

**Damen Shipyards Group N.V.**

# **Annual Report 2024**



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# 1 Introduction

## 1.1 2024 Highlights

### Strategic

- › Three-year refinancing of over 1.1 billion euro, which was successfully completed with more than fifteen existing and new financial institutions
- › Among others successful Go-live of Workday for all companies and SAP at Workboats, Services and Global Support
- › Continuing progress on 5-year strategy engagement and deployment throughout the Group

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### Solutions and products

- › Start of cooperation between CMA CGM and Damen Shiprepair to increase container ship efficiency
- › Delivery of the first two Yacht Support 53's: '*Bad Company Support*' and '*Five Oceans*'
- › Damen Naval together with Area 2 succeeded in contracting the eleventh Sigma, being a 10514 frigate version for Colombia
- › Xplorer yacht '*Pink Shadow*' wins the award for Outstanding Exterior Design – Motor Yachts 40-59.9m, as well as receives a Judge's Commendation in the Outstanding Lifestyle Feature category for the Beach Club on board, at the 2024 BOAT Design & Innovation Awards in Kitzbühel
- › Two additional full electric ferries were sold to Toronto, further strengthening our position in the full electric ferry market
- › The US built MultiCat 3013 won the most significant Boat of the Year Award during the New Orleans Workboats Show 2024
- › Delivery of first 'try before you buy'-project by Damen Financial Services: E-RSD for Abu Dhabi Ports
- › LOI with Herman Sr. for the construction of a Multi-Purpose Vessel, combining the qualities of the Damen Shoalbuster and Multi Cat series to be built at Damen Albwardy
- › The Amels 60 and Amels 80 Limited Editions range received an award at the Yacht Style Awards 2024 in Singapore
- › Australian government orders eight Damen designed LST100's to be built by AUSTAL
- › Order of two extra F126-frigates by the German government
- › Amels 60 '*Entourage*' wins the award for Best Interior Design - Motor Yachts, 500GT and above at the 2024 BOAT Design & Innovation Awards in Kitzbühel.
- › The Combat Support Ship and future Zr. Ms. '*Den Helder*' (A834), arrived in the Netherlands

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### Research and Innovations

- › Damen Naval has been successfully entered in two additional EDF calls, one on maintenance joining and repair of composite materials (MaJoR) and one on the development of sustainable energy and propulsion systems for naval vessels (Calipso)
- › Introduction and launch of new Shrimper design by Damen Maaskant
- › Launch of Damen Triton software-based CO<sub>2</sub> reporting solution supporting our customers decarbonisation ambitions and requirements
- › Damen RD&I participates in CirclesOfLife, which was launched and aims to develop a comprehensive methodology for assessing the environmental performance of shipyards and the vessels they design and build. This project seeks to establish a scientifically sound Shipyards Environmental Performance Index methodology and a Cradle2Cradle Ship Passport
- › Damen OSV launched the first hydrogen powered CSOV for Windcat
- › Damen RD&I participates in EUROGUARD, which was launched and focuses on creating a modular and semi-autonomous surface vessel platform equipped with a remote-control system to enhance sea defense capabilities across Europe





## Operations

- › Acquisition of five Autonomous Mobile Blast & Paint Robots by Damen Shiprepair Dunkerque
- › Start of expansion of Damen Yachting quay by 120 meters in Vlissingen
- › Damen Schelde Marine Services successfully integrated Ruysch International.
- › All time high yard occupation Damen Yichang Shipyard building combi freighters in series
- › Kick-off for the building process of the state-of-the-art sustainable warehouse in Schelluinen (BREEAM Very Good certificate).
- › Launch of the new MyDamen customer portal

## Finance

(x € 1,000)

	2024	2023	2022	2021	2020
Net turnover	3,022,564	3,089,893	2,485,580	2,363,302	1,973,203
Operating result <sup>(1)</sup>	78,230	49,453	18,656	13,222	-204,037
Non-recurring items	4,500	20,000	40,000	-12,000	-161,000
Operating result, excluding non-recurring items	82,730	68,656	58,656	25,222	-43,037
Net result	58,251	43,235	14,620	1,331	-161,510

(1) Operating result being the sum of the operating result, interest income and expenses, currency exchange differences, impairments of financial fixed assets and the share in result of participating interests, according to financial statements.

## Other

- › Damen Shipyards Galați celebrated its 25-year anniversary being part of the Damen Shipyards Group
- › Designation by the Province of North Holland of the Damen Shiprepair Amsterdam location as an 'industrial estate of provincial importance'
- › Start of Green Solutions and HDPE as entities within Damen Shipyards Group
- › Damen Song Cam Shipyard celebrated its ten-year anniversary
- › Appointment of our first Group Director Sustainability
- › New Netherlands Defence Whitepaper bolsters the strategic relation and customer intimacy of Damen and Damen Naval as national OEM with the Netherlands Ministry of Defence
- › Damen Shiprepair Oranjewerf celebrated its 75th anniversary
- › Launch of first time ever employer branding campaign by Marketing and HRM
- › Damen Shipyards Sharjah celebrated its ten-year anniversary
- › Start of Corporate Affairs department with offices in The Hague and Brussels

## 1.2 Company profile

**Family-owned business Damen Shipyards Group has been in operation for over ninety-five years and offers maritime solutions worldwide, through design, shipbuilding, conversion and ship repair and related services. Damen operates 35 shipyards and 20 other companies in 20 countries. We offer direct employment to more than 12,500 colleagues, bringing together a net turnover value of 3.0 billion euro and delivering close to 150 ships in 2024.**

In addition to fellowship, craftsmanship and entrepreneurship, stewardship is a starting point for Damen. We aim to be the most sustainable shipbuilder and maritime service provider in the world. Digitalisation and standardisation of platforms are important preconditions in our operational excellence programme.

Our main activities are the design and serial construction of inventive ships by integrating various components and subsystems into high-quality platforms. These activities are supported by a worldwide sales and service network.

Damen Shipyards Group focuses on niche maritime markets. On workboats for towage, dredging, offshore, fishing, aquaculture, and other markets. On high-speed craft and maritime public transport. On ships for naval purposes and defence & security and on exclusive yachts.

In addition, we are also active in (digital and financial) servitisation, the repair and conversion of existing ships and the sale and production of components for the maritime industry.



## 1.3 Report of the Supervisory Board

**The Supervisory Board, comprised of five members and chaired by Kommer Damen, as part of the two-tier organisational structure of Damen Shipyards Group N.V., continued her tasks in 2024.**

In 2024, one fatal accident occurred within the Damen Group. Safety remains the top priority for everyone in the Damen organisation. In 2024, there were no changes to the composition of the Supervisory Board.

The financial performance showed further improvement in 2024. Except for the Romanian Yards and OSV, all divisions positively contributed to the EBITDA. The strong order intake in recent years, including several frigates for the German, Dutch, and Belgian navies, lead to a net turnover of 3.0 billion euro.

The Supervisory Board has an Audit & Risk Committee in place. The Audit & Risk Committee and the Supervisory Board were deeply involved in the refinancing of the senior facilities agreement, which was successfully completed in July 2024, and other credit facilities.

The support of existing and new lenders contributed to this outcome. The company diversified its financing portfolio in 2024 with the inclusion of several new financiers.

Furthermore, the Audit & Risk Committee was engaged in discussions about compliance and the risk management system, including the internal audit function's performance. The Supervisory Board met eleven times in 2024, including additional meetings related to refinancing and large projects. The Audit & Risk Committee meets quarterly, with two meetings attended by the company's auditor.

In 2024, the Supervisory Board supported the Executive Board in its effort to further de-risk the company, refinancing, large projects, improving the business strategy of certain divisions, managing the Russia/Ukraine impacted vessel portfolio, and strengthening risk management procedures. The Risk Board, consisting of legal, technical, and financial staff members, is led by the chair, who reports to the Executive Board and Audit & Risk Committee. Compliance topics were also frequently discussed, including sanction regulations and its impact on operations.

The report of the Executive Board and the 2023 financial statements were submitted to the Supervisory Board per article 35.3 of the articles of association. The financial statements were audited by KPMG Accountants N.V., who issued an unqualified auditor's report. The Supervisory Board approved the financial statements on 29 July 2024 and signed them in accordance with statutory obligations. The Supervisory Board proposes discharging the Executive Board from liability for the policy pursued.

With a record high order book and increasing demand for green vessels, the outlook remains strong. The Supervisory Board supports the 2025-2029 strategic plan of the Executive Board.

The current strategy provides a solid basis for future development, emphasizing standardisation and serial construction to apply sustainability, digitalisation, and operational excellence principles effectively.

At year-end, the Damen Shipyards Group had a unique order book of 10.4 billion euro and many projects in the pipeline. By developing ships with low emissions, the company positions itself as a market leader.

The Executive Board aims to further improve profitability while managing risks and focusing on cost optimisation. The Supervisory Board supports the Executive Board's commitment to a sustainable future for the Damen Shipyards Group and thanks all employees and stakeholders for their valuable contributions.

On behalf of the Supervisory Board  
**Kommer Damen, chairman**

## 1.4 Message from the CEO

2024 has been a positive year at Damen Shipyards Group. Following the high orderbook and increased yard occupation of the repair yards, Damen remained on steady level with net turnover of 3.0 billion euro in 2024 (2023: 3.1 billion euro).

The operating result increased in 2024 compared to 2023. The net group result for 2024 amounts to a profit of 58.3 million euro (2023: 43.2 million euro).

Taking into account the result 2024, the group equity increased from 411 million to 475 million euro and solvency remains above the covenant with our lenders of 20 percent at 33.1 percent.

At the end of 2024 the contract value of the order portfolio amounts to 10.4 billion euro. Relative to the competition and in absolute terms, the group order portfolio maintains a solid level.

It is fair to say that our financial situation gives cause for satisfaction, even though there is always room for improvement. In sharp contrast, the situation in Ukraine continued to be a source of deep and abiding humanitarian concern in 2024. We continue to hope that events will take a positive turn in 2025 and that the international rule of law will be re-established.

Regrettably, there was a fatal incident in our own organisation in 2024. On February 21st, during welding work at Shiprepair Rotterdam-Botlek, one of our colleagues lost his life when two ships collided while entering the dock. He was a very experienced welder who had been employed by Damen since 2008. He will be sorely missed by his family, relatives and colleagues.

An accident of this kind is a potent reminder, and it once again drives home how important it is for health and safety to be, and remain, our top priority. Together, we focused even more on this area last year... with results. Lost time incidents fell by more than half compared to 2023, with almost the same number of hours worked. Lost time working days dropped from 2,592 days to 1,311 days. Although these are huge improvements, the numbers are still too high. Let's work together to make sure all colleagues return home safe every day.

Looking ahead, the general outlook in all our markets is good.

Regarding the defence and security market, geopolitical tensions are creating a challenging situation in which we feel the responsibility to create innovative solutions for our clients. Recent orders and announcements have been large and they will require Naval and the other divisions involved to pull out all the stops.

In 2025 Damen will continue to work on its ambition of becoming the most sustainable shipbuilder. We expect increasing demand for sustainable vessels and solutions as regulations regarding emissions are implemented across the world. Furthermore, the fundability of new vessels and refits looks to be in good shape for the near future, especially for green vessels. Damen's focus on sustainable and integrated solutions will further increase our competitive edge in the market.

Sustainability and digitalisation are still the mega trends of our time, but there is now also a sharper focus on national security, strategic independence, operational resilience and governments' industrial policies. Fortunately, we can again devote all our attention to our clients, the supply chain and the ongoing development of innovations and our business. In 2024 we were able to make a three-year refinancing arrangement with more than fifteen new and existing financial institutions for an amount of more than 1.1 billion euros significantly increasing our financial stability. It means we can concentrate on our core business, where there are more than enough challenges coming our way.

Engaging and interesting talented people is certainly one of those challenges, as is the introduction of the Corporate Sustainability Reporting Directive (CSRD) and all that it entails. Other matters of importance include the upgrade of our yards in Galati and Haiphong, the implementation of robotisation at Repair and the further development of ship-as-a-service concepts, as can already be seen at Damen Financial Services with the 'try before you buy' and frontrunner programmes.

The guiding principle here is, and will remain, our entrepreneurial approach, while also keeping a close eye on the risks that involves. Our focus on standardisation, modularisation and series construction will be maintained.





To conclude, I wish to express my enormous gratitude to our customers and our business partners. And of course, many thanks for the hard work done by all my colleagues during the past year. Let's all work together to make it another fantastic year and move to a future with oceans of possibilities.

One Team, One Damen

**On behalf of the Executive Board,  
Arnout Damen, CEO**

Gorinchem, 28 October 2025

## 2 Board report

### 2.1 Core values

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#### Fellowship

Cooperation. Team above individual.  
One Damen. A family-company.

**Guiding principles:**

- › We are committed to acting together, in an honest and reliable way.
- › We trust our employees and business partners to do the right thing.
- › We are transparent about what we do and how we do it as one company.



#### Craftsmanship

Quality. State-of-the-art. Reliable products, reliable organisation. A deal is a deal.

**Guiding principles:**

- › We strive for excellence and aim to continuously improve.
- › We work together at a strategic level to inspire, guide and control the entire lifecycle of our solutions.



#### Stewardship

Long-term focus. Sustainability. Corporate Social Responsibility. Family values.

**Guiding principles:**

- › We care for the wellbeing of our employees, customers and business partners.
- › We feel engaged with local communities and respect our environment.
- › We manage and meet expectations of our stakeholders.



#### Entrepreneurship

Client focused. Adaptable to change. Inventiveness. Getting out and about. Thinking in opportunities. Providing solutions. Delivering added value.

**Guiding principles:**

- › We will understand and fulfil the (present and future) needs of the maritime world.
- › We strive to develop and deliver long-term sustainable value.
- › We deliver added value while balancing risks and rewards.



## 2.2 Business principles

### Purpose

Seventy percent of the earth is made up of water. Water connects worlds and allows us to discover. To trade. To provide help. To produce food and generate energy. To relax and enjoy. To ensure global prosperity for next generations and keep the earth habitable with an ever-increasing world population, it is essential that we use the water and the seabed as optimally, but also as responsibly, as possible. At Damen, we provide unprecedented maritime solutions to utilise and protect these possibilities.

### Vision

Damen Shipyards Group offers versatile platforms that enable our customers worldwide to be successful. Inventive ships that raise the standard in terms of safety, reliability, efficiency, ease of use and sustainability. In fact, we want to be the most sustainable shipbuilder and maritime service provider in the world. Our ambitions lie in circularity and zero-emission sailing. Digitalising our platforms is a precondition for achieving the latter.

In the previous century, we revolutionised shipbuilding. Thanks to standardisation and serial production, we were able to supply our customers faster with better and more reliable ships. More than ninety years and 7,000 ships later, those pillars remain unchanged. Their importance is only increasing in the light of zero-emissions and digitalisation. It is not efficient to find new solutions for every ship to get them green and connected.

Based on our vision of circular, cradle-to-cradle, building, we offer ship-as-a-service concepts, in which clients can opt for payment for use instead of ownership. In this way we keep control over the entire product life cycle: from design, engineering, construction, and maintenance to the recycling of our ships.

### Mission

By expanding our leading position in standardisation and serial construction in shipbuilding and maritime services, we provide our clients worldwide with state-of-the-art maritime solutions to utilise the increasing possibilities responsibly and efficiently in trade, food, energy and recreation that oceans, seas, lakes and rivers offer to humanity.

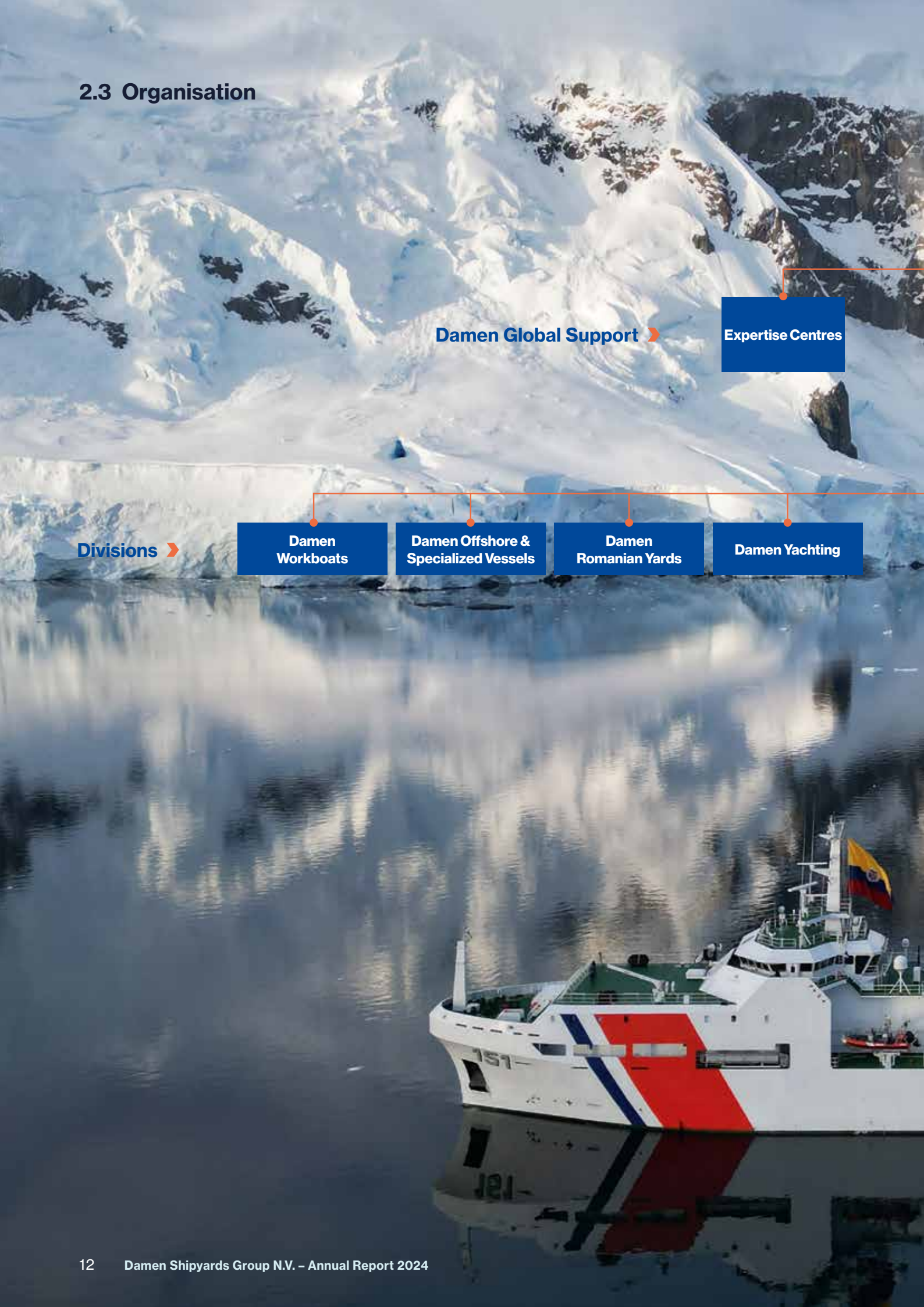
We are a family-owned business and stand for fellowship, craftsmanship, entrepreneurship, and stewardship. In every aspect of our business the next generation is our starting point.

We do not build our ships alone, but together with an extensive network of maritime partners worldwide. As a main contractor, we are system integrators par excellence. That's why we firmly believe in the power of sharing. It means that we also use our craftsmanship to build platforms at production facilities that are not ours. In this way, through knowledge transfer, we not only contribute to better, safer, and more eco-friendly ships, but also to sustainable local development and prosperity.

As a family business, we operate independently of stock prices and temporary hypes. Our operating field is global. Our horizon is the long term. We firmly believe in fellowship, but also in the strength of the individual. Each colleague is focused on ensuring truly satisfied clients and making our contribution to a better world for the generations to come.



## 2.3 Organisation



**Damen Global Support** ➤

**Expertise Centres**

**Divisions** ➤

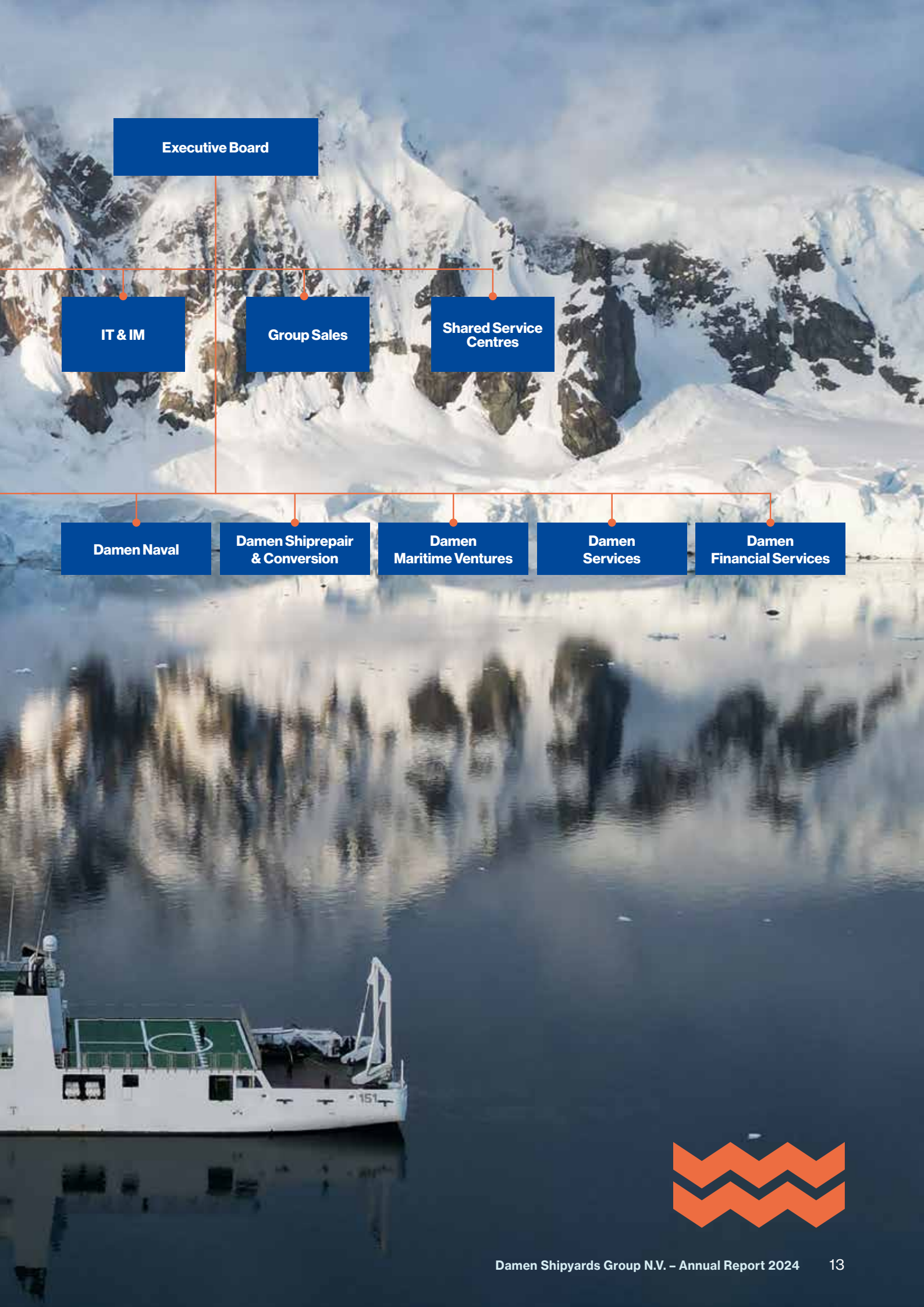
**Damen  
Workboats**

**Damen Offshore &  
Specialized Vessels**

**Damen  
Romanian Yards**

**Damen Yachting**





**Executive Board**

**IT & IM**

**Group Sales**

**Shared Service  
Centres**

**Damen Naval**

**Damen Shiprepair  
& Conversion**

**Damen  
Maritime Ventures**

**Damen  
Services**

**Damen  
Financial Services**



## 2.4 Global presence

# Global presence

## Yards & Companies

### Australia

Damen Services Australia - Brisbane  
Knud E. Hansen - Perth

### Bangladesh

Damen Services Bangladesh - Dhaka

### Belgium

Delta Marine Engineering - Temse

### Canada

Damen Services Canada - Victoria

### China

Damen Shipyards Changde  
Damen Yichang Shipyard  
Damen Marine Components Jiangyin  
Damen Trading Suzhou

### Curaçao

Damen Shiprepair Curaçao

### Denmark

Knud E. Hansen - Elsinore  
Knud E. Hansen - Odense

### Faroe Islands

Knud E. Hansen - Tórshavn

### France

Damen Shiprepair Brest  
Damen Shiprepair Dunkerque

### Germany

Damen Services Germany - Hamburg  
Van der Velden Barkemeyer - Hamburg  
Damen Naval Hamburg

### Malaysia

Nevesbu - Seri Kembangan

### Panama

Damen Services Central America - Panama

### Poland

Damen Shipyards Koźle  
Damen Shipyards Gdynia  
Damen Engineering Gdansk  
Damen Marine Components Gdansk

### Romania

Damen Shipyards Galați  
Damen Workforce Romania  
Marine Design Engineering Galați  
Van der Velden Galați

### Singapore

Damen Schelde Marine Services

### South Africa

Damen Shipyards Cape Town  
Damen Services Africa - Cape Town

### Spain

Knud E. Hansen - Cádiz

### Türkiye

Damen Shipyards Antalya

### Ukraine

Marine Design Engineering Mykolayiv

### United Arab Emirates

Damen Services Middle East - Dubai  
Albwardy Damen - Dubai  
Albwardy Damen - Fujairah  
Albwardy Damen - Sharjah

### United Kingdom

Damen Services United Kingdom - Southampton  
Knud E. Hansen - London

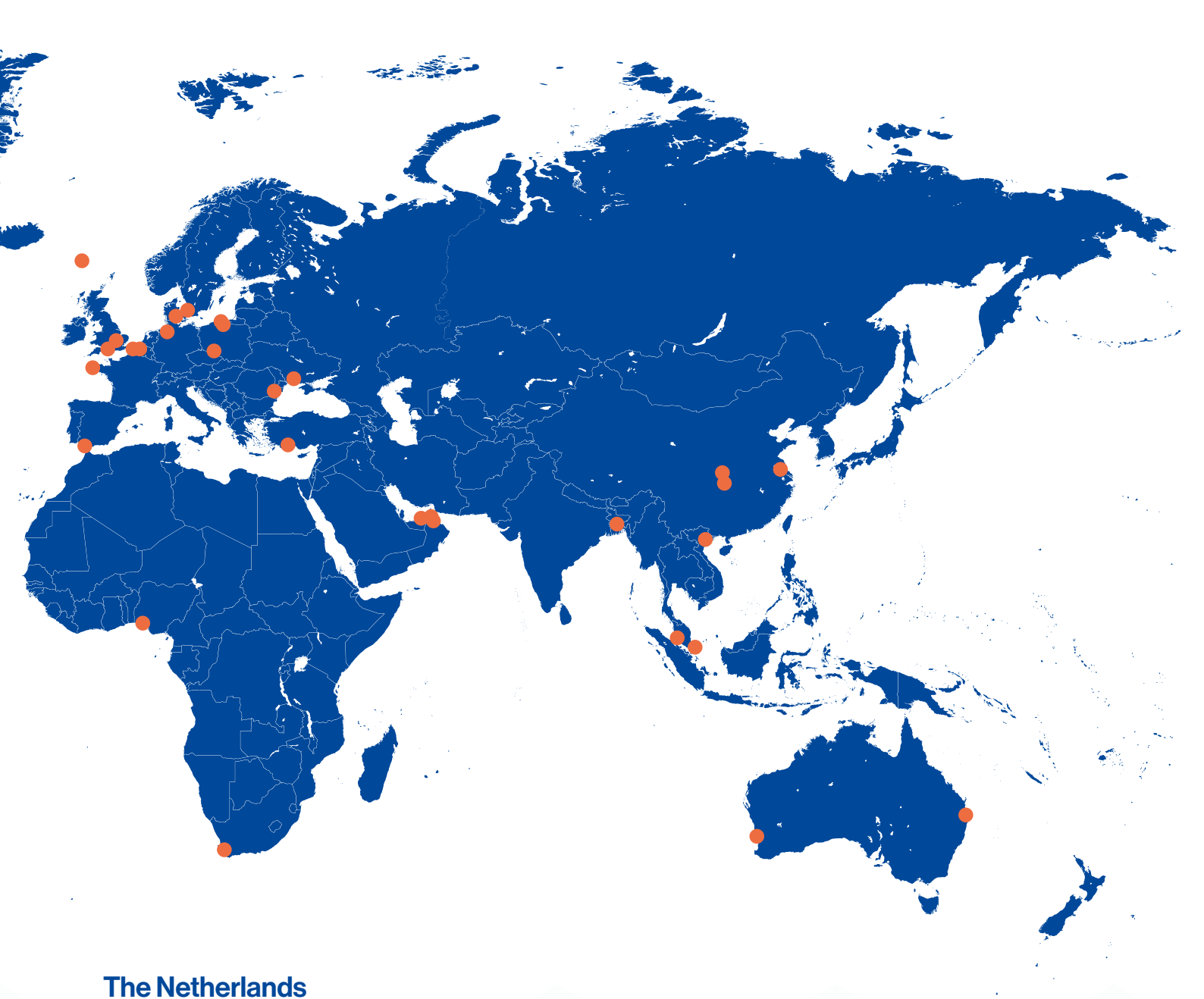
### United States

Knud E. Hansen - Fort Lauderdale

### Vietnam

Damen Song Cam Shipyard  
Damen Services Vietnam - South East Asia





## The Netherlands

### Gorinchem

Damen Shipyards Group  
 Damen Shipyards Hardinxveld  
 Damen Workboats  
 Damen Technical Cooperation  
 Damen Maritime Ventures  
 Damen Services  
 Damen Financial Services  
 Damen Shipyards Gorinchem  
 Damen Civil & Modular Construction  
 Damen Green Solutions  
 Damen HDPE  
 Damen Marine Services  
 Damen Cargo Vessels  
 Damen Offshore & Specialised Vessels  
 Damen Digital Solutions  
 Damen Trading & Chartering  
 Superyacht Spares  
 Bawat Damen

### Albasserdam

Nevesbu

### Amsterdam

Damen Shiprepair Amsterdam  
 Damen Shiprepair Oranjerwerf  
 Niron Staal Amsterdam

### Den Helder

Damen Shipyards Den Helder

### Drachten

Damen Cargo Vessels

### Hardinxveld-Giessendam

Damen Marine Components

### Harlingen

Damen Shiprepair Harlingen

### Nijkerk

Damen Dredging Equipment

### Rotterdam

Damen Shiprepair Rotterdam - Botlek  
 Damen Harbour & Voyage

### Schiedam

Damen Shiprepair & Conversion  
 Damen Shiprepair Rotterdam  
 Damen Anchor & Chain Factory

### Stellendam

Damen Shipyards Maaskant

### Texel

Damen Shipyards Den Helder - Oudeschild

### The Hague

Damen Corporate Affairs

### Vlissingen

Damen Yachting  
 Damen Naval  
 Damen Naval Services  
 Damen Shiprepair Vlissingen  
 Damen Schelde Marine Services

### Werkendam

Concordia Damen Shipbuilding

### Zwolle

Damen Winch Technology

## 2.5 Company Strategy

### Strategic principles

#### » One Damen

We have pillarised the company into divisions. We have over 50 companies spread out over the entire globe. But part of our strength and added value lies precisely in the internal cooperation and cross-pollination, across the boundaries of our silos. Learn from each other, inspire each other, help each other. There is still a lot of profit, power, and job satisfaction to be made.

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#### » Diversification

We cherish the robust resilience of our diversified company and business model. We focus on a variety of maritime activities and (niche) markets

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#### » Standardisation, modularisation, and series production

Standardisation, modularisation and a platform and series build approach are in the Damen 'way'. Through the development and series production of standardised ship types, the Group has successfully lowered production costs, increased quality, and reduced lead times. Modularisation allows vessels and other maritime assets to remain relatively easily adjustable to keep ships fit for the (sustainable) future.

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#### » Stock model and customisation

A related stock model for applicable markets (mainly Workboats and Yachting) is a unique selling proposition (USP). Strategic stock is our answer to an increasing trend towards customers placing orders later and requiring delivery earlier. By focusing on operational excellence and continuous improvement of both ship designs and ship production, the Group can offer standardised vessel types but with a certain level of specification and customisation.

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#### » Servitisation: from a shipbuilder to a maritime solutions provider

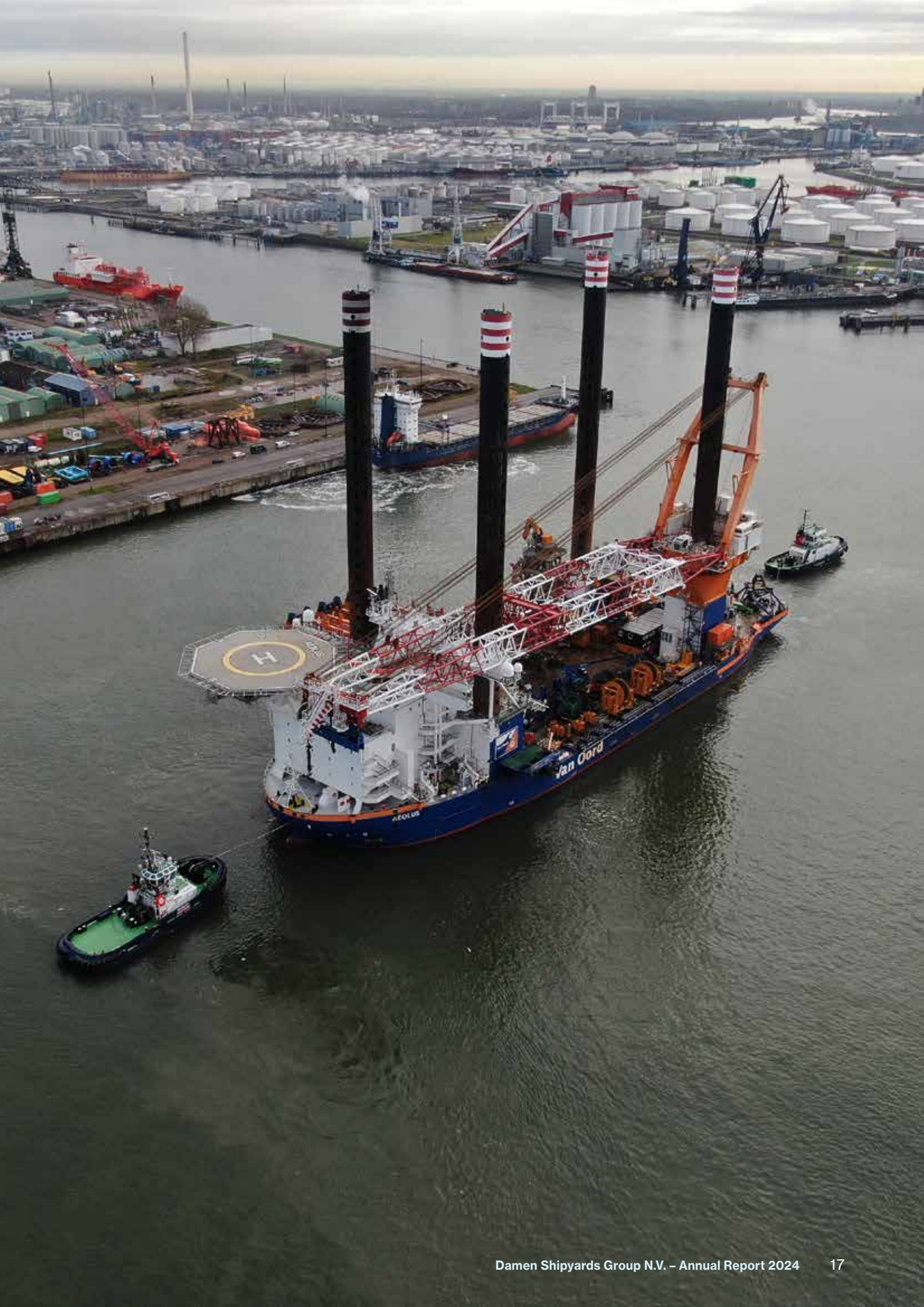
We are convinced that customers will gradually shift from ownership of vessels to 'pay per use' as we have seen in other capital-intensive industries. We see this as servitisation or ship-as-a-service, which leads to operational lease, adding new and more (financial) services to our traditional product range. With an installed base of over 7,000 ships, eleven Service Hubs on all continents, and our division Financial Services up and running, we are more than ready.

