

FINANCIAL INFORMATION

# PRELIMINARY REMARK

To serve the needs of our shareholder CFE, which is a publicly listed company on Euronext Brussels, of our customers, of banks and other stakeholders, DEME chose to prepare an Activity Report and a Sustainability Report accompanied by financial information that is prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The underlying consolidated financial statements do not contain all the explanatory notes required by IFRS and are therefore not fully compliant with IFRS as adopted by the EU.

This Financial Information Report includes the financial highlights, information about risk assessment and control, consolidated statement of financial position, consolidated statement of income, consolidated cash flow statement, consolidated statement of changes in equity and some relevant explanatory notes. The parent company balance sheet and statement of income are also included.



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# FINANCIAL HIGHLIGHTS



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## DEME GROUP KEY FIGURES

As of December 31 (in millions of EUR)

	2020	2019	DELTA
Turnover	2,195.8	2,622.0	-426.2
EBITDA	369.5	437.0	-67.5
EBIT	64.3	141.1	-76.8
Net result from joint ventures and associates	22.4	18.4	4.0
Net result share of the Group	50.4	125.0	-74.6
Order book	4,500.0	3,750.0	750.0
Shareholders' equity (excl. minority interests)	1,467.5	1,435.5	32.0
Net financial debt	-489.0	-708.5	219.5
Balance sheet total	3,941.5	3,944.8	-3.3
Total investments	258.2	446.1	-187.9
Dividend of the year	20.4	0.0	20.4
<b>NON-FINANCIAL KEY FIGURES</b>			
Average # personnel (in FTE)	4,976	5,089	-113
Ratio male/female personnel (%)	85/15	86/14	-1/+1
Number of nationalities	80	82	-2
Lost Time Incident Frequency Rate (LTIFR)	0.19	0.24	-0.05
GHG emissions worldwide in 1,000 Ton CO <sub>2</sub> -eq. (scope 1 & 2)	660	681	-21

### Definitions

**EBITDA** is the sum of operating result (EBIT), depreciation, amortisation expenses and impairment of goodwill.

**EBIT** is the operating result or earnings before financial result and taxes and before our share in the result of joint ventures and associates.

**Order book** is the contract value of assignments that are acquired as of December 31 but that is not yet accounted for as turnover because of non-completion. The amount also includes our share in the order book of joint ventures, but not of associates.

**Net financial debt** is the sum of current and non-current interest-bearing debt decreased with cash and cash equivalents.

**Total investments** is the amount paid for the acquisition of intangible, tangible and financial fixed assets, which equals the total investment amount of the consolidated cash flow from investing activities.

For the definitions of the **non-financial key figures**, as well as further information about the topics, we refer to the Sustainability Report.

## DEME GROUP FINANCIAL PERFORMANCE

DEME realised a **consolidated turnover** of 2,195.8 million EUR in 2020, compared to 2,622.0 million EUR in 2019. A substantial part of this decrease, estimated at around 300 million EUR, is attributable to the pandemic and its indirect impact on the economy (e.g. the oil and gas industry).

DEME's traditional **dredging activity** was most affected by the pandemic, a.o. due to logistical complications and delays in the start-up and execution of projects. The turnover decreased by 19.1% to 877 million EUR. The Group was actively engaged in 2020 on several projects, such as deepening works on the Elbe in Germany, maintenance dredging in Belgium, the Świnoujście-Szczecin project in Poland, and dredging an access channel to the port of Sabetta in the Arctic Ocean. The main projects outside Europe were in Africa, India and Papua New Guinea. The offshore

reclamation works for the large-scale TTP1 project in Singapore were completed at the end of the year. Only the land reclamation earthworks still have to be finalised. The major project in the port of Rio Grande in Brazil was also delivered in 2020. The utilisation rate of the hoppers came close to the level of 2019 (38.4 weeks compared to 38.9 weeks in 2019), while activity of the cutters was limited in 2020 (11.1 weeks compared to 26.7 weeks in 2019). This should improve significantly in 2021, partly due to the start of the Abu Qir project in Egypt – the largest dredging and land reclamation project in DEME's history.

The turnover of **DEME Offshore** decreased by 18.1% to 934.6 million EUR. DEME Offshore achieved several milestones on various projects in 2020, such as the completion of the construction of SeaMade, Belgium's largest offshore wind farm



(487 MW), in just 16 months. The foundations, substation platforms and 103 jackets of Moray East (Scotland, 950 MW) were installed, as well as the 94 foundations and turbines of Borssele 1 & 2 (The Netherlands, 752 MW) and the 102 turbines of East Anglia ONE (UK, 714 MW). In May 2020, before DEME could take ownership of the new offshore installation vessel 'Orion', there was an accident involving the crane hook during overload tests. Due to the delay in the delivery of the vessel to DEME, third-party vessels had to be secured for the pending project pipeline. It was mainly the Moray East project that was severely affected by the non-availability of the installation vessel 'Orion'.

Only **DEME Infra**, DEME's subsidiary specialising in large-scale infrastructure works, reported a turnover increase compared to the previous year, namely to 208.8 million EUR. The three major infrastructure projects (the new Terneuzen lock, RijnlandRoute and Blankenburg Connection) that DEME Infra is carrying out in the Netherlands are continuing. On January 1, 2021, works started on the Fehmarnbelt, the world's longest immersed tunnel that will connect Denmark and Germany.

The turnover of both the **environmental and other activities** in 2020 (175.4 million EUR) was also affected by the COVID-19 pandemic. However the decrease in turnover of 12.1% compared to 2019 was lower than the impact in the Dredging and Offshore Activity Lines.

In 2020, **DEME Concessions** disposed of its 12.5% stake in the Merkur offshore wind farm, one of the largest operational wind farms (396 MW) in Germany. This transaction earned DEME 89.8 million EUR in cash and a capital gain of 63.9 million EUR. After having concluded an exclusive partnership for the construction of a green hydrogen plant of around 50 MW in the Ostend port area, DEME Concessions announced the launch of the HYPOR Duqm Green Hydrogen project in December 2020. The purpose of this project, developed in partnership with the Oman authorities, is the large-scale production of green hydrogen (whereby no CO<sub>2</sub> is emitted when renewable energy is used in the production process through electrolysis) for use in the port of Duqm and for international customers in Europe. The planned capacity for the first phase of the project is estimated at between 250 and 500 MW.

DEME realised an **EBITDA** in 2020 of 369.5 million EUR, which is 16.8% of the turnover, an EBITDA margin that is in line with 2019 (16.7%).

The **operating income (EBIT)** amounts to 64.3 million EUR which is 76.8 million lower than the EBIT of 2019.

DEME's activities were badly affected in 2020 by the health crisis. Border closures, travel restrictions, reduction and even suspension of air travel were unprecedented logistical challenges that



resulted in considerable extra costs. Additionally, the measures taken by the authorities in most of the countries where DEME operates (lockdowns, quarantines, social distancing, etc.) resulted in diminished productivity on certain projects and delays in their execution. Finally, the pandemic and its impact on the oil and gas industry also led to the postponement of contract awards and the start of several projects. Nevertheless, it should be emphasised that the award of several large-scale dredging contracts at the end of the year will have a favourable impact on activity in the sector in the months and years to come. However, the pressure on prices still remains high.

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

The **net financial result** amounts to -25.6 million EUR compared to -6.2 million EUR at the end of 2019. The decrease in this result is partly due to an increase in the net interest expenses. Given the limited increase in interest expenses itself, the increase is primarily explained by decreased interest income which is essentially the result of the repayment of financing provided by the Group to offshore wind projects. Compared with 2019, the depreciation of most currencies against the euro resulted in exchange losses of 12 million EUR whereas in 2019 there was a net exchange rate profit of 0.8 million EUR.

The **effective tax rate** for the period is 25.4% versus 22.5% in 2019 and the total of income taxes and deferred taxes in deduction of the result of the year amounts to 9.8 million EUR compared to 30.3 million EUR in 2019.

The **share of profit of joint ventures and associates** increased by 4.0 million EUR to an amount of 22.4 million EUR. The contributions from equity-accounted investments are a.o. realised by participations that develop and operate offshore wind farms, such as Rentel, SeaMade and C-Power next to the profit realised in jointly controlled participations or in participations in which the Group holds a minority interest.

The **net result** over the full year amounts to 50.4 million EUR, compared to 125.0 million EUR in 2019.

The **order book** is 4.5 billion EUR at year-end 2020, which is up 20% compared to December 31, 2019. This is a record level for DEME. Two-thirds of the order book will be executed in the next two years.

The **breakdown of the order book by Activity Line** is as follows:

- Dredging	2.2 billion EUR
- Offshore	1.1 billion EUR
- Infra	0.9 billion EUR
- Environment	0.2 billion EUR
- Others <sup>(1)</sup>	0.1 billion EUR

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

- the contract for the construction of the **Fehmarnbelt link**, for which the Danish authorities have given notice to proceed with the works. The contract is worth 700 million EUR for DEME;
- the construction of a tunnel under the river Scheldt in Antwerp (**Oosterweel project**), worth 140 million EUR;
- the **Sea Channel** project in Northern Russia (60 million m<sup>3</sup>), of which the works are phased over three summers, from 2020 to 2022;
- the dredging contract for the port of **Abu Qir** in Egypt, which includes the deepening of the access channel and the extension of the port (1,000 hectares reclaimed from the sea). More than 150 million m<sup>3</sup> has to be dredged in only two years. Five vessels of DEME's fleet are already operational on site. They will be joined by the mega-cutter 'Spartacus' during the second quarter of 2021;
- the EPCI contract for the design, procurement, transport and installation of 650 km of inter-array cables for the **Dogger Bank A** and **B** wind farm in the United Kingdom, 130 km off the Yorkshire coast. Production of the cables will begin in 2021, while the offshore works are scheduled for 2023 and 2024.

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

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

DEME's **investments** in the renewal and expansion of its fleet amounted to 201.6 million EUR (excl. IFRS 16) in 2020. The decrease relative to 2019 is due to delivery delays at the shipyards of the 'Spartacus' and the 'Orion', and to the limitation or deferral of other capex. The 'Spartacus' is expected to be delivered by IHC in the first half of 2021, and the 'Orion' around the end of 2021 or beginning of 2022. The trailing suction hopper dredgers 'Thames River' (2,500 m<sup>3</sup>) and 'Meuse River' (8,300 m<sup>3</sup>) joined the fleet. DEME also launched its first service operation vessel, the 'Groene Wind'. This Small Waterplane Area Twin Hull (SWATH) vessel will be deployed for the maintenance of wind farms such as Rentel and SeaMade. Finally, in 2020 CDWE, the Taiwanese joint venture between DEME (50%) and partner CSBC (integrated under equity method), ordered the groundbreaking offshore wind installation vessel 'Green Jade' in Taiwan. The first floating heavy-duty crane and installation vessel with DP3 capacity in Taiwan will be equipped with a high-tech crane with a lifting capacity of 4,000 tonnes. Starting in 2023, the vessel will be deployed in the thriving local offshore wind market. DEME invested itself approximately 30 million EUR in CDWE in 2020.

In the fourth quarter, DEME acquired 100% of the shares of the company SPT Offshore. This company, which is headquartered in the Netherlands, is

specialising in the installation of suction pile anchors and offshore foundations. With this acquisition, DEME Offshore acquires an additional environmentally friendly technology for the offshore renewable energy market, which can be used for the installation of fixed foundations and for anchoring floating structures. SPT Offshore is active on the European and Asian markets, employs 45 people, and reported 20 million EUR revenue in 2020.

The **net financial debt** amounts to 489.0 million EUR at year-end 2020, which is a decrease of 219.5 million EUR compared to 2019. This is the result of the realised operational cash flow and considerable improvement in working capital requirement, the markedly lower investments and the cash in on the sale of our participation in Merkur Offshore GmbH. As of December 31, 2020, DEME had 621.9 million EUR in cash and cash equivalents and 141 million EUR in unused, confirmed credit lines. DEME was in compliance with all of its financial covenants on December 31, 2020.

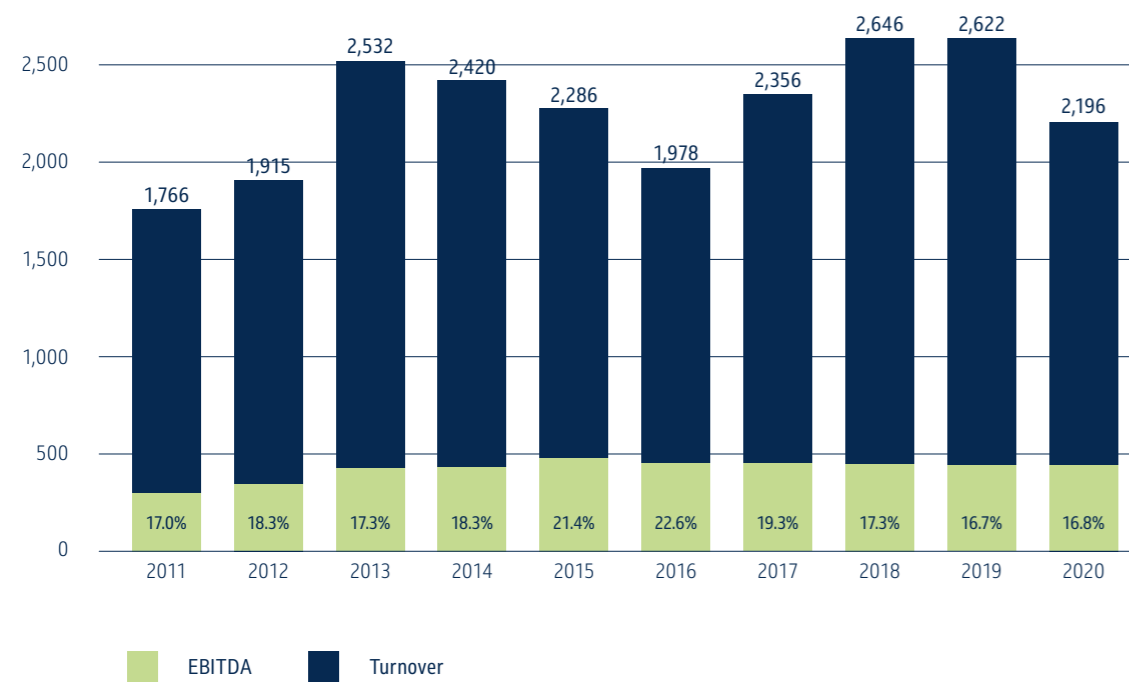
Even though some negative impact of the corona pandemic is still expected in the first months of 2021, DEME, supported by its record order book and thanks to the start of some large projects, should be able to realise a higher turnover and net profit in 2021, although it probably won't have already returned to the pre-Covid levels of 2019 by then. 💰



(1) Salvage works, marine aggregates, concession and deep-sea harvesting activities are represented in Activity Line Others.

