Damen Shipyards Group N.V.

Annual Report 2025

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1 Introduction

1.1 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 turnover of 3.2 billion euros and delivering 160 ships in 2025.

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.

1.2 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 its tasks and responsibilities in 2025. Throughout the year, the Supervisory Board closely supervised the strategic, operational, financial and compliance related developments within the Damen group.

In 2025, unfortunately one fatal accident occurred during work under responsibility of the Damen Group. Safety remains the top priority for everyone in the Damen organisation.

In 2025, there were no changes to the composition of the Supervisory Board.

The financial performance showed further improvement in 2025. 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 3.2 billion euro.

The Supervisory Board has an Audit & Risk Committee in place. The Audit & Risk Committee and the Supervisory Board were deeply involved in several matters. One of the key projects that required substantial and ongoing Supervisory Board involvement throughout 2025 was the F-126 program. Across multiple regular and extra meetings, the Supervisory Board and Audit & Risk Committee were updated on and monitored the operational and contractual challenges, the discussions with the German State and key stakeholders related to the liquidity need under the project and the evolving risk position for Damen. The Supervisory Board was furthermore heavily involved in the potential need to contract a EUR 270 million Dutch government loan for the F-126 project (which ultimately proved unnecessary) and the extensive discussions in relation thereto.

Compliance topics and legal cases were another high-attention theme in 2025. The Supervisory Board, supported by its Audit & Risk Committee, dedicated substantial time to:

- The ongoing compliance investigations and cases, including matters initiated by external authorities and clients;
- The internal and external follow-up on sanctions-related issues and investigations;
- The company's (public) responses to the legal proceedings related to sanctions and the 2017 FIOD investigation;
- enhancements to the compliance framework and internal controls.

Compliance incidents were discussed at length, together with their potential financial and reputational impact whereby the members were also advised on the legal position of the company by its external litigation lawyer. The SB also reviewed the effectiveness and independence of the internal audit function and the maturity of the wider risk management system. 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. An update on all Risk Board projects was scheduled for discussion at least quarterly.

Next to the key items mentioned above, in 2025, the Supervisory Board supported the Executive Board in its effort to further de-risk the company, the funding of the company, the repayment of the CWC Santander facility, several large projects, improving the business strategy of certain divisions and, managing the Russia/Ukraine impacted vessel portfolio, and strengthening risk management procedures.

In addition to the six formal meetings, the Supervisory Board met multiple times over the summer of 2025, in additional meetings related to the F-126 program and the compliance cases. The Audit & Risk Committee meets quarterly, with two meetings attended by the company's auditor.

The report of the Executive Board and the 2024 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 20 March 2026 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 2026-2028 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 an order book of 10.2 billion euro (2024: 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

1.3 Message from the CEO

As the Executive Board, we look back on 2025 as challenging on a number of fronts, but also with strategic progress and stable positive overall performance. We have a strong order book, have experienced growth in revenues and profit, and recorded a high number of deliveries.

If we zoom out a little more, the conclusion that the world has not become geopolitically stable during 2025 is inescapable. The war in Ukraine is still raging, and our Ukrainian colleagues, particularly those at MDEM, continue to experience the consequences on a daily basis. We hope to see a positive outcome and a return to the international rule of law on the horizon in 2026. In the meantime, we will continue to support our Ukrainian colleagues and their families, for example through the good work of the Foundation Damen Support.

At the same time, geopolitical tensions increase as the Atlantic alliance comes under further pressure. As a result of this, Europe is focusing more and more on its own capabilities. This leads to the somewhat cynical conclusion that demand for maritime defence and security solutions is increasing.

From a human resources perspective, the overall reduction in serious safety incidents was unfortunately overshadowed by a fatal incident that occurred during work under our responsibility in the Middle East. An accident of this kind is a potent reminder, and it once again drives home how important it is for health, safety, engaged leadership and the focus on leading indicators and high-risk activities to be, and remain, our top priority. Let's work together to make sure all colleagues and those of our partners in our supply chain return home safe every day.

Furthermore 2025 was all about alignment of human capital management at all levels, from strategic to operational, as well as on systems, with the further rollout of Workday as our Global HR tool. It was also about alignment on our shared view of human resource management. We approved the People Policy, which provides direction for a shared view of HR and tools to transfer this to individual Damen entities.

With respect to digitalisation, Damen made significant progress in renewing its enterprise landscape, driving technological excellence and operational efficiency throughout 2025. After Naval and Yachting, Workboats, Shared Services, OSV and Ventures went live with their SAP implementations. Galati is scheduled for completion in the first half of 2026. The launch of the Damen Data Management department in 2025 was an important step, and we initiated AI programmes to enhance efficiency and innovation. The integration of these digital platforms accelerates process optimisation and reinforces Damen's position in a dynamic maritime market.

We also had a positive year in terms of our production. The number of vessels delivered increased to 160, of which more than half were tugs (86), nineteen were Fast Crew Suppliers, thirteen were Combi Freighters and Coasters and nine were dredgers. For us and our customers, every delivery is a highlight and worth celebrating, but a very special achievement last year was the naming of the new Combat Support Ship Den Helder by Princess Amalia and the handover of the vessel to the Command Materiel and IT Organisation. I must also mention the launch of the seventh, eighth and ninth Island Class ferries for Canada's BC Ferries at Damen Shipyards Galati; the delivery of the Windcat Rotterdam – the first vessel in our new CSOV Elevation Series, the delivery by Damen Shipyards Cape Town of the third Multi-Mission Inshore Patrol Vessel for the South African Navy, and the delivery of Germany's first all-electric ferry, the E-catamaran Frisia E-1 to Reederei Norden-Frisia.

The number of projects undertaken by Damen Shiprepair rose from 1,200 to 1,235. Among these were remarkable jobs such as the refits of the Disney Dream and Disney Fantasy, the return of MSC Cruises after years of absence, and the construction of the self-elevating heavy-lift jack-up Obana. Furthermore, the successful offset solutions performed in South Africa, Romania, Colombia, Norway, and Türkiye are noteworthy.

The order book for 2026 and beyond is well-filled and is approximately at the same level as last year. Last year, we secured some significant contracts, such as the Interceptors and Offshore Patrol Vessels for the UAE National Guard, the multi-division project to deliver 24 vessels to Serco, the port infrastructure replacement project for the Falkland Islands, the 100th vessel for Wilsons Sons in Brazil (followed by an order for a further twelve tugs), and the licence deals with Australia and the United States for the delivery of Landing Ship Transports (LST) 100.

Looking more closely at our overall daily operations and the subsequent results, we see that the vast majority of our projects deliver stable operational performance and contribute to our bottom line. Our overall performance in this area is improving. Despite this, our results were disproportionately affected by several setbacks (technical and otherwise). For example, the operational challenges related to the implementation of the new tooling at Damen Naval contributed to delays. The IT performance issues have largely been resolved, but further work on improving efficiency will be required in 2026.

Despite these challenges, the financial results for 2025 are better than those in 2024. This is encouraging. Turnover increased from 3.02 billion euro to 3.25 billion euro; EBITDA from 169 million euro to 185 million and net profit rose to 61.1 million euro (2024: 58.2 million euro). We are certainly on the right track, but our profitability is not yet at the desired level, which would give us a more comfortable position with regard to our financing needs and allow us to invest even more in our goal of becoming the world’s most innovative and sustainable shipbuilder, through digitalisation, standardisation, and serial construction.

From a financial perspective, 2025 was largely dominated by the financing of the F126 project and the coordination with stakeholders regarding this. At the same time, efforts continued throughout the year to further improve the working capital position, risk management, and profitability.

Partly because of this, we launched the Cost and Cash project during 2025, focusing on immediate and sustained improvements that contribute to our 2025 results. Though the year is over, we cannot afford to relax in this area. As mentioned, our focus in the coming years must be on efficiency, strengthening risk management, and cost savings to achieve acceptable profitability. This means improving overall project performance, achieving more predictable results, avoiding major surprises, and completing projects according to plan. During 2026, we will need to continue to place a stronger focus on the control of internal projects: establish budgets, charge costs, and monitor progress and completion.

At Damen, it's in everyone's job description to look for opportunities to improve. Additionally, every project, department, group, division or yard organisation has the task of developing programmes for improvement. That's what we mean by operational excellence. The Executive Board monitors these initiatives, and we already see more cooperation between yards and the exchange of ideas and people, but we still have a lot of further opportunities to pursue.

2025 also saw the start of a lawsuit for allegations of fraud related to several projects between 2006 and 2016, ten to twenty years ago. A second case concerns allegations of violations of sanctions legislation. We are confidently awaiting the outcome of these proceedings. We have invested substantially in our compliance programme and have established a robust and certified framework to support our global operations. Although no details can be provided about the content of ongoing legal proceedings, we are confident of a positive outcome. We will conduct a robust defence, utilising all legal options available, and will request a considered, balanced assessment of the facts. The proceedings have no impact on our current financial position and are not expected to affect our financial outlook in the long term.

Of course, I realise that media coverage of the legal proceedings has had a profound impact on our organisation, on our colleagues individually and also on the way we are viewed by the world beyond our company. It also distracts from all the wonderful, positive things that happened in our group. There was much to be proud of last year. I already mentioned the deliveries and orders, and we also celebrated the 150-year anniversary of the Royal Schelde Shipyard, the last 25 of which the company has existed as Damen Naval. We unveiled the Combi Freighter 5000 ICE-design and launched Group Technology Management within RD&I for standardising the application of new energy systems, such as methanol, electricity, hydrogen and biofuels. We started our Dutch Maritiem Innovatie Programma funded project Ship-Air-Go, based on the Damen Air Cavity System, and introduced a new range of naval support vessels: the Logistics Support Ship series.

We commissioned our new 13,000 square meters distribution centre in Schelluinen. We joined hands with Fugro to provide the Royal Netherlands Navy with an FCS 5009 surveillance vessel and operating crew. We acquired and integrated Southampton-based IME Group, we acquired the Norwegian company Folla Maritime Service and launched the joint venture shipyard Damen Folla, aimed at sustainable aquaculture solutions. And last, but certainly not least, we hosted The Damen Experience by Damen Shiprepair Amsterdam, at SAIL Amsterdam 2025.

So, to conclude, I am proud that, working together, we have managed to improve our overall results again. We’re not there yet, but 2026 looks like a promising year. I want to thank you, my colleagues, for your tireless, daily commitment and I look forward to 2026.

One Team, One Damen

On behalf of the Executive Board,

Arnout Damen,
CEO Damen Shipyards Group

2 Board report

2.1 Core values

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, connected shipbuilder and maritime solutions provider in the world. Our ambitions lie in circularity and minimum-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-five years and 7,000 ships later, those pillars remain unchanged. Their importance is only increasing the light of minimum-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 circulair 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 in life cycle: from design, engineering, construction, and maintenance to the recycling of our ships.

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 is why we firmly believe in the power of sharing. It means that we also use our craftmanship to build platforms and 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.

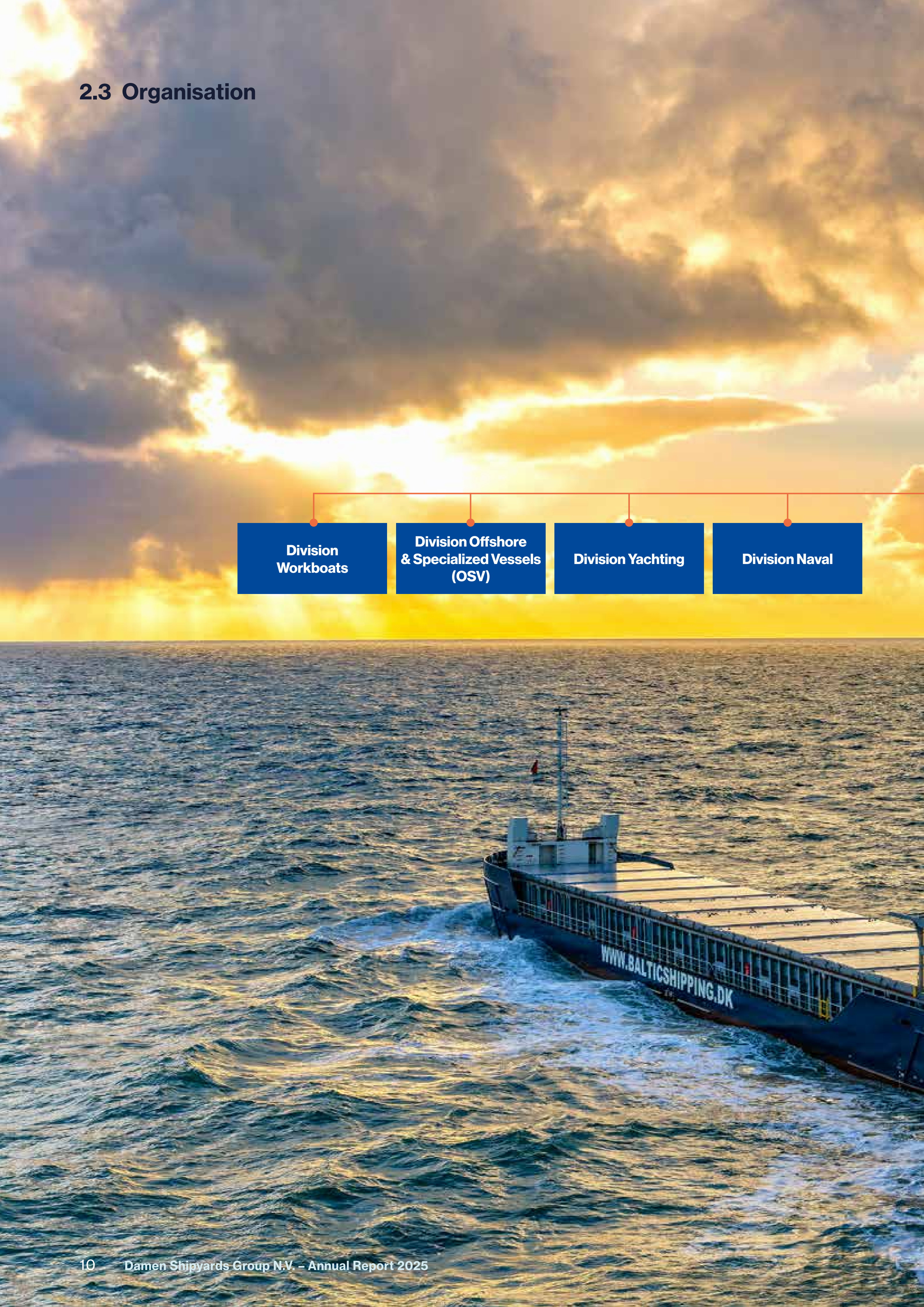
Mission

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, craftmanship, stewardship, and entrepreneurship. In every aspect of our business, the next generation is our starting point.