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#### » Strategic partnerships in our value chain

As a main contractor, we are system integrators par excellence. Our partners from the supply chain are as important as our own people. We must trust, manage, and co-create with them accordingly.





## Company strategy

The five-year Strategic Plan provides Damen with a clear strategic focus, enabling effective decision-making and priority setting. The end objective for the organisation towards 2027 as defined in 2022 remains:

**“Create sustainable growth and profitability for Damen and her clients by becoming the preferred long-term partner for maritime solutions in a streamlined One Damen organisation”.**

As part of a goal-setting framework, the strategic plan guides the division business plans and ensures alignment with our end objective.

### **Update of key challenges and opportunities**

General market conditions for Damen are positive. Most markets show growth potential driven by sustainability and fleet replacements partially due to regulations. The competitive landscape is also shaping up which remains a constant point of consideration for us all. Agility and cost effectiveness remain important in order to stay relevant in the maritime market domain. Geo-political tensions and increasing regulations such as CSRD will however pose challenges to the whole Damen Shipyards Group. This requires ongoing focus and attention.

### **Looking back on our measures**

In 2024, significant steps were taken to enhance our organisational structure and governance. Following the Mark II transition in 2020, which resulted in the current divisional structure, there was still a need to further improve the Damen way of working. Clarity in ways of working and demarcations between group expertise functions and divisions is needed, along with improvements in our target operating model. Already, actions have been completed to enhance ownership and accountability. Together with other actions this was necessary for Damen to be able to build a more effective, efficient and agile organisation. Improvements in our target operating model have also been identified and initiatives launched to provide the structure and further drive improvements to ensure there is alignment to meet our goals.

Advances in operational excellence have led to the establishment of various networks, facilitating collaboration and the sharing of best practices across divisions. The execution of our digitalisation strategy also allows us to make steps in operational excellence. Additionally, the implementation of a single digital platform (Workday) in HR has further harmonised our ways of working, enhanced engagement and realised other improvements. Other measures from the people stream are already moving more and more into the line organisation of HR.

## Long-term goals

This year has witnessed the initial outcomes of the defined the following four overarching goals.



### Sustainability

Our ambition is to be the most sustainable maritime solutions provider. We will build our ships cradle-to-cradle and operate them emission-free. We will deliver solutions that leave a positive impact on the environment and society, ensuring our sustainable growth and increasing new revenue streams.



### Operational Excellence

Operational Excellence is about continuous improvement, constant quality and a focus on efficiency over the complete value chain. It is our goal to grow further towards a process-driven organisation, maximise client value and minimise waste.



### Digitalisation

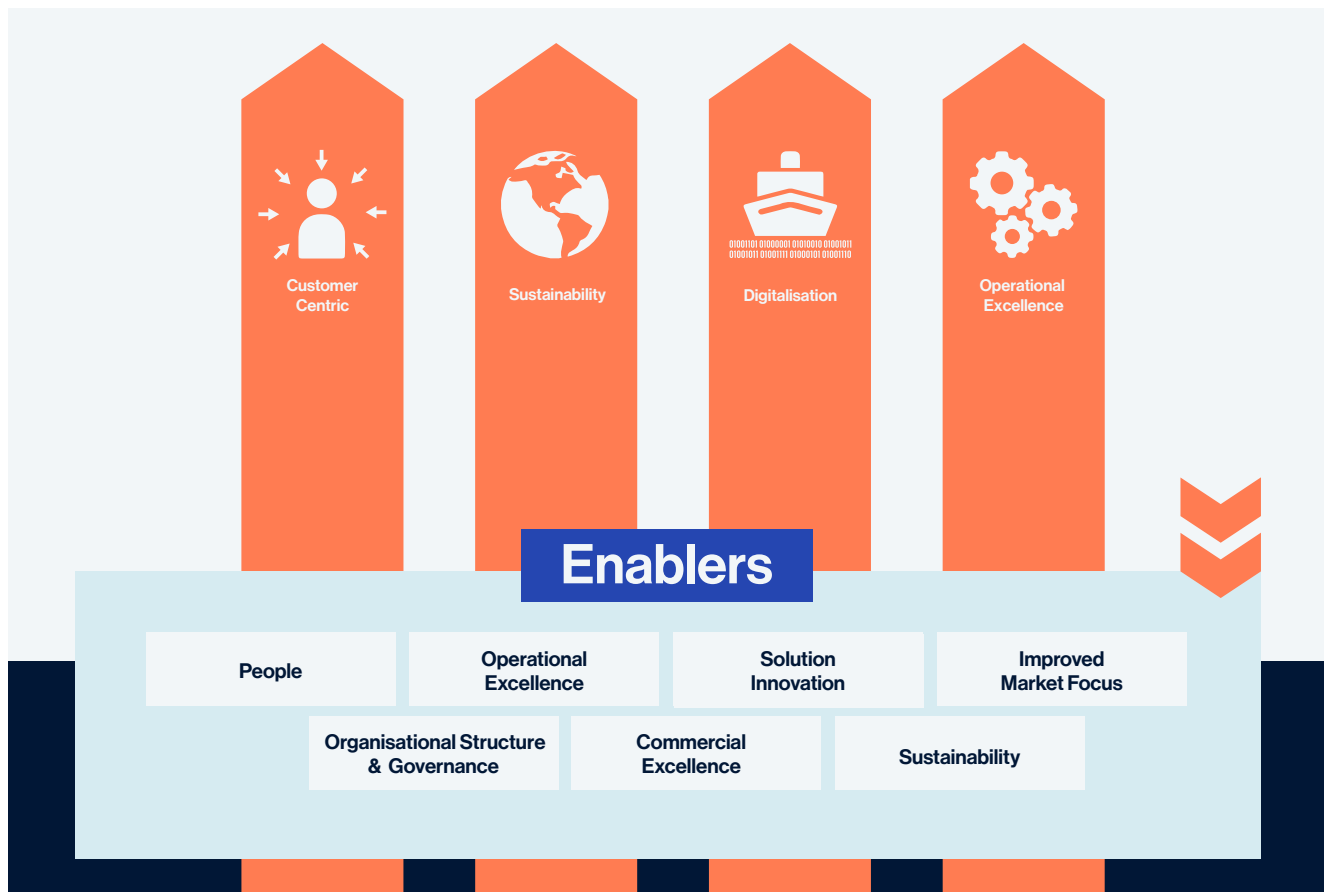
Digitalisation is key to our ambitions to deliver maritime reliability and increasingly autonomous capabilities. Digitalisation is an important theme in our products, our business model and our business operations.



### Customer Centric Approach

Our customer-centric approach is focused on being relevant and aiming for long-lasting relationships with our clients in the global maritime environment, supporting them in every step of the lifecycle of their fleet with innovative solutions.





## Outlook

In 2025, a review of the strategic plan is scheduled to ensure that our efforts are focused on the measures that most contribute to achieving our goals and objectives. It is expected that several measures will continue as part of the regular line of work. These form the foundation that has been created for topics such as the people plan and improved market focus. The measures taken regarding the organisational structure and governance will however need to continue to ensure that we streamline them and work as One Damen in order to meet our common goals and objectives. The need for additional measures and the possible incorporation of other running activities is expected in 2025.



## **Enablers: seven streams to success**

The project team was able to define the measures that needed to be taken for Damen to achieve its goals by 2027. This led to the creation of seven streams aligned with the pillars.

### **People**

This stream looks at the development of HR processes and the development of people within the organisation. Another goal of the people stream is to increase the engagement of people within the organisation.

### **Organisation Structure and Governance**

This stream aims at completing the work of Mark II. It considers what is the responsibility of the divisions, and what of the Shared Service Centre and organises governance throughout the group.

### **Operational Excellence**

This stream is looking at how Damen can work more efficiently and effectively across divisions ensuring, for example that everyone has access to a common pool of knowledge and information.

### **Sustainability**

This stream focuses on achieving Damen's goal to become the most sustainable maritime solutions provider. It includes a compliance aspect, as well as the development of more sustainable products. There is also an element of this stream that is close to that of the People stream, ensuring sustainable employment and development for personnel.

### **Commercial Excellence**

This stream seeks to maximise commercial performance and client satisfaction by creating an effective and efficient commercial organisation with clear responsibilities, coordinated targets with the right competences and tooling.

### **Improved Market Focus**

With this stream, the aim is create improved market focus by implementing a strong PMC approach, embedded in the organisation, for identified key markets.

### **Solution Innovation**

This stream aims to set and improve the conditions for successful market introduction of innovative solutions.

## 2.6 Market updates

In 2025, global instability will continue with ongoing conflicts between Russia and Ukraine, as well as the war in the Middle East and growing tensions in the Asia Pacific area. This is causing higher demand in the defence and security market, as well as higher transport costs due to diversions taken to avoid the Middle East area.

Furthermore, climate change will remain a continuous global issue. The expected regulations are already having an impact and will further increase market demand for sustainable vessels and modifications to existing vessels. The limited newbuild capacity will force the market to explore options for green retrofits.

Increased protectionism and trade conflicts are leading to unfair competition in many markets, but also provides opportunities for the DTC concept. The potential for further escalation in trade wars has increased with the recent election result in the USA.

### Defence and Security

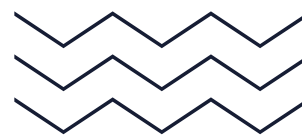
- › In 2024, Damen Naval signed contracts for two additional F126 frigates for the Germany navy as well as a locally built SIGMA 10514 Frigate for the Colombian Navy. Work has started on the MPV for Portugal and the delivery of two OPVs 2600. Furthermore, a contract for two OPVs 1400 is probable soon
- › Cross divisional collaboration and a strong focus on standardised products will help us to respond to growing market needs and shorten delivery times whilst enhancing cost effectiveness
- › In response to global military threats, our domestic client the Royal Netherlands Navy will renew and extend its fleet. Damen has been announced as the strategic partner and national naval shipbuilding OEM for the upcoming projects.

### Aquaculture

- › The outlook for aquaculture vessels still shows promising growth in the coming years. This growth is driven by the increasing global demand for sustainable seafood and innovations in aquaculture technologies
- › Market penetration is proving to be difficult, mainly due to Norwegian competition. However, by creating local partnerships using potential opportunities and designs, becoming successful in the aquaculture market is still possible
- › In markets other than NW Europe, huge developments and investments are expected due to the increase of global demand for sustainable seafood

### Dredging

- › The market for dredging remains a healthy source of demand. Due to climate change, an increase in dredging and civil works is expected for enlarging dikes, deepening water access and reclaiming land
- › For inland dredging in countries such as Turkmenistan, Uzbekistan, India, Bangladesh, Nigeria, large amounts of stationary dredgers are required. The ability to build on location, preferably with adapted designs with local available components, is a significant competitive advantage
- › Purchased dredgers are often handled by inexperienced dredging companies. Therefore, training the crew and management is essential to realise successful projects for the client, which can increase the client's loyalty to Damen
- › The new Damen standard CSD2.0 range is proving itself and growing demand for larger CSDs is expected
- › The first TSHDs of the new series are on the brink of being purchased by port authorities. They will replace out of date TSHDs or fulfil the clients' desire to reduce dependency on large maintenance contractors
- › The MAD market in the UK did not pick up as expected. However, a simple design was created for a UK client which may attract interest from other parties



## Public Transport

- › The public transport market is mainly driven by the need to replace old tonnage and meet sustainability regulations. Passenger and cargo numbers have largely returned to pre-Corona levels. However, finding monetary support is still challenging as government grants are limited. Financing may increase opportunities but is risky in public transport
- › A new concept of fully electric foiling small fast ferries is entering the market for city ferries. The concept needs to be proven in the coming years but could potentially be a game changer
- › The stock fast ferry 4212 is well-positioned due to its short delivery time. Competitors in Asia are copying the stock model but with smaller, slower vessels. Zero-emission solutions for fast ferries are urgently needed, but suitable options are not yet available. Fully electric sailing is preferred, but shore infrastructure does not allow this in many cases
- › Significant fleet renewal of road and island ferries is happening in Canada, the Netherlands and Germany. Furthermore, there is potential for large fleet renewals in the Mediterranean

## Offshore Oil and Gas

- › Sentiment in the offshore oil and gas market is improving rapidly, fuelled by higher oil and gas prices and increased attention to energy diversification and independence
- › The ongoing conflicts in Ukraine/Russia and in the Middle East have underscored the high dependency on oil and gas, significantly shifting the distribution of resources in the energy market
- › The oil and gas market has rebounded quickly, resulting in an immediate demand for our repair yards. Furthermore, a significant number of small crew boats have been sold this year, and healthy demand is anticipated for 2025
- › Our clients active in PSV/AHTS market are currently generating good profits driven by older assets and restructured debt. It is uncertain when our clients will decide to begin fleet renewal. First signs of what are speculative newbuilds are mainly driven by Brazilian, Norwegian and Greek owners
- › Financing has become more and more challenging and will be the main challenge for new build sales in the oil and gas market
- › The expectation is that offshore wind assets will move towards the oil and gas markets due to higher day-rates

## 2.6 Market updates

### Offshore Wind

- › Offshore wind is expected to play a vital role in the long-term energy transition, supported by an increased focus on energy security, and is projected to account for between 7% and 9% of the global energy mix by 2050 (up from just 0.4% today). The sector is in an accelerated growth phase with the active capacity expected to grow by 35% in 2025. This is reflected in continuous high demand for Offshore Wind support vessels where we have a good market position for both the Crew Transfer Vessels (CTVs) and Service Operations Vessels (SOVs and CSOVs). Besides this we see an increase in activities for Shoalbusters and Multicats in this sector
- › The CTV industry for which Workboats has the FCS 2710 and 3210 models available is still a seasonal business for which stock building helps us sell vessels. The overall demand for CTVs has decreased in 2024 but is expected to rise again in 2025 and in the years after
- › The outlook for the (C)SOV sector appears positive, though the large, industry-wide orderbook could lead to short term oversupply in the near future. New build orders are expected to decline in the next two years and pick up again in the years thereafter
- › The floating offshore wind sector has huge growth potential, though remains in a pre-commercial stage. Several hurdles need to be overcome before the sector's growth potential can be realised. OSV has several vessel types that can be used during the construction/installation phase and the lifetime of a floating windfarm. The repair market is expected to continue generating significant work for our repair yards due to conversions, upgrades and mobilisation projects

### Harbour and Terminal

- › A steady demand for harbour tugs is expected to continue in the coming years. In particular, the larger fleet owners are now able to invest in new builds after many years of competitive pricing due to consolidation and lower trade volumes. Currently our customers are generally seeing better rates due to not only increased, post-covid trade volumes but also due to the dual use of tugs in offshore energy markets. The war in Ukraine and the wish of many countries to secure energy streams also contribute to these favourable conditions
- › The demand for sustainable tug designs is still growing but it is hard to predict when the majority of the market will switch to these designs. This depends much on the regulations and taxes that come into place in the various countries
- › Our own market position relative to our competitors has also improved since the majority of our competitors are Türkiye based. Local competitors are getting less competitive due to the high wages in Türkiye, which results in a certain additional group of customers shifting to Damen

### Seagoing Transport

- › Driven by an aging fleet and the need for low fuel consumption and emissions, the need for new Cargo vessels in the shortsea segment remained in 2024
- › Damen Cargo Vessels has a strong orderbook until the first half of 2026 with two production lines in China and Vietnam
- › Damen focuses on the shortsea market but it is developing designs for the bigger MPP market 8,000-12,000T and the tanker market 8,000m<sup>3</sup> to diversify into different ship types and global markets
- › Decarbonisation of all the designs will be part of the design criteria, bringing a more sustainable future in the years to come



## Yachting

- › Damen Yachting continues to face significant geopolitical instability and economic challenges, though the global economy has shown resilience. While inflation has eased, slow growth and uncertainty persist
- › The Damen Yachting client base spans Europe, the Americas—where we've gained market share in the US and seen growth in Mexico—and Asia, with potential in Indonesia, India, and Australia
- › Damen Yachting also serves a smaller Middle Eastern segment, primarily for refit projects, though the region faces disruptions
- › Superyacht demand has been steadily declining, and pricing and delivery time pressure from Northern European Shipyards remains high. Although clients have accepted these prices thus far, concerns are there that this may shift soon. While the number of billionaires remains strong, the slower uptake of superyachts raises concerns about the future market outlook
- › Furthermore, sustainability is a key topic, with rising regulatory pressure on emissions and a growing emphasis on eco-friendly yacht designs. These dynamics create both challenges and opportunities for Damen Yachting as we navigate this complex and evolving market

## Inland Shipping

- › Decarbonisation and sustainability are major themes in this market. Inland shipping is seen as a clean alternative to road transport and a potential solution for congestion
- › At the same time, emission reductions per vessel are required
- › Both factors are expected to generate new orders. Investments can be made with support from the government

# Divisions









# Damen Workboats

## Locations

- › Damen Workboats (Gorinchem, the Netherlands)
- › Damen Dredging Equipment (Nijkerk, the Netherlands)
- › Damen Shipyards Antalya (Türkiye)
- › Damen Shipyards Changde (China)
- › Damen Song Cam Shipyard (Vietnam) - JV 70%

## » 2024

Overall, 2024 has been a successful year for Workboats.

All our yards continued to grow and we achieved many of our improvement plans, most notably the successful introduction of SAP at DWGo and DSCS.

Our safety performance was satisfactory, with no major incidents or accidents, and no fatalities or life altering injuries. However the downward trend of LTIs over the past years has reversed and we are currently seeing a slight rise in the LTIR / TRIR rates. Safety is our absolute priority at all Workboats sites and it is a source of extra concern due to volume growth with new products being introduced and is a priority with colleagues and subcontractors at all yards. Management everywhere are giving it their full attention with a focus on increasing risk awareness and on growing a safety culture.

Order intake was slightly below plan for most of the year by volume, but well ahead on margins, with Tugs dominating. Dredging intake started slowly but had caught up by the end of the summer.

Workboats outperformed the budget for 2024 and is more profitable than planned, although we are lagging behind on cash flow and working capital performance compared to the plan. Standard projects are delivering good and predictable margins, whereas we are seeing that complex ETO and special projects are less profitable and will deteriorate further over time.

Many of our key improvement plans will be completed in 2025. First of all, we have been able to grow our production capacity by expanding at all the Workboats yards, and by further developing our partnerships with DTC, Albwardy Damen and Baltic Workboats.

We have successfully implemented SAP at DWGo and DSCS; the first roll-out including production and with a non-Dutch yard, based on further template developments by the Workboats teams. Important work still remains to be done to finalise solutions, and to realise the full benefits.

While we had already made significant steps in the E&A domain in past years, we were still underperforming on quality and support. We have now taken initiatives to get back in control with respect to ongoing issues, a.o. by adding capacity and managing on a portfolio basis.

We launched the system and product platform teams approach, based on multi-disciplinary collaboration and further standardisation, altogether giving a stronger product focus.





The preparations for implementation of 3DX have intensified, with more teams now engaging and getting ready for the actual kick-off.

A number of significant events have taken place in 2024. We would first of all like to stress the consistent construction and delivery of an incredible number of vessels.

Some notable deliveries of this year include: the RSD-Es for DFS (to UAE clients) and for Port of Antwerp, the first FCSs 2710 Hybrid to Purus, and two CSDs of the 2.0 range to new Asian clients. The first-of-class of the new ASD Tug 1810 successfully completed trials in Changde in October with promising results. It was an eventful year in Vietnam with the announced bankruptcy of our partner's shareholder SBIC, the 10-year celebrations of our successful joint venture, and finally the typhoon Yagi that damaged the DSCS shipyard. In Antalya the rebuilt DSA1 hall is now almost finished, while the new DSA5 hall will accommodate composite activities and building works in other halls are still ongoing.

## » 2025

Damen Workboats develops and series-builds a range of standardised commercial vessels such as tugs, fast craft, ferries and dredgers. Our workboats successfully serve the needs of various markets, such as Harbour and Terminal, Offshore Energy, Defence and Security, Public Transport and Dredging and Mining. The vessels stand out for their well-developed designs and build quality, and for being safe, reliable and efficient. Our products are increasingly available in zero-emission or electric-hybrid versions.

Standard workboats are available with short delivery times, competitively priced and with low operating costs, and are still smart-configurable with a range of standard options. Damen Workboats has a strong position in its key markets and many loyal clients, and the division has over the years proven its ability to deliver sustainable results. Workboats has a clear vision regarding sustainability and digitalisation, and a well-defined strategy based on product leadership, standardisation and efficiency.

### Commercial outlook

As with all Damen's markets and businesses, a number of macro drivers have shifted over the past few years. Geopolitical changes such as wars and conflicts, political shifts and trade tensions are all adding to the general uncertainty and instability that affects economies and markets.

Whereas sustainability and digitalisation still remain the mega trends of this era, there is now also increased focus on national security, strategic independence, operational resilience, and on the industrial policies of governments.

High inflation in Türkiye and the resulting depreciation of the currency has led to increased salary costs, impacting the competitiveness of Turkish yards. This goes for our yard in Antalya, but also for our main competitors in the tugs market. However it makes Damen more competitive in the tugs market by increasing demand for tugs produced at our yards in China and Vietnam.

Stricter demands for cybersecurity on board and CSRD-based requirements from clients will be among relevant new opportunities for our markets. Our track record of reliable deliveries and the resilience in our supply chains and yards are ever more important in today's volatile world.

Local economic developments are also having an impact on our labour costs, and the cost of delivering vessels to our clients are also impacting our competitiveness. Both underline the need for longer term production and yard strategies.

Specific market developments and outlooks are to be updated by the respective PMC teams. The most important take-aways are listed below.

### Harbour and Terminal

We see a continuing steady demand for harbor tugs over the coming years. In particular the larger fleet owners are able to invest after many years of intense competition due to consolidation and lower trade volumes. Currently our customers generally see better rates ahead due to post-covid trade volumes and also the dual use of tugs in offshore energy markets. The war in Ukraine and the wish of many countries to secure energy streams contribute to these favorable conditions. If we have the capacity to build more tugs in Vietnam, China and Sharjah we will be able to sell them at healthy margins.

The demand for sustainable tug designs is still growing but it is hard to predict when the majority of the market will switch to them. This will depend much on the regulations and taxes adopted by the various countries.

## Offshore Wind

The war in Ukraine has resulted in a wish of many governments to produce their own sustainable energy. The process of realizing these strategies takes time and the demand for vessels for the offshore wind industry will depend much on how many new windfarms are being built. The CTV industry for which Workboats has the FCS 2710 and 3210 models available is still a seasonal business that demands short delivery times, and where our stock building programme helps us to sell vessels.

The market outlook in the short, medium and long term remains positive with the ever-increasing amount of wind farms being built around the globe. Not only is this in the traditional market of the North Sea, but also in the Baltic and Southeast Asia where demand is gaining momentum. The US is uncertain in the short term but will likely continue in the medium and long term where we have opportunities via the DTC route.

## Offshore Oil and Gas

The demand for oil and gas remains high. Within the Workboats product portfolio, we see continuing good market conditions for the crew boats operating off West Africa. All available building slots for FCS 2206 and FCS 2506 are currently selling quickly. Financing is more difficult in this market for our customers, but many of the smaller crew boats are being sold with a Leaseco product provided by DFS.

## Public Transport

The products for Public Transport are often hard to standardise as a one product vessel for all solutions. Fast Ferries and City Ferries are exceptions to a certain extent and building fast ferries for stock has been successful for Damen. Short delivery times serve clients that are aiming for seasonal operations. Financing has also often been a strong enabler and the provision of local onsite support can be an additional driver to buy from Damen. Competition from local builders supported by respected design houses is strong. Innovations such as foiling ferries and the use of carbon composite light weight structures are also in demand. Most of the builders and clients are moving towards electric sailing wherever they can. The new technologies of electric sailing and shore charging infrastructures require knowledgeable and skilled organisations that can successfully design, build and service electric ferries.

## Dredging

The dredging market is generally steady with some variations in demand throughout the year. Projects only become viable when short delivery times can be offered. We are still busy delivering the large series of CSDs in the first project for Turkmenistan. Follow-on projects are developing that will require speculative start of production. The regular market demand is also there, with various specific focus countries and clients, and due to uncertainty about the future of our main competitor IHC we are able to sell to their traditional customers as well. The new CSD 2.0 series is steadily coming to the market which will increase our competitiveness and strengthen our market position further over the coming years.

## Defence and Security

The uncertainties in the world like the war in Ukraine and the situations in the Middle East and around the South China Sea have made many countries aware that they need to protect their blue borders and their sea routes which they need for trading. Although the time required to realise patrol boat projects is always longer than commercial projects, we are seeing more demand and anticipate more tenders coming to the market over the next few years. We continue to promote our standard designs which make it easier for governments to quickly increase their offshore patrol capabilities and we are already seeing customers showing interest in standard patrol boat solutions as platforms for their mission requirements.

## Damen Group's five-year strategic objectives and division goals

The long-term vision and strategy of Workboats as defined in 2020 fully aligns with and supports the strategic objectives of the Group. Workboats is working towards having zero-emission or carbon neutral versions of all our standard products available by 2030. Our workboats will have no breakdowns during operations, will be increasingly autonomous, and part of our integrated maritime solutions.

Workboats delivers sustainable and predictable results. With our focus on customer centricity, sustainability, digitalisation and operational excellence, we are also directly contributing to the objectives of the Group's five-year strategic plan and themes. Please see our strategy map for further details.

Workboats will continue its strategy to develop superior and market-fit standard products, with a focus on our platforms approach and next-level standardisation and based on end-to-end collaboration supported by digital tooling. We are on track for Workboats' vision 2030 and to contribute significantly to the Group's goals.

## Success factors / main challenges

The years ahead are all about ensuring that our regular business operations, delivering an ever-increasing number of standard workboats, run as smoothly as possible and grow further to benefit from market demand, while also realising various strategic developments that are critical to our longer-term future.

The energy transition and digitalisation in the maritime world are moving at full speed ahead. It is crucial to have key technology and new standardised systems and products available to align with market expectations and stay ahead of our competitors.

It is critical that our capacity and capability in the electrical and automation domains, all the way from technology development to production and services, is fundamentally improved. People are, as always, the most important success factor in terms of finding and engaging the right people and teams.

Additional attention is needed to control and reduce our cost levels. With labour costs rising everywhere, the focus is as always on operational efficiency and improvements. Product development remains a critical success factor in our strategy and we must avoid underinvesting there due to excessive cost elsewhere.

Last but not least we must ensure that the significant investments in new digital platforms, such as SAP and 3DX, deliver the expected benefits and help efficiency improvements.

## Plans for the coming year

In 2025 the overall focus of Workboats will be on:

- › Ensuring that production of stock and sold vessels at our fully loaded yards keeps running well, in terms of safety, quality and efficiency
- › Transitioning to the system and product platform teams approach, for next-level standardisation in our product ranges
- › Starting the implementation of 3DX as a digital platform for design and engineering and improving the SAP digital tooling, in order to realise the benefits
- › Increasing production capacity at our and our partner yards through further growth and strategic investments
- › Aligning building demand, the market potential, with financial possibilities, the stock limit

## Market & products plans

For our different markets we are developing new products aimed at strengthening our position or gaining market share.

- › For the Harbor and Terminal market we will continue with introducing zero emission tugs, the ASD Tug 2111 E, and carbon neutral variants such as the ASD Tug 2713 FF, both in methanol-ready and in hydrogen versions, to the market. The portfolio has been expanded at the lower end with the introduction of the ASD Tug 2111 and ASD Tug 1810
- › For the Defence and Security market we will work closely with mainly Area 2 to develop a successor for the Stan Patrol 4207 as well as exploring more 'COTS' opportunities based on our standard platforms with governments around the globe
- › For the Offshore Wind market, the FCS 2710 and 3210 remain the backbone of our proposition. With the hybrid version now available as well as a concept for fully electric, we will be looking for partners to develop in-field charging in windfarms as a pre-requisite for fully electric CTVs

- › For Offshore Oil and Gas, we are riding the wave of the demand for medium sized crew transport vessels. We will be introducing the VSX 5209 to the market in 2025
- › For Public Transport the focus is on fully electric products
- › For Dredging the CSD 2.0 range is being realised and the old range will be phased out. By default, most of the types of the CSD 2.0 range are also available in an Electric Plug-In version. In the coming years the portfolio will be expanded with a Plain Suction Dredger and more emphasis will be placed on selling MuCs along with the CSDs

## Improvement plans

Aligned with the DS Group's OGSM method, Workboats continues the current approach of pursuing business improvements. The main topics for 2025 will be:

- › Continuously improving the SAP implementation and finalising the necessary functionality to use the platform to its full capability and help improve our efficiency
- › Starting the transition of our product portfolio from legacy tooling into the new PLM suite
- › The capacity of our production yards will be further increased to allow for the projected growth in the number of vessels to be built and delivered. We will invest in further developing the facilities of DSCS, thereby doubling the potential output capacity
- › Strengthening our Technology Development teams mainly on Electrification and IT-on-Board, in close collaboration with the related DS Group and Digital teams
- › Introducing the SAFE (Scaled Agile Framework) way of working in the Products organisation, to improve collaboration between System Platform and Product Platform teams and get a grip on the technological improvements and transition activities
- › Follow up on the initial steps taken to improve quality levels through our entire value chain
- › We will implement measures to further improve our cash management in close collaboration with Sales and DS Group teams. We will also continue ongoing measures to optimise our use of working capital as necessary to facilitate stock construction and further growth of our business
- › Reporting in compliance with the mandatory Corporate Sustainability Reporting Directive (CSRD) will be set-up in close coordination with the DS Group functions

# Damen Offshore & Specialized Vessels



## Locations

- › Damen OSV Gorinchem (the Netherlands)
- › Damen Engineering Gdansk (Poland)
- › Marine Design Engineering Mykolayiv (Ukraine)
- › Marine Design Engineering Galați (Romania)
- › Damen Technical Cooperation - Gorinchem (the Netherlands)

## » 2024

The OSV division has always been and will remain committed to the Damen Group Strategy. The themes involved throughout are an integral part of this plan. However, in 2020, the OSV division began a transition to achieving the following strategic milestones:

- › Stop leakages (2020-2021)
- › Set the course (2021-2022)
- › Navigate through the channels (2022)
- › Pick up speed (2023)
- › Ride the waves (2024)

The strategic milestones over the last two years were heavily focused on the increase of order intake. In the upcoming years, the focus will remain on order intake, with an emphasis on improving margin.

2024 started off well for OSV in terms of order intake, with several significant projects materialising in the first month following the hard work of the tender teams.

However, OSV's results have deteriorated significantly over the year due to several factors. These include warranty costs, project results, overhead costs and the underloading of engineering. Another setback, with unknown impacts at this stage, is the damage caused by Typhoon Yaghi to the Halong Shipyard.

Over 2024, the project pipeline has been solid. Nevertheless, contracting projects with an acceptable CM and risks is still a challenge.

## » 2025

### Commercial outlook OSV

Overall, the outlook for OSV is positive. OSV serves different PMCs, each with their own specific requirements. There are also several markets not identified as Damen PMCs that are served by OSV. From these opportunities an expected contract will occasionally materialise.

Offshore Wind still has huge potential, though we are currently seeing slightly reduced growth. The series CSOV 9020 is a strong foundation and we expect this to continue into the coming year. New, fully-electric SOV versions are also being added to the portfolio, and a larger version with greater offshore (oil and gas) capabilities is also being developed.

Offshore Oil and Gas opportunities have been low for the past few years. However there are signals that this market will make a comeback. The inherent and increasing need for oil and gas will lead to additional demand for new vessels in the near future and, although financing is difficult, new projects are expected in the coming years.

Public Transport within OSV has a new focus. Markets have been analysed in depth with the conclusions being that Canada, historically a strong market for Damen, continues to present opportunities and new markets in countries around the Mediterranean Sea, in particular Italy and Greece. These will be targeted due to the huge replacement programmes that will be taking place. The focus on these locations will continue alongside the German islands where we will boost our chances to succeed with a one-size-fits-all, standardised vessel.

Dredging and Mining will continue to focus on development of standard hoppers in the smaller range (TSHD1000, TSHD2500 and TSHD4000). Several opportunities for these vessels are expected to materialise over the coming years. In addition to the hoppers, the market for MADs in the UK will be followed closely, with repeat orders from previous years expected.

Defence and Security has booked a new vessel, the drone carrier. This, together with the replenishment tanker, are the latest new products to be added to the portfolio. More of these new types are expected to be sold in the coming years. Beside these new products, the market for OPVs has not yet fulfilled the high expectations. Despite rising defence budgets worldwide, nearly all projects are currently postponed. However, in the near future, several projects are expected to materialise and this PMC is projected to see steady growth.





## DTC

The number of new opportunities is healthy. There is a wide range of project types and corresponding products. On average, projects take around two to three years to materialise. Therefore, opportunities identified should get underway next year. Russia was a significant market for DTC, however, it will not be returning in the near future. This gap has been filled by Workboats stock vessels, keeping the DTC organisation active and new long-term partnerships are currently being developed in Azerbaijan and India.

## Damen Group five-year strategic objective and division goals

The following key goals have been identified by OSV:

### Operational excellence and customer relationships

OSV will focus on standardisation and series building. With client input we will keep developing new standard series with a competitive proposition. Standardisation will be taken into account in all our processes, which will lead to us achieving our desired HSSEQ standards and operating system.

### Commercial excellence

OSV aims to get achieve profitability, with stable results being essential for a successful division. Further refining our value proposition and pursuing new opportunities should help to increase margins for the Damen Group.

### People

OSV is committed to ongoing leadership and collaboration development. As a project-driven organisation, OSV focuses on building high-performance project teams. Strong and effective line management is crucial to supporting these teams and ensuring that they reach their goals.

## Plans for the coming year

The following action plans have been established:

### Standardised products and proposition

- › CSOV (XL)
- › PSV & Offshore Tug / AHTS
- › TSHD Series
- › Drone Carrier & OPV series
- › Proposition to include building location and development of competitive yard options
- › Further standardisation of handbooks, components and systems

This will result in shorter delivery times, fewer surprises and a competitive proposition.

### Finalise and implement the operating system (including SAP implementation)

SAP and IFS-exit will significantly disrupt our current way of working.

- › Focus on maintaining flexibility in production locations
- › Create a learning organisation through a continuous improvement process. This will include better/faster decision making and evaluation, and a focus on the quality of output from the yards

This will result in an updated OS and minimal variance in project results due to mistakes/rework. The starting point will be to implement process improvements and new technologies such as AI.

### Leadership Development

- › Project Manager (incl. PME)
- › Yard Management
- › Line Management (incl. HSEQ)
- › Proposal Management
- › Talent management to include succession planning, training and increased mobility and shipbuilding knowledge

This will result in leadership development that should cultivate top talent and provide the flexibility needed to build high-performing project teams.

