2023 ANNUAL REPORT

DISCLAIMER

This document is the printed/pdf and is not the official annual financial reporting, including the audited consolidated and company financial statements thereto pursuant to article 2:361 of the Dutch Civil Code. The official annual financial reporting, including the audited consolidated and company financial statements and the independent auditor's report thereto, are included in the single report package ("ESEF package") which can be found in the section Investors / Financial reports / 2023. In case of any discrepancies between this document and the ESEF package, the latter prevails. Note that the auditor's opinion included in this document does not relate to this document but only to the ESEF package. No rights can be derived from using this document, including the unofficial copy of the auditor's report.

cementir holding
GRUPPO CALTAGIRONE

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GENERAL INFORMATION

GROUP PROFILE

Cementir Holding N.V. is a multinational company with registered offices in the Netherlands, listed on the Euronext Star Milan segment, operating in the building materials sector, and focused on four main business lines: grey cement, white cement, ready-mixed concrete and aggregates. With over 3,000 employees, Cementir is the global leader in the white cement niche segment, the leading producer of cement in Denmark and of ready-mixed concrete in the Scandinavian area, the third largest producer in Belgium and among the main international players in Türkiye, with two listed companies on the Istanbul Stock Exchange. In Belgium, the Group operates one of the largest aggregate quarries in Europe, while in Türkiye is active in the processing of industrial waste, used to produce waste-derived fuel for cement plants.

Cementir pursues a sustainable growth strategy, focusing on product leadership, the pursuit of excellence and the efficiency of operating processes. In the last two years the Group has achieved important ESG recognitions, including the validation of its 2030 decarbonization objectives by the Science Based Target initiative (SBTi) and an A- rating by CDP on both climate change and water security. The Group also holds an investment grade BBB- financial rating with stable outlook from Standard & Poor's.

Since 1992 Cementir has been part of the Caltagirone Group, one of the leading business groups in Italy with activities ranging from real estate to construction, from publishing to finance.

11	Cement plants
13.1 (million t)	Cement production capacity
101	Ready-mixed concrete plants
1,694 (million/€)	Revenue
411 (million/€)	Ebitda
3,045	Employees

IDENTITY

We are an international group aspiring to be product leader who believes that the constant search for quality in every business process is key to success. We are a dynamic Group, constantly looking for new opportunities, who gives importance to the development of our employees, of the community in which we operate and to the value creation for our shareholders. We believe in sustainable development and in diversity as a fundamental value of our activity.

VISION

We want to keep our uniqueness on the market by focusing on innovation, sustainable solutions and business diversification. We are concrete.

At the same time, we want to create value thanks to an agile organization, capable of taking advantage of growth opportunities, respecting the environment and promoting dialogue and interaction with local communities. We are dynamic.

We are Concretely Dynamic.

MISSION

Our Mission is to generate value for our stakeholders through a path of sustainable growth by focusing on product leadership, the pursuit of excellence and the efficiency of operating processes.

VALUES

SUSTAINABILITY

We believe that there can be no success without respect for the environment: we are responsible to the communities in which we live and work, safeguarding the environment and natural resources.

DYNAMISM

We look beyond, to anticipate and seize the best market opportunities. Being dynamic and flexible is what makes us unique and allows us to respond quickly to the needs of our customers.

QUALITY

We are committed every day and invest to improve the quality of our products, constantly innovating our offer. We focus on the needs of our customers while maintaining the highest quality standards. We pursue the efficiency and effectiveness of our processes.

VALUE OF PEOPLE

We build long-term relationships with our employees and stakeholders. We have a responsibility to ensuring a healthy and safe working environment and to recognize the merits and skills of each individual.

DIVERSITY AND INCLUSION

We consider diversity and inclusion a great resource. We work every day in a multicultural workplace and we value diversity at all levels of the organization.

GROUP STRATEGY

Cementir pursues a sustainable growth strategy aimed at generating value for all stakeholders and based on five strategic priorities, set in the Group Industrial Plan: Sustainability, Innovation, Competitiveness Improvement, Growth and Positioning, Enhancement of people.

Sustainability

Cementir is committed to achieving carbon neutrality by 2050, defining sustainability objectives consistent with those of the United Nations to promote the circular economy, reduce the impact on the environment, give value to people and communities, and promote health and safety in the workplace. These ESG targets are embedded in the Group strategic objectives and management's incentive schemes.

The Group decarbonization strategy includes an investment program to reduce carbon emissions in cement production through a number of initiatives, including: the reduction of clinker content in cement, the greater use of less polluting or alternative fuels; the recycling and reuse of materials; the optimization of thermal efficiency. A series of initiatives are also envisaged to reduce the climate impact of transport, procurement, logistics and the optimization of water resources usage in the production process.

The 2030 Plan assumes the implementation of a carbon capture and storage (CCS) technology both in Denmark, where the Group has started a second pilot project financed in part by the Danish Innovation Fund, and in Belgium, and the establishment of long-term Power Purchase Agreements (PPAs) for the direct purchase of electricity from renewable projects.

Innovation

The Group is progressively increasing the production of new low carbon cements and other sustainable and high added value products such as FUTURECEM®, which enables clinker content reduction thus cutting CO_2 emissions by approximately 30%. In addition to the aforementioned pilot projects for Carbon Capture, Usage and Storage, with the participation of leading industrial and technological partners, other initiatives include the adoption of artificial intelligence solutions in the production, commercial and supply chain sectors.

Improve competitiveness

The Group is implementing a series of actions to further improve the profitability and operational efficiency of manufacturing and logistics processes, with process digitization initiatives, preventive and predictive maintenance, advanced production control systems, intelligent logistics, warehouse management and integrated digital sales planning.

Growth and Positioning

Cementir continues to invest in strengthening vertical integration and its competitive position in the Nordic & Baltic, Belgium and Türkiye areas, as well as consolidating its global leadership in white cement with targeted actions in strategic markets.
The Group is also ready to seize potential external growth opportunities in the core business.

Valuing people

The Group's commitment is to further promote the culture of health and safety with the initiatives envisaged by the Zero Accidents program. It also intends to promote diversity and inclusion, the development of human capital and the valorization of skills, also through adequate evaluation and remuneration policies aimed at improving the performance of both the individual and the wider organization, including the achievement of sustainability objectives.

GLOBAL PRESENCE

Grey cement production capacity: 9.8 million t
White cement production capacity: 3.3 million t
Grey cement sales: 8.0 million t
White cement sales: 2.7 million t
Ready-mixed concrete sales: 4.3 million m^3
Aggregate sales: 9.4 million t

Cement plants: 11
Terminals: 65
Ready-mixed concrete plants: 101
Quarries: 34
Precast concrete plants: 1
Waste management facilities: 1

Denmark
Grey cement production capacity: 2.1 million t
White cement production capacity: 0.85 million t
Cement plants: 1 (7 kilns)
Ready-mixed concrete plants: 32
Terminals: 8
Quarries: 3

Norway
Ready-mixed concrete plants: 27
Terminals: 1

Sweden
Ready-mixed concrete plants: 9
Quarries: 5
Terminals: 1

United Kingdom
Terminals: 1

Latvia
Terminals: 1

Iceland
Terminals: 2

Netherlands
Terminals: 1

Poland
Terminals: 1

Belgium
Grey cement production capacity: 2.3 million t
Cement plants: 1
Ready-mixed concrete plants: 8
Terminals: 2
Quarries: 3

France
Ready-mixed concrete plants: 4
Terminals: 2

USA
White cement production capacity: 0.26 million t
Cement plants: 2
Precast concrete plants: 1
Terminals: 32

Türkiye
Grey cement production capacity: 5.4 million t
Cement plants: 4
Ready-mixed concrete plants: 21
Quarries: 19
Waste management facilities: 1

Egypt
White cement production capacity: 1.1 million t
Cement plants: 1
Quarries: 1

China
White cement production capacity: 0.75 million t
Cement plants: 1
Terminals: 4
Quarries: 1

Malaysia
White cement production capacity: 0.35 million t
Cement plants: 1
Terminals: 2
Quarries: 2

Australia
Terminals: 7

Italy
Secondary and operational office of Cementir Holding N.V.

Nordic & Baltic

Volumes sold (million t–m^3)	2023	2022
Denmark		
Grey cement sales	1.54	1.88
White cement sales	0.49	0.63
Ready-mixed concrete sales	0.89	1.16
Aggregate sales	0.55	0.55
Norway		
Ready-mixed concrete sales	0.62	0.82
Sweden		
Ready-mixed concrete sales	0.12	0.21
Aggregate sales	2.13	2.67

Belgium / France

Volumes sold (million t–m^3)	2023	2022
Belgium / France		
Grey cement sales	1.87	2.03
Ready-mixed concrete sales	0.80	0.87
Aggregate sales	4.85	5.55

North America

Volumes sold (million t)	2023	2022
United States		
White cement sales	0.57	0.67

Türkiye

Volumes sold (million t–m^3)	2023	2022
Grey cement sales	4.42	4.09
Ready-mixed concrete sales	1.83	1.72
Aggregate sales	1.87	1.70

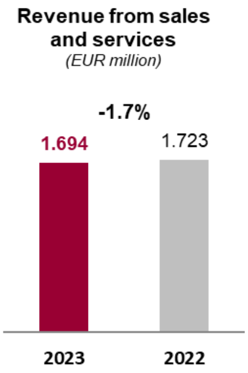
Egypt

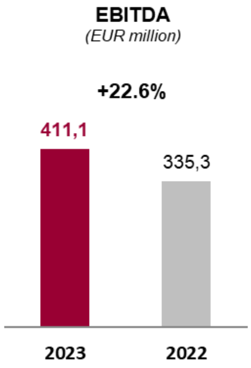
Volumes sold (million t)	2023	2022
White cement sales	0.56	0.56

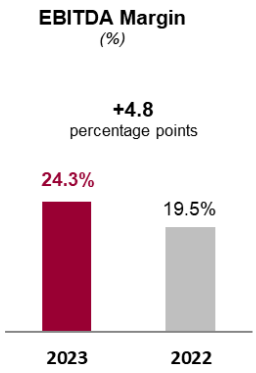
Asia Pacific

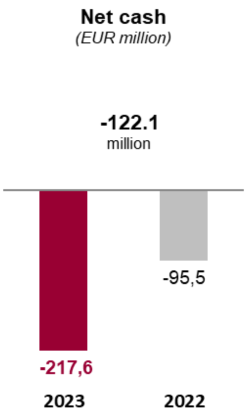
Volumes sold (million t)	2023	2022
China		
White cement sales	0.80	0.68
Malaysia		
White cement sales	0.30	0.34

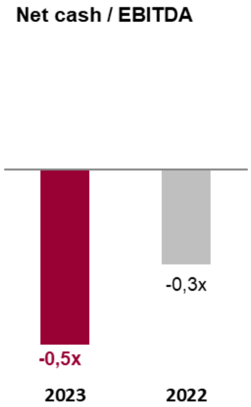
PERFORMANCE, FINANCIAL AND EQUITY HIGHLIGHTS

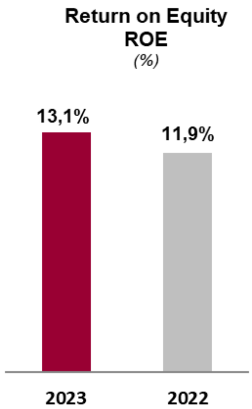












PERFORMANCE HIGHLIGHTS[1]

(EUR'000)	2023	2023 (Non-GAAP)	2022	2022 (Non-GAAP)	2021	2020	2019
Revenue from sales and services	1,694,247	1,694,638	1,723,103	1,720,871	1,359,976	1,224,793	1,211,828
EBITDA	411,122	421,873	335,250	336,293	310,952	263,740	263,794
EBITDA Margin %	*24.3%*	*24.9%*	*19.5%*	*19.5%*	*22.9%*	*21.5%*	*21.8%*
EBIT	278,329	299,231	204,422	214,749	197,783	157,173	151,743
EBIT Margin %	*16.4%*	*17.7%*	*11.9%*	*12.5%*	*14.5%*	*12.8%*	*12.5%*
Net financial income (expense)	12,381	16,530	32,012	11,980	(25,797)	(14,615)	(25,095)
Profit before taxes	290,710	315,761	236,434	226,728	171,986	142,558	126,648
Income taxes	(75,218)	(78,673)	(54,877)	(46,833)	(48,992)	(33,195)	(36,219)
Profit from continuing operations	215,492	237,088	181,557	179,895	122,995	109,363	90,429
Profit margin %	*12.7%*	*14.0%*	*10.5%*	*10.5%*	*9.0%*	*8.9%*	*7.5%*
Profit (loss) from discontinued operations	-	-	-	-	-	-	-
Profit for the year	215,492	237,088	181,557	179,895	122,995	109,363	90,429
Profit attributable to the owners of the parent	201,364	223,322	162,286	161,203	113,316	102,008	83,569
Profit margin %	*11.9%*	*13.2%*	*9.4%*	*9.4%*	*8.3%*	*8.3%*	*6.9%*

[1] From April 2022 the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29 - Financial Reporting in Hyperinflationary Economies". Non-GAAP figures exclude both the impact of the application of IAS 29 and the re-valuation of non-industrial property in Türkiye.

FINANCIAL AND EQUITY HIGHLIGHTS[2]

(EUR'000)	**2023**	**2022**	**2021**	**2020**	**2019**
Net capital employed	1,433,223	1,427,272	1,267,932	1,305,142	1,421,195
Total assets	2,522,194	2,493,976	2,111,058	2,232,379	2,266,094
Total equity	1,650,833	1,522,773	1,227,557	1,182,962	1,181,567
Equity attributable to the owners of the parent	1,503,064	1,368,183	1,088,128	1,056,709	1,044,627
Net financial debt (Net cash)	(217,610)	(95,501)	40,375	122,181	239,629

PROFIT AND EQUITY RATIOS[2]

	2023	**2022**	**2021**	**2020**	**2019**
Return on equity (a)	13.1%	11.9%	10.0%	9.2%	7.7%
Return on capital employed (b)	19.4%	14.3%	15.6%	12.0%	10.7%
Equity ratio (c)	64.9%	60.3%	57.7%	52.7%	51.8%
Net gearing ratio (d)	-13.3%	-6.4%	3.3%	10.4%	20.4%
Net financial debt/EBITDA	-0.5x	-0.3x	0.1x	0.5x	0.9x

(a) Profit from continuing operations/Total equity
(b) EBIT/Net capital employed
(c) Adjusted equity/Total assets
(d) Net financial debt/ Adjusted equity

PERSONNEL AND INVESTMENTS

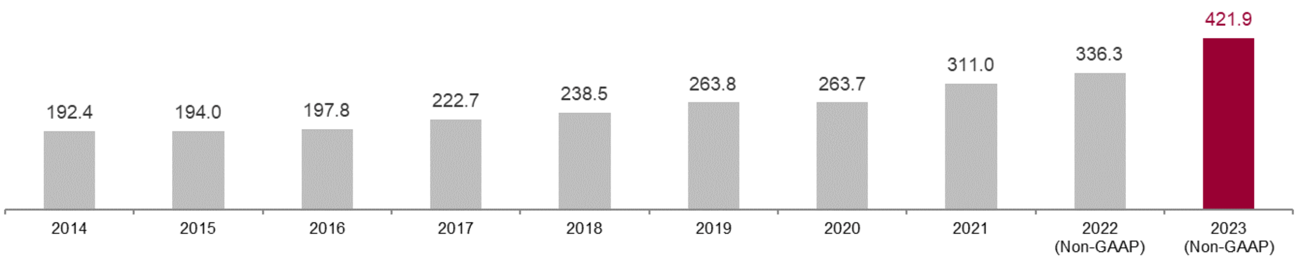
	2023	**2022**	**2021**	**2020**	**2019**
Number of employees (at 31 Dec)	3,045	3,085	3,083	2,995	3,042
Acquisitions / (Divestments) (EUR million)	4.2	-	3.8	-	-
Investments (EUR million)	151.7(e)	122.6(e)	99.1(e)	85.9(e)	88.4(e)

(e) Including investments accounted for in accordance with IFRS 16.

SALES VOLUMES

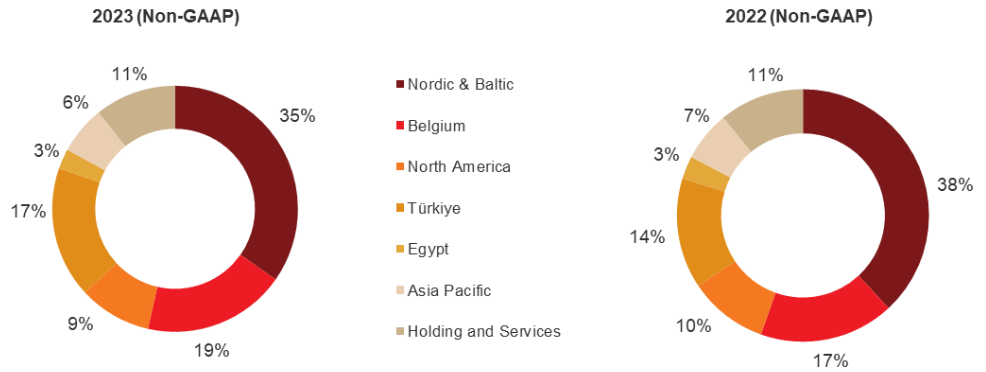
(000)	**2023**	**2022**	**2021**	**2020**	**2019**
Grey and white cement (t)	10,674	10,849	11,156	10,712	9,489
Ready-mixed concrete (m^3)	4,266	4,798	5,093	4,435	4,116
Aggregates (t)	9,401	10,462	11,052	10,222	9,710

EBITDA PERFORMANCE



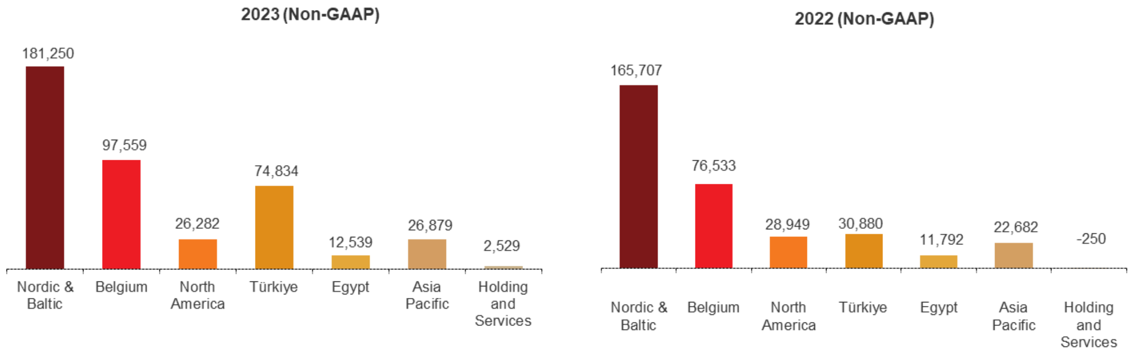
[2] From April 2022 the Turkish economy is considered "hyperinflationary" according to the criteria set out in "IAS 29 - Financial Reporting in Hyperinflationary Economies". Non-GAAP figures exclude both the impact of the application of IAS 29 and the valuation of non-industrial property in Türkiye.

REVENUE FROM SALES AND SERVICES BY GEOGRAPHICAL SEGMENT



(EUR'000)	2023 (Non-GAAP)	2022 (Non-GAAP)	Change %
Nordic & Baltic	664,669	736,210	-9.7%
Belgium	359,873	334,396	7.6%
North America	182,840	196,370	-6.9%
Türkiye	329,744	272,581	21.0%
Egypt	50,255	57,113	-12.0%
Asia Pacific	121,440	124,588	-2.5%
Holding and Services	204,492	210,367	-2.8%
Eliminations	(218,675)	(210,754)	-
Total revenue from sales and services	**1,694,638**	**1,720,871**	**-1.5%**

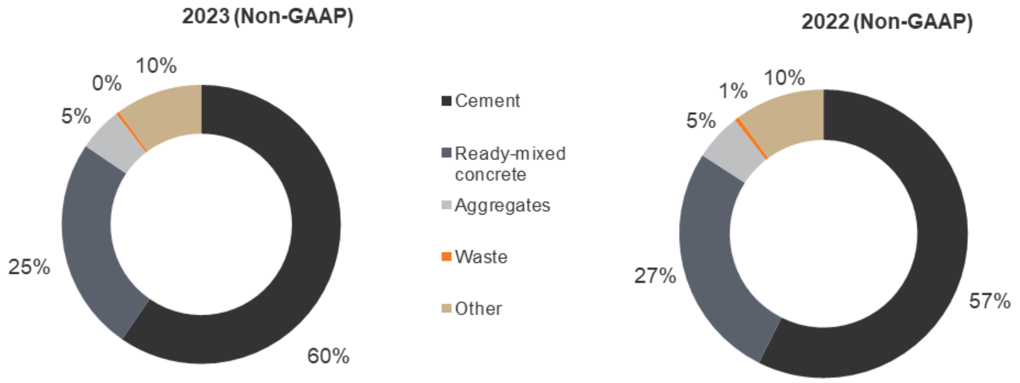
EBITDA BY GEOGRAPHICAL SEGMENT



(EUR'000)	2023 (Non-GAAP)	2022 (Non-GAAP)	Change %
Nordic & Baltic [1]	181,250	165,707	9.4%
Belgium	97,559	76,533	27.5%
North America	26,282	28,949	-9.2%
Türkiye [2]	74,834	30,880	142.3%
Egypt	12,539	11,792	6.3%
Asia Pacific [3]	26,879	22,682	18.5%
Holding and Services [4]	2,529	(250)	n.m.
Total EBITDA	**421,873**	**336,293**	**25.4%**

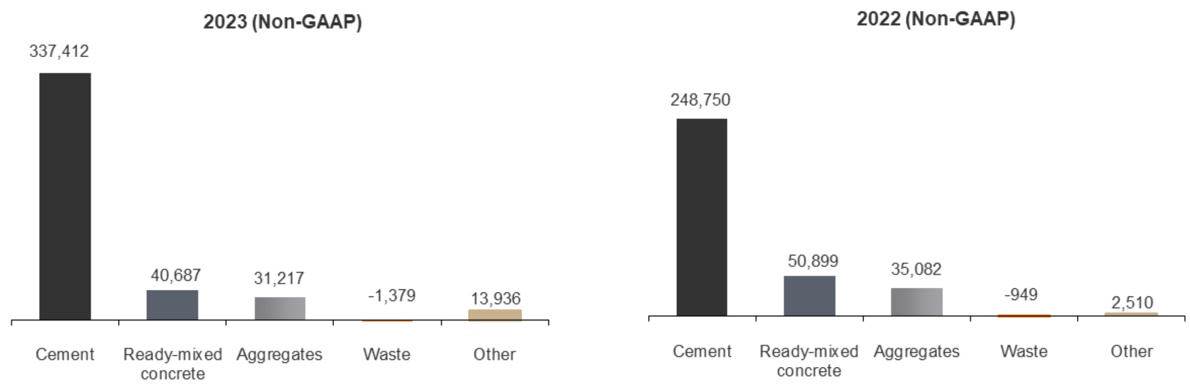
[1] Includes non-recurring income of EUR 6.8 million in 2023.
[2] Includes non-recurring income of EUR 3.7 million in 2023.
[3] Includes non-recurring income of EUR 1.0 million in 2023.
[4] Includes non-recurring charges of EUR 1.0 million in 2022.

REVENUE FROM SALES AND SERVICES BY BUSINESS SEGMENT



(EUR'000)	**2023 (Non-GAAP)**	**2022 (Non-GAAP)**	**Change %**
Cement	1,167,250	1,136,583	2.7%
Ready-mixed concrete	486,719	529,721	-8.1%
Aggregates	99,843	105,393	-5.3%
Waste	6,796	9,636	-29.5%
Other	197,186	198,876	-0.8%
Eliminations	(263,156)	(259,338)	-
Total revenue from sales and services	**1,694,638**	**1,720,871**	**-1.5%**

EBITDA BY BUSINESS SEGMENT



(EUR'000)	**2023 (Non-GAAP)**	**2022 (Non-GAAP)**	**Change %**
Cement [1]	337,412	248,750	35.6%
Ready-mixed concrete	40,687	50,899	-20.1%
Aggregates	31,217	35,082	-11.0%
Waste [2]	(1,379)	(949)	-45.4%
Other [3]	13,936	2,510	455.2%
Total EBITDA	**421,873**	**336,293**	**25.4%**

[1] Includes non-recurring income of EUR 12.1 million in 2023.
[2] Includes non-recurring charges of EUR 0.5 million in 2023.
[3] Includes non-recurring charges of EUR 1.0 million in 2022.