2.3 Organisation

- Division Workboats
- Division Offshore & Specialized Vessels (OSV)
- Division Yachting
- Division Naval




Executive Board
Group Function Expertise Center
Group Function Shared Services
Division Services
Division Maritime Ventures
Division Shiprepair
Division DFS Maritime Solutions
BALTIC COASTER
MADEIRA

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

Nigeria
Damen Services Nigeria - Port Harcourt

Norway
Damen Folla - Flatanger

Panama
Damen Services Central America - Panama

Poland
Damen Shipyards Koźle
Damen Shipyards Gdynia
Damen Shipyards Gdansk
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

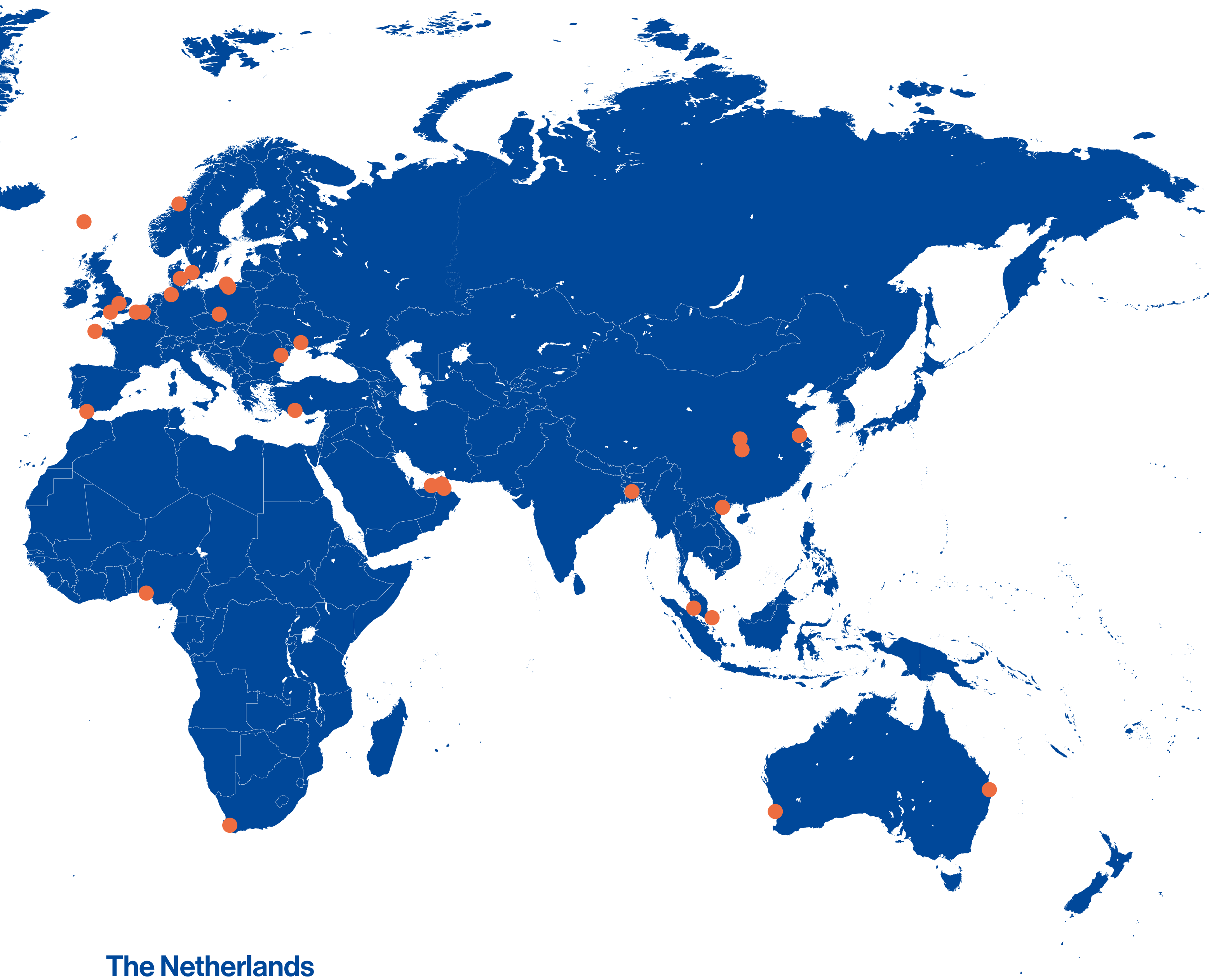
Ukraine
Marine Design Engineering Mykolayiv

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
DFS Maritime Solutions
Damen Shipyards Gorinchem
Damen Civil & Modular Constructions
Damen Compact Crafts
Damen Marine Services
Damen Cargo Vessels
Damen Offshore & Specialized Vessels
Damen Digital Solutions
Damen Trading & Chartering
Superyacht Spares
Bawat Damen

Alblasserdam
Nevesbu

Amsterdam
Damen Shiprepair Amsterdam
Damen Shiprepair Oranjewerf
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

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 in 2027 as defined in 2022 remains;

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

Strategic pillars

Sustainability

Damen aims to lead the maritime industry in sustainability by embedding circularity and emission-free operations into the core of its shipbuilding and service offerings. We design and build vessels for full lifecycle circularity and operate them with zero emissions, delivering solutions that generate positive environmental and societal impact. This approach not only supports our long-term sustainable growth but also opens new revenue streams through innovation and responsible value creation.

Operational excellence

The strategy Operational Excellence is being driven by creating synergy amongst entities, further implementing a continuous improvement culture across the group and developing a process-driven organisation in which standardisation and optimisation are evident.

Digitalisation

This strategy is key to becoming the leading integrated maritime solutions provider by leveraging cutting-edge digital platforms and data-driven processes to enhance operational efficiency, generate net-new revenue, and improve customer and supplier experiences through technology integration.

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.

Strategic principles

One Damen

With over 12,500 employees, spread over 20 countries across six continents it is essential we work as one streamlined Damen organisation. As One Damen we take decisions to maximise benefits of the Group and align our strategy with our collective goal. We create a sense of belonging for everybody in our company and improve and collaborate to create value for our customers. We standardise common operations as much as possible and, for our stakeholders, we pursue a unified experience.

Diversification

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

Standardisation, modularisation, and series production

Standardisation, modularisation and a platform and series build approach are 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.

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 of 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 with a certain degree of specification and customisation.

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 the solution to this as servitisation, or ship-as-a-service. This includes operational lease, and the addition of new (financial) services to our traditional product range. With an installed base of over 7,000 ships, eleven Service Hubs on five continents, and our division DFS Maritime Solutions up and running, we are more than ready.

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.

2.6 Market updates

Offshore Wind

- High interest rates and cost increases have delayed investments in offshore wind farms, causing slowdown in market demand
- The change in market sentiment regarding renewable energies and sustainability as a whole is affecting the offshore wind market
- Demand for CTVs is low, but expected to rise again in the second half of 2026
- Strong demand for CSOV and SOV vessels has resulted in many newbuild orders over the past two years. Currently, the newbuild demand is low, with growth expected in the long-term
- Double-usage ships (wind and oil & gas) are being promoted
- Standardised hulls for scale/cost efficiency are being promoted

Yachting

- The global superyacht market remains resilient, driven by a high number of ultra-high net worth individuals (UHNWIs) and strong US demand
- Eastern Europe has fallen away almost entirely, affecting order volumes and pricing, especially for larger yachts
- Latin America is showing structural growth, doubling its share of launches since 2020
- Operational pressure and cost scrutiny are rising with higher newbuild and refit costs, stronger inflation, and clients being more cautious with their spending
- With the global superyacht fleet exceeding 6,000 vessels (>30m) and growing, the refit and maintenance segment remains structurally healthy

Oil & Gas

- Low oil prices are predicted for the coming years, influencing new project developments and marine spread demand
- There is a focus on life extension of existing fleets. Selective retrofits with alternative fuels offers market potential
- Standardised oil & gas support vessels remain relevant, supported by an active PSV, AHTS, OST product range
- The ship repair market is positive, with a mix of repairs, conversions, and maintenance
- There will be the introduction of a large (methanol-ready) offshore tug to capture new market opportunities
- Offshore wind vessels will be increasingly used for offshore oil & gas opportunities

Public Transport

- Passenger and cargo numbers have largely returned to pre-pandemic levels
- The public transport market is mainly driven by the need to replace old tonnage and meet sustainability regulations
- Finding monetary support is still challenging, as government grants are limited and interest rates have increased
- Clients are inclined to choose local builders to spend public money
- In some parts of the market, clients must buy outside their countries as suitable domestic shipbuilding capacity is absent.
- The demand for zero-emission solutions in the fast ferry segment is increasing
- Significant fleet renewal of road and island ferries is taking place in Canada, the Netherlands and Germany
- There is a need for large-scale fleet renewal in the Mediterranean due to legislation aimed at lowering pollution. Data shows 100+ vessels must be replaced in the next ten to fifteen years in Spain, Italy, Croatia, and Greece

Harbour & Terminal

- The demand in this market for standard ship handling tugs is stable, and we expect that the outlook will remain positive
- Since there is more clarity, after the first two quarters of the year, on US tariffs and consequently less uncertainty about the trade routes and port activity, investments in port equipment are again being made
- Our product is currently very competitive due to the efforts made in standardisation and at the yards, but also due to the economic situation in Türkiye, where our main competition is located
- The economic viability of electric propulsion for tugs is expected to become better the coming three years. Up to then, we will see mainly early adapters for this market, which also has constraints because of grid congestion and charger building permits

Defence & Security

- Global tensions and increased defence budgets make the outlook very positive
- Positive developments in service to the Netherlands Ministry of Defence and the Royal Netherlands Navy. For 2026, the outlook is favourable. Also, there is a steady level of RD&I projects with the Ministry of Defence
- NATO and EU defence spending commitments are driving market growth. Focal areas, therefore, are EU and NATO allies, including the Netherlands
- Complexity and volume of main naval projects is growing steeply. Therefore, (technical) risk and investment challenges in these projects are also increasing
- Fleet renewal (frigates, patrol vessels, amphibious support) and hybrid/unmanned capabilities are in global demand
- The market sees a growing number of competitors, requiring continuous innovation and collaboration
- The market is becoming more politically driven, due to its strategic character and nations' drive for more autonomy and ability to act independently in sectors such as defence
- Strategic partnerships and multinational cooperation at the political level as well as the industry level are key

Dredging & Marine contracting

- Governments in several countries are subcontracting large dredging projects to private companies
- There is rising demand for smaller dredgers for river sediment removal
- There is increased fleet renewal of TSHDs due to ageing vessels and ports' preference for in-house dredging
- There is a shift toward larger CSDs among clients
- There will be introduction of new products like the PSD350 for river deepening

Aquaculture

- Market growth is being driven by salmon industry innovations, large newbuild programmes from top players, and expansion into new geographic markets
- There is a strong focus on sustainability, automation, and contamination prevention across aquaculture operations
- Norwegian government mandates zero-emission newbuilds by 2028 (<15m vessels) and 2030 (>15m vessels) are accelerating demand for clean technologies
- There will be continued portfolio development with new vessel concepts in collaboration with Damen Folla, including Stun & Bleed, Wellboat, and aquaculture service vessels >24.99 LLP

Seagoing Transport

- The shortsea market is characterised by an aging fleet and upcoming decarbonisation rules. This segment has performed strongly for shipowners over the past four years but cooled down in 2025 due to geopolitical factors
- To mitigate a possible downturn, Damen Cargo Vessels (DCVe) is diversifying beyond shortsea into tankers and deepsea MPP vessels, targeting regions outside Europe and customers beyond dry cargo
- The Sea-going repair market is large but the number of dockings of large size vessels has slowed down in Europe due to availability of low-cost yards in Asia and the Middle East and the longer sailing routes

Inland Shipping

- There is reduced market demand, particularly in Europe, for standard vessels
- Markets abroad are more and more open for investments in inland shipping
- There is little increase of dry cargo inland vessels, especially with reduced environmental impact
- The inland cruise market is strong for both newbuilding and retrofit

Divisions

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%

1 Workboats value proposition

Damen Workboats develops and series-builds a range of commercial vessels such as tugs, high speed craft, ferries, and stationary dredgers, based on shared technology platforms where possible. Workboats are available with short delivery times, competitive prices and low total operating costs. They are also smartly configurable with a range of standard options. Standard designs will be increasingly available in zero-emission/carbon-neutral or electric-hybrid versions. Workboats has a clear vision on sustainability and digitalisation, a well-defined strategy based on product leadership, platform standardisation and an efficient manufacturing approach based on ISO 14001 principles. Our products are fully connected and can be integrated into maritime solutions, thereby also enabling the business propositions of other divisions within Damen Shipyards Group. These are Damen Services, Damen Technical Cooperation, Damen Financial Services, Damen Digital Solutions, Damen Sustainable Solutions, and others.

2 Key results from last year

Overall, 2025 was a successful year for Workboats, with financial results slightly above expectations and planning. Workboats realised an extraordinary production volume over the year with an all-time record of 141 deliveries, driven by high order intake in 2024 and the sale of stock vessels with short delivery times. There were no major safety incidents during the year. Incident rates and LTI rates are trending further downward.

Project results for standard vessels were generally within target in terms of cost and time, with healthy profit margins. Some of the non-standard projects performed very well and delivered better results than contracted. It was a very busy year for the yards and for operations and project teams.

Order intake volume ended close to the planning with average margins better than planned. Intake was more volatile than usual, mainly impacted by unprecedented geopolitical and economic turbulence leading to general market uncertainty. Tugs were dominant as usual, with volume close to plan and with good margins. High speed craft caught up with important new projects for the defence & security and search & rescue markets. Ferries sold and delivered the last stock unit FF 4212. Dredging intake was low most of the year but started to catch up during the second half of 2025. For most product groups, there are some very significant high-potential projects likely to become effective in 2026.

Workboats has made strategic investments in the past years in supply chain, product and technology development, standardisation, and digitalisation, in support of cost reductions and further growth. In 2025, the platform approach for systems and products was strengthened further, supporting ownership and multi-disciplinary collaboration, and preparing for a systems engineering mindset as necessary for 3DX (our new engineering application). The platform approach is now supported by adopting the “scaled agile” (SAFe) way of working for all platform teams.

Highlights in 2025 on product and system development were the introduction of the ASD Tug 1810, FCS 2506 and CSD400. The development of the methanol system for the Fuel Flex designs is well underway. At the yards, the division has started to make the investments it had planned.

3 Strategic priorities for the coming year

3.1 Context and outlook

Workboats is active in diverse markets (harbour & terminal, offshore wind, offshore oil & gas, dredging & mining, public transport, defence & security), each with different underlying drivers. Yet each market is more or less impacted by the current, unprecedented geopolitical and economic turbulence, leading to general uncertainty and volatility.
Market development and outlook are covered by Workboats' respective PMC teams.

Overall, a generally stable outlook for many of Workboats' markets is seen, with good potential for profitable projects and for growth in selected niches. Offshore wind still sees lower activity than in previous years, while offshore oil & gas developments depend on oil price and interest rates.

Dredging demand sees a shift to larger CSD models and some very significant potential projects. In public transport it remains challenging to find the optimal Damen propositions. Harbour & terminal demand remains strong. Here the solid proposition for Damen Tugs can be leveraged. The main growth potential is in the defence & security market, based on the highly versatile VSX platform and dedicated Stan Patrol models, with building options at Damen Shipyards Antalya (DSAn) (in Europe/NATO) and at Damen-Song Cam Shipyard (DSCS).

3.2 External risks

- General global geopolitical and macro-economic turbulence, resulting in ongoing market volatility and unpredictability
- Sustainability developments have a lower profile temporarily, but this should not be mistaken for less importance

3.3 Strategic focus

Workboats' objective is to deliver sustainable and predictable results. Workboats will continue its strategy of product leadership as primary orientation. The division develops superior and market-fit standard products, by optimising its (products and systems) platforms and series-manufacturing approach, based on integral collaboration, supported by optimised digital tooling

Workboats' most important goals for 2026 are:
- Improve profitability and return on capital
- Continuous focus on cash and working capital
- Optimising the portfolio composition
- Realising lead time reduction
- Optimising yard capacity and making fit for product portfolio
- Working on Damen's sustainability goals

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)

1 OSV value proposition

Damen Offshore & Specialized Vessels (OSV) delivers standardised, cost-efficient vessels in series focused on operational excellence and customer intimacy. By leveraging continuous standardisation, smart engineering, and flexible build locations in Vietnam, Romania, the UAE, and other locations, OSV ensures fast, reliable, and competitively-priced delivery. The division focuses on offshore, defence, dredging, public transport, and barge markets, while only accepting one-off projects with strong margins or strategic value. Through its Damen Technical Cooperation (DTC) model, OSV enables licensed local builds with material kits and technical support, expanding global reach and enhancing profitability for both the division and the Damen Group.

2 Key results from last year

- Major deliveries: Successful handover of multiple key projects across various shipyards, including the CSOV 9020 (Ha Long Shipyard), CSD650 (Baku Shipyard), RSD Tug 2513 (Wilson Sons Shipyard), and OPV 2200 (Damen Shipyards Galați (DSGa))
- Performance: OSV exceeded financial forecasts, maintaining a strong order backlog secured for 2026-2027
- Operational highlights: All vessels were delivered with zero late delivery penalties; SAP implementation was completed on schedule and under budget
- Product and market development: Introduction of new standardised vessel types, the OST 120 and CSOV XL, alongside the large Serco project, strengthening OSV's portfolio and reinforcing long-term client partnerships
- Key lesson: Continuous standardisation and execution discipline across global yards underpin consistent performance and position OSV for scalable growth in the coming years

3 Strategic priorities for the coming year

3.1 Context and outlook

Adapting to global trends

Shifts in the global landscape are influencing demand across various sectors. Increased interest in specialised vessels and evolving customer requirements present both opportunities and challenges. Flexibility in production and market approach remains important.

Energy transition and cross-sector convergence

The offshore market is evolving toward hybrid, methanol-ready, and multi-purpose vessel concepts serving both wind and oil & gas sectors. OSV needs to have its portfolio of products ready for this.

Enhancing regional presence

There is a growing emphasis on local content and regional production options. Clients are increasingly involved in decisions about where and how vessels are built, shaping the competitive environment.

3.2 Strategic focus

Operational excellence – strengthening yard control and efficiency

OSV will enhance control and oversight at key build locations, especially in Vietnam (Ha Long, Song Thu, and 189 Shipyard). It will place a strong focus on improving governance, cost control, and delivery reliability through strategic partnerships, investments, and a strengthened local supply chain. These initiatives support predictable performance, reduce operational risk, and increase productivity across the global yard network.

Product & service development – portfolio renewal and standardisation
Continuous product innovation remains essential. OSV is developing new standardised vessel types such as the CSOV XL, OST 120, and PSV 5000, in close collaboration with clients. Each design integrates DTC potential, allowing for scalable production and licensing opportunities. This approach ensures competitiveness, faster time-to-market, and strong alignment with customer demand.

Operational excellence – process optimisation and operating system alignment
Completion and auditing of the OSV operating system will create a foundation for process discipline and continuous improvement. Aligning with group processes will remove inefficiencies, strengthen governance, and establish clear performance baselines – directly supporting efficiency and cost-saving goals.

Commercial growth – strategic supply chain development
Developing a precontract supply chain strategy will increase competitiveness and responsiveness to market demand. By negotiating with suppliers earlier, expanding sourcing options in Asia (China, South Korea), and improving local supplier engagement, OSV will enhance cost efficiency, flexibility, and delivery speed – key enablers for commercial growth.