# Damen Romanian Yards



## Locations

- › Damen Shipyards Galați (Romania)
- › Damen Workforce Romania (Romania)

### » 2024

It has been an eventful year where DRY has, on the one hand, implemented a new business model (also referred to as the 'business unit approach'), and on the other hand, has needed to respond consistently to the complex environment in which it operates with multiple internal clients and projects. DRY is working in an environment with macroeconomic indicators that have not shown significant signs of improving against previous years. The geopolitical crises in Ukraine and the Middle East have increased the level of economic uncertainty.

On a more positive note, DRY has been able to secure financing for a very important investment in undercover build facilities. The project got underway in November 2024 and will be ready by the end of 2026 / the start of 2027. Hotel / accommodation facilities have been installed in the yard to accommodate the expats to both reduce costs and to make them more visible to the workforce. In addition, projects including the CSS and Amels 8002 have been delivered.

### » 2025

DRY created an operational plan 2025 with the focus on operational excellence. The operational plan 2025 will achieve this by efficiency improvements, cost & project control and the implementation of SAP.

The strategic direction will stay the same. However, given current market conditions and Damen Group's ambition to retain a substantial European shipbuilding location for more than just Naval and Yachting projects, additional effort needs to go in improving the attractiveness of DRY.

The purpose of DRY is to be the best enabler and integrator for Damen divisions; a platform to scale the business by the best utilisation of resources and capabilities to achieve operational excellence.

The mission of DRY is to be the cornerstone of integration and enablement within the Damen Group. We are dedicated to advancing the group's maritime and engineering capabilities through unparalleled expertise in shipbuilding and technological integration. Our commitment to collaborative innovation, people development, operational excellence and quality assurance positions us as a key enabler of efficient and successful project execution for our customers.

We are committed to leading the way in sustainable practices, ensuring that our contributions not only elevate the group's collective strength but also foster a positive impact on the maritime industry, environment and continuous improvement.

The ambition is also to align with offshoring opportunities from the Netherlands and to increase, in alignment with the mission, the scope of work. Ultimately DRY is aiming to take a larger project scope from detailed engineering up to delivery, or even take on full project responsibilities for smaller own products. This will help secure a strong position for long-term and profitable projects on an integral level.

## Commercial outlook

The global shipbuilding industry is projected to grow at a compound annual growth rate (CAGR) of 3-5%. The European shipbuilding sector, and DRY in particular, stands to benefit from this growth while maintaining sustainability, provided that both the shipyard and the European Union implement strategies to enhance competitiveness and resilience. Key to revitalising the industry and maintaining market competitiveness are 'made in Europe' EU requirements and investments aimed at increasing shipyard efficiency.

Damen Group five-year strategic objective and division goals DRY (DSGa & DWR), is a valued division in the Damen Group for its ability to maintain and develop shipbuilding capabilities to build Naval, Yachting, OSV projects and other complex vessels.

As an integrator and enabler for different Damen divisions; Damen Naval, Damen Yachting and Damen OSV, DRY will aim to excel in operational excellence assuring the continuous improvement of competitiveness through timely delivery, quality and efficiency. The process-based production organisation and governance can enhance efficiency, quality and continuous improvement to support project execution.

As a cost centre the division is a rare set-up in the Damen structure with limited possibilities to control its input. Over the next ten years, the yard's output is expected to be more than 50% Naval projects. These projects will not be full deliveries, as the final outfitting and commissioning will take place in the Netherlands. Optimising the organisation of DRY (including processes, the labour force and organisational structure) will create most likely a different organisation rather than an integral approach with Naval. The ability to execute projects including commissioning and final outfitting is at stake. Strategic discussions and a decision on how to further optimise cost price is essential for the commercial market.

DRY is the centre of excellence for shipbuilding in the group. This needs to be further developed by establishing competency centres, for instance welding technology and robotisation. This knowledge can then be utilised across the group and shared with the yard network.

In summary, Damen Romanian Yards is full of ambition to grow and develop into a mature shipyard able to do complete projects and use its capabilities to enter into more markets than just ships to ensure a sustainable future.

# Damen Yachting

## Locations

- › Damen Yachting - Vlissingen (the Netherlands)
- › Damen Shipyards - Gdynia (Poland)

## » 2024

Throughout 2024, the global economy faced ongoing uncertainty due to a four-year series of shocks, including the COVID-19 pandemic and geopolitical conflicts including the Gaza and the Russia-Ukraine wars. These events affected supply chains, material costs and overall demand, and brought instability to financial markets, impacting businesses globally. Our company was no exception. The economic situation has been challenging, including cash flow issues and challenging projects that prompted a revaluation of our full custom options, alongside adjustments to the long-term planning and financing options. Despite these challenges, the strategy laid out in this document positions us effectively to navigate these obstacles and seize growth opportunities.

Despite these challenges we achieved key milestones, including the successful delivery of two YS53 vessels as well as several other Amels projects. Our commitment to continuous improvement remains strong, as we advanced our strategic objectives and made notable progress in sustainability efforts, including the development of mission statements and data analysis for emissions reporting.

However, we face significant challenges that are having an impact on our operations, such as high stock levels and project performance concerns. The implementation of our master plan is vital to aligning our long-term goals with these ongoing challenges.





## » 2025

**Commercial outlook**

We continue to face significant geopolitical instability and economic challenges, although the global economy has shown resilience. While inflation has eased, slow growth and uncertainty persist. Our client base spans Europe, the Americas—where we've gained market share in the US and seen growth in Mexico—and Asia, with potential in Indonesia, India and Australia. We also serve a smaller Middle Eastern segment, primarily for refit projects, although the region faces disruption.

Superyacht demand has been steadily declining and pricing and delivery time pressures from Northern European Shipyards remains high. Although clients have accepted these prices thus far, we are concerned this may shift soon. While the number of billionaires remains strong, the slower uptake of superyachts raises concerns about the future market outlook.

Furthermore, sustainability is a key topic, with rising regulatory pressure on emissions and a growing emphasis on eco-friendly yacht designs. These dynamics create both challenges and opportunities for Damen Yachting as we navigate this complex and evolving market.

**Damen Group five-year strategic objective and division goals**

The business plan for the coming year is in line with the Damen Yachting strategy set out in earlier years: to stabilise annual EBITDA by offering a balanced portfolio of compelling platforms to a global market of UHNWIs. This will be based on operational excellence, responsible excellence and strategic relationships with suppliers and Damen companies. Therefore, the three mentioned core strategic themes remain unchanged and fit well with our long-term vision. However, the strategic objectives, initiatives and KPIs set for 2025 have been updated to reflect the current market conditions, align with the long-term plan and to meet our goals.

**Plans for the coming year**

We remain committed to maintaining a balanced product portfolio. Our goal is to become the market leader in expedition yachts while retaining our leading position in luxury yachts and yacht support vessels. Expanding our market share in the U.S., along with growth in Mexico and Asia including India, remain key objectives for us.

We will continue to prioritise operational excellence, executing our master plan, driving cost reduction efforts and developing Antalya as a key production hub. Sustainability will remain at the heart of what we do, as we improve our social and environmental data collection to meet CSRD requirements and further embed sustainable practices across our division.

Finally, fostering a strong team culture will be crucial to our success. We are committed to enhancing teamwork, improving communication, and creating an engaged and energised workforce. As always, safety and an enjoyable work environment will be key components of our culture moving forward.

# Damen Naval

## Locations

- › Damen Naval
  - Vlissingen location (the Netherlands)
  - Schiedam location (the Netherlands)
  - Hamburg location (Germany)
- › Marine Engineering Galați (Romania)
- › Delta Marine Engineering - Temse (Belgium) - JV 54%
- › Nevesbu - JV 50%
  - Alblasserdam location (the Netherlands)
  - Seri Kembangan location (Malaysia)

## » 2024

The first full year following the introduction of our Time for Change base organisation has gradually shown improvements across the five leading principles areas. However, ongoing challenges in current projects, combined with the initiation and expansion of new projects in 2025, will continue to place pressure on Damen Naval.

Over the past year, our division has made significant strides in key areas of operation, despite facing a highly competitive and challenging environment. We have successfully achieved several of our strategic KPIs while laying the groundwork for further accomplishments in the years ahead. Our past performance reflects our commitment to delivering on our objectives and maintaining a high standard of excellence in the execution of our programmes.

### **Enhance the long-term partnership with our launching customer: the Dutch Ministry of Defence and the Royal Netherlands Navy**

We have placed considerable focus on enhancing our long-term partnership with the Dutch Ministry of Defence and the Royal Netherlands Navy. This strategic relationship remains central to our operations, and our efforts to align more closely with their objectives have resulted in ongoing improvements in communication, collaboration and shared goals. While Saab, teaming with Damen Naval, did not secure the Walrus replacement programme, we did achieve a crucial strategic objective by gradually positioning ourselves as the national naval OEM, which has further strengthened our strategic partnership with the Dutch Ministry of Defence.

### **Implementation of Time for Change**

In 2024 we successfully went live with the Time for Change (TfC) program. The initiative is designed to enhance our ability to manage complex naval programmes. While we have achieved substantial progress, further implementation efforts are planned for the coming year. Completing the full roll-out of TfC remains a top priority as it will enable greater adaptability and efficiency in handling both current and future projects.

### **Further optimisation of our digitalisation and operational excellence**

In 2024, the rollout of the 3D CAD/PDM program 3DX has continued and improvements will be ongoing in 2025. The engineering processes already went live in the first versions during 2021 for the F126 project and have been ongoing in 2022 and 2023.

### **Secure export contracts**

In 2024, we made headway in our export strategy, securing key contracts (F126 Ship 5 and 6 and PES Colombia) that support our growth in international markets. This achievement strengthens our position in the global naval sector and demonstrates our ability to deliver world-class solutions to clients beyond our domestic market.

### **To strengthen RD&I in line with the group OGSM**

In line with the Damen Group's OGSM (Objectives, Goals, Strategies and Measures), we successfully established and developed our Research, Development & Innovation (RD&I) department. We engaged in and secured different RD&I programmes, IN EU (EDF) as well as in national (DND) frameworks, that align with the strategic needs of our key customer. These programmes are critical in driving innovation and maintaining Damen Naval's competitive edge in an evolving defence landscape.



## » 2025

Damen Naval is the sole naval original equipment manufacturer (OEM) and ship system integrator in the Netherlands. After years of reduced military budgets, funding is clearly increasing with significant market demand expected over the next decade, particularly from our key customer (Ministry of Defence/COMMIT/Royal Netherlands Navy).

### Commercial outlook

In 2025 the new Dutch government is continuing its growth in defence spending. Damen Naval has been appointed in various official policy and project announcements as the national naval OEM and strategic partner in the domestic market. In addition, Damen Naval is considered the relevant industry partner in EU cooperative or competitive naval materiel programmes and RD&I. Through its high level of customer intimacy Damen Naval will continue to foster, maintain, and further deepen these positions.

Driven by global instability, our domestic customer is preparing for 'main task 1' (be prepared to protect our country and our allies). Therefore, the NL MoD continues to deepen the strategic relationship, proceeding to the next phases in 2025 with governmental initiatives (Ministry of Economic Affairs/Ministry of Defence) for legislation most likely entering into effect in 2025. Besides the delivery of new capabilities, the customer is also seeking our support for the sustainment or In Service Support (ISS).

The above leads to a new supportive attitude of the NL government with regards to the NL Defence Technology and Industry Base (NLDITB). Damen Naval is in the front row to collaborate as a strategic industry partner in the development of multi-or bilateral defence cooperation initiatives. A select number of EU/NATO partnering countries and export clients are considering a government-to-government relationship (G2G) with NL for naval projects. Damen Naval is involved in Dutch MoD initiatives towards countries such as Norway, Germany and Denmark for possible future frigate cooperation. 2025 will provide more clarity whether these cooperation

initiatives will remain in force. Prioritising projects for our main customers; The Netherlands and Germany, requires selectivity in the export market. Following the strategy adopted in 2022, with the start of the Time for Change initiative, Damen Naval will continue to concentrate on a specific number of naval opportunities, mainly driven by currently available resources. Besides providing support to the global sales division, a thorough analysis has led to a strict list of target countries/navies for Damen Naval.

The latest Dutch Defence White Paper mentions an increase of the ASW frigate programme. We anticipate an additional two ASWFs to be added to the current series of four. In addition, preparatory studies for the future amphibious transport ships (ATS), future auxiliary vessels (Hulpvaartuigen), Multifunctional Support Ships and the Future Air Defenders will start in 2025. Further commercial focus will be on a select number of export opportunities for standard Sigma and LST class vessels as well as the support for other divisions for OPVs and naval support craft.

Customer intimacy will be maintained and further developed through all levels of the customer hierarchy and will be the focal point for the whole group. Group strategic supplier management and RDI are typical activities where further customer intimacy can be developed with our domestic customer. Damen Naval also aims to either establish or develop customer intimacy with other target countries. To execute customer surveys and measure customer intimacy, Damen Naval will connect to the group customer survey methods.

### **Damen Group five-year strategic objective and division goals**

Our objective is to create sustainable growth and profitability by being the long-term partner for the delivery of maritime solutions to the global naval market. For Damen Naval specifically we will continue to strengthen our strategic OEM position in the Netherlands and the European Union. This should lead to Damen Naval being the strong national prime contractor.

### **Goals for Damen Naval**

- Sustainable growth and profitability
- Preferred long-term partner: focus on the long-term relationship with our launching customer, the Ministry of Defence and The Royal Netherlands Navy. Damen Naval, but also the group, is to be considered the Naval OEM and their partner for innovation, newbuild and through life support. This strategy goes hand in hand with long-term relationships with co-makers and suppliers
- Maritime solutions: to enhance the relationship and customer intimacy, we will focus on offering a sustainable solution that includes innovation, design, build, services and maintenance (in service support)
- One Damen organisation: by means of the PMC Defence & Security we will intensify the cooperation between and with other divisions within the group. Not only with the PMC but also supporting integration with shared services

### **Plans for the coming year**

As we look ahead to the coming year, stability stands as our central pillar, providing the foundation upon which we will build our operational and strategic focus. Stability is not just an end goal but a driving force behind the major themes that will guide us through the next year. In this chapter, we will outline the key initiatives for the year ahead, including investments, resource needs, and the success factors that will determine our ability to execute effectively.

### **Human Capital**

Our people are our greatest asset and the next year will see a concerted focus on increasing employee engagement, fostering diversity, equity, and inclusion (DE&I) and developing leadership across all levels of the organisation. The leadership profile will be refined, emphasising clear responsibilities, accountability and empowerment within teams. Succession management, talent reviews and internal development will play a pivotal role in ensuring that we retain and grow our talent pool.

Ensuring that leaders are equipped with the right skills and training will be critical, as they will lead the change in creating clarity around processes and guiding their teams toward higher engagement and process ownership. In this effort, we aim to place responsibility lower in the organisation, empowering employees and testing their readiness to take on expanded roles.

### **Projects**

Becoming a project-driven organisation is a key objective. Each project takes full P&L responsibility and the line organisation must align with this structure, supporting the project-centric approach. To achieve this, communication and structural discipline will be crucial. We will work to eliminate inefficient processes that exist outside of the core project framework, ensuring all efforts are directed towards delivering projects on time and within scope.

### **Stability**

Operational and process stability will be an overarching focus. We must ensure that our design and build processes are predictable and standardised. This means clarifying process ownership and accountability while also actively addressing risk management. The STEP initiative will remain in place to guide these efforts until we reach the desired level of operational maturity. Stability here will also link back to our focus on leadership and engagement, as only a committed and well-led workforce can achieve sustainable process stability.

### **Predictability**

A key goal for the coming year is to enhance the predictability of our project outcomes, particularly in terms of timelines, quality and financial results. This will involve tightening our focus on efficiency, continuous improvement and process maturity. By reinforcing project control mechanisms such as 3DX, accountability and resource alignment, we aim to minimise variability and create more reliable project outcomes.

### **Export Strategy**

While exports remain important, the coming year will continue to focus predominantly on our domestic projects. Export projects will be pursued selectively, with a clear focus on those that align with our strategic goals and capacity. Our commitment to supporting other divisions and competency centres remains. However, we recognise that the majority of our efforts in 2025 will be allocated to national programmes. The "bid/no-bid" approach will continue to guide our export activities, ensuring customer intimacy while focusing on high-priority, high-impact projects.



In line with our customer intimacy strategy, a key focus will be on expanding our existing export footprint in Colombia. The aim is to grow from offering a single product to a broader portfolio of naval solutions.

### **Services development**

The Services division is poised for significant transformation in 2025, as we work towards making it a profitable unit that strengthens our customer intimacy. A critical milestone in this journey will be the full deployment of the ILIAS system, with the first version already in place by the end of this year, operational across a select number of ships. By 2025, we expect ILIAS to reach full maturity, integrated with SAP to provide a seamless and efficient platform for service delivery. In terms of contracts, we are optimistic about securing the SERCO agreement. It is a positive step toward stabilising the workload. Similarly, our agreements with Mexico are progressing, as we await the first orders from POLA. Our role here will be to fill gaps in capabilities that local Mexican providers cannot cover, offering a clear opportunity for us to add value.

However, challenges remain, particularly when it comes to increasing revenue from the Royal Netherlands Navy. The defence procurement process is highly competitive with multiple suppliers involved, and COMMIT often handling its own purchasing. Navigating this complex environment will be crucial as we look to expand our presence in this market.

### **Customer intimacy**

Customer intimacy will remain a leading principle of our strategy, to be enhanced not only with our customers but also within our supply chain. In the coming year, we will focus on improving internal communication about customer intimacy, ensuring all levels of the organisation understand its importance and align their efforts accordingly. Strengthening relationships and understanding customer needs will be essential as we aim to deliver better, more tailored services and products. In that respect, RD&I develops policy related to our leading principle of Innovation in support of customer intimacy.

### **Data-driven**

Data will continue to play a pivotal role in guiding our decision-making processes. We aim to strengthen our focus on data transparency and fact-based decisions, ensuring that all levels of the organisation have access to the correct data to make informed choices. Quality of data will be key to improving operational efficiency and predictability, and the alignment of data-driven strategies with leadership development will be an important focus area in the coming year.

### **Communication**

Clear, consistent communication remains crucial in achieving our objectives. The entire organisation must be well-informed about project statuses and expectations, with communication lines respected and adhered to. This will not only foster alignment but also help maintain focus on our leading principles, ensuring that all teams are moving in the same direction towards our shared goals.

# Damen Shiprepair

## Locations

- › Damen Shiprepair Rotterdam (the Netherlands)
  - Location Schiedam
  - Location Botlek
- › Damen Shiprepair Amsterdam (the Netherlands)
  - Niron Staal Amsterdam (the Netherlands)
- › Damen Shiprepair Oranjerf (the Netherlands)
- › Damen Shiprepair Vlissingen (the Netherlands)
- › Damen Shipyards Den Helder (the Netherlands)
  - Location Oudeschild, Texel (the Netherlands)
- › Damen Shiprepair Harlingen (the Netherlands)
- › Damen Shiprepair Curaçao (Curaçao)
- › Damen Shiprepair Brest (France)
- › Damen Shiprepair Dunkerque (France)
- › Damen Shiprepair Harbour & Voyage (the Netherlands)
  - Location Le Havre (France)
  - Location Fos-Marseille (France)

## » 2024

From an operations and financial perspective, it has been a very good year with all yards, including Curaçao, performing according to, or better than, plan. The market in general is still good although we faced some reduced activity in the third quarter of the year. We expect that 2025 will be not be much different from 2024. Attracting new personnel remains a challenge and focussing on recruiting and retaining staff is key.

## Safety

The terrible loss of one of our colleague, during the docking operation of the Saipem 7000, has had a severe impact on our division and once again confirmed the high risks that our workers are exposed to in their daily work. The appointment of a Safety Manager for our division has improved safety awareness within the division, increased the alignment with Damen Group and with the introduction of the self-assessment tool we have a better understanding of the safety levels of our individual yards.

## People and organisation

At the end of 2023 we conducted a survey using the Gallup method. We used 2024 to prepare for the next round by organising meetings with our employees to discuss their work environment and the results of the last survey.

The ageing of our workforce is now becoming more and more visible. This has required strategic workforce planning, especially in France where most of our employees can retire at the age of 50. One of the initiatives to attract young people is the establishment of a Bedrijfsschool in Schiedam. This has been done in cooperation with Huisman, Wartsila and STC.

During the year 2024, it has become clear that the Dutch tax authorities will enforce the law on self-employed workers again from 2025. We are aware that we employ a large number of ZZP-ers. About 10-15% of our hired-in personnel are self-employed. We are trying to reduce the risk by following legal advice as much as possible and reducing the number of ZZP-ers where possible.

## Commercial

Although we had a lower third quarter and a reduction in certain PMCs we have slightly outperformed our budget from the perspective of production value. The spread within our PMC is good except for seagoing transport. We foresee changes in the coming year due to the geopolitical situation in the world, meaning longer sailing routes. Although we do not have loss-making projects and the margin is improving over the years, we will continue to improve our contract management during the operational stage, not only in the bid / no bid process. By doing so we expect that we will face fewer discussions with our customers at final billing and/or on the delay of payments.



## DAMEN SHIPREPAIR

This year we have made a start with sustainability upgrades. We have built three bulbous bows for CMA, which in combination with slower steaming should increase fuel efficiency. We have also worked together with Stena Ferries, applying a new type of low friction paint. A memorandum of understanding has been signed between Damen Green and DSC to support the sales of green solutions which has resulted in the sale of the first DACS system, for a cruise ship. A new “PMC Sustainability” function has been created and a PMC sales manager is being hired to give this development a boost.

Flexible pricing: we have focused on different means of implementing flexible pricing. As a result, we can say that in general each project is priced and handled individually. Some examples are:

- › The dock bed calculation is a custom calculation per vessel / seasonality
- › Dock dues are calculated on the size of the vessel and availability of docks
- › Mooring arrangements are calculated based on complexity.
- › Specific repair / maintenance / upgrade jobs are calculated specifically per job opportunity

Furthermore we have the opportunity to agree on adjusted pricing per PMC based on the market situation. Specific PMCs that are “hot” now are: cruise, LNG and naval. As a last main adjuster, we can agree on a seasonal minimum contribution margin that needs to be reached.

### Operational

Our performance year to date is good with outperformance at all the yards. It is the first time in history that all the yards within Shiprepair are profitable. Taking into consideration the current market conditions and the task of continuously improving our operations and the financial performance of the organisation, this historic situation has set the baseline for the years to come. In the follow up of our strategy sessions held in 2022 new initiatives are in progress. Five paint robots have been bought, shore power connections have been installed at our yards in Amsterdam, Vlissingen and Oranjewerf and the second H&V location has been opened in Fos (Marseille, France). The merger of the two yards in Rotterdam has also been finalised. The ongoing search to find qualified staff remains a challenge for all our yards.

## » 2025

Damen Shiprepair operates out of ten yards along the Western European coastline and in the Caribbean, from which we provide maintenance and repair services to a wide variety of ships and customers. Along with the support at our yards we also offer our services in port, during voyages and at remote locations if needed. We outperform our competition by continuously measuring the performance of our yards and sharing best practices. This enables our customers to make optimal use of their assets in a sustainable manner.

### Commercial outlook

A general view of our market outlook is that we expect the following PMCs to be stable or grow: cruise, LNG, naval, offshore, offshore wind and yachting. It is expected that seagoing transportation in general will slow down as a market for Shiprepair. However the more stringent IMO regulations will drive vessel owners to upgrade their vessels to improve energy efficiency, which will lead to an increasing demand for vessel conversions.

Environmental and legislative influences: It is expected that the increasingly stringent IMO regulations drive vessel owners to upgrade their vessels to improve energy efficiency, increasing the demand for vessel conversions. Not investing in upgrades might also lead to limited access to harbours and decreased interest from charter customers in chartering non-compliant vessels. We will stimulate the new PMC, Sustainability, for which a sales manager is being hired. The goal is that the PMC manager will focus on the potential for upgrades with Damen and non-Damen solutions, making use of a Damen-built database, mapping all vessels of >5000 GT and their predicted energy label.

Negatives: with China in full swing again, Shiprepair sees a decline in the booking of large size seagoing transport vessels except for LNG carriers. The European yards are not as overbooked as last year and the year before and therefore competition is growing. Where we had two years of a 'suppliers market' with most of the yards fully booked, we now see a decline in dock occupancy. Competitor yards in NWE facing the same problem are granting discounts to fill their docks.

Positives: offshore wind will continue for the foreseeable future in NWE. Offshore oil and gas is also increasing in NWE. Cruise is back in business and larger upgrades are expected more frequently. It is expected that in 2025 the sustainability upgrades will become more frequent for vessels > 5000 GT due to the introduction of the carbon tax. However, a slow start is expected.

To be able to become a sustainable division we aim to increase the number of yards having access to shore power connections. Some of the above activities will help us to reduce our CO<sub>2</sub> emissions, increase our margins and become more attractive to our customers. We see the theme of sustainability as a key topic and we have recruited two new staff members to promote it. One is a sustainability manager to, in particular, facilitate the internal organisation as much as possible on the subject of sustainability and the other a sustainability sales manager to support our customers as much as possible in making their fleets more sustainable.

From an HR perspective, attracting and retaining staff will remain a high priority. In 2025 we will make a greater effort to find new sources of flexible staff and will be more active in approaching the labour market to find potential new and permanent employees. A recruitment function will also be established at divisional level to assist the repair yards in attracting new employees. For our blue collar and flexible staff we will continue to use our flexpool department to ensure that we comply with relevant legislation and use and hire these external employees as optimally and cost-efficiently as possible.

Plans based on the outcome of the engagement survey (2024) will bring our workforce to a higher level of engagement which will have a positive effect on our retention figures. Our operational managers will also be offered tailor-made operational management training.

We will succeed with Workday (WD) as our core HR system. The objective is to connect all yards to WD. To do this, the Group HR department has been tasked with preparing an implementation plan for the last two yards, Oranjewerf and Curaçao, to be connected to WD. Furthermore, the performance cycle in WD will be implemented for all management teams in 2025.







# Damen Maritime Ventures

## Locations

- Damen Shipyards Hardinxveld - Gorinchem (the Netherlands)
- Damen Shipyards Koźle (Poland)
- Damen Maaskant - Stellendam (the Netherlands)
- Damen Marine Components - Hardinxveld-Giessendam (the Netherlands)
  - DMC Gdansk (Poland)
  - DMC Jiangyin (China)
  - Damen Anchor & Chain Factory - Schiedam (the Netherlands)
  - Damen Winch Technology - Zwolle (the Netherlands) - JV 52%
  - Van der Velden Barkemeyer - Hamburg (Germany)
  - Van der Velden - Galați (Romania)
- Damen Schelde Marine Services - Vlissingen (the Netherlands)
  - 's-Gravendeel location (the Netherlands)
  - Singapore location
- Damen Civil + Modular Construction - Gorinchem (the Netherlands)
- Damen Green Solutions - Gorinchem (the Netherlands)
- Damen HDPE - Gorinchem (the Netherlands)
- Damen Digital Solutions - Gorinchem (the Netherlands)
- SuperYacht Spares - Gorinchem (the Netherlands)
- Damen Cargo Vessels - Gorinchem (the Netherlands)
  - Drachten location (the Netherlands)
- Damen Trading Suzhou (China)
- Knud E. Hansen - Elsinore (Denmark)
  - Odense location (Denmark)
  - Perth location (Australia)
  - Tórshavn location (Faroe Islands)
  - Cádiz location (Spain)
  - London location (UK)
  - Fort Lauderdale location (USA)
- Damen Shipyards Cape Town (South Africa) - JV 70%
- Damen Yichang Shipyard (China) - JV 50%
- Concordia Damen - Werkendam (the Netherlands) - JV 50%
- Albwardy Damen - JV 49%
  - Sharjah location (UAE)
  - Dubai location (UAE)
  - Fujairah location (UAE)
- Alewijnse - Nijmegen (the Netherlands) - JV 28.5%
  - Drachten location (the Netherlands)
  - Rotterdam location (the Netherlands)
  - Hai Phong location (Vietnam)
  - La Ciotat location (France)
  - Galați location (Romania)
  - Tijssen elektro - Oss (the Netherlands)



## Introduction

Damen Maritime Ventures (DMV) is a professionally managed portfolio division within the Damen Group, dedicated to advancing Damen's overarching strategy to revolutionise the shipbuilding industry and pioneer future maritime solutions. DMV continuously develops and enhances a strategic portfolio of maritime niche players, aiming for a top three market position in each niche and promoting the green and digital transformation in those niches.

DMV is committed to excelling in maritime niche markets by proactively seeking portfolio companies that demonstrate a defensible position or sustainable competitive advantage through a unique product-market combination or geographic edge. In addition, a high degree of autonomy and significant growth potential, both through organic development and inorganic expansion are important attributes. Our Corporate Venturing Unit focuses on innovations that contribute to the core of the Damen Group. We facilitate maritime transformation by investing in startups centred on sustainability, digitalisation and operational excellence. DMV avoids niche markets already served by other divisions of the Damen Group.

## » 2024

In 2024, DMV celebrated numerous milestones and achievements. We are grateful to report zero fatalities within DMV during the year.



Notably, only KEH and DGSo, with DGSo still in an early startup phase, reported losses. DSMS successfully integrated Ruysch International, expanding our product portfolio. We continued the sale and delivery of combi freighters, maintaining our market presence. DYS celebrated its 25th anniversary AME reported robust performance, contributing significantly to our overall success. DSCT launched IPV 3 as part of Project Biro, showcasing our commitment to the local economy.

We successfully managed MD changes at DSHa and DSCT, ensuring smooth transitions. The carve-outs of both DGSo (July 1st) and HDPE (November 1st) from C&MC were also completed successfully.

DMCJ was fully occupied with projects including winches, hatchcover cranes and rudders. MK successfully launched the yacht *Lady Esther* (formerly *Lou Spirit*). Combined CDS/C&MC transport arrived at the Port of Rotterdam with barges, inland vessels and coasters.

### » 2025

In 2025, DMV aims to build on our successes, improve our margins and pursue new opportunities. Our production value for 2025 will grow.

The market outlook for our product-market combinations is very promising, but the challenges will be to remain agile to changing circumstances and enable growth by recruiting mature staff, increasing building and warehouse capacity, and maintaining our project management capabilities.

Damen Trading Suzhou will embark on a new adventure with a new addition to our portfolio, aiming to increase Chinese sourcing for all Damen Divisions and beyond. AME's yard expansion will be completed in early 2025, driven by a large order book and promising market developments in the Middle East region. DCVe will develop its product portfolio towards tankers and larger 12,000ts cargo vessels and continue building both in Vietnam and China.

In response to an increasing demand for larger and more complex workboats, DSHa will develop larger multi-purpose vessels and adapt its building strategy accordingly. MK will deliver the *Lady Esther* and continue with other yacht refit projects and repair activities. Furthermore, MK aims to gain a foothold in the aquaculture market and sell shrimp vessels following the recent successful introduction of this new shrimper design.





For both DSMS and SYS, we are exploring new warehouse locations supporting their growth ambitions, with DSMS targeting one additional acquisition as part of the bigger buy-and-build strategy.

CDS aims to increase its market share in South America and Europe and continues to focus on alternative fuels for the European market. Furthermore, CDS will deliver the river cruise vessel under construction for a Swiss client, in addition to a large number of inland cargo vessels and pushers.

Our design company KEH will further build on their HVAC design successes and develop into a more diversified design and consultancy company. In Cape Town, the third inshore patrol vessel will be delivered to the South African navy, with the expectation that more IPV's will be ordered in due course.

We will further facilitate the green and digital transformation of the shipbuilding industry with Digital Solutions, HDPE, Green Solutions and DMC, with their respective digital and green products: Damen Triton, HDPE pontoons and multipurpose vessels, DMC's Energy Saving Devices and the Damen Air Cavity System (DACS) and ballast water treatment systems. Although most activities are still in a start-up phase, the market potential is huge and we have high expectations of these activities becoming significant revenue and profit contributors in the years to come.



## Damen Corporate Venturing

Within the Damen Maritime Ventures division, a dedicated team focuses on corporate venturing activities. Broadly defined, the two main activities of this unit comprise of the management of a portfolio of seven start- and scale ups and the quest for new investment opportunities, both internally and externally. Doing so, the same portfolio management philosophy of the DMV division is being applied, supporting the Damen Group's strategic pillars.

In essence, corporate venturing leverages the knowledge, capacity and needs of the Damen Group to understand the most promising technological developments and market trends. On the other hand, corporate venturing gives back access to innovation and outside knowledge which can enrich the maritime solutions proposition of Damen. This allows Damen quicker, cheaper and leaner access to new and improved technologies, human capital, products and services, new business models, markets and ideas. By forming strategic partnerships through becoming a minority shareholder in promising companies, corporate venturing can guide those companies to becoming trustworthy suppliers to Damen or customers of the future.

Last year was busy and successful. We celebrated the closing of a seed round for Equinox Ocean Turbines, bringing in fresh capital and knowledge from venture capital (EIT InnoEnergy) and Dutch regional development agencies (NOM and FOM). A clear example of the benefit other investors place in having Damen on board. Preparations were being made for applying Zeabuz technology on board the Aqualiner

waterbuses and SolarDuck successfully placed their Merganser Platform at Hollandse Kust West. In addition, we enlarged our portfolio by adding AAApropulsion, a producer of innovative electrical pods. AAApropulsion will focus on developing their product further for the Workboats division. As a unit we are particularly happy with our collaboration with almost all Damen divisions.

In 2025 our focus will continue to be on developing our portfolio further, making use of our established name as an early investor in novel maritime companies. Thereby we focus on replicating our investment model of bringing in both capital and knowledge. In addition, we hope to continue to improve our collaboration with other Damen divisions, supporting their demands in terms of, for example, supplier development, as well as being a trustworthy ecosystem partner for start- and scaleups, universities, knowledge institutes and the investor landscape. Moreover, we aim to develop our capabilities supporting internal ideas to become ventures on their own.

### Participations (corporate venturing) of Damen Maritime Ventures

- › AAApropulsion - Boven-Leeuwen (the Netherlands)
- › Equinox Ocean Turbines - Leeuwarden (the Netherlands)
- › Lumina Marine - Utrecht (the Netherlands)
- › RunWell - Gorinchem (the Netherlands)
- › Skoon Energy - Rotterdam (the Netherlands)
- › SolarDuck - Rotterdam (the Netherlands)
- › Zeabuz - Trondheim (Norway)



# Damen Services

## Locations

- › Damen Services Head Office (Gorinchem, the Netherlands)
- › Damen Services Africa (Cape Town, South Africa)
- › Damen Services Nigeria (Port Harcourt)
- › Damen Services Brazil (Rio de Janeiro)
- › Damen Services Canada (Victoria)
- › Damen Services Americas (Panama)
- › Damen Services Australia (Brisbane)
- › Damen Services Bangladesh (Dhaka)
- › Damen Services Southeast Asia (Song Cam, Vietnam)
- › Damen Services Germany (Hamburg)
- › Damen Services United Kingdom (Southampton)
- › Damen Services Middle East (Dubai)

## » 2024

Damen Services is picking up pace. We have invested in the past years in our infrastructure; our local presence, our IT platform and our organisation. During 2024 we experienced the first significant successes of this investment and we will continue on this course. While doing so, we will need to enhance our focus on further improving and optimising our operations and, most importantly, we will continue our focus on our greatest asset, our people.

## HSSEQ

We started 2024 with the introduction of our HSSEQ-slogan; “I see, I own, I act”, addressing the fact that a safe working environment is a responsibility we all carry. After the first session with the field engineers in January, various other teams followed suit and held safety awareness training sessions. In addition, in Q3 the Damen Services crisis team was trained on crisis management followed by simulation training.

HSSEQ incidents have sadly occurred. With a dynamic world-wide operation, it is inevitable that incidents and undesirable situations will occur. The mooring incident with the ASD Tug 3212 *Bauru*, the near-miss when working at height on the *Shabab Oman 2*, the fire during a vessel delivery, and the personnel related incidents in Nigeria, stand out. As sad as it is that our staff had to endure these situations, we are glad to observe that our organisation's reactions were professional, swift and thorough.