CEMENTIR HOLDING ON THE STOCK EXCHANGE

The stock (Bloomberg ticker: CEM.IM / Reuters ticker: CEMI.IM) has been listed on the Euronext Milan stock market (Borsa Italiana) since 1955 and is currently on the Euronext STAR Milan segment.

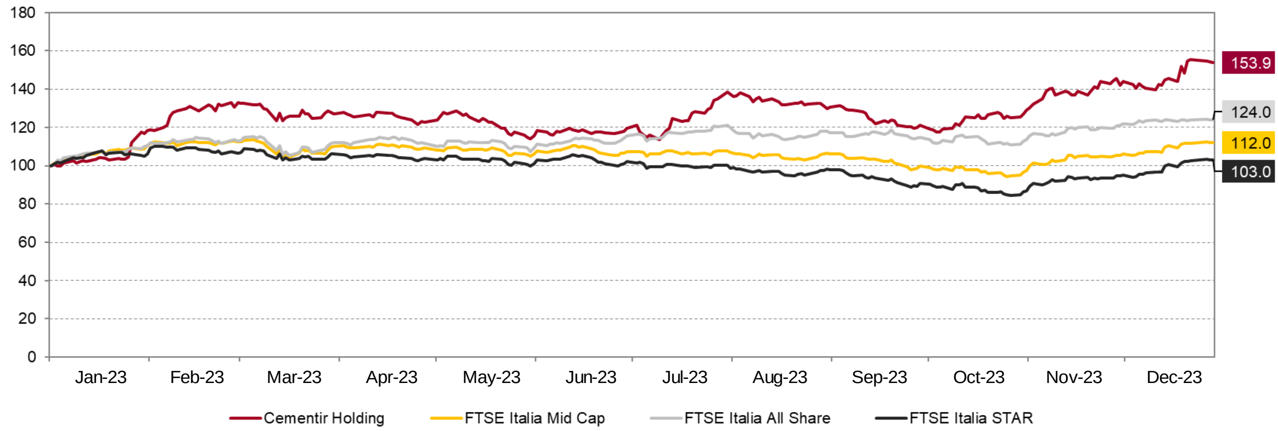
The stock is part of the FTSE Italia All-Share, FTSE Italia Mid Cap and FTSE Italia STAR indices.

KEY MARKET DATA

(EUR'000)	**2023**	**2022**	**2021**	**2020**	**2019**
Share capital at 31 December (EUR)	159,120,000	159,120,000	159,120,000	159,120,000	159,120,000
Number of ordinary shares	159,120,000	159,120,000	159,120,000	159,120,000	159,120,000
Treasury shares at 31 December	3,600,000	3,600,000	3,600,000	694,500	
Earnings per share (EUR)	1.295	1.044	0.724	0.641	0.525
Dividend per share (EUR)	0.28(1)	0.22	0.18	0.14	0.14
Pay-out ratio	21.6%	21.1%	24.9%	21.8%	26.7%
Dividend yield (2)	2.9%	3.6%	2.1%	2.1%	2.7%
Market capitalisation (EUR million)(2)	1,518.0	977.0	1,333.4	1,058.1	1,069.9
Share price (EUR)					
Low	6.12	5.17	6.60	4.17	4.98
High	9.72	8.67	9.98	7.20	7.15
Year-end price	9.54	6.14	8.38	6.65	6.72

(1) Dividend proposed to the Shareholders' Meeting.
(2) Figures are calculated on the basis of the year-end price.

SHARE PRICE PERFORMANCE OF CEMENTIR HOLDING VS. FTSE ITALIA MID CAP, FTSE ITALIA ALL SHARE AND FTSE ITALIA STAR INDEXES IN 2023 (BASE 2 JANUARY 2023 = 100)



FINANCIAL RATING

In April 2023 Standard and Poor's confirmed the BBB- rating with Stable Outlook on Cementir Holding group.

ESG RATING

During 2023 all major ESG rating agencies either improved or confirmed Cementir ESG ratings, including, MSCI and Refinitiv, which upgraded Cementir rating to A and A-, respectively.

The improving ESG ratings demonstrate Cementir strong commitment to sustainability as well as the effectiveness of its actions aimed at improving its impact on society as a whole.

Cementir ESG ratings:

Agency	**Rating***
CDP Climate Change	A-
CDP Water Security	A-
MSCI	A
Refinitiv	A-
ISS ESG	C+ Prime
Sustainalytics	29.2 (Medium Risk)
Moody's ESG Solutions	55/100
S&P Global	56/100
Ethifinance	70/100
Integrated Governance Index	52/100

(*) Ratings updated to February 2024.

CORPORATE BODIES

Board of Directors[1] In office until approval of 2025 financial statements	*Executive Director, Chairman and CEO*	Francesco Caltagirone Jr.
	Vice Chairman[2] *and Non-Executive Director*	Alessandro Caltagirone
	Vice Chairwoman[2] *and Non-Executive Director*	Azzurra Caltagirone
	Non-Executive Directors	Saverio Caltagirone
		Fabio Corsico
		Adriana Lamberto Floristan *(independent)* *Senior Non Executive Director*[2]
		Annalisa Pescatori *(independent)*
		Benedetta Navarra *(independent)*
Audit Committee[3]	*Chairwoman*	Benedetta Navarra *(independent)*
	Members	Annalisa Pescatori *(independent)*
		Adriana Lamberto Floristan *(independent)*
Remuneration and Nomination Committee[3]	*Chairwoman*	Annalisa Pescatori *(independent)*
	Members	Benedetta Navarra *(independent)*
		Adriana Lamberto Floristan *(independent)*
Sustainability Committee[3]	*Chairman*	Francesco Caltagirone Jr.
	Members	Annalisa Pescatori (independent)
		Benedetta Navarra (*independent*)
		Adriana Lamberto Floristan *(independent)*
Independent Auditors For the period 2021-2030		PricewaterhouseCoopers Accountants N.V.

[1] Appointed by resolution of the Annual General Meeting of 20 April 2023.
[2] Appointed by board resolution of 27 April 2023.
[3] Established by board resolution of 27 April 2023.

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DIRECTOR’S REPORT

INTRODUCTION

This Directors' Report refers to the company and consolidated financial statements of the Cementir Group as at 31 December 2023. These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, and with Part 9 of Book 2 of the Dutch Civil Code.

This report should be read in conjunction with the company and consolidated financial statements for 2023 which have been prepared on a going concern basis. The Group has sufficient reserves to meet its obligations and will be able to operate for a period of at least 12 months from the date of preparation of the financial statements. The assessment carried out by the Board of Directors took into account the Group's main activities and risks, together with factors that may affect the Group's future performance, such as climate change and environmental requirements, financial position, expected cash flows, liquidity position and financing facilities. On the basis of the above, the Directors have reasonable expectations that the Group will continue to operate as a going concern.

GROUP PROFILE

Cementir Holding N.V. is a multinational company with registered office in the Netherlands, listed on the Euronext Star Milan segment, operating in the building materials sector and focused on four main business lines: grey cement, white cement, ready-mixed concrete and aggregates. With more than 3,000 employees, Cementir is the world leader in the niche white cement segment, the leading cement producer in Denmark and ready-mixed concrete producer in the Scandinavian region, the third in Belgium and among the leading international players in Türkiye, with two companies listed on the Istanbul Stock Exchange. In Belgium, the Group operates one of the largest aggregate quarries in Europe while in Türkiye it operates in the treatment of industrial waste, producing fuel from waste for cement plants.

Cementir pursues a strategy of sustainable growth, focusing on product leadership, the pursuit of excellence and the efficiency of operational processes. In the last two years, the Group has received notable ESG awards, including the validation of the 2030 decarbonisation targets by the Science Based Target initiative (SBTi) and an A- rating from CDP. The Group also achieved an investment grade BBB- financial rating with a stable outlook from Standard & Poor's.

Since 1992, Cementir has been part of the Caltagirone Group, one of the leading private business groups in Italy with activities in the residential construction, infrastructure, publishing, real estate and finance sectors.

GROUP PERFORMANCE

TÜRKIYE - HYPERINFLATED ECONOMY: IMPACTS OF THE APPLICATION OF IAS 29

As of April 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29-Financial Reporting in Hyperinflationary Economies". For the purpose of preparing these Consolidated Financial Statements and in accordance with IAS 29, certain non-monetary items in the balance sheets of the investee companies in Turkey and the income statement items have been remeasured by applying the general consumer price index to historical data, in order to reflect the changes in the purchasing power of the Turkish Lira at the balance sheet date of these companies.

The accounting effects of hyperinflation are reflected in the opening balance sheet as of 1 January 2023 and incorporate the changes for the period. In particular, the effect related to the re-measurement of non-monetary assets and liabilities, equity items, and income statement items recognised in 2023 was recognised in a separate income statement item under financial income and expenses. The related tax effect of non-cash assets was recognised in taxes for the period.

To take into account the impact of hyperinflation also on the local currency exchange rate, profit and loss account balances expressed in hyperinflationary currencies have been converted into Euro (Group Currency), applying the final exchange rate instead of the average exchange rate for the period, in line with IAS 21's requirement to report these amounts at current values.

The cumulative levels of the general consumer price indices are as follows:

- From January 2005 to 31 December 2022: 891%
- From January 2023 to 31 December 2023: 65%

In 2023, the application of IAS 29 resulted in the recognition of a net financial charge (pre-tax) of EUR 3.9 million.

The impact of hyperinflation on the main income statement items for 2023 is shown below:

(EUR'000)	**IAS 29 Effect**	**IAS 21 Effect**	**Total Effect**
REVENUE FROM SALES AND SERVICES	**64,418**	**(64,809)**	**(391)**
Change in inventories	(4,909)	(474)	(5,383)
Increase for internal work and other income	(720)	6,325	5,605
TOTAL OPERATING REVENUE	**58,789**	**(58,958)**	**(169)**
Raw materials costs	(46,445)	36,105	(10,340)
Personnel costs	(4,754)	4,485	(269)
Other operating costs	(10,417)	10,444	27
TOTAL OPERATING COSTS	**(61,616)**	**51,034**	**(10,582)**
EBITDA	**(2,827)**	**(7,924)**	**(10,751)**
Amortisation, depreciation, impairment losses and provisions	(11,989)	1,838	(10,151)
EBIT	**(14,816)**	**(6,086)**	**(20,902)**
Net financial income (expense)	(4,767)	618	(4,149)
NET FINANCIAL INCOME (EXPENSE)	**(4,767)**	**618**	**(4,149)**
PROFIT BEFORE TAXES	**(19,583)**	**(5,468)**	**(25,051)**
Income taxes	(18,415)	21,870	3,455
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(37,998)**	**16,402**	**(21,596)**
PROFIT (LOSS) FOR THE PERIOD	**(37,998)**	**16,402**	**(21,596)**
Attributable to: Non-controlling interests	3,268	(2,906)	362
Owners of the Parent	**(41,266)**	**19,308**	**(21,958)**

Financial Highlights

(EUR'000)	2023	2022	Change %
REVENUE FROM SALES AND SERVICES	**1,694,247**	**1,723,103**	**-1.7%**
Change in inventories	11,671	18,725	-37.7%
Increase for internal work and other income	31,629	35,716	-11.4%
TOTAL OPERATING REVENUE	**1,737,547**	**1,777,544**	**-2.3%**
Raw materials costs	(739,121)	(829,446)	-10.9%
Personnel costs	(203,125)	(198,182)	2.5%
Other operating costs	(384,179)	(414,666)	-7.4%
TOTAL OPERATING COSTS	**(1,326,425)**	**(1,442,294)**	**-8.0%**
EBITDA	**411,122**	**335,250**	**22.6%**
EBITDA Margin %	*24.3%*	*19.5%*	
Amortisation, depreciation, impairment losses and provisions	(132,793)	(130,828)	1.5%
EBIT	**278,329**	**204,422**	**36.2%**
EBIT Margin %	*16.4%*	*11.9%*	
Share of net profits of equity-accounted investees	772	972	-20.6%
Net financial income (expense)	11,609	31,040	-62.6%
NET FINANCIAL INCOME (EXPENSE)	**12,381**	**32,012**	**-61.3%**
PROFIT BEFORE TAXES	**290,710**	**236,434**	**23.0%**
PROFIT BEFORE TAXES/REVENUE %	*17.2%*	*13.7%*	
Income taxes	(75,218)	(54,877)	37.1%
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**215,492**	**181,557**	**18.7%**
PROFIT FOR THE YEAR	**215,492**	**181,557**	**18.7%**
Attributable to:			
Non-controlling interests	14,128	19,271	-26.7%
Owners of the Parent	**201,364**	**162,286**	**24.1%**

The consolidated income statement for 2023 is reported below, with comparative figures provided for 2022.

These results do not include the impact of the application of IAS 29 - Financial Reporting for Hyperinflationary Economies for Türkiye, the effects of which are represented in the previous paragraph, and do not include the re-valuation of non-industrial real estate in Türkiye in the amount of approximately EUR 7.7 million (the comparative figure for 2022 was also adjusted for EUR 16.3 million for this purpose). This representation allows a better comparison of the Group's performance compared to the same period of the previous year. The data below are considered “non-GAAP” measures.

Non-GAAP Financial Summary

(EUR'000)	2023 (Non-GAAP)	2022 (Non-GAAP)	Change %
REVENUE FROM SALES AND SERVICES	**1,694,638**	**1,720,871**	**-1.5%**
Change in inventories	17,054	23,227	-26.6%
Increase for internal work and other income	26,024	19,916	30.7%
TOTAL OPERATING REVENUE	**1,737,716**	**1,764,014**	**-1.5%**
Raw materials costs	(728,781)	(817,161)	-10.8%
Personnel costs	(202,856)	(197,664)	2.6%
Other operating costs	(384,206)	(412,896)	-6.9%
TOTAL OPERATING COSTS	**(1,315,843)**	**(1,427,721)**	**-7.8%**
EBITDA	**421,873**	**336,293**	**25.4%**
EBITDA Margin %	*24.9%*	*19.5%*	
Amortisation, depreciation, impairment losses and provisions	(122,642)	(121,544)	0.9%
EBIT	**299,231**	**214,749**	**39.3%**
EBIT Margin %	*17.7%*	*12.5%*	
Share of net profits of equity-accounted investees	772	972	-20.6%
Net financial income (expense)	15,758	11,008	43.2%
NET FINANCIAL INCOME (EXPENSE)	**16,530**	**11,980**	**38.0%**
PROFIT BEFORE TAXES	**315,761**	**226,729**	**39.3%**
PROFIT BEFORE TAXES/REVENUE %	*18.6%*	*13.2%*	
Income taxes	(78,673)	(46,833)	68.0%
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**237,088**	**179,896**	**31.8%**
PROFIT FOR THE YEAR	**237,088**	**179,896**	**31.8%**
Attributable to:			
Non-controlling interests	13,766	18,693	-26.4%
Owners of the Parent	**223,322**	**161,203**	**38.5%**

Sales volumes

('000)	2023	2022	Change %
Grey, White cement and Clinker (metric tons)	10,674	10,849	-1.6%
Ready-mixed concrete (m3)	4,266	4,798	-11.1%
Aggregates (metric tons)	9,401	10,462	-10.1%

In 2023, cement and clinker **volumes** sold, at 10.7 million tons, decreased by 1.6% compared to 2022 due to the market slowdown mainly in Denmark, Belgium, the United States, Egypt and Malaysia, while an increase was recorded in Türkiye and China.

Sales volumes of ready-mixed concrete, equal to 4.3 million cubic metres, have fallen by 11.1% compared to 2022 due to the negative trend in all geographical areas, especially Nordic & Baltic, with the exception of Türkiye.

In the aggregates sector, sales volumes amounted to 9,4 million tonnes, down 10.1% compared to 2022 as a result of negative performance in Belgium, Sweden and Denmark, partially offset by growth in Türkiye.

The **Group's revenues from sales and services** amounted to EUR 1,694.6 million, down 1.5% compared to EUR 1,720.9 million in 2022 as a result of the reduction in volumes sold and the weakening of local currencies, with different dynamics in individual geographical areas in the face of a moderate increase in prices. At constant 2022 exchange rates, revenue would have reached EUR 1,901.5 million, up by 10.5% on the previous year.

At EUR 1,315.8 million, **operating costs** decreased by 7.8% compared to 2022 (EUR 1,427.7 million).

The **cost of raw materials** amounted to EUR 728.9 million (EUR 817.2 million in 2022), down 10.8% due to lower production and the aforementioned local currency dynamics.

At EUR 202.9 million, **personnel costs** increased by 2.6% compared to EUR 197.7 million in 2022.

Other **operating costs**, amounting to EUR 384.2 million, decreased by 6.9% compared to EUR 412.9 million in 2022, mainly due to the reduction in transport costs in line with the trend in volumes.

EBITDA reached an all-time high of EUR 421.9 million, an increase of 25.4% compared to EUR 336.3 million in 2022, following the improved results achieved in all geographical areas with the exception of the United States. It should be noted that EBITDA for 2023 includes net non-recurring income of about EUR 11.6 million mainly due to capital gains on the sale of land and machinery. Excluding non-recurring income, EBITDA amounted to EUR 410.3 million, up 22.0% compared to 2022.

The EBITDA margin was 24.5%, compared to 19.5% in 2022.

At constant 2022 exchange rates, EBITDA would have amounted to EUR 476.3 million, up 41.6% compared to the previous year.

Taking into account EUR 122.6 million of amortisation, depreciation, write-downs and provisions (EUR 121.5 million in 2022), **EBIT** reached EUR 299.2 million, up 39.3% compared to EUR 214.7 million in the previous year.

At constant exchange rates with the previous year, EBIT would have reached EUR 346.0 million.

The **share of net profits of equity-accounted investees** was EUR 0.8 million (EUR 1 million in 2022).

Net financial expense, positive by EUR 15.8 million (positive by EUR 11.0 million in 2022), includes net financial expenses of EUR 4.4 million (EUR 10.7 million in 2022), net foreign exchange income of EUR 15.4 million (net foreign exchange income of EUR 28.4 million in 2022) and the effect of the valuation of derivatives.

Profit before taxes was EUR 315.8 million, an increase of 39.3% on EUR 226.7 million in 2022.

Profit from continuing operations totalled EUR 237.1 million (EUR 179.9 million 2022), after taxes amounting to EUR 78.7 million (EUR 46.8 million in the previous year).

Group net profit, once non-controlling interests were accounted for, amounted to EUR 223.3 million (EUR 161.2 million in 2022).

Financial highlights

(EUR'000)	31-12-2023	31-12-2022
Net capital employed	1,433,223	1,427,272
Total equity	1,650,833	1,522,773
Net financial debt / (Net Cash)	-217,610	-95,501

Net cash at 31 December 2023 amounted to EUR 217.6 million, a change of EUR 122.1 million compared to a net cash position of EUR 95.5 million at 31 December 2022, and includes the distribution of dividends of EUR 34.2 million in May. These amounts include EUR 82.3 million due to the application of IFRS 16 (EUR 73.0 million at 31 December 2022).

Total equity as at 31 December 2023 amounted to EUR 1,650.8 million (EUR 1,522.8 million as at 31 December 2022).

FINANCIAL INDICATORS

The following table provides the most significant indicators for a brief assessment of the performance and financial position of the Cementir Holding Group. Return on equity and Return on Capital Employed allows for a rapid understanding of how the operational performance of the Group has an impact on overall profitability. The other Financial Indicators highlight the ability of the company to meet its financial obligations.

PERFORMANCE INDICATORS	2023	2022	COMPOSITION
Return on Equity	13.05%	11.92%	Profit from continuing operations/Equity
Return on Capital Employed	19.42%	14.32%	EBIT/(Equity + Net financial debt)

FINANCIAL INDICATORS	2023	2022	COMPOSITION
Equity Ratio	64.89%	60.29%	Adjusted Equity/Total Assets
Net Gearing Ratio	-13.30%	-6.35%	Net financial debt/ Adjusted Equity
Liquidity Ratio	1.15	1.01	Cash + Receivables / Current Liabilities
Cash Flow	1.58	1.11	Operating Cash Flow / Total Financial Debt
Finance Needs (Net cash)	-217.6	-95.5	Net Financial Position

The improvement in economic indicators is due to the positive trend of the current economic management and the impact generated by the cash flow from ordinary activities.

The balance sheet indicators show a further strengthening of the Group's equity and financial structure, which closed the year with a net cash position of EUR 217.6 million.

NON-FINANCIAL INDICATORS

The Group has defined a Roadmap to 2030 that will allow for the continuous reduction of CO_2 emissions per ton of cement. The implementation of the Roadmap is proceeding as planned. In 2023, emissions per ton of grey cement were 655 kg, down 9% compared to 2020, while emissions per ton of white cement were 846 kg, down 7% compared to 2020.

The Group has focused its research activity on the testing, through pilot projects, of new technologies for carbon capture and storage (CCS). The Plan envisages the implementation of a CCS system in Aalborg, in 2030, with which the Group will reduce CO_2 emissions per tonne of grey cement to 458 kg, with an emission level below the limits required by the European Taxonomy and equal to a reduction of 36% compared to 2020 levels.

For white cement, which is a niche product for specific applications, with a market equal to 0.5% of world production, CO_2 emissions will be reduced to 737 kg per tonne of product. The reduction will be achieved by replacing traditional fuels with fuels that have a lower emission impact, in particular natural gas and other alternative fuels such as biomass, and by replacing clinker with mineral additives, such as limestone.

The climate change targets established by the Group have been deployed per single plant and year and were included in the 2024-2026 Industrial Plan approved by the Board of Directors of Cementir Holding on 8 February 2024.

Grey cement

Year	2020	2021	2022	2023	Target 2025	Target 2030
Traditional fuel use in %	72%	70%	68%	**67%**	61%	52%
Alternative fuel use in %	28%	30%	32%	**33%**	39%	48%
Clinker ratio	82%	81%	80%	**79%**	75%	64%
CO_2 emissions (kg CO_2/ton cement)	718	684	672	**655**	617	458
Reduction in emissions compared to 2020	0%	-5%	-6%	**-9%**	-14%	-36%

White Cement

Year	2020	2021	2022	2023	Target 2025	Target 2030
Traditional fuel use in %	85%	85%	85%	**82%**	82%	54%
Use of natural gas %	12%	12%	13%	**16%**	16%	32%
Alternative fuel use in %	3%	3%	2%	**2%**	2%	14%
Clinker ratio	82%	83%	81%	**79%**	79%	78%
CO_2 emissions (kg CO_2/ton cement)	915	919	886	**846**	845	737
Reduction in emissions compared to 2020	0%	0%	-3%	**-7%**	-8%	-19%

Additional KPIs have been set in order to monitor other relevant areas, as alternative fuels produced by the waste treatment plants, the alternative fuels used for thermal energy production in place of non-renewable fossil fuels, the water consumption for cement production, health and safety, training and performance evaluation of employees.

Alternative fuel produced by the Group	2020	2021	2022	2023	Description
Alternative fuel (metric tons)	79,106	72,408	39,112	11,120	Fuel produced from municipal solid waste, industrial waste or commercial waste.

From 2022, as a result of changed business conditions, plants made greater use of alternative fuels produced by third parties, thus leading to lower production by the Group. In November 2023, the British companies of the Neales Waste Management Group active in the production of alternative fuels were sold.

Fossil fuel replacement index	2020	2021	2022	2023	Description
% of fossil fuel replacement	19%	20%	21%	22%	Alternative fuels used / total fuels used for the production of cement

Specific water consumption for cement production is in line with the improvement plan to 2030, which envisages a 20% reduction compared to 2019 (plan baseline). For plants located in areas with high water stress, the goal is to reduce consumption per tonne of cement by 25%, while starting from a specific consumption situation lower than the Group average. The main actions implemented in 2023 concerned the increase in the reuse/recycling of water withdrawn, the reduction of the clinker ratio, the reduction of losses and a more general specific reduction in freshwater withdrawals, also in consideration of the new activities launched during the year.