People and capabilities – preserving expertise and knowledge leadership
OSV will maintain and further develop its expertise in cybersecurity and ice-class/icebreaking vessel design and operations, positioning itself as the Damen Group's centre of excellence for these subjects. Retaining specialised knowledge and training teams to sustain technical leadership ensures long-term differentiation and supports client confidence in complex vessel segments.

4 Operational Priorities

- Engineering strategy: Strengthen forecasting accuracy and output quality through streamlined processes. Implement advanced engineering training and define the future IT landscape to support design efficiency and yard-friendly engineering
- Partner yards: Establish a standardised way of working across key yards (Ha Long, 189, Song Thu, DSSh, DSGa)
- SAP integration: Following the 2025 transition, restore operational efficiency to pre-SAP levels by streamlining workflows and achieving a productivity gain
- Finance processes: Further develop the finance organisation with clear roles and responsibilities, align with group processes, and work toward improving the OSV operating company's credit rating and financing options
- Multidisciplinary teams: Foster integrated project teams combining all key disciplines. Promote a collaborative, co-located working model that enhances communication, decision-making, and project execution

Yachting

Locations

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

1 Yachting Value Proposition

Damen Yachting delivers high-quality, semi-custom superyachts under the Amels brand and complementary product lines such as Xplorer, Yacht Support, and Refit. We provide the shortest delivery times in the industry, proven reliability, and strong resale value through standardised, series-built platforms. As part of the Damen Group, Damen Yachting benefits from initiatives in the area of R&D, operational excellence, and a long-term family-owned perspective.

2 Key Results from Last Year

- Damen Yachting delivered multiple projects including an Amels 60, an Xplorer 60, a Yacht Support 53, the first Amels 80 and refit project *Moonstone*
- Reduced stock levels and improved working capital discipline
- Strengthened US market position and a strong order intake
- Advanced sustainability initiatives through #LoveOurOceans and development of the Impact Dashboard
- Continued investment in leadership, engagement, and AI literacy across teams

3 Strategic Priorities for the Coming Year

3.1 Context and Outlook

- Global superyacht demand remains resilient, led by the US market which now represents over one-third of new orders globally. This is somewhat at risk due to exchange rate volatility (USD/EUR)
- Disciplined cost and working capital control
- Social and environmental expectations are rising; sustainability and responsible luxury are key differentiators

3.2 Strategic Focus

- Financial strength and stability: continuous attention for stock and working capital
- Balanced product portfolio: focus on proven platforms with consistent delivery frequency
- Adapt yard strategy to developments in cost levels and supply chains
- Operational excellence: maximise benefits from continuous improvement, reduce lead times, and improve efficiency through series learning
- People and leadership: strengthen engagement, leadership trust, and talent development
- Sustainability and innovation: advance the minimum emission and maximum impact roadmap while leveraging digital tools

4 Operational Priorities

- Manage asset sales in accordance with all applicable regulations and reputational safeguards
- Pursue prudent financial strategies with group Treasury to support business objectives
- Informed decision making on initiating construction of new hulls
- Embed continuous improvement and lessons-learned reviews across all series builds
- Reinforce leadership communication, engagement, and succession management

5 Risks & Dependencies

- Market volatility and currency fluctuations affecting sales prices and margins
- Supply chain resilience under reduced production volume and limited predictability
- Sustainability and reputational risks linked to changing societal expectations and regulatory tightening

Naval

Locations

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

1 Damen Naval Value Proposition

Damen Naval is the sole naval original equipment manufacturer (OEM) and ship system integrator in the Netherlands, designing and building advanced naval vessels, delivering to the most demanding defence requirements. With defence budgets rising after years of decline, its role in meeting the growing demand for naval capabilities has become more crucial than ever. Damen Naval is the Damen Shipyards Group's competence centre for combat and military communication systems, Integrated Logistics Support (ILS), and cybersecurity. In addition, it advises on general security requirements (ABDO) and coordinates key activities with the Dutch Ministry of Defence. By establishing a strong Damen Naval Capability Team (DNCT), the division combines deep knowledge of naval requirements with the ability to integrate complex systems and can guarantee security of supply and lifecycle support for its clients. As a one-stop shop for the Royal Netherlands Navy (RNLN), this position as a national prime OEM and enabler allows Damen Naval to translate future naval needs into cutting-edge solutions, creating long-term value for both customers and Damen.

2 Key Results from Last Year

The year 2025 witnessed significant organisational and operational challenges. The most important results from last year are outlined in this section.

Major delivery: Combat Support Ship

On 22 February 2025 at the Damen Naval yard in Vlissingen, Her Royal Highness Amalia, the Princess of Orange, named the Combat Support Ship (CSS) Den Helder, marking a significant milestone for both Damen Naval and theRNLN.

A double anniversary

In 2025, Damen Naval celebrated two milestones: 150 years since the founding of the Koninklijke Maatschappij De Schelde (Royal Schelde Shipyard) and 25 years as part of the Damen Shipyards Group.

Integration of Damen Shipyards Galați

With the ongoing integration of Damen Shipyards Galați (DSGa) into Damen Naval, the division is strengthening its strategic position by providing an integrated production approach within the EU.

Process optimisation

Damen Naval's focus was on eliminating inefficiencies and aligning processes/tools, see below for key results:

- Commercial improved cost control and resource planning
- IT enhanced/stabilised infrastructure and applications
- Data Management laid the groundwork for governance and data-driven support
- Operations centralised training via Operation Support Office (OSO)
- SHIP programme bundling key improvement initiatives to eliminate inefficiency

External pressures

Reputation challenges and a changing international context led to a reprioritisation of projects, highlighting the growing need for flexibility and cooperation.

Challenges of key projects

Internal challenges in process alignment, 3DX, and external pressure, together with some contractual issues with key projects. Constructive dialogue with clients is ongoing.

People & knowledge development
HR recruited much-needed employees across locations, while supporting internal mobility and contractor-to-permanent transitions. In addition, Damen Naval introduced Workday Learning for continuous development and implemented leadership training and health initiatives.

RD&I
Damen Naval exceeded expectations in EDF projects and USV engagement, while continuing development of NOVA, the division's next-generation surface combatant.

Marketing & communications
Internal knowledge sharing has been strengthened through the establishment of the Naval Knowledge Hub. A marketing highlight was the celebration of 150 years of Royal Schelde Shipyard and 25 years of Damen Naval, underscoring the division's heritage and brand identity.

3 Strategic Priorities for the Coming Year

3.1 Context and Outlook

A surge in EU and NATO defence funding is driving demand for naval capabilities and opening strategic opportunities for Damen Naval through multinational partnerships and accelerated innovation. This requires further focus and strategic partnership with the division's launching customer.

3.2 Strategic Focus

DNCT: Preferred long-term partner. Damen Naval is focusing on the long-term relationship with its launching customer, the Ministry of Defence and the RNLN, by shaping the Damen Naval DNCT. Damen Naval is to be considered the Naval OEM and their partner for innovation, newbuild and sustainment (through life support). This strategy goes hand-in-hand with long-term relationships with co-makers and suppliers.

Operational stabilisation and acceleration
Damen Naval is working towards achieving stability so it can meet the challenges of today and tomorrow. The division is building a supportive, structured environment with clear roles, consistent processes, and strong communication, investing in employee development and mobility to create a resilient, engaged workforce ready for change. The focus is to eliminate inefficiency, increase efficiency and reduce costs at DSGa.

Integrate the yard
The focus area for DSGa will be to ensure flexibility in addressing capacity planning for 2026 and 2027.

Portfolio development and innovation
Damen Naval is aiming to drive innovation and maintain competitive advantage through development activities for current projects, supported by structured RD&I programmes (e.g. unmanned platforms and drones, Next Generation Surface Combatant Export Series).

Article continues on next page

4 Operational Priorities

DNCT

- Finalise preparatory talks with Ministry of Defence team with aligned view and agreement on composition, governance and concept of operations of the DNCT
- Assign necessary personnel to DNCT, prioritise desk function
- Secure continuous and adequate cooperation with Ministry of Defence/Commando Materieel en IT (COMMIT), RNLN via DNCT

Integrate the yard

- Cover potential capacity gaps in 2026 and 2027
- Increase efficiency in production
- Focus on reducing LTI/LTA (HSSEQ)

5 Risks & Dependencies

Supply chain resource or capacity limitations

Damen Naval will conduct strategic supply chain planning with relevant partners, engaging suppliers early in the process, even if there are limited sourcing options.

Supply chain resource/capacity shortages

Conducting strategic supply chain planning with relevant partners is performed to address this risk, while also engaging suppliers early in the process, even if there are limited sourcing options.

Shiprepair

Locations

- Damen Shiprepair Rotterdam (the Netherlands)
  - Location Schiedam
  - Location Botlek
- Damen Shiprepair Amsterdam (the Netherlands)
  - Niron Staal Amsterdam (the Netherlands)
- Damen Shiprepair Oranjewerf (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)

1 Shiprepair Value Proposition

Damen Shiprepair operates out of ten yards along the full Western European coast and in the Caribbean, from which it provides maintenance and repair services to a wide variety of ships and customers. In addition to the support at its yards, the division also offers its services in port, during voyages and in remote locations. Damen Shiprepair outperforms the competition by continuously measuring its yards' performance and sharing best practices, enabling its customers to make optimal use of their assets in a sustainable manner.

2 Key Results from Last Year

Damen Shiprepair has achieved its financial goals, as set out at division level and, even more importantly, also at yard level. The positive results could be achieved thanks to a proper follow-up of the risk avoidance policy surrounding acquisition of projects, measuring yards against each other (yard performance dashboard) and monthly meetings with the management teams of the yards.

Furthermore, Damen Shiprepair sees the positive effects of its quarterly MD/Sales/Ops sessions, where best practices, challenges and opportunities are being shared.

During 2025, Damen Shiprepair executed some signature projects such as the OBANA (winner Operational Excellence Award Damen Group), Disney Dream and Disney Fantasy. The division started the impressive REV Ocean project and achieved the return of MSC Cruises with one of their vessels after many years of absence. Damen Shiprepair Amsterdam (DSAm) hosted an unbeatable Sail event, and the division has started the Maintenance Valley cooperation with the Royal Netherlands Navy (RNLN) at its base in Den Helder.

Damen Shiprepair did not experience major incidents, and the R-Drive is fully operational and used by the yards. From a financial perspective, the division met its targets with the exception of the sale of a floating dock. From a cash perspective, Damen Shiprepair achieved the goals set for working capital overall. This was due to improved cash awareness across the organisation.

Although the division met its targets in many areas, it unfortunately did not achieve its CAPEX plan. As a result, the EBITDA development related to this CAPEX plan has been delayed by one to two years.

3 Strategic Priorities for the Coming Year

3.1 Context and Outlook

- Growth in cruise, offshore wind, yachting: Capture growth in cruise, offshore wind, and yachting by targeting high-value refits and sustainability upgrades (shore power, emission reduction). Leverage strong project pipeline (REV Ocean, Disney Fantasy) to drive revenue and margin. Risks: Overcapacity if market slows; project delays; increased project risk
- Digitalisation & AI-driven efficiency: Accelerate digital transformation with AI-driven estimating and flexible pricing. Use data from the estimation history to optimise. Risks: Data integration challenges; staff adoption; cybersecurity
- Revenue: Increase revenue by opening three additional Harbour & Voyage Service Hubs. Risks: Availability of suitable staffing
- Robotisation: Increase robotisation with paint robot and hull wiper in order to increase CM. Risks: Development of the technical requirements is lagging behind
- Damen Globalisation: Connect all yards to Workday. Risks: Availability of workday team

3.2 Strategic Focus Operational Excellence

- To enable a cost-efficient ERP implementation in 2027, Damen Shiprepair will review its operating model and consider centralising support activities to reduce overhead. This should lead to a more standardised and efficient workflow
- Detailed tracking of contribution margin on workorder level, will increase insights into variation between result versus quotation, which will lead to increased contribution margins

Commercial Growth

- Increase revenue streams by opening three Harbour & Voyage Service Hubs

Product/Service Development

- Increase Robotisation with paint robot and hull wiper in order to improve on sustainability goals and to improve contribution margins
- Vertical integration of painting, electrical/automation, OEM certified workers will increase service levels towards customers and will improve contribution margins

People & Capabilities

- Damen Shiprepair will expand operational training at its yards and continue using the Schiedam learning school to attract and retain blue-collar workers

Digitalisation

- The development of an AI-driven estimating tool will decrease estimating time and will improve the quality of quotations, using the extensive estimating history available in connection with Salesforce data

4 Operational Priorities

- Increase revenue streams by opening three Harbour & Voyage Service Hubs. In addition, Damen Shiprepair is in the process of increasing its ship repair activities globally
- Increase EBITDA by tracking and analysing the contribution margin on workorder level instead of only project level
- To improve its operational alignment within the division, Damen Shiprepair will review its operating model. Further standardisation and (de)centralisation should improve the division's way of working, reduce the costs of operation, and will help to ensure a smooth and cost-efficient ERP implementation, which is planned for 2027
- Increase robotisation (paint robot and hull wiper) which will have a positive effect on the division's goals with regards to sustainability and contribution margin
- Cost & cash initiative resulting in lower overhead costs

Maritime Ventures

Locations

- Damen Shipyards Hardinxveld - Gorinchem (the Netherlands)
- Damen Shipyards Koźle (Poland)
- Damen Shipyards 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 Constructions - Gorinchem (the Netherlands)
- Damen Compact Crafts - 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)
- Damen Folla AS - Flatanger (Norway) - JV 55,6%
- Damen Shipyards Gdansk - Gdansk (Poland)
- Damen Maritime Ventures Participations - Gorinchem (the Netherlands)

1 Damen Maritime Ventures Value Proposition

Damen Maritime Ventures (DMV) is a portfolio management division within the Damen Group, dedicated to enhancing and developing a strategic portfolio of maritime niche players. Its goal is to become a top three market player in each of the niches DMV serves by strategically pursuing both organic growth and inorganic expansion through buy-and-build strategies and startup collaborations/investments.

2 Key Results from Last Year

- Acquired Damen Folla, reinforcing the Aquaculture strategy and establishing a dedicated team
- Damen Shipyards Cape Town (DSCT) delivered the third Multi-Mission Inshore Patrol Vessel (MMIPV) to the South African Navy
- Relocated Damen Yichang Yard to the new state-of-the-art Yidu yard, without operational disruption
- Secured agreements for new offices and warehouses for Damen Schelde Marine Services and Superyacht Spares to accommodate further growth
- Achieved record-breaking consecutive monthly revenues at Superyacht Spares
- Launched the joint development project of the ZeaFalcon Unmanned Surface Vessel (USV), a collaboration between Damen Compact Crafts, Damen Maritime Ventures Participations, Zeabuz, Alewijnse, and Damen Digital Solutions
- Strengthened and expanded Concordia Damen's strategic foothold in the river cruise sector
- Civil & Modular Constructions (CMC) secured the Falkland Islands project, a major undertaking. This project involves replacing the existing port facility, known as FIPASS, with a new floating jetty system.

3 Strategic Priorities for the Coming Year

3.1 Context and Outlook

Geopolitical tensions and global uncertainties

Heightened geopolitical tensions and ongoing global uncertainties have the potential to exert a significant influence on Maritime Ventures' operations. For example, rising geopolitical frictions involving China have the potential to affect activities across Damen Cargo Vessels, Damen Yichang Shipyard, Damen Marine Components, Damen Trading Suzhou, and Concordia Damen. These developments underscore the importance of robust risk management and strategic agility in navigating an increasingly complex international landscape.

Evolving sanctions and regulatory compliance

Evolving international regulations and sanctions require ongoing vigilance to ensure compliance and business continuity for companies such as Superyacht Spares and Damen Schelde Marine Services.

Reduced momentum for sustainability initiatives

Relaxed regulations regarding sustainability – evidenced by the European Union scaling down the Green Deal and the International Maritime Organization's decision not to ratify the Net-Zero Framework – are reducing the momentum for greener shipping initiatives. This shift is impacting the portfolio of ventures and start-ups focused on developing green propositions.

3.2 Strategic Focus

Prioritising sustainable profitability over production growth
While production value will increase, the focus remains on sustainable profitability and long-term value creation, with clear targets for financial performance and operational efficiency.

Sustain excellence in core markets

While certain ventures are currently facing challenges, it is essential that Damen Maritime Ventures maintains a strong focus on those business units that consistently deliver outstanding results in its core markets. Ventures such as Albwardy Damen, Damen Shipyards Hardinxveld, Superyacht Spares, and Concordia Damen represent key pillars of the division's ongoing success. To ensure their continued high performance, these ventures should receive proactive support and strategic attention. Sustained excellence in these areas cannot be taken for granted; it requires ongoing focus, investment, deliberate management, and a commitment to reinforcing the factors that drive their success.

Diversification of the Damen Cargo Vessels portfolio
To achieve budget objectives for 2026–2028, the Damen Cargo Vessels portfolio needs to be diversified.