## Commercial

Last year set a new record for Damen Services. The sales budget was met at the start of Q4 and the stability of our order intake was remarkable. We aim to gradually become more proactive in the market and have held our first business campaigns in 2024 focused on approaching clients with upcoming dockings. The global spread of our commercial success is also noticeable as the major projects were sold in various areas around the world.

## Operations

In our operations we felt the growing pressure of our large order book. Damen Services has great staff members with a very action-driven and customer-focused mindset. They are problem solvers that always look for a means to make it happen. However, most of our staff are less experienced in extensive project management. With a large order book filled with not only the ‘standard’ services work but also with many large and extensive projects, the need for a higher standard in Project Management is growing. This will be one of our major focus points in 2025.

## Services People

During the past year much of the focus has been on our staff. Damen Services has approximately 330 employees worldwide, with a third of them payrolled at one of our locations abroad. In total we have 36 different nationalities in our team. This, amongst others, was the driver to start our cultural awareness programme and we happily followed the initiatives taken by Group HR on this subject. Our very low absenteeism rate has stood out in 2024. With a steady decline during the year, and a top performance in the summer with a steady rate of 1.5%, our overall average for absenteeism in 2024 was just 2.3%.

## Governance, Compliance and Risk

Our Panama office has taken a slight change in tactical direction. All Service Hubs will be treated as local Damen Services profit centres with the exception of the Panama office, which will continue to represent Damen Services and act with and on behalf of Damen Services B.V. when servicing the market.

Its new designation reflects the change in applying for the Panama SEM-license. The Multinational Headquarters Regime (also known as the SEM Regime), provides an array of benefits to multinational enterprises willing to set up and operate regional headquarters offices in Panama that will solely provide services to its related group subsidiaries and affiliates. The available tax, migratory and labour benefits will then be applicable to certain activities specified by law. This opportunity is very attractive for Damen Services and is expected to help us attract regional talent and will allow us to host them in Panama from where they can also service clients in other parts of the region.

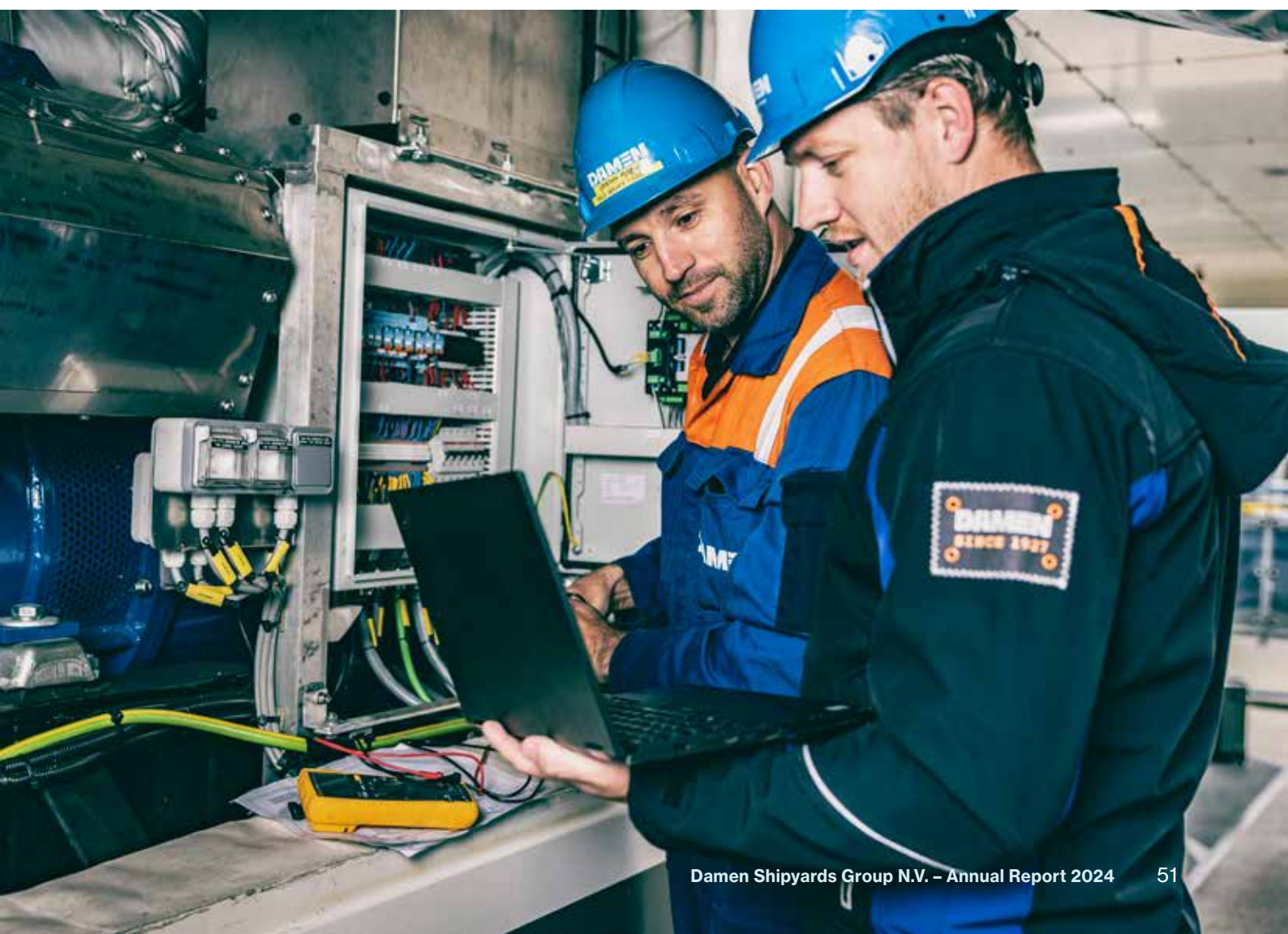
## Operational Excellence

Much effort was spent in 2024 on the SAP programme. The last major step in the development of our IT platform will be to incorporate the local hubs as entities in our SAP platform.

A major challenge in 2024 was our logistics performance. Our business value proposition states that we provide excellent logistic services. Sadly in 2024 this was far from true. The shortfall was caused by both the DSS supply chain and our own performance. Our joint performance was so poor that it led to losing commercial initiatives, decreased our margin potential for effective projects and has frustrated many of the colleagues involved. Improving the entire logistical performance has been a top priority since mid-2024 with us requiring everyone – including the EB – to support any needed investment to improve it.

A new item since 2024 – and an ongoing one in the years to come – is our focus on working capital improvements within Damen Services. The first initiatives have been taken and awareness built among the staff. Further improvements will follow in 2025 as per our plan in the operational excellence stream.

» Article continues on next page





## » 2025

Damen Services offers life cycle support to Damen and other vessel owners all over the world. We focus on long-term engagements where we assist our clients in keeping their maritime assets operationally available. We are a service integrator and an ideal one-stop-shop for vessel owners. Damen Services excels in maintenance and logistic services whereby we reduce operational risk and costs for our customers. As a one-stop-shop we closely cooperate with the various system OEMs and in specific cases serve our customers on their behalf. We are the gateway to the extensive knowledge of our Damen installed base of nearly 7,000 assets.

### Commercial outlook

We do not see major changes ahead in the maritime services market compared to our analyses in previous years. That said, three major trends are expected to become even more prominent in 2025 and the years thereafter:

- › The lack of available skilled labour worldwide will become even more an issue for our customers and OEMs. With our service hubs we can recruit skilled personnel in different labour markets. We will exploit this opportunity to the maximum in the years to come
- › The impact of logistics and a reliable supply chain is getting a prominent position on the agendas of our customers. Smaller shipping companies are facing issues since they do not have the buying power to make a stand
- › The defence and security market is growing, and we are experiencing an increasing demand for operational assistance and ILS projects. Our analysis shows that these kinds of projects are all in-line with what we already do. We only require more professional D&P and Project Management skills and capacity to oversee the size and complexity of the scope of works

### Damen Group five-year strategic objective and division goals

The Damen Services goals will continue to contribute to the five-year strategic objectives of the Damen Group. However, we are experiencing a need to increase our focus on two specific areas: operational excellence and people. Over recent years the infrastructure of Damen Services has enhanced its local presence, rolled out a modern IT platform and created a scalable organisation. To ensure the sustained stability and further growth of this infrastructure, Damen Services must invest and focus on its primary asset, its people. We also need to ensure that we control and further optimise our operation including our logistic flow. The people-stream and the operational excellence-stream will therefore benefit from an enhanced focus from Damen Services.

### Plans for the coming year

Damen Services outlines its strategic plans through four key programmes.

#### Business development and growth

With an excellent warranty service as the basis, Damen Services will build strong client relationships and focus on long-term engagements. Currently servicing is still a minor part of the installed base, Damen Services aims to achieve >50% installed base coverage in 2027 by enlarging its operational footprint and strengthening its portfolio. Damen Services will also improve its asset management portfolio, develop advanced logistic services and integrate sustainability into its life cycle support of customer assets.

#### The following areas of attention are identified to be of strategic value:

- › Enlarging our footprint: invest in operational capacity and train the field engineers to better fulfil client demand for TA and RCC services, enhancing competitiveness
- › One-stop shop: improve capabilities to act as a one-stop-shop for customers
- › Pro-active approach: implement Data2Leads initiatives for a pro-active market approach and push DMMS to the market
- › Parts sales: shorten quotation and delivery times by utilising tooling, data and client-oriented processes
- › Targeted marketing: restructure websites for customised local content and target specific accounts with data-driven marketing strategies

#### Operational Excellence

To balance customer satisfaction and a healthy service business, Damen's operational excellence initiative aims to create a global, data-driven service organisation that is customer-centric, flexible, and in control. Reliable processes, tooling and information are essential for employees to deliver the best service. Cooperation between global teams is vital if we are to exceed our clients' expectations. A solid IT platform was built in previous years and the focus will shift to usage of IT systems and data to deliver value in services. Strong supplier relationships are crucial for a smooth and transparent supply chain, skilled personnel and ensuring a predictable and efficient service execution.

#### The following areas of attention are identified to be of strategic value:



- › Business and operational control: increase the predictability and reliability of the Services business, improve the OPEX/PV ratio, enhance the performance on portfolio management work agreements and implement cash & working capital management
- › Services IT platform: create value from the established platform, implement ERP at hubs, manage strategic stock and improve field service reporting and work order management
- › Knowledge management: set up a dedicated knowledge base and sharing process and tools to optimise human capital globally
- › Supply chain: create end-to-end insight in procurement and logistics, renew framework agreements and prioritise OEM-training and process integration. Drastically improving our logistic performance is also seen as a base necessity and a strategic enabler
- › Project management: define and unify project management tools and capabilities for Damen Services to enable an increase of project complexity within the Services portfolio
- › Safety: promote safety awareness with the motto "I see, I own, I act" and define minimum safety training for Services roles

## Governance, compliance and risk

Damen Services encourages entrepreneurship with freedom to act within boundaries. Goals are achieved with acceptable risks and compliance with policies, laws and regulations. The organisational set-up supports company goals with responsibility and decision-making as close to customers as possible.

The division's performance is governed by the Management Team via Area Boards and enhanced business control. The global IT platform provides insight and supports decision-making. Damen Services will strengthen and professionalise the control framework to align with growth ambitions and global activities.

## The following areas of attention are identified to be of strategic value:

- › Internal audits: initiate audits on sales governance and segregation of duties
- › Financial control: improve working capital management based on the plans made
- › Risk management and compliance: implement a risk-based approach to project control, enhance tax compliance knowledge and follow up on compliance risk assessment actions focusing on safety, export compliance and anti-bribery and corruption
- › Training: extend training sessions on VAT and transfer pricing to a broader audience
- › Framework agreements: renew framework agreements to secure supply chain interests and prioritise OEM training and process integration

## Services People

Damen Services values its people as the cornerstone of its global success. To grow in a changing environment, we aim to attract, engage, develop and retain talent. Cultural awareness and a unified company culture are vital. Damen Services will strengthen hub teams by transitioning workers to official employees, ensuring regulations and benefits align. Engagement and inclusion are key, focusing on leadership, cultural awareness, employee development and team connection to drive engagement, innovation and high performance.

## The following areas of attention have been identified to be of strategic value:

- › Inclusive leadership and cultural awareness: improve knowledge of cultural differences, train leaders and employees in cross-cultural communication and build an inclusive mindset
- › Engagement: conduct state-of-the-team conversations, develop action plans and follow the engagement hierarchy to improve basic needs first
- › Employee development: ensure clear goal setting, invest in knowledge and capabilities, and set up personal development plans with a reserved budget to facilitate actions
- › Team development: use the Insights methodology to strengthen mutual relationships and promote team cohesion
- › Company development: define preconditions to hire employees on our own payroll and create aligned employment conditions

# Damen Financial Services



## Locations

- › Damen Financial Services - Gorinchem (the Netherlands)
- › Damen Marine Services - Gorinchem (the Netherlands)
- › OceanXpress – Gorinchem (the Netherlands) Aracaju (Brasil)

- › DP Lease – Gorinchem (the Netherlands)
- › Aqualiner – Zwijndrecht (the Netherlands)

## » 2024

2024 has been a very successful year for the Financial Services division. We achieved our budget and we also revalidated our overall business process and reconfirmed the attractiveness of the combination of operational and financial management in individual deals managed.

We held our last management review meeting in September as part of our independent ISO certification process which has now validated the whole division for 9001, 14001 and 37001 as well as ISM. The final audit will take place in February 2025.

We remain focused on our own strategy, and do not consider 'nice-to-haves' until all the 'must haves' have been achieved. We revised all the standard contracting documentation and standardised forms to reflect lessons learnt of Q2 2024 and automated the documentation of LeaseCo. We continue to use Salesforce for our offers to Area Sales and have a structured way of dealing with all proposals and requests.

Following the feedback from the survey right after forming the combination of our sub teams in 2023, we put serious efforts into employee engagement in 2024, and have improved the cooperation amongst the teams, as well as the alignment of strategy with day-to-day work.

Following our own HR engagement review, we reduced our workforce slightly after Q1 and expect some growth in 2025. We are aiming to motivate our people in the team and bring the best out of them including giving responsibilities that support our strategy and vision. Together with our team, we aim for optimum performance from each individual.

We are seeing the fruits of the clarity of our strategy and the expectations that we have of our team as well as of other divisions' clients and financiers. We play our part in the internal cooperation, subject to agreements being kept by all involved. If agreements are broken, we act and do not accept the status quo. The end result of broken agreements typically is that the end customer stops paying us, which means we take the hit for any broken agreements in the Damen Group that affect our customers.

Regardless of the above internal struggles, we are considered a serious player by third parties, which is underlined by the

significant number of deals executed and financing arrangements completed. Also, in 2024 we have completed several deals for other divisions, next to achieving our own business plan.

## » 2025

Damen Financial Services acts as a customer to the Damen Group to allow end-customers to access Damen assets. Traditionally this was done by providing financing solutions. Currently, we go well beyond replacing external bank financing.

Damen Group has the strategy to deliver maritime solutions to its clients. The shipbuilding divisions aim to be the most sustainable shipbuilders in the world. This leaves the door open for DFS to provide sustainable maritime solutions, and this is exactly what we do.

With a combination of financing activities and operational and financial leasing, DFS, under its commercial banner of Damen Maritime Solutions, contributes to the Group strategy of growing towards becoming a total maritime solution provider.

Our operations team is tasked with managing the full fleet including short term rentals and returning vessels from defaulting clients. We also operate a brokerage/trading/chartering office to support customers with their needs in purchasing, selling or chartering vessels, whether Damen built or not. In both areas, we act for Damen entities as well as third parties.

Our financial solutions team proactively offers financing solutions to end clients. We do this to support the Damen organisation in generating new build or repair projects. We also continue to support incoming finance requests from Area Sales. Over time the division has become one of the Damen Group's biggest customers, both through buying vessels and then leasing them to end-clients, and by ordering the first of new series sustainable ships and so stimulating new markets.

Our new offering on the vessel side is the provision of a front runner fleet of vessels; a mix of sales-successful models like the ASD Tug 2810, green refits of older vessels and newbuild sustainable vessels. This is to encourage customers to order new vessels from Damen after a testing period. Customers value this service when they need to fill delivery gaps, want to try a new type, or due to a lack of stock to sell outright.



In 2024, this then new service suffered from its own success, with virtually all the frontrunner vessels upon becoming available being sold in the market at good margins. For 2025 onward, we will focus on building and maintaining a fleet of a certain size, which means that when we sell an existing vessel we will order a new one. This also generates more business for the Damen Group as a whole.

DFS aims at standardisation: building a portfolio has an effect on the funding side of the business. By funding multiple ships via a single loan, DFS is able to scale up its product offering. Our vessels-as-a-service proposition delivers the ability to create a strong position in niche markets. For example, the start of the E-RSD offering generated a series of successful leads.

We continue with our existing strategic focus, developed in 2022, and continue to build portfolios, or grow them further with third-party financiers.

We continue to support other divisions with working capital solutions, although we aim to stop using our own balance sheet for this activity and arrange only external financing for other divisions. Our historic position of lender of last resort is sometimes still applicable, but we prefer not to be in that role as those deals tend to be very labour intensive and most of the times a prelude to future losses.

We would rather invest time and effort in our standardised products, which continue to generate stable and predictable profits. Another element is that the lender-of-last-resort role implies that we have to invest rather than leverage our equity, which slows our growth.

### Commercial outlook

The commercial outlook for DFS is positive, with a few points of attention.

Since DFS manages its assets via the direct ownership of those assets, it is exposed to the financial environment and to the operational capability of the lessee/partner. DFS manages currently well over ten complex financing agreements. Most are related to SPVs/JVs or on-balance financing, as well as via LeaseCo portfolios.

The increasing impact of ESG legislation and CSRD requirements can be detected via our financiers. We see that sustainable assets are becoming obligatory in order to find financing. We procure our assets from other Damen divisions and require that they build more sustainable assets to enable DFS to purchase them. This is a continuous discussion as innovation and new technologies typically bring more challenges.

At the same time, we see much more demand for leasing (assets as a service) from end customers due to the uncertainty of these same innovative and technical solutions due to factors such as the uncertain direction towards future fuels, particularly with tugs and workboats.

We expect the combination of the difficulty in securing funding for our clients individually across the market, combined with the wish for more leasing, to have a very positive impact on our business.

With the benefit of the 2024 refinancing in which Group Finance was able to secure more room to manoeuvre for DFS, we are in a good position. In previous years this was a key issue for our division. Rather than having to ask for consent for every new proposition, DFS can now engage in any new activity as long as it does not hurt the financiers of the Group. As such it is likely that DFS will be able to grow much faster than in previous years' business plans. However, being cautious, we have also modelled the business plan in such a way that we will stay within the leverage limits of the Group.

This limits our leverage options on the debt side to about 150 million euro, which is all already sourced and/or ready to close in the coming months. The only option we see to boost the growth to the full potential, allowing DFS to order the maximum number of vessels, is the separation of DFS from the group. We expect that this will be needed due to growth in the near future.

We expect that the market supporting this strong growth will not only be the traditional Workboats that we finance most. We anticipate that our Surveillance at Sea proposition will be very scalable very fast due to the geopolitical status in the world with much more focus on defence and safety. We have closed the first few deals in 2023 and 2024 but expect more to come. In 2024 we signed a mandate letter with one of our main financiers to support these ambitions.

This has already stimulated significant interest from banks and equity investors. To achieve maximum leverage in this field, the key is to have access to significant resources. We experience this every day. Financiers are very interested to support multiple 100s of millions for low risk, ideally state-backed projects, but we struggle to fund direct 10 million euro loans for the same customer.

#### **Damen Group five-year strategic objective and division goals**

Damen Group has the strategy to deliver, with a focus on sustainability, maritime solutions to its clients. DFS is the Damen Group channel to the market for 'servitisation'. We lead the solution innovation stream, which has been integrated into the commercial excellence stream after the setup of the process. We put daily focus on delivering our strategy via several products that we aim to standardise. We are present in all PMC teams with the aim of offering the best practice financing solutions to each PMC.

#### **Leasing and assets as a service**

We have longstanding experience with leasing and have also managed LeaseCo, the go-to maritime leasing provider, for thirteen years. We organise our fleet into portfolios, in which we focus on specific asset types. Examples of portfolios are our Frontrunners, and Try before you Buy, as well as Surveillance at Sea and Green Push. We aim to invest some 240 million euro in new vessels in the plan period, and this excludes any client requested business using supplier or buyer credit. We have maximised our CAPEX to the covenant level of Damen Group. We have included funding for the plan and stay within the basket set for DFS.

#### **Chartering**

We finance, own and/or operate various bespoke vessels, some in JVs, which have contracts with end customers.

For both leasing and JVs, the customer classes vary. We started focusing on cash flow in the early years and that helped us to build a strong business. Now that we have the size, we aim to add more corporate and governmental risk exposure, whether direct or via insurance structures, to keep costs for end customers low, and the profit acceptable to Damen.

It is also likely that those customers will see the best value created for them in our new more sustainable vessels, which supports our strategy. The operational capabilities of the lessees and partners is a very important factor. We see that changing a proposition after a bad start takes disproportionate efforts and costs.

#### **Financing, a strong pillar in our strategy**

We provide financing for a large portion of the Workboats and also to OSV sales via established products and can combine the financing solution with other services or support, boosting sales. We aim to continuously standardise our financing business and have now fully automated the offering and documentation process, allowing us to focus on growth.

We offer our products proactively in SalesForce to Area Sales, and directly to end customers when we are in dialogue with them, together with Area Sales and building divisions. We intend to add some team capacity on the pro-active offering of standardised financing solutions along with chartering proposals to customers.



### Our fleet (trading and operations)

Supporting the other activities above, DFS has its own brokerage/trading/chartering desk to buy and sell vessels, for Damen entities and/or for third parties. Our own operations team ensures optimum performance of our services and steps in whenever one of our 200+ vessels requires attention. Typically, some 35 vessels are managed on a day-to-day basis while the others are chartered out. We are a fleet owner, and act as one.

We expect to be able to finalise an update of the existing ISO and ISM certification towards the start of 2025 at the division level, integrating them all into one management system.

### Plans for the coming year

#### Commercial / strategic fit

DFS has developed a commercial strategy and this is continuously updated. We have drilled down into our strategy via a series of concise plans related to existing assets and ventures as well as business development. Next to that, we continue to improve our divisions' systems and processes. We will also measure our plans against ESG effectiveness and put KPIs in place to measure where possible. We summarise some of the most effective plans below

### Business development

- Prepare for newbuild order(s) from OceanXpress, for up to two vessels
- Complete the Frontrunner and Try before you buy fleet, and keep it up to size
- Structure and engage on the Surveillance at Sea portfolio, offering to at least two countries for surveillance

### Division improvements

- Fleet management: central process and purchasing vessel management
- Professionalise the mid office (portfolio management) with central BI reporting
- Independent cash management to prepare for separation from the Damen Group
- Build further on operational capabilities, including expand certification and grow the team

### Specialist functions

At DFS we have defined a series of specialist functions. These are tax / subsidies, credit insurance, legal and compliance and ESG and digital. Each of the custom projects is assessed on their exposure by the specialists. With our focus on green developments, we have chosen to add specific targets on ESG, while of course upholding our standards in the other specialties and learning continuously, improving the process and practice.

## 2.7 Performance in 2024

### ➤ Health and safety

Looking back on the year, it has been extremely busy and due to understaffing in the department, a number of intended actions have been delayed. However, due to the growing attention on health and safety within the Damen Group and in particular at our shipyards, there has been a clear improvement in the number of reported incidents. The number of Lost Time Incidents has more than halved compared to 2023 with an almost comparable volume of hours worked. The number of LTW (lost time working days) has been reduced from 2,592 days to 1,311 days. Although this is a huge improvement, it is still too much.

Unfortunately, we also had a fatal incident. An accident like this shows once again that attention to health and safety must be an absolute top priority. We must therefore continue to focus on safety throughout each day. Many of the accidents that occur happen because we have to do something quickly and we ignore the necessary precautions, consciously or unconsciously. That is why we must help each other and keep each other alert and address each other if we see a dangerous situation. This is why we revived the STOP work policy last year. The aim is not so much to stop activities but more to create an environment that is safe and where everyone is aware of what is taking place around them, and where they can speak out if he or she sees a dangerous situation involving a colleague. This needs to be done without the individual being afraid of being addressed negatively. This seems logical, but unfortunately that is not yet the case everywhere.

In the coming year we will introduce more involvement from management with visible attention to health and safety. We want to do this by having management periodically walking around the construction sites and projects together with employees from production or project and/or HSE representatives. This is to increase involvement and awareness of health & safety, and to contribute positively to the desired safety culture.

We want to use the Life Saving Rules that we introduced within Damen last year to draw attention to the most important safety themes. Based on incidents that have occurred, we will organise safety campaigns across the group. We will also further improve and intensify collaboration within the group between the HSE managers of the various divisions. We have already started this year and will expand it further. For example, think of peer reviews where we do a safety assessment back and forth so that we can also learn from each other.

However, what we are struggling with is that we often talk about the Damen standard, but that we do not have an HSE management system at group level in which the minimum safety levels are described. It will be one of our focus points for the coming year to set this up across the group.

### ➤ Sustainability

Damen's ambition is to be the world's most sustainable maritime solution provider. To achieve our ambition our sustainability compass is focused on:

- providing sustainable maritime solutions for our customers (with the aim of an E3 label for 50 percent of our sold solutions by 2030)
- making our yards, operations, and supply chain fit for the future (with the aim of reducing our environmental footprint in operations by 55 percent by 2030)
- building a culture of sustainability with a fully committed and engaged Damen value chain

In 2024 a lot happened in the field of sustainability. As Damen wants to be the most sustainable maritime provider in the world a Group Director Sustainability has been appointed to lift the sustainability ambitions to an even higher level.

In 2024, much attention has been given to the upcoming CSRD reporting requirements. A double materiality analysis was made in conjunction with the divisions and both internal and external experts, to arrive at the reporting data points that Damen will have to report on, next to the financial figures. In 2025 we will further work on the CSRD implementation.

To become the most sustainable maritime provider, we are building on the integrated sustainability approach focusing on the following subjects.

#### Environment

We will work extensively on finding ways to reduce the harm to our natural environment. This effort focuses on our yards and products, and digitisation is an important enabler in this.

## Social

We aim to be a good employer all over the world, making sure that our employees are paid well, work in safe working environments, and have opportunities for training and development.

## Governance

To guarantee that not only our strategic ambitions are met, but also our core values are adhered to across the Damen companies world-wide, we continually focus on building and improving our governance and compliance.

## Economic

We focus on the aforementioned strategic topics because we believe strongly that this will not only contribute to a healthy and conducive working environment but will also create healthy ecosystems in which business can thrive, and we can create sustainable growth and profitability.

## Workforce

The average workforce number for 2024 was 9,046 (2023: 9,399). Thirty percent of our workforce is employed in the Netherlands. If the employees of the joint ventures, in addition to those of the consolidated group companies, are proportionately included, then Damen Shipyards Group employs some 12,500 staff. In addition (sub-) contractors and temporary labor add flexibility to this capacity.

At the end of 2024, the female to male ratio on the Supervisory Board was 20 to 80 percent and on the Executive Board it was 0 to 100 percent.

To further increase our Employee experience we implemented a group wide Damen People Policy. This policy sets the bar for local people policies and describes the minimum standards we set for the people policies we have for our staff within the Damen Group.

Another Group wide policy implemented in 2024 is the Group Diversity, Equity and Inclusion policy (DE&I). We saw Global

Sustainability will increasingly be integrated into all business functions, from sustainable design to sustainable yards, and sustainable vessels. Only if sustainability as a 'new way of thinking' is integrated into every part of our operations can Damen truly become the most sustainable shipbuilder.

In the end, sustainability is about creating positive impacts. Together with our employees, suppliers, co-makers and customers, we will create an ecosystem in which we mutually reinforce each other. Jointly we can innovate and work together on the net zero future of shipping. Together we can care for our local ecosystems and for our oceans.

traction on DE&I in the form of all kinds of initiatives. We will continue our efforts to become more inclusive in 2025 and make our workplace even more attractive.

We conducted our second engagement survey ultimo 2024. Since engagement is impacted most by local managers we boosted our Damen leadership programs. Ranging from a leadership program for first time managers to executive leadership programs. For 2025 we expect to further lift our employee engagement by focusing on the quality of conversations we have with our people.

Workday is up and running within all Damen companies. We now focus on adoption and further standardisation and automation of our core people processes. We believe that we can further boost individual growth, mobility, performance, retention and succession by using up to standard tools and processes. First data insights on this look promising.

## » Financial

### Financial performance

Following the steady high orderbook and increased yard occupation of the repair yards Damen remained on steady level with net turnover of 3.0 billion euro in 2024 (2023: 3.1 billion euro). Operating income (sum of net turnover and other operating income) remained at 3.1 billion euro, compared to 3.1 billion euro in 2023.

Associated operating expenses decreased from 3.1 billion euro in 2023 to 3.0 billion euro in 2024, resulting in an increase in operating profit from 60 million euro in 2023 to 72 million euro in 2024. For 2024, non-recurring items mainly consists of the impairment of loans and amounted to 4.5 million (non-recurring items 2023: 20 million euro). The impairment and reversals of financial fixed assets amounted to -3.6 million euro (2023: -13.6 million euro).

The operating result increased in 2024 compared to 2023. The net group result for 2024 amounts to a profit of 58.3 million euro (2023: 43.2 million euro). The share in result of participating interests increased from 20.8 million euro in 2023 to 26.7 million euro in 2024.

### Depreciation, financing expenses and tax

Depreciation decreased to some 46.2 million euro (2023: 51.1 million euro). The financing expenses came to 39.9 million euro (2023: 34.3 million euro) as a result of increased funding requirements as well as increased interest rates. The financing income decreased to 19.1 million euro in 2024 (2023: 22.3 million euro). The positive result has resulted in a tax expense of 17.8 million euro (2023: 4.8 million euro).

### Working capital requirement, capex, and cash flows

Damen, as part of its business selling stock vessels, increased the strategic stock resulting on balance in an increase in hulls by 33 million euro (2023: increase 80 million euro). The stock ageing improved during the year resulting from the healthy

order intake as well as sale of several redundant stock vessels. The trade and other receivables increased with 62 million euro (2023: decrease of 174 million euro) as result of ongoing focus on working capital optimisation. The current liabilities increased with 157 million euro (2023: decrease of 61 million euro) due to a decrease of the pre-financing position of certain projects and the movement in project related accruals.

The cash generated by operating activities came to -135 million euro in 2024 (2023: -4 million euro) mainly due to movements in construction contracts and associated project accruals.

The investments amounted 136 million euro (2023: 68 million euro) in (in)tangible fixed assets. The regular maintenance capex need is in line with the annual depreciation.

Furthermore, the company is investing in IT platforms and new types of ship. The debt position consequently increased to 670 million euro (2023: 374 million euro) and is mainly financed with long-term loans (Santander and Invest) and the extended Senior Facility Agreement.

### Equity and solvency

Taking into account the result 2024, the group equity increased from 411 million to 475 million euro and solvency remains above the covenant with our lenders of 20 percent at 33.1 percent (2023: 29.1 percent). Management currently considers this is adequate for this capital-intensive business. No dividend will be distributed to shareholders.

### Orderbook

The order intake in 2024 was 5.9 billion euro (2023: 4.2 billion euro). At the end of 2024 the contract value of the order portfolio amounts to 10.4 billion euro. Relative to the competition and in absolute terms, the group order portfolio maintains a solid level.



## 2.8 Research, Development, and Innovation

### » 2024

In 2024, Group RD&I continued efforts to coordinate group-wide RD&I activities in Damen by quarterly strategic alignment meetings and monthly operational alignment meetings with representatives of every division. The goal is to keep ambitions aligned by keeping each other informed of ongoing activities and to make use of all possible synergies.

Collaboration with Corporate Affairs proved fruitful in streamlining interactions with policy and rule makers, who often provide funding for research, development and innovation. Additionally, Damen RD&I partnered with Damen Maritime Ventures to support various startups and scale-ups, helping them to elevate their technologies for maritime applications. Noteworthy collaborations included Lumina, Runwell and DACS.

Internships saw a resurgence, returning to pre-pandemic levels with 14 students currently active in the RD&I department, primarily engaged with their final theses. This collaboration with students and universities not only infuses fresh ideas into the organisation, but also serves as a valuable recruitment source for RD&I and other departments within Damen.

Throughout the year, Damen RD&I supported numerous business projects from concept to delivery; from the first empirical performance calculations to detailed simulations and digital twins, to finally the trials with the performance measurements to close the circle. For the first time, Damen RD&I also took part in this analysis together with customer and suppliers, in co-simulation, collaboratively building a digital twin of the ship and all its components to verify if it will fulfil the customer's requirements.

Throughout 2024, the team produced an impressive average of thirty memos, reports and commissioning documents each week, culminating in over 1,500 actionable recommendations and solutions for Damen's commercial projects. In total, RD&I has enriched its dataset with over 85 projects in 2024 by measuring and reporting the vessels' performance during sea trials while at the same time supporting in delivering these projects successfully to Damen's clients. This would not have been possible without the invaluable support of fourteen trial engineers stationed at the yards in Antalya, Sharjah, Galatz, Hai Phong, Yichang and Changde. Their expertise has been crucial in conducting trial measurements on standard vessels.

The department has also redeveloped its Manoeuvring Trials software tool to enhance reporting efficiency and quality.

In early 2024, two significant research projects were launched: CirclesOfLife and EUROGUARD. CirclesOfLife aims to develop a comprehensive methodology for assessing the environmental performance of shipyards and the vessels they design and build. This project seeks to establish a scientifically sound Shipyards Environmental Performance Index (SEPI) methodology and a Cradle2Cradle Ship Passport. Meanwhile, EUROGUARD is focusing on creating a modular and semi-autonomous surface vessel platform equipped with a remote-control system to enhance sea defence capabilities across Europe. In this project, Group RD&I collaborates closely with the Naval division.

Damen RD&I also proposed eight new projects for EU funding during the year. So far, funding has been secured for two projects -H2UpScale and eWAVE- with two additional proposals, both on ship automation, still under consideration. By the end of 2024, three EU-funded projects will be concluded: StaSHH, which has developed an open standard for fuel cell modules for heavy-duty applications; E-ShyIPS, which has focused on introducing hydrogen into maritime passenger transport; and SEABAT, aimed at creating a modular, fully electric, maritime hybrid battery concept.

To further improve our successful collaborations in EU-funded projects, Damen RD&I made informal agreements with Dassault, DNV and Kongsberg to join forces in EU-funded research programmes on digitally oriented projects from now on.

### » 2025

In its commitment to enhancing digital collaboration, Damen RD&I is actively participating in the Digital Samenwerken / JMDP programme. This initiative focuses on improving information transfer among supply chain partners and system integrators while also establishing best practices for Model-Based Systems Engineering (MBSE) in ship design and operation. It is part of the Maritiem Masterplan; a Dutch programme to improve the competitiveness of the maritime industry in the Netherlands. After a significant delay the Dutch maritime sector will finally start implementing the Maritiem Masterplan in 2025.

Internally, RD&I will be advancing integration testing strategies by shifting towards model-based verification and validation. In recent years, RD&I has built a wealth of experience based on Hardware In the Loop (HIL) testing and demonstrating that early integration testing can provide real and substantial benefits to projects in cost, performance and risk management. In the coming years, different integration testing strategies based on model-based verification and validation will be investigated as an alternative to hardware-based testing. This innovative approach aims to deliver performance verification earlier in the process, potentially even before contract signing. A newly formed team dedicated to simulation, verification and validation will spearhead these efforts.