## DEME GROUP EVOLUTION OF CONSOLIDATED TURNOVER AND EBITDA

As of December 31 (in millions of EUR)

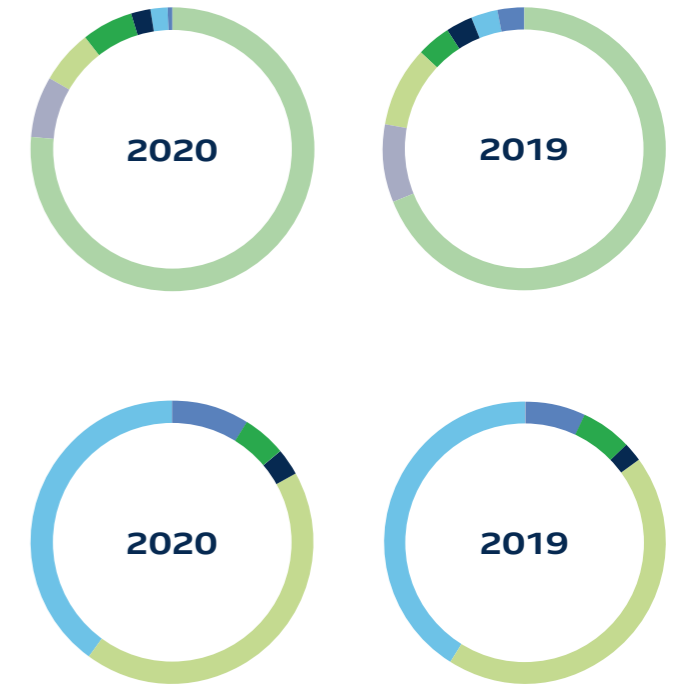


## DEME GROUP TURNOVER BY REGION AND ACTIVITY LINE

As of December 31

BY REGION	2020	2019
Europe - EU <sup>(1)</sup>	77%	69%
Asia & Oceania	7%	9%
Africa	6%	9%
Europe - non EU	6%	4%
Indian subcontinent	2%	3%
America	2%	3%
Middle East	0%	3%

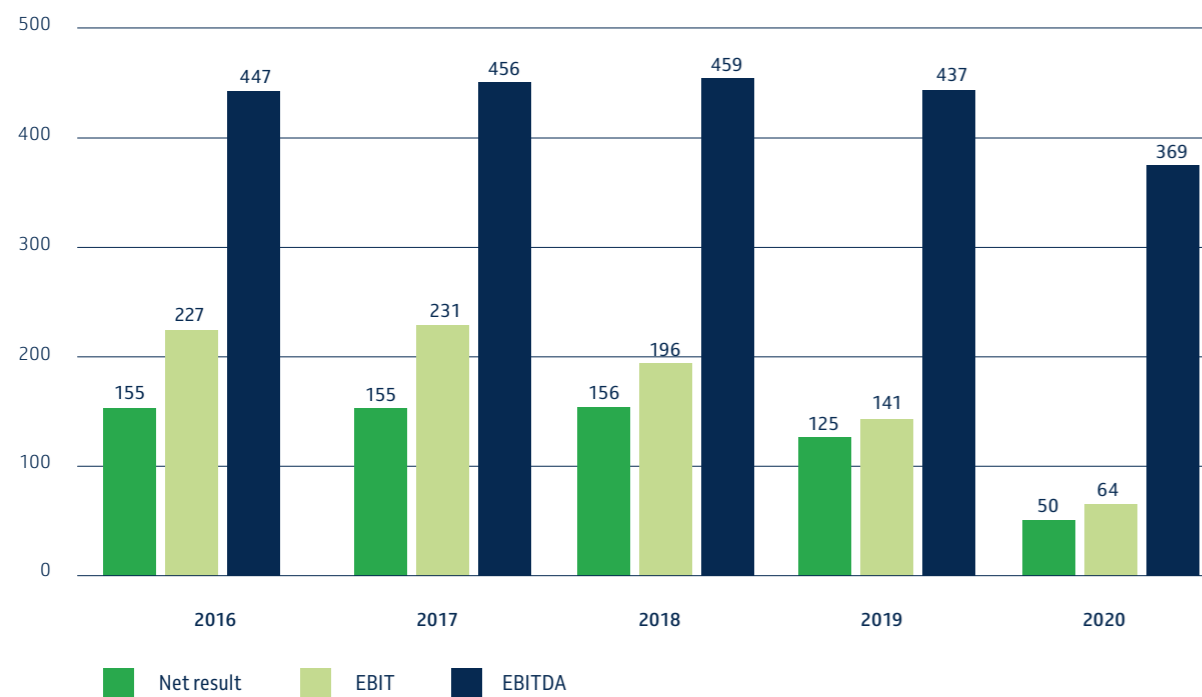
BY ACTIVITY LINE	2020	2019
Offshore	43%	44%
Dredging <sup>(2)</sup>	40%	41%
Infra	9%	7%
Environmental	5%	6%
Others <sup>(3)</sup>	3%	2%



(1) UK included.  
 (2) Maintenance dredging amounts to 11% in 2020 of total DEME Turnover, 10% in 2019.  
 (3) Salvage works, marine aggregates, concession and deep-sea harvesting activities are represented in Activity Line Others.

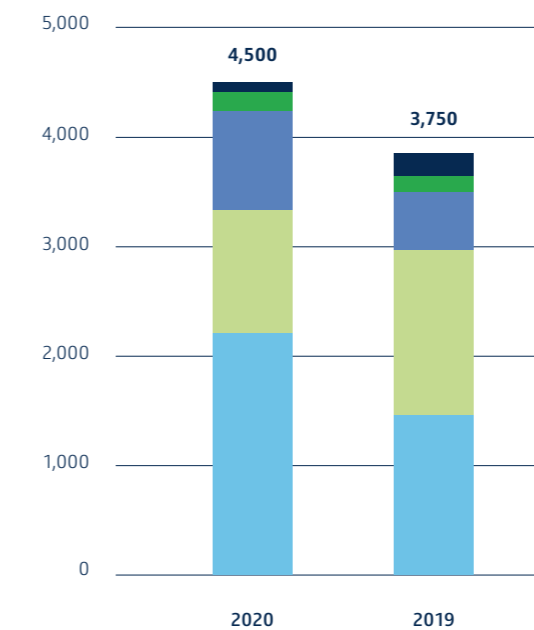
## DEME GROUP EVOLUTION OF NET RESULT, EBIT AND EBITDA

As of December 31 (in millions of EUR)



## DEME ORDER BOOK BY ACTIVITY LINE

As of December 31 (in millions of EUR)

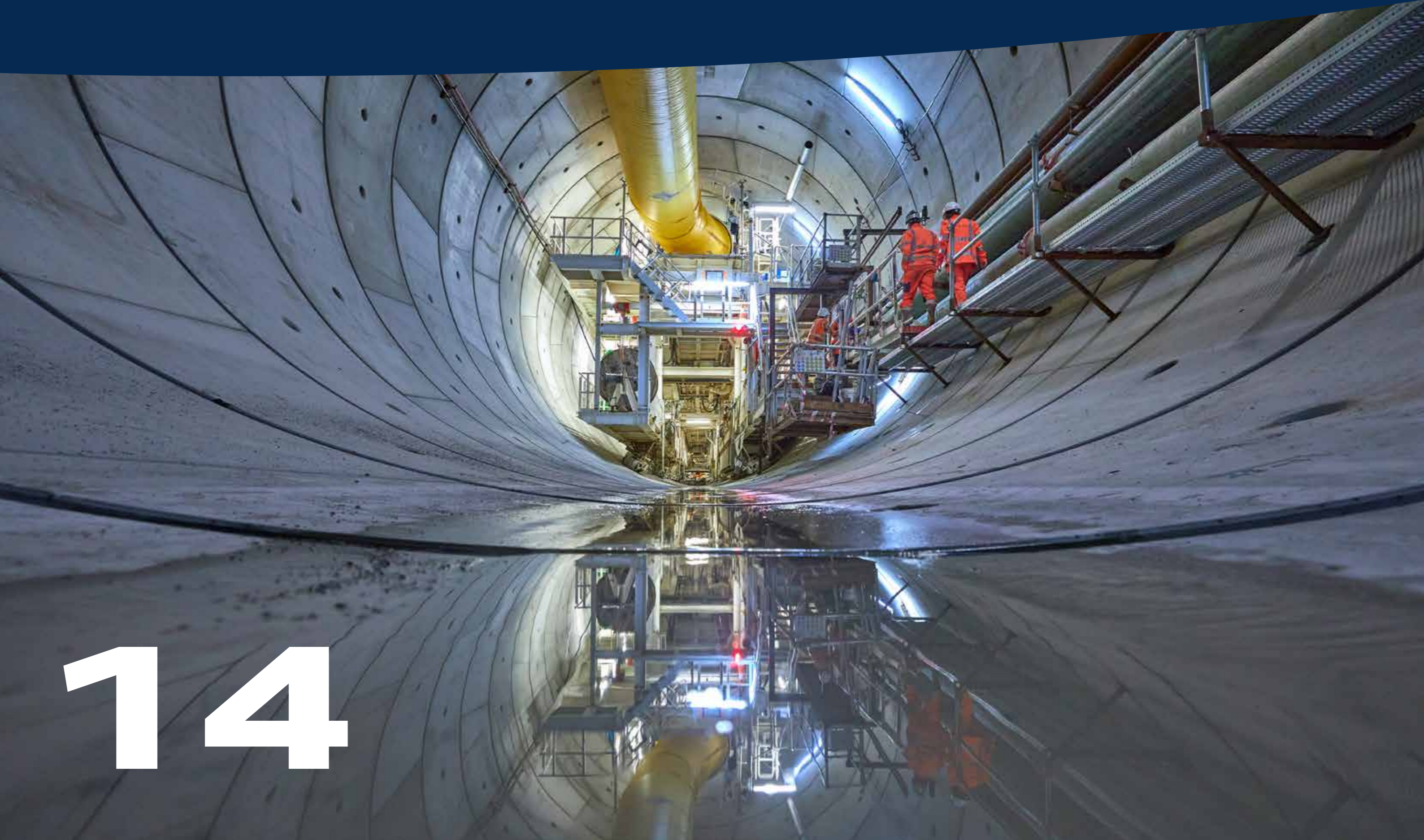


BY ACTIVITY LINE	2020	2019
Dredging	49%	39%
Offshore	25%	40%
Infra	20%	14%
Environmental	4%	4%
Others <sup>(1)</sup>	2%	3%

(1) Salvage works, marine aggregates, concession and deep-sea harvesting activities are represented in Activity Line Others.



# RISK ASSESSMENT AND CONTROL



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## RISK ASSESSMENT AND CONTROL

The most important financial and operational risks DEME can be encountered with are described below. For non-financial risks we also refer to the Sustainability Report.

DEME is a world leader in the highly specialised fields of dredging and land reclamation, solutions for the offshore energy market, environmental and infra marine works. In its dredging, wind farm installation, subsea cable-laying, environmental and civil engineering projects, DEME faces a lot of **project execution risks**.

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

The risk factors therefore relate to:

- the price of the task to be performed and in the event of divergence between the anticipated price and the actual price as a result of variations in the unit prices and/or quantities stated in the tender;
- the possibility (or not) of obtaining coverage for additional costs and price increases;
- the design, if this is the contractor's responsibility;
- the performance of the contract;
- control of the elements included in the cost price;
- project time schedules and deadlines, internal and external factors that may influence the delivery time;
- performance obligations (quality, deadlines) and the related direct and indirect consequences;
- warranty obligations (10-year guarantee, maintenance);
- compliance with safety and other workforce-related obligations.

More **specific operational risks** relate to:

- determining the type and composition of the soil;
- weather conditions, including extreme events such as storms, tsunamis and earthquakes;
- wear and tear affecting equipment;
- technical incidents and breakdowns that may affect the performance of vessels;
- default of subcontractors or suppliers, particularly in the context of EPCI type contracts;
- project design and engineering;
- changes in the regulatory framework during the contract.

DEME is primarily engaged in maritime activities, which are characterised by their capital-intensive nature due to the need for regular investment in new vessels in order to keep the fleet at the leading edge of technology.

For this reason, DEME is faced with complex investment decisions and specific operational **risks relating to these investments**:

- technical design of the investment (type of vessel, capacity, power, etc.) and expertise in new technologies;
- time between the investment decision and commissioning of the vessel, and anticipating future market developments;
- control over construction by the shipyard once the investment decision has been made (cost, performance, conformity, etc.);
- occupancy of the fleet and scheduling of activities;
- financing.

DEME has qualified staff with the capacity to design new vessels and design and execute large-scale projects but the **search for those people on the talent market** is difficult as well. DEME should be able to attract, motivate and retain highly qualified staff.

For several years already DEME uses an **'opportunity and risk management' system (ORM)** for the proper identification, assessment and management of risks and opportunities with respect to tendering, preparation and execution of projects. By providing detailed and interactive ORM dashboards, all opportunities and risks are continuously monitored, and the necessary actions or decisions can be made.

DEME has developed specific know-how and innovative technologies in various areas. To protect its trade secrets and **intellectual property** relating to its innovations, DEME has filed numerous patent applications covering over 100 specific items.

The construction and dredging sector is subject to economic fluctuations on both the domestic and international markets. The **economic climate** has an impact on the investment policy of private sector customers (e.g. oil companies or mining groups) and of local and national authorities.

Given the diversity of our activities and geographical locations, the Group is exposed to a **complex regulatory environment** as concerns the places where services are performed and the fields of activity involved. In particular, we are subject to rules concerning administrative contracts, public and private works contracts, and civil liability. Amongst others, **tax legislation** can be very complex, is subject to change and is often interpreted in different ways. In the event of uncertain tax positions, the potential consequences are analysed and accounted for in accordance with the applicable accounting standards.

Being active in non OECD countries, DEME is also exposed to **political risks** which may take different forms: political instability, wars (including civil

wars), armed conflicts, terrorism, hostage-taking, extortion and sabotage. These represent potential threats to the security of staff and property. As a result, these risks are closely monitored and, if necessary, a project can be stopped if basic security conditions are no longer met. In this case, staff and equipment are transferred to a safer location.

DEME appointed an **Enterprise Security Officer** to:

- provide regular updates on potential threats to the security of staff and property;
- help set up security procedures;
- verify compliance with those procedures;
- coordinate emergency situations when necessary.





DEME is to a significant degree active outside the euro zone, and accordingly runs an **exchange rate risk**. As a rule, DEME hedges against exchange rate fluctuations or enters into foreign currency futures. **Price risks of materials or commodities**, such as fuel, can also be hedged for contracts that do not contain price revision mechanisms.

DEME set up procedures to limit **the credit risk**. Furthermore, a large part of the consolidated turnover is realised through the public sector or public sector-related customers. The level of counterparty risk is limited by the large number of customers. To contain the risk, the Group is constantly monitoring the outstanding trade receivables and adjusts its position where necessary. For major foreign contracts, DEME takes out, as a general rule and whenever possible, an export credit insurance policy from the Credendo Group. Alternatively DEME can, if necessary, also help to organise the project financing. Although the credit risk cannot be ruled out altogether, it is limited.

**The liquidity risk** is mitigated by spreading the credit and guarantee lines over several banks. DEME is continuously monitoring its balance sheet structure and strives for a balance between a consolidated shareholders' equity position and consolidated net debts. 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. Some loan agreements include ratios (covenants), which DEME must adhere to. The **interest rate risk** the Group is faced with is hedged where necessary.



Like any other company involved in dredging and marine activities, DEME is taking care of **environmental risks**, which fall into two categories:

- disruption to fauna and/or flora or accidental pollution, which can never be totally ruled out despite the very strict prevention measures that the company takes in performing its work;
- DEME subsidiaries operating in the environmental field must decontaminate highly polluted soils, the extent and exact composition of which is not always easy to establish before the contract starts.

In addition, the innovative technologies that DEME uses to remediate soils can also contain a degree of risk.

DEME applies a clear policy and procedures for the avoidance of **fraud and integrity risks**. In addition to an ethical and integrity code, DEME has introduced a full corporate compliance programme that includes a detailed anti-corruption policy. This anti-corruption policy is an integral part of the annual awareness programme for all employees. In 2020, the procedures put in place to develop this policy were further optimised. In particular, a new risk analysis further refined the screening process of third parties. The digitisation of this process will be developed in 2021. Through the payment factory set up by our treasury department, an additional check on outgoing payments is carried out by a **sanction screening tool** before the payments are sent via our own SWIFT account to the various banks, and as such avoiding payments to sanctioned beneficiaries.

The **internal audit department** within DEME has an independent function and reports to the Audit Committee. The purpose of the function is to analyse the risk and control framework of DEME and to give advice to the management with the objective to strengthen the general control environment.