Article continues on next page

Capitalising on Aquaculture market growth
Rising global seafood demand, heightened consumer focus on health, and the ongoing depletion of wild fish stocks are driving substantial growth opportunities within the aquaculture sector. Through the acquisition of Damen Folla, Damen Maritime Ventures has strategically established a robust local presence in the Norwegian market, positioning itself to capitalise on these emerging trends.

Executing the buy & build strategy for Damen Schelde Marine Services
The division needs to ensure the successful completion of the buy & build strategy for Damen Schelde Marine Services, consolidate stock in the new facilities in Vlissingen, and leverage on synergies and growth potential.

Advancing unmanned small vessel solutions amid geopolitical uncertainty
The growing global demand for unmanned vessels, driven by evolving defence requirements and heightened geopolitical uncertainties, presents significant opportunities for Damen Maritime Ventures, with the joint development of the ZeaFalcon Unmanned Surface Vessel – a collaboration between Damen Compact Crafts, the division's corporate venturing team, Alewijnse, and the start-up ZeaBuz – demonstrating potential.

Expanding Damen Compact Crafts' market share
With the HDPE Workboat series being successfully launched, Maritime Ventures needs to intensify efforts to increase the Damen Compact Crafts market share. The USV market also provides significant opportunities.

Realigning Damen Digital Solutions (Damen Triton) for profitability
Damen Digital Solutions (Damen Triton) has incurred losses. Nevertheless, Maritime Ventures maintains strong confidence in both the product and its commercial proposition. Immediate priorities include halting further losses, realigning the long-term strategy an intensifying commercial efforts both internally and externally.

Integrating green technologies into the Damen Marine Components product portfolio
Although Damen Green Solutions has ceased operations, there remains substantial potential in the Damen Air Cavity System (DACS) and the continued development of the green product portfolio. As such, it is essential to prioritise the integration of the DACS product into the Damen Marine Components portfolio.

4 Risks & Dependencies

Constrained financial resources and stock levels
Financial constraints, combined with challenging market conditions such as increased competition, and economic uncertainty, are impacting operational performance and resource allocation across the portfolio.

Rising labour costs
Escalating labour costs are increasingly impacting the long-term viability and sustainability of certain international locations, including Poland and the Netherlands, This trend poses significant challenges to maintaining competitive operations and requires ongoing evaluation of cost structures and workforce strategies.

Evolving sanctions and regulatory compliance
The imposition of continuously evolving sanctions on Russia is significantly impacting trade activities for companies such as Superyacht Spares and Damen Schelde Marine Services. These ongoing regulatory changes create substantial operational challenges and require heightened vigilance to ensure compliance and maintain business continuity.

Services

Locations

- Damen Services Head Office (Gorinchem, the Netherlands)
- Damen Services Africa (Cape Town, South Africa)
- Damen Services Brazil (Rio de Janeiro)
- Damen Services Canada (Victoria)
- Damen Services Central America (Panama City, 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, United Arab Emirates)
- Damen Services Nigeria (Port Harcourt)

1 Damen Services Value Proposition

Damen Services offers lifecycle support to (Damen) vessel owners all over the world. It focuses on long-term engagements where it assists clients in keeping their maritime assets operationally available. Damen Services is a service integrator, and an ideal one-stop shop for vessel owners. Damen Services excels in maintenance and logistics services, whereby it reduces operational risk and costs for customers. As total service provider, Damen Services cooperates closely with the various system OEMs and, in specific cases, serve its customers on their behalf.
Damen Services is the gateway to the extensive knowledge of an installed base of nearly 7,000 Damen assets.

2 Key Results from Last Year HSSEQ

Although several HSE incidents occurred during the year, none resulted in critical personal injuries. Much emphasis was given to the HSE slogan, 'I see, I own, I act' and the awareness of mutual responsibilities for safe working has grown at all levels of the organisation.

Commercial

Damen Services' order intake reached a record high.
The division's own Engineers were trained on OEM systems, and the first Field Engineers were accredited by Zeppelin to conduct maintenance on CAT engines on their behalf.
In addition, the division strengthened its position in the UK market through the acquisition of I.M.E. Repair Services which allows it to respond effectively to developments in this region.

Tooling

The IBM-Maximo installed base management tooling was further enhanced with a work order flow that covers all warranty work preparation and reporting. Field Engineers are assisted by a handheld tablet which offers the ability to work offline when on board. In addition, Damen Services strengthened its IT Platform, enabling its global Services Network to collaborate more effectively and support each other across regions. This improvement marks an important milestone that will help Damen Services drive (local) growth in installed base services and further enhance the transparency and quality of its business reporting.

EBITDA and lessons learned

All flow business performed well during the year, and delivered – or exceeded – the budgeted results. However, two projects had a negative impact on the 2025 result.
In both cases Damen Services has delivered – or is redelivering – vessels in excellent technical condition, but encountered issues in preparation and/or execution. The lessons learned from these projects were identified and addressed, in 2025 and will be further implemented in 2026.

3 Strategic Priorities for the Coming Year

3.1 Context and Outlook

Damen Services focuses on three PMCs: Harbour & Terminal, Defence & Security, and Dredging. In these PMCs, the division sees similar market developments which impact the delivery of its services and the future of its business, these are:

- People; the search for technical knowledge
- Technology; the increasing complexity of ships' systems
- Supply chain; the lack of a reliable supply chain

In addition to the above stated factors, the global unrest due to geopolitical factors plays a significant role in Damen Services' business and is expected to further drive the demand for (local) support.

3.2 Strategic Focus
Damen Services believes that its continued investments in global presence and IT infrastructure have positioned the division strongly to deliver the support needed by its customers. These efforts enable Damen Services to become the preferred long-term service partner for its customers, driving sustainable growth and profitability in the years ahead. The division's strategy is guided by four key programmes, which have the following main areas of attention:

Business development and growth:
The global lack of technical capacity, the growing complexity of ships' systems, the lack of a reliable supply chain and the global geopolitical unrest is enlarging uncertainty among Damen Services' customers. While this can be challenging for the sales of the divisions newbuild-related services, it is a chance for its installed base services. By increasing its reliability and the ease of doing business with the division, Damen Services can become the preferred partner for maintaining its customer assets.

For 2026, Damen Services aims to consolidate the value of services it provides to all its customers. It will continue to focus its commercial efforts on those services that generate volume and healthy margins: RCC, Technical Assistance, Parts Sales, Maintenance Contracts and Deliveries.

With an excellent warranty service as a basis, Damen Sevices will continue to build strong relationships with its clients and aim at long-term engagements. Currently, Damen Services only service a minor part of the entire installed base. All its initiatives in the mid-term will be focused on creating a >50% installed base coverage. This will be realised by further enlarging Damen Services' operational footprint and strengthening/standardising its portfolio, enabling the division to "do more of the same" all over the world and take advantage of economies of scale.

In addition, Damen Services will further improve its asset management portfolio using the Damen network and the data it has. Damen Services will develop its advanced logistic services, and will further integrate the Life Cycle Support (LCS) of customers' assets by enhanced cooperation with OEMs.

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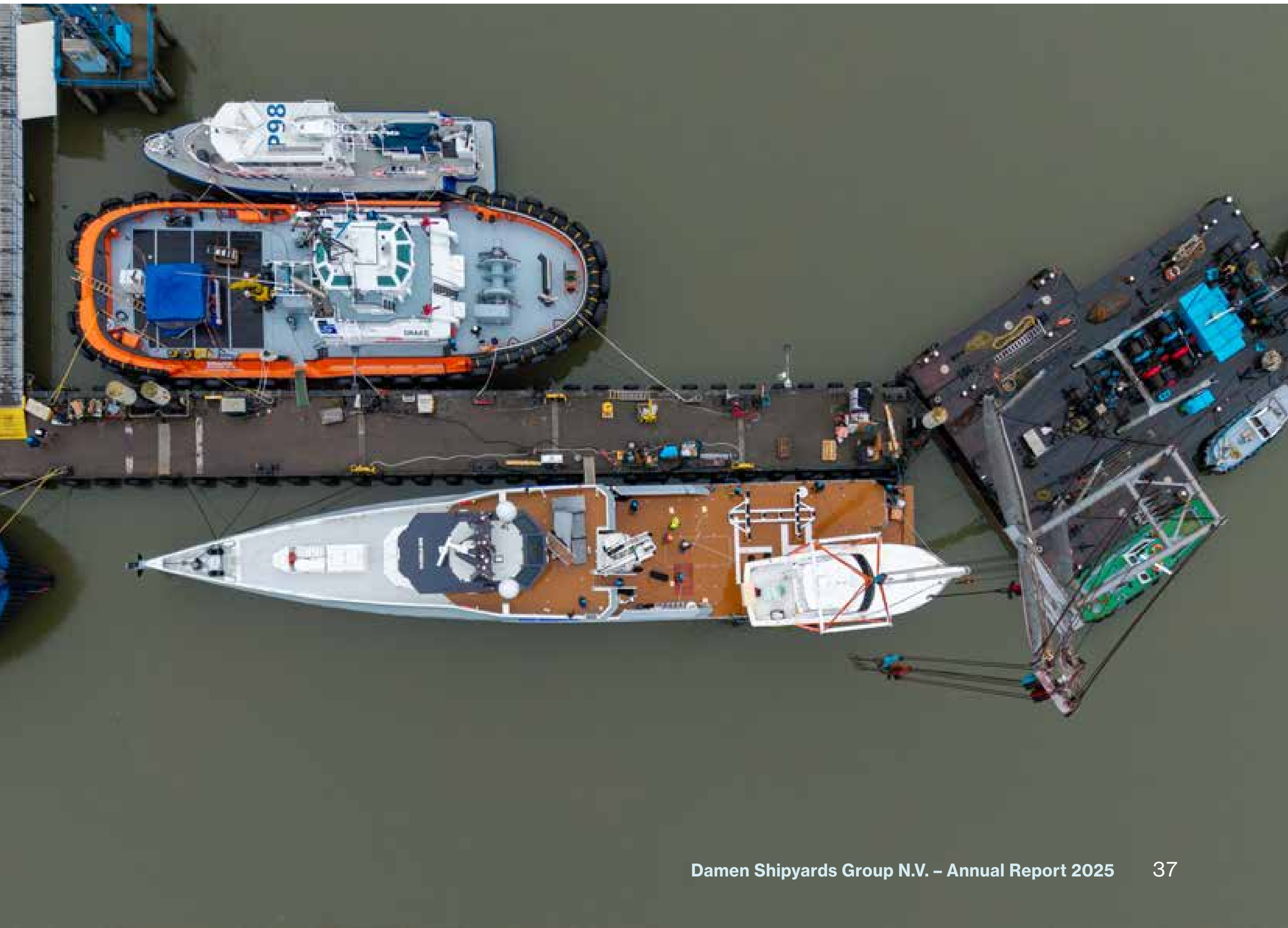

Operational excellence
Growth in the Services volume requires an increased predictability and delivery as promised. Damen Services' aim is to balance customer satisfaction with sustainable business performance.

The division aims to work safe, reliably, in a data-driven manner, smartly, and efficiently. By doing so, it intends to assist its customers in lifecycle support with a positive result for Damen Services. The division wants to be in control of the projects it runs and contribute to the Services portfolio result as planned and expected.

Damen Services will focus on efficiency. The division needs to optimise the usage of the IT landscape and the data it has invested in, standardise the service portfolio as a basis for tailored solutions and facilitate sharing of knowledge across the Services Network.

The core of the division's operation is to combine the capability of its people and suppliers with a solid supply chain of materials. Damen Services will invest in the positioning of the division towards its supplier base. Focus will be given to frame agreements to create efficiency in quoting and procurement, and improvement of logistical performance and traceability.

To mature the division within this strategic program, there are six focus areas within the area of operational excellence for Damen Services. These are mentioned and covered in greater detail in the paragraph "operational priorities".

Governance, risk and compliance
Damen Services encourages entrepreneurship with the accompanying freedom to act while knowing and understanding the boundaries of that freedom. It achieves the goals that it has set for Damen Services with acceptable levels of risk and in compliance local and corporate policies, laws and regulations. Certainly, with regards to its growth, the division needs to ensure that itdrives and develops its business while staying in control.

Services network
Damen Services employees' knowledge and attitude towards the divisions customers are instrumental in the way in which the division engages with the market. To continue to succeed in this rapidly changing international environment, Damen Services must engage, develop, and retain its staff and ensure that it attracts new Services team members. As it grows and further positions itself closer to its customers, cultural awareness and a unified company culture become increasingly vital. Specific knowledge, capacity and skill is developed locally to fit a specific region or market. Utilising this knowledge, skill and capacity for all the markets and regions Damen Services serves, means that the division starts to behave like a services network, comprised of a globally operating team that – when working together at full scale – will be much stronger and more effective than the individual Services departments and companies alone.

4 Operational Priorities

Portfolio governance
Improvement of portfolio governance, reporting, and risk management, tailored for Services business, based on project and contract complexity was defined and initiated in 2025. Further implementation and governance is a focus for 2026.

Standardisation
Standardisation of the Services portfolio to improve customer satisfaction, increase predictability of service delivery, and improve portfolio results is an important strategic topic. Damen Services will first concentrate on newbuild-related services.

Data-driven automation
Implementation of automated and data-driven processes on part sales, part requests, configuration and work order management are expected to increase efficiency, accuracy and quality.

Supply chain
Damen Services will ensure that procurement and supply chain processes are transparent and measurable to improve lead time, required working capital and cost level. The requirements will be secured in an updated service level agreement with logistics that meets Services' business needs.

Vertical integration
Damen Services will determine a three-year strategy towards its supplier base. The aim is to reduce the reliance on suppliers in service execution through representation and frame agreements, enabling Damen Services personnel to execute services on behalf of suppliers.

Knowledge management
Damen Services will structurally unlock knowledge within the division on ways of working, business awareness, technology and its supplier base to enrich and expand from the basis that was set in 2025.

5 Risks & Dependencies

The services business at Damen Services is characterised by being order-driven, cashflow positive, and requiring low capital expenditure. As a result, the division anticipates limited impact in the event that external or internal risks materialise.

Internally, the most significant risk to net results is the possibility of reduced volumes in newbuild-related services should other group companies reduce ship deliveries. The cyclical nature of the maritime industry is well known and, in response, Damen Services has strategically focused on building a robust portfolio and a sales funnel of installed base services. This approach helps mitigate exposure during downturns in the newbuild market, ensuring continuity and stability in service operations.

Unrest in regions where Damen Services has planned activities for 2026 presents a potential external risk to the delivery of certain elements within the portfolio. While preventive security measures are in place to safeguard personnel, Damen Services acknowledges that project progress and outcomes may still be influenced by evolving geopolitical conditions.

DFS Maritime Solutions

Locations

- DFS Holding - Gorinchem (the Netherlands)
- DFS Securities - Gorinchem (the Netherlands)
- Damen Marine Services - Gorinchem (the Netherlands)
- Damen Customer Finance - Gorinchem (the Netherlands)
- OceanXpress - Gorinchem (the Netherlands)
  - Aracaju location (Brazil)
- DP Lease - Gorinchem (the Netherlands)
- Aqualiner - Zwijndrecht (the Netherlands)

1 DFS Maritime Solutions Value Proposition

DFS Maritime Solutions' mission is to deliver maritime solutions with impact to Damen Customers.
DFS acts as a customer to the Damen Group, acquiring new vessels to allow an end-customer to use Damen assets. The division is a ship owner that offers vessels as a service, and if requested, individual parts of that business case.
In that offering, DFS Maritime Solutions aims to go above and beyond what is required for its clients: greener than expected, more impactful than envisaged. This way, the division helps push the transition to a better world.

Maritime solutions

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.
With a combination of financing activities, operational and financial leasing, DFS, under its commercial banner Damen Maritime Solutions, executes the Damen Group strategy, growing towards a total maritime solution provider. It can be a financial solution, via Damen Customer Finance, or an integrated offering, where the division buys, finances and operates the vessels for its client, or something in between.

DFS' operations team is tasked with managing the full fleet, short-term rental as well as returning vessels from defaulting clients, or at the end of contracts, and support in re-deploying the vessels.
The division also operates Damen Trading, a brokerage/ trading/chartering office to support customers with their needs in purchasing, selling or chartering vessels, whether Damen-built or not. In both cases, DFS acts for Damen entities as well as third parties.

2 Key Results from Last Year

In 2025, DFS leased out vessels to various national governments, large corporates, and also to small start-ups. The division tailored its offering to fit all of their individual requirements. Considering that the division operates this business in a small team, this requires extreme agility, working together across expertise centres. DFS works in a high-performance set-up, which has proven to be very successful over the last few years. This requires that DFS can execute its plans and, in that respect, the past year of 2025 has been a challenge for the business, placing DFS in waiting mode for a time. This has taken roughly half the year in terms of the division's supplier credit business, and also significantly delayed its other investment plans. That was besides the fact that DFS' plans and performance were prepared and considered interesting by its counterparts.

In the second half of the year, DFS made valuable steps to catch up with its own expectations, and is now executing various investment projects, together with Workboats, OSV, Services, Maritime Ventures, Yachting and Naval (in no specific order). DFS has acquired a fleet of some fifteen to twenty vessels in 2025, some of which are still being built, while others have already been delivered and sold to third parties.
The division has improved the workability of its fleet in 2025, with all vessels capable of handling contract or spot work active in the field at year end. The vessels targeted for concession work have various opportunities that the division is working on.