As stated before, Damen RD&I has made significant strides in building a stable team of sea-trial engineers, supported by local yard managements. This effort has culminated in the recognition from Bureau Veritas, which awarded RD&I and local trial engineers the status of Approved Service Supplier for Comfort Class measurements. In 2025, RD&I is set to receive similar recognition from DNV, allowing it to operate as an independent body for verifying Damen vessels with COMF class notation.

Making knowledge and know-how accessible is one of the key ambitions of the RD&I department. In order to do so, RD&I develops many software tools not only for its own use but also for Engineering and D&P. In collaboration with IT&IM, RD&I is migrating its self-developed software tools to the cloud, which will improve their availability and maintainability while ensuring software reliability.

As a hub for data science, RD&I is exploring various artificial intelligence technologies, including Large Language Models (LLM), to complement traditional physics-based simulation models. Additionally, RD&I's Automation team is developing a sensor pod designed to boost situational awareness for vessels. This will pave the way for increased autonomy, possibly through software updates, similar to what Tesla has done by equipping all its cars with sensors with the aim of releasing gradually more and more autonomy-related features.

Furthermore, in collaboration with Damen Song Cam Shipyard, RD&I is introducing collaborative robots (cobots) for welding in the yard. Previous experiments have proved the proficiency of robots in delivering constant and high-quality results. However, mastering the operation of these "conventional" robots turned out to be a significant challenge for welders. While it's possible to teach a programmer to weld, there's a unique advantage in teaching a welder to programme, as welding knowledge is essential in assessing the quality of a weld. Automatic weld-quality inspections are under development, but not yet ready for market. The introduction of cobots addresses this challenge by simplifying the programming process compared to traditional industrial robots, making it far easier for welders to "train" the robot. In 2025, robotic welding for HDPE will be investigated as well, in collaboration with the HDPE team.

In line with Damen's sustainability goals, RD&I is investigating the potential for a fully circular crew cabin. This project involves working with suppliers to explore new materials and developing methodologies to quantify circularity, with a full-scale mock-up expected in 2025. In addition, RD&I is developing tools for measuring product sustainability and conducting Lifecycle Performance Analysis. This initiative will enable Damen and its clients to meet EU CSRD regulations by effectively reporting on their environmental impacts.

Finally, two new EU-funded projects are set to launch in 2025. H2UpScale will develop the next generation of durable PEM Fuel Cell stacks, offering a power output of between 250 and 500 kW suitable for heavy-duty transport applications (aviation, maritime, on-road long-haul). The eWAVE project will bring together 18 research, technology and shipbuilding experts to develop mature High-Voltage (HV) technology for electric vessels for future uptake in the European shipbuilding sector, using efficient HV electric modular batteries and distribution systems.

### Group Technology Management for New Energy - 2025

At the end of 2024, a new initiative called Group Technology Management was launched on a modest scale. The team, to be formed, will work on the energy transition from the old-school diesel to the fuels and energy sources of the future.

Various new energy projects have already been executed within the Damen Group, with varying degrees of success. A key takeaway from recent years is that the costs associated with failures have been excessive, primarily due to repeated efforts to solve similar problems without adequate sharing of knowledge regarding both successes and failures across divisions and product groups.

The pace of technical advancements in our industry is accelerating, and safety and environmental regulations concerning future fuels are evolving rapidly. The establishment of the Group Technology team is a strategic move, driven by the business to align with market demands, as customers increasingly seek vessels equipped with new energy systems. Many clients are currently transitioning from diesel to alternative forms of propulsion.

Damen aims to be at the forefront of the developments in alternative propulsion systems, utilising new energy systems. The goal is to leverage proven technologies while avoiding the pitfalls of being overly experimental. The core team will grow gradually by adding technical specialists, maintaining a relatively small size to ensure agility and efficiency. The core team will be comprised of experts in various new energy technologies, whilst optimising the use of expertise from within Damen's divisions who possess valuable knowledge and experience gained over recent years.

Members of the Group Technology core team will be assigned to project teams across divisions where their expertise in future fuels is essential. This approach ensures maximum utilisation of the teams' resources, promoting cost-effective operations. Their work will focus on developing technical solutions for propulsion systems that utilise alternatives to conventional fossil diesel, referred to as new energy sources or future fuels. Alongside this development, standards and documentation will be created and maintained, positioning the Group Technology team as the central knowledge hub for new energy systems within Damen.

The team's ambition aligns with Damen's overarching goal of becoming the world's most sustainable provider of maritime solutions. Key areas of focus for this new group include:

- Electrical and hybrid systems (diesel/electric)
- Clean diesel and synthetic diesel
- Methanol and LPG
- Hydrogen

Given previous projects and market demand, the initial emphasis will be on battery electric and hybrid vessels. The objective is to provide standardised solutions across all Damen divisions. To achieve this, it is crucial that the requirements from each division are clearly defined and that the standardised solutions effectively meet these needs. Acceptance of these solutions is vital for the viability of the Group Technology team.

By Q2 2025, the requirements of the divisions have to be made clear to the Group Technology team, which has to be known and visible within the Damen group. A stakeholder map should then be available for the relevant technologies for knowledge bearers and other relevant people within Damen.

## 2.9 Information Technology & Information Management

### » 2024

#### IT Operating Model

At the beginning of 2024, we introduced a new and enhanced IT operating model. With this operating model we optimised both our IT business processes and tooling but also restructured and simplified our organisational model. This transition, which went rather smoothly, resulted in increased integration and automation, much more team responsibility, fewer handovers and errors, clearer role definitions, and consequently, significantly higher staff engagement levels.

Our IT service delivery has been further improved by optimizing our IT support portal including chat support in ten local languages. Moreover, we introduced a comprehensive feedback mechanism to continually assess and improve our services based on user experiences and suggestions. These measures ensure that interacting with IT is easy and seamless while still maintaining cost efficiency.

#### Agile Working @Damen

Simultaneously, the product teams (SAP/engineering/collaboration/integration/etc.) have continued to enhance both their support mechanisms and the delivery of new functionalities by adopting the SAFE Agile framework. Productivity has surged over 200% through the rigorous automation of most manual processes such as test management, administration, and deployment but also the Quarterly PI planning events where all upcoming work for the next quarter is meticulously discussed, refined, and planned by all stakeholders led to less rework and more velocity. This has resulted in the development and delivery of well over 1,500 new and improved functionalities on our platforms, thereby enhancing productivity for our business users.

To support our product and service delivery, we have continued our LifeCycle Refresh program to update unsupported and outdated infrastructure and completed the implementation of our global Damen network. We onboarded a few new locations and integrated over a thousand new users worldwide.

In summary, both the new IT operating model in combination with the SAFE agile framework not only streamlined our operations but also set a solid foundation for future growth and innovation. It emphasises agility, efficiency, and responsiveness, allowing us to better serve our internal stakeholders and drive the organisation's strategic initiatives forward.

We are still progressing in our digital program where we not only managed to implement Workday for our full workforce, but also went live with SAP in the Workboats and Global Support division. These deployments added more than 1,500 users to our SAP platform. At the same time, we migrated our entire SAP infrastructure to the SAP RISE cloud and upgraded to the latest SAP software version available.

### » 2025

We will continue to refine our operating model, concentrating on delivery capabilities, employee enablement, and engagement. By automating workflows, we aim to make processes more efficient while offering an improved user experience. We will proceed with integrating AI into our core IT processes, such as providing more self-service options, automatic ticket routing, and generating solutions from documentation. By structurally addressing problems, we focus on preventing future issues rather than merely solving them. The ongoing reduction of local footprint in various locations aims to simplify our global infrastructure, enhancing its resilience and cost efficiency.

Having implemented SAFE Agile and optimised our delivery velocity, we are now able to deliver value reliably, consistently and predictably against known costs. It is now important to transition from doing things right to doing the right things. To fully capitalise on our platform investments, business and IT will continue to collaboratively define requirements and realise continuous improvement in order to achieve our strategic goals.

Automation and AI will increase efficiency in our daily business processes by reducing manual labor and enabling new functionalities in engineering, supply chain, planning, finance, HR, and other areas.



### Information Security

Cybersecurity and educating our users will remain a top priority within Damen. Damen will also increase their efforts in reducing the number of separate identities across different platforms. The IAM program which Damen is launching in 2025 will provide the guidelines and guardrails for OneDamen Identity for the next few years. Damen has introduced External Attack Surface Management in 2024, in which we test our Damen Cyber defenses on a continuous basis.

### Within our digital program the following projects are/will be initiated in 2025:

- › SAP implementation for DRY and OSV started in 2024 and will go live in 2025
- › SAP implementation for the service hub will be finalised in the beginning of 2025
- › SAP implementation for DR&C will start at the end of 2025.
- › Dassault 3DX implementation at Workboats which will go live in phases
- › Dassault 3DX implementation at other divisions like DRY, OSV, etc.
- › Performance Management and recruiting go live in Workday

### Damen Data Management foundation

Recognizing the centrality of data to our digitalisation success, Damen has launched a dedicated Damen Data Management department beginning of 2025. Master data integrity is acknowledged as a linchpin in our digital transformation efforts, underlining the importance of robust data governance.

### Sustainable future through digital

Sustainable future through digital Sustainability and digitalisation are symbiotically linked in our vision. The intricate measurement requirements for comprehensive sustainability initiatives can only be met through advanced measurement and reporting suites. The Corporate Sustainability Reporting Directive (CSRD) will require us to start extensive reporting on ESG.

### Emerging technologies and innovation

We will continue AI initiatives to explore emerging technologies, focusing on understanding and leveraging AI for enhanced efficiency and innovation. Concurrently, we will develop platforms supporting the implementation and scalability of AI initiatives. These platforms will simplify development, deployment, and management, engaging a broader range of teams. Successful experiments will be identified, and the most promising projects will be scaled across the organisation to integrate valuable insights and efficiency improvements into daily operations.



## 2.10 Governance and risk management

### » Financial instruments

#### General

The information included in the notes for financial instruments is useful in estimating the extent of risks relating to both on-balance sheet and off-balance sheet financial instruments. The Group's primary financial instruments, not being derivatives, serve to finance the Group's operating activities or directly arise from these activities. The Group also enters into transactions in derivatives, particularly foreign currency swaps, to hedge foreign exchange arising from the Group's operating and financing activities. The Group's policy is not to trade in financial instruments.

The principal risks arising from the Group's financial instruments are foreign currency risks, liquidity risks, credit risks, and interest rate risks. The Group's policy to mitigate these risks is set out below.

#### Foreign currency risks

As a result of acquisitions denominated in foreign currencies the Group's balance sheet, may be influenced by the change of foreign currency rates to euro exchange rates. The Group's policy is not to hedge this risk.

The Group is also exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency other than the Group's presentation currency. The Group's policy is to hedge foreign exchange risks on long term commitments by entering into forward currency contracts. They are hedged at the time when obligations are entered into. Damen Shipyards Group does not speculate in financial derivatives (including foreign currency hedging) and has procedures and policies to limit the exposure.

The Group had forward currency contracts in place at the year-end date for a total amount of approximately 336 million euro, of which buy contracts 179 million euro and sell contracts 157 million euro (2023: 279 million euro of which buy contracts 217 million euro and sell contracts 62 million euro). The net fair value of these contracts amounted to 3.3 million euro (2023: 0.3 million euro).

Approximately 84 percent (2023: 85%) of these forward currency contracts will expire in 2025 (2023: 2024). The contracts serve to hedge future purchases and sales. The terms and conditions of the forward currency contract are in line with the terms and conditions of the purchase and sales contracts.

#### Liquidity risks

Liquidity risk concerns the availability of financial resources and depends, in part, on fluctuations in working capital. Periodical liquidity forecasts, for both the short and long term,

ensure that any problems are identified timely to allow for the necessary mitigating actions to be taken. Attention is also paid to the management of working capital at all levels of the organisation.

#### Credit risks

The Group trades with creditworthy parties and has implemented procedures to check the creditworthiness of parties. The Group has also drawn up guidelines for limiting the credit risk associated with each party. Furthermore, the Group applies strict credit control and reminder procedures. In addition, there are no significant concentrations of credit risk within the Group.

Credit risks assessment of both customers and supplier as well as service providers are carried out in accordance with the applicable procedures. To the extent possible, sales risks are covered by credit insurance, advanced payments and by settlement of outstanding claims on delivery of the vessel or completion of the assignment.

#### Interest rate risk

As the Group's long-term receivables bear mostly fixed rates of interest, the Group runs the risk that receivables will decrease or increase in value respectively due to changing market rates of interest. The Group's long-term debt consists of a mix of floating and fixed interest denominated contracts. In 2023 the Group agreed on interest rate hedges to cover expected significant increases or decreases in market interest rates.

#### Compliance risks

The Damen Shipyards Group operates globally, selling vessels and providing services in numerous countries, which necessitates consideration of diverse and evolving legislation and regulations. To secure and execute projects, Damen relies on local expertise from intermediaries and/or local third parties (referred to as service providers) in many countries. While this business model contributes to the Group's success, it also inherently increases compliance risk due to the high number of service providers supporting the Group worldwide.

Part of Damen's business involves luxury yachts, posing risks such as money laundering. To mitigate these risks, Damen has implemented procedures including Know Your Customer (KYC).

Damen has instituted a comprehensive program with appropriate policies, procedures, and controls to prevent and minimise compliance risks. The organisation employs a Group Compliance Officer responsible for overseeing governance and management of these risks. In 2024, Compliance Risk

Assessment sessions were conducted across the entire organisation to ensure a risk-based approach in handling compliance matters. The Group Compliance Officer is supported by a team of six professionals, an interim senior compliance consultant, and a network of ambassadors (compliance contact persons) within Damen's divisions at the management team level.

Damen's directors, staff, and representatives are required to adhere to Damen Values and Code of Conduct, which clearly outlines the rules and behavioral standards expected. Specific policies or procedures are established for health, safety, security, environment, personal and business integrity, export control and sanctions, anti-bribery and corruption, financial compliance, competition law compliance, KYC, conflicts of interest, human rights, IT security, and data protection. A Supplier Code of Conduct is also in place. These policies are reinforced through ongoing training and awareness activities. All staff must complete mandatory recurring classroom and online training based on their functions. For instance, in 2024, various Sales dilemma sessions were held in all Sales Areas to help Sales personnel identify compliance risks and understand when to consult managers and the Compliance team.

As part of the company's governance framework a whistleblower policy is in place. This policy provides employees and other stakeholders with a secure and confidential channel to report suspected misconduct or violations of laws and regulations.

In accordance with this policy, notifications are investigated independently and in some of the cases with support of the Company's legal advisor. As per yearend some investigations are ongoing. These investigations are being conducted with due care and in line with the principles of fairness, confidentiality, and legal compliance. The company is committed to thoroughly addressing all concerns raised and to taking appropriate remedial actions where necessary.

Damen operates in several countries with heightened fraud and corruption risks, where service providers perform a range of services for compensation, either as a percentage of contract value or lump sum amounts.

Although Damen does not have direct oversight over the appropriation of these funds, it has established comprehensive procedures to manage associated risks. These include extensive due diligence measures such as identifying and screening service provider companies, their representatives, and beneficial owners, and documenting the rationale for business relationships before engaging in contracts. All service providers must comply with the Damen Code of Conduct and anti-bribery and corruption policy. Training for third-party business partners, titled "Doing Business with Damen," provides clear guidance on conducting business with integrity and outlines Damen's expectations of its partners.

Service provider agreements include strict compliance guidelines and terms. New and renegotiated contracts with intermediaries and local representatives include clauses covering compliance obligations, termination rights, right to audit, and anti-bribery provisions. Absolute and relative maximum remuneration limits are adhered to, and the services provided by representatives are contractually agreed upon as preventive measures. No business is authorized to be conducted without these guidelines and terms being contractually established. Damen requires documentation and reporting, such as activity reports from service providers. A methodology is in place to conduct more frequent and proactive audits on service providers that meet the risk selection criteria, ensuring their compliance with relevant (local) legislation and regulations. This practice has become standard. For the financial year 2024, two "right to audit" engagements were performed by both the Internal Audit function within Damen and external audit companies. In 2025 Damen performed a 'right to audit' at one of its service providers and identified several instances of cash payments. These payments, which were subsequently investigated, were found to include, among other purposes, the disbursement of employee salaries (including bonuses), school fees and payments for charity which could not be fully substantiated. In the country concerned the use of cash payments is more common. The use of cash payments bears a risk of non-compliance with rules and

regulations. Damen's investigation showed that there are no indications of possible irregularities. Despite diligent compliance efforts, complete elimination of compliance risks cannot be guaranteed. Violations of antibribery, corruption, or anti-money laundering laws could adversely affect operational performance, earnings, cash flows, and financial condition.

Damen continues to develop its compliance framework. The Compliance 2.0 project, initiated in April 2021 as a self-imposed initiative, aimed to reinforce and strengthen the Compliance Program and Department to meet increasing regulatory requirements and best practices amidst significant changes within the Damen Shipyards Group. As a result, in 2023, three entities (Damen Holding B.V., Damen Global Support B.V., and Damen Financial Services B.V.) were audited by an external party and obtained ISO 37001 Anti-Bribery Management Systems (ABMS) certification. Continuous efforts focus on training and awareness, with workshops and training organised for management teams, HR leaders, procurement, and the sales organisation. Additionally, initiatives were supported by compliance contact persons within divisions. In April 2024, Damen completed the maintenance audit for ISO 37001 certification.

On January 13, 2017, Damen's offices were visited by the Dutch fiscal authorities in relation to a criminal investigation. Damen cooperated with the Dutch Prosecution Office whilst protecting its legal rights. In 2025 the Public Prosecution Service (OM) has decided to prosecute Damen Shipyards Gorinchem B.V. and Damen Schelde Naval Shipbuilding B.V. for alleged fraudulent activities, including bribery, forgery and money laundering. Based on the available facts and circumstances the outcome of the legal proceedings is uncertain and therefore difficult to estimate.

In 2025 the Dutch Prosecution Office decided to prosecute Damen Shipyards Gorinchem B.V. for alleged violation of sanctions legislation with respect to the delivery of parts to Russia. Damen contests these allegations, maintaining that it acted in accordance with the applicable sanction regulations. The court hearing is scheduled for the second half of 2025.

### **Export compliance**

Damen is committed to adhering to export controls and sanction regulations ('export compliance'). Non-compliance can significantly damage reputation, incur monetary costs, and threaten operational licenses.

The Export Compliance team oversees overall compliance, supported by several professionals in the divisions to safeguard operational compliance. Occasionally, Damen is assisted by law firms specializing in export control and sanction laws.

The compliance department conducts due diligence and compliance checks on suppliers, third parties, and during commercial partnerships, including compliance checks related to export controls and sanctions.

In 2024, Damen developed and launched three new eLearning modules on export classification of goods and technology, along with several updates to the Export Compliance Workshop, expanding the training program. Additionally, a pilot version of a new automated screening tool for the client database in Salesforce was launched, with further development planned for the coming year.







## 2.11 Financing and business continuity

In 2024 the Company has refinanced its Senior Facility Agreement with new senior facilities to fund the business plan. The facilities comprise EUR 88 million Revolving Credit Facility, EUR 35 million Term Loan, EUR 690 million bank guarantees and has a three year tenor with two one year extension options. Furthermore, EUR 100 million euro of bilateral financings and a EUR 140 million sale and leaseback transaction of some Dutch real estate properties have been arranged.

Covenants for solvency, net leverage and interest coverage ratio applicable to the Senior Facility Agreement and part of the working capital facilities are included in the current senior financings. Based upon the forecasted business plan, there is sufficient headroom available on these covenants. It is expected that the covenants will be met in the foreseeable future.

Our base current cash forecast up and until 31 December 2026 shows a limited use of the Revolving Credit Facility as part of the Senior Facility Agreement. Nevertheless, we keep our group and divisional cash monitoring systems in place, as well as our treasury short-term cash forecast systems. This has proven to be a solid compass to steer the company. The bank guarantee facilities (including uncommitted EUR 150m bilateral facilities) are considered sufficient to run operations in the foreseeable future, based on the forecasts.

However, as part of its diversified order portfolio, Damen continues to execute large-scale multi-year naval projects. Among these is a six frigate order for the German Navy (F126 Frigate Program). As result of delays in the project execution, the F126 program requires substantial prefinancing, which introduces a risk for funding shortfalls in 2025 and 2026. During the initial months of 2025, it became evident that reaching a timely agreement with the German client on the re-baselining of milestone payments (intending to improve project cash flows) was becoming increasingly challenging. This was primarily due to delays in securing the required Parliamentary approval(s) in Germany. As the risk on a funding shortage could not be solved with the German client on short notice, other mitigating actions were required.

Supported by the proposed and available bridge facility of EUR 270 million from the Dutch government for the project, Damen has actively pursued a resolution to the F126 project financing challenge over the past few months. This effort has resulted in an agreement with the Dutch State to reinforce the strategic partnership between the Dutch State and Damen Naval without taking on the offered and available bridge facility. The structure and details of this enhanced strategic partnership will be further defined in the near future.

In October 2025, Damen and the German client agreed on renegotiating key aspects of the F126 project ensuring the future operational and financial continuity and stability of the project.

To mitigate risks for the period until approval from the German client on the re-baselined project cashflows, Damen made a liquidity forecast based on various scenarios of (expected) cash in- and outflows and available financing facilities in the group and determined that there is sufficient headroom available to continue as going concern.

Throughout 2025 and 2026, the Company will continue to advance the strategic objectives outlined in its 2025–2029 business plan. The primary focus remains on execution of our divisional business plans and further mitigating of risks through initiatives such as the Project Risk Board and a commitment to operational excellence. Damen also maintains a highly cautious approach to ensure full compliance with evolving sanction regulations. Fortunately, the Company benefits from a well-diversified product portfolio and a geographically broad customer base, supported by its long-standing reputation for delivering high-quality products and services.

### Conclusion

We are confident that an agreement with the German customer regarding the renegotiated F126-project will be reached and we have sufficient liquidity to bridge the period until the agreement. As a result we consider the use of the going concern assumption in our financial statements appropriate.





## 2.12 2025 Outlook and beyond

**Damen's impressive growth trajectory in recent years is set to continue into 2025, driven by strong market demand and innovative solutions. Maintaining operational excellence will be crucial as the company's yards and suppliers must keep up with this expansion. The associated rising costs and availability of production capacity could put pressure on sales. However, with its focus on operational excellence and continuous innovative solutions, Damen is well-positioned to sustain the growth momentum.**

### Health and safety

Ensuring the safety and health of every Damen employee in our yards and offices remains our top priority. Initiatives like the HS Self-Assessment will be implemented at all repair and newbuild yards by 2025, providing consistent metrics to assess health and safety performance across the organisation.

### Attracting and retaining personnel

Attracting and retaining skilled personnel remains a significant challenge as demand for talent is high across the industry. Our expanding order book has placed additional pressure on workforce capacity. Meeting these demands requires not only recruiting new talent but also ensuring that we can maintain and develop our existing teams to support ongoing and upcoming projects.

As we look towards 2025 and beyond we will focus on building a stronger global workforce and improving operational control across all projects. By leveraging cross-divisional insights and ongoing investments, we aim to improve efficiency and better support our expanding project portfolio. This approach will help us meet project demands while strengthening our organisation.

### Operational excellence

From an operational perspective, the focus will remain on steadily improving our project performance across all phases, from engineering to vessel servicing. This will come down to continuous hard work on increasing the quality of our standardised vessels and rigorous risk analyses for non-standard designs, as well as productivity improvements in our shipyards. Our global operations continue to encounter various challenges that demand our attention and adaptability.

Our DOEN initiative will become central to our pursuit of operational excellence. At Damen, operational excellence means that the way we work – whether in dealing with our people, building our vessels or any other aspect – is equal to the very best in the industry. And to be the best, it's crucial that we have in place very clear standards and synergies across the entire group and that we are continually improving.

By establishing cross-divisional focus groups made up of seasoned experts in networks, DOEN aims to create synergies and consistency across all operations, starting with key areas such as production, engineering, project management, planning and logistics. The core objective of DOEN is to extend Damen's shipbuilding standardisation philosophy to all relevant work processes within these domains. This approach is designed to boost efficiency, optimise profitability and strengthen our position as a resilient and adaptable leader in an increasingly competitive market.

### Risk management

A key factor for operational performance is improving project execution across our global teams. As a large, decentralised organisation we rely on each project team's commitment to high-quality work and the consistent application of risk management learnings across the project lifecycle. In this context, we seek to evaluate mechanisms that support project oversight and risk analysis during execution. Monthly progress reports of project teams to division management, such as the Project Board, may be strengthened to provide more thorough risk management throughout all stages.

### Yard development and investments

We have undertaken capital expenditure investments at several of our facilities to drive further growth. At Damen Shipyards Galați we will be investing in the expansion of our hall to accommodate larger construction numbers for OSV, Damen Yachting and Damen Naval. Additionally, Damen Song Cam Shipyard has received resources to increase its vessel building capacity. Lastly, Damen Yachting will be expanding the quay in Vlissingen. These investments align with our strategy for increased capacity to support our growing project portfolio.



### Commercial perspective

In 2025 Damen will continue to drive towards becoming the most sustainable shipbuilder. We expect increasing demand for sustainable vessels and solutions, as regulations regarding emissions are being implemented across the world. Furthermore, the ability to fund new vessels and refits seems to be good in the near future, especially for green vessels. With Damen's focus on sustainable and integrated solutions we will further increase our competitive advantage in the market.

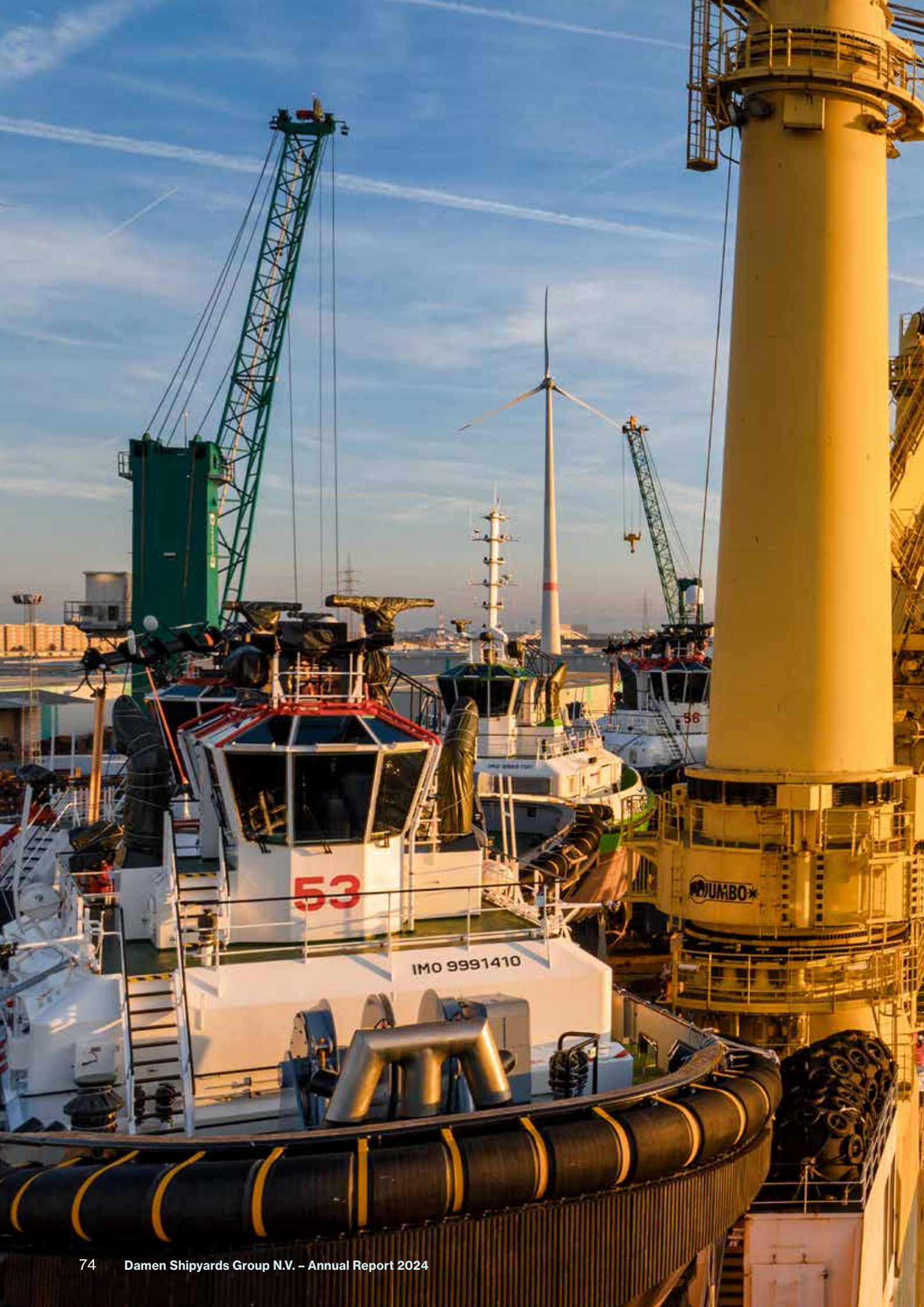
Overall, the strong markets along with the increasing strength of the sales organisation and the relevant propositions we offer, contribute to a positive outlook for Damen's future success.

Gorinchem, 28 October 2025

Damen Executive Board

A.J. Damen (CEO)  
M.L.A. van Heyningen (COO)  
B. Langeveld (CCO)  
R.J. Suhlmann (CFO)









## 3 Financial statements

### 3.1 Consolidated balance sheet as at 31 December 2024

(before profit appropriation)

(x € 1,000)

	Note	2024	2023
<b>Fixed assets</b>			
Intangible fixed assets	1	112,530	97,541
Tangible fixed assets	2	333,992	284,772
Financial fixed assets	3	390,623	365,103
		<b>837,145</b>	747,416
<b>Current assets</b>			
Inventories	4	560,611	524,808
Construction contracts	5	829,827	548,899
Trade and other receivables	6	489,300	427,039
Cash and cash equivalents	7	80,234	36,912
		<b>1,959,972</b>	1,537,658
		<b>2,797,117</b>	2,285,074
<b>Group equity</b>			
Shareholder's equity	8	463,551	401,505
Minority interests	8	11,415	9,320
		<b>474,966</b>	410,825
<b>Provisions</b>	9	<b>68,296</b>	73,305
<b>Non-current liabilities</b>	10	<b>669,768</b>	374,181
<b>Current liabilities</b>	11	<b>1,584,087</b>	1,426,763
		<b>2,797,117</b>	2,285,074





## 3.2 Consolidated profit and loss account 2024

(x € 1,000)

	Note	2024	2023
<b>Net turnover</b>	12	<b>3,022,564</b>	3,089,893
Other operating income	13	<b>36,666</b>	42,864
<b>Total operating income</b>		<b>3,059,230</b>	3,132,757
Cost of outsourced work and other external costs		<b>1,298,762</b>	1,704,969
Cost of raw materials and consumables		<b>1,082,098</b>	785,271
Wages and salaries	14	<b>450,964</b>	425,631
Social security and pension charges	15	<b>101,262</b>	94,066
Amortisation and depreciation of intangible and tangible fixed assets	1,2	<b>46,225</b>	51,102
Other operating expenses	16	<b>7,766</b>	12,097
<b>Total operating expenses</b>		<b>2,987,077</b>	3,073,136
<b>Operating result</b>		<b>72,153</b>	59,621
Interest income	17	<b>19,157</b>	22,308
Interest expense	18	<b>-39,891</b>	-34,275
Impairments and reversals of impairment financial fixed assets	3	<b>-3,619</b>	-13,616
Currency exchange differences		<b>3,753</b>	-5,347
		<b>-20,600</b>	-30,930
<b>Result before taxation</b>		<b>51,553</b>	28,691
Taxation on result	19	<b>-17,790</b>	-4,823
Share in result of participating interests	3	<b>26,677</b>	20,762
<b>Result after taxation</b>		<b>60,440</b>	44,630
Minority interests	8	<b>-2,189</b>	-1,395
<b>Net result</b>		<b>58,251</b>	43,235

### 3.3 Consolidated cash flow statement 2024

(x € 1,000)

		2024	2023
	Note		
<b>Cash flow from operating activities</b>			
Operating result		72,153	59,621
Adjustments for:			
Amortisation and depreciation of intangible & tangible fixed assets	1,2	46,225	51,102
Book results on disposals of fixed assets	13,16	-12,873	-7,722
Movement in provisions	9	-5,009	-4,024
		100,496	98,977
Changes in working capital:			
Movement in inventories (raw materials and consumables)		3,826	3,037
Movement in inventories (hulls and hulls under construction)		-33,001	-80,300
Movements in inventories (finished goods and trading vessels)		-6,628	13,031
Movement in construction contracts		-334,356	-417,303
Movement in trade and other receivables		-62,261	174,023
Movement in trade and other payables		206,571	218,031
		-225,849	-89,481
<b>Cash generated from operating activities</b>		-125,353	9,496
Interest received	17	19,157	22,308
Interest paid	18	-37,607	-32,858
Income taxes paid	19	-6,338	-2,587
		-24,788	-13,137
<b>Cash flow from operating activities (Transfer)</b>		-150,141	-3,641

Continued on page 79

(x € 1,000)

		2024	2023
	<i>Note</i>		
Transfer		-150,141	-3,641
Additions to intangible, tangible and financial fixed assets	1,2,3	-136,222	-68,166
Divestment intangible, tangible, and financial fixed assets	1,2,3	39,050	14,678
Dividend received	3	8,151	14,171
Deconsolidation of cash and cash equivalents	1,2,3,9	-	-5,667
Issued other long-term receivables	3	-59,405	-59,167
Proceeds of other long-term receivables	3	42,539	48,284
<b>Cash flow from investing activities</b>		<b>-105,887</b>	<b>-55,867</b>
Proceeds of non-current liabilities	10	361,936	109,872
Repayments of borrowings	10	-66,349	-62,501
<b>Cash flow from financing activities</b>		<b>295,587</b>	<b>47,371</b>
<b>Net cash flow</b>		<b>39,559</b>	<b>-12,137</b>
Currency exchange rate differences on cash and cash equivalents		3,763	-4,660
Increase / (decrease) in cash and cash equivalents		43,322	-16,797
<b>Cash and cash equivalents</b>			
As at 1 January	7	36,912	53,709
Net increase / (decrease) in cash and equivalents		43,322	-16,797
<b>Cash and cash equivalents as at 31 December</b>	7	<b>80,234</b>	<b>36,912</b>

### 3.4 Consolidated statement of comprehensive income 2024

(x € 1,000)

		2024	2023
	<i>Note</i>		
Net result	8	58,251	43,235
Translation differences concerning foreign operations		3,744	-2,271
<b>Items recognised directly in shareholders' equity as part of group equity</b>		<b>3,744</b>	<b>-2,271</b>
<b>Total comprehensive income</b>		<b>61,995</b>	<b>40,964</b>

## 4 Notes to the 2024 financial statements



### General

Damen Shipyards Group N.V. has its registered office in Curaçao, Zeelandia (registration no. 38969). It is a company with cross-border operations and, consequently, is not registered as a formally foreign company in the Netherlands. The company prepared the consolidated financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code, so as to take advantage of the exemption from intermediate consolidation applicable to Damen Holding B.V. The company financial statements of Damen Shipyards Group N.V. have been drawn up separately.

The financial statements were prepared on 28 October 2025.

The main activities of the company consist of the building of ships, ship repair & conversion activities, ship components and delivery of services.

### Basis for preparation

The consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in the Netherlands (Dutch GAAP) and comply with the financial reporting requirements included in Part 9, Book 2, of the Dutch Civil Code.

The accounting policies for measurement of assets and liabilities and determination of result are based on the historical cost convention, unless otherwise stated in the accounting policies.

### Financial reporting period

These financial statements cover the year 2024, which ended at the balance sheet date of 31 December 2024.