The annual programme consists of independently chosen audits and assignments requested by the Audit Committee and/or the Executive Committee of DEME. Each year, the main findings are presented to the members of the Audit Committee, as well as to the members of DEME's Executive Committee and Management Team. Furthermore, the internal audit department monitors the progress of the action plans. 🌱



# CONSOLIDATED FINANCIAL STATEMENTS

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## CONSOLIDATED STATEMENT OF INCOME

As of December 31 (in thousands of EUR)

	Notes	2020	2019
<b>REVENUES</b>		<b>2,335,944</b>	<b>2,660,659</b>
Turnover		2,195,828	2,621,965
Other operating income	(1)	140,116	38,694
<b>OPERATING EXPENSES</b>		<b>-2,271,663</b>	<b>-2,519,513</b>
Raw materials, consumables, services and subcontracted work		-1,495,304	-1,744,391
Personnel expenses	(2)	-455,274	-454,486
Depreciation and impairment losses		-300,177	-295,865
Goodwill impairment		-5,000	-
Other operating expenses	(1)	-15,908	-24,771
<b>OPERATING RESULT</b>		<b>64,281</b>	<b>141,146</b>
<b>FINANCIAL RESULT</b>		<b>-25,651</b>	<b>-6,250</b>
Interest income		4,369	10,217
Interest expense		-12,338	-11,837
Realised/unrealised foreign currency translation effects		-11,984	793
Other financial income and expenses		-5,698	-5,423
<b>RESULT BEFORE TAXES</b>		<b>38,630</b>	<b>134,896</b>
Income taxes and deferred taxes	(9)	-9,812	-30,321
<b>RESULT AFTER TAXES</b>		<b>28,818</b>	<b>104,575</b>
Share of profit (loss) of joint ventures and associates	(6)	22,395	18,450
<b>RESULT FOR THE PERIOD</b>		<b>51,213</b>	<b>123,025</b>
Attributable to non-controlling interests		803	-2,016
<b>SHARE OF THE GROUP</b>		<b>50,410</b>	<b>125,041</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

As of December 31 (in thousands of EUR)

	2020	2019
Result attributable to non-controlling interests	803	-2,016
Share of the Group	50,410	125,041
<b>RESULT FOR THE PERIOD</b>	<b>51,213</b>	<b>123,025</b>
<b>Comprehensive income that may be reclassified to profit and loss in subsequent periods</b>		
Changes in fair value related to hedging instruments	-7,164	-26,241
Changes in cumulative translation adjustment reserve	-6,587	1,132
<b>Comprehensive income that cannot be reclassified to profit and loss in subsequent periods</b>		
Remeasurement of net liabilities relating to defined benefit plans	-3,832	-9,464
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-17,583</b>	<b>-34,573</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>33,630</b>	<b>88,452</b>
Attributable to non-controlling interests	1,621	-2,244
<b>SHARE OF THE GROUP</b>	<b>32,009</b>	<b>90,696</b>





## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31 (in thousands of EUR)

ASSETS	Notes	2020	2019
<b>NON-CURRENT ASSETS</b>		<b>2,712,623</b>	<b>2,732,369</b>
Intangible assets	(3)	24,935	4,415
Goodwill	(4)	13,339	18,339
Property, plant and equipment	(5)	2,413,006	2,506,975
Investments in joint ventures and associates	(6)	105,918	73,051
Other non-current financial assets	(7)	32,813	36,182
Non-current financial derivatives	(8)	1,433	-
Other non-current assets		3,221	3,921
Deferred tax assets	(9)	117,958	89,486
<b>CURRENT ASSETS</b>		<b>1,228,871</b>	<b>1,212,410</b>
Inventories	(10)	10,456	13,152
Amounts due from customers under construction contracts	(10)	251,747	228,548
Trade and other operating receivables	(11)	309,636	429,264
Current financial derivatives	(8)	6,842	751
Assets held for sale	(7)	-	10,511
Other current assets		28,253	55,049
Cash and cash equivalents	(12)	621,937	475,135
<b>TOTAL ASSETS</b>		<b>3,941,494</b>	<b>3,944,779</b>

GROUP EQUITY AND LIABILITIES	Notes	2020	2019
<b>SHAREHOLDERS' EQUITY</b>		<b>1,467,492</b>	<b>1,435,483</b>
Issued capital		31,110	31,110
Share premium		5,645	5,645
Reserves and retained earnings		1,524,664	1,474,254
Hedging reserve		-40,978	-33,578
Remeasurements on defined benefit pension plans		-40,454	-36,695
Cumulative translation adjustment		-12,495	-5,253
<b>NON-CONTROLLING INTERESTS</b>		<b>17,840</b>	<b>11,671</b>
<b>GROUP EQUITY</b>		<b>1,485,332</b>	<b>1,447,154</b>
<b>NON-CURRENT LIABILITIES</b>		<b>881,932</b>	<b>1,095,718</b>
Employee benefit obligations	(14)	63,029	57,292
Provisions		5,933	6,389
Interest-bearing debt	(12)	735,054	947,797
Non-current financial derivatives	(8)	9,018	7,806
Deferred tax liabilities	(9)	68,898	76,434
<b>CURRENT LIABILITIES</b>		<b>1,574,230</b>	<b>1,401,907</b>
Interest-bearing debt	(12)	375,913	235,791
Current financial derivatives	(8)	6,761	9,356
Amounts due to customers under construction contracts	(10)	156,799	165,662
Advances received	(10)	60,582	39,565
Trade payables		747,635	777,810
Remuneration and social security		83,968	82,056
Current income taxes		66,336	37,112
Other current liabilities	(15)	76,236	54,555
<b>TOTAL GROUP EQUITY AND LIABILITIES</b>		<b>3,941,494</b>	<b>3,944,779</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

As of December 31 (in thousands of EUR)

	2020	2019
<b>CASH AND CASH EQUIVALENTS, OPENING BALANCE</b>	<b>475,135</b>	<b>287,395</b>
Profit (loss) from operating activities	64,281	141,146
Dividends from participations accounted for using the equity method	15,080	3,232
Reclassification of (income) loss from sales of property, plant and equipment and financial participations to cash flow from divestments	-74,617	-4,523
Income taxes paid	-25,735	-33,594
<b>NON-CASH ADJUSTMENTS</b>	<b>306,214</b>	<b>302,737</b>
Depreciation and impairment losses including goodwill impairment	305,177	295,865
(Decrease) increase of provisions	1,037	6,872
Other non-cash expenses (income)	-	-
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL</b>	<b>285,223</b>	<b>408,998</b>
<b>CHANGES IN WORKING CAPITAL</b>	<b>116,633</b>	<b>-20,186</b>
Decrease (increase) in inventories and advances received	23,713	-35,580
Decrease (increase) in amounts receivable	119,920	174,819
Increase (decrease) in current liabilities (other than borrowings)	-27,000	-159,425
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>401,856</b>	<b>388,812</b>
<b>INVESTMENTS</b>	<b>-258,199</b>	<b>-446,142</b>
Acquisition of intangible assets and of property, plant and equipment	-201,572	-434,668
Cash (out) inflows on acquisition of subsidiaries, associates and joint ventures	-54,837	-8,216
New borrowings given to joint ventures and associates	-1,790	-3,258
<b>DIVESTMENTS</b>	<b>111,060</b>	<b>75,820</b>
Sale of intangible assets and of property, plant and equipment	16,936	10,431
Cash inflows on disposal of subsidiaries, associates and joint ventures	89,958	1,125
Repayment of borrowings given to joint ventures and associates	4,166	64,264
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-147,139</b>	<b>-370,322</b>
Interest received	4,369	10,217
Interest paid	-12,122	-19,482
Other financial income (costs)	-17,682	-5,129
New interest-bearing debt	175,566	632,404
Repayment of interest-bearing debt	-253,952	-394,386
Gross dividend paid to the shareholders	-	-55,002
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-103,821</b>	<b>168,622</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>150,896</b>	<b>187,112</b>
Change in consolidation scope or method	-37	-
Impact of exchange rate changes on cash and cash equivalents	-4,057	628
<b>CASH AND CASH EQUIVALENTS, ENDING BALANCE</b>	<b>621,937</b>	<b>475,135</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2020 (in thousands of EUR)	Share capital and share premium	Hedging reserve	Defined benefit pension plans	Consolidated reserves	Cumulative translation adjustment	Shareholders' equity	Non-controlling interests	Group equity
Ending, December 31, 2019	36,755	-33,578	-36,695	1,474,254	-5,253	1,435,483	11,671	1,447,154
Impact IFRS amendments						-		-
Opening, January 1, 2020	36,755	-33,578	-36,695	1,474,254	-5,253	1,435,483	11,671	1,447,154
Profit				50,410		50,410	803	51,213
Other comprehensive income		-7,400	-3,759		-7,242	-18,401	818	-17,583
<b>Total comprehensive income</b>		<b>-7,400</b>	<b>-3,759</b>	<b>50,410</b>	<b>-7,242</b>	<b>32,009</b>	<b>1,621</b>	<b>33,630</b>
Dividends paid						-	71	71
Other (a.o. part of non-controlling interests in capital increase)						-	4,477	4,477
Ending, December 31, 2020	36,755	-40,978	-40,454	1,524,664	-12,495	1,467,492	17,840	1,485,332

2019 (in thousands of EUR)	Share capital and share premium	Hedging reserve	Defined benefit pension plans	Consolidated reserves	Cumulative translation adjustment	Shareholders' equity	Non-controlling interests	Group equity
Ending, December 31, 2018	36,755	-7,596	-27,199	1,405,829	-6,387	1,401,402	14,052	1,415,454
Impact IFRS 16						-		-
Impact IFRIC 23						-		-
Opening, January 1, 2019	36,755	-7,596	-27,199	1,405,829	-6,387	1,401,402	14,052	1,415,454
Profit				125,041		125,041	-2,016	123,025
Other comprehensive income		-25,982	-9,496		1,134	-34,344	-228	-34,572
<b>Total comprehensive income</b>		<b>-25,982</b>	<b>-9,496</b>	<b>125,041</b>	<b>1,134</b>	<b>90,697</b>	<b>-2,244</b>	<b>88,453</b>
Dividends paid				-55,002		-55,002	-921	-55,923
Other (a.o. part of non-controlling interests in capital increase)				-1,614		-1,614	784	-830
Ending, December 31, 2019	36,755	-33,578	-36,695	1,474,254	-5,253	1,435,483	11,671	1,447,154

In 2019, in accordance with IFRS 16 *leases*, the Group has opted to value the right to use the asset at an amount equal to the lease obligation. Therefore, as per effective date there is no impact on Group equity.

The total impact of the first application of IFRIC 23 was considered to be clearly insignificant and as such not resulting in a change of the aggregate amount of all income tax positions per January 1, 2019.

The amount of -1,614 (000) in the line 'Other' is explained in business combinations in the course of 2019. It relates to the goodwill on the purchase of two entities under common control.



## SHARE CAPITAL AND RESERVES

The share capital on December 31, 2020 was composed of 4,538,100 ordinary shares. These shares are without any nominal value. The owners of ordinary shares have the right to receive dividends and have one vote per share in Shareholders' General Meetings.

DEME's shareholder is the Brussels-based civil engineering contractor CFE (XBRU BE0003883031), which is controlled by the Belgian investment Group Ackermans & van Haaren (XBRU BE0003764785), both publicly listed companies on Euronext Brussels.

Due to the COVID-19 crisis and as a precautionary measure, the Board of Directors asked the shareholders at the General Meeting of May 5, 2020, to fully reserve the profit of the financial year 2019. For the financial year 2020 a dividend of 20,421,450 EUR is proposed, corresponding to 4.5 EUR gross dividend per share. The final dividend is subject to shareholder approval in the Shareholders' General Meeting of May 4, 2021. The appropriation of income was not included in the financial statements at December 31, 2020.

## SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

### STATEMENT OF COMPLIANCE

To serve the needs of our shareholder, customers, banks and other stakeholders, DEME chose to draw up an Activity Report and Sustainability Report accompanied by financial information that is prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the EU. The underlying consolidated financial statements do not contain all the explanatory notes required by IFRS and are therefore not fully compliant with IFRS as adopted by the EU.

### BASIS OF PREPARATION

The consolidated financial statements are presented in thousands of euros. They are prepared on the historical cost basis except for derivative financial instruments, investments held for trading and investments available-for-sale which are stated at fair value.

The consolidated financial statements are prepared as of and for the period ending December 31, 2020.

They are presented before the effect of the profit appropriation proposed to the Shareholders' General Meeting.

The Board of Directors authorised the publication of the Group's consolidated financial statements on March 30, 2021.

The accounting principles used, IFRS as adopted by the European Union, are the same as those used for the consolidated annual accounts at December 31, 2019. The following new standards and amendments to existing standards published by the IASB, are applicable as from January 1, 2020:

- Amendments to the definition of material in IAS 1 *presentation of financial statements* and IAS 8 *accounting policies*;
- Amendments to the guidance of IFRS 3 *business combinations*;
- Amendments to references to the conceptual framework in IFRS standards;
- Amendments related to interest rate benchmark reform in IFRS 9, IAS 39 and IFRS 7;
- Amendment to IFRS 16 *leases* following COVID-19 (Leases COVID-19-Related Rent Concessions);

The application of the new and amended standards and interpretations have no impact on the Group's financial statements. The change to IFRS 16 *leases* has not been applied.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below:

- Amendments to IAS 1 *presentation of financial statements* about the classification of liabilities as current or non-current, effective January 1, 2023;
- Amendments to IFRS 3 *business combinations*, IAS 16 *property, plant and equipment*, IAS 37 *provisions, contingent liabilities and contingent assets* as well as annual improvements, effective January 1, 2022;
- Amendments to IFRS 17 *insurance contracts* and IAS 8 *accounting policies, changes in accounting estimates*, effective January 1, 2023.

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 financials.

### SIGNIFICANT JUDGMENTS 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 as regards the following items:

- the period over which non-current assets are depreciated or amortised;
- the measurement of provisions and pension obligations;
- the measurement of income or losses on construction contracts using the percentage of completion method;
- estimates used in impairment tests;
- estimates used in the assessment of income taxes;
- the fair value measurement of derivatives;
- the assessment of control.

These estimates assume the operation is a going concern and are based on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

### PRINCIPLES OF CONSOLIDATION AND LIST OF THE COMPANY'S SIGNIFICANT SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

**The consolidated financial statements incorporate the financial statements of the Company and 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 profit or loss 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 into 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 relative 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.

**Associated companies** are those in which the DEME Group has significant influence. The 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 provisions on the balance sheet.

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, DEME 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 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.

A listing of the Company's significant subsidiaries, jointly controlled entities and associates can be found on the next five pages.

The following main subsidiaries, jointly controlled entities and associates have been **liquidated or absorbed** by another entity of the DEME Group:

- Innovation Holding BV;
- Innovation Shipping BV;
- Paes Maritiem BV;
- DEME Environmental Contractors UK Ltd;
- CBD SAS.

The following main subsidiaries, jointly controlled entities and associates have been **newly created or acquired** during 2020:

- Dredging International Argentina SA;
- Deeptech NV;
- Delta River Shipping SA;
- Meuse River Shipping SA;
- Dredging International Bahrain WLL;
- Seatec Holding BV and affiliate;
- SPT Offshore Holding BV and affiliates;
- Blue Site SA;
- Combined Marine Terminal Operations Marafi LLC;
- Feluy M2M SA.

The **percentage** of shareholding in the following main subsidiaries, jointly controlled entities and associates **has changed** in the course of 2020:

- International Seaport Dredging Pvt Ltd (from 89.61% to 93.64%);
- CBD SAS NV (from 50% to 100%);
- High Wind NV (from 50.4% to 99.1%);
- Terranova NV (from 43.73% to 24.96%);
- Duqm Industrial Land Company LLC (from 34.9% to 27.55%).

The 12.5% participation in Merkur Offshore GmbH has been **sold** in 2020.





