

DEME GROUP NV
Limited liability company
Scheldekaai 30
2070 Beveren-Kruibeke-Zwijndrecht
VAT BE0787.829.347
RLE GENT division DENDERMONDE
(the “**Company**”)

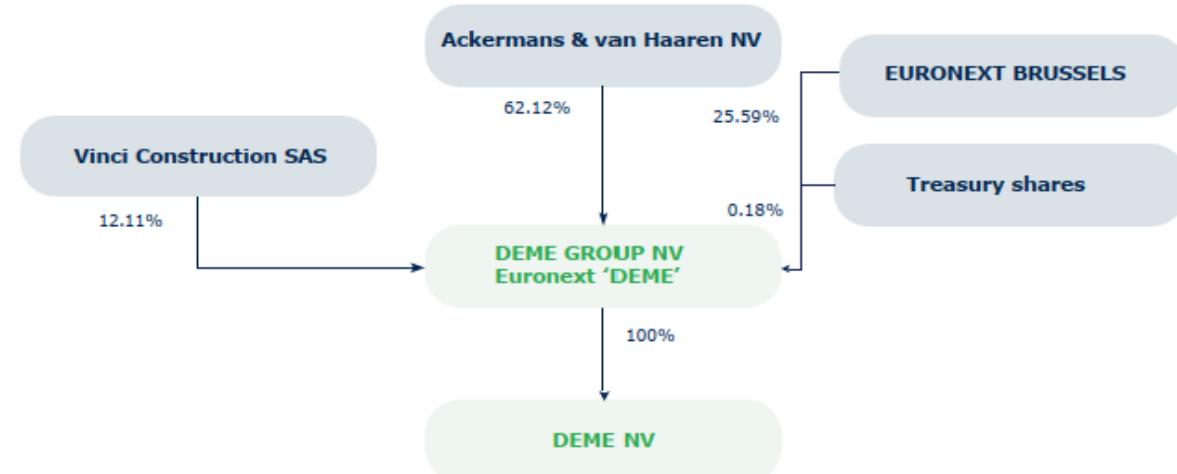
STATUTORY ANNUAL REPORT 2024 OF THE BOARD OF DIRECTORS

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, 2024.

1. Comments on the Statutory Annual Accounts

1.1 Share capital and shareholding structure

As at December 31, 2024, 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, of which 45,000 are treasury shares, resulting in a total number of outstanding shares of 25,269,482. 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 2024, the Company has received dividends for an amount of 101.5 million euros (compared to 40 million euros in 2023) from its subsidiaries and has, subject to the approval of its shareholders, an outstanding dividend to pay for an amount of 96 million euros (compared to 53.2 million euros in 2023). 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 2024 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, 2024

The statutory annual accounts have been prepared in accordance with Belgian accounting principles. The balance sheet total at year-end 2024 amounted to 1,202 million euros. The assets consist of 1,100 million euros in financial fixed assets and 102 million euros of current assets. On the liabilities side of the balance sheet, after the profit for the financial year of 101.7 million euros and the proposed dividend of 96 million euros for the 2024 financial year, the shareholders' equity amounts to 1,104 million euros.

| ASSETS (in thousands of EUR) | 2024 | 2023 |
|---|------------------|------------------|
| 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 | 101,977 | 52,353 |
| Amounts Receivable After More Than One Year | - | - |
| Inventories and Contracts in Progress | - | - |
| Amounts Receivable within One Year | 95,292 | 51,767 |
| Trade receivables | 1 | 828 |
| Other amounts receivable | 95,291 | 50,939 |
| Own Shares and other Investments | 6,201 | - |
| Cash at Bank and in Hand | 11 | - |
| Deferred Charges and Accrued Income | 473 | 586 |
| TOTAL ASSETS | 1,201,977 | 1,152,353 |

1.4 Appropriation of the result

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

| APPROPRIATION (in thousands of EUR) | 2024 | 2023 |
|--|----------------|----------------|
| Result for the Financial Period before taxation | 102,032 | 39,685 |
| Income Taxes | 362 | - |
| Result for the Financial Period | 101,670 | 39,685 |
| Transfer from (to) the untaxed reserves | - | - |
| Profit for the Period Available for Appropriation | 101,670 | 39,685 |
| Transfer from Profit Carried Forward | 94,838 | 108,313 |
| Transfer to Legal Reserves | - | - |
| Transfer to other reserves | 5,190 | - |
| Distribution of Dividends | -96,009 | -53,160 |
| Transfer to Profit Carried Forward | 95,309 | 94,838 |

The Board of Directors proposes to pay a gross dividend of 3.8 euros per share¹ which is an increase of 81% compared to the 2.1 euros per share paid in 2024. The total dividend amount on 31 December 2024 and taking into account the number of treasury shares held by the Company is 96,024,031.60 euros. If the annual general meeting approves this dividend proposal, the dividend will be payable on May 30, 2025. After appropriation of the result, the shareholders' equity stands at 1,104 million euros, and the liabilities side of the balance sheet is composed as follows:

| LIABILITIES (in thousands of EUR) | 2024 | 2023 |
|---|------------------|------------------|
| Capital and Reserves | 1,104,032 | 1,098,370 |
| 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 | 12,140 | 6,949 |
| Legal reserves | 3,319 | 3,319 |
| Reserves not available for distribution | 6,201 | - |
| Untaxed reserves | 1,716 | 1,716 |
| Reserves available for distribution | 904 | 1,914 |
| Profit carried forward | 95,309 | 94,839 |
| Provisions and Deferred Taxes | 3 | - |
| Provisions for liabilities and charges | 3 | - |
| Deferred tax liabilities | 3 | - |
| Creditors | 97,942 | 53,983 |
| Amounts Payable after more than One Year | - | - |
| Amounts Payable within One Year | 97,942 | 53,983 |

¹ As treasury shares are not entitled to a dividend, the total amount of the dividend payment will depend on the number of treasury shares held by the Company and the persons acting in their own name but on its behalf. Determination of May 26, 2025 at 23:59 Belgian time (i.e. the business day before the ex-date) as relevant time for determining the dividend entitlement and thus the cancellation of dividend rights attached to the treasury shares.

| | | |
|-------------------------------------|------------------|------------------|
| Trade payables | 1,873 | 821 |
| Amounts payable relating to tax | 41 | - |
| Other amounts payable | 96,028 | 53,162 |
| Accrued Charges and Deferred Income | - | - |
| TOTAL LIABILITIES | 1,201,977 | 1,152,353 |

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, 2024.

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
- compliance with and changes to the legislation.

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 Geirnaerd 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 2024.

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

At the meeting of the Board of Directors of February 23, 2024, a resolution was passed whereby the Board of Directors approved the proposal to purchase treasury shares for a maximum number of 45,000 shares for a period ending at the latest on September 30, 2024. The purchase of treasury shares was part of the Company's recently implemented stock option plan as part of its senior management incentive plan. The share buyback program was completed on September 4, 2024 and included the purchase of 45,000 of the Company's own shares for a total amount of 7.2 million euros. The average purchase price was 160.24 euros per share.

This purchase of treasury shares was recorded on a blocked account for the purchase of treasury shares for an amount of 6.2 million euros, with the understanding that an impairment for an amount of 1.01 million euros was recorded on the current assets as a result of the fact that the share price as of December 31, 2024 was equal to 137.80 euros per share.

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 to 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, 2024.

The Board of Directors,

Beveren-Kruibeke-Zwijndrecht, March 19, 2025,

Luc Bertrand
Director

Koen Janssen
Director