In 2025, DFS has managed to turn around its ferry business, making it into a viable, but still fragile operation. This follows positive discussions with the Dutch Government, which has brought about a more positive team spirit in the joint venture operating this business. As a result, DFS was able to replace the external Transition Manager with one of its own existing team.

3 Strategic Priorities for the Coming Year

3.1 Context and Outlook

Since its inception in 2021, DFS has evolved into a full-service shipowner with operations in Brazil, the Netherlands, and elsewhere globally. The company provides charter, lease, rental, and financing solutions to support Damen's shipbuilding and repair business. Its strategic focus includes expanding financing structures, investing in sustainable vessels, and building a frontrunner fleet to stimulate new orders.

3.2 Strategic Focus

Operational performance and digitalisation

In 2026, DFS will build on the efficiency gains achieved through centralised procurement and continue strengthening operational risk management. The Business Central ERP rollout will be fully integrated across all processes, to also include HR, which will allow the organisation to realise the full benefits of automation and bring workflow visibility. Investments in AI, particularly for legal and compliance support, will deliver further enhancements to accuracy, speed, and decision-making. After starting automated quoting in 2023, DFS now provide all offerings online.

Product, service and fleet development

DFS will deliver various acquired vessels to clients in accordance with delivery contracts and will introduce additional 'as-a-service' propositions to expand recurring revenue. It will progress the methanol-powered ASD 2713 FF range and accelerate commercialisation of the ferry fleet as the overall fleet grows from 25 to 40 vessels.

These efforts, along with new financing facilities and market expansion in Brazil, will support broader portfolio development and increase customer reach. DFS will re-focus on co-developing the Shoalbuster range to hybrid propulsion.

People, organisation and capabilities

Over the past three years, parts of the Damen Group benefited from the ESG push from within DFS. Now, the division's ESG team will migrate into the Damen Group, while still enabling DFS to tap into centralised sustainability expertise and a shared knowledge base. To support fleet growth and rising commercial activity, DFS anticipates expanding its operations team. Capability building, and particularly maintaining the current cross-functional collaboration, along with improved process consistency will be key to delivering quality and supporting the further growth of DFS' vessel as a service model.

Commercial growth and market expansion

DFS will pursue overall higher vessel utilisation, broaden its buyer credit offerings, and strengthen customer engagement in priority markets, including further expansion in Brazil. The 2025 Impact Report will be published, reinforcing transparency and stakeholder alignment. With new vessels coming online and additional staff supporting operations, DFS is positioned to advance its commercial footprint and deliver stronger, more predictable growth.

Article continues on next page

4 Operational Priorities

DFS anticipates in offshore energy with plans to order a first methanol-ready offshore tug.

Growth is also expected in harbour & terminal leasing. The E-tug segment remains stable due to regulatory uncertainty, while the ferry/public transport market is being scaled down due to past setbacks and increased competition.

One specific focal area is the Sale and Leaseback offering for large clients that wish to migrate to cleaner vessels over the course of some years. By selling their entire fleet to DFS, and leasing it back for the first years following, cash is freed up to accelerate newbuilding with a better emissions profile. When the new vessels arrive, the old vessels remain with DFS. After a full upgrade, these vessels will be redeployed in a more emission-friendly manner. This will require commitments from both sides, but DFS is willing and able to make the first step to persuade clients. DFS currently owns three vessels undergoing refit.

Operational profiles for these offerings vary, but DFS sees an increase in activity, and will accommodate this growth with a modest increase in personnel, combined with big efforts in digitalisation and a build-up of financial infrastructure by means of new financing facilities. All of these items are referred to above in more detail.

5 Risks & Dependencies

The risk of a downturn in the economy is always apparent. Over the past few years, DFS has always had various (very) good projects annually, but always some bad deals that take considerably more focus than expected. To date, this has been reduced to two projects, and DFS is pushing hard to reduce this number to zero, which will probably never be the case. However, by considering non-performing contracts a standard, DFS now applies standard processes to them, which reduces complexity. The division has noticed that, after starting with this standardising approach in 2024, the results have been significant. DFS' very strict screening and governance setup eliminates the potential of acquiring clients that can cause compliance or non-performance issues, yet these matters remains a daily focal area.

Overall, DFS considers itself well positioned, with proper risk management in place to manage these risks and dependencies. The independent audits on ISO 37001, ISO 9001 and DFS' comprehensive ISM offers a solid basis, further enhanced with the close management attention of the division's skilled experts in fields such as operations, finance and legal. DFS' looks forward to making its impact.

2.7 Performance in 2025

HSSE - Safety, Environmental Stewardship & Security

Group HSSE governs Damen's policies and standards for occupational health & safety, environmental management, and security. It ensures legal compliance, risk mitigation, and a culture of safety across all divisions.

2026 Priorities

- Update and implement groupwide OH&S, environmental, and security standards
- Conduct safety and environmental audits across all divisions.
- Launch safety leadership campaigns and increase hazard reporting
- Complete environmental legal registers and ensure CSRD-aligned data accuracy
- Perform security risk assessments and implement site-specific security blueprints

Sustainability

Damen wants to become the most sustainable and connected maritime solution provider in the world. This is not just a phrase, but a deeply felt aspiration to ensure prosperity for the next generations and leave them a planet as beautiful as we inherited it from our parents.

As a family company, Damen is committed to securing tomorrow for the next generation, caring for our oceans, seas, lakes and rivers. Damen invests in its people, protects the planet and focuses on sustainable innovation and company growth to make sure it can continue to contribute to a better future.

Sustainable strategy

In 2025, Damen introduced its new sustainable strategy, giving more focus to the ambition to become the most sustainable maritime solution provider in the world. The sustainable strategy rests on two strong pillars: Minimum Emission and Maximum Impact.

Minimum Emissions

Damen makes positive impact through the vessels it makes, and the solutions it provides to keep those vessels functioning for a longer period and at higher efficiency. As most costs and emissions are made during the sailing of vessels, Damen fully focuses on reducing emissions in Damen and non-Damen vessels to ensure a sustainable future in shipping through maintenance, refit, repair and services for long term clients.

Maximum Impact

Damen contributes positively to the economy, local communities and natural environments everywhere it works. This is the Damen DNA, because Damen cares for its people and loves our oceans.
Working worldwide offers Damen the opportunity to contribute to a better world through job creation, training and knowledge transfer, environmental protection, long-term co-maker relationships and maritime cluster development.

Data as a foundation

In order to move forward with sustainability, we first need to know where we stand. That is why Damen is building a so-called 'baseline' through the Sustainability Data project. This involves visiting all sites to see, for example, the status of insulation, solar panels, heating, etc. The same is done for people: how many people work where, how much training is provided, what can be done to improve wellbeing and engagement? And also for maritime solutions: how many does Damen offer, how do they contribute to sustainability, in what way, how much money and emissions do they safe for clients? By mapping all this, Damen gains insight into its starting position.

To get reliable data, Damen detract information, as far as possible, from existing systems, such as Workday. This not only reduces the administrative burden for external reporting, it also helps the organisation with smart dashboards that facilitate operational control and help identify areas for improvement.

In addition, the data can be used for CSRD reporting and as abackbone for Damen's environmental reporting. The first draft reports have now been drawn up, and the role out to the group will take place in the first half 2026.

Workforce

The average workforce number for 2025 was 9,273 (2024: 9,046). 35% of Damen's 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 personnel. In addition (sub-) contractors and temporary labour add flexibility to this capacity.

At the end of 2025, the female to male ratio on the Supervisory Board was 20 to 80 % and on the Executive Board it was 0 to 100 %.

Employee engagement has been an important topic in 2025. Damen knows that businesses with high engagement have a better performance. The path laid out for improvement has short- and long-term goals, all related to improving the quality of managers within Damen. For the short-term interventions, Damen focuses on training and support for managers in there day-to-day interaction with employees. For the long term, the aim is to elevate the general management level by developing and selecting better managers.
Damen's leadership and talent development programmes are key in reaching this goal. These were conducted at all available levels in 2025, in both Dutch and international versions.
The further implementation of succession management and the implementation of performance management helps with the long-term goals of engagement by channelling the development of teams.

All HR processes are increasingly supported by standardised tooling. Based on maturity, some entities are utilising these tools more than others. For 2026, the focus will be on closing gaps they are identified. Tests have been performed to assess the possibility of making MS Teams available to blue collar colleagues, which was very successful. Currently, this capability is being introduced within all repair yards and most newbuilding yards.

Some the larger location, such as Vietnam and Antalya, as well as the new UAE entities rolled out the HAY method as part of the Group pay strategy. Especially in Abu Dhabi and Vietnam, where thefocus is on providing international Shared Services support, according to the World Wide Workforce strategy, the infrastructure is in place now to boost these activities in 2026 and move work over where the opportunity exists.

Financial

Financial performance
Following the steady high orderbook and increased yard occupation of the repair yards Damen remained at a steady level with an increase of the net turnover to 3.2 billion euro in 2025 (2024: 3.0 billion euro). Operating income (sum of net turnover and other operating income) increased to 3.3 billion euro, compared to 3.1 billion euro in 2024.

Associated operating expenses increased from 3.0 billion euro in 2024 to 3.2 billion euro in 2025, resulting in an increase in operating profit from 72 million euro in 2024 to 80 million euro in 2025. For 2025, non-recurring items mainly consist of the impairment of loans and amounted to 11.6 million euro (non-recurring items 2024: 4.5 million euro). The impairment and reversals of financial fixed assets amounted to -4.6 million euro (2024: 3.6 million euro).

The operating result increased in 2025 compared to 2024. The net group result for 2025 amounts to a profit of 61.1 million euro (2024: 58.3 million euro). The share in result of participating interests increased from 26.7 million euro in 2024 to 37.2 million euro in 2025, mainly caused by the book result on the sale of a participating interest.

Depreciation, financing expenses and tax
Depreciation increased to some 52.5 million euro (2024: 46.2 million euro). The financing expenses came to 59.9 million euro (2024: 39.9 million euro) as a result of increased funding requirements as well as increased interest rates. The financing income decreased to 12.1 million euro in 2025 (2024: 19.1 million euro). The taxation on this result amounted to an income of 1.2 million euro (2024: expense of 17.8 million euro).

Working capital requirement, capex, and cash flows
Damen, as part of its business selling stock vessels, decreased the strategic stock following the sale of a number of stock vessels, resulting in a decrease in hulls by 58 million euro (2024: increase 33 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 pre-financing on construction contracts increased by 207 million to 561 million euro. The trade and other receivables decreased by 40 million euro (2024: increase of 62 million euro) as a result of the ongoing focus on working capital optimalisation. The current liabilities slightly decreased by 4 million euro (2024: increase of 157 million euro).

The cash generated by operating activities came to 125 million euro in 2025 (2024: -125 million euro) mainly due to improvements in hulls position and focus on working capital optimisation, offset by higher pre-financing on construction contracts.
Investments amounted to 207 million euro (2024: 136 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 ships for leasing purposes. The debt position consequently increased to 729 million euro (2024: 670 million euro) and is mainly financed with long-term loans (SMBC and CBD) and the extended Senior Facility Agreement.

Equity and solvency
Taking into account the result of 2025, the group equity increased from 475 million to 524 million euro and solvency remains above the covenant with lenders of 22.5 % (2024: 20%) at 37.2 % (2024: 33.1 %). Management currently considers this is adequate for this capital-intensive business. No dividend will be distributed to shareholders.

Orderbook
The order intake in 2025 was 3.1 billion euro (2024: 5.9 billion euro). At the end of 2025, the contract value of the order portfolio amounted to 10.2 billion euro (2024: 10.4 billion euro). Relative to the competition and in absolute terms, the group order portfolio maintains a solid level.

(x € 1,000)	2025	2024	2023	2022	2021
Net turnover	3,249,821	3,022,564	3,089,893	2,485,580	2,363,302
Operating result[1]	62,464	78,230	49,453	18,656	13,222
Non-recurring items	11,600	4,500	20,000	40,000	12,000
Operating result, excluding non-recurring items	74,064	82,730	69,453	58,656	25,222
Net result	61,149	58,251	43,235	14,620	1,331

(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.

2.8 Research, Development, and Innovation

Technology roadmaps & knowledge leadership

Overview

Damen's Research, Development & Innovation (RD&I) function serves as the company's central engine for technological progress and strategic foresight. Operating at the intersection of scientific inquiry and commercial application, RD&I is responsible for defining, developing, and driving forward the technology roadmaps that underpin Damen's long-term competitive position across the global maritime industry.

RD&I conducts applied research across a broad spectrum of technical disciplines; including hydromechanics, new and alternative fuels, data science, and systems engineering, ensuring that Damen remains at the forefront of technological development in an increasingly complex and rapidly evolving sector.

Role within Damen

Beyond its research mandate, RD&I plays a pivotal advisory role within the Damen organisation. It provides independent, expert guidance to the Executive Board, business divisions, and group functions on both technological risks and emerging opportunities. This positions RD&I not merely as a research unit, but as a trusted strategic partner that helps Damen's leadership make well-informed, future-oriented decisions.

As an internal knowledge hub, RD&I connects expertise and insight across Damen's various divisions and disciplines. It ensures that innovation is not driven by technology alone, but is shaped by genuine market demand and real-world business needs; fostering a culture where research translates into tangible value.

2025 developments

Building on the momentum of 2024, RD&I has advanced several major initiatives in 2025 spanning digital engineering, AI, autonomy, sustainability, robotics and more.

Digital collaboration and model-based systems engineering
RD&I is actively participating in the Digital Samenwerken/JMDP programme, a Dutch initiative under the Maritiem Masterplan designed to improve information exchange across supply chain partners and establish best practices for model-based systems engineering (MBSE) in ship design and operation. After a period of delay, the Dutch maritime sector finally started working on Digitaal Samenwerken as a cornerstone part of the Maritiem Masterplan in 2025, with Damen RD&I playing an active role.

Internally, RD&I is transitioning towards model-based verification and validation as the next evolution of its integration testing strategy. Building on a strong foundation of hardware-in-the-loop (HIL) testing experience, a newly formed simulation, verification, and validation team was initiated in 2025 to investigate model-based alternatives that can deliver performance verification earlier in the project lifecycle; potentially even before contract signing.

Sea trial accreditation

RD&I's investment in building a stable, high-quality team of sea trial engineers has been formally recognised. Bureau Veritas awarded RD&I and its local trial engineers the status of Approved Service Supplier for Comfort Class measurements in 2024. In 2025, RD&I received an equivalent recognition from DNV, enabling it to operate as an independent body for verifying Comfort Class notation on Damen vessels under BV and DNV class.

Cloud migration and software tools

Making knowledge and tools accessible across the organisation is a core ambition of RD&I. In collaboration with IT&IM, RD&I continues to migrate its portfolio of internally developed software tools to the cloud, improving availability, maintainability, and reliability for users in Engineering and Design & Proposals (D&P).

Artificial intelligence and autonomy

As a centre of data science expertise, RD&I is exploring a range of artificial intelligence technologies; including Large Language Models; to complement traditional physics-based simulation.
In parallel, RD&I's Automation team has developed a sensor pod to enhance situational awareness on vessels, laying the groundwork for graduated autonomy features. The approach mirrors the model adopted by Tesla: equipping vessels with the necessary hardware upfront and progressively enabling autonomous capabilities through software updates.
Future research will focus on sensor fusion and determining where the pods need to be positioned on a ship to get sufficient coverage, depending on ship type.

Collaborative robotics (cobots)

In collaboration with Damen-Song Cam Shipyard, RD&I introduced collaborative robots, known as cobots, for welding operations. Earlier experiments demonstrated that conventional industrial robots produced consistently high-quality welds, but were difficult to programme without deep welding expertise. Cobots address this by simplifying the programming interface, making it practical for experienced welders to train the robot directly. This approach ensures that welding knowledge, which is essential for quality assessment, remains central to the process. In 2025, robotic welding for HDPE materials has also being investigated in collaboration with the HDPE team and a conventional welding robot has been modified for HDPE welding.

Sustainability initiatives

RD&I is investigating the feasibility of a fully circular crew cabin, working with suppliers to explore new materials, identify metrics and developing methodologies to quantify circularity. A full-scale mock-up is expected in 2026. Alongside this, RD&I is developing tools for product sustainability measurement and lifecycle performance analysis, enabling Damen and its clients to meet EU Corporate Sustainability Reporting Directive (CSRD) requirements.

New EU-funded projects

Four new EU-funded projects have launched in 2025.

- H2UpScale will develop the next generation of durable PEM Fuel Cell stacks with a power output of 250 - 500 kW, targeting heavy-duty transport applications in aviation, maritime, and long-haul road transport.
- The eWAVE project will bring together eighteeen research, technology, and shipbuilding partners to develop mature high-voltage electric technology for vessels, focusing on efficient modular battery and distribution systems for the European shipbuilding sector.
- HOLOGISTICS accelerates the transition to zero-emission, data-driven and highly efficient freight transport. Within this project Damen RD&I has procured an old Damen Stan Tender. A Damen-designed and built boat, 28 years old, that will be renovated and converted to become a platform for testing automation technology.
- Marconnect will research the possibility to use EU civilian vessels as a networked system of sensors that can contribute to maritime security.