**MAIN SUBSIDIARIES (FULLY CONSOLIDATED)**

as of December 31, 2020

Name	Place	Country	% of Shareholding
Dredging International NV	Zwijndrecht	Belgium	100%
Logimarine NV	Berchem	Belgium	100%
Cathie Associates Holding CVBA	Diegem	Belgium	100%
Baggerwerken Decloedt en Zoon NV	Ostend	Belgium	100%
Deeptech NV	Ostend	Belgium	100%*
Global Sea Mineral Resources NV	Ostend	Belgium	100%
DEME Building Materials NV	Zwijndrecht	Belgium	100%
DEME Concessions Wind NV	Zwijndrecht	Belgium	100%
DEME Coordination Center NV	Zwijndrecht	Belgium	100%
DEME Infrasea Solutions NV	Zwijndrecht	Belgium	100%
DEME Infra Marine Contractors NV	Zwijndrecht	Belgium	100%
DEME Offshore BE NV	Zwijndrecht	Belgium	100%
DEME Offshore Holding NV	Zwijndrecht	Belgium	100%
Geowind NV	Zwijndrecht	Belgium	100%
High Wind NV	Zwijndrecht	Belgium	99.1%**
Ecoterres SA	Gosselies	Belgium	74.90%
Ekosto NV	Sint-Gillis-Waas	Belgium	74.90%
G-TEC SA	Vottem	Belgium	72.50%
Agroviro NV	Zwijndrecht	Belgium	74.90%
DEME Environmental Contractors NV	Zwijndrecht	Belgium	74.90%
Purazur NV	Zwijndrecht	Belgium	74.90%
DEME Blue Energy NV	Zwijndrecht	Belgium	69.99%
Filterres SA	Gosselies	Belgium	56.10%
Combined Marine Terminal Operations Worldwide NV	Zwijndrecht	Belgium	54.37%
Grond Recyclage Centrum NV	Zwijndrecht	Belgium	52.43%
GRC Zolder NV	Zwijndrecht	Belgium	36.70%
Dragagem Angola Serviços Lda	Luanda	Angola	100%
Dredging International Argentina SA	Buenos Aires	Argentina	100%*
Dredging International Australia Pty Ltd	Brisbane	Australia	100%
GeoSea Australia Pty Ltd	Brisbane	Australia	100%
Dredging International Bahrain WLL	Manama	Bahrain	95%*
Dragabras Serviços de Dragagem Ltda	Rio de Janeiro	Brazil	100%
DEME Offshore CA Ltd	Halifax	Canada	100%
Far East Dredging Ltd	Hong Kong	China	100%
Dredging International Cyprus Ltd	Nicosia	Cyprus	100%
Dredging International Services Cyprus Ltd	Nicosia	Cyprus	100%
Bellsea Ltd	Nicosia	Cyprus	100%
DEME Cyprus Ltd	Nicosia	Cyprus	100%
DEME Offshore CY Ltd	Nicosia	Cyprus	100%
DEME Shipping Company Ltd	Nicosia	Cyprus	100%
Novadeal Ltd	Nicosia	Cyprus	100%
Middle East Marine Contracting Ltd	Nicosia	Cyprus	100%
DEME Offshore DK SAS	Fredericia	Denmark	100%
DEME Offshore FR SAS	Lambertart	France	100%
Energies du Nord SAS	Lambertart	France	100%
Société de Dragage International SAS	Lambertart	France	100%
DEME Offshore DE GmbH	Bremen	Germany	100%

\* Newly created or acquired during 2020  
 \*\* Change in % of shareholding

Name	Place	Country	% of Shareholding
Nordsee Nassbagger- und Tiefbau GmbH	Bremen	Germany	100%
Oam-Deme Mineraliën GmbH	Grosshansdorf	Germany	70%
DEME Building Materials Ltd	Weybridge	Great Britain	100%
NewWaves Solutions Ltd	Weybridge	Great Britain	100%
Dredging International India Pvt Ltd	New Delhi	India	99.97%
International Seaport Dredging Pvt Ltd	Chennai	India	93.64%**
PT Dredging International Indonesia	Jakarta	Indonesia	60%
Sidra Spa	Rome	Italy	100%
Apollo Shipping SA	Luxembourg	Luxembourg	100%
Bonny River Shipping SA	Luxembourg	Luxembourg	100%
CRiver Shipping SA	Luxembourg	Luxembourg	100%
Delta River Shipping SA	Luxembourg	Luxembourg	100%*
DEME Offshore LU SA	Luxembourg	Luxembourg	100%
DEME Offshore LU Procurement & Shipping SA	Luxembourg	Luxembourg	100%
Dredging International Luxembourg SA	Luxembourg	Luxembourg	100%
Maritime Services & Solutions SA	Luxembourg	Luxembourg	100%
Meuse River Shipping SA	Luxembourg	Luxembourg	100%*
Safindi SA	Luxembourg	Luxembourg	100%
Société de Dragage Luxembourg SA	Luxembourg	Luxembourg	100%
Dredging International Malaysia Sdn Bhd	Kuala Lumpur	Malaysia	30% <sup>(1)</sup>
Dredging International Mexico SA de CV	Mexico D.F.	Mexico	100%
Dragamoz Lda	Maputo	Mozambique	100%
Dredging and Environmental Services Nigeria Ltd	Lagos	Nigeria	39% <sup>(1)</sup>
Dredging International Services (Nigeria) Ltd	Lagos	Nigeria	39% <sup>(1)</sup>
Combined Marine Terminal Operators Nigeria Ltd	Lagos	Nigeria	21.25% <sup>(2)</sup>
Dredging International de Panama SA	Panama	Panama	100%
Dredec PNG Ltd	Port Moresby	Papua New Guinea	100%
Middle East Dredging Company QSC	Doha	Qatar	49% <sup>(3)</sup>
Dragmorstroy LLC	St. Petersburg	Russia	100%
Dredging International Asia Pacific Pte Ltd	Singapore	Singapore	100%
Dredging International España SA	Madrid	Spain	100%
Naviera Living Stone SLU	Alicante	Spain	100%
DIAP Thailand Co Ltd	Bangkok	Thailand	48.9% <sup>(4)</sup>
Dredging International Netherlands BV	Breda	The Netherlands	100%
DEME Offshore NL BV	Breda	The Netherlands	100%
DEME Offshore Shipping BV	Breda	The Netherlands	100%
DEME Infra Marine Contractors BV	Dordrecht	The Netherlands	100%
DEME Building Materials BV	Flushing	The Netherlands	100%
Seatec Holding BV	Woerden	The Netherlands	100%*
SPT Offshore Holding BV	Woerden	The Netherlands	100%*
De Vries & van de Wiel Beheer BV	Amsterdam	The Netherlands	74.90%
De Vries & van de Wiel Kust- en Oeverwerken BV	Amsterdam	The Netherlands	74.90%
Dredging International Ukraine LLC	Odessa	Ukraine	100%
Dredging International Services Middle East DMCEST	Dubai	United Arab Emirates	100%
DEME Offshore US INC	East Boston	USA	100%
DEME Offshore US LLC	East Boston	USA	100%

\* Newly created or acquired during 2020  
 \*\* Change in % of shareholding

<sup>(1)</sup> The economic rights in this company are 100%  
<sup>(2)</sup> The economic rights in this company are 54.43%  
<sup>(3)</sup> The economic rights in this company are 95%  
<sup>(4)</sup> The economic rights in this company are 98%



## MAIN JOINT VENTURES (EQUITY METHOD)

as of December 31, 2020

Name	Place	Country	% of Shareholding
Scaldis Salvage & Marine Contractors NV	Antwerp	Belgium	54.37%
Transterra NV	Stabroek	Belgium	50%
Sédisol SA	Farciennes	Belgium	37.45%
Blue Site SA	Gosselies	Belgium	37.45%*
Silvamo NV	Roeselare	Belgium	37.45%
Top Wallonie NV	Mouscron	Belgium	37.45%
MSB Minerações Sustentáveis do Brasil S.A.	Sao Paulo	Brazil	51%
DEME Brazil Serviços de Dragagem Ltda	Rio de Janeiro	Brazil	50%
Guangzhou Coscocs DEME New Energy Engineering Co. Ltd	Guangzhou	China	50%
Earth Moving Worldwide Cyprus Ltd	Nicosia	Cyprus	50%
BNS JV Ltd	Camberley	Great Britain	50%
Normalux Maritime SA	Luxembourg	Luxembourg	37.50%
Combined Marine Terminal Operations Marafi LLC	Duqm	Oman	37.68%*
Gulf Earth Moving Qatar WLL	Doha	Qatar	50%
Mordraga LLC	St. Petersburg	Russia	40%
Dragafi Asia Pacific Pte Ltd	Singapore	Singapore	40%
CSBC Deme Wind Engineering Co Ltd (CDWE)	Taipei	Taiwan	49.99%
DBM-Bontrup BV	Amsterdam	The Netherlands	50%
K3 DEME BV	Amsterdam	The Netherlands	50%
Deeproek Beheer BV	Breda	The Netherlands	50%
Deeproek CV	Breda	The Netherlands	50%
Overseas Contracting & Chartering Services BV	Papendrecht	The Netherlands	50%
Earth Moving Middle East Contracting DMCEST	Dubai	United Arab Emirates	50%

\* Newly created or acquired during 2020

## MAIN ASSOCIATES (EQUITY METHOD)

as of December 31, 2020

Name	Place	Country	% of Shareholding
Consortium Antwerp Port (Oman) NV	Zwijndrecht	Belgium	60%
Power@Sea NV	Zwijndrecht	Belgium	51.10%
Consortium Antwerp Port Industrial Port Land NV	Zwijndrecht	Belgium	50%
Blue Open NV	Zwijndrecht	Belgium	49.94%
Bluepower NV	Zwijndrecht	Belgium	35%
Bluechem Building NV	Ghent	Belgium	25.47%
Terranova NV	Zwijndrecht	Belgium	24.96%**
Feluy M2MSA	Gosselies	Belgium	19.47%*
Otary BIS NV	Ostend	Belgium	18.89%
Otary RS NV	Ostend	Belgium	18.89%
Rentel NV	Ostend	Belgium	18.89%
Terranova Solar NV	Stabroek	Belgium	16.85%
North Sea Wave NV	Ostend	Belgium	13.22%
SeaMade NV	Ostend	Belgium	13.22%
C-Power Holdco NV	Zwijndrecht	Belgium	10%
C-Power NV	Ostend	Belgium	6.46%
West Islay Tidal Energy Park Ltd	Glasgow	Great Britain	35%
Port of Duqm Company SAOC	Duqm	Oman	30%
Duqm Industrial Land Company LLC	Duqm	Oman	27.55%**
DIAP-Daelim Joint Venture Pte Ltd	Singapore	Singapore	51%
DIAP-SHAP Joint Venture Pte Ltd	Singapore	Singapore	51%
Baak Blankenburg-Verbinding BV	Nieuwegein	The Netherlands	15%

\* Newly created or acquired during 2020  
 \*\* Change in % of shareholding



## BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, with the exception of:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *income taxes* and IAS 19 *employee benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *share-based payment* at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *non-current assets held for sale and discontinued operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that represent ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *provisions, contingent liabilities and contingent assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

As current IFRSs do not specify recognition and measurement principles in respect of business combinations between entities under common control (these are excluded from the scope of IFRS 3 *business combinations*), the Group applies predecessor accounting. This means that the assets and liabilities of the acquiree are initially recognised at their carrying amount without fair value adjustments.

## Business combinations and disposals in the course of 2020

In October 30, 2020, **DEME Offshore Holding NV acquired 100% of the shares of the company SPT Offshore Holding BV**. This company holds 100% of the shares of the following companies: SPT Equipment BV, SPT Offshore BV, SPT Offshore UK Ltd, SPT Offshore SDN Bhd, Seatec Holding BV and its affiliate Seatec Subsea Systems BV.

All these companies are fully consolidated. The evaluation of all the identifiable assets and liabilities obtained by this acquisition took place on June 30, 2020. The market value of the identified assets and liabilities is shown below.

SPT OFFSHORE (in thousands of EUR)	
Goodwill and intangible assets	19,252
Property, plant and equipment	5,361
Trade and other operating receivables	3,968
Cash and cash equivalents	1,878
Employee benefit obligations	-
Current and non-current interest-bearing debt	-1,038
Other non-current assets and liabilities	-3,415
Trade and other operating payables	-3,870
<b>TOTAL NET ASSETS ACQUIRED</b>	<b>22,136</b>
<b>ACQUISITION PRICE</b>	<b>22,136</b>

The following methods were used to determine the market value of the identifiable assets and liabilities acquired:

- intangible assets: the market value was estimated by DEME on a best effort basis;
- other assets and liabilities: the market value is based on the value at which those assets or liabilities can be transferred to third parties.

The purchase price consists of an amount of 18.2 million EUR, paid on the closing date of the transaction, and of an earn-out obligation that was estimated at 3.9 million EUR, which is the maximum amount under the contract. There is no remaining goodwill.

In 2020, DEME Concessions Merkur BV **disposed** of its 12.5% stake in the Merkur offshore wind farm (Merkur Offshore GmbH), one of the largest operational wind farms (396 MW) in Germany. This transaction earned DEME 89.8 million EUR in cash and a capital gain of 63.9 million EUR.

## Business combinations and disposals in the course of 2019

In October 2019, **DEME acquired the shares in Consortium Antwerp Port (Oman) NV (60%) and Consortium Antwerp Port Industrial Port Land NV (50%)** which represent the total stake previously held by Rent-a-Port NV. These entities hold land and concession rights in the port of Duqm in Oman through a joint venture structure with Asyad, the latter controlled by the Omani Ministry of Transport & Communication.

Our shareholder CFE NV and Ackermans & van Haaren NV, which controls CFE NV, both hold a 50% share in the selling company, Rent-a-Port NV.

A total consideration of 3.8 million EUR was paid, resulting in a positive difference of 1.6 million EUR between the consideration paid and the carrying amount of the net assets acquired. As it concerns business combinations involving entities under common control, this transaction is excluded from the scope of IFRS 3 *business combinations*. DEME therefore applied predecessor accounting, recognised all assets and liabilities acquired at the carrying amount and the difference of 1.6 million EUR between the consideration paid and the carrying amount of the net assets acquired has been accounted for in equity as a compensation to the shareholder.

Consortium Antwerp Port (Oman) NV (60%) and Consortium Antwerp Port Industrial Port Land NV (50%), as well as their affiliates Duqm Industrial Land Company, LLC (34.9% for DEME) and Port of Duqm Company, SAOC (30% for DEME) are consolidated according to the equity method from the fourth quarter of 2019.

In 2019 the shares in the following companies were sold:

- **B-wind Polska sp.z.o.o.** (51.1%);
- **C-wind Polska sp.z.o.o.** (51.1%);
- **Hithermoor Soil Treatments Ltd** (37.45%);
- **Renewable Energy Base Ostend NV** (25.5%).

The impact of business **disposals** on the result of the year was immaterial.



## FOREIGN CURRENCIES

The euro is used as the presentation currency for the consolidated financial statements.

Financial statements of foreign entities whose functional currencies are other than 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).

Exchange rates used as of December 31, 2020 and 2019 are the following:

### Currency rates from foreign currency to EUR

	December 31, 2020		December 31, 2019	
	Closing rate	Average rate	Closing rate	Average rate
AED	0.2229	0.2382	0.2430	0.2429
AOA	0.0013	0.0016	0.0019	0.0025
AUD	0.6300	0.6057	0.6255	0.6216
BRL	0.1577	0.1727	0.2221	0.2263
CAD	0.6432	0.6541	0.6840	0.6723
CNY	0.1255	0.1268	0.1281	0.1293
GBP	0.1195	1.1303	1.1722	1.1399
HKD	0.1056	0.1127	0.1146	0.1139
INR	0.0112	0.0119	0.0125	0.0127
MXN	0.0412	0.0412	0.0472	0.0462
MYR	0.2037	0.2088	0.2182	0.2155
NGN	0.0022	0.0025	0.0029	0.0029
OMR	2.1285	2.2734	2.3186	2.3183
PGK	0.2272	0.2511	0.2696	0.2699
PHP	0.0171	0.0176	0.0176	0.0173
PLN	0.2197	0.2251	0.2351	0.2325
QAR	0.2249	0.2398	0.2452	0.2451
RUR	0.0111	0.0122	0.0144	0.0138
SGD	0.6199	0.6361	0.6633	0.6544
THB	0.0273	0.0280	0.0299	0.0287
TWD	0.0292	0.0297	0.0298	0.0289
UAH	0.0289	0.0326	0.0377	0.0347
USD	0.8188	0.8747	0.8926	0.8922
ZAR	0.0557	0.0537	0.0635	0.0618

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 owners of the Company are reclassified to profit or loss.

In addition, in relation to 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 are re-attributed 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.

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.

## 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.

### Research and development

Expenditure on research activities is recognised in the income statement as an 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.

### Exploration for and evaluation of mineral resources

DEME has opted to expense costs incurred for the exploration and evaluation of mineral resources on the seabed.

## GOODWILL

Goodwill arising from a business combination is recognised as an asset on the date on which control was obtained (the acquisition date). Goodwill is measured as the excess of the 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.

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 (generally a subsidiary) 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.

When a subsidiary is divested from the Group, the resulting goodwill and other comprehensive income relating to the subsidiary are taken into account in determining the net gain or loss on disposal. 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.





## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated 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, 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 expenses for upkeep of the assets during the operation of the vessel are predominantly charged to the profit and loss account. Dry-docking costs of main production equipment (major repair costs) are recognised in the carrying amount of the vessel when incurred and depreciated over the period until the next dry-docking. Depreciation is charged to the income statement on a straight-line basis over the useful lives with 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 adjusted from 5% to 1% of the investment value from 2019 onwards. DEME will apply this 1% residual value for older vessels as an extra year of depreciation beyond the useful life of the vessel.

Methods for depreciation, useful life and residual value are reassessed at the end of each financial year and amended if necessary.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income.

## THE GROUP AS LESSEE

### Leases

The Group has adopted IFRS 16 *leases* on the Group's financial statements as from January 1, 2019 and has applied the modified retrospective approach. Assets, representing the right to use the underlying leased asset, are capitalised as property, plant and equipment 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, are recognised as long-term or current liabilities depending on the period in which they are due. Leased assets and liabilities are recognised for all leases with a term of more than 12 months, unless the underlying asset is of low value. The lease payments are discounted using the lessee's incremental borrowing rate. Lease interest is charged to the income statement as an interest expense. Leased assets are depreciated, using straight-line depreciation over the lease term, including the period of renewable options, in case it is probable that the option will be exercised.

Up to December 31, 2018 there was a distinction between finance leases and operating leases and the accounting principles were the following:

### Finance leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the finance balance outstanding. The corresponding liability, net of finance charges, is presented as part of financial debt. The interest element is charged to the income statement as a finance charge over the lease period. The depreciation policy for leased assets 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 leases as described above are included in the finance leases on the balance sheet together with the finance leases that were originally operating leases but that are booked as finance leases following IFRS 16 *leases*.

### Operating leases

Leases under which substantially all the risks and rewards of ownership are effectively retained by the lessor are operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Following the requirements of IFRS 16 *leases* however most operating leases are booked as finance leases.

### INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Cost 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 variable selling expenses.

### AMOUNTS DUE FROM AND AMOUNTS DUE TO CUSTOMERS UNDER CONSTRUCTION CONTRACTS

Amounts due from customers concerns 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 at 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 potential provisions for losses. Provisions are recognised for expected losses on work in progress as soon as they are foreseen and if necessary, any profits already recognised are reversed. Revenues from additional work and claims are included in the overall contract revenues if the client has accepted the sum involved in any way. The cost price includes project costs, consisting of payroll costs, materials, costs of subcontracted work, rental charges and maintenance costs for the equipment used and other project costs. The rates used are based on the expected average occupation in the long run. The progress of a project is determined on the basis of the cost of the work done in relation to the expected cost price of the project as a whole. Profits are not recognised unless a reliable estimate can be made of the result on completion of the project. It is considered that no such reliable estimate can be made when actual cost of the work is less than 10% of the total expected cost price of the project. 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 current liabilities instead of under current assets. The respective balance sheet items are "due from customers" as a current asset and "due to customers" which is a current liability. When there is any constraint on transferring cash from the working country to the head office, the profit on a contract is only recognised on a cash basis.





### TRADE AND OTHER RECEIVABLES

Trade and other receivables are stated initially at fair value and subsequently at amortised cost less accumulated impairment losses, such as doubtful debts. Amortised cost is determined using the effective interest rate.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks and short-term investments. 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 tangible and intangible assets to determine whether there is any indication of impairment. If any such indication exists, 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 profit and loss.

When an impairment loss subsequently reverses, 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 profit and loss. An impairment loss on goodwill is never reversed.

### SHARE CAPITAL

#### Repurchase of share capital

When the Company purchases its own shares, the amount paid, including any directly imputable expenses, is recognised as a deduction in equity. Proceeds from selling shares are directly included in equity, with no impact on the income statement.

#### 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).

#### CONTINGENT ASSETS AND LIABILITIES

Based on available information at the date on which the financial statements were approved by the Board of Directors, we are not aware of any other contingent assets or liabilities than the one described below, with the exception of contingent assets or liabilities related to construction contracts (for example, the Group's claims against customers or claims by subcontractors) that can be described as normal in the construction sector and which are treated by applying the percentage of completion method during the recognition of revenue.

In 2018, the Group was involved in a litigation against Rijkswaterstaat in the Netherlands related to the execution of the Juliana Canal widening project. Based on the available information, it is difficult to assess the financial consequences of this litigation. Despite discussions about the execution of the Juliana Canal widening project taking place with the client Rijkswaterstaat, the issue has not been settled yet.

The Group takes care that all its entities respect the laws and regulations in force, including the compliance rules.

As publicly known, the public prosecutor's office conducts an investigation since 2016 into alleged irregularities in the award of a contract to Mordraga, a subsidiary of DEME, for the execution of dredging works in the port of Sabetta (Russia)





in 2014 and 2015. The contract in question was awarded to Mordraga by a private general contractor in the context of a private tender. The public prosecutor summoned certain companies and staff members of the DEME Group at the end of December 2020 to appear before the Council Chamber. DEME, Dredging International and one staff member requested the competent investigative judge to take extensive additional investigative actions since they believe that important elements à décharge require further analysis. The session before the Council Chamber has in the meantime been postponed sine die. It should be emphasised that the Council Chamber does not pronounce any judgment on the merits of the case, but merely rules on the question whether or not there are sufficient incriminating elements to having a case judged on its merits by the competent court. In light of the foregoing, DEME cannot for the time being make a reliable assessment of the financial impact of the pending investigation.

## EMPLOYEE BENEFIT OBLIGATIONS

### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the income statement when incurred.

### Belgian defined contribution plans with guaranteed return

By law, defined contribution pension plans in Belgium are subject to minimum guaranteed rates of return. Hence, strictly speaking, those plans classify as defined benefit plans. The IASB recognised that the accounting for such so-called “contribution-based plans” in accordance with the currently applicable defined benefit methodology is problematic. Considering as well the uncertainty with respect to the future evolution of the minimum guaranteed rates of return in Belgium, the Company adopted a retrospective approach until 2014, whereby the net liability recognised in the statement of financial position is based on the sum of the positive differences, determined by individual plan participants, between the minimum guaranteed reserves and the accumulated contributions based on the actual rates of return at the closing date (i.e. the net liability is based on the deficit measured at intrinsic value, if any).

As a result of the law of April 28, 2003 related to supplementary pension plans, the employer guaranteed a minimum rate of return on the employees’ contributions (i.e. 3.75%) and, in case of a defined contribution plan 3.25% on the employers’ contribution. As a result of the law of December 18, 2015 aiming to guarantee the sustainability and the social nature of the supplementary pension plans, these minimum guaranteed rates of return have been adjusted. On contributions paid as from January 1, 2016 onwards, a new, variable minimum guaranteed rate of return is applicable.

This percentage is calculated as 65% of the average 10-year OLO return considered over a period of 24 months, with a minimum of 1.75% and a maximum of 3.75%. In view of the overall low OLO returns over the last years, the current percentage is fixed at 1.75%. For the existing pensions plans at DEME, the old 3.25% and 3.75% guaranteed minimum rates of return remain applicable on the cumulative reserves per December 31, 2015, until the employee leaves the company. The new guaranteed rate of return (1.75% per 1 January, 2016) is only applicable on contributions after December 31, 2015.

In view of the minimum guaranteed rates of return, 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 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.

### Bonuses

Bonuses received by company employees and management are based on financial key indicators and personal performance.

## 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.

## TRADE AND OTHER PAYABLES

Trade and other payables are stated at nominal value.

## 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 equity, in which case it is recognised in equity.

Current income taxes include expected tax charges based on the accounting profit for the current year and adjustments to tax charges of prior years.

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. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This criterion is reassessed at each balance sheet date.

IFRIC 23, which became effective as from January 1, 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, a credit will be recognised in profit and loss, deferred taxes, and the related asset in the statement of financial position recognised in the line item deferred tax assets, when the entity satisfies the criteria to receive the credit.

## RISKS FROM FINANCIAL INSTRUMENTS

The Group’s financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans and bank overdrafts, trade and other payables and derivatives. Derivatives are used exclusively as hedging instruments and not for trading or other speculative purposes.

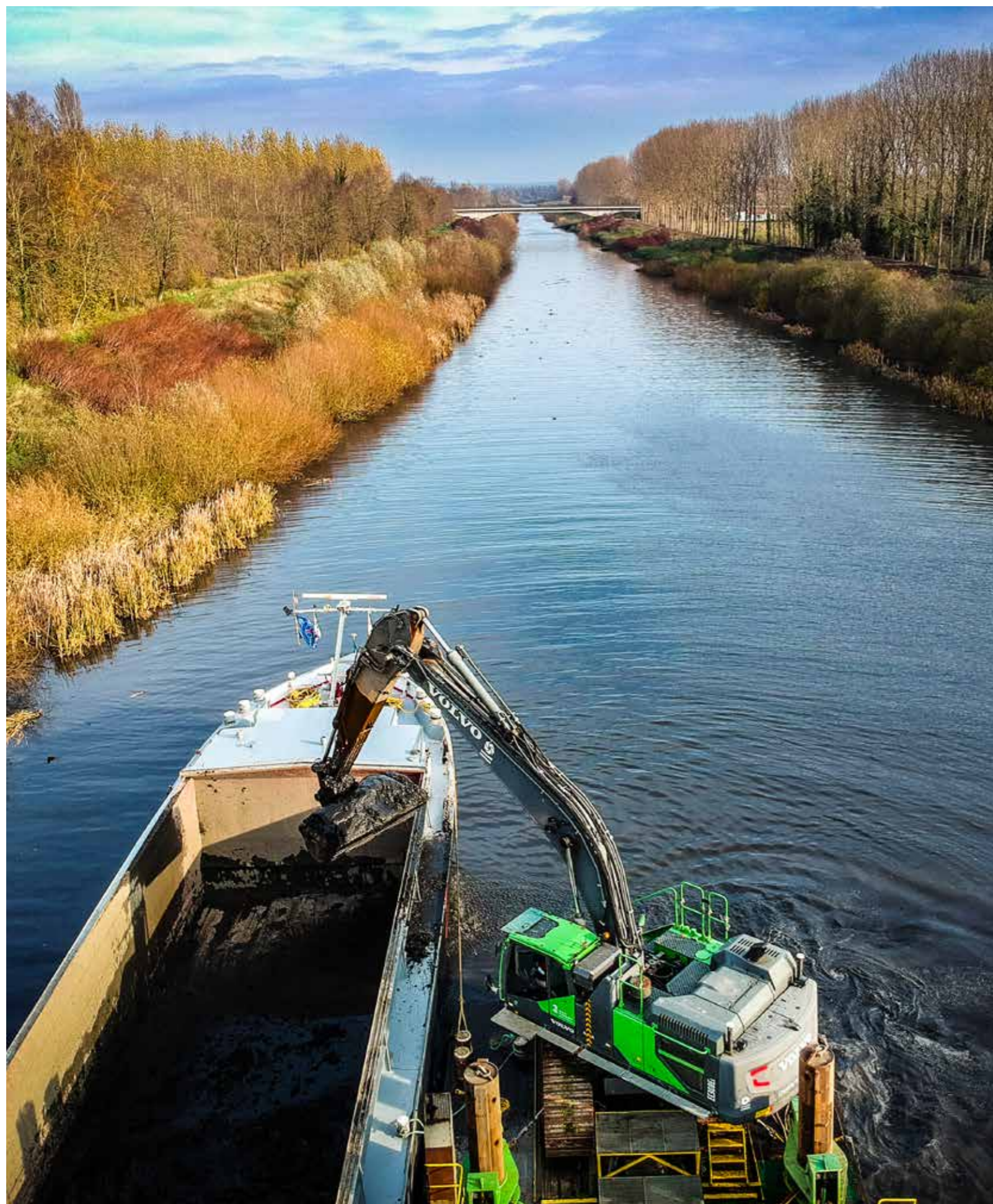
The Group is exposed to the following risks from its use of financial instruments:

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

### Credit risk

Credit risk arises from the possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations, causing a financial loss to the Group. Trade receivables are subject to a policy of active risk management, which focuses on the assessment of country risk, credit availability, ongoing credit evaluation and account monitoring procedures. Other than in the case of very strong, creditworthy clients with an undisputed credit history, all substantial credit risks are normally covered by means of credit insurance, standby letters of credit, bank guarantees and/or advance payments. Revenues and earnings are only recognised in the accounts when there is sufficient certainty that they will be realised.





**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal circumstances without incurring unacceptable losses or risking damage to the Group's reputation. The Group maintains sufficient reserves of cash and readily realisable marketable securities to meet its liquidity requirements at all times. In addition, the Group has certain unutilised revolving committed facilities at its disposal. The explanatory note (12) discloses the extent to which cash and cash equivalents are not freely available as a result of transfer restrictions, joint control or other legal restrictions.

**Market risk**

Market risk is the risk that changes in market prices (foreign exchange rates, interest rates, fuel prices,...) will 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. The Group enters into derivative financial instruments and also incurs financial liabilities or holds financial assets in order to manage market risk. Where possible, the Group seeks to apply hedge accounting in order to manage volatility in the income statement. It is the Group's policy and practice not to enter into derivative transactions for speculative purposes.

The Group's **currency risk** can be split into two categories: translational and transactional currency risk.

**Translational currency risk**

A translational currency risk arises when the financial statements of subsidiaries in foreign currencies are converted into the Group's presentation currency, which is the euro.

A number of group companies have other presentation currencies such as SGD, NGN, INR, DKK, BRL, GBP, QAR, RUB, PLN, AUD, TWD, MXN and USD. In 2020 these entities contributed 22% to the Group's turnover. In 2019 this was 20%.

The Group doesn't hedge against translational currency risk.

**Transactional currency risk**

The Group's foreign currency risk management policy consists of hedging the transactional currency risk resulting from its operating activities. The investing and financing activities of the Group are in line with the functional currencies and can only occasionally involve a currency risk which is managed on a case-by-case basis.

Foreign currency risk in the area of operating activities arises from commercial flows denominated in currencies other than the functional currency. In 2020, 67% of the Group's turnover was contracted in euros followed by USD, RUB, PLN, DKK, SGD, INR, GBP and TWD. In 2019 this was 66% in EUR, followed by USD, SGD, INR, DKK, QAR, GBP and RUB. The Group's expenses are mainly in euros. 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 Group uses forward-exchange contracts to limit the currency risk on the forecasted net commercial flows denominated in currencies other than the functional currency.

**DERIVATIVE 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 in result. Gains or losses resulting from the time value of financial derivative 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 euros 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.

**REVENUES**

**Revenue from contracts with customers**

DEME's activities encompass dredging, land reclamation, hydraulic engineering, services for the offshore oil & gas and renewable energy industries, civil engineering and environmental works. The consolidated revenue is recognised in accordance with IFRS 15. Most construction and service contracts with our customers involve only one performance obligation, which is fulfilled progressively. 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.

The Group has concluded that revenue from construction and service contracts should be recognised over time. This method of revenue recognition was already used under the former IAS 11 standard. 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 we still recognise revenue over time, based on the fact that the asset we create has no alternative use, as well as the fact that we have an enforceable right to payment 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 contract costs incurred that will probably be recoverable. Contract 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. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**Financial income**

Financial income comprises interest income, dividend income, foreign exchange gains and gains on financial derivatives that are recognised in the income statement.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income 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).

**EXPENSES**

**Financial expenses**

Financial expenses comprise interest expense on borrowings, foreign exchange losses, and losses on hedging instruments that are recognised on the income statement. All interest expense and other costs incurred in connection with borrowings, except those which were eligible to be capitalised, are taken to profit or loss as financial expenses. The interest expense is recognised in the income statement using the effective interest rate method.

**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. 💰





## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 - OTHER OPERATING INCOME AND EXPENSES

Balance at December 31

(in thousands of EUR)	2020	2019
Gain on sale of property, plant and equipment and intangible assets	11,170	5,106
Gain on sale of financial assets	63,935	-
Other operating income	65,011	33,588
<b>Total other operating income</b>	<b>140,116</b>	<b>38,694</b>
Loss on sale of property, plant and equipment and intangible assets	489	583
Movement in amounts written off inventories and trade receivables	-3,852	8,641
Other operating expenses	19,271	15,547
<b>Total other operating expenses</b>	<b>15,908</b>	<b>24,771</b>

In 2020 the **gain on sale of equipment** includes the gain realised on the disposal of old vessels and equipment, such as the small hopper dredger 'Orwell' and the cutter suction dredger 'Dijle'.