Group water consumption	2019	2020	2021	2022	2023	2030	Composition
Specific water consumption (litres / ton cement)	480	445	413	402	**387**	384	Water consumed / cement produced by the Group
Reduction compared to 2019		-7%	-14%	-16%	**-19%**	-20%	

Water consumption in high water stress areas	2019	2020	2021	2022	2023	2030	Composition
Specific water consumption (litres / ton cement)	280	287	276	257	**246**	210	Water consumed in high water stress areas / cement produced by the Group in high water stress areas
Reduction compared to 2019		0%	-2%	-8%	**-12%**	-25%	

Water reused in cement production	2020	2021	2022	2023	Composition
% of water reuse	31%	33%	30%	**34%**	Reused or recycled water / Water withdrawn

Health and Safety	2020	2021	2022	2023	Composition
No. of fatal injuries	0	0	0	0	Deaths as a result of accidents at work
Fatality Rate	0.00	0.00	0.00	0.00	(No. of fatal injuries / worked hours) x 1,000,000
Lost Time Injuries (LTI)	60	56	25	17	No. of injuries with absence days
LTI Frequency Rate (Frequency rate)	11.0	9.9	4.2	2.9	(No. of injuries with absence days/ worked hours) x 1,000,000
LTI Severity Rate (Severity rate)	0.16	0.14	0.10	0.07	(No. of days off work/ worked hours) x 1,000

The accident trend, which is constantly improving, confirms the effectiveness of the path taken to strengthen the Group's internal safety culture. In 2023, the accident frequency and severity rates for employees both decreased by about 30% compared to the previous year. Specifically, the frequency rate decreased to 2.9 compared to 4.2 in 2022 and the severity rate decreased to 0.07 compared to 0.10 in the previous year.

For more details on worker health and safety management, please refer to the specific paragraph in the Non-Financial Statement.

Training	2021	2022	2023	Composition
Training hours per capita	12.2	22.0	25.9	Training hours / number of employees

During 2023, the Group provided internal and external training initiatives to give its employees the opportunity to grow professionally and develop their skills and to promote diversity and inclusion within all its companies. In 2023, it was possible to fully restore face-to-face training activities that had been interrupted in previous years due to the spread of COVID-19.

Employees with periodic performance assessment	2021	2022	2023	Description
Executives	98%	100%	100%	Executives receiving performance assessment / total Executives
Managers	99%	100%	98%	Managers receiving performance assessment / total Managers
White-collars	98%	96%	92%	White-collars receiving performance assessment / total White-collars
Blue-collars	44%	38%	46%	Blue-collars receiving performance assessment / total Blue-collars

In 2023, the Group Performance Management programme involved all executives and managers hired within the first half of the year. The employees hired in the second half of the year, will be involved in the process starting from 2024.

PERFORMANCE BY GEOGRAPHICAL SEGMENT

The data reported in the Türkiye paragraph do not include the impact of the application of IAS 29 - Accounting for hyperinflated economies for Türkiye, the effects of which are reported in the section "Türkiye - Hyperinflated Economy: impacts for the application of IAS 29", and do not include the re-valuation of non-industrial real estate.

Nordic and Baltic

(EUR'000)	2023	2022	Change %
Revenue from sales	644,669	736,210	-12.4%
Denmark	*484,494*	*509,817*	*-5.0%*
Norway / Sweden	*157,923*	*216,533*	*-27.1%*
Other (1)	*76,341*	*82,240*	*-7.2%*
Eliminations	*(74,089)*	*(72,380)*	
EBITDA	181,250	165,707	9.4%
Denmark	*168,302*	*141,107*	*19.3%*
Norway / Sweden	*8,831*	*20,767*	*-57.5%*
Other (1)	*4,117*	*3,833*	*7.4%*
EBITDA Margin %	*28.1%*	*22.5%*	
Investments	61,291	50,606	

(1) Iceland, Poland and white cement operating activities in Belgium and France

Denmark

In 2023, sales revenues reached EUR 484.5 million, down 5% compared to EUR 509.8 million in 2022.

Domestic cement volumes, both grey and white, were lower than in 2022, influenced by a generalised slowdown in demand. High inflation and rising interest rates have negatively affected the residential sector. The contraction in volumes, particularly in the ready-mixed concrete, cement and precast segments, was partially offset by the supply of cement for the submarine tunnel that will connect Denmark with Germany (Fehmarn Belt), which has just entered the operational phase.

Exports also declined due to lower deliveries in Poland, Germany, France and Iceland, due to the slowdown in demand, only partially offset by higher deliveries in Norway and Southern Europe.

In Denmark, concrete volumes decreased by over 20% compared to 2022 due to weak demand in all major areas of the country, particularly in the commercial and residential segments, and the postponement or cancellation of some projects in the capital and major cities.

Aggregate volumes, on the other hand, remained constant compared to 2022 with a recovery in the fourth quarter; they were affected by the temporary closure of a quarry, which reopened in March 2023 but was not fully operational due to extraordinary maintenance that took place after the reopening.

Thanks to careful management of energy and distribution costs and lower CO2 consumption, EBTDA for 2023 stood at EUR 168.3 million (EUR 141.1 million in 2022), up 19.3%, with profitability returning to pre-Covid average levels. EBITDA benefited from a capital gain on the sale of land of about EUR 6.8 million.

Total investments for the year amounted to EUR 52.5 million, of which approximately EUR 40.2 million in the cement sector. In particular, these are projects related to the production process for the handling of limestone at the white cement and calcined clay mills at the grey cement mills, the construction of the cement silo for the Fehmarn Belt project, and projects for sustainability and extraordinary maintenance of the kilns.

Investments in ready-mixed concrete, amounting to EUR 11 million, include the renewal of some functionalities of the company's plants and transport vehicles. The region's investments include EUR 17.2 million recorded according to the IFRS 16 accounting standard, essentially relating to the lease of ships, ready-mixed concrete transport vehicles and other machinery for loading cement and aggregates.

Norway and Sweden

In **Norway**, ready-mixed concrete sales volumes decreased by 24% year-on-year due to the slowdown in residential and commercial demand, strong competition, and the postponement or downsizing of some major infrastructure projects due to government budget restrictions.

It should be noted that the Norwegian krone depreciated by 13% compared to the average exchange rate of the Euro in 2022.

In **Sweden**, volumes of ready-mixed concrete and aggregates decreased significantly compared to the previous year (-43% and -20% respectively), due to the general decline in demand in the private residential sector where the construction of new homes fell by more than 50% compared to the previous year, mainly due to the impact of higher interest rates. In the south of the country, where the group's companies are located, significant infrastructure projects have been postponed or downsized.

The Swedish krona depreciated by 8% against the average euro exchange rate in 2022.

In 2023, sales revenues in Norway and Sweden decreased by 27.1% to EUR 157.9 million compared to EUR 216.5 million in 2022, while EBITDA decreased by 57.5% to EUR 8.8 million (EUR 20.8 million in 2022).

The decrease in EBITDA in both Norway and Sweden is due to lower sales volumes, higher raw material and cement purchase costs and higher distribution costs and the devaluation of local currencies only partially offset by higher sales prices and lower fixed costs.

Investments made in the area in 2023 amounted to EUR 7.1 million, of which EUR 3.9 million in Norway, mainly for the renewal of some plant functions, ready-mixed concrete distribution vehicles and the renewal of leasing contracts for transport vehicles, and EUR 3.2 million in Sweden, for the purchase and hire of machinery for the extraction and crushing of aggregates and for pumping concrete. Investments recognised as a result of IFRS 16 were EUR 1.9 million.

Belgium

(EUR'000)	2023	2022	Change %
Revenue from sales	359,873	334,396	7.6%
EBITDA	97,559	76,533	27.5%
EBITDA Margin %	27.1%	22.9%	
Investments	37,262	32,053	

In 2023, cement sales volumes fell by around 8% compared to 2022 both in the domestic market and in France and the Netherlands. The contraction is mainly due to a slowdown in construction activity caused by the increase in raw material costs and restrictive monetary policy, with a consequent reduction in demand for mortgages and real estate financing; many projects have been postponed or cancelled.

Ready-mixed concrete sales volumes in Belgium and France also fell by around 10% year-on-year. In Belgium, despite the sharp market decline, especially in the residential sector, and the rainy weather in November, sales were supported by some major projects underway and despite the closure of a plant in June 2022.

On the other hand, the more pronounced decline in aggregate volumes, around 13%, both in the domestic market and in exports to France and the Netherlands, is partly due to the particularly positive performance in the first half of 2022, partially to production interruptions in January, as well as the more intense international competition. In France, the decline in the road segment was offset by growth in the ready-mixed concrete segment, while sales of basic materials remained weak due to competition from alternative products.

Overall, in the year 2023, sales revenues grew by 7.6% to EUR 359.9 million compared to EUR 334.4 million in the previous year while EBITDA increased by 27.5% to EUR 97.6 million, compared to EUR 76.5 million in 2022. The cement sector mainly contributed to the improvement in EBITDA, benefiting from careful management of operating costs, selling prices as well as lower CO2 consumption, allowing profitability to improve compared to the previous year.

The investments made in 2023 amounted to EUR 37.3 million and mainly concerned the Gaurain cement plant and in particular the revamping project of kiln 4 which will lead to a greater use of alternative fuels, as well as an increase in production capacity. Investments accounted for under IFRS 16 amounted to EUR 6.3 million, relating to contracts for cement transport vehicles.

North America

(EUR'000)	2023	2022	Change %
Revenue from sales	182,840	196,370	-6.9%
EBITDA	26,282	28,949	-9.2%
EBITDA Margin %	14.4%	14.7%	
Investments	12,849	9,366	

In the United States, sales volumes of white cement decreased by about 14%, in line with the performance of the residential sector, the main reference market. Sales in Texas and Florida contracted more sharply due to competitive pressures from imports, but more importantly to a decline in market demand due to the effects of inflation, declining confidence and the highest mortgage rates in more than 20 years.

On the other hand, the reduction in sales was more contained in the York and California regions.

The dollar depreciated by 2.7% against the average exchange rate of the Euro in 2022.

Overall in the United States, revenues were EUR 182.8 million, down 6.9% from EUR 196.4 million in 2022, while EBITDA decreased 9.2% to EUR 26.3 million (EUR 28.9 million in 2022), due to lower sales volumes and higher variable costs for cement purchases and distribution costs, offset by higher average selling prices. The company Vianini Pipe, active in the production of concrete products, recorded an increase in EBITDA compared to 2022 due to the growth in the volume of activity.

Capital expenditure in 2023 amounted to EUR 12.8 million and included EUR 2.7 million for the two cement plants for sustainability measures, production rationalisation and extraordinary maintenance. Investments accounted for in accordance with IFRS 16 amounted to EUR 9.8 million and mainly concerned the renewal of the leasing contract for two major cement terminals as well as various contracts for transport vehicles.

Türkiye

(EUR'000)	2023 (Non-GAAP)	2022 (Non-GAAP)	Change %
Revenue from sales	329,744	272,581	21.0%
EBITDA	74,834	30,880	142.3%
EBITDA Margin %	22.7%	11.3%	
Investments	22,358	16,886	

Revenues of EUR 329.7 million increased by 21.0% compared to 2022 (EUR 272,6 million), despite the -48% devaluation of the Turkish lira compared to the average euro exchange rate for 2022.

Cement sales volumes in the domestic market increased by about 16%. The most significant growth was recorded in the region of Trakya (Marmara) and in those of Elazig and Kars (Eastern Anatolia), due to the increased resources allocated to post-earthquake reconstruction.

Cement and clinker exports declined by around 27% due to the choice to focus on the domestic market, with greater profitability.

Ready-mixed concrete volumes increased by 7% compared to the previous year and are in line with the growth of the Aegean region where most of the plants are concentrated. A new mobile plant has been operational since September in Eastern Anatolia and another since October in the Istanbul area.

Aggregate sales increased by 11% compared to 2022 despite the negative trend in the first half of the year due to temporary operational problems.

In the waste sector, the subsidiary Sureko, active in the treatment of industrial waste, recorded revenues in local currency up 56% compared to 2022, thanks to the growth in volumes and selling prices in the various business segments, including the sale of RDF, waste collection, landfilling and trading.

The region's EBITDA reached EUR 74.8 million, up 142% year-on-year (EUR 30.9 million) due to higher sales prices despite the increase in operating costs and the significant devaluation of the Turkish lira. It should be noted that the 2023 result includes non-recurring income for capital gains on land sales of about EUR 4.2 million. Net of these non-recurring effects, EBITDA still increased by 128.5% compared to 2022.

Investments in 2023 amounted to EUR 22.4 million; in cement amounted to approximately EUR 13.4 million, concentrated mainly in the Izmir plant, in particular the connection of the cement plant with the 154 kV high voltage grid, rationalisation and efficiency enhancement works on the plants, and extraordinary maintenance. Ready-mixed concrete investments amounted to EUR 7.2 million and mainly concerned investments recorded according to IFRS 16 relating to transport vehicles (EUR 5.4 million) as well as the purchase of two mobile plants. Investments in the Waste division amounted to approximately EUR 1.7 million, mainly related to the development and efficiency of the fire-fighting system.

Egypt

(EUR'000)	2023	2022	Change %
Revenue from sales	50,255	57,113	-12.0%
EBITDA	12,539	11,792	6.3%
EBITDA Margin %	25.0%	20.6%	
Investments	2,878	1,005	

Sales revenues decreased by 12% to EUR 50.3 million (EUR 57.1 million in 2022), due to the -64.3% devaluation of the Egyptian pound compared to the average Euro exchange rate in 2022. Revenues in local currency actually increased by 44.6%.

White cement sales volumes were in line with 2022, both on the domestic market and on exports, with higher sales to the United States, Europe and the Middle East. The local market has shown a gradual recovery, having overcome the freeze on various public projects that had been demanded by the IMF as a condition for the disbursement of financing.

Despite the significant devaluation of the Egyptian pound, EBITDA increased by 6.3% to EUR 12.5 million (EUR 11.8 million in 2022), thanks to careful management of selling prices and production costs.

Investments in 2023 amounted to approximately EUR 2.9 million and mainly concerned new surfacing for the plant's internal roads as well efficiency enhancement works and extraordinary maintenance on kiln and mills.

Asia Pacific

(EUR'000)	2023	2022	Change %
Revenue from sales	121,440	124,588	-2.5%
China	*68,053*	*66,316*	*2.6%*
Malaysia	*54,207*	*58,272*	*-7.0%*
Eliminations	*(820)*	-	
EBITDA	26,879	22,682	18.5%
China	*18,524*	*17,096*	*8.4%*
Malaysia	*8,355*	*5,586*	*49.6%*
EBITDA Margin %	*22.1%*	*18.2%*	
Investments	7,209	7,555	

China

Sales revenues increased by 2.6% to EUR 68.1 million compared to 2022 (EUR 66.3 million), with sales volumes up 18% and prices contracting.

After a start to the year still partially affected by the restrictive measures to limit the spread of Covid, volumes sold grew in the following months, accelerating in November and December, but competition, also fuelled by the high levels of stocks of cement producers, did not favour the recovery of prices.

EBITDA increased by 8.4% to EUR 18.5 million (EUR 17.1 million in 2022), as a result of higher sales volumes and savings on energy and raw material costs against the aforementioned decrease in selling prices and the devaluation resulting from the exchange rate of the local currency. EBITDA for 2023 includes net positive non-recurring income and expenses of approximately EUR 1 million, mainly due to the sale of machinery related to the old plant, net of other extraordinary charges.

The Chinese Renminbi depreciated by 8.2% compared to the average Euro exchange rate in 2022.

Investments in 2023 amounted to approximately EUR 1.6 million and mainly concerned limestone milling, energy saving and emission reduction projects.

Malaysia

Sales revenue decreased by 7% to EUR 54.2 million (EUR 58.3 million in 2022) with overall sales volumes decreasing by 10%. Exports contracted by 13% due to lower clinker sales in Australia and lower cement deliveries in some markets due to strong international competition and the weakness of local demand, often conditioned by restrictive monetary policies, high unemployment, high stocks of unsold properties as well as the slowdown in the Chinese economy.

The volumes sold in the local market, on the other hand, increased by 17%, after the long standstill in the residential sector in 2020 and 2021 due to Covid, thanks to the recovery of the residential and commercial sectors as well as in public works following the approval of the 12th National Infrastructure Financing Plan for 2021-2025.

EBITDA reached EUR 8.4 million, up 49.6% compared to EUR 5.6 million in 2022, thanks to careful management of distribution costs and sales prices despite lower sales volumes.

The Malaysian Ringgit depreciated by 6.6% compared to the average exchange rate of the Euro in the previous year.

Investments in 2023 amounted to approximately EUR 5.6 million and mainly related to a new cement silo and the reopening of a cement mill, packaging systems and extraordinary maintenance. Investments recognised as a result of IFRS 16 were EUR 0.8 million.

Holding and Services

(EUR'000)	2023	2022	Change %
Revenue from sales	204,492	210,367	-2.8%
EBITDA	2,529	(250)	n.m.
EBITDA Margin %	1.2%	-0.1%	
Investments	4,030	5,147	

This grouping includes the parent company, the trading company, Spartan Hive, and other minor companies. The improvement in EBITDA was primarily driven by an increase in Spartan Hive's trading activity as well as savings on personnel and general expenses.

INVESTMENTS

In 2023, the Group made total investments of approximately EUR 147.9 million (EUR 122.6 million in 2022), of which approximately EUR 43.9 million (EUR 26.1 million in 2022) related to rights of use (IFRS16) assets.

Investments included EUR 105.6 million in the cement sector, EUR 26.1 million in ready-mixed concrete, EUR 9.9 million in aggregates and EUR 6.3 million for other business sectors.

The breakdown by asset class shows that EUR 142.8 million (EUR 118.5 million in 2022) relates to property, plant and equipment and EUR 5.1 million (EUR 4.1 million in 2022) to intangible assets.

RESPONSIBILITIES IN RESPECT TO THE ANNUAL REPORT

The Board of Directors is responsible for preparing the Annual Report, inclusive of the Consolidated and Company Financial Statements and Directors' Report, in accordance with Dutch law and International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union (EU-IFRS).

In accordance with Section 5:25c, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Financial Statements prepared in accordance with IFRS as adopted by the European Union (EU-IFRS) provide a true and fair view of the assets, liabilities, financial position and profit or loss for the year of the Company and its subsidiaries and that the Directors' Report provides a true and a fair view of the performance of the business during the financial year and the position at balance sheet date of the Company and its subsidiaries, developments during the year, together with a description of the main risks and uncertainties that the Company and the Group face.

KEY EVENTS OF THE YEAR

2023 ended with an EBITDA of EUR 411.1 million (EUR 335.2 million in 2022). The cash flow generated by operating activities and the control of working capital made it possible to close the year with net cash of EUR 217.6 million (net cash of EUR 95.5 million in 2022) which included the debt position resulting from the application of IFRS 16 for EUR 82.3 million (EUR 73.0 million in 2022).

On 8 February 2023, the Parent Company's Board of Directors approved the update of the 2023-2025 Business Plan, to whose press release please refer (www.cementirholding.com in the Investors, Press Releases section).

In April 2023, the rating agency Standard and Poor's confirmed the BBB- rating with a stable outlook.

During May, dividends of EUR 34.2 million were paid as per the resolution of the General Meeting when the 2022 financial statements were approved.

With reference to the ongoing conflicts in Ukraine and the Middle East, the directors did not identify any direct significant impact on the Group and the financial statements.

INNOVATION, QUALITY, RESEARCH AND DEVELOPMENT

The Cementir Group conducts applied research to support Sustainability, Innovation and Product Development and possible new solutions. These activities are carried out in close collaboration with customers and business partners, academia and other stakeholders in the construction industry and society at large.

In 2023, the Cementir Group, as founder and member of the steering committee, continued to actively work on the Innovandi project, a world-class cement and ready-mixed concrete industrial-academic research network, made up of 30 global companies in the cement-additives-ready-mixed concrete value chain together with 40 scientific institutes.

To meet the new challenges of the "Cementing the European Green Deal"- 2020 defined by the EU in terms of further reducing CO_2 emissions, the focus of the Group's research activities has been to develop projects and investigate further innovative product and process solutions and systems to enable a sustainable production transition. From 2020 all activities in terms of process, product and innovation were translated into a 10-year roadmap with ambitious Group sustainability targets with a main focus on European markets subject to the ETS (Emission Trading System), then extended to all reference markets. 2022 and 2023 were marked by the implementation of key projects included in the roadmap. The Group together with DTI - Danish Technological Institute - has continued to work on the CALLISTE (Calcined Clay-Limestone Technology Extension) applied research project, based on FUTURECEM® cement technology. CALLISTE aims to achieve a 50% lower clinker content than conventional Portland cement. The project consortium includes universities and the construction value chain. The research is funded by the Danish Innovation Fund. To define a solution to the market, new ready-mixed concrete additives have been developed in collaboration with leading manufacturers to fully exploit the CO_2 emission reduction potential of FUTURECEM®-based cements.

In 2023, the Cementir Group also participated in the "Circular Concrete" Project in Denmark. The main aim of the project is to develop "closed-loop" technologies for high-quality upcycling of demolition concrete, which guarantees recycling for 100% of the concrete constituents.

2023 saw the consolidation on the market in Denmark of AALBORG SOLID, a new low-alkaline cement with a 20% lower CO_2 footprint, already launched in 2022.

In 2023, in line with the decarbonization of the Aalborg White® range of white cement, a new D-Carb® brand product was developed, with a CO_2 footprint 15% lower than the reference Portland cement while maintaining the same performance at short curing. D-Carb® will be launched on the European market during 2024.

In Türkiye, the sustainable transition was based on the gradual transition from Portland cement to composite cement in all plants in the country.

In Benelux and France, CCB continued in 2023 the transition from CEM I to CEM II for precast ready-mixed concrete applications. While for ready-mixed concrete, the focus has shifted to mixed cements.

R&D expenses, to be reported according to Art. 2:391.2 DCC, amounted to EUR 2 million.

Product innovation and new solutions

The Group decided to take on the challenge of meeting the growing demand for innovative, sustainable, and high value-added offerings. Product innovation and new solutions in the Cementir Group are an integral part of InWhite Solutions™, a platform managed by the Sales, Marketing and Corporate Business Development department that involves the entire Group.

The overall goal is to expand the Group's product market and increase market share within the entire value chain, while supporting the path to sustainability.

Starting from 2019, the Cementir Group has strengthened its position in the ultra-high performance concrete segment, in particular, in the European market with premixed solutions using UHPC (Ultra High Performance Concrete) technology: AALBORG EXTREMETM Light 120 and AALBORG EXCELTM.

While AALBORG EXTREME™ Light 120 is intended for use in structural and semi-structural applications, AALBORG EXCEL™ is aimed at architectural applications, such as exclusive façade cladding.

After the initial focus on the European market, the Cementir Group has extended its sales perimeter to include China, Australia and the Asian area, given the growing interest in UHPC technology demonstrated by the market and confirmed by trends in the construction sector.

As part of the strategy of a transition towards greater sustainability, the Cementir Group, through the InWhite™ innovation process, is developing additional products/solutions, implementing the technology behind FUTURECEM®, cement, to meet the needs of its customers and business partners in the reference markets.

Since the end of 2023, InWhite solutions have also been produced in the premixed section of the Malaysia plant.

As part of the Group's innovation process, FUTURECEM® is used to improve the offer of innovative products with low CO_2, emissions, in order to pursue the ambitious path towards sustainability. In accordance with the Group's customer-centric approach, specific product development activities were launched and implemented in all regions to meet market needs for various applications and support them in their sustainable transition. From January 2021, the Group, through its subsidiary Aalborg Portland, has launched the first FUTURECEM® cement on the Danish market. The new product was favourably received by the market, as a solution to produce a low-emission ready-mixed concrete. Underpinning the product's success are its suitability for the intended applications, performance and continuous dialogue with the entire value chain, as well as strategic partnerships with leading construction companies. The roll-out of FUTURECEM® cement continued at our subsidiary in CCB - Belgium, where the cement was marketed in France in 2022. Since 2023, following the achievement of the certification for use in ready-mixed concrete (ATG), FUTURECEM® cement has also been marketed in Belgium.

For the French market, in cooperation with customers, FUTURECEM® has been tested and used in a wide range of applications, from ready-mixed concrete to precast elements.

FUTURECEM® is also part of the research project "B40 blocks for low-carbon concretes" conducted by CERIB-Centre d'études et de recherches de l'industrie du béton.

The FUTURECEM® cement experience in Denmark, France and the Benelux region is paving the way for limestone and calcined clay technology in other markets as part of the Group's ambitious sustainable roadmap to 2030 and beyond.