### Financing and business continuity

In 2024 the Company has refinanced its Senior Facility Agreement with new senior facilities to fund the business plan. The facilities comprise EUR 88 million Revolving Credit Facility, EUR 35 million Term Loan, EUR 690 million bank guarantees and has a three year tenor with two one year extension options. Furthermore, EUR 100 million euro of bilateral financings and a EUR 140 million sale and leaseback transaction of some Dutch real estate properties have been arranged.

Covenants for solvency, net leverage and interest coverage ratio applicable to the Senior Facility Agreement and part of the working capital facilities are included in the current senior financings. Based upon the forecasted business plan, there is sufficient headroom available on these covenants. It is expected that the covenants will be met in the foreseeable future.

Our base current cash forecast up and until 31 December 2026 shows a limited use of the Revolving Credit Facility as part of the Senior Facility Agreement. Nevertheless, we keep our group and divisional cash monitoring systems in place, as well as our treasury short-term cash forecast systems. This has proven to be a solid compass to steer the company. The bank guarantee facilities (including uncommitted EUR 150m bilateral facilities) are considered sufficient to run operations in the foreseeable future, based on the forecasts.

However, as part of its diversified order portfolio, Damen continues to execute large-scale multi-year naval projects. Among these is a six frigate order for the German Navy (F126 Frigate Program). As result of delays in the project execution, the F126 program requires substantial prefinancing, which introduces a risk for funding shortfalls in 2025 and 2026. During the initial months of 2025, it became evident that reaching a timely agreement with the German client on the re-baselining of milestone payments (intending to improve project cash flows) was becoming increasingly challenging. This was primarily due to delays in securing the required Parliamentary approval(s) in Germany. As the risk on a funding shortage could not be solved with the German client on short notice, other mitigating actions were required.

Supported by the proposed and available bridge facility of EUR 270 million from the Dutch government for the project, Damen has actively pursued a resolution to the F126 project financing challenge over the past few months. This effort has resulted in an agreement with the Dutch State to reinforce the strategic partnership between the Dutch State and Damen Naval without taking on the offered and available bridge facility. The structure





and details of this enhanced strategic partnership will be further defined in the near future.

In October 2025, Damen and the German client agreed on renegotiating key aspects of the F126 project ensuring the future operational and financial continuity and stability of the project.

To mitigate risks for the period until approval from the German client on the re-baselined project cashflows, Damen made a liquidity forecast based on various scenarios of (expected) cash in- and outflows and available financing facilities in the group and determined that there is sufficient headroom available to continue as going concern.

Throughout 2025 and 2026, the Company will continue to advance the strategic objectives outlined in its 2025–2029 business plan. The primary focus remains on execution of our divisional business plans and further mitigating of risks through initiatives such as the Project Risk Board and a commitment to operational excellence. Damen also maintains a highly cautious approach to ensure full compliance with evolving sanction regulations. Fortunately, the Company benefits from a well-diversified product portfolio and a geographically broad customer base, supported by its long-standing reputation for delivering high-quality products and services.

#### Conclusion

We are confident that an agreement with the German customer regarding the renegotiated F126-project will be reached and we have sufficient liquidity to bridge the period until the agreement. As a result we consider the use of the going concern assumption in our financial statements appropriate.

#### **Accounting Policies for the measurement of assets and liabilities and the determination of the result**

##### **Assets and Liabilities**

Unless stated otherwise, valuation is based on historical cost.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets. A liability is recognised in the balance sheet when it is expected that the settlement of an existing

obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company.

Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. However, in circumstances where the transaction does not significantly change the economic reality of an asset or liability, this asset or liability remains recognised on the balance sheet. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction. If assets are recognised of which the Company does not have the legal ownership, this fact will be disclosed.

##### **Income and Expenses**

Income is included in the profit-and-loss account if an increase in the value of an asset or decrease in the value of a liability leads to an increase in the economic potential of which the size can be measured reliably.

Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

The income and expenses are accounted for in the period to which they relate. Revenue is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods.

### Functional and presentation currency

The financial statements are presented in euro, the company's functional and presentation currency. All the financial figures in euro have been rounded to the nearest thousand.

### Change in Accounting Principles

In 2024 the Dutch Accounting Standards Board has clarified when a debt to the bank is part of the cash (Standard 360.102a). If a bank overdraft is an integral part of cash management and is payable on demand, it is required to include such positions as part of the cash in the cash flow statement. This change in accounting standard has no effect on the comparative figures.

### Estimates

The preparation of the financial statements requires management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual result may differ from these estimates. The estimates and the underlying assumptions are assessed on an ongoing business. Revisions of estimates are recognised in the period in which the estimate is revised or in future periods for which the revision has consequences. The key estimates and assumptions are described below:

#### Construction contracts (project estimates)

Recognised project income and project cost of construction contracts are subject to significant judgements and estimates. In general, the basis for allocating total project income to cumulative project income in the profit and loss statement and to future incomes is the estimation and judgement of the percentage of completion. The allocation of project income is based on judgements and estimates of total project income, including variations to contract and penalties for late delivery, as well as total expected costs of the projects. Differences in these estimates would have resulted in higher or lower related operating income for the year.

#### Impairment of financial fixed assets

The group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, the amount of the impairment loss is determined and recognised in the income statement for all categories of financial assets carried at amortised cost. The assessment resulted in an impairment of financial fixed assets of 3.6 million euro in the current financial year (2023: impairment of 13.6 million euro).

The amount of impairment losses on financial assets carried at (amortised) cost is calculated as the difference between the carrying amount of the asset and the best possible estimate of the future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial

recognition of the instrument. If the decrease in impairment relates to an objective event occurring after the impairment was recognised, a previously recognised impairment loss is reversed to a maximum of the amount required to carry the asset at (amortised cost) at the time of the reversal if no impairment had taken place. The impairment loss reversal should be recognised in the income statement. The carrying amount of the receivables is reduced through the use of an allowance account.

#### Deferred tax assets

Deferred tax assets are carried on the basis of the tax consequences of the realisation or settlement of assets, provisions, liabilities or accruals and deferred income as planned by the group at the balance sheet date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available for set-off.

In this assessment, the group includes the availability of deferred tax liabilities set-off, the possibility of planning of fiscal results and the level of future taxable profits in combination with the time and/or period in which the deferred tax assets are realised.

The group also holds deferred tax assets in jurisdictions where losses were made in the past and that are not recognised. The group considers it probable that the future taxable profits will be insufficient in the remaining available period, taking into account possible tax planning. These taxable losses may not be used to set-off profits elsewhere in the group and cannot be set-off with deferred tax liabilities.

Reference is made to the notes to financial fixed assets for more information regarding the assumptions and estimates used in determining the amount of the deferred tax assets.

#### Development costs

Development costs are capitalised if they satisfy the technical, commercial, and financial feasibility criteria set for them. The moment when the criteria have been met is usually when a product development has reached a defined milestone according to an established project management model. The financial feasibility in part depends on an estimate of the expected future cash flows, the term within which the cash flows are realised and the discount rate.

#### Claims

The Group is involved in several legal proceedings. Such proceedings are subject to inherent uncertainties. Furthermore, reference is made to the notes on the other receivables and prepayment and the off-balance sheet commitments if applicable.

### Provision for doubtful debts

The assessment of the collection of long-term receivables- and trade receivables requires an estimate of subjective aspects. Based on our conversations, written confirmations and analysis of financial reporting, it is expected that the trade receivables will be paid after the balance sheet date. If it is expected that payment will not be (fully) received a provision is formed.

### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the consolidated financial statements:

#### Consolidation of group company

In accordance with RJ 217, Damen Shipyards Group N.V. is obliged to explain whether or not a company is included in the consolidation, when this is not evident from the shareholding in said company. Although not being majority shareholder of Damen Shipyards Mangalia S.A. (49%), based on the contents of the Statutes of Damen Shipyards Mangalia S.A. (and other contractual arrangements), Damen Shipyards Group N.V. via its fully owned subsidiaries was till July 2, 2023 exposed to substantially all of the risks and rewards with respect to the assets of Damen Shipyards Mangalia S.A. and was till July 2, 2023 able to exercise rights that correspond with full operational and managerial control of the shipyard. Therefore, applying the requirements of Article 2:406.1 of the Dutch Civil Code, Damen Shipyards Mangalia S.A. is fully consolidated till July 2, 2023. Damen assessed that due to change of law, per July 2, 2023 full operational and managerial control of the shipyard no longer exists and subsequently Damen Shipyards Mangalia S.A. is no longer consolidated as per July 2, 2023.

The CEO and certain shareholders of Damen Shipyards Group NV (DSG) own investments in companies which have contractual arrangements with DSG group companies. Those contractual arrangements relate to financing of sales transactions made by DSG group companies to customers (Damen Ship Lease Coöperatie U.A. and its subsidiaries), and to subcontractor services provided (DTec Industries C.V.). Individually, the CEO and these shareholders do not have a controlling share in either DSG or those other companies. There is no common control or central management between DSG and these other companies. In addition, no other facts and circumstances are assessed that might result in:

- › either these shareholders, individually or jointly, having common control over DSG and the other companies, or
- › DSG having the power to control over these companies, or
- › the other companies having control over DSG.

DSG did not include the abovementioned companies in its consolidated financial statements nor is DSG part of consolidated financial statements prepared by another company.

### Revenue recognition of buy-back commitments

Sales are classified as turnover when the main risks and benefit of ownership have been transferred to the buyer, collection of the due payment is likely, the associated costs can be reliably determined and there is no further management involvement. This includes sales transactions with buy-back commitments where they are significantly lower than the fair value of the buy-back asset. Furthermore, it is considered highly unlikely by DSG that the buy-back option will be exercised.

#### Investment vessel lease classification - group as lessor

The group entered into operational lease agreements involving vessels being leased for a term of ten years, with a fixed annual amount being agreed upon. The assessment of whether an agreement contains a lease is conducted based on the economic reality at the time the contract was concluded. The classification of lease agreements as finance leases or operational leases requires an assessment of subjective aspects, such as the lease term in respect of the economic life and an estimate of the present value of the minimum lease payments in respect of the fair value of the lease object. The lease agreements of the group include a lease term which does not encompass a significant part of the economic life and of which the present value of the minimum lease payments is lower than 90 percent of the fair value of the lease object. Therefore these leases have been classified as operational leases.

#### Basis of consolidation

The consolidated financial statements include the financial information of the company and its Group companies. Group companies are legal entities and companies over which the company exercises control or of which it conducts the central management.

Financial instruments containing potential voting rights are also taken into account in this assessment if they have substance. A Special Purpose Entity or Special Purpose Company can also be a Group company. Subsidiaries are participating interests in which the Company (and/or one or more of its subsidiaries) can exercise more than half of the voting rights in the general meeting, or can appoint or dismiss more than half of the managing directors or supervisory directors. Group companies are participating interests in which the company holds majority interests, or which the company otherwise controls. In connection with this, the following criteria, among others, are taken into account.

- › Organisational interdependence
- › Central management
- › Economic entity (ability to exercise control)

The actual situation, rather than the legal situation, is leading in determining the Group relationship. Whether or not a Group relationship exists depends on whether a company essentially controls the other company; in other words, whether the former company plays a policy-setting role in the latter company. In connection with this, all factual circumstances and contractual relationships must be taken into consideration.

The Group companies are fully consolidated as from the date on which control is obtained, with minority interests being presented separately. The date on which control is obtained is the date from which the entity controls the Group company's policies. This date may differ from the date on which the purchase agreement has been concluded, or from the date from which the Group company is contractually (whether or not with retrospective effect) deemed to have been held for the buyer's account and risk. The Group companies are no longer consolidated from the date on which control ends. The consolidated financial statements are prepared using uniform accounting policies for measurement and determination of result of the group. In the consolidated financial statements, intragroup shareholdings, liabilities, receivables and transactions are eliminated. Also, the results on transactions between group companies are eliminated to the extent that the results are not realised through transactions with third parties outside the group and no impairment loss is applicable. For a transaction whereby the Company has a less than a 100% interest in the selling group company, the elimination from the group result is allocated pro rata to the minority interest based on the interest of the minority in the selling group company.

Minority interests are presented separately in the consolidated financial statements. Minority interests in group companies are part of group equity. If losses to be allocated to the minority interest exceed the minority interest within equity of the consolidated entity, the difference, including any further losses, is fully charged to the majority shareholder, except to the extent that the minority shareholder has the obligation to, and is able to, compensate for the losses. Minority interests in the income statement of group companies are deducted from result after tax.

A list of companies included in the consolidation has been filed separately with the Chamber of Commerce.

## **Mergers, acquisitions and business combinations**

A business combination is a transaction whereby the group obtains control over the assets and liabilities and activities of the acquired party. Acquisitions are recognised in the financial statements according to the purchase accounting method. This means that any assets acquired, and liabilities assumed are carried at fair value as at the acquisition date. The difference between cost and the company's share of the fair value of the

identifiable assets acquired and liabilities assumed at the time of the transaction of a participating interest is recognised as goodwill from third parties.

## **Principles for the translation of foreign currencies**

### **Transactions in foreign currencies**

At initial recognition, transactions denominated in a foreign currency are translated into the functional currency of the Company at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into to the functional currency at the spot exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognised in profit and loss in the period in which the exchange difference arise. Exempted from this are exchange differences resulting from net investments in foreign activities, or from loans obtained to finance or effectively hedge net investments in foreign activities. These exchange differences are recognised directly in the foreign currency translation reserve. The foreign currency translation reserve is included under the legal reserves.

Non-monetary assets and liabilities denominated in foreign currency that are measured based on historical cost, are translated into the functional currency at the exchange rates at the date of the transactions.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at current value, are translated into the functional currency at the spot exchange rates when the current value is determined. Exchange rate differences that arise from this translation are directly recognised in equity using the accounting treatment as the change in current value.

### **Foreign operations**

The assets and liabilities that are part of the net investment in a foreign operation are translated to the presentation currency (euros) at the spot exchange rate on the reporting date. Income and expenses of these foreign activities are translated at average annual rates if there is no significant deviation with the actual rate on transaction date. Currency translation differences are directly recognised in the statutory foreign currency translation.

When a foreign operation is fully or partially sold, the cumulative amount that relates to that foreign operation is transferred from the translation reserve to the profit and loss account.

### **Financial instruments**

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable.



These financial statements contain the following financial instruments: loans, trade and other receivables (current and non-current), cash and cash equivalents, non-current and current liabilities and other financial liabilities and derivatives.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party. Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.

Financial instruments embedded in contracts that are not separated from the host contract are recognised in accordance with the host contract. Derivatives separated from the host contract are, in accordance with the measurement policy for derivatives for which no cost price hedge accounting is applied, measured at cost or lower fair value.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition. After initial recognition, financial instruments are valued in the manner described below:

#### **Loans, trade and other receivables (current and non-current)**

Loans, trade and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, bank balances, notes and checks. Cash and cash equivalents are measured at nominal value. It also includes deposits if these are effectively free disposal, even if interest income may be lost. Cash at bank and in hand not expected to be of free disposal for over 12 months is classified as financial fixed assets.

#### **Non-current and current liabilities and other financial liabilities**

Non-current and current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account. Redemption payments regarding non-current liabilities that are due next year, are presented under current liabilities.

#### **Derivatives and hedge accounting**

Cost hedge accounting is used if foreign exchange contracts are taken out to hedge monetary assets and liabilities. The purpose of hedge accounting is to ensure that the results of the conversion of the monetary items recognised in the profit and loss account are compensated through value changes of foreign exchange contracts at the spot rate on the reporting date. The difference between the spot rate on the closing date of the foreign exchange contract and the forward rate is amortised through profit and loss over the term of the foreign exchange contract. Hedge accounting is further disclosed under the financial instrument accounting principle.

Derivatives are (after their initial recognition) carried at the lower of cost and fair value, except if the cost model for hedge accounting is applied.

The group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations.

The group separates an embedded derivative from the host contract, if the following conditions are met:

- There is no close relationship between the economic characteristics and risks of the embedded derivative and those of the host contract
- A separate instrument having the same characteristics as the embedded derivative would be classified as a derivative, and
- The compound instrument is not measured at fair value with changes in fair value recognised through the income statement

The separated derivative is measured in accordance with the accounting policies set out below.

### Derivatives based on cost hedge accounting

The company documents hedging relationships in generic hedge documentation and periodically tests the effectiveness of its hedging relationships.

The group documents the following:

- › The general hedging strategy and the way in which the hedging relationships are in line with risk management objectives and the expected effectiveness of these hedging relationships
- › The nature of the hedging instruments involved and hedged positions.

At each balance sheet date, the Group assesses the degree of ineffectiveness of the combination of the hedge instrument and the hedge positions (the hedging relationship). The degree of ineffectiveness of the hedging relationship is determined by comparing critical features of the hedging instrument against the hedge position. The hedges that meet these strict criteria for hedge accounting are accounted for as follows.

If the cost model for hedge accounting is applied, then no revaluation of the derivative instrument takes place, as long as the derivative hedges the specific risk of a future transaction (in case the derivative transaction is related to financial assets or liabilities) that is expected to take place. As soon as the expected future transaction leads to recognition in the profit and loss account, then the profit or loss that is associated with the derivative is recognised in the profit and loss account.

If the hedged position of an expected future transaction results in the recognition in the balance sheet of a non-financial asset or a non-financial liability, then at initial recognition the cost of this asset or liability is adjusted for the hedge results that have not yet been recognised in the profit and loss account.

If the hedged position of an expected future transaction results in the recognition in the balance sheet of a financial asset or a financial liability, the hedging results not yet recognised in the profit and loss account are recognised in the profit and loss account in the period(s) that the acquired asset or liability incurred affects profit or loss.

If forward exchange contracts are concluded to hedge monetary assets and liabilities in foreign currencies, cost hedge accounting is applied. This is done to ensure that the gains or losses arising from the translation of the monetary items recognised in the profit and loss account are offset by the changes in the value of forward exchange contracts arising from the difference between the exchange spot rates as at inception of the contract and the exchange spot rates as at the reporting date. The difference between the exchange

spot rate at the inception of the contract and the forward rate is amortised via the profit and loss account over the term of the contract. When a derivative expires or is sold, the accumulated profit or loss that has not yet been recognised in the profit and loss account prior to that time is included as a deferral in the balance sheet until the hedged transactions take place, consistent with the accounting policy of the initial hedged transaction in the profit and loss. If the transactions are no longer expected to take place, then the accumulated profit or loss is transferred to the profit and loss account.

If a derivative no longer meets the conditions for hedge accounting, but the financial instrument is not sold, then the hedge accounting is also terminated. Subsequent measurement of the derivative instrument is then at the lower of cost or market value.

### Amortised cost

Amortised cost is determined by means of the effective interest method adjusted for deductions relating to impairment or collectability.

Positive and negative exchange premiums at the date of acquisition are taken into account in the calculation. Also, transaction costs or other fees included in the effective interest rate are taken into account.

### Impairment of financial assets

A financial asset that is not measured at (1) fair value with value changes reflected in the profit and loss account, or at (2) amortised cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the issuer or obligor, breach of contract such as default or delinquency in interest or principal payments, granting to the borrower a concession that the Company would not otherwise consider, indications that a debtor or issuer will enter bankruptcy or other financial restructuring, the disappearance of an active market for that financial asset because of financial difficulties or observable data indicating that there is a measurable decrease in the estimated future cash flow, including adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching

bankruptcy, and the disappearance of an active market for a security. Indicators for subjective evidence are also considered together with objective evidence of impairments, such as the disappearance of an active market because an entity's financial instruments are no longer publicly traded, a downgrade of an entity's credit rating or a decline in the fair value of a financial asset below its cost or amortised cost.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and financial assets that are held to maturity) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. The individually significant assets that are not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate. Impairment losses below (amortised) cost of investments in equity instruments that are measured at fair value through profit or loss, are recognised directly in the profit and loss account.

## Leasing

The Company may enter into finance and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## The group as lessor – operating lease

Under operating leases, the lease income is recognised in the income statement straight line over the term of the lease. Initial direct costs are amortised over the term of the lease against the lease income.

## The group as lessor – financial lease

Leases are classified as "finance leases" if substantially all the risks and rewards incidental to ownership are transferred from the group to the customer or a third party. If the contract does not substantially transfer all the risks and rewards incidental to ownership, the lease is classified as an "operating lease".

In assessing whether substantially all of the risks and rewards have been transferred, among others, is determined:

- ▶ Whether the unguaranteed residual value of the leased assets is lower than 10% of the gross cost, or
- ▶ the lease term is greater than 75% of the useful life of the asset, or
- ▶ the ownership is transferred automatically at the end of the contract period, or
- ▶ the present value of the minimum lease payments amounts to substantially all (90%) of the fair value of the leased asset

Finance receivables are recognised at an amount equal to the initial net investment in the lease, less subsequently collected amounts. The initial net investment is the discounted amount of the contractual lease payments to be received and, if applicable, plus any residual values guaranteed by third parties or unguaranteed less commission expense ("initial direct cost") incurred to enter into the contract. The discount rate used is the implicit interest rate of the lease.

The interest income on finance leases is recognised in the income statement on a constant rate of return basis.

## The group as lessee

Under finance leases (where all or part of the risks and rewards of ownership of the lease is transferred to the lessee), at the inception of the lease, the leased asset and related liability are carried at the fair value of the leased asset (based on valuation reports of certified external valuers) at the inception of the lease or at the present value of the minimum lease payments, whichever is lower. The leased asset is initially recognised including the initial direct costs incurred by the lessee. Lease payments are apportioned between the interest expense and repayment of the remaining balance of the liability, with the remaining balance of the net liability bearing a constant rate of interest.

The capitalised leased asset is depreciated over the shorter of the term of the lease and the useful economic life of the property, if there is no reasonable certainty as to whether ownership of the property is transferred to the lessee at the end of the term of the lease.

Under operating leases, the lease payments are charged to the income statement on a straight-line basis over the term of the lease.

### Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

- › An enforceable legal right exists to offset the assets and liabilities and settle them simultaneously and;
- › The positive intention is to settle the assets and liabilities on a net basis or simultaneously

### Intangible fixed assets

Intangible fixed assets are only recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably. Intangible fixed assets are measured at acquisition or construction cost, less accumulated amortisation and impairment losses.

The accounting principles for the determination and recognition of impairments are included under the section Impairments of fixed assets.

### Goodwill

Goodwill is the difference between the cost of acquisition for newly acquired participating interests and the value of the company's share in the fair value determined in accordance with the accounting policies of the Group, less cumulative amortisation and impairment losses. Goodwill is amortised on a straight-line basis over its estimated useful economic life which is estimate on 5 years. Goodwill paid on the acquisition of foreign Group companies and participating interests is translated at the rate ruling on the acquisition date. Where necessary, subsequent adjustments to the fair value of the identifiable assets and liabilities are recognised in goodwill, provided the adjustment is made before the end of the first financial year commencing after the acquisition date. Internally generated goodwill is not capitalised.

In case of a full or partial sale of a participating interest, the positive goodwill that can be allocated to the sold part is written off proportionally (in case of capitalised goodwill) or reversed (in case of goodwill charged directly to shareholders' equity in previous reporting periods) and is charged to the book result. In the latter case, a useful life of 5 years is assumed in determining the amount to be reversed.

### Software

Software stated at cost, less amortisation and impairments. Software is amortised on a straight-line basis over its estimated useful economic life which is estimated between 5 and 12 years.

### Development cost

Development costs are capitalised if they satisfy the technical, commercial, and financial feasibility criteria set for them. A legal reserve equivalent to the carrying amount is recognised.

Development costs are the capitalised costs for the development of new types of ships and are amortised on a straight-line basis over their estimated useful lives. The construction cost comprises mainly salaries of staff involved; the capitalised costs are amortised over the estimated useful life after completion of the development phase (asset ready for usage), which is 5 years.

### Prepayments on intangible fixed assets

Prepayments on intangible fixed assets are valued at cost. Prepayments on intangible fixed assets are not amortised.

### Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

The tangible fixed assets are stated at cost, less depreciation and, where applicable, accumulated impairment losses.

The cost comprises the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenditure is only capitalised when it extends the useful life of the asset.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives, taking into account the residual value. The residual value is based on the expected net realisable value at the end of the useful economic life.

If the expected depreciation method, useful life and/or residual value are subject to changes over time, they are treated as a change in accounting estimate.

The carrying amount includes capitalised major maintenance costs when incurred and if the recognition criteria are met. The carrying amount of the components to be replaced will be regarded as a disposal and recognised directly in the income statement. All other repair and maintenance costs are recognised directly in the income statement.

An item of tangible fixed assets is derecognised upon sale or when no further economic benefits are expected from its continued use or sale. The gain or loss arising on the disposal is recognised in the income statement.

### Financial fixed assets

Non-consolidated participating interests over whose financial and operating policies the company exercises significant influence are valued using the net asset value method. Under



this method, participating interests are carried at the company's share in their net asset value.

The net asset value increases with its share in the results of the participating interests and its share of changes recognised directly in the equity of the participating interests as from the acquisition date, determined in accordance with the accounting policies disclosed in these financial statements.

The net asset value decreases with the group's share in the dividend distributions from the participating interest. The group's share in the results of the participating interest is recognised in the income statement. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve.

Following application of the net asset value method, the group determines whether an impairment loss has to be recognised in respect of the participating interest. At each balance sheet date, the group assesses whether there are objective indications of impairment of the participating interest. If any such indication exists, the group determines the impairment loss as the difference between the recoverable amount and the carrying amount of the participating interest. This amount is recognised in the income statement.

If the value of the participating interest under the net asset value method has become nil, this method is no longer applied, with the participating interest being valued at nil if the circumstances are unchanged. In connection with this, any long-term receivable that, in substance, form part of the investor's net investment in the participating interest are included. A provision is recognised if and to the extent the group is liable for all or part of the debts of the participating interest or if it has a constructive obligation to enable the participating interest to repay its debts.

The provision is recognised according to the amounts of the estimated payments by the company on behalf of the participating interest.

A subsequently obtained share of the profit of the participating interest is recognised only if and to the extent that the accumulated share of the previously unrecognised loss has been compensated.

Participating interests over which the Group has no significant influence are recognised at cost less any impairment. Dividend is designated as income and recognised under financial income and expenses in the period in which the dividend becomes payable.

#### **Joint arrangements**

Participating interests where the Company exercises control along with other participants, such as in joint ventures, are valued according to the equity method on the basis of net asset value.

In case of contribution in or sale of assets by the Company to a joint venture, the Company recognises the part of the result in the profit and loss account that corresponds to the relative share of the other participants in the joint venture. No result is recognised if the non-monetary assets contributed by the participants approximately equal each other in terms of type, use (same business activity) and fair value. Any unrecognised results are charged to the net asset value of the joint venture. Any losses on current assets or impairments of fixed assets are recognised immediately and in full.

#### **Other financial fixed assets**

##### **Non-current deferred tax assets**

For the valuation and recognition of non-current deferred tax assets, please refer to the separate section on Income tax expense.

##### **Non-current receivables**

For the valuation and recognition of non-current receivables, please refer to the financial instruments section.

##### **Loans granted and other receivables**

For the valuation and recognition of loans granted and other receivables, please refer to the financial instruments section.

#### **Impairment of fixed assets**

Fixed assets are reviewed at each balance sheet date to determine whether there is any indication that an asset may be impaired. If any indication exists, the assets' recoverable amount is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset or the cash-generating unit; these cash flows are discounted based on the weighted average cost of capital. The discount rate does not reflect risks already taken into account in future cash flows.

An impairment occurs when the carrying amount of an asset is higher than the recoverable amount. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

#### **Disposal of fixed assets**

Fixed assets are derecognised upon sale or when no further economic benefits are expected from its continued use or sale. The gain or loss arising on the disposal is recognised in the income statement.

## Inventories

Raw materials and consumables are recognised at historical cost, or lower realisable value, in accordance with the first-in, first-out (FIFO) principle. The costs includes the purchase price paid increased by other costs, such as import duties and freight. Hulls and finished products are recognised at historical cost (including the cost of raw materials used and direct production costs), or lower realisable value. The addition of the cost incurred is recognised in the profit and loss account as part of the line item 'cost of raw materials and consumables'.

The trading vessels are included at cost or lower realisable value.

All inventories carried at cost do not include capitalised interest cost.

## Construction contracts

A construction contract carried out at the instruction of a third party ("construction contract") is a contract entered into with a third party for the construction of an asset or combination of assets whose performance generally extends over several reporting periods.

The revenues in relation to construction contracts are accounted for on the basis of each individual contract which qualifies as a construction contract. In certain cases (applicable for contracts which became effective as from January 1, 2022), however, they are accounted for on the separately identifiable performance obligations of an agreement, in order to reflect economic reality (where the goods or services committed in an agreement are separate performance obligations).

The entity presents project revenues as part of net turnover in the profit and loss account.

Construction contracts are carried at realised contract costs plus attributable profit - provided this can be reliably measured and less a provision for expected losses and instalments invoiced. If the balance of the construction contract shows a(n):

- overdraft (debet balance), the net amount is treated as an asset;
- credit balance, the net amount is treated as a liability

The construction contracts account is presented separately in the balance sheet under current assets between inventories and trade and other receivables if it shows an overdraft. The project in progress is presented separately in the balance sheet under current liabilities if it shows a credit position.

Included in the valuation of construction contracts are the contract costs which directly relate to the specific project. Contract costs are the direct contract costs, consisting of raw materials, consumables and cost of sales direct attributable to

the contract, and a mark-up for costs attributable to contract activities in general and can be allocated to the contract based on the normal level of contract activity.

Expenses relating to contract costs resulting in work to be performed after the balance sheet date are recognised under Inventories (work in progress or prepayments on inventories) or Prepayments and accrued income if it is probable that they will give rise to revenue in the subsequent period.

To the extent that there are substantial pre- and post-financing arrangements with respect to construction contracts, any interim profit recognition will be effected with due regard for the interest income and interest costs arising from such arrangements.

Revenues, costs and profit taking in respect of construction contracts are recognised with respect to the activity performed to complete the project as at balance sheet date (percentage of completion method). The level of activities performed for a construction project is determined on the basis of contract costs incurred to the balance sheet date in relation to estimated total contract costs or an earned value methodology (output method), based on hours earned and planned, depending on the nature of the project.

The result of a fixed price contract can be estimated reliably when total contract revenue, the required contract costs to complete the project and the extent to which the construction contract is completed can be reliably measured, it is probable that the economic benefits will flow to the Company and the contract costs are clearly and reliably attributable to the construction contract.

The result of a cost plus contract can be estimated reliably when it is probable that the economic benefits will flow to the Company and the contract costs are clearly and reliably attributable to the construction contract.

When the outcome of a construction contract cannot be reliably estimated, revenues are recognised in the profit and loss account to the extent of the contract costs incurred which are likely to be recovered. Contract costs are recognised in the profit and loss account in the period in which they are incurred.

Project revenues reflect the revenues agreed in the contract plus any revenues from contract variations, claims and compensation. The proceeds are recognised on the basis of the determined transaction price, which is the amount to which the Company expects to be entitled in exchange for the services rendered. In the case of variable transaction price, the Company estimates the size in such a way that there is little chance that the project proceeds will have to be reversed at a later date.

Expenses related to contract costs which will lead to activities to be performed after the balance sheet date are recognised as part of inventories (work in progress or prepayments)/accrued income if it is probable that they will lead to revenue in a subsequent period.

Contract costs are recognised as an expense in the profit and loss account when activities in the project will be or have been performed.

Expected losses on construction contracts are immediately recognised in the profit and loss account. Losses are determined regardless whether the project has already been started, the stage of realisation of the project or the amount of profit which is expected on other, non-related projects.

#### **Trade and other receivables**

The principles for the valuation of receivables are described under the 'financial instruments' heading.

#### **Cash and cash equivalents**

The principles for the valuation of cash and cash equivalents are described under the 'financial instruments' heading.

#### **Shareholders' equity**

Issued financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Issued financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

The preference shares B are recognised as equity in the consolidated financial statements based on the economic reality. Any distribution of dividend is dependent on the realisation of sufficient profits and shareholders resolution.

#### **Minority interests**

Minority interests are valued at the third-party share of the net asset value, which is determined in accordance with the accounting policies of Damen Shipyards Group N.V.

#### **Provisions**

A provision is recognised in the balance sheet if the following applies:

- there is a legal or constructive obligation as a consequence of past event; and
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of this obligation

The amount of the provision is determined based on a best estimate of the amounts required to settle the liabilities and losses concerned as at the balance sheet date. If the effect of the time value of money is material, the provisions shall be measured at the present value, with exception of provision for deferred taxation. For other provisions it is considered that the time value of money is not material. Therefore, these provisions are recorded at nominal value.

#### **Provision for long-service bonus**

This concerns a provision for costs still to be incurred in the future based on current employee agreements relating to long-service bonuses. In calculating this provision, account was taken of average future salary increases of 3% (2023: 3%) and likelihood of staff leaving. The present value of the provision is calculated based on an interest rate of 4% (2023: 5.45%).

The company recognises an obligation if it has demonstrably committed paying a termination benefit or transition payment. The obligation is included in the provision for long-service bonus. If the termination is part of a reorganisation, the company includes the costs of a termination benefit or transition payment in a provision for reorganisation costs.

#### **Warranty provision**

The valuation of warranty provisions is based on the company's assumptions relating to expected warranty costs and risks which can occur after the delivery of the project. The basis for these assumptions is the best estimate of contractual agreements and specific product related indications. Due to the character of the delivered projects the actual result may differ from these estimates.

### Other provisions

This item includes liabilities amongst others arising from project deliveries, soil contamination, claims, disputes, lawsuits and dredging costs. The timing of the outflow of funds is as yet unknown.

A provision for claims, disputes and lawsuits is established when it is expected that the Company will be sentenced in legal proceedings. The provision represents the best estimate of the amount for which the claim can be settled, including the costs of litigation.

The dredging costs for yard facilities based upon the contractual obligation are allocated to the respective book years through a provision.

### Non-current liabilities

The principles for the valuation of long-term liabilities are described under the 'financial instruments' heading.

### Current liabilities

The principles for the valuation of current liabilities are described under the 'financial instruments' heading.

## Revenue accounting

### Net turnover

Net turnover comprise the revenue (excluding turnover tax) from construction and sale of goods (vessels, packages and parts) and services delivered to third parties.

Revenue is recognised at the level of separate contracts. If it is necessary to reflect economic reality, revenue is recognised at the level of a group of contracts, for example where the Company has entered into several separate contracts, which have been negotiated as a total, separating the individual contracts in terms of pricing and profit margin that are closely related and are performed simultaneously or immediately after each other. Amounts that the Company receives for its own account (as principal) are recognised as revenue. Amounts that the Company receives for third parties (as an agent) are not recognised as revenue. Revenues only include the gross increases in economic potential that the Company has received or has receivable for its own account.

Revenue is recognised for the amount to which the Company expects to be entitled in exchange for transferring promised goods or services, which is the transaction price. This amount excludes amounts received on behalf of third parties. The transaction price may consist of a fixed fee, a variable fee or a combination thereof. When determining the transaction price, the credit risk is not taken into account. Any write-downs as a result of the credit risk are charged to the profit and loss

account. In determining the transaction price, it is assumed that the goods or services will be provided in accordance with the relevant agreement and that this agreement will not be cancelled, extended or otherwise modified. A non-monetary consideration is measured at fair value. When determining the transaction price, the following effects are, among other things, taken into account:

- ▶ variable fees, due to discounts, returns, refunds, price concessions, performance bonuses, penalties or other similar elements that may vary in size. The amount of variable compensation is estimated as part of the total compensation and applies the prudence principle in doing so;
- ▶ major financing components, where the Company adjusts the transaction price for the effects of the time value of money. In doing so, an interest rate is applied that is determined at the generally applicable interest rate for a comparable financing instrument of an issuer with a comparable credit rating or an interest rate that, when discounting the transaction price, results in the current spot selling price of the goods and services; and
- ▶ payments to buyers of goods and services, which are accounted for as a reduction in the transaction price and therefore as a reduction in revenue, unless the payment to the buyer is made in exchange for a distinct good or service

No revenue is recognised for all amounts received – or receivable – to which the Company does not expect to be entitled. The Company treats these received – or receivable – amounts in these cases as a repayment obligation. The Company recognises revenue per separate performance obligation. A performance obligation is a commitment in a contract to supply:

- ▶ a distinct good or service or a combination of goods or services which are collectively distinguishable from other commitments in the contract; or
- ▶ a range of distinct services that are largely the same

If two or more commitments in a contract by the Company to provide goods or services are indistinguishable separately, the commitments are combined into a combination of goods or services that are collectively distinct from other commitments in the agreement.