**Gain on sale of financial assets** refers to the gain on the sale of a 12.5% participation in Merkur Offshore GmbH. See earlier in this report for information about business combinations and disposals in the course of 2020.

In 2020, **other operating income** comprises 10.0 million EUR compensation received for late delivery of the cutter suction dredger 'Spartacus' and 10.2 million EUR proceeds from an arbitration award relating to a past project.

### NOTE 2 - EMPLOYMENT

Balance at December 31

Average number of persons employed during the year (in FTE)	2020	2019
Employees	2,852	2,835
Workers	2,124	2,254
<b>Total</b>	<b>4,976</b>	<b>5,089</b>

The average headcount reported in this note is drawn up on the basis of the consolidation scope whereby only the average headcount of entities controlled by the Group are included.

Personnel expenses (in thousands of EUR)	2020	2019
Remuneration and social charges	442,020	444,383
Pension expenses	13,254	10,103
<b>Total</b>	<b>455,274</b>	<b>454,486</b>

Additional information is disclosed in DEME's **Sustainability Report**, such as:

- gender breakdown;
- ratio of full-time versus part-time;
- age profile by gender;
- training hours;
- number of nationalities.

### NOTE 3 - INTANGIBLE ASSETS

2020 (in thousands of EUR)	Research and development expenses	Concessions, patents, licences, etc.	Other intangible assets	Total
<b>Acquisition cost at January 1, 2020</b>	<b>3,844</b>	<b>27,415</b>	<b>8,645</b>	<b>39,904</b>
Movements during the year				
Acquisitions, including fixed assets, own production	355	2,478	-	2,833
Sales and disposals	-152	-905	-681	-1,738
Transfers from one heading to another	-40	298	-	258
Translation differences	-	-2	-1	-3
Acquisitions through business combinations	-	19,273	-	19,273
Scope change	-	-	-	-
<b>At December 31, 2020</b>	<b>4,007</b>	<b>48,557</b>	<b>7,963</b>	<b>60,527</b>
<b>Cumulative depreciation and impairment at January 1, 2020</b>	<b>3,821</b>	<b>23,023</b>	<b>8,645</b>	<b>35,489</b>
Movements during the year				
Recorded	375	1,428	6	1,809
Written down after sales and disposals	-152	-717	-680	-1,549
Transfers from one heading to another	-40	-129	-8	-177
Translation differences	-	-1	-	-1
Acquisitions through business combinations	-	21	-	21
Scope change	-	-	-	-
<b>At December 31, 2020</b>	<b>4,004</b>	<b>23,625</b>	<b>7,963</b>	<b>35,592</b>
<b>Net book value at the end of the year</b>	<b>3</b>	<b>24,932</b>	<b>-</b>	<b>24,935</b>

In 2020, the intangible assets increased by 20.5 million EUR to 24.9 million EUR. Most of this increase (19.2 million EUR) relates to patents and technology of the SPT Offshore group (amortised over 10 years). See earlier in this report for information about business combinations in the course of 2020. Intangible assets according to the definition in IAS 38 *intangible assets* are only recognised to the extent that future economic benefits are probable.

2019 (in thousands of EUR)	Research and development expenses	Concessions, patents, licences, etc.	Other intangible assets	Total
<b>Acquisition cost at January 1, 2019</b>	<b>3,466</b>	<b>26,179</b>	<b>8,645</b>	<b>38,290</b>
Movements during the year				
Acquisitions, including fixed assets, own production	378	1,505	-	1,883
Sales and disposals	-	-67	-	-67
Transfers from one heading to another	-	-193	-	-193
Translation differences	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Scope change	-	-9	-	-9
<b>At December 31, 2019</b>	<b>3,844</b>	<b>27,415</b>	<b>8,645</b>	<b>39,904</b>
<b>Cumulative depreciation and impairment at January 1, 2019</b>	<b>3,402</b>	<b>22,698</b>	<b>8,645</b>	<b>34,745</b>
Movements during the year				
Recorded	419	454	-	873
Written down after sales and disposals	-	-67	-	-67
Transfers from one heading to another	-	-59	-	-59
Translation differences	-	6	-	6
Acquisitions through business combinations	-	-	-	-
Scope change	-	-9	-	-9
<b>At December 31, 2019</b>	<b>3,821</b>	<b>23,023</b>	<b>8,645</b>	<b>35,489</b>
<b>Net book value at the end of the year</b>	<b>23</b>	<b>4,392</b>	<b>-</b>	<b>4,415</b>

Total acquired intangible assets in 2019 amount to 1,883 (000) EUR and mainly consist of software licences and concession rights. Amortisation of intangible assets is recognised under 'depreciation and impairment losses' in the consolidated income statement for an amount of 873 (000) EUR.



**NOTE 4 - GOODWILL**

(in thousands of EUR)		2020	2019
<b>Balance at January 1</b>		<b>18,339</b>	<b>18,339</b>
Movements during the year	Acquisitions through business combinations	-	-
	Disposals	-	-
	Impairment losses	-5,000	-
<b>Balance at December 31</b>		<b>13,339</b>	<b>18,339</b>

In accordance with IAS 36 *impairment of assets*, goodwill was tested for impairment at December 31, 2020 and 2019. In 2020 we recognised impairment losses of 5.0 million EUR on the activities of International Seaport Dredging Pvt Ltd in India.

**NOTE 5 - PROPERTY, PLANT AND EQUIPMENT**

2020 (in thousands of EUR)		Land and buildings	Floating and other construction equipment	Furniture and vehicles	Other tangible assets	Assets under construction	Total
<b>Acquisition cost at January 1, 2020</b>		<b>162,548</b>	<b>3,915,932</b>	<b>41,722</b>	<b>1,911</b>	<b>539,816</b>	<b>4,661,929</b>
Movements during the year	Acquisitions, including fixed assets, own production	12,683	91,239	8,121	-	99,706	211,749
	Sales and disposals	-5,065	-119,042	-7,119	-	-4,921	-136,147
	Transfers from one heading to another	2,892	124,998	1,522	-	-129,847	-435
	Translation differences	-1,389	-10,017	-788	-	-4	-12,198
	Acquisitions through business combinations	-	5,626	664	-	1,071	7,361
	Scope change	1,982	364	-	-	-	2,346
<b>At December 31, 2020</b>		<b>173,651</b>	<b>4,009,100</b>	<b>44,122</b>	<b>1,911</b>	<b>505,821</b>	<b>4,734,605</b>
<b>Cumulative depreciation and impairment at January 1, 2020</b>		<b>51,930</b>	<b>2,078,200</b>	<b>23,220</b>	<b>1,604</b>	<b>-</b>	<b>2,154,954</b>
Movements during the year	Recorded	14,563	274,740	9,000	64	-	298,367
	Written down after sales and disposals	-1,681	-118,067	-5,628	-	-	-125,376
	Transfers from one heading to another	101	378	-479	-	-	-
	Translation differences	-556	-7,353	-614	-	-	-8,523
	Acquisitions through business combinations	-	1,788	212	-	-	2,000
	Scope change	-	177	-	-	-	177
<b>At December 31, 2020</b>		<b>64,357</b>	<b>2,229,863</b>	<b>25,711</b>	<b>1,668</b>	<b>-</b>	<b>2,321,599</b>
<b>Net book value at the end of prior year</b>		<b>110,618</b>	<b>1,837,732</b>	<b>18,502</b>	<b>307</b>	<b>539,816</b>	<b>2,506,975</b>
<b>Net book value at the end of the year</b>		<b>109,294</b>	<b>1,779,237</b>	<b>18,411</b>	<b>243</b>	<b>505,821</b>	<b>2,413,006</b>

In 2020 the two self-propelled split barges 'Bengel' and 'Deugniet' (3,500 m<sup>3</sup>) and the two trailing suction hoppers 'River Thames' (2,500 m<sup>3</sup>) and 'Meuse River' (8,300 m<sup>3</sup>), all constructed by Royal IHC, joined our fleet. The delivery of two important vessels, the cutter suction dredger 'Spartacus' and the installation vessel 'Orion', experienced considerable delays at the shipyards. As a result, they could not be delivered in 2020 as foreseen. The 'Spartacus' is expected to be delivered by IHC in the first half of 2021, and the 'Orion' around the end of 2021 or the beginning of 2022.

At December 31, 2020, a remaining amount of 128.8 million EUR from **assets under construction** still has to be invested in the coming years for 'Spartacus', 'Orion' and 'Groene Wind'.

In 2020 CDWE, the Taiwanese joint venture between DEME (50%) and partner CSBC, ordered the groundbreaking offshore wind installation vessel 'Green Jade' in Taiwan. The first floating heavy-duty crane and installation vessel with DP3 capacity in Taiwan will be equipped with a high-tech crane with a lifting capacity of 4,000 tonnes. Starting in 2023, the vessel will be deployed in the thriving local offshore wind market. As the joint venture is integrated according to the equity method, this new vessel is not included in property, plant and equipment. DEME however invested approximately 30 million EUR in CDWE in 2020 as capital for the joint venture.

The **depreciation cost** of 2020 includes **15.6 million EUR accelerated depreciation and impairment** of certain specific vessels.

At December 31, 2020, an amount of 55.7 million EUR **mortgage on vessels** is outstanding which is unchanged compared to December 31, 2019.

The net carrying amount of **finance lease assets** including the impact of IFRS 16 amounted to 75.9 million EUR at December 31, 2020, compared to 127.7 million EUR at the end of 2019. In 2020 the Group decided to do an early redemption of the finance lease for the vessel 'Victor Horta' which also explains the major decrease of finance lease assets.

See below for the breakdown of finance lease assets per class of property, plant and equipment. An amount of about - 1 million EUR related to this accelerated payment is included in the financial result.

Finance lease assets (in thousands of EUR)	2020
Land and buildings	56,434
Floating and other construction equipment	4,971
Furniture and vehicles	14,512
<b>Total finance lease assets per class of property, plant and equipment at December 31</b>	<b>75,917</b>

2019 (in thousands of EUR)		Land and buildings	Floating and other construction equipment	Furniture and vehicles	Other tangible assets	Assets under construction	Total
<b>Acquisition cost at January 1, 2019</b>		<b>89,162</b>	<b>3,760,722</b>	<b>23,204</b>	<b>1,910</b>	<b>429,943</b>	<b>4,304,941</b>
Change in accounting principle (IFRS 16)		66,162	4,333	13,014	-	-	83,509
Movements during the year	Acquisitions, including fixed assets, own production	15,362	169,736	9,413	-	236,054	430,565
	Sales and disposals	-8,176	-153,046	-3,962	-	6,229	-158,955
	Transfers from one heading to another	-70	132,513	101	1	-132,411	134
	Translation differences	108	1,674	-48	-	1	1,735
	Acquisitions through business combinations	-	-	-	-	-	-
	<b>At December 31, 2019</b>		<b>162,548</b>	<b>3,915,932</b>	<b>41,722</b>	<b>1,911</b>	<b>539,816</b>
<b>Cumulative depreciation and impairment at January 1, 2019</b>		<b>41,873</b>	<b>1,943,766</b>	<b>18,989</b>	<b>1,540</b>	<b>-</b>	<b>2,006,168</b>
Movements during the year	Recorded	13,816	273,231	7,881	64	-	294,992
	Written down after sales and disposals	-3,865	-140,955	-3,833	-	-	-148,653
	Transfers from one heading to another	-20	-129	149	-	-	-
	Translation differences	126	2,287	34	-	-	2,447
	Acquisitions through business combinations	-	-	-	-	-	-
	<b>At December 31, 2019</b>		<b>51,930</b>	<b>2,078,200</b>	<b>23,220</b>	<b>1,604</b>	<b>-</b>
<b>Net book value at the end of prior year</b>		<b>47,289</b>	<b>1,816,956</b>	<b>4,215</b>	<b>370</b>	<b>429,943</b>	<b>2,298,773</b>
<b>Net book value at the end of the year</b>		<b>110,618</b>	<b>1,837,732</b>	<b>18,502</b>	<b>307</b>	<b>539,816</b>	<b>2,506,975</b>

In 2015, the DEME Group commissioned the building of six new vessels. In the beginning of 2017, a new order for two additional vessels, 'Spartacus' and 'Orion', was placed. In 2018 the Group placed an order for the two self-propelled split barges 'Bengel' and 'Deugniet' (3,500 m<sup>3</sup>) and the two trailing suction hoppers 'River Thames' (2,500 m<sup>3</sup>) and 'Meuse River' (8,300 m<sup>3</sup>) for a total value of 133 million EUR. In 2019, DEME also announced a new investment in a Service Operation Vessel (SOV). This catamaran is specially designed for the maintenance of offshore wind farms and can carry and accommodate a crew of up to 24 people. Delivery of this vessel is expected in 2021.

During 2017 'Scheldt River' and 'Minerva', two hopper dredgers, were brought into use. In 2018 the multipurpose vessel 'Living Stone', the crane ship 'Gulliver' and the self-propelled jack-up vessel 'Apollo' followed. And in 2019 the hopper dredger 'Bonny River', the last of the six vessels ordered in 2015, became operational.

At December 31, 2019, a remaining amount of 173.3 million EUR from **assets under construction** still had to be invested in the coming years.



The net carrying amount of **finance lease assets** including the impact of IFRS 16 amounted to 127.7 million EUR at December 31, 2019, compared to 46.6 million EUR at the end of 2018. The impact of the first adoption of IFRS 16 amounted to 83.5 million EUR and the split per type of asset was the following:

Finance lease assets (in thousands of EUR)	December 31, 2018	Impact IFRS 16	January 1, 2019	December 31, 2019
Land and buildings	-	66,162	66,162	64,222
Floating and other construction equipment	46,577	4,333	50,910	48,580
Furniture and vehicles	-	13,014	13,014	14,931
<b>Total finance lease assets per type of property, plant and equipment</b>	<b>46,577</b>	<b>83,509</b>	<b>130,086</b>	<b>127,733</b>

## NOTE 6 - INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(in thousands of EUR)		Equity value	Goodwill allocated	2020	2019
<b>Balance at January 1</b>		<b>72,688</b>	<b>363</b>	<b>73,051</b>	<b>82,310</b>
Movements during the year	Additions	38,977	-	38,977	5,656
	Disposals (-)	-	-	-	-639
	Share in the result of participations accounted for using the equity method	22,395	-	22,395	18,450
	Dividends distributed by the participations	-15,080	-	-15,080	-3,232
	Other comprehensive income	-6,975	-	-6,975	-24,739
	Transfer (to) from other items	-456	-	-456	-353
	Other movements	-3,960	-	-3,960	-4,818
	Translation differences	-2,034	-	-2,034	416
<b>Balance at December 31</b>		<b>105,555</b>	<b>363</b>	<b>105,918</b>	<b>73,051</b>

The list of major companies contributing to DEME's investments in joint ventures and associates can be found earlier in this report.

**Additions** of the year include a capital increase of 30.4 million EUR in the joint venture CDWE in Taiwan.

A major part of the **result of the year** (84%) of 22.4 million EUR is related to participations in entities that develop and operate offshore wind farms, such as Rentel NV, SeaMade NV and C-Power NV.

The **dividend of the year** is coming from Rentel NV and Mordraga LLC amongst other things.

Some joint ventures and associates finance significant assets such as infrastructure works, offshore wind farms or vessels and therefore hold interest rate swaps (IRS). Per December 31, 2020, the **other comprehensive income** (OCI) of the current period includes an accumulated negative amount of -32.5 million EUR compared to -25.5 million EUR at the end of 2019, which reflects DEME's share in the negative fair value of the IRS's of Rentel NV, C-Power NV, SeaMade NV, Normalux SA and since 2020 also BAAK Blankenburg-Verbinding BV, net of deferred tax assets. The negative fair value (DEME share) is indirectly reflected in the consolidated balance sheet by decreasing DEME's share in the net assets of the investee for the same amount, meaning a decrease of 7 million EUR in the line other comprehensive income. The amount of -24.7 million EUR of other comprehensive income movement in 2019 is explained by the first recognition of the negative fair value of the IRS's of Rentel NV, C-Power NV and SeaMade NV.