Research Centre

The Research and Quality Centre (RQC) is the Group's central quality section. The centre is equipped with a fully equipped state-of-the-art laboratory, which enables a wide range of tests and analyses of raw materials, alternative fuels, cement and ready-mixed concrete. The laboratory is the benchmark for the whole Group; it runs a cross-checking programme that is the key to maintaining accuracy and precision in our local laboratories. The lab provides them with calibration samples and, at regular intervals, it receives samples of raw materials, fuels, alternative fuels, clinkers, and cement from individual plants to assess process efficiency and provide support to the plants. The use of advanced analytical equipment enables prompt responses and troubleshooting, as well as ensuring continuous improvement in process efficiency and product quality in each individual plant. The RQC operates a global quality system to ensure a uniform and consistent quality across the Group's facilities. The system involves continuous online monitoring to check the quality of all products, continuous control (via cross-checking) of the instruments used in local laboratories, a system of guidelines and procedures that can be consulted online, which support the setting-up of quality assessment models and improve the sharing of best practices.

Innovation and customer service are also supported by RQC. The centre's experts are specialists in cement chemistry, mineralogy, concrete technology, white cement application. In addition to research, the centre offers customers technical support for all types of ready-mixed concrete and cement-based products as well as training for new employees and actively participates in group initiatives. At the global level, experts at the RQC help sales staff provide highly skilled assistance to the Group's customers. Research and quality skills therefore translate into high value products and services for customers.

Quality

Quality is one of the main objectives pursued by the Group. The CON-CQ Concept (CONsistent Cement Quality) policy is currently implemented in all plants, defining a quality management and control system, and roles and responsibilities. The quality KPIs necessary to provide the right product for each specific application are defined starting from the Voice of Customers. Based on an in-depth understanding of the impact on product performance of raw materials, fuels and the production process, Group companies can ensure the highest quality and stability of the cements they produce. The GQCC Corporate Function (Group Quality Competence Centre) defines best practices, guidelines and quality procedures common to all the Group's plants. Periodic meetings are held with the participation of Corporate and individual plants where the results achieved and the improvements needed to achieve the set objectives are discussed, investments are proposed and ongoing projects are analysed and DOQs (Declaration of Quality) are reviewed. Internal audits are carried out every year to improve quality performance and implement and improve controls and feedback. Every year, the performance of the plants is also evaluated through the Quality Score Cards. The purpose of CSFs is to measure the performance of all aspects of quality, from raw material extraction and sourcing to customer satisfaction. This is done by giving a score for each topic based on predefined criteria. These criteria may be based on a quantitative measure of performance against a KPI or, as appropriate, a more qualitative assessment. The scorecard must be completed or updated annually by all establishments in cooperation with GQCC.

Quality and Production Seminars are held annually for both the grey and white sectors. In these seminars, the results obtained during the year by the various plants are presented, the results of the projects are shared and new ones are presented, the new activities to be tackled are discussed and the technical upgrades are shared. Specific workshops are also held to discuss the case studies presented.

INFORMATION SYSTEMS

In 2023, the Information Technology function further pursued its objectives of strengthening the organisational and governance model based on the centralisation of managerial and decision-making responsibilities in the company Aalborg Portland Digital, created with the mandate to provide IT services to the entire Cementir Group to support the digital transition of the core business with initiatives in all Regions. The goal of globalising and transforming the way we work through flexible, dynamic and data-driven group services and solutions was further pursued.

2023 was certainly a very fruitful year, both in terms of actions and projects supporting business processes and the consolidation and modernisation of the Group's IT infrastructure. The collaboration, videoconferencing and document sharing solutions have been further enriched with features by taking advantage of product evolutions and expanding the scope of use. Still in the infrastructure sector, 2023 was probably the most challenging year and full of new projects in the Cyber Security field. In particular, Vulnerability Assessment and Penetration test initiatives were carried out to verify the correctness and maturity of the solutions adopted, several Phishing campaigns were carried out to verify users' awareness of possible intrusion attempts and the Cyber Security Incident Response Plan was formalised, to ensure the correct performance of all procedures in the event of an attack. Finally, the Group has signed an agreement with a leading rating agency in the Cyber Security field and, through numerous corrective actions, has reached the "advanced" level before the end of 2023, the highest possible level in the reference industry. Finally, work continued to secure access to the industrial network, thus allowing all the security specifications already developed for the business network to be inherited, extending them to almost all the Group's regions and plants.

In the infrastructure area, the optimisation of the Cloud Data Centre that hosts all the company's servers has been continued. The focus of 2023 was on cost optimisation, having already consolidated and optimised resources and services in the past, achieving a 13% decrease in monthly costs. Numerous upgrades and technological renewals of our network infrastructure were carried out, with equipment renewal completed at the last remaining plants in the replacement plan and 80% of the three-year network renewal project at the Aalborg plant, a project due to be completed in 2024.

The portfolio of group and local initiatives to support the execution of the business plan was also completed with very limited impact on implementation times. Its common denominator remains the gradual streamlining of the application stack and the use of SAP as a pivotal system of the Group processes execution. In addition, a small number of non-SAP applications were selected to complete the process coverage required for business operations and development. In the SAP area, the transition to the HANA database of the DKP system was carried out, achieving performance increases of 50% and response times of over 30%, to the benefit of both internal productivity but also the time it takes to conclude real-time transactions when placing orders with customers. Single-sign-on functionality for access to SAP has also been introduced, greatly simplifying the process of logging in and managing credentials.

The most relevant project activities related to the optimisation and standardisation of business processes and interventions on applications were those related to the Business Process Reengineering Programme, which mainly operated on Maintenance processes and activities related to the world of Purchasing, with the introduction of a web-app for mobile and portal approval of documents related to the purchasing cycle. The consolidation of the proprietary C-Scale platform for the execution of logistics has been further enriched with functionality and extended to Aalborg Portland Malaysia, incorporating the management of additional delivery cases that will be made available to companies already operating on the platform during 2024.

Other project activities concerned evolutionary projects in terms of functionality for different Regions of the Group, to address both mandatory requirements for legislative or compliance reasons, as well as operational and process efficiency. In the first area, we note the tax adaptations in Belgium for the management of invoicing compliant with ecological directives, the integration with Bank of America for the management of receivables, the launch of activities to address electronic invoicing in Poland. On the core business processes, the use of the mobile app for maintenance was extended to the subsidiaries in Türkiye and the Far East, medium- and long-term SOP functionality was implemented in SAP and is now part of the monthly planning review process, the ARIBA platform was expanded with modules for contract and tender management, and SAP modules for Quality Management in Malaysia were implemented.

The use of Process Mining continued and was geographically extended, which in 2023 was applied to both the purchasing and payment processes, but also to maintenance, as well as sales and collection, identifying possible areas for improvement, which was followed by an action plan that is constantly being updated and developed.

Business Intelligence activities in 2023 focused on "behind the scenes". In fact, an extensive market research on cutting-edge products was launched and concluded with regard to the preparation of data and the monitoring of update flows. 2024 is the year in which the selected new technologies will be implemented to optimise and simplify back-end processes on data. In addition, the data access process was revolutionised by developing an audit-compliant and fully automated process for the part of IT responsibility. Like last year, an awareness-raising theme on synergies within the Group continued, and this year several working groups composed of people from several regions were set up with the aim of brainstorming and sharing local processes, which led to uniting the needs of the regions, leading to the Holding Company having one comprehensive support request for all, thus decreasing the fragmentation and dispersion of local requests per individual company. This has allowed the IT department to optimise internal resources and give full support to local activities. Last but not least, a campaign has begun to make improvements to the world of Business Intelligence, in line with the Group's corporate values: 2023 was the year of "Diversity and Inclusion".

HEALTH, SAFETY AND ENVIRONMENT

Health and safety

In the last three years, we have initiated a profound cultural change so that people's health and safety is perceived and lived, in daily activities, as a common value. The 2023 accident rates confirmed the soundness of our action plans contextualised in the individual industrial sites. The performance trend improved further: The frequency rate for employees, at 2.9, decreased by about 30% compared to 2022. Specific measures are being taken to bring contractor performance, which has improved in recent years, into line with this.

We continued to monitor the leading indicators to understand the effectiveness of the management process we have undertaken. The analysis of the results has allowed us to refine its progress through targeted actions that have mainly concerned leadership and worker involvement.

After completing the ISO 45001 Certification Plan for the cement sector, we have defined the objectives for ready-mixed concrete production. In this sector, we will reach 100% of certified plants by 2027.

On 28 April, the Group celebrated the World Day for Health and Safety at Work in a coordinated way. These values form a pillar of corporate sustainability, in which the ongoing involvement of employees is central. Each of the Group's sites has implemented specific initiatives focused on the theme of “slip, trip and fall prevention”, one of the main causes of accidents worldwide. Knowing the causes and actions to prevent such accidents is a fundamental condition for minimising risks from a collective perspective.

We are executing on our three-year plan for our commitment to WASH (Water, Sanitation and Hygiene). The plan aims to improve access to drinking water and sanitation for all workers in workplaces whose operational control is our responsibility. Furthermore, we intend to address and support access to WASH along the value chain, as well as in the communities where we operate.

Environment

We have updated the Environmental Policy to focus even more on the aspects of our activities that aim to improve our environmental footprint, starting with the factors that impact climate change. In particular, the roadmap towards net-zero CO_2 emissions by 2050, in line with the 1.5°C scenario defined in the SBTi guidelines for the cement sector, is based on some key lines of action.

- Increased use of alternative fuels such as low-carbon fuels and biomass. Adopting a circular approach and co-processing of waste as fuels. Use of decarbonised/alternative raw materials to minimise the use of non-renewable resources.
- Increase in the production of low-carbon cement such as FUTURECEM® and promote circularity along the life cycle of products. Increase in the use of concrete-based demolition waste as a substitute for natural aggregates in the production of ready-mixed concrete itself.
- Participation in the implementation of new technologies such as the capture, utilisation and storage of CO_2 in our "hard-to-abate" plants.
- Increase in the efficient use of energy by promoting energy recovery and the use of renewable sources.

During the year, we further reduced specific water consumption in cement production, in line with our improvement plan to 2030. The main actions implemented concerned the increase in the reuse/recycling of the water withdrawn, the reduction of losses and a more general reduction in freshwater withdrawals.

We have continued to implement the remediation/restoration plan of all quarries, taking care to identify areas of high biodiversity value, on which to implement management and monitoring plans for the protection of animal and plant habitats.

The next objectives of the Certification Plan to the ISO 14001 standard, which is our management framework, have been defined. By 2025, 100% of our cement production operations will be certified to this standard (currently around 93% of total production is carried out in certified sites). In the ready-mixed concrete sector, we will complete the plan by 2027 (currently over 25% of production is carried out at certified plants).

For the third year in a row Cementir Holding N.V. has been confirmed leader with the “A-” rating for Climate Change from CDP, ranking above the European average (B) and the cement & concrete sector average (B). Cementir has also been confirmed leader in CDP Water Security with an “A-” score for the second year in a row ranking above the sector (B) and European average (C).

HUMAN RESOURCES

Changes in the workforce

As at 31 December 2023, the Group's headcount stood at 3,045 employees, 40 fewer than at the end of 2022, mainly related to the divestment of activities in the United Kingdom, the slowdown in ready-mixed concrete production activities in the Nordic countries, partially offset by the increase in production activities in Türkiye following the earthquake at the beginning of 2023.

Personnel costs increased by about 5 million compared to 2022 but were lower than the budget for 2023. The change is essentially due to the adjustment of personnel costs with respect to rising inflation, as also foreseen in many local trade union agreements, turnover and hiring processes and, lastly, to the effects due to currency exchange.

Organisation

As of 31 December 2023, the Group's organisational model remained structured in the following territorial areas:

- Nordic & Baltic
- North America
- Asia Pacific
- Türkiye
- Egypt
- Belgium

and Holding and Services, within which Spartan Hive acts as dedicated business unit.

Amsterdam is the registered office of the Holding, while the Rome office is the secondary and operational headquarters.

Holding coordinates these regions and operating companies. The General Manager of the Group is entrusted with overseeing the main operating undertakings of the company, allowing the Group CEO to focus on business activities with a strategic impact, such as mergers and acquisitions.

During the year, the organisational structures defined in 2022 were confirmed to guarantee certain key processes and to improve the overall efficiency of organisational structures through the application of standard organisational models, as well as to guarantee the filling of any vacancies to ensure business continuity.

The main organisational changes during the year were:

- The introduction of the role of the Director of Operations in the Belgium region in order to focus the local Chief Executive Officer on the increasingly important strategic and sustainability issues;
- The divestment in November of the Waste activities in the United Kingdom and the simultaneous integration of those in Türkiye within the respective territorial area.

The implementation of standard operating models (processes, organisation and systems) also continued with the "Maintenance 4.0" programme, which continues to affect the Asia Pacific region (Malaysia and China) together with Nordic & Baltic, Türkiye and Belgium with a view to continuous improvement. The standardisation programme related to the Warehouse activities of cement plants with the "Warehouse 4.0" Programme has been extended to Nordic & Baltic in addition to what is already underway in Türkiye and Belgium.

The standardisation of processes and systems, as well as the sharing of best practices at Group level with the aim of strengthening knowledge sharing and internal mobility, was extended with the "Business Process Re-engineering (BPR)" Programme which involved purchasing processes.

In the first half of the year, an assessment was carried out in the Nordic & Baltic, Türkiye and Belgium areas, which made it possible to identify targeted actions for a homogeneous and digitised management of specific sub-processes of the purchasing function. The second part of the year was dedicated to industrialisation and the definition of an extended operating model, which will be followed by the design of an implementation roadmap during 2024.

Technological innovation continued to affect the entire organisation across the board through the implementation of a digital signature system for signing internal and external documentation, the automation of monthly reporting on personnel data and the launch of working groups for the launch in 2024 of the new compensation & benefit system, the reporting and consolidation system and cash flow management.

Talent Strategy

The Group significantly continued its face-to-face training activities, which were re-launched on a stable basis starting from 2022, while continuing to leverage digital leverage in order to ensure continuity of the defined strategy.

The year 2023 saw the strengthening of the Group Performance Management System launched in 2021 with further functional evolutions and an ongoing commitment to training involving the entire company population.

In addition, the Group implemented the following initiatives in the area of Talent Management, aimed at different target groups of the corporate population:

- LinkedIn Learning was launched globally under the Global People Survey action plan. The new platform offers all white collar workers a variety of courses on business, technology and soft skills. Employees can choose to enrol in any course of their interest, without any obligation or requirement and, on a quarterly basis, the Group and the local HR team provide a list of suggested courses based on the training needs identified during the Performance Process. The courses are delivered in seven different languages and cover more than 16,000 topics;
- the Graduate Program, a global initiative that, in its second edition, aims to include brilliant new graduates in the technical area, through an international experience in which to learn and develop specific skills in the cement sector and managerial skills in line with the Group's way of working. The initiative, launched in September 2023, has so far involved 60 internal trainers, with more than 400 hours of training already provided;
- “Emerging Talent”, a training and development programme designed to develop internal staff members and ensure their growth towards managerial positions, involved 35 talented people from all Group regions, which in 2023 saw the completion with the last training module, as well as subsequent follow-up sessions with the aim of continuous monitoring of the results obtained and the definition of a specific career path.

Furthermore, to ensure continuous development, specific training programmes were launched locally to attract new staff members such as the Graduate Program in Türkiye and to retain our managers such as the Leadership Program in Denmark and Belgium.

In terms of Talent Acquisition, the provisions of the Group's HR Governance were consolidated, i.e. confirmation of full accountability on search and selection processes and strengthening of the partnership with business functions to effectively support the decision-making process.

In terms of training, in continuity with previous years, the Cementir Academy supported the Group's strategy and the professional development of personnel, through the design and release of new courses and initiatives in a hybrid procedure, through the online platform and physical presence, with the aim of ensuring the training and development of all personnel, an example of which are the courses on Cyber Security and the training pills launched in the field of Diversity, Equity & Inclusion.

The use and continuous updating of the platform with new content, aligned with the company's evolutionary and development strategy, has also allowed for proper on-boarding and engagement of staff, through the use of training content in digital procedures.

Remuneration

The remuneration policy places particular emphasis on the importance of attracting talent and at the same time recognises the value of the people who are part of our Group, fostering a performance culture in line with our corporate values.

It is based on objectives that support the company's business strategy, ensure internal fairness, motivate and develop our people and recognise top performance.

Cementir therefore adopts a competitive remuneration system aimed at guaranteeing the respect of the balance between strategic objectives and recognition of the merits of the Group's employees. Through the use of short- and medium-/long-term variable remuneration components, the alignment of personnel interests to the pursuit of the priority objective - value creation - and the achievement of financial objectives is promoted. This objective is also pursued by linking a significant part of remuneration to the achievement of pre-established performance targets, through both the short-term incentive system (STI) and the long-term incentive system (LTI).

In order to comply with the business plan, the 2023 Compensation Policy Guidelines set out performance targets that have guided, monitored and assessed the activities related to the supervision and development of the business, which are crucial to achieving the targets in the Group strategic plan.

The commitment of the management team was confirmed, with regard to short-term objectives, on economic and financial management, focusing on the correct management of economic and human resources, as well as alignment with the Group’s strategic objectives.

The objectives were defined by applying a cascading process in the different countries, in accordance with the different organisational levels, confirming the Group approach for the short-term incentive scheme. In 2023, specific sustainability and Health and Safety targets were also set, updated and expanded for the different organisational layers to confirm the group's focus on these key pillars of its business plan.

The 2023 Remuneration Policy remained consistent with the governance model adopted by the Group and the recommendations of the Code of Ethics, available on on Corporate Website under www.cementirholding.com, in the Governance, Corporate regulations section, in order to attract, motivate and retain staff with a high professional profile and align management interests with the main objective of creating value for shareholders in the medium/long term.

Reference group and market positioning

In 2023, the Group continued to offer a remuneration package that is competitive with the labour market in its sector, comprising monetary, non-monetary and benefits elements.

To define this market, a reference group is periodically created, consisting of companies that are comparable in terms of size and complexity, data transparency and geographical area using databases from a leading external provider.

Internal communication

During 2023, specific action plans were formulated at Group and Local level based on the results of the 2022 Group People Survey called "Your Voice". For this reason, several key indicators have been identified to take into account the various aspects of staff involvement, also based on international benchmarks.

The global action plan was defined, approved, implemented and monitored by the Group's Senior Management Team with periodic updates to all employees.

Several areas for improvement have been identified: Communication & Collaboration, People Growth, Respect & Recognition, Efficiency & Innovation. Taking into account the main requests made by the Employees, Cementir has defined the main actions to be carried out with different levels of priority, guaranteeing specific actions related to needs and local legislation for the Welfare component.

In 2024, the Group will launch a new survey, with the aim of ensuring constant monitoring of staff involvement and engagement levels.

With regard to internal communication in a more general sense, it was confirmed that the ordinary aspects defined at Group level mainly concern:

- Policy
- Procedures
- Organisational announcements
- Financial results
- Results deriving from the Group's rating on sustainability issues

In 2023, Internal communication focused mainly on the following topics:

- The establishment of the communication campaign for World Safety Day managed at Group level with the support of all local business units "Prevention of slips, trips and falls"
- The continuous strengthening of Cyber Security issues, for constant information and training on the main risks in the IT field and with the aim of making all staff aware of the prevention and correct reaction in the event of IT fraud;
- The consolidation of the guiding principles of Equity, Diversity and Inclusion with dedicated training pills;
- The completion of the Emerging Talent Program's career development initiatives and the launch of the second edition of the Graduate Program;
- The launch of the new Group Intranet, with a graphic and content restyling, as well as the opening of 5 dedicated sections to strengthen local communication for China, Malaysia, Egypt, Belgium and North America, where not already present.

After a four-year hiatus, Cementir also organised the Annual Meeting 2023 "One Team, Evolving Together" in Rome, bringing together executives and representatives from all the Regions.

Two days of panels and in-depth analyses to present and review the key pillars of the Group's strategy, define the evolutionary guidelines for the subsequent Business Plan and celebrate the results achieved in the areas of Sustainability, Health and Safety, Process Improvement, Innovation and Artificial Intelligence, Communication and Culture.

Social Dialogue

The Cementir Group confirms its ongoing commitment to a dialogue with European workers' representatives in its companies, in accordance with EU regulations and the protocol adopted by the European Works Committee (EWC) of the Cementir Group.

In June 2023, management informed and set up discussions with employees and unions on transnational issues concerning the status of activities and significant decisions taken by the Group in relation to the business and its employees.

The meeting shared the main economic and financial results of the period, as well as the main strategic initiatives in progress, and was an opportunity to share the renewal of the European Works Council Agreement for the four-year period 2024-2027, subsequently signed by all parties involved.

Diversity Goals Statement

Pursuant to Art. 3d, paragraph 1 of the Decree on the content of the director's report, the Company makes the following statements regarding the numerical targets for a more balanced distribution of men and women at the (sub)top level:

a) Number of men and women who sit on the Board of Directors as Executive and Non-Executive Directors at the end of the financial year as well as the categories of employees in management positions determined by the company pursuant to articles 166, paragraph 2 and 276, paragraph 2 of Book 2 of the Dutch Civil Code at the end of the financial year

	Women	Men	Total	% Women	% Men
Members of the Board of Directors	4	4	8	50%	50%
Senior Management Team (N-1 and N-2)	20	77	97	21%	79%

The composition of the Board of Directors of Cementir Holding N.V. is detailed below:

2023	Men	Women	Total
Executive Director	1	0	1
Non Executive Director	3	4	7
Total	**4**	**4**	**8**

In order to set appropriate objectives for the Group, the Senior Management Team has been defined as:

- Group COO
- Group Chief of each professional family
- Head of Region/ BU Managing director of each local branch
- Senior executives

This category does not include the Group's Chief Executive Officer (member of the Board of Directors of Cementir Holding), assistant roles and positions related to non-core activities (e.g. Waste, precast, ...). As of 2023, the calculation has no longer been carried out considering vacant positions but only considering positions held in line with the Dutch DE&I (SER) reporting system.

b) targets in numerical form in accordance with articles 166, paragraph 2 and 276 paragraph 2 of Book 2 of the Dutch Civil Code

The Company's commitment to Diversity, Equity and Inclusion issues is evidenced by the following adequate and ambitious targets set for directors and senior management, as defined above, with the related main results:

Target	Target	2023 result
Diversity on the Board of Directors of Cementir Holding	The number of directors of the least represented gender may not fall below 4 in the case of a Board of Directors consisting of a maximum of 9 directors (44.8%)	8 directors in total, 4 men and 4 women (50%)
	At least 3 directors, including at least 1 independent director, under the age of the Chief Executive Officer	5 directors, 1 of whom is an independent director
	At least one director has specific expertise in ESG with a focus on social issues	1 director
Diversity in the CE-mentorship programme	At least 25% of the underrepresented gender will be involved in the program	38% in the 2023 edition
Diversity in the Emerging Talent Program	At least 25% of the underrepresented gender will be involved in the program	29% (already achieved in 2022)
Diversity in the senior management team	The least represented gender stands at 19% (May 2022) and we aim for a 1% increase by the end of 2023	21% at 31 December 2023

c) the plan for achieving the targets set out in articles 166(3) and 276(3) of Book 2 of the Dutch Civil Code; if one or more targets have not been achieved, the reasons for the failure to achieve them.

As detailed in the Sustainability Report – 2023 Non-Financial Statement of the Cementir Holding Group, the production sector, in which the Group operates, has historically been characterised by a predominantly male workforce. Analysis of staff distribution data in 2023 shows that 87% of employees are male. This is largely linked to a high prevalence of men among blue-collar workers (the main category of personnel).

In recent years, the Group has adopted measures to promote equal treatment and opportunities between genders within the entire corporate organisation, starting with the definition of a value system and a model of Group skills and behaviours in which the concepts of inclusion and enhancement of diversity are strongly represented.

To this end, the Group's Diversity, Equity and Inclusion policy, published in November 2022, establishes certain guidelines within the Cementir Group that promote a culture of respect for diversity, equal employment, non-discrimination and inclusion of working groups in Cementir Holding. In doing so, it is committed to ensuring equal opportunities for the group's employees. The Group's Diversity, Equity and Inclusion policy is part of the DEI roadmap, which also includes the definition of a specific action plan that includes the entire population of the Group.

This commitment will be strengthened by extending to the next years of the Action Plan.

In addition, the organisation has always been committed to appreciating and valuing diversity in all HR processes such as hiring, management, evaluation and development, avoiding any discriminatory approach, starting with the management of recruiting processes and in leadership and talent development programs.