In the event of multiple performance obligations in a contract (applicable for contracts effective from January 1, 2022), the total transaction price is allocated to the performance obligations in proportion to the value of the performance obligations. The Company bases this value on the stand-alone selling price per performance obligation. If the standalone sales price is not known, estimates are used.



## **Construction contracts**

### *Contracts entered from 1 January 2022*

Refer to the accounting policies under the heading 'Construction contracts'.

### *Contracts entered before 1 January 2022*

A construction contract carried out at the instruction of a third party ("construction contract") is a contract entered into with a third party for the construction of an asset or combination of assets whose performance generally extends over several reporting periods.

Construction contracts are carried at realised contract costs plus attributable profit - provided this can be reliably measured and less a provision for expected losses and instalments invoiced.

If the outcome of a construction contract can be reliably estimated, project income and contract costs from the construction contract are recognised in the income statement in the line changes in work in progress pro rata to the extent of the work performed at the balance sheet date (percentage of completion method).

The percentage of completion is determined on the basis of the contract costs incurred in proportion to the estimated total contract costs.

If the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that are probably recoverable. The contract costs are recognised as an expense in the income statement in the period in which they are incurred. If it is probable that total contract costs will exceed total project income, the expected loss is recognised as an expense immediately.

## **Sale of goods**

Revenue from the sale of goods is accounted for in net turnover at the fair value of the consideration received or receivable. Revenue from the sale of goods is classified as turnover when the main risks and benefit of ownership have been transferred to the buyer, collection of the due payment is likely, the associated costs can be reliably determined and there is no further management involvement. This includes sales transactions with buy-back commitments where the commitments are significantly lower than the fair value of the buy-back asset. Furthermore, it is considered highly unlikely by DSG that the buy-back option will be exercised.

## **Services**

Revenue from services rendered is accounted for in net turnover at the fair value of the consideration received or receivable.

If the result of a transaction relating to a service can be reliably estimated and then revenue is probable to be received, the revenue relating to that service is recognised in proportion to the service delivered.

Stage of completion is based on the costs incurred in providing the services up to the balance sheet date in proportion to the estimated costs of the total services to be provided.

## **Other operating income**

This includes the book gains on the sale of tangible fixed assets, release of provisions and other items.

## **Costs of outsourced work and other external costs**

This includes costs incurred in order to generate operating income, insofar as these costs have been charged by third parties and are not to be regarded as costs of raw materials and consumables.

## **Employee benefits/ pensions**

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet.

If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

For benefits with accumulating rights, possibly transitional compensation, profit-sharing and bonuses the projected costs are taken into account during the employment.

An expected payment resulting from profit-sharing and bonus payments is recognised if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made. Contributions received as a result of a life-course savings scheme ('levensloopregeling') are taken into account in the period in which the contributions are due.

If a benefit is paid in case of non-accumulating rights (e.g., continued payment in case of sickness or disability), the projected costs are recognised in the period in which such benefit is payable. For existing commitments at the balance sheet date to continue the payment of benefits (including termination benefits) to employees who are expected to be unable to perform work wholly or partly due to sickness or disability in the future, a provision is recognised.

The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the profit and loss account

**Dutch pension plan**

The main pension agreement relates to the ‘Bedrijfstakpensioenfonds Metalektro (PME)’. This is a defined contribution plan which does not lead to an additional contribution obligation for the company in the case the fund is not sufficient up to the amount of the future obligations. The promised contributions are included in this ‘bedrijfstakpensioenfonds’.

The main principle is that the pension charge to be recognised for the reporting period should be equal to the pension contribution payable to the pension fund over the period.

Insofar as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in the future.

The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the staff and other (explicit or implicit) commitments to staff. The liability is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date.

For any surplus at the pension fund as at balance sheet date, a receivable is recognised if the company has the power to withdraw this surplus, if it is likely that the surplus will flow to the company and if the receivable can be reliably determined.

**PME (Metalektro)**

The coverage of the Metalektro fund is 113.1 percent as at 31 December, 2024 (2023: 109.4%).

A 10-year recovery plan has been issued by PME. According to this plan the coverage will be 119.1 percent at the end of 2032. PME concluded that on the basis of this plan no further measures are needed.

**PMT**

The coverage of the ‘Metaal en Techniek’ fund is 108.6 percent as at 31 December, 2024 (2023: 105.5%).

A 10-year recovery plan has been issued by PMT. According to this plan the coverage will be 120.1 percent at the end of 2032. PMT concluded that on the basis of this plan no further measures are needed.

**Foreign pension plans**

Other pension plans relate to, individually not material, multi-employer pension plans arranged with pension funds a.o. in Romania and France. The pension plans are in compliance with local laws and/or regulations applicable in the aforementioned countries. The Group has no direct and/or significant involvement in the governance of these pension plans. The pension plans in Romania are classified as defined contribution plans. The pension plans in French are classified as defined contribution plans. These pension plans are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (the Company, the fund and its members) are recognised and measured in accordance with Dutch pension plans (see before).

**Amortisation of intangible fixed assets**

Amortisation of intangible fixed assets of goodwill and software is calculated as a percentage of the acquisition price according to the straight-line method on the basis of useful life. Development costs are the capitalised costs for the development of new shiptypes and are amortised on a straight-line basis over their estimated useful lives.

Basically, the depreciation rates are:

<b>Goodwill:</b>		
10 - 20%		5-10 years
<b>Software:</b>		
8 - 20%		5 years
<b>Development costs:</b>		
10 - 20% per annum;		5-10 years

### Depreciation of tangible fixed assets

Depreciation of tangible fixed assets is calculated as a percentage of the acquisition price according to the straight-line method on the basis of useful life. Land and tangible fixed assets under construction are not depreciated.

Basically, the depreciation rates are:

#### Land and buildings

1.5 - 10% per annum;	10 - 66.5 years (Land not depreciated)
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#### Docks

2.5 - 10% per annum;	10 - 40 years
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#### Machinery and equipment

8 - 20% per annum;	5 - 12.5 years
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#### Vessels

5 - 10% per annum;	10 - 20 years
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#### Other fixed operating assets

8 - 20% per annum;	5 - 12.5 years
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### Other operating expenses

This includes the book losses on the sale of tangible fixed assets and addition to a number of provisions.

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognised if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

### Government grants

Government grants related to income are recognised in the income statement in the year in which the subsidised expenditure is incurred, in which the reduction of income is recognised, or in which the operating expense is incurred for which the grant was received.

Investment grants recognised as amounts received in advance (both current and non-current) are presented under accrued liabilities and are recognised in profit or loss over the useful life of the asset.

### Interest income and expenses

Interest income and expenses concern interest received/ due from third parties and interest paid/ due to third parties respectively.

Interest income and is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.

Premium, discount and redemption premiums are recognised as interest expense in the period to which they belong. The allocation of these interest expenses and the interest income on the loan is the effective interest rate that is recognised in the profit and loss account. On the balance sheet, the amortised value of the debt(s) is recognised (on balance).

Interest on debts associated with an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (qualifying assets) is included in the production cost of an asset, if the future benefits related to that asset are expected to be large enough to cover the carrying amount of that item, including the allocated interest, and the economic benefits can be determined sufficiently reliable. If the amount of the expected ultimately to be capitalised cost of the qualifying asset exceeds the recoverable amount, an impairment loss is recognised.

### Share in result of participating interest

The share in result of participating interest comprises the Group's share in the results of these participating interests. Gains or losses on transactions involving the transfer of assets and liabilities between the Group and non-consolidated participating interests and between the various non-consolidated participating interests are not recognised to the extent they are deemed to be unrealised.

The results of participating interests acquired or sold during the financial year are recognised in the Group results from the date of acquisition or up to the date of disposal, respectively.

### Corporate income taxes

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Reference is made to note 19 Taxation on result for notes on Pillar Two.

## Deferred taxes

A provision for deferred tax liabilities is recognised for all taxable temporary differences between the valuation for tax and financial reporting purposes. A deferred tax asset is recognised for all deductible temporary differences between the valuation for tax and financial reporting purposes, and carry forward losses, to the extent that it is probable that future taxable profit will be available for set-off. The long-term and current deferred tax assets are recognised under financial fixed assets. The deferred tax liabilities are recognised under provisions.

Deferred tax liabilities and deferred tax assets are carried on the basis of the tax consequences of the realisation or settlement of assets, provisions, liabilities or accruals and deferred income as planned by the group at the balance sheet date. Valuation is based on current tax rates. Deferred tax liabilities and deferred tax assets are carried at nominal value.

Deferred tax assets and liabilities are netted if the group has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities are related to taxes on profits that relate to the same fiscal unity and are levied by the same tax authority.

To the extent that deferred tax assets arise from losses available for set-off (within the fiscal unity of Dutch companies), they are set off against the provision for deferred tax liabilities. The remaining tax losses available for set-off are measured to the extent that taxable profits are likely to be realised in the future.

## Current taxes

Taxes are calculated on the result as disclosed in the income statement based on current tax rates, (substantively) enacted at balance sheet date, allowing for tax-exempt items and cost items which are non-deductible, either in whole or in part.

Tax assets and liabilities are netted if the general conditions for offsetting are met.

## Consolidated cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. Cash flows in foreign currencies are translated at estimated average rates. The effect of exchange rate changes on cash and cash equivalents are presented separately in the statement of cash flows. Cash flows from derivative financial instruments with hedge accounting no longer being applied are consistently classified according to the nature of the instrument from the date hedge accounting is discontinued. Interest paid and received, and income taxes paid are classified as cashflow from operating activities.

Transactions that do not include an exchange of cash and cash equivalents, such as finance leases, are not included in the cash flow statement. The payment of finance lease terms is allocated for the part related to the repayment of the lease

obligation to the cash flows from financing activities and is allocated for the part related to the interest component to the cash flows from operational activities.

## Determination of fair value

Based on a number of accounting principles and the notes to the company's financial statements the fair value of both financial and non-financial assets and liabilities needs to be determined. For initial measurement and disclosure purposes, the fair value is determined on the basis of the following methods. Where applicable, detailed information concerning the principles for determining the fair value is included in the section that specifically relates to the relevant asset or liability.

## Financial assets

The fair value of financial assets is determined on the basis of the quoted closing bid price at the reporting date.

## Trade and other receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows.

## Derivatives

The fair value of forward exchange transactions is based on the quoted market price, if available. If there is no market price available, the fair value is estimated on the basis of the expected cash flows discounted at the current interest rates, including a margin for discounting the relevant risks.

## Non-derivative financial liabilities

The fair value of non-derivative financial liabilities is determined for disclosure purposes only and is calculated on the basis of the net present value of future repayments and interest payments, discounted at the market interest rate as at the reporting date. For financial leases, the fair value of the leasing liability is based on valuation report of external valuation experts.

## Related parties

Transactions with related parties (refer to page 86 for the identified related parties) are disclosed if they have not been entered on commercial basis. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions.

## Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.







## Consolidated balance sheet as at 31 December 2024

### 1 Intangible fixed assets

(x € 1,000)					
	Goodwill	Software	Development costs	Prepayments on tangible fixed assets	Total
Purchase price	10,819	80,898	25,737	35,184	152,638
Cumulative amortisation and impairments	-10,727	-33,199	-9,833	-1,338	-55,097
Carrying amount as at 31 December 2023	92	47,699	15,904	33,846	97,541
<b>Changes in carrying amount</b>					
Investments	358	4,044	548	24,950	29,900
Disinvestments	-	-37	-	-589	-626
Transfer	-	26,704	-	-26,704	-
Amortisation	-37	-12,167	-2,083	-	-14,287
Currency differences	-	1	-	1	2
<b>Balance</b>	<b>321</b>	<b>18,545</b>	<b>-1,535</b>	<b>-2,342</b>	<b>14,989</b>
<b>Balance as at 31 December 2024</b>					
Purchase price	11,177	111,610	26,285	32,842	181,914
Cumulative amortisation and impairments	-10,764	-45,366	-11,916	-1,338	-69,384
<b>Carrying amount as at 31 December 2024</b>	<b>413</b>	<b>66,244</b>	<b>14,369</b>	<b>31,504</b>	<b>112,530</b>

The bank has established a pledge on intangible fixed assets for an amount of 111.8 million euro (2023: 97.3 million euro).

The capitalised development costs relates to the internally generated intangible fixed assets and relate to the development of yacht vessels. The remaining economic useful life is 5-10 years.

## 2 Tangible fixed assets

(x € 1,000)								
	Land and Buildings	Docks	Machinery and equipment	Vessels	Other tangible fixed operating assets	Tangible fixed assets under construction	Not used in operations	Total
Purchase price	399,966	95,965	157,939	47,952	79,330	21,771	60	<b>802,983</b>
Cumulative depreciation and impairments	-247,093	-77,091	-114,469	-18,450	-60,742	-320	-46	<b>-518,211</b>
<b>Carrying amount as at 31 December 2023</b>	<b>152,873</b>	<b>18,874</b>	<b>43,470</b>	<b>29,502</b>	<b>18,588</b>	<b>21,451</b>	<b>14</b>	<b>284,772</b>
<b>Movements in carrying amount</b>								
Investments	11,424	2,374	8,896	32,516	6,040	43,976	-	<b>105,226</b>
Disinvestments	-145	-716	-83	-23,382	-384	-812	-	<b>-25,522</b>
Depreciation	-12,309	-2,439	-7,995	-3,952	-5,124	-118	-	<b>-31,937</b>
Transfer	4,275	5,131	6,161	36	2,191	-17,794	-	<b>-</b>
Currency differences	1,029	101	229	-	57	37	-	<b>1,453</b>
<b>Balance</b>	<b>4,274</b>	<b>4,451</b>	<b>7,208</b>	<b>5,218</b>	<b>2,780</b>	<b>25,289</b>	<b>-</b>	<b>49,220</b>
<b>Balance as at 31 December 2024</b>								
Purchase price	414,847	95,554	172,290	39,137	84,752	47,178	60	<b>853,818</b>
Cumulative depreciation and impairments	-257,700	-72,229	-121,612	-4,417	-63,384	-438	-46	<b>-519,826</b>
<b>Carrying value as at 31 December 2024</b>	<b>157,147</b>	<b>23,325</b>	<b>50,678</b>	<b>34,720</b>	<b>21,368</b>	<b>46,740</b>	<b>14</b>	<b>333,992</b>

Financial institutions established a mortgage or pledge on the tangible fixed assets for an amount of some 149 million euro (2023: 151 million euro). This relates mainly to Land and Buildings, Docks, Vessels and Machinery and equipment.

The vessels are leased to customers (revenues book year 2024 amount to 7.8 million euro (2023: 7.4 million euro). The docks included in 2023 0.7 million euro of assets of which the company is economic owner by means of financial lease contracts. The land and buildings includes 19 million euro of assets of which the company is economic owner by means of financial lease contracts. The lessor has the legal ownership of these assets. For more information please refer to the financial lease commitments in the non-current liabilities.

### 3 Financial fixed assets

(x € 1,000)		
	2024	2023
Participating interests	70,328	52,132
Amounts owed from participating interests	134,863	102,907
Amounts owed from other interests	25,350	23,850
Deferred tax assets	73,269	81,810
Other receivables (including loans to customers)	86,813	104,404
	<b>390,623</b>	<b>365,103</b>

Movement in financial fixed assets for 2024 is as follows:

(x € 1,000)						
	Participating interests	Amounts owed from participating interests	Amounts owed from other interests	Deferred tax assets	Other receivables (including loan to customers)	Total
Balance at 31 December 2023						
Cost price	53,132	128,318	36,274	81,810	117,728	417,262
Accumulated impairment losses	-1,000	-25,411	-12,424	-	-13,324	-52,159
<b>Carrying amount at 31 December 2023</b>	<b>52,132</b>	<b>102,907</b>	<b>23,850</b>	<b>81,810</b>	<b>104,404</b>	<b>365,103</b>
Investments	1,096	-	-	-	-	1,096
Divestments	-29	-	-	-	-	-29
Profit or loss of participating interests	26,677	-	-	-	-	26,677
Impairment	-	-2,800	-	-	-6,444	-9,244
Reversal of impairment	-	-	1,500	-	4,125	5,625
Transfer	-2,397	2,397	-	-	-	-
Dividend	-8,151	-	-	-	-	-8,151
Loans granted	-	42,729	-	-	16,676	59,405
Repayment of loans	-	-10,568	-	-	-31,971	-42,539
Other movements	1,000	198	-	-8,541	23	-7,320
Balance	<b>18,196</b>	<b>31,956</b>	<b>1,500</b>	<b>-8,541</b>	<b>-17,591</b>	<b>25,520</b>
<b>Balance at 31 December 2024</b>						
Cost price	70,328	160,208	36,274	73,269	102,457	442,536
Accumulated impairment losses	-	-25,345	-10,924	-	-15,644	-51,913
<b>Carrying amount at 31 December 2024</b>	<b>70,328</b>	<b>134,863</b>	<b>25,350</b>	<b>73,269</b>	<b>86,813</b>	<b>390,623</b>



### Participating interests

A list of participating interests and joint ventures has been filed separately with the Chamber of Commerce.

### Amounts owed from participating interests

These concern long term receivables from non-consolidated participating interests (a.o. cargo vessel business related) over whose financial and operating policies the Group exercises significant influence.

Of the amounts owed from participating interests 102.0 million euro (2023: 68.3 million euro) has a term exceeding one year and 19.5 million euro (2023: 20.0 million euro) a term of more than five years. The interest percentages are based on EURIBOR + margin up to 2.5%.

### Amounts owed from other interests

These concern long-term receivables from participating interests (cargo vessel business related) over which the Group has no significant influence.

The outstanding amounts have a term shorter than 1 year. The interest percentages are based on EURIBOR + margin up to 2.5%. The amounts owed from participating interests includes a cumulative loss provision of 127 million euro.

### Deferred tax assets

The deferred tax assets include carry forward losses of 380 million euro incurred in previous financial years. Based on the five years business plan of the Group, these losses have been recognised, as sufficient future taxable profits are probable to be available within the fiscal unity for set-off. The full amount of compensable losses will be set-off by the taxable profits forecasted in the five years business plan. It is noted that 10 million euro of the carryforward losses is considered to be current.

The total amount of carryforward losses in the Netherlands (325 million euro) can be forwarded indefinitely and have been recognised for the full amount applying a tax rate of 25.8%. A deferred tax asset related to the carryforward losses of 55 million euro of foreign companies can be forwarded indefinitely and have been recognised, for an amount of 13.5 million euro.

The deferred tax asset is netted with a deferred tax liability of 48 million euro.

Damen has also unrecognised tax assets regarding carryforward losses which could be carried forward indefinitely in the following countries:

- › Curacao (Damen Shiprepair Curacao B.V. and Damen Dock Curacao B.V.): carry forward losses for 62 million euros;
- › Denmark (Knud E. Hansen A/S, Naval Architects): carry forward losses for 3,8 million euros; and
- › Germany (Van der Velden Barkemeyer GmbH): carry forward losses for 1,8 million euros.

The related unrecognised deferred tax asset, calculated at prevailing rates, amounts to 2.6 million euros in total and are monitored and updated based on the actual local tax returns filed.

Refer to note 17 Income tax expenses for further details on the Other movements.

### Other receivables

This item includes mainly loans to customers, net of a provision for doubtful debts where necessary. Of the other receivables, 31.4 million euro (2023: 51.0 million euro) has a term exceeding one year and 13.6 million euro (2023: 22.3 million euro) a term of more than five years. These loans bear interest.

During 2024 no fully impaired receivables have been written off (2023: 6.6 million euro).

The bank has established a pledge on the shares of the participating interests, amounts owed from participating and other interests and other receivables for a total amount of 295 million euro (2023: 200 million euro).



## Current assets

### 4 Inventory

(x € 1,000)		
	2024	2023
Raw materials	103,583	107,409
Hulls	436,055	403,054
Finished products	8	22
Trading vessels	20,965	14,323
	<b>560,611</b>	<b>524,808</b>

The cost for obsolete raw materials and hulls (work in progress) in 2024 amounted to 0 million euro (2023: -0.3 million euro).

The bank has established a pledge inventories for an amount of 510 million euro (2023: 491 million euro).

### 5 Construction contracts

(x € 1,000)		
	2024	2023
Recognised project income	4,392,921	3,636,230
Less: Instalments declared	-4,014,383	-3,592,047
	<b>378,538</b>	<b>44,183</b>
Presented under construction contracts	829,827	548,899
Presented under current liabilities	-451,289	-504,716

Recognised project income consists of realised contract costs plus attributable profit and less a provision for expected losses. The total amount for construction contracts in 2024 includes contracts whose billed instalments exceed the costs spent (net of provisions) of the construction contracts. The total credit balance of these projects at year-end 2024 was 451 million euro (2023: 505 million) euro and is presented under current liabilities. No deductions have been withheld from the progress billings. No interest is capitalised as part of the construction contracts.

### 6 Trade and other receivables

(x € 1,000)		
	2024	2023
Trade receivables	311,547	274,632
Participating interests	3,746	3,948
Taxes	41,898	43,154
Project related receivables	62,940	47,970
Other receivables and prepayments	69,169	57,335
	<b>489,300</b>	<b>427,039</b>

The trade receivables are generally short term. The provision for bad debts amounted to 19 million euro (2023: 18 million euro). The addition to the bad debt provision amounted to 3.8 million euro (2023: 4.7 million euro). The reversal from the bad debt provision amounted to 1.7 million euro (2023: 2.4 million euro). The bank has established a pledge on receivables for an amount of 365 million euro (2023: 302 million euro).

For an amount of 3.7 million euro (2023: 4.0 million euro), the receivables relate to amounts receivable from associated companies in which the Group can exercise significant influence. No amounts have a maturity date longer than 1 year.

### Other receivables and prepayments

The other receivables and prepayments are generally short term.

## 7 Cash and cash equivalents

The cash and cash equivalents are, except for an amount of 10.2 million euro, at the free disposal of the company.  
An amount of 30 million euro (2023: 6 million euro) is pledged to the bank.

## 8 Shareholders' equity

	2024	2023
Issued and paid-up capital	138	87
Legal reserve for capitalised development costs	80,613	63,602
Legal reserve for participating interests	62,667	37,664
Foreign currency translation reserve	5,176	1,432
Retained earnings	256,706	255,485
Undistributed result	58,251	43,235
	<b>463,551</b>	<b>401,505</b>

### Issued and paid-up capital

The authorised share capital and the issued and paid-up share capital as at 31 December can be specified as follows:

	2024	2023
173 6.5% cumulative preference B shares of 500 euro	86,500	86,500
20 ordinary shares AA of 175 euro resp. 5 euro	3,500	100
20 ordinary shares AB of 175 euro resp. 5 euro	3,500	100
20 ordinary shares AC of 175 euro resp. 5 euro	3,500	100
20 ordinary shares B of 175 euro resp. 5 euro	3,500	100
20 ordinary shares C of 175 euro resp. 5 euro	3,500	100
100,000 cumulative preference D shares of 0,34 euro	34,000	-
	<b>138,000</b>	<b>87,000</b>

The authorised shared capital contains also cumulative preference A shares of 500 euro each. These have not been issued and paid-up. Each cumulative preference B share is entitled to 100 votes in a shareholders meeting, whereas cumulative preference D shares have no voting rights. Ordinary shares have one voting right each. The nominal value per share of AA, AB, AC, B and C shares have been increased from 5 euro to 175 per share. The increases in nominal have been fully paid-up.

### Legal reserve for capitalised development costs

(x € 1,000)	2024	2023
Balance as at 1 January	63,602	63,463
Transferred from retained earnings	17,011	139
<b>Balance as at 31 December</b>	<b>80,613</b>	<b>63,602</b>

A legal reserve for capitalised development costs is formed equal to the carrying amount of the capitalised development costs and internally developed software costs at yearend.

### Legal reserve for participating interests

(x € 1,000)		
	2024	2023
Balance as at 1 January	37,664	34,574
Transferred from/to retained earnings	25,003	3,090
<b>Balance as at 31 December</b>	<b>62,667</b>	<b>37,664</b>

The legal reserve for participating interests relates to the difference between retained earnings and direct changes in equity of the participating interest calculated on the basis of the parent company's accounting policies and the portion for which the parent company can determine distribution. The legal reserve is determined on an individual basis.

### Foreign currency translation reserves

(x € 1,000)		
	2024	2023
Balance as at 1 January	1,432	3,703
Movement in exchange difference	3,744	-2,271
<b>Balance as at 31 December</b>	<b>5,176</b>	<b>1,432</b>

This legal reserve includes exchange differences arising on the conversion from functional to presentation currency of foreign operations. If a participating interest is sold, the accumulated exchange differences relating to this participating interest are recycled to the income statement as part of the gain or loss on the sale.

A translation differences reserve debit balance should be considered a reduction in freely distributable reserves.

### Retained earnings

(x € 1,000)		
	2024	2023
Balance as at 1 January	255,485	244,094
From appropriation of result 2023 resp. 2022	43,235	14,620
To legal reserve for capitalised development costs	-17,011	-139
To legal reserve for participating interests	-25,003	-3,090
<b>Balance as at 31 December</b>	<b>256,706</b>	<b>255,485</b>

### Undistributed result and proposed appropriation of profit

(x € 1,000)		
	2024	2023
Balance as at 1 January	43,235	14,620
Appropriation of result 2023 resp. 2022	-43,235	-14,620
Net result of the year	58,251	43,235
<b>Balance as at 31 December</b>	<b>58,251</b>	<b>43,235</b>



It is proposed to add the profit of the year to the retained earnings. Article 37 of the Articles of Association stipulates that, of the profit achieved in any financial year, where possible, 6.5 percent of the nominal value of cumulative preference B shares will first be added to the dividend reserve CPB, unless the General Meeting of Shareholders has added the profit to reserves. If the profit achieved in any financial year is not sufficient for such purpose, the deficit must be made good in a subsequent year. In these financial statements no dividend reserve has been formed as the amount of the dividend reserve is considered to be immaterial (0.03 million euro).

The financial statements have been prepared before profit appropriation. In previous years results have been added/deducted from the retained earnings according to the resolutions of the General meeting of Shareholders. Therefore, no statutory reserves have been recognised.

#### Minority interests

Minority interest represents shares held by third parties in:

- › SC Santierul Naval Damen Galați S.A., 0.84% held by third parties
- › Damen Shipyards Koźle Sp.z.o.o., 0% (Up and until January 2024 4.22%)
- › Damen-Songcam Shipyard Co. Ltd., 30%
- › Damen Winch Technology B.V., 48%
- › Damen Shipyards Mangalia S.A., 51% (no longer consolidated as per July 2, 2023)
- › Damen Shipyards Cape Town (Pty) Ltd. 30.07%

The movement in minority interests can be specified as follows:

(x € 1,000)		
	2024	2023
Balance as at 31 December	9,320	8,673
Share minority interests in result	2,189	1,395
Exchange differences	-94	-748
<b>Balance as at 31 December</b>	<b>11,415</b>	<b>9,320</b>

## 9 Provisions

(x € 1,000)						
	Balance as at 31 December 2023	Addition chargeable to the result	With-drawals	Released to profit and loss account	Other movements (including exchange differences)	Balance as at 31 December 2024
Long-service bonus	8,667	1,989	-418	-143	543	10,638
Warranties	41,158	27,016	-8,959	-20,438	-297	38,480
Other	23,480	3,041	-3,862	-3,438	-43	19,178
	73,305	32,046	-13,239	-24,019	203	68,296

For details of the provisions, please refer to the notes on the provisions in the accounting policies.

Of the total provision the expected duration of the provisions between 1 and 5 years amounts to 14.6 million euro (2023: 26.3 million euro). The expected long-term part of the provision (longer than 5 years) amounts to 13.6 million euro (2023: 20.1 million euro) and refers mainly to the long-service bonus payments.

## 10 Non-current liabilities

(x € 1,000)

	2024	2023
Subordinated debts	120,449	19,699
Loans to credit institutions	459,319	351,663
Financial lease	60,920	2,819
Other non-current liabilities	29,080	-
	<b>669,768</b>	<b>374,181</b>

(x € 1,000)

	2024			2023		
	Total	due >1 year	due >5 years	Total	due >1 year	due >5 years
Subordinated debts	120,449	99,966	20,483	19,699	-	19,699
Debts to credit institutions	459,319	219,675	93,543	351,663	203,814	14,394
Finance lease obligations	60,920	9,747	48,736	2,819	-	-
Other non-current liabilities	29,080	4,653	23,264	-	-	-
	<b>669,768</b>	<b>334,041</b>	<b>186,026</b>	<b>374,181</b>	<b>203,814</b>	<b>34,093</b>

For the subordinated loans obtained (of which 100 million euros relates to cumulative preference D shares, which qualifies as financial liability), an amount of 113.4 million euro has a fixed interest rate (weighted interest rate of 10,3%). Repayments are included in the table above based on the options as stated in the contracts.

For the loans obtained from credit institutions, variable interest applies, based on the Euribor rate 3/6 months, plus 1.5% to 4.4%. For the financial leases obtained, an amount of 90 million euro has a fixed interest rate of 8,8% (subject to yearly indexation).

A total amount of 146.1 million euro (2023: 136.2 million euro) relates to liabilities shorter than one year. The subordination of the subordinated loans applies towards all other creditors of the group. The non-current liabilities includes remaining non-amortised transaction costs of 16 million euro.

Movement in long term liabilities is as follows:

(x € 1,000)					
	Subordinated loans related parties	Loans to credit institutions	Financial lease	other non-current liabilities	<b>Total</b>
Balance as at 31 December 2023	19,699	351,663	2,819	-	374,181
Proceeds	100,750	171,186	60,920	29,080	361,936
Repayments	-	-63,530	-2,819	-	-66,349
Balance as at 31 December 2024	120,449	459,319	60,920	29,080	669,768

#### Loans to credit institutions

Security has been provided for the loans repayable to credit institutions in the form of any (or a combination) of the below:

- › Pledge on bank account;
- › Pledge on receivables under a contract;
- › Pledge on specific Insurance receivables;
- › Pledge on specific movable assets;
- › Mortgage on specific property;
- › Mortgage on specific vessel(s);
- › Pledge of shares.

We refer to the off-balance sheet commitments for the disclosure on the Senior Facility Agreement.

#### Financial lease

The financial lease liability is related to the lease of several real estate objects in the Netherlands with a duration of 25 years and the option of Damen to extend the lease period with 10 + 10 + 10 years. The lease agreement includes an option for the lessor to buy other properties with a leaseback obligation for the Group.

## 11 Current liabilities

(payables within one year)

(x € 1,000)		
	2024	2023
Debts to suppliers, trade creditors	377,680	335,022
Construction contracts	451,289	504,716
Debts to participating interests	24,104	5,383
Taxes and social insurance contributions	24,703	29,405
Pension liabilities	9,857	9,876
Project related payables	574,530	407,352
Other payables and accruals	121,924	135,009
	<b>1,584,087</b>	<b>1,426,763</b>

The taxes and social insurance contributions include an amount of nil (2023: 3.4 million euro) of which the payments have been postponed, making use of Covid-19 measures of the Dutch Government.

The other payables and accruals include personnel related accruals of 62 million euro (2023: 57 million euro).

No amounts have a maturity date longer than 1 year.

## Off balance sheet commitments

### Senior Facility Agreement

In 2024 the Company has refinanced its Senior Facility Agreement with new senior facilities to fund the business plan. Damen Shipyards Group N.V. and the majority of its Dutch subsidiaries, as amended from time to time, are obligor and/or guarantor in the credit facility with this syndicate of eleven financial institutions.

The due date of the extended facility is 29 July 2027. The facilities are constructed in a joint and several liability structure and account to some 925 million euro, consisting of bank guarantee facilities (837 million euro) and working capital

facilities (88 million euro). They are secured by way of pledges on receivables and assets, with certain carve-outs. Next to that, covenants on the solvency, net leverage and interest coverage are in place. As per year-end 2024 all covenants have been met.

The covenants are calculated according to the definitions as agreed with the bank consortium. As per December 2024 and/or YTD 2024, the solvency must be at least 20 percent, the net leverage must be less than 3,0 and the interest coverage ratio must be at least 3,75.

(x € 1,000)

	2024
<b>Solvency calculation for covenant</b>	
Shareholders' Equity	463,551
Minority Interest	11,415
Other adjustments	95,082
<b>Tangible Net Worth</b>	<b>570,048</b>
Balance sheet total	2,797,117
Construction contracts corrected for project related accruals	-444,120
Netting bank balances	-69,136
Other adjustments	-563,819
<b>Adjusted balance sheet total</b>	<b>1,720,042</b>
<b>Solvency</b>	<b>33.1%</b>

Other adjustments to Tangible Net Worth include Cum preference shares equity qualified as liability (-/-), Deferred tax provisioning (+), Subordinated loans (+), Development costs (-/-). Other adjustments to the adjusted balance sheet include Intangible fixed assets (-/-).

(x € 1,000)

	2024	2023
<b>EBITDA calculation</b>		
Result after taxation	58,251	44,630
Taxation on result	17,790	4,823
Interest expense	39,891	34,275
Reorganisation costs	4,500	20,422
Depreciation of (in)tangible fixed assets	46,225	51,102
Impairments of (in)tangible fixed assets	-	-
Other adjustments	2,190	1,642
<b>EBITDA</b>	<b>168,847</b>	<b>156,894</b>



### Guarantees

At the end of 2024, a total of some 521 million euro (as at 31 December 2023: 292 million euro) is outstanding under the bank guarantee facilities of the syndicate. The guarantees mainly relate to (advance) payment, performance and warranty obligations for several commercial contracts entered into by the group.

Damen also has guarantee facilities outstanding with other institutions. At the end of 2024, a total some 31 million euro is outstanding under a guarantee facility with ING Bank N.V.. The guarantees mainly relate to (advance) payment and performance obligations for several commercial contracts entered into by the group.

Due to the nature of some other commercial contracts, Damen has issued some 92.6 million euro of third-party guarantees (as at 31 December 2023: 51.1 million euro).

### Claims

The Group have received various claims that are contested by it. Although the outcome of these disputes cannot be predicted with any certainty, the outcome is uncertain and difficult to estimate, it is assumed – partly on the basis of legal advice – that these will not have any material unfavourable impact on the consolidated financial position.

### Lease commitments

Commitments amounting to 0.9 million euro (2023: 1.7 million) have been entered into in connection with leased other equipment. No commitments longer than 1 year exists in connection with leased, non-capitalised cars and other business assets.

Commitments amounting to 12.1 million euro (2023: 8.1 million) have been entered into in connection with rental leases.

No commitments longer than 1 year exists in connection with leased, non-capitalised cars and other business assets.

The finance lease obligations no more than 1 year amount to 9 million euro. The finance lease obligations between 1 and 5 years amount to 35 million euro. The finance lease obligations longer than 5 years amount to 176 million euro.

### Capital commitments

The Group has concluded capital commitments of 26 million euro (2023: nil) for investments made in mainly land and buildings.

### Recourse commitments

The recourse commitments, maximum approximately 18.6 million euro (2023: 18.6 million euro), are comprised of repayment commitments regarding discounted promissory notes from clients and other instalments from banks related to customers when those customers cannot fulfil their repayment obligations to the financier.