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 and if the negative net asset exceeds the investor's interest, and corresponding liability (provision) is recognised. This is included in **the transfer (to) from other items**.

The **disposals** of the prior year (2019) relate to the sale of: B-wind Polska sp.z.o.o. (51.1%) en C-wind Polska sp.z.o.o. (51.1%), Hithermoor Soil Treatments Ltd (37.45%) and Renewable Energy Base Ostend NV (25.5%). The total impact of the above sales on the result of the year was immaterial.

Below a **split between joint ventures and associates** as of December 31, 2020 and 2019 can be found.

(in thousands of EUR)		Investments in joint ventures	Investments in associates	2020	Investments in joint ventures	Investments in associates	2019
<b>Balance at January 1</b>		<b>45,256</b>	<b>27,795</b>	<b>73,051</b>	<b>41,632</b>	<b>40,678</b>	<b>82,310</b>
Movements during the year	Additions	37,590	1,387	38,977	3,448	2,208	5,656
	Disposals (-)	-	-	-	93	-732	-639
	Share in the result of participations accounted for using the equity method	1,074	21,321	22,395	937	17,513	18,450
	Dividends distributed by the participations	-4,291	-10,789	-15,080	-90	-3,142	-3,232
	Other comprehensive income	130	-7,105	-6,975	-166	-24,573	-24,739
	Transfer (to) from other items	-1,982	1,526	-456	-487	134	-353
	Other movements	-3,332	-628	-3,960	-503	-4,315	-4,818
	Translation differences	-1,505	-529	-2,034	392	24	416
<b>Balance at December 31</b>		<b>72,940</b>	<b>32,978</b>	<b>105,918</b>	<b>45,256</b>	<b>27,795</b>	<b>73,051</b>

If the Group would consolidate the investments in **joint ventures** according to the proportionate method instead of the equity method the impact on the key figures below as of December 31, 2020 and 2019 would be:

Our share in joint ventures (in thousands of EUR)	2020	2019
Turnover after intercompany eliminations	59,892	64,218
EBITDA	12,014	13,547
EBIT	3,111	3,605
Net financial debt	-11,592	-21,930

## NOTE 7 - OTHER NON-CURRENT FINANCIAL ASSETS

(in thousands of EUR)		2020	2019
<b>Balance at January 1</b>		<b>36,182</b>	<b>108,066</b>
Movements during the year	Additions	3,657	4,205
	Disposals (-)	-5,960	-64,265
	Transfer (to) from other items	-1,066	-10,511
	Other movements	-	-1,313
	Translation differences	-	-
<b>Balance at December 31</b>		<b>32,813</b>	<b>36,182</b>
Of which	Loans to joint ventures and associates	25,422	29,480
	Other non-current financial assets	7,391	6,702

The **disposal** of 64.3 million EUR in 2019 was the repayment of loans that had been granted to the companies developing the Merkur and Rentel offshore wind farms.

The **transfer** of -10.5 million EUR in 2019 was the transfer to assets held for sale of the net position of DEME towards Merkur Offshore GmbH. This amount comprised both the negative share in the investee's equity (-8.6 million EUR) and the DEME loan receivable from Merkur (19.1 million EUR). The sale of Merkur Offshore GmbH was subject to customary regulatory approvals and consent from lenders, conditions precedent which were only fulfilled in the first half of 2020.



**NOTE 8 - FINANCIAL DERIVATIVES**

<b>2020</b> (in thousands of EUR)	Non-current asset	Non-current liability	Current asset	Current liability	Total net balance market value	Notional amount
Exchange rate instruments (forward sales/purchase agreements)	1,229	-48	5,957	-568	6,570	see table below
Interest rate swaps	-	-8,970	-	-4,405	-13,375	801,081
Fuel hedges	204	-	885	-1,788	-699	10,656
<b>Balance at December 31</b>	<b>1,433</b>	<b>-9,018</b>	<b>6,842</b>	<b>-6,761</b>	<b>-7,504</b>	

<b>2019</b> (in thousands of EUR)	Non-current asset	Non-current liability	Current asset	Current liability	Total net balance market value	Notional amount
Exchange rate instruments (forward sales/purchase agreements)	-	-3	517	-3,700	-3,186	see table below
Interest rate swaps	-	-7,190	-	-3,567	-10,757	989,965
Fuel hedges	-	-613	234	-2,089	-2,468	19,088
<b>Balance at December 31</b>	<b>-</b>	<b>-7,806</b>	<b>751</b>	<b>-9,356</b>	<b>-16,411</b>	

The following table discloses the fair value and the notional amount of exchange rate instruments by currency:

<b>2020</b> (in thousands of EUR)	Market value			Notional amount		
	Currency	Forward purchase	Forward sale	Total amount	Forward purchase	Forward sale
USD	-157	2,662	2,505	-23,053	111,765	88,712
AUD	44	-	44	-5,520	-	-5,520
PLN	16	1,416	1,432	-49,700	226,862	177,162
SGD	560	-	560	-140,490	-	-140,490
RUB	-21	1,522	1,501	-20,560	1,370,210	1,349,650
JPY	-	-	-	-144,000	-	-144,000
EGP	-	-426	-426	-	592,500	592,500
DKK	-	-	-	-28,083	11	-28,072
Other	-43	997	954	-	-	-
<b>Balance at December 31</b>	<b>399</b>	<b>6,171</b>	<b>6,570</b>			

<b>2019</b> (in thousands of EUR)	Market value			Notional amount		
	Currency	Forward purchase	Forward sale	Total amount	Forward purchase	Forward sale
USD	102	-488	-386	-5,123	76,440	71,317
AUD	92	-	92	-5,478	300	-5,178
PLN	-	-2,851	-2,851	-	75,075	75,075
SGD	174	-78	96	-92,603	8,559	-84,044
GBP	-27	-142	-169	-3,509	5,166	1,657
RUB	-	-4	-4	-	3,180	3,180
INR	-	-29	-29	-	9,390	9,390
Other	3	62	65	-2,540	32,464	29,924
<b>Balance at December 31</b>	<b>344</b>	<b>-3,530</b>	<b>-3,186</b>			

**NOTE 9 - INCOME TAXES AND DEFERRED TAXES**

Balance at December 31

<b>Income taxes and deferred taxes recognised in comprehensive income</b> (in thousands of EUR)	<b>2020</b>	<b>2019</b>
Current tax expense	46,729	38,612
Deferred tax expense / (income)	-36,917	-8,291
<b>Income taxes and deferred taxes recognised in the income statement</b>	<b>9,812</b>	<b>30,321</b>
<b>Income taxes and deferred taxes recognised in other elements of the comprehensive income</b>	<b>-1,049</b>	<b>-3,606</b>
<b>Income taxes and deferred taxes recognised in comprehensive income</b>	<b>8,763</b>	<b>26,715</b>

<b>Reconciliation of the effective tax rate</b> (in thousands of EUR)	<b>2020</b>	<b>2019</b>
<b>Result before taxes</b>	<b>38,630</b>	<b>134,896</b>
<b>Tax expense at nominal tax rate in Belgium which is 25% in 2020 and 29.58% in 2019</b>	<b>9,658</b>	<b>39,902</b>
Increase (decrease) in tax rate resulting from		
Tax effect of non-deductible expenses	1,759	2,473
Tax effect of non-taxable result	-20,363	-113
Tax credits and impact of notional interest	-1,559	-
Effects of different tax rates applicable to subsidiaries operating in other jurisdictions or income taxable under special tax regimes such as tonnage tax	5,516	-13,253
Tax impact of (de)recognition of provisions for uncertain tax positions	-9,229	-9,033
Tax impact of adjustments to current and deferred tax relating to previous periods	7,782	-915
Tax impact on losses for which no deferred tax assets were recognised	16,248	11,260
<b>Tax expense</b>	<b>9,812</b>	<b>30,321</b>
<b>Effective tax rate for the period</b>	<b>25.4%</b>	<b>22.5%</b>

Non-taxable result in 2020 includes the capital gain on the sale of our participation in Merkur Offshore GmbH.

<b>Carrying amount of deferred taxes</b> (in thousands of EUR)	Deferred tax assets		Deferred tax liabilities	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Balance at January 1</b>	<b>89,486</b>	<b>90,928</b>	<b>76,434</b>	<b>89,580</b>
Recognised in the income statement	29,942	3,142	-6,975	-5,148
Charged to equity	1,049	3,606	-	-
Acquisition of subsidiary or change in %	618	-	3,416	-
Disposal of subsidiary or change in %	-	-	-	-
Translation differences	-	-	-840	192
Netting of deferred taxes (*)	-3,137	-8,190	-3,137	-8,190
<b>Balance at December 31</b>	<b>117,958</b>	<b>89,486</b>	<b>68,898</b>	<b>76,434</b>

<b>Recognised deferred tax assets and liabilities</b> Deferred tax assets and liabilities are attributable to the following items (in thousands of EUR)	Deferred tax assets		Deferred tax liabilities	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Property, plant and equipment and intangible assets	27,546	15,560	60,676	56,569
Employee benefits	12,584	11,651	-	-
Financial derivative instruments	3,467	2,813	364	11
Working capital items	44,882	27,107	6,676	11,372
Tax losses	70,091	57,168	-	-
Tax credits	17,065	29,724	-	-
Other items a.o. provisions for UTP	-	-	58,859	63,020
Netting of deferred taxes (*)	-57,677	-54,537	-57,677	-54,538
<b>TOTAL</b>	<b>117,958</b>	<b>89,486</b>	<b>68,898</b>	<b>76,434</b>

(\*) The tax netting item reflects the netting of deferred tax assets and liabilities per entity.



**NOTE 10 - INVENTORIES AND CONSTRUCTION CONTRACTS**

Balance at December 31

(in thousands of EUR / (-) is credit balance)	2020	2019
<b>INVENTORIES</b>		
Raw materials and consumables	10,456	13,152
<b>CONSTRUCTION CONTRACTS</b>		
Advances received	-60,582	-39,565
Amounts due from customers under construction contracts	251,747	228,548
Amounts due to customers under construction contracts	-156,799	-165,662
<b>Net balance of construction contracts in progress</b>	<b>94,948</b>	<b>62,886</b>
Cumulative incurred costs plus profit in proportion to progress less provisions for losses	4,031,091	4,178,946
Progress billings	-3,936,143	-4,116,060
<b>Net balance of construction contracts in progress</b>	<b>94,948</b>	<b>62,886</b>

**Advances** are amounts received by DEME before the related work is performed.

The payments **due from customers** include amounts which will be paid subject to specified conditions from third parties. The determination of the profits in proportion to the stage of completion and the provision for losses is based on estimated costs and revenues of the related projects. These estimates contain uncertainties.

According to the definition of IFRS 15 *revenue from contracts with customers*, the **remaining performance obligations**, meaning the turnover to be executed in the future years regarding the ongoing projects, amount to 2,100.3 million EUR at December 31, 2020, compared to 1,975.1 million EUR at December 31, 2019. Of the amount end 2020, 1,227.7 million EUR is to be executed in 2021, 631.3 million EUR in 2022 and 241.3 million EUR beyond 2022.

**NOTE 11 - TRADE AND OTHER OPERATING RECEIVABLES**

Balance at December 31

(in thousands of EUR)	2020	2019
Trade receivables gross amount	263,537	373,292
Amounts written off	-15,172	-19,024
Trade receivables net amount	248,365	354,268
Corporation taxes and VAT	47,326	45,708
Other operating receivables	13,945	29,288
<b>Total trade and other operating receivables</b>	<b>309,636</b>	<b>429,264</b>

In 2019 an impairment loss of 10.8 million EUR was recognised due to the insolvency of Senvion, for which DEME Offshore carried out maintenance works on offshore wind farms.

An amount of 34.7 million EUR that was included in trade receivables last year is now transferred to other current assets to be in line with current year presentation and definition.

**NOTE 12 - INTEREST-BEARING DEBT AND NET FINANCIAL DEBT**

Net financial debt as defined by the Group (in thousands of EUR / (-) is debit balance)	2020			2019		
Balance at December 31	Non-current	Current	Total	Non-current	Current	Total
Subordinated loans	44,677	20,967	65,644	37,414	13,208	50,622
Finance leases (Note 13)	59,592	17,722	77,314	88,323	25,975	114,298
Credit institutions	630,135	191,274	821,409	821,410	193,858	1,015,268
Other loans	650	-	650	650	-	650
Short-term credit facilities	-	145,950	145,950	-	2,750	2,750
<b>Total interest-bearing debt</b>	<b>735,054</b>	<b>375,913</b>	<b>1,110,967</b>	<b>947,797</b>	<b>235,791</b>	<b>1,183,588</b>
Cash and cash equivalents	-	-621,937	-621,937	-	-475,135	-475,135
<b>Total net financial debt</b>	<b>735,054</b>	<b>-246,024</b>	<b>489,030</b>	<b>947,797</b>	<b>-239,344</b>	<b>708,453</b>

**Debt maturity schedule of total long-term financial liabilities** (in thousands of EUR)

Balance at December 31, 2020	More than 5 years	Between 1 and 5 years	Less than 1 year	Total
Subordinated loans	1,630	43,047	20,967	65,644
Finance leases (Note 13)	27,368	32,224	17,722	77,314
Credit institutions	116,066	514,069	191,274	821,409
Other loans	-	650	-	650
<b>Total long-term financial liabilities</b>	<b>145,064</b>	<b>589,990</b>	<b>229,963</b>	<b>965,017</b>

**Cash flows related to financial liabilities** (in thousands of EUR)

		2020	2019
<b>Total interest-bearing debt at January 1</b>		<b>1,183,588</b>	<b>843,172</b>
Movements during the year	<b>Cash movements</b>		
	New interest-bearing debt	175,566	632,404
	Repayment of interest-bearing debt	-253,952	-394,386
	<b>Non-cash movements</b>		
	Assumed in business combinations	1,038	-
	IFRS 16 / leases	8,727	102,398
Other	-4,000	-	
<b>Balance at December 31</b>		<b>1,110,967</b>	<b>1,183,588</b>

**Cash and cash equivalents**

Cash and cash equivalents are not always freely available as a result of transfer restrictions, joint control or other legal restrictions. At December 31, 2020, the amount of cash available for use by the Group is 521 million EUR compared to 392 million EUR at the end 2019.

**Credit facilities and bank term loans**

At December 31, 2020, the Group has 141 million EUR unused confirmed bank credit facilities compared to 105 million EUR at the end of 2019. The Group has the possibility to issue commercial paper for amounts up to 125 million EUR. At December 31, 2020, this facility was fully used.

**Financial covenants**

Bilateral loans are subject to specific covenants. At December 31, 2020, as well as at December 31, 2019, the Group complies with the solvency ratio, the debt/EBITDA ratio, and the interest cover ratio, 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 adjusted for intangible assets and deferred tax assets.

The **debt/EBITDA ratio** computed as total net financial debt divided by EBITDA, should be lower than 3.

The **interest cover ratio** computed as EBITDA divided by net financial interest charges (interest charges less interest income), should be higher than 4.



**NOTE 13 - FINANCE AND OPERATING LEASE AND THE IMPACT OF IFRS 16**

<b>Finance lease debt</b> (in thousands of EUR)				<b>2020</b>	<b>2019</b>
	More than 5 years	Between 1 and 5 years	Less than 1 year	Total	Total
Gross lease payments	43,686	33,722	17,869	95,277	135,679
Interest payments	-16,318	-1,498	-147	-17,963	-21,381
<b>Finance lease present value</b>	<b>27,368</b>	<b>32,224</b>	<b>17,722</b>	<b>77,314</b>	<b>114,298</b>
Land and buildings				57,564	64,860
Floating and other construction equipment				5,012	34,401
Furniture and vehicles				14,738	15,037
<b>Total finance lease payments per class of property, plant and equipment</b>				<b>77,314</b>	<b>114,298</b>

In 2020 the Group decided to do an early redemption of the finance lease for the vessel 'Victor Horta' which also explains the major decrease of finance lease payments.

