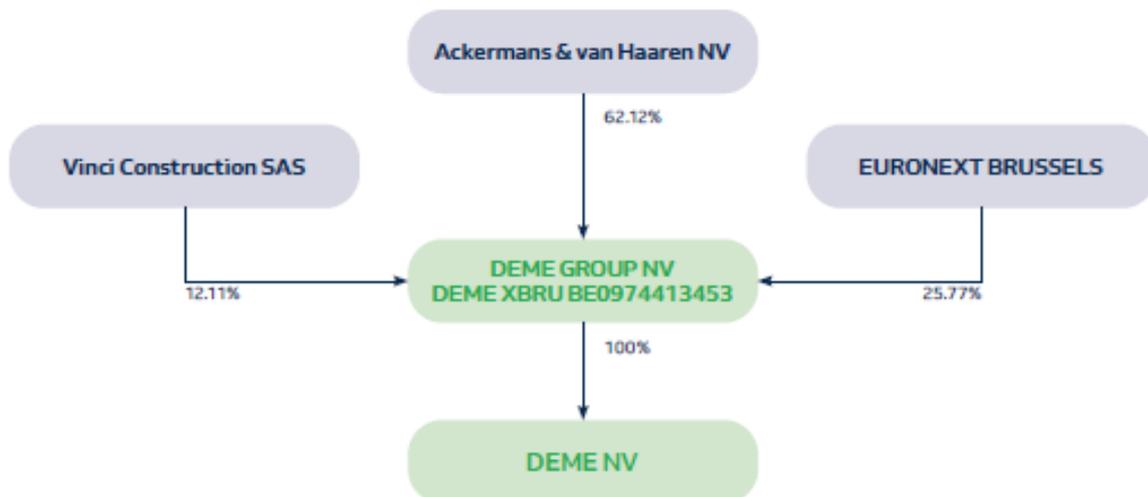
STATUTORY ANNUAL REPORT 2023 OF THE BOARD OF DIRECTORS

Dear shareholder, it is our privilege to report to you on the activities of our Company during the past financial year in accordance with Articles 3:5 and 3:6 of the Code of Companies and Associations and to submit to you for approval the statutory accounts closed on December 31, 2023.

1. Comments on the Statutory Annual Accounts

1.1 Share capital and shareholding structure

As at December 31, 2023, the shareholder structure of the Company is as follows:



Since the incorporation of the Company, no changes were made to the Company’s share capital. The share capital amounts to 33,193,861.28 euros, and is represented by 25,314,482 shares with no nominal value. All shares have been paid up in full. The Company received transparency notices on July 8 and July 14, 2022, under the transitional regulations of the Act of May 2, 2007, whereby respectively Ackermans & van Haaren NV and VINCI SA communicated their holding percentages. The relevant details of these transparency notices can be found on the Company’s website (www.deme-group.com).

1.2 Activities

The Company is the sole shareholder of DEME NV and the participation in DEME NV is the only financial asset of the Company. During 2023, the Company has received dividends for an amount of 40 million

euros (compared to 50 million euros in 2022) from its subsidiaries and has, subject to the approval of its shareholders, an outstanding dividend to pay for an amount of 53.2 million euros (compared to 37.9 million euros in 2022). As a result of cash pooling within the Group, all funds received are immediately transferred to the in-house bank of the Group, DEME Coordination Center NV, resulting in an 'other amounts receivable' on the balance sheet.

For an overview of the Group's main activities during the 2023 financial year, we refer to the consolidated annual report of the Company prepared in accordance with Article 3:32 of the Code of Companies and Associations, which can be found on the Company's website.

1.3 Financial situation as at December 31, 2023

The statutory annual accounts have been prepared in accordance with Belgian accounting principles. The balance sheet total at year-end 2023 amounted to 1,152.4 million euros. The assets consist of 1,100.0 million euros in financial fixed assets and 52.4 million euros of current assets. On the liabilities side of the balance sheet, after the profit for the financial year of 39.7 million euros and the proposed dividend of 53.2 million euros for the 2023 financial year, the shareholders' equity amounts to 1,098.4 million euros.