Group Technology Management for New Energy

At the close of 2024, Damen launched a new strategic initiative: Group Technology Management for New Energy. This team, operating under the RD&I umbrella, was established to coordinate and accelerate Damen's transition from conventional diesel propulsion to the fuels and energy systems of the future.

A key lesson from recent years is that the costs of repeated, siloed problem-solving across divisions have been significant. Without adequate sharing of knowledge, both successes and failures, and similar challenges have been addressed multiple times across different parts of the organisation. Group Technology Management is designed to break this cycle by serving as a central knowledge hub for new energy technologies across all Damen divisions.
The team has expanded from one to three in 2025 and is foreseen to expand to four or five in 2026.

This initiative reflects Damen's overarching ambition to become the world's most sustainable provider of maritime solutions, and positions RD&I as the engine driving that transition.

2026 priorities

In 2026, Damen RD&I will continue its conventional RD&I activities, i.e. carrying out research projects with partners and providing expertise to the business.
Complementary to that, RD&I will concentrate its efforts around four strategic priorities, each designed to reinforce its role as a high-impact, value-generating function within the One Damen framework.

1. Maintain cost discipline and leverage external funding

RD&I is committed to maintaining rigorous cost discipline while maximising the impact of its available resources. This means not only managing internal budgets efficiently, but also actively identifying and securing external funding opportunities, including EU grants, subsidies, and collaborative research programmes, to support the most strategically significant research topics. By aligning expenditure with high-priority research areas and leveraging external partnerships, RD&I ensures that every investment delivers measurable value to the broader organisation.

2. Update and align technology roadmaps
Technology roadmaps must evolve in step with market conditions, regulatory developments, and technological breakthroughs. In 2026, RD&I will review and update its roadmaps through a structured process incorporating input from internal stakeholders and external market signals. This process is guided by the dual principle of "doing the right things and doing things right", ensuring R&D investments are focused on areas of greatest strategic relevance, while being executed with rigour and best practice.

3. Drive innovation through strategic collaboration
RD&I will intensify collaboration with universities, research institutes, technology suppliers, and industry consortia to co-develop new knowledge and breakthrough technologies. A particular focus will be placed on emerging domains where Damen can establish or maintain a competitive edge. Equally important is the structured management of new technology introduction, ensuring that innovations are not only developed, but successfully validated, integrated, and scaled across Damen's operations and product portfolio.

4. Foster an engaging learning culture
The quality of RD&I's output is fundamentally dependent on the quality of its people. RD&I will invest in the development and wellbeing of its talent by creating a supportive, intellectually stimulating environment with structured coaching, mentoring, and continuous professional learning. By cultivating a culture where curiosity is encouraged and expertise is valued, RD&I aims to attract and retain world-class technical professionals, the foundation upon which all other priorities rest.

Strategic impact and the One Damen framework
By executing these priorities with consistency and ambition, RD&I will cement its role as a strategic enabler within the One Damen framework. Rather than operating as a siloed research function, RD&I actively bridges the gap between technological possibility and business reality, translating scientific insight into competitive advantage for the entire group.

RD&I's work is deeply intertwined with two of Damen's most important groupwide goals:

- Sustainability: RD&I leads the development of new energy systems, alternative fuel solutions, and circular design methodologies, helping Damen navigate the maritime industry's transition towards decarbonisation. Active projects in hydrogen fuel cells, high-voltage electric systems, and circular cabin design all reflect this commitment.
- Operational Excellence: Through model-based systems engineering, digital twins, cloud-based tooling, and AI-enhanced simulation, RD&I is improving the rigour, efficiency, and predictability of Damen's engineering and design processes, reducing rework, shortening development cycles, and improving the quality of Damen's vessels and systems.

In summary, RD&I is not simply a centre for scientific exploration, it is a critical driver of Damen's long-term value creation. Through disciplined investment, strategic collaboration, and a relentless focus on both people and performance, RD&I will continue to position Damen as an innovation leader in the global maritime industry.

2.9 Digital, Information Technology & Data Management

Highlights 2025

IT Operating Model and Service Delivery

In 2025, we continued to refine our IT operating model with a strong focus on delivery capability, employee enablement, and engagement. Building on changes introduced in previous years, further steps were taken to streamline processes, automate workflows, and enhance the overall user experience. By structurally addressing recurring issues, the emphasis shifted from reactive support to prevention and continuous improvement. At the same time, reducing local infrastructure footprints contributed to a simpler, more resilient, and cost-efficient global IT landscape.

Agile Working @ Damen

Following the successful adoption of the SAFe Agile framework, IT and business teams were able to deliver changes in a more reliable, consistent, and predictable manner. The focus increasingly shifted from “doing things right” to “doing the right things”. Business and IT continued to collaborate closely to define priorities and requirements, ensuring that platform investments translated into sustainable value and continuous improvement aligned with Damen’s strategic objectives.

IT Infrastructure Management

During the year, further steps were taken to modernise the IT infrastructure, including the transition of SAP to a cloud-based environment. This contributed to improved system stability, flexibility, and performance. Business continuity was strengthened through reinforced disaster recovery arrangements. In addition, local infrastructure was renewed and simplified, resulting in lower costs and fewer issues.

IT Service Management

IT service management was further professionalised in 2025. End-user services were standardised through external service arrangements, supporting scalability and consistency. Automation was expanded across IT service processes, improving efficiency and service quality.

IT Value Creation and Digital Programme

The digital programme continued to progress in 2025. Key system implementations were completed or further advanced across several divisions, while other initiatives were phased to ensure appropriate sequencing and effective use of resources. Engineering and enterprise platforms were further standardised, supporting improved integration, scalability, and collaboration across the organisation.

Within our digital programme, the following projects were initiated in 2025 or will commence in the coming years:

- Performance Management and Recruiting went live in Workday.
- The SAP implementation for Galatz, which started in 2025, will go live in April 2026.
- SAP implementations for DR&C and Antalya have been postponed and will start in 2027.
- The Dassault 3DX implementation at Workboats is partially live and will go fully live in April 2026.

Damen Data Management Foundation

Recognising the increasing importance of data for digitalisation and decision-making, further steps were taken to strengthen the Data & Analytics foundation. An enterprise-wide data model was defined to improve consistency across systems and processes. Data governance capabilities were enhanced through clearer ownership, standardised processes, and initial data quality assessments. Centralised data management activities were expanded to support efficiency and reliability in the use of core data.

Artificial Intelligence and Innovation

Automation and artificial intelligence are enhancing efficiency in daily business processes by reducing manual effort and enabling new functionalities across engineering, supply chain, planning, finance, HR, and other functions. The adoption of AI solutions accelerated in 2025, supported by targeted employee training and the development of selected use cases across key platforms. Colleagues across Damen in the Netherlands were trained in the use of AI, with particular emphasis on Microsoft Copilot. More than 920 Copilot licences were deployed, achieving a 97% active usage rate and delivering average time savings of approximately 60 minutes per user per week. To ensure responsible deployment, governance frameworks, policies, and architectural principles were established, safeguarding the secure, controlled, and value-driven use of digital and AI technologies.

Outlook 2026

Looking ahead, Damen will continue to develop its IT and information management capabilities. Priorities include further simplification and standardisation of the IT landscape, deeper integration of automation and AI, and continued strengthening of portfolio management and outcome-based planning. These efforts aim to support operational excellence, empower employees, and ensure that digital investments remain aligned with the organisation's long-term strategy.

Cyber Security

Information security

Information security and cyber resilience remained critical enablers for Damen's digital strategy and operational continuity throughout 2025. Against the backdrop of an increasingly complex geopolitical, regulatory and threat landscape, cybersecurity continued to evolve from a primarily technical discipline into an integral component of enterprise risk management, governance and business resilience.

During 2025, Damen further strengthened its cybersecurity posture by structurally embedding security into digital programmes, operational processes and architectural decisions. This included clearer security ownership, more consistent application of groupwide security standards , and earlier involvement of security in major digital initiatives. This resulted in improved alignment between IT, business, and security objectives, with a stronger focus on prevention, early detection and controlled response capabilities. Continuous user awareness and responsible digital behaviour remained a key pillar in reducing human-related cyber risks, particularly in the areas of phishing, social engineering and misuse of digital collaboration tools.

A major development in 2025 was the definition and establishment of the One Damen Identity vision and the underlying Identity and Access Management (IAM) framework. During the year, Damen developed the strategic IAM vision, defined standards and guardrails, and designed the governance model required to support consistent and controlled identity management across the organisation. Formal endorsement of the governance model is scheduled for early 2026.

While the implementation of IAM capabilities and the consolidation of identities will take place over multiple years, the foundations laid in 2025 provide a clear and coherent framework for reducing identity fragmentation, strengthening access control and improving lifecycle management of identities and privileges in a controlled and sustainable manner. These foundations ensure that future IAM implementations are aligned with business needs, architectural principles and risk management objectives.

Building on the introduction of External Attack Surface Management (EASM) in 2024, Damen further operationalised continuous monitoring of its externally exposed digital footprint in 2025. This capability provided ongoing insight into vulnerabilities, misconfigurations and unintended exposures, enabling faster remediation and supporting a shift from periodic assessments to continuous cyber risk visibility.

Cybersecurity governance matured further in 2025 through clearer ownership, tighter integration with enterprise risk management and stronger alignment with IT architecture and digital transformation initiatives. This contributed to increased transparency towards executive management on cyber risk, priorities and control effectiveness. Security-by-design principles were increasingly applied across new implementations and major platform rollouts, reducing the need for compensating controls post go-live.

In parallel, Damen continued to reduce its overall attack surface through standardisation, simplification of the IT landscape and a gradual reduction of local footprint. Detection and response capabilities were strengthened, and cybersecurity requirements were more explicitly embedded into supplier and partner relationships, reflecting the growing importance of supply-chain security.

In summary, 2025 marked a further transition towards a resilience-driven and risk-based cybersecurity approach. Information security at Damen has become more structurally embedded in governance, digital execution and business decision-making, providing a solid foundation for secure growth, regulatory compliance and long-term digital resilience.

2.10 Governance and risk management

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. These risks are hedged at the moment that obligations are entered into. Damen Shipyards Group does not speculate in financial derivates (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 288 million euro, of which buy contracts 191 million euro and sell contracts 97 million euro (2024: 216 million euro of which buy contracts 152 million euro and sell contracts 64 million euro). The fair value of these contracts amounted to -2.6 million euro (2024: 3.2 million euro).

Approximately 85 % (2024: 94%) of these forward currency contracts will expire in 2026 (2024: 2025). 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.

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 programme 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 2025, the Compliance Risk Assessments were updated 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, and two interim Senior Compliance Consultants, a network of Ambassadors (compliance contact persons) within Damen's divisions at the management team level, and several other compliance roles throughout the organisation.

Damen's directors, staff, and representatives are required to adhere to the Damen Values and Code of Conduct, which clearly outline the rules and behavioural 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, 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 2025, various trainings and dilemma sessions were held for management teams and various departments (like Sales, Procurement, Project Management, Supply Chain) in several Damen locations around the globe. These trainings will help personnel to identify compliance risks, how to address them, 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 into 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. As per yearend 2025, all service provider contracts and the connected processes have been centralised in one support office working as an extension of the Group Compliance team.

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 authorised 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 2025, 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. Another ‘right to audit’ at a service provider was initiated in 2025 and has not yet been concluded, as potential indications of irregularities were identified that require further follow-up in the continuing internal investigation. In the meantime, cooperation with the service provider concerned has been put on hold for the duration of the investigation being a standard procedure as part of the Damen Compliance Framework. 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. In 2025, Damen completed the maintenance audit for ISO 37001 certification, while in 2026 the recertification audit will take place.

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 legal proceedings against Damen Shipyards Gorinchem B.V. and Damen Schelde Naval Shipbuilding B.V. for alleged fraudulent activities, including bribery, forgery and money laundering has been started. Based on the available facts and circumstances the outcome of the legal proceedings is uncertain and therefore difficult to estimate.

In 2025 legal proceedings against Damen Shipyards Gorinchem B.V. for alleged violation of sanctions legislation with respect to the delivery of parts to Russia has been started. Damen contests these allegations, maintaining that it acted in accordance with the applicable sanction regulations. Based on the available facts and circumstances the outcome of the legal proceedings is uncertain and therefore difficult to estimate.

On December 2, 2025, Damen’s offices were visited by the Dutch fiscal authorities related to alleged violation of sanctions legislation with respect to the delivery of parts to Russia. Currently, no conclusions can be drawn in respect of the still pending criminal investigation. Damen has been offering its cooperation whilst protecting its legal rights. Based on the available facts and circumstances the outcome of the investigation is uncertain and therefore difficult to estimate.

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 2025, in addition to the automated screening on customers in SalesForce, Damen developed and launched a functionality in SalesForce that indicates sanctioned vessels in the tool. This safeguards Damen from doing business with sanctioned entities or vessels. Throughout the year, the Export Compliance team continued its training efforts in executing and further developing the training program.

2.11 Global outlook

For decades, Damen turned globalisation into a competitive advantage through international production, efficient supply chains, and a flexible workforce. In recent years however, geopolitical uncertainty and economic or technological changes are reshaping the global market. This forces Damen, not only to rethink its global connectivity, but to act on it as well.

In the near-term, global growth will remain resilient with projections of 3.1% growth in 2026 (IMF). Advanced economies are slowing under the pressure of higher tariffs, restrictive monetary policy, and reduced investment appetite, while emerging markets, particularly India, continue to provide most of the global growth impulse. Inflation has come back from its peak, but in most major economies it remains above target.

Certainly, global trade is changing. Protectionism and state aid competition are rising as multilateralism declines.
This requires the Netherlands to make a turn towards more assertive economic policies, while the country is coping with deindustrialisation. Europe's push for strategic autonomy goes hand in hand with creeping political instability in leading European countries. In that regard, the growing orientation towards NATO and the European Union should be a factor in Damen's efforts. The group can deepen collaboration with public stakeholders, for example in regional development (Romania) and defence initiatives (including dual use goods).

As global growth slows down gradually, shipping demand is likely to soften in the near-term. It remains exposed to instability. The world economy will likely continue to see the rise of regional blocs and diversified trade corridors. This trend will reduce efficiency but also increase resilience by shortening supply chains and reducing exposure to geopolitical risk. In that regard Damen's focus on standardisation and its geographic spread enables regional production operations.

The decarbonisation of energy systems in Europe will continue, though less prominently. Sustainability will receive a new narrative through economic resilience in which circularity is also integrated. Meanwhile, European politics will stimulate investments in infrastructure/dual use sectors such as ferries, inland shipping, ports and terminals.

In the long-term, growth is expected to come from productivity, automation, artificial intelligence and efficient use of resources. These transformative economic developments are reaching shipbuilding as well as other sectors. New technologies are pushing efficiency of work and creating new earning models. This includes new players in the maritime domain. In daily operations, standardised digital backbone and cybersecurity are strategic imperatives. Technology development is going fast, which challenges us to foster new collaborations and think outside the box. Additionally, demographic transition, including labour supply shortages, will require investments in both reskilling and digitalisation.

External challenges are also opportunities. Damen is advised to institutionalise risk management through scenario planning, partnerships and integrated oversight, while adopting technology to drive productivity and high-value capital goods.