<b>Impact of IFRS 16 on the figures as of December 31</b> (in thousands of EUR)			<b>2020</b>	<b>2019</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>				
Property, plant and equipment			75,349	85,338
Non-current lease debt			59,438	66,865
Current lease debt			17,359	19,280
Total impact on net financial debt			76,797	86,145
<b>CONSOLIDATED STATEMENT OF INCOME</b>				
Operating income (EBIT)			650	569
EBITDA			19,689	17,627
Financial result			-1,315	-1,372
Result for the period			-665	-803
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>				
Cash flow from operating activities			19,689	17,627
Cash flow from financing activities			-19,689	-17,627

**NOTE 14 - EMPLOYEE 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*.

<b>Employee benefit obligations</b> (in thousands of EUR)			<b>2020</b>	<b>2019</b>
Retirement benefit obligations			60,026	54,441
Other employee benefits			3,003	2,851
<b>Balance at December 31</b>			<b>63,029</b>	<b>57,292</b>

<b>Retirement benefit obligations</b> (in thousands of EUR)			<b>2020</b>	<b>2019</b>
Present value of fully or partially funded obligations			250,100	239,882
Fair value of plan assets			-190,074	-185,441
<b>Net funded benefit obligation as recorded in the balance sheet at December 31</b>			<b>60,026</b>	<b>54,441</b>

**MOVEMENT OF RETIREMENT BENEFIT OBLIGATIONS**

<b>Balance at January 1</b>			<b>54,441</b>	<b>43,128</b>
Charges recognised in income (1)			13,102	10,247
Charges recognised in other comprehensive income (2)			5,104	12,938
Contributions from employer			-12,614	-11,872
Other movements			-7	-
<b>Balance at December 31</b>			<b>60,026</b>	<b>54,441</b>

**(1) Charges recognised in income**

Current service cost			12,773	9,731
Past service cost & other			-7	-111
Interest cost			1,608	3,144
Interest income on plan assets (-)			-1,272	-2,517
<b>Total charges recognised in income</b>			<b>13,102</b>	<b>10,247</b>

**(2) Charges recognised in other comprehensive income**

Actuarial (gains)/losses			-7,136	39,466
Return on plan assets (-) (excluding interest income)			2,015	-26,528
Other movements			17	-
<b>Total charges recognised in other comprehensive income</b>			<b>5,104</b>	<b>12,938</b>

NOTE 14 - continued	2020	2019
<b>MOVEMENT IN EMPLOYEE BENEFIT PLAN OBLIGATIONS AND ASSETS</b>		
<b>Employee benefit plan obligations balance at January 1</b>	<b>239,882</b>	<b>193,335</b>
Current service cost	12,773	9,731
Interest cost	1,608	3,144
Contributions from employees	177	176
Benefits paid to beneficiaries	-9,661	-3,868
Remeasurement of liabilities resulting in actuarial gains/losses	7,135	39,466
<i>due to changes in demographic assumptions</i>	-	-127
<i>due to changes in financial assumptions</i>	3,361	35,666
<i>due to experience adjustments</i>	3,774	3,927
Past service cost	-	-111
Other movements	-1,814	-1,991
<b>Employee benefit plan obligations balance at December 31</b>	<b>250,100</b>	<b>239,882</b>
<b>Employee benefit plan assets balance at January 1</b>	<b>185,441</b>	<b>150,207</b>
Return on plan assets (+) (excluding interest income)	2,015	26,528
Interest income on plan assets (+)	1,272	2,517
Contributions from employer/employees	12,791	12,048
Benefits paid to beneficiaries	-9,661	-3,868
Reclassification of Belgian defined contribution plans	-	-
Other movements	-1,784	-1,991
<b>Employee benefit plan assets balance at December 31</b>	<b>190,074</b>	<b>185,441</b>
<b>MAIN ACTUARIAL ASSUMPTIONS AT THE END OF THE PERIOD</b>		
Discount rate	0.48%	0.69%
Expected rate of salary increases (inflation included)	3.20%	3.20%
Long term inflation	1.70%	1.70%
Mortality tables BE plans	MR/FR-5 yrs	MR/FR-5 yrs
Mortality tables NL plans	GBM/V 2012-2062	GBM/V 2012-2062
<b>OTHER INFORMATION</b>		
Average duration in years of the defined benefit plan obligations	14.00	16.28
Average actual return on plan assets	1.77%	18.95%
Expected contribution in next financial year	12,636	11,607
<b>SENSITIVITY ANALYSIS (impact on amount of obligations)</b>		
<b>Discount rate</b>		
25bp increase	-3.79%	-3.99%
25bp decrease	7.82%	4.18%
<b>Salary growth rate</b>		
25bp increase	1.89%	1.80%
25bp decrease	-1.80%	-1.72%
<b>Life expectancy</b>		
Increase by 1 year	1.17%	1.31%

NOTE 14 - continued	2020	2019
<b>ASSETS ALLOCATION</b>		
Cash and cash equivalents	0.04%	0.09%
Equity instruments	0.84%	0.94%
Debt instruments	0.82%	0.74%
Insurance contracts	98.30%	98.23%

**NOTE 15 - OTHER CURRENT LIABILITIES**

Balance at December 31

(in thousands of EUR)	2020	2019
Other current taxes and VAT	39,028	36,821
Other amounts payable	30,110	11,295
Accruals and deferred income	7,098	6,439
<b>Other current liabilities</b>	<b>76,236</b>	<b>54,555</b>

**NOTE 16 - RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET**

Balance at December 31

(in thousands of EUR)	2020	2019
<b>COMMITMENTS GIVEN</b>		
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.	55,686	55,686
Bank guarantees or corporate guarantees as security for commitments of enterprises included in the consolidation.	1,359,208	1,172,014
<b>COMMITMENTS RECEIVED</b>		
Bank guarantees received as security for commitments to enterprises included in the consolidation.	399,936	543,296
<b>FUTURE OPERATIONAL OBLIGATIONS ENTERED INTO WITH SUPPLIERS</b>		
In the environmental business DEME has the obligation to pay a fee for landfill volume reservation for an amount between 14.6 and 15.9 million EUR depending on the landfill volume used and payable the next 14 years (starting from 2020) following the landfill rhythm.		



## INDEPENDENT AUDITOR'S REPORT

### DREDGING ENVIRONMENTAL AND MARINE ENGINEERING NV

#### STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING OF DREDGING ENVIRONMENTAL AND MARINE ENGINEERING NV FOR THE YEAR ENDED DECEMBER 31, 2020 - CONSOLIDATED FINANCIAL STATEMENTS

In accordance with our engagement letter dated August 7, 2020, we are pleased to report to you on the audit of the consolidated financial statements of Dredging Environmental and Marine Engineering NV ("the Company") and its subsidiaries (jointly "the Group").

#### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

##### Unqualified opinion

We have audited the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as at December 31, 2020 the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of principal accounting policies and a selection of explanatory notes. The consolidated statement of financial position shows total assets of 3,941,494 (000) EUR and the consolidated statement of income shows a profit (share of the Group) for the year then ended of 50,410 (000) EUR.

In our opinion, the consolidated financial statements are prepared, in all material respects, in accordance with the recognition and measurement principles of International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

##### Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

##### Emphasis of matter

We draw the attention to the 'Basis of Preparation' note of the consolidated financial statements that details the basis of

preparation of the consolidated financial statements. The consolidated financial statements are based on the recognition and measurement principles of International Financial Reporting Standards as adopted by the European Union, but do not contain all the explanatory notes required by those standards and do not constitute a complete set of financial statements established in accordance with International Financial Reporting Standards as adopted by the European Union.

##### Responsibilities of the Board of Directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no other realistic alternative but to do so.

##### Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the Board of Directors in the way that the Company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's

report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

##### Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the Group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Signed in Antwerp, April 28, 2021.

The statutory auditor Deloitte Bedrijfsrevisoren/  
Réviseurs d'Entreprises BV/SRL  
Represented by Rik Neckebroek & Ben Vandeweyer



# PARENT COMPANY FINANCIAL STATEMENTS



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## INTRODUCTION

The statutory annual accounts of Dredging, Environmental and Marine Engineering NV (DEME NV) are prepared in accordance with Belgian Generally Accepted Accounting Principles.

The entire version of the statutory annual accounts of DEME NV, along with the annual report and the report of the statutory auditor, will be deposited within the legal time frame at the National Bank of Belgium and can be obtained for free through the website of the Company ([www.deme-group.com](http://www.deme-group.com)). The statutory auditor has issued an unqualified auditor's report on the statutory annual accounts of DEME NV.

## BALANCE SHEET

as of December 31 (in thousands of EUR) (according to Belgian GAAP)

ASSETS	2020	2019
<b>FIXED ASSETS</b>	<b>924,737</b>	<b>925,266</b>
FORMATION EXPENSES	-	-
INTANGIBLE ASSETS	90	92
<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>491,883</b>	<b>536,975</b>
Land and buildings	-	-
Plant, machinery and equipment	131	278
Furniture and vehicles	-	-
Leasing and other similar rights	-	-
Other tangible fixed assets	-	-
Assets under construction and advance payments	491,753	536,697
<b>FINANCIAL ASSETS</b>	<b>432,764</b>	<b>388,199</b>
Affiliated enterprises	422,732	378,167
<i>Participating interests</i>	<i>387,845</i>	<i>340,901</i>
<i>Amounts receivable</i>	<i>34,887</i>	<i>37,266</i>
Other enterprises linked by participating interests	9,789	9,789
<i>Participating interests</i>	<i>9,789</i>	<i>9,789</i>
<i>Amounts receivable</i>	-	-
Other financial assets	243	243
<i>Shares</i>	<i>243</i>	<i>243</i>
<i>Amount receivable and cash guarantees</i>	-	-
<b>CURRENT ASSETS</b>	<b>19,356</b>	<b>19,628</b>
<b>AMOUNTS RECEIVABLE AFTER MORE THAN ONE YEAR</b>	<b>-</b>	<b>-</b>
Trade receivables	-	-
Other amounts receivable	-	-
<b>INVENTORIES AND CONTRACTS IN PROGRESS</b>	<b>-</b>	<b>871</b>
<b>AMOUNTS RECEIVABLE WITHIN ONE YEAR</b>	<b>19,243</b>	<b>18,652</b>
Trade receivables	17,912	16,361
Other amounts receivable	1,332	2,291
<b>OWN SHARES AND OTHER INVESTMENTS</b>	<b>-</b>	<b>-</b>
<b>CASH AT BANK AND IN HAND</b>	<b>101</b>	<b>105</b>
<b>DEFERRED CHARGES AND ACCRUED INCOME</b>	<b>12</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>944,093</b>	<b>944,894</b>

LIABILITIES	2020	2019
<b>CAPITAL AND RESERVES</b>	<b>339,084</b>	<b>297,493</b>
<b>CAPITAL</b>	<b>31,110</b>	<b>31,110</b>
Issued capital	31,110	31,110
Uncalled capital (-)	-	-
<b>SHARE PREMIUM ACCOUNT</b>	<b>5,645</b>	<b>5,645</b>
<b>REVALUATION SURPLUS</b>	<b>-</b>	<b>-</b>
<b>RESERVES</b>	<b>35,304</b>	<b>35,304</b>
Legal reserves	3,111	3,111
Reserves not available for distribution	-	-
Untaxed reserves	28,922	28,922
Reserves available for distribution	3,271	3,271
<b>PROFIT CARRIED FORWARD</b>	<b>267,026</b>	<b>225,435</b>
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>358</b>	<b>82</b>
Provisions for liabilities and charges	358	82
Deferred tax liabilities	-	-
<b>CREDITORS</b>	<b>604,651</b>	<b>647,319</b>
<b>AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR</b>	<b>318,577</b>	<b>377,382</b>
Financial liabilities	318,577	377,382
<i>Subordinated loans</i>	<i>-</i>	<i>-</i>
<i>Bonds</i>	<i>-</i>	<i>-</i>
<i>Finance leases</i>	<i>-</i>	<i>-</i>
<i>Credit institutions</i>	<i>-</i>	<i>-</i>
<i>Other long term financial liabilities</i>	<i>318,577</i>	<i>377,382</i>
<b>AMOUNTS PAYABLE WITHIN ONE YEAR</b>	<b>286,073</b>	<b>269,937</b>
Current portion of amounts payable after more than one year	-	-
Financial liabilities	-	-
<i>Credit institutions</i>	<i>-</i>	<i>-</i>
<i>Other current financial liabilities</i>	<i>-</i>	<i>-</i>
Trade payables	11,733	22,239
Advances received on contracts in progress	-	-
Taxes, remuneration and social security	2,462	1,355
<i>Taxes</i>	<i>898</i>	<i>128</i>
<i>Remuneration and social security</i>	<i>1,565</i>	<i>1,227</i>
Other amounts payable	271,878	246,343
<b>ACCRUED CHARGES AND DEFERRED INCOME</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>944,093</b>	<b>944,894</b>

**PROFIT AND LOSS STATEMENT**

as of December 31 (in thousands of EUR) (according to Belgian GAAP)

	2020	2019
<b>OPERATING INCOME</b>	<b>45,548</b>	<b>27,302</b>
Turnover	34,227	25,108
Increase (+), decrease (-) in contracts in progress	-	-
Fixed assets - own construction	-	-
Other operating income	10,350	731
Non-recurring operating income	972	1,463
<b>OPERATING CHARGES</b>	<b>-34,098</b>	<b>-33,227</b>
Raw materials and consumables	-11,764	-14,962
<i>Purchases</i>	<i>-10,893</i>	<i>-14,962</i>
<i>Increase (-), decrease (+) in inventories</i>	<i>-871</i>	<i>-</i>
Services and other goods	-8,427	-9,321
Remuneration, social security costs and pensions	-13,460	-8,401
Depreciation and other amounts written off on (in)tangible fixed assets	-149	-289
Increase (+), decrease (-) in amounts written off on inventories, contracts in progress and trade debtors	-	-152
Increase (+), decrease (-) in provisions for liabilities and charges	-275	-82
Other operating charges	-22	-20
Non-recurring operating charges	-	-
<b>OPERATING RESULT</b>	<b>11,450</b>	<b>-5,925</b>
<b>FINANCIAL INCOME</b>	<b>68,436</b>	<b>49,941</b>
Income from financial assets	59,340	48,346
Income from current assets	-	704
Other financial income	9,096	891
Non-recurring financial income	-	-
<b>FINANCIAL CHARGES</b>	<b>-16,948</b>	<b>-7,043</b>
Interests and other debt charges	-5,039	-1,986
Other financial charges	-2,110	-488
Non-recurring financial charges	-9,798	-4,569
<b>RESULT FOR THE FINANCIAL PERIOD BEFORE TAXATION</b>	<b>62,939</b>	<b>36,973</b>
<b>TRANSFER FROM (TO) DEFERRED TAXES</b>	<b>-</b>	<b>-</b>
<b>INCOME TAXES</b>	<b>-926</b>	<b>-46</b>
Income taxes	-926	-46
Adjustment of income taxes and write-back of tax provisions	-	-
<b>RESULT FOR THE FINANCIAL PERIOD</b>	<b>62,013</b>	<b>36,927</b>
<b>TRANSFER FROM (TO) THE UNTAXED RESERVES</b>	<b>-</b>	<b>-</b>
<b>PROFIT FOR THE PERIOD AVAILABLE FOR APPROPRIATION</b>	<b>62,013</b>	<b>36,927</b>
<b>TRANSFER FROM PROFIT CARRIED FORWARD</b>	<b>225,435</b>	<b>188,508</b>
<b>TRANSFER TO LEGAL RESERVES</b>	<b>-</b>	<b>-</b>
<b>DISTRIBUTION OF DIVIDENDS</b>	<b>-20,421</b>	<b>-</b>
<b>TRANSFER TO PROFIT CARRIED FORWARD</b>	<b>267,026</b>	<b>225,435</b>

**FORWARD-LOOKING STATEMENTS**

This Financial Report may contain forward-looking statements. Such statements refer to future expectations and other forward-looking perceptions that are based on the management's current views, estimates and assumptions concerning future events. Such forward-looking statements, by their nature, are subject to known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different from those contemplated, projected, forecasted, estimated or budgeted whether expressed or implied, by these forward-looking statements contained in this Financial Report.

DEME neither undertakes any obligation to update any forward-looking statements to reflect the actual results, nor does DEME assume any liability to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other report or press release issued by DEME.

Please note some pictures in the Financial Report were taken prior to COVID-19 restrictions and social distancing guidelines.

**COMPILED AND COORDINATED BY DEME**

DEME Finance Department

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