ASSETS (in thousands of EUR)	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

1.4 Appropriation of the result

The Board of Directors proposes to appropriate the result (in euros) as follows:

APPROPRIATION (in thousands of EUR)	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 Board of Directors proposes to pay a gross dividend of 2.1 euros per share which is an increase of 40% compared to the 1.5 euros per share paid in 2023. The total dividend amount is 53,160,412 euros. If the annual general meeting approves this dividend proposal, the dividend will be payable on 27 May 2024. After appropriation of the result, the shareholders' equity stands at 1,098.4 million euros, and the liabilities side of the balance sheet is composed as follows:

LIABILITIES (in thousands of EUR)	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

2. Major Events after the Closing of the Financial Year

There are no significant changes to be reported in the financial and commercial situation of the Group as of December 31, 2023.

3. Main Risks and Uncertainties

The Company and the Group are subject to, among others, the following risks and uncertainties:

- macro-economic developments;
- geopolitical developments;
- project management and execution risks; and
- third-party risks in respect of the contractors, suppliers, vendors, joint venture partners or other parties involved in the projects the Group undertakes.

For a more detailed overview of the above risks and uncertainties, we refer to the consolidated annual report of the Company prepared in accordance with Article 3:32 of the Code of Companies and Associations which can be found on the Company's website.

4. Research and Development

The Company itself is not investing in research and development but the Group is. For more information in this regard, we refer to the consolidated annual report of the Company prepared in accordance with Article 3:32 of the Code of Companies and Associations which can be found on the Company's website.

5. Financial Instruments and their Risks

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:

- credit and counterparty risk;
- liquidity risk; and
- market risk consisting of currency risk, interest rate risk and price risks.

We refer to the consolidated annual report of the Company prepared in accordance with Article 3:32 of the Code of Companies and Associations which can be found on the Company's website for more information with regard to the financial instruments used by the Group and their risks.

6. Branches of the Company

The Company does not have any branches.

7. Risk Management and Control Processes

For the description of the most important features of the internal control processes and risk management systems of the Company in connection with the financial reporting and the composition and activities of the governing bodies and their committees, we refer to the consolidated annual report of the Company prepared in accordance with Article 3:32 of the Code of Companies and Associations which can be found on the Company's website.

The audit committee of the Company is composed of 4 directors of which Tom Bamelis and Leen Geirnaerdt have the necessary accounting and audit expertise as shown in their biographies included in the consolidated annual report of the Company prepared in accordance with Article 3:32 of the Code of Companies and Associations which can be found on the Company's website.

8. Others

8.1 Application of Article 7:96 of the Code of Companies and Associations

The rules of Article 7:96 of the Code of Companies and Associations regarding conflicts of interest did not have to be applied in 2023.

8.2 Corporate Governance

In accordance with Article 3:6, §2 of the Code of Companies and Associations, the Company applies the Belgian Code on Corporate Governance. For an explanation of the deviations applied by the Company to the Belgian Code on Corporate Governance, we refer to the Corporate Governance Charter of the Company and the consolidated annual report prepared in accordance with Article 3:32 of the Code of Companies and Associations which can both be found on the Company's website.

8.3 Remuneration report

For the remuneration report in accordance with Article 3:6, §3 of the Code of Companies and Associations, we refer to the "Corporate Governance and Risk" chapter in the consolidated annual report of the Company prepared in accordance with Article 3:32 of the Code of Companies and Associations which can be found on the Company's website.

8.4 Additional Remuneration for the auditor

With an exception for the remuneration paid to the auditor for its statutory audit, no additional fees were paid by the Company to EY Bedrijfsrevisoren.

8.5 Acquisition of own shares

During the financial year, neither the Company nor any directly controlled subsidiary or person acting in its own name but on behalf of the Company or a direct controlled subsidiary of the Company acquired any shares of the Company.

8.6 Protection schemes

On June 29, 2022, the extraordinary general meeting provided the authorisation to the Board of Directors, in the case of a public takeover bid for the securities of the Company, to proceed with a capital increase in accordance with the provisions and within the limits of Article 7:202 of the Code of Companies and Associations. The Board of Directors is allowed to use these powers if a public takeover bid is launched on the securities issued by the Company, not later than three years after the date of the aforementioned extraordinary general meeting (i.e. June 29, 2025).

The Board of Directors is also authorised, for a period of three years from the date of publication in the Annexes to the Belgian Official Gazette (i.e. until July 1, 2025), to acquire or dispose of treasury shares in the event that such action is required in order to safeguard the company from serious and imminent harm.

We, the Board of Directors propose the shareholders to approve the statutory annual accounts as presented and to grant discharge to the directors and the auditor for the tasks performed by them during the financial year that closed on December 31, 2023.

The Board of Directors,

Zwijndrecht, 25 March 2024,

Luc Bertrand
Director

Koen Janssen
Director