Gorinchem, 20 March 2026

Damen Executive Board

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


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3 Financial statements

3.1 Consolidated balance sheet as at 31 December 2025

(before profit appropriation)

(x € 1,000)	Note	2025		2024	
Fixed assets					
Intangible fixed assets	1	**129,870**		112,530	
Tangible fixed assets	2	**451,089**		333,992	
Financial fixed assets	3	**325,470**		390,623	
			906,429		837,145
Current assets					
Inventories	4	**494,560**		560,611	
Construction contracts	5	**918,984**		829,827	
Trade and other receivables	6	**449,308**		489,300	
Cash and cash equivalents	7	**132,569**		80,234	
			1,995,421		1,959,972
			2,901,850		2,797,117
Group equity					
Shareholder's equity	8	**511,750**		463,551	
Minority interests	8	**12,158**		11,415	
			523,908		474,966
Provisions	9		**68,764**		68,296
Non-current liabilities	10		**728,753**		669,768
Current liabilities	11		**1,580,425**		1,584,087
			2,901,850		2,797,117

3.2 Consolidated profit and loss account 2025

(x € 1,000)	*Note*	**2025**		2024	
Net turnover	*12*	**3,249,821**		3,022,564	
Other operating income	*13*	**25,439**		36,666	
Total operating income			**3,275,260**		3,059,230
Cost of outsourced work and other external costs		**1,700,428**		1,298,762	
Cost of raw materials and consumables		**819,025**		1,082,098	
Wages and salaries	*14*	**493,485**		450,964	
Social security and pension charges	*15*	**111,444**		101,262	
Amortisation and depreciation of intangible and tangible fixed assets	*1,2*	**52,451**		46,225	
Other operating expenses	*16*	**18,278**		7,766	
Total operating expenses			**3,195,111**		2,987,077
Operating result			**80,149**		72,153
Interest income	*17*	**12,092**		19,157	
Interest expense	*18*	**-59,880**		-39,891	
Impairments and reversals of impairment financial fixed assets	*3*	**-4,564**		-3,619	
Currency exchange differences		**-2,529**		3,753	
			-54,881		-20,600
Result before taxation			**25,268**		51,553
Taxation on result	*19*		**1,234**		-17,790
Share in result of participating interests	*3*		**37,196**		26,677
Result after taxation			**63,698**		60,440
Minority interests	*8*		**-2,549**		-2,189
Net result			**61,149**		58,251

3.3 Consolidated cash flow statement 2025

(x € 1,000)					
		2025		2024	
	Note				
Cash flow from operating activities					
Operating result		**80,149**		72,153	
Adjustments for:					
Amortisation and depreciation of intangible & tangible fixed assets	*1,2*	**52,451**		46,225	
Book results on disposals of fixed assets	*13,16*	**-5,626**		-12,873	
Movement in provisions	*9*	**468**		-5,009	
			127,442		100,496
Changes in working capital:					
Movement in inventories (raw materials and consumables)		**4,753**		3,826	
Movement in inventories (hulls and hulls under construction)		**58,191**		-33,001	
Movements in inventories (finished goods and trading vessels)		**3,107**		-6,628	
Movement in construction contracts		**-182,215**		-334,356	
Movement in trade and other receivables		**39,992**		-62,261	
Movement in trade and other payables		**74,040**		206,571	
			-2,132		-225,849
Cash generated from operating activities			**125,310**		-125,353
Interest received	*17*	**12,092**		19,157	
Interest paid	*18*	**-53,960**		-37,607	
Income taxes paid	*19*	**-8,097**		-6,338	
			-49,965		-24,788
Cash flow from operating activities (Transfer)			**75,345**		-150,141

Continued on page 61

(x € 1,000)					
		2025		2024	
	Note				
Transfer			**75,345**		-150,141
Additions to intangible, tangible and financial fixed assets	*1,2,3*	**-206,854**		-136,222	
Divestment intangible, tangible, and financial fixed assets	*1,2,3*	**46,878**		39,050	
Dividend received	*3*	**37,060**		8,151	
Issued other long-term receivables	*3*	**-12,709**		-59,405	
Proceeds of other long-term receivables	*3*	**59,516**		42,539	
Cash flow from investing activities			**-76,109**		-105,887
Proceeds of non-current liabilities	*10*	**287,675**		361,936	
Repayments of borrowings	*10*	**-228,691**		-66,349	
Cash flow from financing activities			**58,984**		295,587
Net cash flow			**58,220**		39,559
Currency exchange rate differences on cash and cash equivalents			**-5,885**		3,763
Increase/(decrease) in cash and cash equivalents			**52,335**		43,322
Cash and cash equivalents					
As at 1 January	*7*		**80,234**		36,912
Net increase/(decrease) in cash and equivalents			**52,335**		43,322
Cash and cash equivalents as at 31 December	*7*		**132,569**		80,234

3.4 Consolidated statement of comprehensive income 2025

(x € 1,000)					
		2025		2024	
	Note				
Net result	*8*		**61,149**		58,251
Translation differences concerning foreign operations		**-12,950**		3,744	
Items recognised directly in shareholders' equity as part of group equity			**-12,950**		3,744
Total comprehensive income			**48,199**		61,995


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4 Notes to the 2025 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 20 March 2026.

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 results are based on the historical cost convention, unless otherwise stated in the accounting policies.

Going concern

We have assessed the company's ability to continue as a going concern and have not identified events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Therefore, the financial statements have prepared based on the going concern assumption. For further information on the group's financing, reference is made to page 92, "Senior Facility Agreement".

Financial reporting period

These financial statements cover the year 2025, which ended at the balance sheet date of 31 December 2025.

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 in to 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.

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 4.6 million euro in the current financial year (2024: impairment of 3.6 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 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 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.

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 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, with except of DTec Industries Pte. Ltd. (and its subsidiaries) that has been acquired from DTec Industries C.V. on December 10, 2025 with a marginal impact on cashflow and result for 2025.

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% 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 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 (euro) 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 valuators) 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 at 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 use), 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 directly 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% (2024: 3%) and likelihood of staff leaving. The present value of the provision is calculated based on an interest rate of 4% (2024: 4%).
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 it is probable that revenue will 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 125.3 percent as at 31 December, 2025 (2024: 113.1).

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 2029. PME concluded that on the basis of this plan no further measures are needed.

PMT
The coverage of the ‘Metaal en Techniek’ fund is 122.6 percent as at 31 December, 2025 (2024: 108.6).

A 10-year recovery plan has been issued by PMT. According to this plan the coverage will be 121.8 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 in Romania and France, among other things. 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:

Goodwill:	
10 - 20%	5 - 10 years
Software:	
8 - 20%	5 years
Development costs:	
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)*
Docks:	
2.5 - 10% per annum;	10 - 40 years
Machinery and equipment:	
8 - 20% per annum;	5 - 12.5 years
Vessels:	
5 - 10% per annum;	10 - 20 years
Other fixed operating assets:	
8 - 20% per annum;	5 - 12.5 years

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 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 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.

For the current year (2025) the company has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.
The group recognises the Pillar 2 income tax in the reporting period in which it is payable or refundable. 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 101 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.


V12

Consolidated balance sheet as at 31 December 2025

1 Intangible fixed assets

(x € 1,000)	Goodwill	Software	Development costs	Prepayments on tangible fixed assets/ Other assets	Total
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**
Carrying amount as at 31 December 2024	**413**	**66,244**	**14,369**	**31,504**	**112,530**
Changes in carrying amount					
Investments	3,246	7,454	77	24,756	**35,533**
Transfer	-	2,175	-	-2,175	**-**
Amortisation	-850	-15,128	-2,083	-207	**-18,268**
Currency differences	-	-7	-2	-16	**-25**
New in consolidation	-	-	100	-	**100**
Balance	**2,396**	**-5,506**	**-1,908**	**22,358**	**17,340**
Balance as at 31 December 2025					
Purchase price	13,269	117,568	26,479	54,768	**212,084**
Cumulative amortisation and impairments	-10,460	-56,830	-14,018	-906	**-82,214**
Carrying amount as at 31 December 2025	**2,809**	**60,738**	**12,461**	**53,862**	**129,870**

The bank has established a pledge on intangible fixed assets for an amount of 128 million euro (2024: 111.8 million euro).

The capitalised development costs relates to the internally generated intangible fixed assets and relate to the development of yachts. The remaining useful economic life is five to ten 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	414,847	95,554	172,290	39,137	84,752	47,178	60	**853,818**
Cumulative depreciation and impairments	-257,700	-72,229	-121,612	-4,417	-63,384	-438	-46	**-519,826**
Carrying amount as at 31 December 2024	**157,147**	**23,325**	**50,678**	**34,720**	**21,368**	**46,740**	**14**	**333,992**
Movements in carrying amount								
Investments	9,076	1,071	6,329	56,714	6,199	86,259	5	**165,653**
Disinvestments	-49	-	-648	-35,852	-471	-269	-15	**-37,304**
Depreciation	-13,366	-2,657	-7,796	-4,575	-5,774	-	-15	**-34,183**
Transfer	12,269	555	934	18,504	-262	-32,000	-	**-**
Transfer from financial fixed assets	-	-	-	29,201	-	-	-	**29,201**
Currency differences	-4,783	-555	-1,107	1	-243	-603	54	**-7,236**
New in consolidation	191	-	740	-	35	-	-	**966**
Balance	**3,338**	**-1,586**	**-1,548**	**63,993**	**-516**	**53,387**	**29**	**117,097**
Balance as at 31 December 2025								
Purchase price	423,383	91,679	163,507	108,154	87,220	100,556	108	**974,607**
Cumulative depreciation and impairments	-262,898	-69,940	-114,377	-9,441	-66,368	-429	-65	**-523,518**
Carrying value as at 31 December 2025	**160,485**	**21,739**	**49,130**	**98,713**	**20,852**	**100,127**	**43**	**451,089**

Financial institutions established a mortgage or pledge on the tangible fixed assets for an amount of some 209 million euro (2024: 149 million euro). This relates mainly to Land and Buildings, Docks, Vessels and Machinery and equipment.

The vessels are leased to customers (revenues for book year 2025 amount to 6.3 million euro (2024: 7.8 million euro)).
The land and buildings, docks and machinery and equipment include 38 million euro (2024: 19 million euro) of assets of which the company is the 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.

The transfer from financial fixed assets concerns a ship which qualified as a financial lease due to its contractual obligations. This contract was terminated in 2025 and a new charter agreement is in place which qualifies as an operational lease. Due to this change the ship is recognised in the tangible fixed assets.

3 Financial fixed assets

(x € 1,000)	2025	2024
Participating interests	**68,786**	70,328
Amounts owed from participating interests	**100,550**	134,863
Amounts owed from other interests	**-**	25,350
Deferred tax assets	**92,036**	73,269
Other receivables (including loans to customers)	**64,098**	86,813
	325,470	390,623

Movement in financial fixed assets for 2025 is as follows:

(x € 1,000)	Partici-pating interests	Amounts owed from partici-pating interests	Amounts owed from other interests	Deferred tax assets	Other receivables (including loan to customers)	**Total**
Balance on 31 December 2024						
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**
Carrying amount on 31 December 2024	**70,328**	**134,863**	**25,350**	**73,269**	**86,813**	**390,623**
Investments	10,468	-	-	-	-	**10,468**
Divestments	-8,748	-	-	-	-	**-8,748**
Profit or loss of participating interests	37,196	-	-	-	-	**37,196**
Impairment	-	-	-2,300	-	-4,564	**-6,864**
Reversal of impairment	-	-	-	-	2,300	**2,300**
Transfer	1,800	-1,800	-	-	-	**-**
Transfer to tangible fixed assets	-	-29,201				**-29,201**
Dividend	-37,450	-	-	-	-	**-37,450**
Loans granted	-	245	-	-	12,464	**12,709**
Repayment of loans	-	-3,500	-23,050	-	-32,966	**-59,516**
Currency differences	-4,808	-	-	-	-	**-4,808**
Other movements	-	-57	-	18,767	51	**18,761**
Balance	**-1,542**	**-34,313**	**-25,350**	**18,767**	**-22,715**	**-65,153**
Balance on 31 December 2025						
Cost price	68,786	125,895	-	92,036	87,207	**373,924**
Accumulated impairment losses	-	-25,345	-	-	-23,109	**-48,454**
Carrying amount on 31 December 2025	**68,786**	**100,550**	**-**	**92,036**	**64,098**	**325,470**

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 (among others cargo vessel business related) over whose financial and operating policies the Group exercises significant influence.

Of the amounts owed from participating interests, 94.5 million euro (2024: 102.0 million euro) has a term exceeding one year and 3.1 million euro (2024: 19.5 million euro) has a term of more than five years. The amounts owed from participating interests include a cumulative loss provision of 107 million euro. The interest percentages are based on EURIBOR + margin up to 2.5%.

The transfer to tangible fixed assets concerns a ship which qualified as a financial lease due to its contractual obligations. This contract was terminated in 2025 and a new charter agreement is in place which qualifies as an operational lease. Due to this change the ship is recognised in the tangible fixed assets.

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. During 2025 an amount of 13.2 million euro was offset against impaired receivables in previous years (2024: nil).

Deferred tax assets

The deferred tax assets include carry-forward losses of 352 million euro (2024: 380 million euro) incurred in previous financial years. Based on the 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 8 million euro of the carry-forward losses is considered to be current.

The total amount of carry-forward losses in the Netherlands (310 million euro) can be forwarded indefinitely and have been recognised for the full amount applying a tax rate of 25.8% (2024: 25.8%).
A deferred tax asset related to the carry-forward losses of 42 million euro (2024: 55 million euro) of foreign companies can be forwarded indefinitely and have been recognised, for an amount of 10.2 million euro (2024: 13.5 million euro).

The deferred tax asset is netted with a deferred tax liability of 46 million euro (2024: 48 million euro).

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

- Curaçao (Damen Shiprepair Curaçao B.V. and Damen Dock Curaçao B.V.): carry-forward losses for 37 million euro;
- Denmark (Knud E. Hansen, Naval Architects): carry-forward losses for 3.3 million euro; and
- Germany (Van der Velden Barkemeyer GmbH): carry-forward losses for 0.1 million euro.

The related unrecognised deferred tax asset, calculated at prevailing rates, amounts to 1.5 million euro (2024: 2.6 million euro) in total and is 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, 21.1 million euro (2024: 31.4 million euro) has a term exceeding one year and 6.1 million euro (2024: 13.6 million euro) a term of more than five years. These loans bear interest.

During 2025 no impaired receivables have been written off (2024: 0 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 188 million euro (2024: 295 million euro).

Current assets

4 Inventory

(x € 1,000)	2025	2024
Raw materials	**98,830**	103,583
Hulls	**377,864**	436,055
Finished products	**23**	8
Trading vessels	**17,843**	20,965
	494,560	560,611

The cost for obsolete raw materials and hulls in 2025 amounted to 0 million euro (2024: 0 million euro). The bank has established a pledge inventories for an amount of 456 million euro (2024: 510 million euro).

5 Construction contracts

(x € 1,000)	2025	2024
Recognised project income	**4,588,560**	4,392,921
Less: Instalments declared	**-4,027,808**	-4,014,383
	560,752	378,538
Presented under construction contracts	**918,984**	829,827
Presented under current liabilities	**-358,232**	-451,289

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 2025 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 2025 was 358 million euro (2024: 451 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.

The net turnover related to construction contracts amounts to 2,261 million euro (2024: 2,110 million euro). The performance obligations from revenue from ships and packages (construction contracts) and revenue from repair & conversion (services) are recognised over-time. Performance obligations from revenue from other parts and products are recognised at a point in time.

6 Trade and other receivables

(x € 1,000)	2025	2024
Trade receivables	**227,250**	311,547
Participating interests	**3,404**	3,746
Taxes	**55,072**	41,898
Project related receivables	**104,984**	62,940
Other receivables and prepayments	**58,598**	69,169
	449,308	489,300

The trade receivables are generally short-term. The provision for bad debts amounted to 9 million euro (2024: 19 million euro). The addition to the bad debt provision amounted to 0.8 million euro (2024: 3.8 million euro). The reversal from the bad debt provision amounted to 1.6 million euro (2024: 1.7 million euro). The bank has established a pledge on receivables for an amount of 329 million euro (2024: 365 million euro).

For an amount of 3.4 million euro (2024: 3.7 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 one 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 8.2 million euro, at the free disposal of the company. An amount of 70 million euro (2024: 30 million euro) is pledged to the bank.

8 Shareholders' equity

(x € 1,000)	**2025**	2024
Issued and paid-up capital	**138**	138
Legal reserve for capitalised development costs	**73,198**	80,613
Legal reserve for participating interests	**61,731**	62,667
Foreign currency translation reserve	**-7,774**	5,176
Retained earnings	**323,308**	256,706
Undistributed result	**61,149**	58,251
	511,750	463,551

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:

(in €)	**2025**	2024
173 6.5% cumulative preference B shares of 500 euro	**86,500**	86,500
20 ordinary shares AA of 175 euro	**3,500**	3,500
20 ordinary shares AB of 175 euro	**3,500**	3,500
20 ordinary shares AC of 175 euro	**3,500**	3,500
20 ordinary shares B of 175 euro	**3,500**	3,500
20 ordinary shares C of 175 euro	**3,500**	3,500
100,000 cumulative preference D shares of 0,34 euro	**34,000**	34,000
	138,000	138,000

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.

Legal reserve for capitalised development costs

(x € 1,000)	**2025**	2024
Balance as of 1 January	**80,613**	63,602
Transferred from retained earnings	**-7,415**	17,011
Balance as of 31 December	**73,198**	80,613

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 year end.

Legal reserve for participating interests

(x € 1,000)		
	2025	2024
Balance as of 1 January	**62,667**	37,664
Transferred from/to retained earnings	**-936**	25,003
Balance as at 31 December	**61,731**	62,667

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)		
	2025	2024
Balance as at 1 January	**5,176**	1,432
Movement in exchange difference	**-12,950**	3,744
Balance as at 31 December	**-7,774**	5,176

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. The foreign currency translation reserve is a legal reserve under Dutch law and therefore not freely distributable.

A translation differences reserve debit balance should be considered a reduction in freely distributable reserves.