During 2023, an analysis of the gender pay gap was also conducted with a pilot in the Türkiye region. The analysis, confirming the trends of the cement sector, did not show any particular deviations where there is a significant sample of the less represented gender that provides comparable data between the two sets. This analysis was carried out downstream of a benchmark of the Cement sector, which did not show significant availability of such information and of other sectors, to confirm the methodology adopted.

RISKS AND UNCERTAINTIES

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Cementir Group's Internal Control and Risk Management System is defined as the set of tools, organisational structure, procedures and company rules to guarantee, through an adequate process of identification, measurement, management and monitoring of the main risks, correct and consistent business management with objectives set in terms of:

- compliance with laws and regulations;
- safeguarding of corporate assets;
- operating activity effectiveness and efficiency;
- reporting accuracy and completeness.

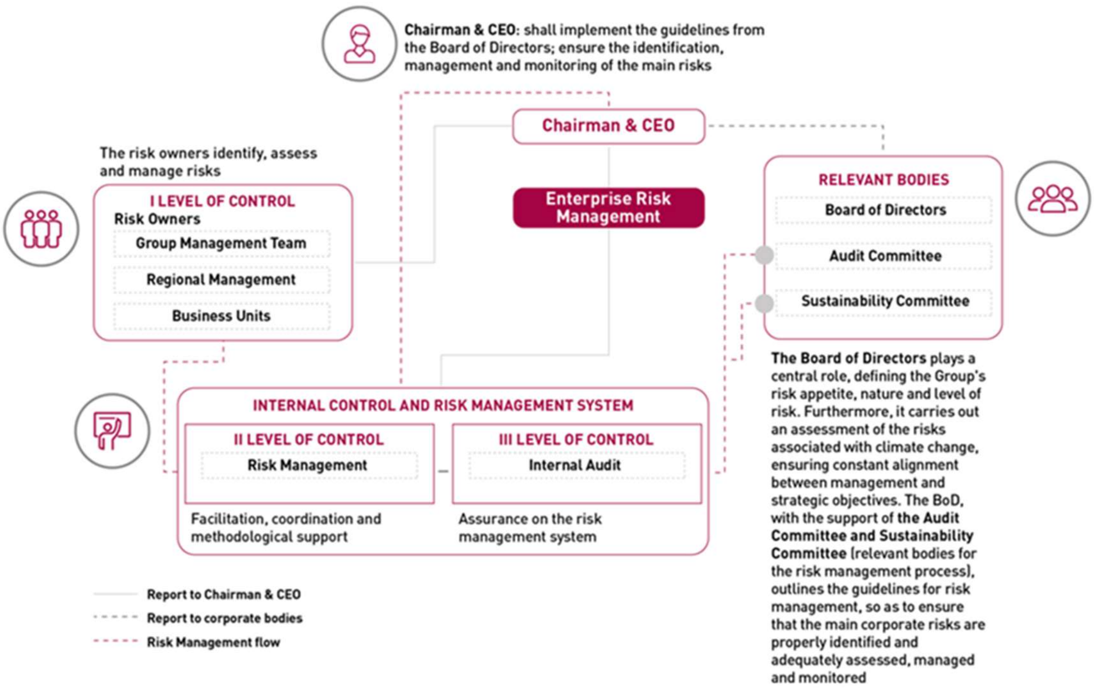
The Internal Control and Risk Management System adopts a "top-down" and "risk-based" approach that starts from the definition of the Cementir Group's Industrial Plan. It ensures that the main risks are identified, assessed and monitored taking into account each business unit, to create a fully integrated risk management process. Risks are assessed with quantitative and qualitative tools considering both the probability of occurrence and the impacts that would be generated in a given time horizon if the risk were to occur. It also ensures that all necessary measures are taken to control risks that could threaten the Group's assets, its ability to generate profits or achieve its objectives.

Roles and responsibilities in risk management have been defined starting from the Company's Board of Directors, which defines strategy, policy and risk appetite, supported by the Audit Committee and the Sustainability Committee. In addition, management teams from the Group companies are involved, with responsibility for risk management within their area of expertise.

Below is a summary of the people and bodies involved and their responsibilities:

- The **Board of Directors** plays the central role, defining the Group's risk appetite, the nature and level of risk. In addition, it carries out an assessment of the risks related to climate change ensuring the constant compatibility of management and strategic objectives.
- The **Audit Committee** and the **Sustainability Committee** (corporate bodies relevant in the risk definition process) support the Board of Directors, subject to a favourable opinion, in the definition and management of risks;
- **CEO & Chairman**: implements the general guidelines of the Board of Directors, ensuring the identification, management and monitoring of the main risks;
- **Risk owners**, or the first level of control, are primarily responsible for internal control and risk management activities;
- Finally, **Risk Management and Internal Audit** are the main responsible for the internal control and risk management system (second and third level of control). They are responsible for verifying that the

Internal Control and Risk Management System is functioning and adequate with respect to the size



and operations of the Group, verifying, in particular, that the Management has identified the main risks, that they have been evaluated in a consistent manner and that the appropriate mitigation actions have been defined and implemented.

The Cementir Group's Internal Control and Risk Management System is integrated into the Group's organisational, administrative, accounting and governance structure and has been prepared on the basis of the principles laid down by the Enterprise Risk Management - Integrated Framework, an international standard developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report), also ensuring greater detail in the identification of the risks of the companies and Group and integration with the results of the Audit activities. The methodology followed involves an iterative process consisting of the following steps:

- Risk identification: the process starts with the definition of the Industrial Plan and focuses on the main risks that could compromise the achievement of the Group's objectives.
- Risk assessment: for each identified risk, management gives an inherent risk assessment (in the absence of controls/mitigation actions), in terms of probability and impact during the horizon of the Industrial Plan, using a 5-level assessment system (scoring):
    - Impact: scale from 1 (Negligible) to 5 (Extreme);
    - Probability: scale from 1 (Rare) to 5 (More than Likely).
- With regard to impact, three parameters are considered: economic (quantitative), operational (qualitative), reputational (qualitative). Management at Region and Group level assesses the potential impacts and likelihood of major risks that could have a material adverse effect on the company's current or future operations. For sustainability and climate-related risks, the time horizon was extended to a long-term view for the analysis of the various threats that could jeopardise the success of the "10-year Roadmap to Sustainability". For more details, see the 2023 Non-Financial Statement.

- Identification and assessment of the adequacy of the existing principals: for each identified risk, all the controls/actions currently in place for risk mitigation are identified with the management.
- Residual Risk Assessment: taking into account the individual controls for each risk and the relative adequacy, the residual risk is calculated by applying a uniform calculation methodology to all Group companies.
- Identification of further actions: in the event that the residual risk is higher than the predefined level of risk appetite, further actions are agreed with management to mitigate the risk and contain it within acceptable levels. The initiatives are taken promptly and within budget limits, to effectively contribute to risk mitigation.
- Risk mitigation: mitigation strategies are defined with specific action plans for key risks.
- Reporting: reports are prepared at the company and Group level, showing the main risks and initiatives taken by management to reduce the risks to acceptable levels.
- Monitoring: the following are reviewed periodically: existing risk assessments, assessment parameters, and new risks can be identified if necessary.

The model, as described, subject to further and future updates, aims to provide support for the decision-making and operational processes of the company management, so as to reduce the possibility that specific events could compromise the Group's ordinary operations or the achievement of its strategic objectives.

To this end, the risk appetite level adopted in relation to strategic risks is consistent with the vision of creating value, while always respecting the environment and promoting integration with local communities. In relation to operational risks, the risk appetite level is defined on the basis of the effectiveness and efficiency targets set by the management.

Provisions for compliance and financial reporting are different. The Group does not accept an assumption of non-compliance risk for laws and regulations (including those relating to safety), and of possible alterations to the integrity of financial reporting.

The Cementir Group's Internal Control and Risk Management System is integrated with the Group's Sustainability Strategy. Starting from 2021 the Cementir Group launched a project to implement the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosure) committing to be transparent on risks and opportunities related to climate change. The identification, assessment and effective management of risks and opportunities related to climate change are fully integrated into the Group's risk management process. To promote and improve its climate change disclosure, in 2022, the Group engaged Standard & Poor's (S&P) to assess physical and transitional climate risks and develop scenario analyses to support the implementation of the TCFD guidelines. The analysis carried out by S&P showed that the Cementir Group scored 100% on the overall assessment of the eleven recommendations of the TCFD, which represents a complete and transparent level of disclosure achieved. Furthermore, the Group is integrating the guidelines published by the European Union “EU Taxonomy Regulation”, which together with the TCFD constitute the reference frameworks. For more details, see the paragraph "Main risks to which the group is exposed".

In relation to accounting and financial reporting, the existing Internal Control System ensures its accuracy and completeness through constantly updated administrative and accounting procedures.

Furthermore, as part of the compliance activities with the COSO structure, during the year, the Internal Audit function carries out audit activities on the aforementioned procedures to ascertain that the provided key controls are being correctly applied by the involved company structures. The assessment of the internal control system on financial reporting provided for by Cementir Group procedures was carried out based on this activity.

On the basis of the activity carried out by the Internal Audit department and the related results, the Audit Committee assessed the Internal Control and Risk Management System as adequate, effective and appropriate for dealing with business, operational, environmental, financial and compliance risks.

Starting from October 2023, the Group has launched the strategic initiative for the digitalization of Risk Management aims to enhance organizational resilience by leveraging advanced technology solutions, streamlining data-driven risk assessments, and implementing real-time monitoring capabilities, fostering a proactive and agile approach to risk mitigation across all business functions. The digitalization of Risk Management will commence with the updating of the model during 2024, ensuring our risk management practices are at the forefront of industry standards.

RISK CATEGORIES

The Group is subject to various risks and uncertainties. The risk library is the basis for company's risk assessment process. The most important risks and their categorization (strategic, operational, compliance, financial and sustainability) have been listed facilitating the identification of the main risk category that may impact the Group.

The following table reports a sample, not exhaustive, of the main company risks.

Category	Risk	Description
STRATEGIC	Uncertain Outlook	Risk linked to uncertainties in economic, political, technological, or market-related factor
	Geopolitical Risk	Risk coming from the complex interplay of geopolitical events, government actions, international relations and global developments
	Price Pressure	Risk to reduce profit margins, financial strain and other adverse effects for businesses in case of a strong pressure on prices due to unfair competition
	Market Landscape	Risk of inadequate monitoring of market trends, industry conditions making it difficult to navigate the complexity of its market
	Strategic Planning	Risk of adopting strategic choices that could adversely affect the company's performance to a considerable degree
	Talent and Retention Management	Risk to potential challenges and negative impacts that may arise from issues related to attracting, developing, and retaining key employees within an organization
OPERATIONAL	Health and safety	Risk of incidents, injuries, illnesses due to unsafe behaviors, conditions or without preventive measures
	Cybersecurity	Risk of cyber attacks or sensitive data stealing
	Lack of raw materials/fuels/aggregates	Risk to not source the resource necessary for business operations
	Asset management	Risk of loosing the value or returns of investments on company's assets
	Supply chain disruption	Risk that the occurrence of supply chain disruption may lead to increased costs or shortages of products or resources
	Customer management	Risk of failure to meet customer's expectations, needs or orders making difficult to acquire or retain customers
	Freight and logistic Cost	Risk associated to volatile or increased freight/logistic costs

COMPLIANCE	Accounting compliance	Risk of non-compliance with international or national accounting regulations and laws
	Antitrust compliance	Risk of non-compliance with international or national antitrust regulations and laws
	Tax compliance	Risk of non-compliance with international or national fiscal regulations and laws
	Business ethics and compliance	Risk of non-compliance with international or national business ethics regulations and laws, with company's Code of Ethics
	Compliance with law and regulations	Risk related to non-compliance with all applicable regulations
FINANCIAL	Currency exchange risk	Risk of potential financial loss that can occur as a result of fluctuations in the exchange rates
	Credit risk	Risk of potential financial loss that the company may incur if a counterparty fails to fulfill their contractual obligations
	Inadequate management of the financial planning and budget process	Risk of failure to effectively plan, budget and manage company's financial resources
SUSTAINABILITY	Physical risk	Risk linked to unpredictable extreme weather events or scarcity of natural resources (e.g., water)in the regions where the company operates.
	CO_2 emissions laws and regulations	Risk of cost increase and non-compliance to international and local regulations with the introduction of new laws
	Environmental regulation and claims from the community	Risk related to (i) environmental incidents, (ii) non-compliance with environmental regulation and (iii) claims from the community
	Product innovation	Risk of not innovating adequately, without introducing or updating products on the market that contributes to the reduction and mitigation of carbon emissions
	Innovation technology	Risk to not implement new and advanced technologies within the organization, key to company's reduction targets achievement
	Availabilities of alternative fuels	Risk of absence or partial availability of alternative fuels, strategic for the achievement of our targets

INTERNAL CONTROL SYSTEM FOR FRAUD RISK MANAGEMENT

This risk relates to intentional acts perpetrated by deception by one or more members of management, those responsible for governance activities and/or employees, alone or with third parties, to obtain unlawful advantages. In any case, fraud, whether through false financial reporting or misappropriation of company assets, implies the existence of incentives or pressure to commit it and the perception of an opportunity to do so. The nature of the Group's industry does not pose additional potential vulnerabilities to fraud and corruption on top of those which any business of a significant magnitude is exposed to, which can be summarized as follows:(i) fraudulent activities in financial transactions, such as misappropriation of funds or fraudulent invoicing; (ii) risks of collusion or conflicts of interest extending to relationships with suppliers, customers, and employees; (iii) non-compliance with anti-corruption laws and regulations; (iv) theft or mismanagement of inventory leading to financial losses. The potential impact of fraud risks, if realized, may result in financial losses, reputational damage, and regulatory consequences.

The Top Management, supported by the Internal Audit team, identify in advance potential fraud risks. The process involves conducting interviews, inquiries, reviewing business sources, analysing industry trends and evaluating external references, such as the country risk (i.e., corruption level, specific laws). The source for the country risk is the *Corruption Perception Index*[1] where the country risk rate is identified on a scale from 0 to 100. Different levels of risk, from high to low, are assigned based on the identified score.

After the preliminary identification of risks the Group proceeds with their assessment, considering both likelihood and impact. To mitigate the risks the Group has implemented a combination of preventive, detective, and corrective measures to minimize exposure to fraudulent activities.

[1] 2023 Corruption Perceptions Index: Explore the… - Transparency.org

Cementir is constantly striving to enhance its internal control system and resilience to identify any potential new fraudulent activities, by establishing processes, policies and regulatory frameworks.

Among the activities carried out, Cementir assess and evaluate all suppliers' and customers' compliance with certain minimum standards, as set out in Cementir Ethics Standard. This requires suppliers and customers to maintain accurate financial records and conduct their business affairs with integrity. All suppliers are required to sign the Supplier Code of Conduct, demonstrating their adherence to Group's Ethics Standards, thus reducing the risk of fraud within the supply chain.

Cementir, being active in many countries, is subject to diverse regulations and jurisdictions with different, and sometimes not fully reconcilable, legal frameworks, including criminal laws on corruption. The Group takes into account these laws and regulations, addressing issues such as such as money laundering, fraud, to ensure compliance and address any instances of non-compliance.

The Group has adopted a confidential whistleblower system to encourage suppliers, customers and/or employees to promptly report any fraudulent activities as soon as they become aware of it, facilitating early detection and mitigation of fraud risks. Comprehensive information about this system, including details on the channels to use, is available on the Group's official website:

https://www.cementirholding.com/en/governance/ethics-and-compliance.

All these activities are performed with the support of the Internal Audit function, that conducts regular inspections and performance reviews. Furthermore, the Internal Audit leads a thorough specific analysis of potential fraud risks during the risk assessment phase when formulating the Audit Plan. Priority is given to areas considered at risk, either inherently or based on previous experiences, with a focus on assessing identified fraud risks, including the probability of occurrence and possible impacts. All operational and compliance audits (particularly those required under Italian law 262) foresee a preliminary assessment of the ability of the internal control system to prevent any potential fraud. Following the audit results, all actions and control measures agreed upon with the Management are primarily aimed to secure the process from exposure to fraud and then to make it more effective. In the assessments carried out from time to time, all reports emerging from whistleblowing channels and cases of fraud detected in the last 12 months are also taken into account.

Furthermore, the Ethics Committee (committee appointed by the Board of Directors), on a quarterly basis, analyses the results of the investigative activities carried out by the Internal Audit and verifies the implementation of each disciplinary, organisational and operational actions for each detected breach. The Ethics Committee reports on its work to the Audit Committee and the Board of Directors.

Another measure to mention is the adoption of a data mining tool called Celonis. This tool proves instrumental in detecting unusual patterns or trends in financial transactions. Finally, the Group naturally implements the Segregation of Duties as an operating practice, making it difficult for a single individual to carry out and conceal any fraudulent activities.

The implemented measures are expected to significantly reduce the vulnerability to fraud and corruption within the operations across the board.

MAIN RISKS TO WHICH THE GROUP IS EXPOSED

The main types of risks and opportunities to which the Group is exposed are described below.

STRATEGIC RISKS

UNCERTAIN OUTLOOK

DESCRIPTION	IMPACT	MITIGATION ACTIONS
The results of the operation are highly dependent on the economic conditions of the country: - Inflation is projected to moderate gradually in 2023 and 2024 but is expected to remain above central bank objectives in most economies. Headline inflation in the G20 economies is projected to ease to 6% in 2023 and 4.8% in 2024; - Monetary policy needs to remain restrictive until clear signs emerge that underlying inflation pressures have durably abated; - The economic slowdown in China poses a significant risk to global output growth; - The US expansion is anticipated to be weak in 2024, and Europe is expected to experience modest growth. Scenarios related to Russia's invasion of Ukraine are anticipated to remain unresolved at least until 2024, but with decreasing intensity. The rivalry between the United States and China is expected to persist as a significant source of geopolitical risk, shaping the strategies of global companies with regards to supply chains and markets. Furthermore, the emerging conflicts in the Middle East and in the Red Sea Area have the potential to further impact economic growth adversely. Demand for construction materials is fundamentally driven by economic growth. These changes in underlying demand may impact sales volumes, prices, and industry structure.	**The Group estimated a potential reduction in sales volumes**	The Group with the support of relevant Group functions: • actively monitors the market conditions in order to anticipate any adverse scenario. • Optimize our portfolio for growth by increasing the profitable low-carbon solution. • Maintain a strict cost discipline. • Keep prices stable to maintain an high contribution margin. • Establish long-term contracts to secure favorable logistic and energy costs.

GEOPOLITICAL RISK

DESCRIPTION	IMPACT	MITIGATION ACTIONS
The Group operates on five continents and is exposed to global and local political risks. Geo-political instability in the countries in which the Group operates (i.e. Türkiye, and Egypt) could affect business operations and demands. The most recent geopolitical tension took place on 12th January 2024 in Yemen, where US and UK launched multiple airstrikes over 60 Houthi Targets, this action occurred after that the Iran-backed group attacked commercial shipping in the Red Sea. These attacks are a sign of growing international alarm around one of the main maritime interchanges. This situation complements and is heightened by the previous conflict involving the tension occurred the 7th October 2023 when Palestinian militant groups led by Hamas launched a large-scale invasion and offensive against Israel from the Gaza Strip. Given the strategic location of the conflict's occurrence the impacts on the worldwide economy are very relevant and will bring: - Uncertainty on the markets. - Likely increases in freight and logistic costs, affecting both our sourcing and selling processes. - Global insecurity and instability. - Another spike in oil prices would pressure the Federal Reserve and other central banks to further push up interest rates. - An increase in oil prices would weigh down the global economy and increasing inflation. For Cementir Group, the impact could be related to an increase of logistic and freight costs, to a reduction of volumes of some specific sales from our Egyptian subsidiary departing from the military port of Al Arish (close to the Gaza Strip). The ongoing conflict and humanitarian crisis in Gaza have the potential to lead to an influx of refugees into neighboring regions or countries, such as Egypt, causing social instability and emergency restrictions.	**Impact on the Group's economic/financial results**	Continuous monitoring of the environment, mainly focused on the critical political/institutional developments and regulatory aspects which can potentially affect the business, but the geographical differentiation helps to limit the exposure to any particular market and currency. Alternative markets.

TALENT AND RETENTION MANAGEMENT

DESCRIPTION	IMPACT	MITIGATION ACTIONS
Existing processes around people management, including attracting, retaining and developing people, leadership succession planning, fostering a diverse and inclusive workforce, and dealing with collective representation groups, may not deliver, inhibiting the Group from achieving its strategy. The Group operates in a labor-intensive industry and is currently grappling with a shortage of labor that is impacting certain positions.	**Failing to attract, manage, and retain workers, as well as plan for leadership succession, could impede the realisation of strategic objectives.**	The Group promotes its image with new talent and all employees through specific actions, such as international mobility and career development campaigns, for example the Talent Program and Graduate Program initiatives launched in 2022 and continuing in 2023 and in the following years. In November 2022, the Global Survey "Your Voice" was initiated to evaluate staff engagement across the group, and corresponding action plans are currently in progress. The Group maintains constructive relationships with Unions that represent certain employees under collective agreements: the Group has updated the collective agreement with the European Working Council for the next four years. The Group continuously works on the succession plan to ensure continuity after retirement.

FINANCIAL RISK

CURRENCY EXCHANGE RISK

DESCRIPTION	IMPACT	MITIGATION ACTIONS
The Group operates with ten different currencies and movements in exchange rates could have an influence on the Group's business, results of operations, and financial condition. The Turkish Lira and the Egyptian Pound are the principal currencies influenced by a significant depreciation over the last few years. The Turkish Lira is the primary currency, experiencing a notable depreciation over the past few years, amounting to 80% compared to September 2022 (September 2022: €/TRY 18.14 - January 2024: €/TRY 32.93). The Turkish lira continued to depreciate, averaging a 30% decline following the election held in May 2023. In January 2024, the Turkish central bank raised its rate yp to 40%, to prevent a further devaluation, marking a change in course with the election date when was equal to 8,5%. Starting from April 2022, the Turkish economy is classified as hyperinflationary, as per the criteria outlined in "IAS 29 - Financial Reporting in Hyperinflationary Economies". The Egyptian Pound has significantly depreciated in value over the past year, weakening by 76% against the Euro compared to September 2022 (September 2022: €/EGP 19,19 – January 2024: €/EGP 33,8079). Additionally, after the presidential elections run in December 2023, there is potential for increased uncertainty (further devaluation) regarding actions that financial institutions might undertake, a devaluation is expected to take place in the middle of 2024. These adverse changes in the exchange rates used to translate these currencies into the reporting currency have impacted and will continue to impact consolidated results.	**Adverse changes in the exchange rates may negatively affect Group's profits.**	The Group carries out continuous currency monitoring in order to catch opportunities with hedging transactions. To mitigate potential losses, the Group creates a balance between bank accounts in local currency and bank accounts in hard currency.

OPERATIONAL RISKS

HEALTH AND SAFETY

DESCRIPTION	IMPACT	MITIGATION ACTIONS
The Group's businesses operate in an industry with inherent health and safety risks, including for instance operation of heavy vehicles, working at height, working in confined spaces, energized equipment management, etc. Failure to ensure safe workplaces could result in a deterioration in the Group's safety performance and related adverse regulatory action or legal liability. Health and safety incidents could significantly impact the Group's operational and financial performance, as well as its reputation. Risk of incidents/accidents due to unsafe behaviors or conditions, which may cause health consequences for workers and/or problems in production processes. In the last year, the main health and safety indicators have been improved as a result of the Road Map defined by the Group focused on increasing awareness and workers' involvement and strengthening internal procedures.	**Impacts:** • **Economic** • **Organisational** • **Reputational** • **Relations with local communities** • **Workers' health**	Improvement of the Group's safety culture by sharing best practices and common rules across the Group (e.g. Golden Rules). Regular risk assessment by all plants to eliminate/mitigate risks (annual action plans). Group monitoring of H&S performance and effectiveness of corrective measures. Periodic verification of the effectiveness of the main H&S processes for all plants (e.g. work permits, incident management, etc.).

CYBER SECURITY

DESCRIPTION	IMPACT	MITIGATION ACTIONS
Cyber Security is the practice of protect computers, servers, mobile devices, electronic systems, networks and data from malicious attacks. The growing use of IT systems increases the Company's exposure to different types of internal and external IT risks. The most significant of these is the risk of cyber-attacks which can be targeted or generic and which constitute a constant threat.	• **Fraud** • **Data losses** • **GDPR (General Data Protection Regulation)** • **Business disruption,** • **Reputational damages.**	Strengthening of network infrastructure. Strengthening of protection systems. Constant updating of internal procedures. Continuous training for all staff to strengthen the corporate culture on cyber security issues.