### Buy-back commitments

As part of its commercial proposition to customers Damen may offer lease solutions to its customers through certain lease institutions, involved in financing of the delivered vessels. As a result, Damen has entered into certain buy-back commitments to these lease-institutions, of which some are related party companies (Damen Ship Lease Coöperatie U.A. and its subsidiaries). It is noted that the transactions were recognised as net turnover by Damen. The buy-back commitments relate to some 30 vessels (2023: 32) and a total amount of approximately 104.4 million euro (2023: 107.4 million euro).

Historically these commitments are rarely called upon.

The level of the individual commitment is such that it is likely that Damen expects to incur a positive effect on the actual buy-back once exercised. This is due to the exercise value and the facts that Damen has a standardised vessel design that helps determine the future value in a predictable manner, and Damen has an in-depth knowledge of the market for (second hand) Damen vessels. This includes sales transactions with buy-back commitments where the commitments are significantly lower than the fair value of the buy-back asset.

Furthermore, it is considered unlikely by DSG that the buy-back option will be exercised.

### **Industrial Participation and Offset commitments**

In many countries, particularly in the defense and security sectors, Damen is required to fulfil industrial participation or offset obligations. These commitments often involve including local industry in the execution of our projects, generating export opportunities for local companies, and contributing to local development through partnerships, investments, or the transfer of technology and know-how.

Industrial Participation is increasingly a key factor in securing international contracts. At Damen, we understand that when a country invests public funds into its fleet, there is a clear expectation of economic return on investment and the creation and retention of strategic industrial and/or defense capabilities. Damen treats Industrial Participation as a strategic element that requires careful planning and execution, not only to meet formal obligations but to deliver sustainable economic value to our clients and their local industries. It is approached holistically, from the earliest engagement with clients through to final delivery, ensuring that it makes business sense, contributes to long-term partnerships, and aligns with Damen's Code of Conduct and responsible business practices.

Industrial Participation introduces a variety of risks, including operational, financial, legal, and strategic aspects. At Damen, we take a proactive, integrated approach to managing these risks. Our risk management process ensures that obligations and objectives are realistic, aligned with customer expectations, and contribute to the sustainable economic development of the client's country, while remaining fully compliant with our internal policies and ethical standards.

To manage and mitigate these risks, Damen closely collaborates across all relevant divisions and centers of expertise. This cross-functional approach ensures a comprehensive understanding of obligations from the outset and supports smooth execution throughout the project. Dedicated teams oversee the implementation and compliance of Industrial Participation commitments, supported by structured governance and continuous monitoring. Our close collaboration with local stakeholders and industry ensures that commitments are not only fulfilled but contribute to sustainable industry development and mutual benefit.

Damen's approach to Industrial Participation aims to deliver value to our customers and their economies, while maintaining project integrity and safeguarding our global reputation.

### **Other**

On January 13, 2017, Damen's offices were visited by the Dutch fiscal authorities in relation to a criminal investigation. Damen cooperated with the Dutch Prosecution Office whilst protecting its legal rights. In 2025 the Public Prosecution Service (OM) has decided to prosecute Damen Shipyards Gorinchem B.V. and Damen Schelde Naval Shipbuilding B.V. for alleged fraudulent activities, including bribery, forgery and money laundering. Based on the available facts and circumstances the outcome of the legal proceedings is uncertain and therefore difficult to estimate.

In 2025 the Dutch Prosecution Office decided to prosecute Damen Shipyards Gorinchem B.V. for alleged violation of sanctions legislation with respect to the delivery of parts to Russia. Damen contests these allegations, maintaining that it acted in accordance with the applicable sanction regulations. The court hearing is scheduled for the second half of 2025.

### **Fiscal unity**

Damen Shipyards Group N.V. and the majority its Dutch subsidiaries form a fiscal unity for corporate income tax purposes. Each of the companies belonging to the fiscal unity is jointly and severally liable, in accordance with standard conditions, for all corporation tax debts as a whole.

Damen Shipyards Group N.V. and the majority its Dutch subsidiaries form a fiscal unity for Value Added Tax (VAT). Each company forming part of the fiscal unity is jointly and severally liable, in accordance with standard conditions, for all VAT debts as a whole.

### **Financial instruments**

#### **General**

The information included in the notes for financial instruments is useful in estimating the extent of risks relating to both on-balance sheet and off-balance sheet financial instruments. The Group's primary financial instruments, not being derivatives, serve to finance the Group's operating activities or directly arise from these activities. The Group also enters into transactions in derivatives, particularly foreign currency contracts, to hedge foreign exchange risks arising from the Group's operating and financing activities. The Group's policy is not to trade in financial instruments. The principal risks arising from the Group's financial instruments are foreign currency risks, liquidity risks, credit risks, and interest rate risks. The Group's policy to mitigate these risks is set out below.

### Foreign currency risks

As a result of acquisitions denominated in foreign currencies the Group's balance sheet, may be influenced by the change of foreign currency rates to euro exchange rates. The Group's policy is not to hedge this risk.

The Group is also exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency other than the Group's presentation currency.

The Group's policy is to hedge foreign exchange risks by entering into forward currency contracts. They are hedged at the time when obligations are entered into. Damen Shipyards Group does not speculate in financial derivatives (including foreign currency hedging) and has procedures and policies to limit the exposure.

The Group had forward currency contracts in place at the year-end date for a total amount of approximately 216 million euro, of which buy contracts 152 million euro and sell contracts 64 million euro (2023: 279 million euro of which buy contracts 217 million euro and sell contracts 62 million euro). The fair value of these contracts amounted to 3.2 million euro (2023: 0.3 million euro).

Approximately 94 percent (2023: 85%) of these forward currency contracts will expire in 2025 (2023: 2024). The contracts serve to hedge future purchases and sales. The terms and conditions of the forward currency contract are in line with the terms and conditions of the purchase and sales contracts.

### Liquidity risks

Liquidity risk concerns the availability of financial resources and depends, in part, on fluctuations in working capital. Periodical liquidity forecasts, for both the short and long term, ensure that any problems are identified timely to allow for the necessary mitigating actions to be taken. Attention is also paid to the management of working capital at all levels of the organisation.

### Credit risks

The Group trades with creditworthy parties and has implemented procedures to check the creditworthiness of parties. The Group has also drawn up guidelines for limiting the credit risk associated with each party. Furthermore, the Group applies strict credit control and reminder procedures. In addition, there are no significant concentrations of credit risk within the Group.

Credit risks assessment of both customers and supplier as well as service providers are carried out in accordance with the applicable procedures. To the extent possible, sales risks are covered by credit insurance, advanced payments and by settlement of outstanding claims on delivery of the vessel or completion of the assignment.

### Interest rate risk

As the Group's long-term receivables bear mostly fixed rates of interest, the Group runs the risk that receivables will decrease or increase in value respectively due to changing market rates of interest. The Group's long-term debt consists of a mix of floating and fixed interest denominated contracts. In 2023 the Group agreed on interest rate hedges to cover expected significant increases or decreases in market interest rates, hedges were still in place in 2024.

## Other

### Compliance risks

The Damen Shipyards Group operates globally, selling vessels and providing services in numerous countries, which necessitates consideration of diverse and evolving legislation and regulations. To secure and execute projects, Damen relies on local expertise from intermediaries and/or local third parties (referred to as service providers) in many countries. While this business model contributes to the Group's success, it also inherently increases compliance risk due to the high number of service providers supporting the Group worldwide.

Part of Damen's business involves luxury yachts, posing risks such as money laundering. To mitigate these risks, Damen has implemented procedures including Know Your Customer (KYC).

Damen has instituted a comprehensive program with appropriate policies, procedures, and controls to prevent and minimise compliance risks. The organisation employs a Group Compliance Officer responsible for overseeing governance and management of these risks. In 2024, Compliance Risk Assessment sessions were conducted across the entire organisation to ensure a risk-based approach in handling compliance matters. The Group Compliance Officer is supported by a team of six professionals, an interim senior compliance consultant, and a network of ambassadors (compliance contact persons) within Damen's divisions at the management team level.

Damen's directors, staff, and representatives are required to adhere to Damen Values and Code of Conduct, which clearly outlines the rules and behavioral standards expected. Specific policies or procedures are established for health, safety, security, environment, personal and business integrity, export control and sanctions, anti-bribery and corruption, financial compliance, competition law compliance, KYC, conflicts of interest, human rights, IT security, and data protection. A Supplier Code of Conduct is also in place. These policies are reinforced through ongoing training and awareness activities. All staff must complete mandatory recurring classroom and online training based on their functions. For instance, in 2024, various Sales dilemma sessions were held in all Sales Areas to help Sales personnel identify compliance risks and understand when to consult managers and the Compliance team.

As part of the company's governance framework a whistleblower policy is in place. This policy provides employees and other stakeholders with a secure and confidential channel to report suspected misconduct or violations of laws and regulations.

In accordance with this policy, notifications are investigated independently and in some of the cases with support of the Company's legal advisor. As per yearend some investigations are ongoing. These investigations are being conducted with due care and in line with the principles of fairness, confidentiality, and legal compliance. The company is committed to thoroughly addressing all concerns raised and to taking appropriate remedial actions where necessary.

Damen operates in several countries with heightened fraud and corruption risks, where service providers perform a range of services for compensation, either as a percentage of contract value or lump sum amounts. Although Damen does not have direct oversight over the appropriation of these funds, it has established comprehensive procedures to manage associated risks. These include extensive due diligence measures such as identifying and screening service provider companies, their representatives, and beneficial owners, and documenting the rationale for business relationships before engaging in contracts. All service providers must comply with the Damen Code of Conduct and anti-bribery and corruption policy. Training for third-party business partners, titled "Doing Business with Damen," provides clear guidance on conducting business with integrity and outlines Damen's expectations of its partners.

Service provider agreements include strict compliance guidelines and terms. New and renegotiated contracts with intermediaries and local representatives include clauses covering compliance obligations, termination rights, right to audit, and anti-bribery provisions. Absolute and relative maximum remuneration limits are adhered to, and the services provided by representatives are contractually agreed upon as preventive measures. No business is authorized to be conducted without these guidelines and terms being contractually established. Damen requires documentation and reporting, such as activity reports from service providers.



A methodology is in place to conduct more frequent and proactive audits on service providers that meet the risk selection criteria, ensuring their compliance with relevant (local) legislation and regulations. This practice has become standard. For the financial year 2024, two “right to audit” engagements were performed by both the Internal Audit function within Damen and external audit companies. In 2025 Damen performed a ‘right to audit’ at one of its service providers and identified several instances of cash payments. These payments, which were subsequently investigated, were found to include, among other purposes, the disbursement of employee salaries (including bonuses), school fees and payments for charity which could not be fully substantiated. In the country concerned the use of cash payments is more common. The use of cash payments bears a risk of non-compliance with rules and regulations. Damen’s investigation showed that there are no indications of possible irregularities. Despite diligent compliance efforts, complete elimination of compliance risks cannot be guaranteed. Violations of antibribery, corruption, or anti-money laundering laws could adversely affect operational performance, earnings, cash flows, and financial condition.

Damen continues to develop its compliance framework. The Compliance 2.0 project, initiated in April 2021 as a self-imposed initiative, aimed to reinforce and strengthen the Compliance Program and Department to meet increasing regulatory requirements and best practices amidst significant changes within the Damen Shipyards Group. As a result, in 2023, three entities (Damen Holding B.V., Damen Global Support B.V., and Damen Financial Services B.V.) were audited by an external party and obtained ISO 37001 Anti-Bribery Management Systems (ABMS) certification. Continuous efforts focus on training and awareness, with workshops and training organised for management teams, HR leaders, procurement, and the sales organisation. Additionally, initiatives were supported by compliance contact persons within divisions. In April 2024, Damen completed the maintenance audit for ISO 37001 certification.

### **Export compliance**

Damen is committed to adhering to export controls and sanction regulations ('export compliance'). Non-compliance can significantly damage reputation, incur monetary costs, and threaten operational licenses.

The Export Compliance team oversees overall compliance, supported by several professionals in the divisions to safeguard operational compliance. Occasionally, Damen is assisted by law firms specializing in export control and sanction laws.

The compliance department conducts due diligence and compliance checks on suppliers, third parties, and during commercial partnerships, including compliance checks related to export controls and sanctions.

In 2024, Damen developed and launched three new eLearning modules on export classification of goods and technology, along with several updates to the Export Compliance Workshop, expanding the training program. Additionally, a pilot version of a new automated screening tool for the client database in Salesforce was launched, with further development planned for the coming year.

### **Events after the balance sheet date**

No events to report, except for the events described in the Financing and business continuity paragraph on page 80 and 81 regarding financing of the group.

## Consolidated profit-and-loss account for 2024

### 12 Net turnover

Net turnover can be broken down as follows:

(x € 1,000)		
	2024	2023
Ships and packages (Construction contracts)	2,110,237	2,262,047
Repair, conversion and services	736,382	523,170
Other parts and products	175,945	304,676
	<b>3,022,564</b>	<b>3,089,893</b>
The geographical areas of the net turnover can be broken down as follows:		
The Netherlands	591,131	902,469
Inside European Union except from the Netherlands	1,256,083	974,964
Outside European Union	1,175,350	1,212,460
	<b>3,022,564</b>	<b>3,089,893</b>

The performance obligations from revenue from ships and packages (constructions contracts) and revenue from repair & conversion (services) are recognised over-time. Performance obligations from revenue from other parts, products and are recognised at a point in time.

### 13 Other operating income

(x € 1,000)		
	2024	2023
Gain on sale of tangible fixed assets	12,873	7,795
Release provisions	7,771	8,977
Insurance claims	-	19,510
Other	16,022	6,582
	<b>36,666</b>	<b>42,864</b>

Release provisions mainly relates to withholding taxes, restructuring provision and onerous contracts. The other income in 2023 contains a.o. profit from the settlement of a claim.

### 14 Wages and salaries

As a result of the Covid-19 Pandemic, Damen Shipyards Group N.V. received in 2023, related to 2021 and 2020, governmental grants related to personnel expenses in various countries which are recognised for some 1.0 million euro. This amount is deducted from the wages and salaries.

#### Employees

In this year, the Group had 9,046 employees on average (2023: 9,399). They are specified as follows.

	2024	2023
Group management	4	4
Indirect productive employees	2,452	2,475
Direct productive employees	6,590	6,920
	<b>9,046</b>	<b>9,399</b>

A breakdown by geographical area is set out below.

	2024	2023
The Netherlands	3,583	3,425
Outside the Netherlands	5,463	5,974
	<b>9,046</b>	<b>9,399</b>

## 15 Social security and pension charges

Social security contributions include pension charges for an amount of 32.5 million euro (2023: 32.4 million euro).

## 16 Other operating expenses

	2024	2023
Loss on tangible fixed assets	46	73
Addition to provisions	2,302	6,275
Other	5,418	5,749
	<b>7,766</b>	<b>12,097</b>

## 17 Interest income

(x € 1,000)	2024	2023
Banks and loans to participating interests, other interests and other loans	15,626	16,304
Leases	1,770	1,903
Other	1,761	4,101
	<b>19,157</b>	<b>22,308</b>

## 18 Interest expense

(x € 1,000)	2024	2023
Banks and loans granted	32,262	33,447
Leases	3,761	609
Other	3,868	219
	<b>39,891</b>	<b>34,275</b>

## 19 Taxation on result

The tax payable/receivable on the result in the consolidated income statement can be broken down as follows:

(x € 1,000)		
	2024	2023
Tax on the result for current financial year	-8,864	-12,759
Deferred tax assets/liabilities, or changes made to them	-8,541	2,470
Adjustment prior year tax	2,354	4,926
Other (permanent) differences	-2,739	540
<b>Tax (expense) / benefit</b>	<b>-17,790</b>	<b>-4,823</b>

Damen Shipyards Group N.V. and its Dutch subsidiaries form a fiscal unity for corporate income tax purposes. Each company forming part of the fiscal unity is liable for corporate income tax for an amount equal to that which it would be required to pay had it been an independent taxpayer, taking into account the applicable tax facilities.

(x € 1,000)		
	2024	2023
Dutch fiscal unity	-14,777	-5,840
Foreign group companies	-3,013	-1,017
<b>Tax benefit (expense)</b>	<b>-17,790</b>	<b>-4,823</b>

The nominal tax rate in the Netherlands is 25.8 percent (2023: 25.8%). The tax expense included in the profit and loss account for 2024 is 17.8 million euro (2023: 4.8 million euro), or 23% of the profit before taxation (2023: 10%). The effective tax rate is calculated as the tax income divided by result before taxation, as shown in the consolidated profit and loss account.

The effective tax rate was below the applicable tax rate because of the various tax regimes with differing tax rates, non-deductible expenses, different valuation methods and treatment of tax losses. The increase in effective tax rate in 2024 to 23% compared to 2023 (10%) is mainly caused by different treatment of the financial lease obligation fiscally (treated as a sale and an operational lease back). The reconciliation between the effective and applicable tax rates in the consolidated financial statements is as follows:

	2024		2023	
	(x € 1,000)	%	(x € 1,000)	%
Applicable Tax rate in the Netherlands	-20,183	25.8	-12,759	25,8
Taxes outside the Netherlands	8,800	-11.2	-154	0,3
Participation exemption	6,883	-8.8	5,357	-10,8
Non-deductible amortisation costs of goodwill acquired from third party	-	-	-65	0,1
Fiscally different treatment financial lease	-18,382	23.5		
Adjustment prior year tax	2,354	-3.0	4,926	-10,0
Other (permanent) differences	-2,739	-3.6	-2,128	4,4
<b>Income tax expense / tax income</b>	<b>-17,790</b>	<b>22.7</b>	<b>-4,823</b>	<b>9,8</b>

No deferred taxes have been recognised directly in equity.



## Pillar Two

On 31 December 2023, the government of The Netherlands, where the parent company has its effective place of management, enacted the Pillar Two tax legislation effective from 1 January 2024. Under the legislation, the parent company will be required to pay, in The Netherlands, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15% and that are not subject to a top-up tax levy in the jurisdiction in which they are located.

The jurisdictions in which exposures to this tax exists are Türkiye (Damen Shipyards Antalya Ltd. operates in a Free Trade Zone with a corporate income tax exemption) and Romania (Romania maintains a statutory corporate income tax of 16%). Based on the Pillar Two analysis, no top-up tax expense should arise in other jurisdictions.

Based on the forecasted 2024 profits and tax expenses of the group entities located in Türkiye and Romania, considering only certain adjustments relating to Damen Shipyards Antalya Ltd. and SC Santierul Naval Damen Galați S.A. that would have been required when applying the legislation, the total current Pillar Two top-up tax expense is considered immaterial. The respective Pillar Two taxes will be levied in Türkiye (121,000 euros) and Romania (136,000 euros), as both countries have also enacted the Pillar Two tax legislation effective from 1 January 2024. The group has applied the exception from the accounting requirements for deferred taxes in RJ 272. Accordingly, the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes. Damen does not apply the method of passing on of levy within the fiscal unity.

## Transactions with related parties

Transactions with related parties occur when a relationship exists between the Group, its associated companies and their directors and executives. In the normal course of business activities, the Group buys and sells goods and services from and to various associated parties in which it holds interests of 50% or less. The transactions mainly consist of sale of vessels to related lease companies. Relevant related parties are disclosed in 'Accounting Policies for the measurement of assets and liabilities and the determination of the result' on page 84.

## Research and development

The non-capitalised research and development costs in the profit-and-loss account amounts to approximately 6 million euro (2023: 5 million euro).

Gorinchem, 28 October 2025



### Executive Board

A.J. Damen (CEO)  
M.L.A. van Heyningen (COO)  
B. Langeveld (CCO)  
R.J. Suhlmann (CFO)

### Supervisory Board

K. Damen (Chairman)  
A. Damen  
B. van Linder  
J. Roodenburg  
H.T.E.M. Rottinghuis

## 5 Other information

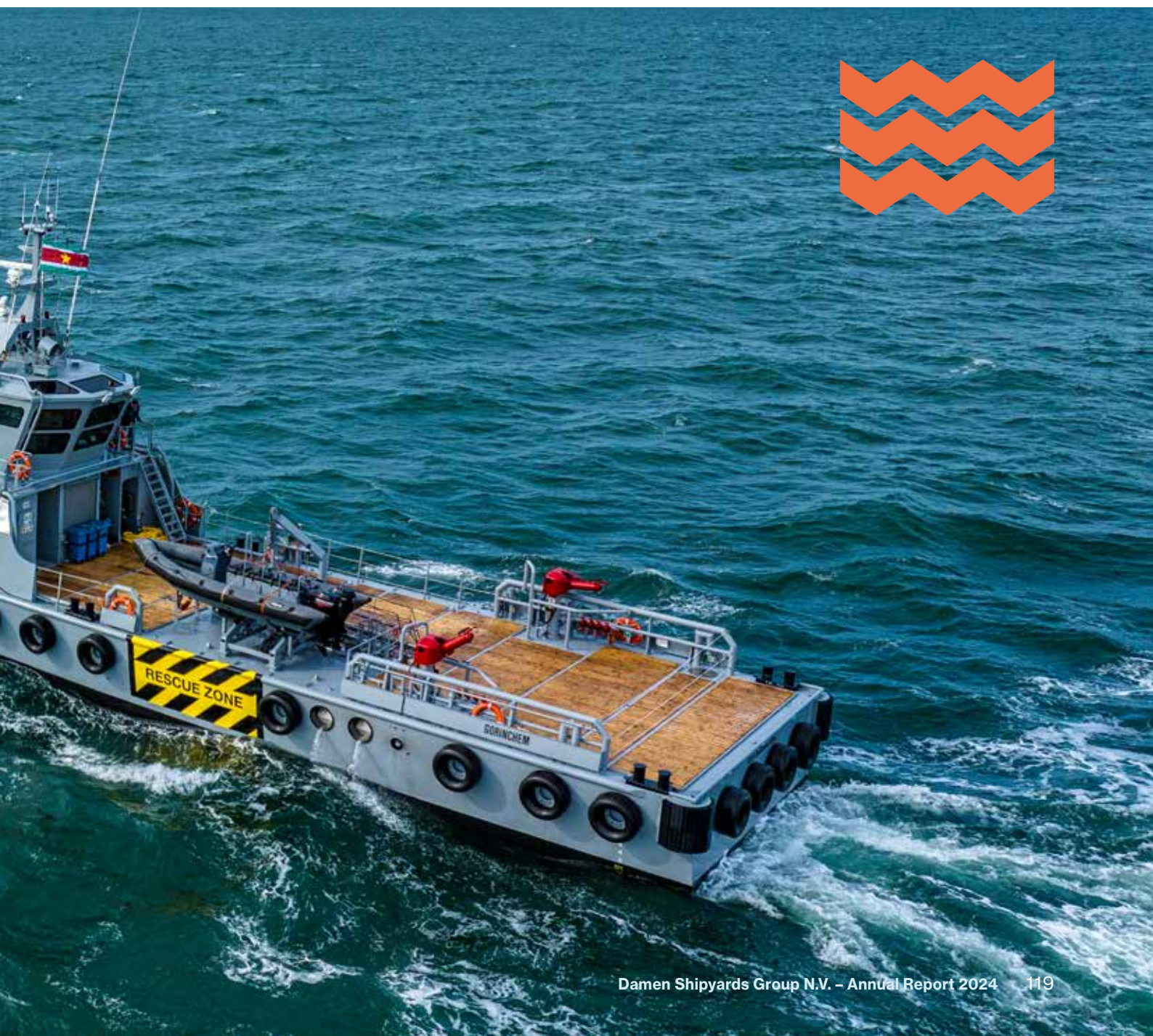
### 5.1 Articles of Association provisions governing profit appropriation (Art. 37)

Article 37 of the Articles of Association stipulates that, of the profit achieved in any financial year, where possible, 6.5 percent of the nominal value of cumulative preference B shares will first be added to the dividend reserve CPB, unless the General Meeting of Shareholders has added the profit to reserves. If the profit achieved in any financial year is not sufficient for such purpose, the deficit must be made good in a subsequent year.

Each cumulative preference B share is entitled to 100 votes in a shareholders meeting, whereas cumulative preference D shares have no voting rights. Ordinary shares have one voting right each.







## 5.2 Independent Auditor's Report

To: the General Meeting of Damen Shipyards Group N.V.

### » Report on the audit of the consolidated financial statements included in the annual report

#### Our opinion

We have audited the consolidated financial statements 2024 of Damen Shipyards Group N.V., based in Willemstad, Curacao.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of Damen Shipyards Group N.V. as at 31 December 2024 and of its result 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- » the consolidated balance sheet as at 31 December 2024;
- » the consolidated profit and loss account 2024; and
- » the notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the consolidated financial statements' section of our report.

We are independent of Damen Shipyards Group N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

#### Information in support of our opinion

##### Audit response to the risk of fraud and non-compliance with laws and regulations

In the Board Report and notes to the 2024 financial statements, the Executive Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among others, assessing the Company's code of conduct, the whistleblowing procedures, quarterly compliance reports, the compliance policy and its procedures to investigate indications of possible fraud and non-compliance. Additionally, we evaluated the statements in media articles/ broadcasts to evaluate possible risks of fraud and non-compliance. Furthermore, we performed relevant inquiries with the Executive Board and other relevant functions, such as Internal Audit, Legal Counsel, Company's lawyer, Export Control Specialist and Head of Compliance. We have also incorporated elements of unpredictability in our audit, such as selection of non-material projects and performed substantive audit procedures on project cost and project revenue and tested management's positions against underlying documentation.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company. We identified compliance with anti-bribery and corruption laws and regulations related to the acquisition of projects (including the use of service providers) as well as compliance with trade sanctions and export controls laws and regulations, the risk of money laundering as areas most likely to have a material effect on the financial statements.

We, together with our forensic specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud and non-compliance risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:



## **Compliance with anti-bribery and corruption laws and regulations, trade sanctions and export controls laws and regulations as well as the risk of money laundering**

### **Risk:**

As disclosed in the paragraph with the description of the compliance risks on page 112 and 113 and the off-balance sheet commitments on page 110 in the notes of the consolidated financial statements, the Dutch Public Prosecution Office started legal proceedings against the Company and certain of its (former) members of the Executive Board of which the outcome is difficult to estimate. These legal proceedings relate to possible bribery and non-compliance with respect to the use of service providers and possible non-compliance with trade sanctions and export control laws and regulations. In many jurisdictions local service providers and brokers are used by the Company. Working with service providers and brokers involves risks related to fraud and non-compliance with laws and regulations regarding corruption and bribery and money laundering, particularly in high-risk (money laundering) jurisdictions.

The activities of the group also include activities which are potentially subject to trade sanctions and export controls laws and regulations.

As a result we identified these risks as significant to our audit.

### **Responses:**

- › We have involved forensic specialists throughout our audit procedures related to using service providers and brokers and also on the legal proceedings against the Company by the Dutch Public Prosecution Office;
- › We evaluated the design and the implementation of internal controls and adherence to Damens' Code of Conduct and internal procedures for entering into service providers and brokers contracts;
- › We have inspected due diligence documentation with respect to contracted service providers and brokers prepared by management;
- › We have performed substantive audit procedures to vouch payments to service providers and brokers to contracts, invoices, bank statements, other source documentation, including activity reports, right to audit documentation and the reconciliation to the financial administration;
- › We have performed substantive audit procedures to vouch all the screening steps performed as part the Know Your Customer (KYC) procedures to UBO compliance screening documentation, including amongst others identification and documentation of source of funds;
- › We inquired the key personnel of the Company and its lawyer with respect to compliance with anti-bribery and corruption laws and regulations, sanctions and performed substantive audit procedures to determine the Company's compliance with their own policies;

- › We have read the summons received by the Company in relation to the legal proceedings started by the Dutch Public Prosecution Office and evaluated the disclosure in relation to the legal proceedings by the Dutch Public Prosecution Office and assessed the impact on our audit approach;
- › We obtained a lawyers letter, inquired key personnel of the Company and its lawyer and assessed the disclosure in relation to the legal proceedings by the Dutch Public Prosecution Office;
- › We evaluated the whistleblower notifications received from the whistleblowers guidelines and policies of the Company and evaluated the internal investigations performed, when considered needed; and
- › We obtained written management representations that all known instances of non-compliance with laws and regulations, including sanction laws have been disclosed to us.

## **Management override of controls (a presumed risk)**

### **Risk:**

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

### **Responses:**

- › We evaluated the policies and procedures and test the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as internal control measures related to journal entries;
- › Identify high risk criteria for journal entries and search for these criteria in order to identify 'suspicious' journal entries and post-closing adjustments;
- › Assess the appropriateness of changes to the methods and underlying assumptions used to prepare accounting estimates for indicators of management bias, if any;
- › Evaluate the appropriateness of the accounting for significant transactions that are outside the component's normal course of business or are otherwise unusual; and
- › We incorporated elements of unpredictability in our audit in selecting certain less material accounts for test of details.

## Revenue recognition of construction contracts (a presumed risk)

### Risk:

The nature of the Company's activities are characterized by contract risk with significant judgments involved in the assessment of contract financial performance. Revenue and positive margin from contracting are recognized based on the stage of completion of individual contracts. Negative margins are recognized immediately when they are foreseen. Changes in these judgments, and the related estimates, as contracts progress can result in material adjustments to revenue and margin, which can be both positive and negative. We therefore identified existence of recognition of contract revenue and valuation of unbilled revenues, deferred revenues and provision of contracting contracts with a negative margin as significant to our audit.

### Responses:

- › We assessed the Company's design and implementation of the project controls;
- › We performed substantive audit procedures on project cost and project revenue and tested management's positions against underlying documentation;
- › We tested the adequacy and supporting documentation for cost-to-complete estimates and tested management's estimate of potential losses for projects in the project portfolio for accuracy and completeness. We considered developments at ongoing projects and assessed updated budgets and performed a retrospective review to assess the reliability of the budget;
- › Other substantive procedures comprised of testing contractual terms and conditions, including performance obligations, disputes, claims and variation orders, costs incurred, and forecasted cost to complete including progress measurement and internal risk assessments; and
- › We challenged management's assumptions at the project and group management level.

## Revenue recognition - Cut-off of service revenue (a presumed risk)

### Risk:

The nature of some of the group's activities are characterized by rendering of services based on fixed or unit rate contracts. For these contracts it may occur that services are performed without a final agreement about a variation to the original contract in the financial year. We identified the existence of revenue at the end of the year (cut-off), specifically concerning variation orders which are not final at year-end as a significant risk of fraud to our audit.

### Responses:

- › We assessed the Company's design and implementation of the controls related to the variation orders;

- › We tested the existence and support for variation orders during the year-end period (cut-off procedures) and verified the correct timing of the accounting for the services provided; and
- › Other substantive procedures comprised testing contractual terms and conditions, including performance obligations, disputes, claims, and third-party costs incurred and credit note testing after year-end.

### Important observations

We communicated our risk assessment, audit responses and results to the Executive Board and the Audit Committee of the Supervisory Board.

Other than already disclosed in the annual report on page 112 and 113 for the compliance risk, including the risks as result from the performed right to audits and the investigations on the received whistleblower notifications, on page 110 for the off-balance sheet commitments related to the legal proceedings of the Dutch Public Prosecution Office and on page 66, 67 and 68 of the board report our audit procedures did not reveal other indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

### Audit response to going concern

As explained in the 'Going concern' section on page 80 of the financial statements, the Executive Board has identified going concern risks related to the funding shortfall for the project from the German Navy related to the F126 Frigate program. The Executive Board has concluded that these risks have been sufficiently mitigated by way of the disclosed measures. In order to conclude on the adequacy of the Executive Board's going concern assessment and the adequacy of the related disclosure, we have performed, inter alia, the following procedures:

- › we considered whether the Executive Board's assessment of the going concern risks contains all relevant indicators that could identify going concern risks of which we are aware as a result of our audit;
- › we analyzed the budgeting process, and we compared actual results with historical budgets to evaluate the reliability of the Executive Board's forecast;
- › we assessed the key assumptions and the sensitivity analyses used by management in the cashflow forecasts, including but not limited to the funding need of the F126 project, to determine the cash need;
- › we evaluated the extent to which the expected outcome of the plans and measures are included adequately in the forecasts;
- › we inspected the obtained information obtained which supports the feasibility of the renegotiated agreement to be renegotiated, including the key aspects with the German customer of the F126 project;
- › we evaluated the terms and enforceability of the proposed and available bridge financing facility of EUR 270 million from the Dutch Government;

- › In making our assessment we consulted with professionals with specific knowledge and experience in auditing going concern assessments; and
- › we assessed whether the going concern risks and related mitigating measures are adequately disclosed in the 'Going concern' section on page 80 of the financial statements.

The outcome of our procedures support the Executive Board's conclusion on the application of the going concern basis of accounting. We also find the disclosure in the 'Going concern' section on page 80 of the financial statements to be adequate.

#### **Audit response to climate-related risks**

The Company has set out its ambitions related to climate change in the "Performance in 2024", "Research, development & Innovation" and "Outlook 2025 and beyond" sections of the board report, where it includes its commitment to have carbon-neutral versions of standard vessels available by 2050. The Company aims to diminish its environmental impact by reducing total CO2 emissions by 55 percent and minimizing total water and waste by 50 percent by 2030 in order to become climate neutral with a net zero target by 2050 for carbon emissions of own operations (scope 1 and 2).

The Executive Board has assessed how climate-related risks and opportunities and the Company's own commitments could have a significant impact on its business or could impose the need to adapt its strategy and operations. The Executive Board is working on a detailed long term plan to achieve its climate-related ambitions in the context of the technological constraints the marine sector faces for long distance vessels. The Executive Board has considered the impact of climate-related risks on the financial statements in accordance with the applicable financial reporting framework, more specifically on the estimated useful life of the Company's non-current assets.

As part of our audit, we performed a risk assessment of the impact climate-related risks and the commitments made by the Company in respect of climate change on the financial statements and the potential impact on our audit approach. This risk assessment included amongst others obtaining an understanding of management's processes through inquiries and inspection of the Company's minutes and external publications and was supported by KPMG's climate risk experts. We have evaluated the existence of climate related (fraud) risk factors and none have been identified to be assessed as an event or condition that would indicate a risk of material misstatement in the financial statements. We discussed the result of our risk assessment with the Executive Board and the Audit Committee of the Supervisory Board.

Based on our risk assessment procedures performed we have not identified a climate related risk of material misstatement that could have a material impact on the current financial statements under the requirements of Dutch GAAP.

Furthermore we have read the 'Other information' with respect to climate-related risks as included in the annual report and considered whether such information contains material inconsistencies with the financial statements or our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.

#### **Consolidated financial statements as part of the (complete) financial statements**

The consolidated financial statements included in this report form part of the financial statements of the company. The financial statements include the consolidated financial statements and the company financial statements. The company financial statements have been included in a separate report. For a proper understanding of the financial position and the result the consolidated financial statements must be considered in connection with the company financial statements. On 28 October 2025 we issued a separate auditor's report on the company financial statements.

## **» Report on the other information included in the consolidated financial statements**

In addition to the consolidated financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information is consistent with the consolidated financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the consolidated

financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the consolidated financial statements.

The Executive Board is responsible for the preparation of the other information, including the Board report.

## » Description of the responsibilities for the consolidated financial statements

### *Responsibilities of the Executive Board and the Supervisory Board for the consolidated financial statements*

The Executive Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as the Executive Boards determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the consolidated financial statements, the Executive Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, The Executive Board should prepare the consolidated financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the consolidated financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

### *Our responsibilities for the audit of the consolidated financial statements*

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the consolidated financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the consolidated financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining 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 Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the consolidated financial statements, including the disclosures; and
- evaluating whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

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

Rotterdam, 28 October 2025

**KPMG Accountants N.V.**

R.R.J. Smeets RA