Retained earnings

(x € 1,000)		
	2025	2024
Balance as at 1 January	**256,706**	255,485
From appropriation of result 2024 resp. 2023	**58,251**	43,235
From/to legal reserve for capitalised development costs	**7,415**	-17,011
From/to legal reserve for participating interests	**936**	-25,003
Balance as at 31 December	**323,308**	256,706

Undistributed result and proposed appropriation of profit

(x € 1,000)		
	2025	2024
Balance as at 1 January	**58,251**	43,235
Appropriation of result 2024 resp. 2023	**-58,251**	-43,235
Net result of the year	**61,149**	58,251
Balance as at 31 December	**61,149**	58,251

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-Song Cam Shipyard Co. Ltd., 30%
- Damen Winch Technology B.V., 48%
- Damen Shipyards Cape Town (Pty) Ltd. 30.07%
- Damen Folla Holding AS, 44.4% (as from 2025)

The movement in minority interests can be specified as follows:

(x € 1,000)	**2025**	2024
Balance as at 31 December	**11,415**	9,320
Share minority interests in result	**2,549**	2,189
Dividend	**-390**	-
New in consolidation	**222**	-
Exchange differences	**-1,638**	-94
Balance as at 31 December	**12,158**	11,415

9 Provisions

(x € 1,000)	Balance as at 31 December 2024	Addition chargeable to the result	With-drawals	Released to profit and loss account	Other movements (including exchange differences)	**Balance as at 31 December 2025**
Long-service bonus	10,638	973	-469	-448	9	**10,703**
Warranties	38,480	51,499	-35,288	-13,896	1,492	**42,287**
Other	19,178	2,753	-2,783	-3,230	-144	**15,774**
	68,296	55,225	-38,540	-17,574	1,357	**68,764**

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 one and five years amounts to 23.9 million euro (2024: 14.6 million euro). The expected long-term part of the provision (longer than five years) amounts to 14.1 million euro (2024: 13.6 million euro) and refers mainly to the long-service bonus payments.

10 Non-current liabilities

(x € 1,000)		
	2025	2024
Subordinated debts	**119,989**	120,449
Loans to credit institutions	**475,344**	459,319
Financial lease	**89,866**	60,920
Other non-current liabilities	**43,554**	29,080
	728,753	669,768

(x € 1,000)						
	2025			2024		
	Total	**due >1 year**	**due >5 years**	Total	due >1 year	due >5 years
Subordinated debts	**119,989**	**99,966**	**20,023**	120,449	99,966	20,483
Debts to credit institutions	**475,344**	**377,393**	**92,391**	459,319	219,675	93,543
Finance lease obligations	**89,866**	**14,378**	**71,893**	60,920	9,747	48,736
Other non-current liabilities	**43,554**	**6,969**	**34,842**	29,080	4,653	23,264
	728,753	**498,706**	**219,149**	669,768	334,041	186,026

For the subordinated loans obtained (of which 100 million euro relates to cumulative preference D shares, which qualifies as financial liability), an amount of 113.9 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, both variable interest and fixed interest applies. The variable interest is based on the Euribor rate 1/3/6 months, plus 1.5% to 3.8%. The fixed interest carry interest rates between 3.9% and 5.9%. For the financial leases obtained, an amount of 133.4 million euro has a fixed interest rate of 8.8% (subject to yearly indexation).

A total amount of 11 million euro (2024: 146.1 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 11 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	Total
Balance as at 31 December 2024	120,449	459,319	60,920	29,080	669,768
Proceeds	405	243,851	28,946	14,474	287,676
Repayments	-865	-227,826	-	-	-228,691
Balance as at 31 December 2025	119,989	475,344	89,866	43,554	728,753

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.

For the disclosure on the Senior Facility Agreement, the reader is referred to the off-balance sheet commitments.

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 ten + ten + ten 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)	2025	2024
Debts to suppliers, trade creditors	473,464	377,680
Construction contracts	358,232	451,289
Debts to participating interests	42,064	24,104
Taxes and social insurance contributions	37,009	24,703
Pension liabilities	9,295	9,857
Project related payables	479,751	574,530
Personnel related accruals	65,430	62,267
Other payables and accruals	115,180	59,657
	1,580,425	1,584,087

No amounts have a maturity date longer than one 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. Damen Schelde Naval Shipbuilding B.V. has been excluded from the scope of certain undertakings, financial covenants and representations given under the Agreement.

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 945 million euro (2024: 925 million euro), consisting of, among other things, bank guarantee facilities (2025: 780 million euro; 2024: 837 million euro) and working capital facilities (2025: 88 million euro; 2024: 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 2025 (2024) all covenants have been met.

The covenants are calculated according to the definitions as agreed with the bank consortium. As per December 2025 and/or YTD 2026, the solvency must be at least 22.5 percent (2024: 20 percent), the net leverage must be less than 2.75 (2024: 3.0) and the interest coverage ratio must be at least 3.75 (2024: 3.75).

(x € 1,000)		
	2025	2024
Solvency calculation for covenant		
Shareholders' Equity	**511,750**	463,551
Minority Interest	**12,158**	11,415
Other adjustments	**111,803**	95,082
Tangible Net Worth	**635,711**	570,048
Balance sheet total	**2,901,850**	2,797,117
Construction contracts corrected for project related accruals	**-560,752**	-444,120
Netting bank balances	**-122,144**	-69,136
Other adjustments	**-488,118**	-563,819
Adjusted balance sheet total	**1,730,836**	1,720,042
Solvency	**36.7%**	33.1%

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)		
	2025	2024
EBITDA calculation		
Result after taxation	**61,149**	58,251
Taxation on result	**-1,234**	17,790
Interest expense	**58,725**	39,891
One-off adjustments	**11,600**	4,500
Depreciation of (in)tangible fixed assets	**52,451**	46,225
Minority interest	**2,549**	2,190
EBITDA	**185,240**	168,847

Guarantees
At the end of 2025, a total of some 588 million euro (as at 31 December 2024: 521 million euro) is outstanding under the bank guarantee facilities of the syndicate. Damen also has guarantee facilities outstanding with other institutions, under which a total of some 53 million euro is outstanding at the end of 2025. The guarantees mainly relate to (advance) payment, performance and warranty obligations for several commercial contracts entered into by the group.

Due to the nature of some other commercial contracts, Damen has issued some 96.6 million euro of third-party guarantees (as at 31 December 2024: 92.6 million euro).

Claims
The group has 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 6.3 million euro (2024: 0.9 million euro) have been entered into in connection with leased other equipment. No commitments longer than one year exist in connection with leased, non-capitalised cars and other business assets.
Commitments amounting to 14.2 million euro (2024: 12.1 million) have been entered into in connection with rental leases.
The finance lease obligations no more than one year amount to 14 million euro. The finance lease obligations between one and five years amount to 54 million euro. The finance lease obligations longer than five years amount to 265 million euro.

Capital commitments
The Group has concluded capital commitments of 6 million euro (2024: 26 million) for investments made in mainly land and buildings.

Recourse commitments
The recourse commitments, maximum approximately 36.1 million euro (2024: 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 financer.

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 23 vessels (2024: 30) and a total amount of approximately 85.2 million euro (2024: 104.4 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 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. Damen understands 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 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. Damen takes a proactive, integrated approach to managing these risks. Its 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 the group's internal policies and ethical standards.

To manage and mitigate these risks, Damen closely collaborates across all relevant divisions and centres 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. Damen's 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 customers and their economies, while maintaining project integrity and safeguarding Damen's 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 legal proceedings against Damen Shipyards Gorinchem B.V. and Damen Schelde Naval Shipbuilding B.V. for alleged fraudulent activities, including bribery, forgery and money laundering has been started. Based on the available facts and circumstances the outcome of the legal proceedings is uncertain and therefore difficult to estimate.

In 2025 legal proceedings against Damen Shipyards Gorinchem B.V. for alleged violation of sanctions legislation with respect to the delivery of parts to Russia has been started. Damen contests these allegations, maintaining that it acted in accordance with the applicable sanction regulations. Based on the available facts and circumstances the outcome of the legal proceedings is uncertain and therefore difficult to estimate.

On December 2, 2025, Damen's offices were visited by the Dutch fiscal authorities related to alleged violation of sanctions legislation with respect to the delivery of parts to Russia. Currently, no conclusions can be drawn in respect of the still pending criminal investigation. Damen has been offering its cooperation whilst protecting its legal rights. Based on the available facts and circumstances the outcome of the investigation is uncertain and therefore difficult to estimate.

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 of 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. These risks are hedged at the moment that obligations are entered into. Damen Shipyards Group does not speculate in financial derivates (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 288 million euro, of which buy contracts 191 million euro and sell contracts 97 million euro (2024: 216 million euro of which buy contracts 152 million euro and sell contracts 64 million euro). The fair value of these contracts amounted to -2.6 million euro (2024: 3.2 million euro).

Approximately 85 % (2024: 94%) of these forward currency contracts will expire in 2026 (2024: 2025). 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.

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 2025, the Compliance Risk Assessments were updated 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, and two interim senior compliance consultant, a network of ambassadors (compliance contact persons) within Damen's divisions at the management team level, and several other compliance roles throughout the organization.

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, 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 2025, various trainings and dilemma sessions were held for management teams and various departments (like sales, procurement, project management, supply chain) in several Damen locations around the globe. These trainings will help personnel to identify compliance risks, how to address them, 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. As per year end 2025 all services provider contracts and the connected processes have been centralized in one support office working as an extension of the Group Compliance team.

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 2025, 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. Another ‘right to audit’ at a service provider was initiated in 2025 and has not yet been concluded, as potential indications of irregularities were identified that require further follow-up in the continuing internal investigation. In the meantime, cooperation with the service provider concerned has been put on hold for the duration of the investigation being a standard procedure as part of the Damen Compliance Framework. 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. In 2025, Damen completed the maintenance audit for ISO 37001 certification, while in 2026 the recertification audit will take place.

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 2025, in addition to the automated screening on customers in SalesForce, Damen developed and launched a functionality in SalesForce that indicates sanctioned vessels in the tool. This safeguards Damen from doing business with sanctioned entities or vessels. Throughout the year, the Export Compliance team continued its training efforts in executing and further developing the training program.

Events after the balance sheet date

No events to report.

Consolidated profit and loss account for 2025

12 Net turnover

Net turnover can be broken down as follows:

(x € 1,000)	2025	2024
Ships and packages (construction contracts)	**2,260,918**	2,110,237
Repair, conversion and services	**772,120**	736,382
Other parts and products	**216,783**	175,945
	3,249,821	3,022,564
The geographical areas of the net turnover can be broken down as follows:		
The Netherlands	**597,168**	591,131
Inside European Union except from the Netherlands	**946,239**	1,256,083
Outside European Union	**1,706,414**	1,175,350
	3,249,821	3,022,564

The performance obligations from revenue from ships and packages (constructions contracts) and revenue from repair and conversion (services) are recognised over time. Performance obligations from revenue from other parts and products are recognised at a point in time.

13 Other operating income

(x € 1,000)	2025	2024
Gain on sale of tangible fixed assets	**5,626**	12,873
Release provisions	**9,936**	7,771
Other	**9,877**	16,022
	25,439	36,666

Release provisions mainly relates to withholding taxes, restructuring provision and onerous contracts. The other income in 2024 contains profit from the settlement of a claim, among other things.

14 Wages and salaries

Employees

In this year, the group had 9,237 employees on average (2024: 9,046). They are specified as follows.

	2025	2024
Group management	**4**	4
Indirect productive employees	**2,540**	2,452
Direct productive employees	**6,693**	6,590
	9,237	9,046

A breakdown by geographical area is set out below.

	2025	2024
The Netherlands	**3,793**	3,583
Outside the Netherlands	**5,444**	5,463
	9,237	9,046

15 Social security and pension charges

Social security contributions include pension charges for an amount of 36.8 million euro (2024: 32.5 million euro).

16 Other operating expenses

(x € 1,000)	2025	2024
Loss on tangible fixed assets	**-**	46
Addition to provisions	**4,493**	2,302
Other	**13,785**	5,418
	18,278	7,766

17 Interest income

(x € 1,000)	2025	2024
Banks and loans to participating interests, other interests and other loans	**11,045**	15,626
Leases	**281**	1,770
Other	**766**	1,761
	12,092	19,157

18 Interest expense

(x € 1,000)	2025	2024
Banks and loans granted	**45,446**	32,262
Leases	**5,476**	3,761
Other	**8,958**	3,868
	59,880	39,891

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)	2025	2024
Tax on the result for current financial year	**-17,533**	-8,864
Deferred tax assets/liabilities, or changes made to them	**18,767**	-8,541
Adjustment prior year tax	**-**	2,354
Other (permanent) differences	**-**	-2,739
Tax (expense) / benefit	**1,234**	-17,790

Damen Shipyards Group N.V. and the majority of 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)	2025	2024
Dutch fiscal unity and group companies	**13,545**	-14,777
Foreign group companies	**-12,311**	-3,013
Tax benefit / (expense)	**1,234**	-17,790

The nominal tax rate in the Netherlands is 25.8 % (2024: 25.8%). The tax benefit included in the profit and loss account for 2025 is 1.2 million euro (2024: 17.8 million euro), or -2% of the profit before taxation (2024: 23%). 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 reconciliation between the effective and applicable tax rates in the consolidated financial statements is as follows:

	2025		2024	
	(x € 1,000)	%	*(x € 1,000)*	%
Applicable Tax rate in the Netherlands (including prior year adjustments)	**-16,116**	**25.8**	-17,829	22.8
Taxes outside the Netherlands	**12,311**	**-19.7**	8,800	-11.2
Participation exemption	**9,597**	**-15.4**	6,883	-8.8
Fiscally different treatment financial lease	**-5,330**	**8.5**	-18,382	23.5
Other (permanent) differences	**772**	**-1.2**	2,738	-3.6
Income tax expense/tax income	**1,234**	**-2.0**	-17,790	22.7

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.

Based on the Pillar Two analysis, no top-up tax expense should arise in any jurisdictions.

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 64.

Research and development
The non-capitalised research and development costs in the profit-and-loss account amount to approximately 5 million euro (2024: 6 million euro).

Gorinchem, 20 March 2026

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


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ROTTERDAM
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21

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 % 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 2025 of Damen Shipyards Group N.V., based in Willemstad, Curaçao.

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 2025 and of its result2025 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 2025;
- the consolidated profit and loss account 2025; 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 in paragraph 2.10 and notes to the 2025 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.. 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 and brokers) as well as compliance with trade sanctions 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 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 96 and 97 and the off-balance sheet commitments on page 92 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. Furthermore, on 2 December 2025, Damen's offices were visited by the Dutch fiscal authorities related to alleged violation of sanctions legislation with respect to the delivery of parts and tugs to Russia. These legal proceedings and the criminal investigation relate to possible bribery and non-compliance with respect to the use of service providers and possible non-compliance with trade sanctions 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.

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, on the legal proceedings against the Company by the Dutch Public Prosecution Office and also the criminal investigation related to alleged violation of sanctions legislation with respect to the delivery of parts and tugs to Russia;
- We evaluated the design and the implementation of internal controls and adherence to Damens' Code of Conduct and internal procedures for concluding service providers and broker 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 assessments of the service provider committee and the financial administration;
- We have performed substantive audit procedures to vouch all the screening steps performed as part of 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 have read the demands received by the Company in relation to the raids of the Dutch fiscal authorities in December 2025 and evaluated the disclosure in relation to the criminal investigation by the Dutch fiscal authorities 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 and the disclosure in relation to the criminal investigation by the Dutch fiscal authorities;
- 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 amongst others 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;
- Determine high risk criteria for journal entries and search for these criteria in order to identify 'suspicious' journal entries and post-closing adjustments;
- We tested 'suspicious' journal entries and post-closing adjustments by vouching these entries to supporting information;
- 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 non-material projects 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 evaluated the policies and procedures and tested the design and implementation of controls related to project controlling, including but not limited to tender and risk board procedures, periodic project controlling and internal project monitoring;
- We performed substantive audit procedures on project cost and project revenue and tested management's positions against underlying documentation;
- We considered developments at ongoing projects and assessed updated budgets and performed a retrospective review to assess the reliability of the budget;
- 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.
- 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 evaluated the policies and procedures and tested the design and implementation of 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.

With reference to the disclosures in the annual report on page 96 and 97 for the compliance risk, including the risks as result of the performed right to audits, on page 92 for the off-balance sheet commitments related to the legal proceedings of the Dutch Public Prosecution Office and the criminal investigation by the Dutch fiscal authorities and on page 54 and 55 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 disclosed in the section 'Going concern' on page 64 of the financial statements, the Executive Board has performed its going concern assessment and has not identified any going concern risks. To evaluate the Executive Board's assessment, we have performed, inter alia, the following procedures:

- we considered whether management's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit and inquired management about the underlying key assumptions and principles related to amongst others project income receipts;
- we inspected the key terms and conditions included in the financing agreement, including the waiver and consent request which states that Damen Schelde Naval Shipbuilding B.V. has been excluded from the scope of certain undertakings, financial covenants and representations given under the group financing agreement, that could indicate a going concern risk; and
- we analyzed the financial position of the Company as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures on the going concern assessment, including our consideration of findings from our audit procedures on other areas did not give reason to perform additional audit procedures on Executive Board's going concern assessment

Audit response to climate-related risks
The Company has set out its ambitions related to climate change in the “Performance in 2025”, “Research, development & Innovation” and “Global outlook” sections of the board report, where it includes its commitment to decarbonisation.

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 or 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 the 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 20 March 2026 we issued a separate auditor's report on the company financial statements.

Report on the other information included in the annual report

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, 20 March 2026,
KPMG Accountants N.V.
R.R.J. Smeets RA

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