COMPLIANCE RISKS

COMPLIANCE

DESCRIPTION	IMPACT	MITIGATION ACTIONS
These are risks related to compliance with applicable regulations (antitrust, anti-corruption, GDPR, Legislative Decree 231/2001).	**Potential violations of laws and regulations**	In relation to these risks, the Legal Department implements targeted programs with guidelines, procedures and training to ensure compliance with the above regulations. The Organisation and Control Models required under Legislative Decree 231/2001 are periodically updated. The Internal Audit function carries out specific audits on compliance with regulations.

CLIMATE CHANGE

The cement industry's ability to reduce its CO2 emissions and respond to climate change has become a focal point for investors. In 2021, the Cementir Group has launched a project to implement the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosure) committing to be transparent on risks and opportunities related to climate change. Cementir is also committed to ensuring the transparency of its climate-related risks and opportunities in line with the EU Taxonomy. The identification, assessment and effective management of risks and opportunities related to climate change are fully integrated into the Group's risk management process.

As suggested by the TCFD, the Group monitors the risks and opportunities arising from the evolution of transition scenarios and the evolution of physical variables. The Group has used for its assessment the moderate scenario and all results are described in the following pages.

Physical variables are divided into two categories of risk:

- Acute: related to the occurrence of extreme weather conditions such as cyclones, hurricanes or floods. Acute physical phenomena, in the various cases, are characterised by considerable intensity and a frequency of occurrence that is not high in the short term, but which, considering long-term scenarios, sees a clear upward trend;
- Chronic: refers to gradual and long-term changes in climate patterns (e.g., sustained high temperatures) that can cause sea-level rises or chronic heat waves.

With regard to the energy transition process, towards a progressive reduction of carbon emissions, there are risks and opportunities linked to changes in the regulatory, technological, market and reputational context.

The Group has decided to align itself to the TCFD framework to clearly represent the types of risks and opportunities by indicating how each of them should be managed. The effects were assessed over three-time horizons: the short term (1-3 years), linked to the implementation of the Industrial Plan; the medium term until 2030 during which it will be possible to see the effects of the energy transition; the long term until 2050, during which the Group undertakes to achieve net-zero emissions throughout its value chain. As the TCFD states, the process of disclosing risks and opportunities related to climate change will be gradual and incremental from year to year.

CHRONIC AND ACUTE PHYSICAL PHENOMENA:

The Group's plants are located in locations with overall moderate levels of physical risk over the time horizon to 2050, as shown in the following table.

Status at 2023

WEATHER EVENTS	RISK EXPOSURE
WILDFIRE	LOW
COLDWAVE	MODERATE
HEATWAVE	LOW
WATER STRESS	HIGH
RIVERINE FLOOD	LOW
SEA LEVEL RISE	LOW
HURRICANE	LOW

COUNTRY	WILDFIRE	COLDWAVE	HEATWAVE	WATER STRESS	RIVERINE FLOOD	SEA LEVEL RISE	HURRICANE	RISK EXPOSURE CLASSIFICATION
Turkey – Izmir	🟢	🟡	🟢	🔴	🟢	🟢	🟢	HIGH
Belgium – Gaurain	🟢	🟡	🟢	🔴	🟢	🟢	🟢	HIGH
Turkey – Kars	🟢	🟡	🟢	🔴	🟢	🟢	🟢	HIGH
Egypt – Sinai	🟢	🟡	🟡	🔴	🟢	🟢	🟢	HIGH
Turkey – Trakya	🟢	🟡	🟢	🟡	🟢	🟢	🟢	MODERATE
USA – Waco	🟢	🟡	🟡	🟡	🟢	🟢	🟢	MODERATE
Turkey – Elazig	🟢	🟡	🟢	🟡	🟢	🟢	🟢	MODERATE
Malaysia – Ipoh	🟢	🟢	🔴	🟢	🟢	🟢	🟢	MODERATE
USA – York	🟢	🟡	🟢	🟢	🟢	🟢	🟢	MODERATE
China – Anqing	🟢	🟡	🟢	🟡	🟢	🟢	🟢	MODERATE
Denmark- Aalborg	🟢	🟡	🟢	🟢	🟢	🟢	🟢	MODERATE
RISK EXPOSURE	LOW	MODERATE	LOW	HIGH	LOW	LOW	LOW	MODERATE

Status at 2050

WEATHER EVENTS	RISK EXPOSURE
WILDFIRE	MODERATE
COLDWAVE	LOW
HEATWAVE	HIGH
WATER STRESS	HIGH
RIVERINE FLOOD	MODERATE
SEA LEVEL RISE	MODERATE
HURRICANE	LOW

Strategically, the Group's geographical diversification provides a high degree of resilience. The Group adopts business continuity management processes that ensure an adequate level of maintenance in order to limit and/or reduce damage to corporate assets and ensures the resilience of the business and the restoration of operations in the event of force majeure events.

In some areas (Belgium, Türkiye, Egypt) there is also significant exposure to water stress.

Facilities **	2023	2030	2050	2080
CCB - GAURAIN	EXTREMELY HIGH	EXTREMELY HIGH	EXTREMELY HIGH	EXTREMELY HIGH
AAP - AALBORG	LOW	LOW	LOW	LOW
TURKEY - IZMIR	EXTREMELY HIGH	EXTREMELY HIGH	EXTREMELY HIGH	EXTREMELY HIGH
TURKEY - TRAKYA	LOW - MEDIUM	LOW - MEDIUM	LOW - MEDIUM	LOW - MEDIUM
TURKEY - KARS	MEDIUM - HIGH	MEDIUM - HIGH	MEDIUM - HIGH	MEDIUM - HIGH
TURKEY - ELAZIG	LOW - MEDIUM	LOW - MEDIUM	MEDIUM - HIGH	MEDIUM - HIGH
SWC - SINAI	ARID	ARID	EXTREMELY HIGH	EXTREMELY HIGH
MALAYSIA - IPOH	LOW	LOW	LOW	LOW
CHINA - ANQING	LOW - MEDIUM	LOW	LOW	LOW
LWCC - WACO	LOW - MEDIUM	LOW - MEDIUM	LOW - MEDIUM	MEDIUM - HIGH
LWCC- YORK	LOW	LOW	LOW - MEDIUM	LOW - MEDIUM

		TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
PHYSICAL RISK	**CHRONIC RISK**	Medium Term	**Water stress due to global warming**	The Group operates in certain areas defined as under high water stress, with the risk of increased supply costs.	As part of its climate commitments, the Group has established a water management policy. Prioritizing the maximization of reuse/recycling, minimizing withdrawals and consumption (including losses) and implementing efficient operating practices are key focus areas, beginning with regions facing the most severe water stress. The Group has set targets for improving the specific consumption of water in cement production ("water consumption (liters) / TCE (ton of cement equivalent)") with a targeted reduction of 25% by 2030 in water-stress areas (compared to 2019 value) and a 20% reduction across all Group areas. In 2022, by becoming a signatory of the WASH Pledge, the Group is committed to ensuring access to WASH (water, sanitation and hygiene) at an appropriate level of standard for all employees and contractors in all premises under our direct control, supporting partners across our value chains and communities. Compliance and progress on WASH action plans are periodically monitored.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 6 CLEAN WATER AND SANITATION

TRANSITION RISKS AND RELATED OPPORTUNITIES

In recent years, the whole Group has been actively engaged in pursuing a transition to a low-carbon economy by defining a 10-year Roadmap. Related risks and opportunities are presented in the following table:

	TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
TRANSITION RISK	Medium – Long Term	**RISK/ OPPORTUNITY** **Carbon Capture "CCS"**	**TECHNOLOGY** Technology stands as the primary driver to significantly diminish the Company's CO2 footprint in the medium to long term. The adoption of breakthrough technology is essential to realizing the production of "net zero emissions" cement. The Company places emphasis on the development and implementation of Carbon Capture and Storage (CCS) technology as a key component in achieving its CO2 emission reduction targets. Currently, the Group is exploring various opportunities, primarily in Denmark and Belgium.	Continued support for research and innovation for the development of CCS and the use of CAPEX/OPEX for the full industrialisation of these technologies.	
TRANSITION RISK	Short Term	**RISK** **Reputational risk**	**REPUTATION** According to the Global Cement and Concrete Association, the cement industry accounts for around 7% of global CO2 emissions. The risk of being perceived as a large carbon emitter by public opinion could reduce the Company's attractiveness to stakeholders. In addition, increasing stakeholder expectations regarding climate targets need to be constantly monitored.	The Group is committed to achieving its ambition of becoming a net-zero business by 2050, setting an industry-leading target of a 36% (grey cement) reduction in carbon emissions by 2030 (2020 baseline). Operational enhancements at plants, including the utilization of alternative fuels to reduce CO2 emissions, not only contribute to environmental goals but also yield financial efficiencies and support the circular economy. Cementir is actively engaged with ESG rating agencies to ensure accurate evaluation and communication with stakeholders. Cementir's Scope 1 and 2 GHG transition pathway is aligned with the 1.5 °C scenario defined in the Cement Sector guidance of SBTi.	

TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
Medium – Long Term	**RISK** **Exposure to new CO2 emissions laws and regulations**	**POLICY & REGULATION** Following the climate agreement reached at Paris COP21, signatory countries are mandated to commit to a reduction pathway. The anticipated outcome is an increase in the number of CO2 regulations, subsequently raising the cost of emissions. Carbon prices linked to emissions trading schemes, carbon taxes, and other policies are expected to escalate in the future as governments implement measures to reduce greenhouse gas emissions in line with the Paris Agreement. The speed and magnitude of the potential increase in carbon prices due to new regulations are uncertain and likely to vary across countries and regions. It has been assessed this risk through different price scenarios (high, medium, and low) based on the projected future carbon prices in each country, taking into account the introduction of Carbon Capture and Storage (CCS) technology starting in 2030.	The Group is minimizing its exposure to risks through the progressive decarbonization process. Cementir's ambition is to reduce CO_2 emission intensity to achieve carbon neutrality along the value chain by 2050. The strategy focused on the energy transition makes the Group resilient to the risk associated with the introduction of more ambitious policies for emission reductions and maximizes opportunities for the development of infrastructure and technologies.	
Medium – Long Term	**RISK / OPPORTUNITY** **CBAM – Carbon Border Adjustment Mechanism and ETS reports**	**POLICY & REGULATION** If initiatives such as the 'Carbon Border Adjustment Mechanism' (CBAM) are not sufficiently designed to protect EU competitiveness, the cement business may face pricing pressure due to imports from regions with less stringent CO2 regulations. Conversely, the introduction of this tax could create a competitive advantage compared to other cement companies' extra UE in terms of price. In the recent period, the quantities of imported cement have increased compared to previous years.	Monitoring of international bodies (European Union, FSB – Financial Stability Board, Government Authorities) The Industrial Road Map will support the Group in becoming a resilient business through a low-carbon economy.	

TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
Medium Term	**RISK** **Strategic decarbonized material shortages**	**MARKET** The procurement of alternative raw materials, such as fly ash and blast furnace slag, has become increasingly critical due to the declining steel production, resulting in lower slag availability, and the gradual closure of coal plants. As global demand for these materials continues to rise, there is a potential for shortages to emerge. In the medium term, starting from 2024 in Europe, the progressive shutdown of coal-fired power generation plants may lead to a shortage of fly ashes. Another strategic material for achieving the Group's objectives is calcined clay, which is essential for FUTURECEM production and reducing the clinker ratio. Today there is a limited number of suppliers, which further increases the risk of performance. With the development of low-carbon products, the demand for these materials will grow, making the Group more dependent on their prices and availability.	In order to reduce the shortage of these materials, the Group is securing its supply through long-term contracts; search for new suppliers and partial replacement of fly ash with similar materials available on the market (e.g. oxytone). Another strategy implemented is to secure a clay quarry source for FUTURECEM production.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Short – Medium term	**OPPORTUNITY** **Development of low emission impact products**	**MARKET** Innovation is a key factor in the long-term success of the company developing low-carbon products. To meet market demand, Cementir Group has developed new types of Cement (e.g. FUTURECEM) that reduce CO_2 emissions by 30% compared to traditional cement.	The Group meets the needs of customers along the value chain by developing and delivering products, solutions and technologies that address the key challenges facing the construction industry. The Group continuously develops and introduces new low emission products: increasing the use of decarbonised material (e.g. blast furnace slag); producing limestone cement or cement using fly ash; In addition, the Group aims to reduce the clinker ratio by using FUTURECEM and other new products.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
Short – Medium term	**OPPORTUNITY** **Recovery and purification of water used in quarry operations**	**RESOURCE EFFICIENCY** Recovery and potabilization of water removed during the exploitation of our quarry of limestone in Belgium (Clypot and Gaurain) is a great opportunity because thanks to new infrastructures developed with the local water provider and the local authority, CCB recovers water to supply the local community allowing the local authority to close production wells and thus spare the aquifer in a high water-stress area. This strategic move enhances the company's resilience to future regulatory changes, reduces the risk of conflicts with other stakeholders using the same aquifer (e.g., villagers, customers), and contributes to the sustainable management of water resources. In Clypot, the entire system has been operational since March 2021, and during the 2021/2022 period, 1,800 megaliters of water were successfully recovered, treated, and delivered to the public distribution as potable water. As for the Gaurain quarry, an agreement was signed with the local authority in 2022 to implement a similar water potabilization project, scheduled to commence in 2024. Upon completion of the project in Gaurain, an additional 2,000 megaliters of water per year can be recovered, contributing further to sustainable water management and community supply.	Increase the water deliveries up to 2,000,000 mc3 year in Clypot. New water deliveries up to 2,000,000 mc3 per year in Gaurain (from 2024). In collaboration with the local authority, CCB developed a new way of doing business minimizing the impact for the local community in the high-water stress area.	
Medium – Long Term	**OPPORTUNITY** **Green Energy**	**ENERGY SOURCE** As part of the Group's strategy to reduce Scope 2 emissions, it is planned to increase electricity from renewable sources, either by purchasing or producing it internally. The Group is assessing the feasibility of wind turbine and solar panel projects.	Definition of a roadmap to increase the use of renewable energy throughout the Group, entering into purchase and/or own production agreements (for example solar panels or wind turbines). In this regard, in 2023 the Group signed agreements with Engie and EtherEnergy for the subsidiary in Belgium, CCB, reaching a maximum deliverable capacity, between wind and solar, of 25 Mwh	
Short – Medium term	**OPPORTUNITY** **Increased supply of district heating in the city of Aalborg**	**ENERGY SOURCE** The Aalborg plant recovers excess heat from cement production to provide district heating to local residents. In 2022, Aalborg Portland delivered approximately 1,3 million GJ of energy to the municipality of Aalborg. According to the engineering project developed by the Group, the Aalborg plant could improve energy supply by a further one million GJ reaching 50,000 households.	Negotiations are ongoing with the municipality of Aalborg to define the size and increase of the capacity of the heating supply.	

FINANCIAL RISK MANAGEMENT AND INFORMATION RELATING TO FINANCIAL INSTRUMENTS

The Cementir Holding Group is exposed to financial risks in connection with its operations; in particular to credit risk, liquidity risk and market risk.

Credit risk

Credit risk is related to possible losses that can occur if a counterparty fails to fulfil its obligations.

Credit risk could mainly derive from operating activities, in particular trade receivables from customers. The Cementir Group has entrusted local management with the regular management of trade receivables on the basis of specific policies that define the criteria for credit limits, achievement guarantees and payment conditions. Credit limits are generally defined for each customer after a risk analysis provided by external rating agencies and are periodically reviewed. Based on these policies, any order that exceeds the agreed credit limits must be reviewed and individually approved for creditworthiness.

With respect to bank deposits and derivatives, the Group has always worked with leading counterparties, thus limiting its credit risk in this sense.

All customers are monitored locally, based on their individual features, including their business, distribution channel, geographical position and any previous financial difficulties. Credit risk is regularly monitored including by analysing the performance of specific indicators based on variables such as total trade receivables and past due receivables.

Local Credit Risk Committees periodical meetings, at local level, analyse and discuss the Group’s companies ageing, credit performance and any specific critical issues.

The Cementir Group establishes provisions for trade receivables, to cover potential losses, on the basis of regular follow-ups on customer situations.

Liquidity risk

The Group is exposed to liquidity risk in relation to the availability of financing and its access to credit markets and financial instruments in general. Given the Group's strong financial position and available credit lines, this risk is remote. However, the Group manages liquidity risk by carefully monitoring cash flows and financing needs. There is a particular focus on the Group's management to increase operating cash flow and control investments in both plant and equipment, both intangible and property, naturally safeguarding that required for the technical development and efficiency of the production plants with assigned cash generation objectives for all Group entities. Existing credit lines are however deemed adequate to meet any unexpected needs.

Market risk

Market risk is mainly linked to exchange rate and interest rate fluctuations.

Exchange rate risks are systematically monitored at Group level to assess any impact in advance and take the necessary mitigation actions. Since the purpose is to limit exchange rate risks, when a currency exposure is identified and the decision to hedge it is made, forward rate agreements are finalised with the banking system in both the "Forward contract without delivery option" and "Forward contract with delivery option" formats. Financial instruments must be used exclusively for hedging purposes and must not be traded, where trading is defined as taking positions where the Group does not have a natural underlying exposure.

Finally, the Cementir Group has variable rate bank loans and is exposed to the risk of **interest rate fluctuations**. However, this risk is considered moderate since the loans are currently only in Euros and the Danish krone and the medium/long-term rate curve is linear. However, the Cementir Group monitors interest rates and expected times for the repayment of the debt and purchases interest rate swaps as a partial hedge of the interest rate risk.

For information on financial risks, see Notes 12) and 32) to the consolidated financial statements.

CORPORATE GOVERNANCE

INTRODUCTION

As of 5 October 2019, Cementir Holding is a Dutch public limited company (*Naamloze Vennootschap*) with its registered office in Amsterdam, the Netherlands Zuidplein 36, 1077 XV and a secondary and operational office in Rome, Italy, at Corso di Francia No. 200.

The company's tax residence is in Italy.

The Company has been listed on the Milan Stock Exchange since 1955, currently in the Euronext STAR Milan segment.

Cementir Holding has elected the Netherlands as home Member State for the purposes of Art. 2(1) of the Directive 2004/109/EC of the European Parliament and the Council of 15 December 2004 (the so-called "Transparency Directive").

The Company applies the Dutch Corporate Governance Code (hereinafter the "Code") whose purpose is to facilitate, with or in relation to other laws and regulations, a sound and transparent system of checks and balances within Dutch listed companies and, to that end, regulate relations between the Board of Directors, its Committees and shareholders.

It is to be noted that the provisions of the Code primarily refer to companies with a two-tier board structure (consisting of a management board and a separate supervisory board), while Cementir Holding. has implemented a one-tier board. The best practices reflected in the Code for supervisory board members apply therefore by analogy to Non-Executive Directors.

This report refers to the provisions and principles of the Code dated 22 December 2022 applicable from 2023 and available for download at the following address: https://www.mccg.nl/publicaties/codes/2022/12/20/corporate-governance-code-2022 (https://www.mccg.nl/publicaties/codes/2022/12/20/dutch-corporate-governance-code-2022 for the unofficial English version).

BOARD OF DIRECTORS

Composition and nomination of the Board of Directors

In compliance with the Company's Articles of Association (hereinafter the "Articles of Association"), the Board of Directors may be made up of one or more Executive Directors and one or more Non-Executive Directors, providing that the total number of Directors is at least five and at most fifteen. The General Meeting of 20 April 2023 resolved, among other things, on the appointment and composition of the Board of Directors expiring with that General Meeting in accordance with the provisions of the Articles of Association set out below, also determining the number of members, reduced from 10 to 8.

The Board of Directors is currently made up of one Executive Director (Francesco Caltagirone, Chief Executive Officer or "CEO") and seven Non-Executive Directors (Alessandro Caltagirone and Azzurra Caltagirone, Vice Chairmen; Adriana Lamberto Floristan, Senior Non-Executive Director; Saverio Caltagirone, Fabio Corsico, Benedetta Navarra and Annalisa Pescatori).

The Directors are appointed by the General Meeting. Directors may be nominated for appointment:

(a) on a proposal of the Board; or

(b) to a proposal of one or more Shareholders, alone or together representing at least the 3% of the issued share capital, provided that the proposal has been notified to the Board in accordance with the requirements of Articles 8.3.4 and 8.3.5 of the Articles of Association.

The nomination must make it explicit whether a person is nominated for appointment as Executive Director or Non-Executive Director. A Director shall be appointed for a maximum period of three years, provided however that unless such Director has resigned at an earlier date, their term of office shall expire ultimately immediately after the close of the first General Meeting held after three years have lapsed since their appointment. A Director may be reappointed with due observance of the preceding sentence. By resolution of the General Meeting at the proposal of the Board, the maximum period of three years may be deviated from. The Board may draw up a retirement schedule for the Directors. At a General Meeting, a resolution to appoint a Director can only be passed in respect of candidates whose names are stated for that purpose in the agenda of that General Meeting or the explanatory notes thereto. The General Meeting may at all times suspend or dismiss a Director.

Convening meetings and agenda

Meetings are held as often as the Senior Non-Executive Director or the Chief Executive Officer or any two Directors jointly request, provided that there are at least four regularly scheduled Board meetings in each financial year.

Meetings are convened in a timely manner by the Senior Non-Executive Director, the Chief Executive Officer or the Vice-Chairman, or if each of them is absent or unable to act, by any Director. The notice sets out the meeting agenda. The Director convening a meeting sets the agenda for that meeting. Directors may submit agenda items to the Director(s) convening the meeting.

Meeting location

Meetings are normally held at the Company's secondary offices in Rome, Italy, but may also take place elsewhere.

Meetings may also be held by telephone, videoconference, or other means of electronic communication, provided that all participants can hear each other simultaneously. Directors attending the meeting by telephone or videoconference are considered present at the meeting.

Attendance

Each Director attends Board meetings and the meetings of the committees of which he or she is a member. If a Director is frequently absent from these meetings, this Director must account for these absences.

A Director may be represented at a meeting by another Director holding a proxy in writing or in a reproducible manner by electronic means of communication.

The Board may require that certain officers and external advisers attend its meetings.

The external auditor may attend the Board meeting at which the external auditor's report on the audit of the financial statements is discussed.

Chairman of the meeting

The Chief Executive Officer chairs the meeting. If the Chief Executive Officer is not present at the meeting, the Senior Non-Executive Director chairs the meeting. If both the Chief Executive Officer and the Senior Non-

Executive Director are not present at a meeting, the Vice-Chairman chairs the meeting. If the Chief Executive Officer, the Senior Non-Executive Director and the Vice-Chairman are not present at the meeting, the Directors present at the meeting will designate one of them as chairman of that meeting.

In accordance with the provisions of the Articles of Association and the Board Rules, a non-executive and independent member, the Senior Non-Executive Director, serves as chairman of the meetings pursuant to and for the purposes of Dutch law (Art. 2:129a of the Dutch Civil Code) and in accordance with Best Practice provision 2.1.9. of the Code. In this regard, in such role, the Senior Non-Executive Director, inter alia, ensures that there is sufficient time for deliberation and decision-making by the Board and that directors receive timely all information that is necessary for the proper performance of their duties. In this capacity, the Senior Non-Executive Director also collects and coordinates the requests and contributions of the Non-Executive Directors and more in particular of the independent directors. The Senior Non-Executive Director, in this capacity, plays a liaison role between the Executive and Non-Executive Directors and thus ensures the effective functioning of the Board as a whole.

Adoption of resolutions – quorum requirements

The Board may only adopt resolutions at a meeting if the majority of the Directors entitled to vote is present or represented at the meeting including at least one Executive Director, if the Executive Director is entitled to vote on matters being considered.

If the Chief Executive Officer believes there is an urgent situation that requires the Board's immediate resolution, the quorum requirement referred as above not apply, providing that:

(a) at least three directors are present, or represented by proxy, including at least one Executive Director who can validly express their vote on the matters considered; and

(b) reasonable efforts have been made to involve the other Directors in the decision-making.

The chairman of the meeting ensures that adopted resolutions are communicated to Directors not present at the meeting without delay.

Adoption of resolutions - majority requirements

Each Director has one vote. Where possible, the Board adopts its resolutions by unanimous vote. If this is not possible, the resolution is adopted by a simple majority of the votes cast. In the event of a tie vote the Chief Executive Officer has a casting vote. If there is insufficient agreement on a proposed resolution during the meeting, the chairman of the meeting may defer the proposal for further discussion or withdraw the proposal.

Meeting minutes

The Company Secretary or any other person designated as the meeting secretary prepares the meeting minutes. The minutes are adopted:

(a) by a resolution adopted at the next Board meeting; or

(b) by the chairman and secretary of the particular meeting, after having consulted the Directors present or represented at that meeting.

Adopting resolutions without holding a meeting

The Board may also adopt resolutions without holding a meeting, provided that such resolutions are adopted in writing or in a reproducible manner by electronic means of communication, and all Directors entitled to vote consented to adopting such resolutions without holding a meeting.

Role of the Board of Directors

The Board of Directors is responsible for the overall conduct of the Cementir Group and has the powers, authorities and duties vested in it by and pursuant to the relevant laws of the Netherlands and the Articles of Association. In all its dealings, the Board shall be guided by the interests of the Cementir Group as a whole, including the Company's shareholders and also taking into account the interests of relevant stakeholders. The Board has the final responsibility for the management, direction and performance of the Company and the Cementir Group.

Pursuant to Art. 7.5.1 of the Articles of Association the Board is authorised to represent the Company.

The Board has allocated duties and powers to the Directors by Board Rules approved pursuant to Art. 7.1.5 of the Company's Articles of Association on 5 October 2019 and subsequently last amended on 27 April 2023, available on the Company's website.

Without limiting the scope of the Board's role, the ongoing items to be considered and decided upon by the full Board include:

(a) reviewing and approving (any material amendment to) the business plan;

(b) reviewing and approving (any material amendment to) the Budget;

(c) ensuring the Cementir Group's compliance with applicable laws and regulations;

(d) proposing the Dutch statutory management report and financial statements for adoption by the General Meeting;

(e) approving decisions as required under Dutch law; and

(f) discussing and approving the strategies for the shaping of the portfolio and direction of the Cementir Group, including the strategy for realising long-term sustainable value creation.

At least once a year, the full Board shall discuss:

(g) the functioning of the Board of Directors, the Chief Executive Director, the Senior Non-Executive Director and the other directors; and

(h) the corporate strategy of the Cementir Group, the risks of the business and the assessment by the Board of the structure and operation of the internal risk management and control systems.

The Board of Directors also resolves:

(i) on the proposed suspension of any director and the suspension of the Executive Directors, without the presence of the director concerned;

(j) on the creation or discontinuation of any material business activities;

(k) on the payment of dividends or other distributions to shareholders (other than a member of the Cementir Group) or the repurchase or redemption of securities or indebtedness of any member of the Cementir Group (other than that held by a member of the Cementir Group);

(l) on the change of the Company's auditors;

(m) as the case may be, to liquidate, initiate any bankruptcy, dissolution or winding up proceedings, moratorium or suspension of payments (or any similar proceedings in the relevant jurisdiction) in respect of the Company or any significant Cementir Group company, unless Directors are required to do so by applicable law;

(n) recommending a public offer for shares in the Company.

The table below shows the personal information of each Director holding a position in Cementir Holding during 2023 in compliance with Best Practice provision in 2.1.2 of the Code. The "Other Positions" pursuant to Best Practice provision 2.4.2 of the Code can be found in the Curriculum Vitae of each Director, available on the Company's website Board of Directors | Cementir Holding N.V.

Table A - Personal Information

Name, date of birth, gender, nationality	Position	First appointment	Date of current appointment or reappointment	End of current term
Francesco Caltagirone 29/10/1968, M, Italian	Executive Director (*Chief Executive Officer and Chairman*)	27 June 1995	20 April 2023	AGM 2026
Alessandro Caltagirone 27/12/1969, M, Italian	Non-Executive Director (*Vice-chairman*)	10 May 2006	20 April 2023	AGM 2026
Azzurra Caltagirone 10/03/1973, F, Italian	Non-Executive Director (*Vice-chairman*)	10 May 2006	20 April 2023	AGM 2026
Saverio Caltagirone 03/03/1971, M, Italian	Non-Executive Director	22 May 2003	20 April 2023	AGM 2026
Fabio Corsico 20/10/1973, M, Italian	Non-Executive Director	15 January 2008	20 April 2023	AGM 2026
Adriana Lamberto Floristan 11/09/1973, F, Spanish	Senior Non-Executive Director	21 April 2021	20 April 2023	AGM 2026
Benedetta Navarra 24/03/1967, F, Italian	Non-Executive Director	20 April 2023	20 April 2023	AGM 2026
Annalisa Pescatori 20/07/1964, F, Italian	Non-Executive Director	20 April 2023	20 April 2023	AGM 2026

Three Non-Executive Directors of the Company are qualified as independent for the purposes of the Code: Adriana Lamberto Floristan, Benedetta Navarra and Annalisa Pescatori.

During 2023, 6 meetings of the Board of Directors were held, in which the Board of Directors, among other things:

- examined and approved the preliminary consolidated results for the fourth quarter of 2022 and for the year ended 31 December 2022;
- examined and approved the 2023 budget and the update of the 2023-2025 Business Plan. In this context, in particular, the Board examined and discussed the strategic vision underlying the 2023-2025 Business Plan proposed by the Chief Executive Officer and, in a session of the full board including Executive and Non-Executive Directors, agreed and approved this strategy;

- examined and approved the financial statements for the year ended 31 December 2022 and also approved the Cementir Group's Sustainability Report - Non-Financial Statement 2022, the Corporate Governance Report pursuant to the Code and the Remuneration Report pursuant to the Code and articles 2:135(a) et seq. of the Dutch Civil Code;
- examined and approved the quarterly financial results of the Cementir Group and the half-year financial report;
- discussed governance issues, with particular reference to the changes introduced by the Corporate Governance Code of December 2022, which came into force as of the 2023 financial year;
- examined and approved the Internal Audit plan for the year 2024 and the Group's risk assessment, in which the risks associated with the strategy and activities of the Company and its subsidiaries were identified and analysed, in particular the strategic, financial, operational, compliance and sustainability risks, and specific and separate information was provided on the risks related to climate change and the energy transition, which were therefore a further opportunities for discussion and in-depth analysis of sustainability issues within the Board;
- renewed the internal appointments to the Board and established the Audit Committee, the Remuneration and Nomination Committee and the Sustainability Committee, following the appointment of the new Board by the Annual General Meeting;
- reviewed the work carried out in 2022 by the Audit Committee, the Remuneration and Nomination Committee, the Sustainability Committee and the Ethics Committee;
- reviewed the performance and procedures of the Board itself and its Committees, assessing their size and composition, also in consideration of professional experience, management expertise, gender;
- updated the Board Profile on the occasion of the renewal of the Board expiring with the approval of the financial statements as at 31 December 2022, integrating it also in light of current regulatory provisions and the Code and proposed to the Annual General Meeting the candidates for the new appointment;
- updated the Board Rules, including the committee regulations and the Board Diversity Policy in light of the new provisions of the Code, verified the diversity targets set for 2022 and also defined the diversity and inclusion targets for the Board and senior management for 2023;
- approved the policy for the facilitation of dialogue with stakeholders and updated Cementir's policy on bilateral contacts with shareholders.

The table below shows the attendance of each Director to the board meetings and also the attendance of the members to the Audit Committee and Remuneration and Nomination Committee and Sustainability Committee meetings.

Table B - Attendance

Director	Board of Directors	Audit Committee	Remuneration and Nomination Committee	Sustainability Committee
Francesco Caltagirone	6/6	N/A	N/A	2/2
Alessandro Caltagirone	6/6	N/A	N/A	N/A
Azzurra Caltagirone	6/6	N/A	N/A	N/A
Edoardo Caltagirone	0/2*	N/A	N/A	N/A
Saverio Caltagirone	5/6	N/A	N/A	N/A
Fabio Corsico	6/6	N/A	N/A	N/A
Veronica De Romanis	2/2	1/1	1/1	1/1
Paolo Di Benedetto	2/2	1/1	1/1	N/A
Chiara Mancini	2/2	1/1	1/1	1/1
Adriana Lamberto Floristan	6/6	3/3	2/2	2/2
Annalisa Pescatori	4/4	3/3	2/2	1/1
Benedetta Navarra	4/4	3/3	2/2	1/1

* *Excused absence for personal reasons*

Education, training and induction activities for the Board of Directors

The Company shall ensure that it carries out continuous training activities, in accordance with Best Practice provision 2.4.5 of the Code, also taking into account the results of the annual assessment provided for by Best Practice provision 2.2.8 of the Code.

Since 2020, the comprehensive training offered by the Cementir Academy to Cementir Group employees has been extended to board members. Among the courses, offered in micro e-learning mode, are those on fraud management, whistleblowing, human rights and cybersecurity. The insider information course has been in place since as early as 2019. Since 2023, specific training on diversity equity and inclusion, has been added, considered a key element of the corporate culture. The list of courses is designed to be continuously updated and expanded.

In 2019, Cementir Holding organised a visit for the directors to one of the Group's main plants, in Aalborg, Denmark. Similar initiatives have been suspended since 2020 due to the pandemic but are being rescheduled for 2024, as also requested by some directors as part of the self-assessment process.

During the year, an in-depth introductory programme was prepared for the new independent non-executive members, with the aim of illustrating the specific characteristics of the Company and the Group as well as of the business and management. In addition, an induction session on cybersecurity and digitalisation was organised for all the Directors, accepting the requests that emerged during the self-assessment.

Succession plan

Pursuant to Best Practice Provision 2.2.4 of the Code, the Company adopted the succession procedure (hereinafter the “Succession Plan”) regulating the process to be followed in the event of the appointment of a member of the Board of Directors by resolution of the Board on 27 July 2022, with the favourable opinion of the Remuneration and Nomination Committee. In particular, the Procedure describes the timing, actors and actions to be taken for the appointment both when the term set by the General Meeting of the Company for the office of director of the Company is approaching expiry, and in the event of the early termination of Executive or Non-Executive Directors for any reason with respect to the term of office. The contingency plan and the temporary measures pending the final appointment of the replacement by the General Meeting are also described.

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

The Executive Director is responsible for the ordinary and extraordinary management of the Company with the widest powers to the maximum extent permitted by the applicable law, developing and setting the Company's objectives and strategy, overseeing the associated risk profile and addressing corporate social responsibility issues that are relevant to the Company.

The Executive Director also discusses the effectiveness of the design and operation of the internal risk management and control systems with the Audit Committee and renders account of this to the Board.

Only one Executive Director has been appointed and he is also automatically Chief Executive Officer and Chairman pursuant to Art. 2.3.4 of the Company's Board Rules and Art. 7.1.2 of the Articles of Association, without prejudice to the role of the Senior Non-Executive Director under Dutch law.

The Chief Executive Officer is primarily responsible for the day-to-day management of the Company with each and every power of ordinary and extraordinary administration of the Company, to the maximum extent permitted by the applicable law, including, without limitation, the following tasks and responsibilities:

(a) the operational management of the Company;

(b) the profit responsibility of the Company and the Cementir Group's enterprises;

(c) setting performance targets for the Cementir Group;

(d) managing the business performance of the Cementir Group;

(e) examining, analysing and proposing to the Board strategic business opportunities that can contribute to the further growth of the Cementir Group;

(f) compliance with all relevant laws and regulations, the Articles of Association and good corporate governance practice;

(g) executing the decisions of the Board;

(h) determining the objectives to be achieved by the Board; and

(i) communicating with all relevant stakeholders of the Company, the media and the public; and

(j) preparing the Company's annual accounts as referred to in Art. 2: 361 BW.

Pursuant to Art. 7.5.1 of the Articles of Association and Art. 2.4.3 of the Board Rules, the Chief Executive Officer is authorised to represent the Company.

The Executive Directors can be appointed for a maximum term of three years and can thereafter be reappointed, with due observance of the Articles of Association.

In accordance with Art. 7.2.8 of the Articles of Association and Art. 2.6 of the Board Rules, if the seat of the Executive Director is vacant or he is unable to act, the Non-Executive Directors will temporarily be entrusted with the executive management of the Company, unless the Board provides for a temporary replacement.

SENIOR NON-EXECUTIVE DIRECTOR AND VICE CHAIRMAN

The Senior Non-Executive Director is primarily responsible for ensuring that:

(a) there is sufficient time for deliberation and decision-making by the Board;

(b) the Directors receive all information that is necessary for the proper performance of their duties in a timely fashion;

(c) the Board and its committees function properly;

(d) the Board designates one of the Non-Executive Directors as Vice-Chairman;

(e) the performance of the Directors is assessed at least annually:

(f) the Directors follow their integration, education or training programme;

(g) the Board performs activities in respect of culture;

(h) signs from the Business are recognised and any actual or suspected material misconduct and irregularities are reported to the Board without delay; and

(i) effective communication with shareholders is assured.

Anyone who previously held the office of Executive Director cannot hold the position of Senior Non-Executive Director.

The Senior Non-Executive Director must be independent pursuant to Best Practice provision 2.1.8 of the Code and cannot be chairman of the Audit Committee or the Remuneration and Nomination Committee.

The Board of Directors of 27 April 2023, following the appointment of the Board of Directors with the General Meeting resolution of 20 April 2023, appointed the Non-Executive Director Adriana Lamberto Floristan as Senior Non-Executive Director with the role of chairing the Board of Directors pursuant to Dutch law, in compliance with Best Practice provision 2.1.9 of the Code and in compliance with the Articles of Association and Art. 2.3.7 of the Board Rules.

The Vice-Chairman deputises for the Senior Non-Executive Director in the event that the position of Senior Non-Executive Director is vacant or if the Senior Non-Executive Director is unable to act.

The Vice-Chairman shall act as point of contact for Directors concerning the functioning of the Senior Non-Executive Director.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors supervise the Executive Director's policy and performance of duties, the Company's general affairs and its business and provide advice to the Executive Director.

Non-Executive Directors supervise at least the following key elements:

(a) developing a general strategy, including formulating the strategy for realising sustainable long-term value creation, and taking into account risks connected to the Cementir Group's business activities;

(b) ensuring compliance with all relevant laws and regulations, the Articles of Association and good corporate governance practice;

(c) satisfying the integrity and quality of financial and sustainability reporting, ensuring the adequacy of financial controls and risk management systems; and

(d) reviewing the performance of the Board as a whole, each Director individually, and the committees of the Board.

A Non-Executive Director can be appointed for a maximum term of three years and can thereafter be reappointed, with due observance of the Articles of Association. In accordance with Art. 7.2.9 of the Articles of Association, if the seat of a Non-Executive Director is vacant or upon the inability of a Non-Executive Director to act, the remaining Non-Executive Director or Non-Executive Directors shall temporarily be entrusted with the performance of the duties and the exercise of the authorities of that Non-Executive Director; the Board may, however, provide for a temporary replacement. If the seats of all Non-Executive Directors are vacant or upon inability of all Non-Executive Directors or the sole Non-Executive Director to act, as the case may be, the General Meeting shall be authorised to temporarily entrust the performance of the duties and the exercise of the authorities of Non-Executive Directors to one or more other individuals. The Board may entrust one or more Non-Executive Directors to execute a resolution made by the Board with all necessary powers, including the right to sub-delegate, without prejudice to their duties and responsibilities.

Non-Executive Directors scheduled the yearly meeting recommended by Best Practice provisions of the Code prior to the Board meeting of 9 March 2023. The contents of the supervisory activity carried out continuously during the financial year, especially during the meetings of the Board of Directors and, for its members, of the Board Committees, were examined and approved and subsequently reported in the annual report drawn up pursuant to Best Practice provision 5.1.5 of the Code. The independent directors met in the absence of the other directors on 3 November 2023 to further share common issues.

DIVERSITY POLICY

The Company's Board of Directors approved the Diversity Policy on 13 November 2019, following the transfer of the Company's registered office to the Netherlands. At the same time, the Profile of the Board was approved pursuant to and for the purposes of the provisions of Section 2.1.1 of the Code. Both have been the subject of subsequent updates below.

The Cementir Board Diversity Policy sets out the rules regarding diversity in the composition of the Board of Directors. Following the entry into force on 1 January 2022 of the amendments to the Dutch Civil Code regarding gender diversity ("Diversity Act"), the Board acknowledged the provisions of this legislation and, on the basis of the proposal submitted by the Remuneration and Nomination Committee, updated the Diversity Policy in accordance with the diversity targets relating to the Company's Board.

In particular, Article 2:142b of the Dutch Civil Code requires that companies listed in the Netherlands respect a diversity quota of at least one third men and one third women among non-executive directors. The legislation also states that it is not allowed to appoint directors who do not contribute to achieving this balance, otherwise such appointment will be null and void. As Cementir Holding is a large Dutch company listed in Italy as defined in Article 2:166 of the Dutch Civil Code, it is obliged to set appropriate and ambitious targets to create a more balanced ratio between women and men for executive and non-executive directors, determined for the Board as a whole, as well as for certain management positions, and to report annually on the achievement of these objectives, providing explanations in the event of deviations from these objectives according to a 'comply or explain' logic.

The Board of Directors acknowledges the importance of diversity among all individuals who are working for the Company. The diversified composition of the Board of Directors itself is a guarantee of a balanced decision-making process, also achieved through the proper functioning of the respective committees. The purpose of the Diversity Policy adopted by the Company is to lay down the diversity aspects and targets within the Company and to ensure its proper implementation and application.

The objectives established in accordance with current Dutch legislation on diversity within the Board of Directors are aimed at ensuring a balance between the genders represented.

Consequently, the Diversity Policy provides for the pursuit of gender diversity by prescribing that both genders are represented to the extent of at least one third of the members of the Board in its entirety. Added to this principle are the specific, appropriate and ambitious targets, determined and verified annually.

In addition to the Diversity Policy relating to Executive and Non-Executive Directors, in accordance with the provisions of the Code in force from 1 January 2023, the Group Policy on Diversity, Equity and Inclusion was also approved, which concerns the employees of the Company and Group companies, including senior management.

The provisions of the Code are also reflected in the Board's Profile.

The Profile of the Board contains the requirements that the Board, on a proposal from the Remuneration and Nomination Committee, takes into account when preparing the proposal to appoint one or more directors to be submitted to the General Meeting. In particular, it describes the experience and background that directors are expected to possess and illustrates the desired composition and size of the Board, with specific reference to Non-Executive Directors and their independence.

On the occasion of the expiry of the term of office of the current directors, the Remuneration and Nomination Committee reviewed and updated the Board Profile also in light of the current provisions of the Code, which go beyond the obligations of the Diversity Act, submitting it to the Board for approval. The updated Board Profile was taken into account in the preparation of the proposal for the appointment of Executive and Non-Executive Directors submitted to the 2023 General Meeting. The Profile, in particular, has been supplemented with additional requirements specific to the Company, including a long-standing and consolidated knowledge in the field of industrial production in general and of the cement and/or construction and/or building industry in particular. The Profile has been reinforced with sustainability experience, as this is an issue of great interest to the Company and one in which it is investing considerable resources and commitment. In addition to the diversity criteria listed, the personal qualities expected of Board members and an express reference to the specific diversity and inclusion requirements relevant to the company in the Diversity Policy have been added. The recommendation of Best Practice provision 2.1.2 to refer to gender identity if so requested by the director has also been implemented.

It is also stated that the composition must ensure a degree of diversity that is appropriate for the Company and in any case tailor-made. The percentage of one third for each gender, provided for in the current Board Diversity Policy of Cementir Holding, is largely reached and exceeded with the appointment by the General Meeting of 20 April 2023, which provided for a Board of Directors of 8 directors with a composition in absolute equality between the female and male genders.

The Board, during 2023, took note of the achievement of the target set for 2022, as the Company integrated the Board with an additional director of the less represented gender following the appointment of Adriana Lamberto Floristan by the General Meeting of 21 April 2022. It has therefore set as a goal for 2023 – and until the expiry of the current board, with the approval of the financial statements for the year ended 31 December 2025 – to maintain no less than 4 directors of the least represented gender within a Board up to a total of nine members.

In the same time frame, in addition to the gender diversity objectives, the Board has also set other targets in terms of inclusion and equity, declaring that it intends to include in its composition: (i) at least 3 directors of which at least 1 independent director younger than the CEO and (ii) at least one director with specific experience in ESG matters with a particular focus on social aspects.

The composition of the Board also complies with the criteria of diversity of age, education and experience, set out in the Diversity Policy. In particular, the directors appointed by the General Meeting of 20 April 2023 strengthened the achievement of the diversity objectives in the composition of the Board, better detailed in the

Board Profile, in various aspects relevant to the Company and, specifically, competence, training, background, gender and personal qualities, including international orientation and nationality.

The current Diversity Policy and the verification of its effective implementation are subject to regular updating and monitoring by the Company. It may also be amended, where deemed necessary by the Board of Directors or in compliance with the Group's policy establishing the rules for updating the Company's procedures.

The Diversity Policy and the Board Profile are both available on the Company's website pursuant to Best Practice provision 2.1.5 of the Code.

CONFLICT OF INTEREST

Any conflict of interest between the Company and Directors must be prevented. The Board is responsible for dealing with any conflicts of interest that Directors or majority shareholders may have in relation to the Company.

Directors must be alert to conflicts of interest and may not:

(a) compete with the Company;

(b) demand or accept substantial gifts from the Company for themselves or their spouse, recognised partner or other life companion, foster child or relative by blood or marriage up to the second degree;

(c) provide unjustified advantages to third parties at the Company's expense; or

(d) take advantage of business opportunities that the Company is entitled to, for themselves or for their spouse, recognised partner or other life companion, foster child or relative by blood or marriage up to the second degree.

A Director other than the Senior Non-Executive Director or Vice-Chairman must, without delay, report any conflict of interest or potential conflict of interest to the Senior Non-Executive Director, or in the Senior Non-Executive Director's absence, the Vice-Chairman. The Senior Non-Executive Director must, without delay, report any conflict of interest or potential conflict of interest to the Vice-Chairman or, in the Vice-Chairman's absence, to the other Directors. The Vice-Chairman must, without delay, report any conflict of interest or potential conflict of interest to the Senior Non-Executive Director or, in the Senior Non-Executive Director's absence, to the other Directors. The Director must provide all relevant information, including any relevant information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.

The Board decides whether a Director has a conflict of interest, without the Director concerned being present.

A Director may not participate in the Board's or a committee's deliberations and decision-making process on a subject where the Director is found to have a conflict of interest. This rule doesn't apply when the entire Board is unable to adopt a resolution as a result of all Directors being unable to participate in the deliberations and decision-making process due to a conflict of interest.

During 2023 no transactions in conflict of interest with Directors and/or majority shareholders were reported or took place.

BOARD COMMITTEES

Audit Committee

By resolution of 27 April 2023, the Board of Directors, elected by the General Meeting of 20 April 2023, appointed the Audit Committee. The duties and responsibilities of the Audit Committee are defined in the relevant regulations (published on the Company's website) approved by the Board of Directors pursuant to Art. 7.1.4 of the Articles of Association and updated on 27 April 2023.

The Audit Committee consists of three members: 1. Benedetta Navarra (Chairman, expert in financial reporting), 2. Annalisa Pescatori, 3. Adriana Lamberto Floristan.

All members of the Audit Committee are independent pursuant to Best Practice provision 2.1.8 of the Code.

The Audit Committee prepares the decision-making of the Board regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems.

The Audit Committee focuses on monitoring the Board of Directors, among others, in the following matters:

(a) relations with the internal and external auditors, and compliance with and follow-up on their recommendations and comments.

    The internal audit function has sufficient resources to execute the internal audit plan and has access to information that is important for the performance of its work. The internal audit function has direct access to the Audit Committee and the external auditor. Records are kept of how the Audit Committee is informed by the internal audit function.

    The internal audit function reports its audit results to the Board and the Audit Committee and informs the external auditor. The findings of the internal audit function include the following:

    (i) any flaws in the effectiveness of the internal risk management and control systems;

    (ii) any findings and observations with a material impact on the risk profile of the Company and its subsidiaries; and

    (iii) any failings in the follow-up of recommendations made by the internal audit function.

(b) the Company's funding;
(c) the Company's tax policy.

In addition, the Audit Committee carries out the following duties:

(a) recommending persons for appointment as senior internal auditor;
(b) annually forming a position on how the internal audit function fulfils its responsibility. The Board discusses the effectiveness of the design and operation of the internal risk management and control systems referred to in Best Practice provisions 1.2.1 through 1.2.3 of the Code with the Audit Committee;
(c) if the Company does not have an internal audit department, recommending annually to the Board whether adequate alternative measures have been taken. The Board includes the conclusions, along with any resulting recommendations and alternative measures, in the Board's report;
(d) reports annually to the Board on its relationship with external auditors. The Audit Committee advises the Board of Directors on the proposed appointment, confirmation or dismissal of the external auditor and prepares the selection of the external auditor. The Audit Committee gives due consideration to the Board's observations during this process. Based on this, among other things, the Board determines its nomination for the appointment of the external auditor to the General Meeting;
(e) submitting a proposal to the Board for the external auditor's engagement to audit the annual accounts. The Board plays a facilitating role in this process. In formulating the terms of engagement, attention is paid to the scope of the audit, the materiality to be used and the remuneration for the audit. The Board takes the decision on the engagement. If a new external auditor is to be engaged by the Company the Audit Committee motivates the proposal. The proposal states at least two options for a possible external auditor to be engaged by the Company and explains the Audit Committee's preferred option. The proposal furthermore states that the decision-making of the Audit Committee in this regard is not influenced by any third party or by any agreement;

(f) annually discussing the draft audit plan with the external auditor, including:

   (i) the scope and materiality of the audit plan and the principal risks of the annual reporting identified by the external auditor in the audit plan; and

   (ii) based also on the documents used to develop the audit plan, the findings and outcome of the audit work carried out on the annual accounts and the management letter;

(g) determining whether and, if so, how the external auditor is involved in the content and publication of financial reports other than the annual accounts; and

(h) meeting with the external auditor as often as it considers necessary, but at least once a year, without Executive Directors being present.

The Audit Committee also carries out the following duties:

(a) monitoring the financial reporting process and drawing up proposals to safeguard the integrity of this process;

(b) monitoring the effectiveness of the internal control systems, the internal audit function and risk management systems with regard to the Company's financial reporting;

(c) monitoring the statutory audit of the annual accounts and the consolidated annual accounts;

(d) assessing and monitoring the independence of the external auditor or the audit firm, as applicable, specifically taking into account the extension of ancillary services to the Company; and

(e) determining the selection process for the external auditor or the audit firm, as applicable of the Company and the nomination to extend the assignment to carry out the statutory audit.

The Audit Committee reports on its deliberations and findings to the Board. This report includes information on how the duties of the Audit Committee were carried out in the financial year, and also reports on the composition of the Audit Committee, the number of meetings of the Audit Committee and the main items discussed at those meetings.

This report also includes the following information:

(a) the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems referred to in Best Practice provisions 1.2.1 through 1.2.3 of the Code;

(b) the methods used to assess the effectiveness of the internal and external audit processes;

(c) material considerations regarding financial reporting; and

(d) the way material risks and uncertainties referred to in Best Practice provisions 1.4.2 and 1.4.3 of the Code have been analysed and discussed, along with a description of the most important findings of the Audit Committee.

In particular, the Audit Committee reports on the results of the annual statutory audit to the Board. This report includes information on how the audit has contributed to the integrity of the financial reporting, and also addresses the role of the Audit Committee in the audit.

During 2023, the Audit Committee met 4 times. The attendance of the members to the Audit Committee meetings is shown in "Table B - Attendance" in the paragraph "Role of the Board of Directors".

During these meetings, the Audit Committee examined and discussed, among other things, the 2022 financial statements, the half-year financial report and the quarterly financial results for 2023 of the Cementir Group; the Audit Committee also examined and discussed the activities carried out by the Internal Audit function and the Ethics Committee during 2022; examined the activities of the Internal Audit function referring to the first quarter and half-year of 2023, agreeing on methods and timing for the receipt of periodic or event-based information, with particular reference to significant events subject to audits, whistleblowing reports and litigation; the Audit Committee then examined the Audit Plan prepared by the Internal Audit function for 2024, in accordance with Best Practice provision 1.3.3 of the Code, together with the budget for that function for the same year. The Audit Committee also examined the Group's Enterprise Risk Assessment. The Audit Committee also reviewed and discussed the external auditor's report on the audit work performed on the 2022 financial statements, the Audit Plan prepared by the external auditor, and reviewed and discussed the external auditor's non-audit services and related network pursuant to the "procedure for the assignment of non-audit services to the external audit company and related network". The Audit Committee then examined and discussed the reports prepared for the Board of Directors of the Company pursuant to Best Practice provision 1.5.3 of the Code, as well as the annual assessment carried out by the members of the Audit Committee pursuant to Best Practice provision 2.2.6 of the Code.

The Audit Committee periodically reported to the Board of Directors on the activities carried out.

The Audit Committee reviewed the financial documentation with the Group Chief Financial Officer or a representative of his department, who attended all Committee's meetings. The Audit Committee met the external auditor at three of the four meetings held during the year, at which, in the presence of the Group Chief Financial Officer or a representative of his department, it examined, among other things, the annual financial statements, the report of the external auditor concerning the audit work carried out on the 2022 financial statements and also discussed the audit plan prepared by the same external auditor.

The Audit Committee received updates on legal matters by the Group General Counsel of the Company attending all the meetings. Internal Audit activity was reviewed on a regular basis with the Group Chief Internal Audit Officer also attending all the meetings and discussing with the Committee the main findings and remediating actions.

Remuneration and Nomination Committee

By means of the resolution adopted on 27 April 2023, the newly elected Board of Directors combined the roles of the remuneration committee and the selection and appointment committee in one committee, by appointing the Remuneration and Nomination Committee.

The duties and the responsibilities of the Remuneration and Nomination Committee are set out in the related charter (published on the Company website) adopted by the Board of Director pursuant to Art. 7.1.4 of the Articles of Association and updated on 27 April 2023.

The Remuneration and Nomination Committee consists of three members: 1. Annalisa Pescatori (Chairman), 2. Benedetta Navarra, 3. Adriana Lamberto Floristan.

All the members of the Remuneration and Nomination Committee are independent pursuant to Best Practice provision 2.1.8 of the Code.

The Remuneration and Nomination Committee prepares the Board’s decision-making (including, if applicable, proposals of the Board for the General Meeting) regarding the determination of the remuneration of individual Directors, including severance payments.

The Remuneration and Nomination Committee submits a proposal to the Board (including, if applicable, proposals of the Board for the General Meeting) concerning the remuneration of each Director. The proposal is drawn up according to the remuneration policy that has been established and, in any event, covers:

(a) the objectives of the strategy for the implementation of sustainable long-term value creation within the meaning of Best Practice provision 1.1.1 of the Code;
(b) the scenario analyses carried out in advance;
(c) the pay ratios within the Company and the Business;
(d) the development of the market price of the shares;

(e) an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;
(f) if shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and
(g) if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options may not be exercised during the first three years after they have been awarded.

The Remuneration and Nomination Committee also prepares the Board's decision-making (including, if applicable, proposals of the Board for the General Meeting) regarding:

(a) the drawing up of selection criteria and appointment procedures for Executive Directors and Non-Executive Directors;
(b) the periodical assessment of the size and composition of the Board, and the making of proposal for a composition profile of the Board;
(c) the periodical assessment of the performance of individual Executive Directors and Non-Executive Directors and reporting this to the Board;
(d) the drawing up of a plan for the succession of Executive Directors and Non-Executive Directors;
(e) the proposal for appointment and reappointment of Executive Directors and Non-Executive Directors;
(f) the supervision of the policy of the Board regarding the selection criteria and appointment procedures for senior management; and
(g) the development of the Company's diversity and inclusion policy for the composition of the Board and a category of employees in managerial positions ("senior management") determined by the Board.

The Remuneration and Nomination Committee reports on its deliberations and findings to the Board. This report includes information on how the duties of the Remuneration and Nomination Committee were carried out in the financial year, and also reports on the composition of the Remuneration and Nomination Committee, the number of meetings of the Remuneration and Nomination Committee and the main items discussed at those meetings.

The Remuneration and Nomination Committee describes, in a transparent manner, in addition to the matters required by law:

(a) how the remuneration policy has been implemented in the past financial year;
(b) how the implementation of the remuneration policy contributes to sustainable long-term value creation;
(c) how scenario analyses were taken into account;
(d) the pay ratios within the Company and the business segment and any changes in these ratios compared to at least five previous financial years;
(e) in the event that a Director receives variable remuneration, how this remuneration contributes to sustainable long-term value creation, the measurable performance criteria determined in advance on which the variable remuneration depends, and the relationship between the remuneration and performance; and
(f) in the event that a current or former Director receives a severance payment, the reason for this payment.

The main elements of the agreement of an Executive Director with the Company are to be published on the Company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the General Meeting where the appointment of the Executive Director will be proposed.

During 2023, the Remuneration and Nomination Committee met 3 times. The percentage of the attendance of the members to the Remuneration and Nomination Committee meetings are shown in "Table B - Attendance" in paragraph "Role of the Board of Directors".

During these meetings, the Remuneration and Nomination Committee examined and discussed, among other things, the remuneration policy and the report on remuneration drawn up in accordance with Art. 2:135a of the Dutch Civil Code and Best Practice provision 3.1 and following of the Code, and the report concerning the activity carried out by the Committee in 2022, drawn up in accordance with Best Practice provision 2.3.5 of the Code and presented to the Company's Board of Directors; discussed the annual assessment carried out by the members of the Committee pursuant to Best Practice provision 2.2.6 of the Code; updated the Board Profile on the occasion of the examination of the candidacy proposals to be discussed in the Board; discussed and verified the independence requirements in the context of the review of the requirements for membership in the Euronext Star Milan segment; verified the achievement of the gender diversity targets set for 2022 and approved the proposed D&I targets for 2023, determined in accordance with current legislation, to be submitted to the Board of Directors for approval; also examined and discussed the implementation of the LTI plans with particular reference to payments made on the basis of the LTI2020-2022 Plan as well as the assignment criteria and the setting of the objectives relating to the 2023-2025 LTI Plan; also examined the assigned ESG objectives included in the STI Plan; finally, received the periodic update on the Succession Plan for the Company's personnel.

The meetings were always attended by the Group General Counsel and the Group Chief Human Resources Officer was also invited for all matters of relevance.

Further details of the activities of the Remuneration and Nomination Committee are included in the Remuneration Report section included elsewhere in this report.

Sustainability Committee

In the context of the Company's and the Group's ever-increasing commitment to sustainability and compliance with demanding and challenging objectives, with a resolution of 27 April 2023, following the renewal of the entire Board by the General Meeting of 20 April 2023, the Board of Directors established the Sustainability Committee in its current composition.

The duties and the responsibilities of the Sustainability Committee are set out in the related charter (published on the Company website) adopted by the Board of Director on 28 July 2021 pursuant to and for the purposes of the provisions of Art. 3.3 of the Board Rules ("Ad hoc committees").

The Sustainability Committee is currently made up of: 1. Francesco Caltagirone (Chairman), 2. Benedetta Navarra, 3. Annalisa Pescatori, 4. Adriana Lamberto Floristan.

According to the Sustainability Committee Charter, the majority of its members is represented by non-executive and independent directors.

The Sustainability Committee prepares the decision-making process of the Board of Directors in formulating and implementing a strategy in line with a view on long-term value creation for Cementir Holding NV and its subsidiaries, regarding the development and promotion of a healthy, safe and secure environment for the Company's stakeholders, as well as sustainable development and social responsibility, and prepares any related decision-making at Board level.

The main task of the Sustainability Committee is to develop the Group's sustainability strategy.

Specifically, it:

(a) assists and advises the Board on its supervision of the Group's policies, programmes and related risks concerning sustainability matters (including, but not limited to) sustainability matters related to public issues relevant to the Group and its stakeholders that may affect the Group's business, strategy, operations, performance or reputation;
(b) receives regular reporting from any subsidiaries' Sustainability Committees and the Sustainability Working Group, respectively, to collect any required information and to provide the Board with the required insights and advise;

(c) provides regular reporting to the Board;
(d) acts under any authority delegated by the Board relating to global and local sustainability matters, including with respect to setting out, monitoring, evaluating and reporting on policies and practices, management standards, strategy, performance and governance;
(e) reviews and approves goals and guidelines for environmental, social and governance compliance, aligned with the Group's commitments and legal requirements;
(f) reviews, discusses and proposes the Group's sustainability initiatives and engagement;
(g) assists in the Board supervision of risks relating to sustainability matters overseen by the Sustainability Committee;
(h) review, assesses and makes recommendations:
    (i) to the Board as to the Group's non-financial reporting and annual Sustainability Report;
    (ii) to the Board and to other Group bodies such as subsidiaries' Sustainability Committee and/or Group Management Team regarding any sustainable development policy, including overall strategy or specific guidelines, management standards, key performance indicators of the Group relating to sustainability-related issues with the aim of ensuring that Group's policies and procedures are in line with best practice;
    (iii) to the Board and to other Group bodies such as the Nomination and Remuneration Committee on sustainability-related targets for management incentives at Group, region and BU level;
(i) recommends to the Board health and safety targets for the Company and the Group;
(j) supports the development of a health and safety culture in the Company and the Group also through its management;
(k) annually provides reports of its actions to the Board and makes recommendations to the Board and to other Group bodies as it considers appropriate;
(l) reviews and assesses the adequacy of the Sustainability Charter and recommends to the Board any improvements to the Charter that the Sustainability Committee considers necessary or appropriate;
(m) undertakes such other responsibilities or tasks within sustainability matters as the Board may delegate or assign from time to time to the Sustainability Committee.

As provided by the Sustainability Committee Charter, the Sustainability Committee met twice during 2023.

The percentage of the attendance of the members to the Sustainability Committee meetings are shown in "Table B - Attendance" in paragraph "Role of the Board of Directors".

During these meetings, the Sustainability Committee examined and discussed, among other things, the Cementir Group's Sustainability Report-Non-Financial Statement 2022, and resolved to propose it to the Board for approval with a favourable opinion; discussed the update of the ten-year sustainability roadmap, the Group's materiality matrix and the Wash Pledge; examined and approved the report on the activities carried out by the Committee during 2022, submitted to the Company's Board of Directors; in its new composition, following the renewal of the Board by the General Meeting, it took note of the in-depth introductory training, with particular reference to ESG issues, conducted by the Company's structures for the newly appointed directors and discussed the Carbon Capture and Storage projects being studied by the Group's technical department; finally, it was informed of further innovations and initiatives in the field of sustainability, in particular the presentation of the CO2 reduction targets to the Science Based Targets (SBTi) initiative, which involve both short-term and net-zero commitments, and the launch of the Carbon Border Adjustment Mechanism (CBAM), in a transitional phase starting from 1 October 2023. All meetings were attended by the Group General Counsel, also as Secretary of the Committee, as well as the Group Chief Internal Audit Officer and the Group Chief Operating Officer.

Further details on the activities of the Sustainability Committee are included in the 2023 Sustainability Report-Non-Financial Statement.

REMUNERATION OF THE BOARD OF DIRECTORS

Details of the remuneration of the Board of Directors and its committees are set forth within the section "Remuneration Report".

GENERAL MEETING

The annual General Meeting shall be held each year no later than six months after the end of the financial year of the Company. The purpose of the annual General Meeting is to discuss, inter alia, the annual report, the adoption of the annual accounts, allocation of profits (including the proposal to distribute dividends), release of members of the Board of Directors from liability for their management and supervision, and other proposals brought up for discussion by the Board of Directors.

Convening of the General Meetings

General Meetings are convened by the Board.

Shareholders solely or jointly representing at least ten percent (10%) of the issued share capital may request the Board in writing, setting out in detail the matters to be discussed, to convene a Cementir Holding General Meeting. If the Board of Directors fails to call a meeting, then such shareholders may, at their request, be authorised by the preliminary relief judge of the district court to convene a General Meeting of Cementir Holding.

Cementir Holding General Meetings shall be held in Amsterdam or Haarlemmermeer (Schiphol Airport), the Netherlands, and shall be called by the Board of Directors in such manner as is required to comply with the law and the applicable stock exchange regulations, not later than on the forty-second day prior to the day of the meeting. The notice convening a General Meeting is issued in accordance with Dutch law and by a public announcement in electronic form which can be directly and continuously accessed until the General Meeting.

An item requested in writing by one or more shareholders solely or jointly representing at least three percent (3%) of the issued share capital, must be included in the notice of the General Meeting or announced in the same manner, if the Company has received the request, including the reasons, no later than on the day prescribed by law. The Board has the right not to place proposals from persons mentioned above on the agenda if the Board judges them to be evidently not in the interest of the Company.

The notice shall state the place, date and hour of the meeting and the agenda of the meeting as well as the other data required by law.

The agenda of the annual Cementir Holding General Meeting shall contain, inter alia, the following items:

(a) adoption of the annual accounts;

(b) the remuneration policy and the remuneration report;

(c) the policy of the Company on additions to reserves and on dividends, if any;

(d) granting of discharge to the Directors in respect of the performance of their duties in the relevant financial year;

(e) the appointment of Directors;

(f) if applicable, the proposal to pay a dividend;

(g) if applicable, discussion of any substantial change in the corporate governance structure of the Company; and

(h) any matters decided upon by the person(s) convening the meeting and any matters placed on the agenda with due observance of applicable Dutch law.

In addition, the approval of the General Meeting is required for resolutions of the Board regarding an important change in the identity or character of the Company or its associated business enterprise, including in any event:

(a) the transfer of the business, or almost all of the business, to a third party;
(b) concluding or cancelling a long-lasting cooperation of the Company or a subsidiary with another legal person or company or as a fully liable general partner in a partnership, provided that the cooperation or cancellation is of material significance to the Company; and
(c) the acquisition or disposal of a participating interest in the share capital of a company with a value of at least one third (1/3) of the Company's assets, according to the consolidated balance sheet with explanatory notes, always according to the last adopted annual accounts of the Company.

The Board of Directors shall provide the General Meeting all requested information, unless this would be contrary to an overriding interest of the Company. If the Board of Directors invokes an overriding interest, it must give reasons.

When convening a General Meeting, the Board of Directors shall determine that, for the purpose of Art. 8.4 of the Articles of Association, persons with the right to vote or attend meetings shall be considered those persons who have these rights at the twenty-eighth day prior to the day of the meeting (the "Record Date") and are registered as such in a register to be designated by the Board of Directors for such purpose, irrespective of whether they will have these rights at the date of the meeting. In addition to the Record Date, the notice of the meeting shall further state how shareholders and other parties with meeting rights may be registered and how those rights can be exercised.

Each shareholder can be represented by a written proxy, to take part in, address and, to the extent he/she is entitled, to vote at the General Meeting using electronic means of communication, provided that such person can be identified via the same electronic means and is able to directly observe the proceedings and, to the extent he/she is entitled, to vote at the General Meeting. In that case, the proxy must have been received by the Company no later than on the date determined by the Board in the notice.

Order of discussion and decision-making

The annual General Meeting is chaired by:

(a) the Chairman; or

(b) if the Chairman is absent, by the Senior Non-Executive Director; or

(c) if the Senior Non-Executive Director is absent, by one of the other Non-Executive Directors designated for that purpose by the Board; or

(d) if none of the Non-Executive Directors are present at the annual General Meeting, such person appointed by the General Meeting.

The chairman of the General Meeting determines the order of discussion in accordance with the agenda and may limit speaking time or take other measures to ensure that the General Meeting proceeds in an orderly manner.

All issues relating to the proceedings at or concerning the General Meeting are decided by the chairman of the General Meeting. Minutes of the business transacted at the General Meeting must be kept by the secretary of the General Meeting, unless a notarial record of the General Meeting is prepared. Minutes of a General Meeting are adopted and subsequently signed by the chairman and the secretary of the General Meeting. A written confirmation signed by the chairman of the General Meeting stating that the General Meeting has adopted a resolution constitutes valid proof of that resolution towards third parties.

The General Meeting adopts resolutions by a simple majority of votes cast regardless of which part of the issued share capital such votes represent, unless the law or the Articles of Association provide otherwise.

Each share confers the right to cast one vote at the General Meeting. No vote may be cast at the General Meeting for a share held by the Company or one of its subsidiaries. Holders of a right of usufruct or a right of pledge on shares belonging to the Company or its subsidiaries are not excluded from voting if the right of usufruct or the right of pledge was created before the share concerned belonged to the Company or one of its subsidiaries. The Company or a subsidiary may not cast a vote in respect of a share on which it holds a right of usufruct or a right of pledge. The chairman of the General Meeting determines the method of voting. The ruling by the chairman of the General Meeting on the outcome of a vote is decisive. The chairman of the General Meeting shall decide in event of a tie. All disputes concerning voting for which neither the law nor the Articles of Association provide a solution are decided by the chairman of the General Meeting.

The minutes of the General Meeting will be available on the Company website no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react to the minutes in the following three months. The minutes shall then be adopted in the manner as described in the Articles of Association.

CULTURE, LONG-TERM SUSTAINABLE VALUE CREATION AND CODE OF ETHICS

The Cementir Group's values that contribute to a culture aimed at creating sustainable long-term value, approved by the Board of Directors, are described in the "Group Profile" paragraph, to which reference should be made. The culture of the Cementir Group is based on five pillars: 1) sustainability; 2) dynamism; 3) quality; 4) value of people; 5) diversity and inclusion. These values translate into a series of virtuous behaviours that foster the professionalism and integrity, availability, respect and cooperation of people both within the Group and in relation to the external context. The culture of the Cementir Group is a vision that has been translated into a tangible model of skills and related behaviours to effectively respond to the expectations of the Cementir Group's stakeholders and, in particular, to the needs of its customers in compliance with a spirit of common identity: One Group Identity.

Cementir's sustainability long-term strategy has been developed through a bottom-up approach over recent years. The functions concerned within the local structures, under the coordination of the Group's top management, have translated individual concepts and notions into a unique and coherent way of thinking, defining the Group's internal culture and identity, setting precise expectations, objectives and commitments, along the lines provided for by the regulatory framework. Once consolidated, this core framework was then formally reviewed, approved and validated by the Sustainability Committee set up within the group at the level of the Board of the Danish subsidiary and, finally, transferred to the relevant entities for implementation through structured programmes and specific actions with fixed deadlines. Its assumptions and implications, from basic to more extensive, have been summarised in the Group 2023-25 Business Plan, approved by the Company's Board of Directors in February 2023, the 2022 Sustainability Report, approved by the Company Board of Directors in March 2023 and the 2022 Consolidated Group Financial Statements, approved by the General Meeting in April 2023.

Also in 2023, the strategy drawn up by the Chief Executive Officer and submitted to the Board in its entirety for approval in the context of the update of the 2023-2025 Business Plan, was inspired by the aim of sustainable long-term value creation by the Company and the other companies in the group, with particular reference to the "Sustainability Roadmap" detailed in the Sustainability Report - Non-Financial Statement that the company also prepared for the 2023 financial year. Sustainability is clearly one of the main objectives that the Group has set itself and which, by its very nature, implies a process to be carried out in the medium-long term in the interest and for the benefit of the Company, Group, shareholders and stakeholders.

In addition, the same purpose underlies the remuneration policy, to which reference is made for further details. The guidelines of the remuneration policy and the allocation of compensation to employees assign challenging objectives with the main aim of creating sustainable value for shareholders - including minority shareholders - in the medium to long term. Moreover, the specific situation of the Company, in which the Chief Executive Officer is the representative of the majority, as well as a significant shareholder, naturally aligns the interests pursued by the Executive Director with those of shareholders and stakeholders, which coincide in the pursuit of the long-term strategy of value creation.

The Board of Directors is an active promoter of behaviour consistent with the Group's values, not only with the approval of the 2024-2026 Business Plan, updated on 8 February 2024, which incorporates them, but also having given the sustainability roadmap high priority in recent years.

In particular, Cementir Holding believes that long-term sustainable value is realised by focusing on the interests of a large group of stakeholders, each with a distinct purpose, to support a long-term business. The Cementir Group is mainly active in cement production, which is an energy and CO_2-intensive process. A clear path to long-term sustainable value creation is closely related to Cementir Holding's ability to implement an effective strategy to reduce CO_2 emissions. Climate action is also at the heart of the European Green Deal and the EU taxonomy, an ambitious European package of measures to reduce greenhouse gas emissions. Climate change is thus reshaping the cement sector. This is why, in recent years, the Group has been actively pursuing a programme inspired by the principles of the circular economy, which includes a series of initiatives focused on reducing the environmental impact of activities and developing products with a lower CO_2 intensity. Climate change is not the only issue that can impact, directly or indirectly, Cementir's ability to create long-term sustainable value. Every year Cementir Holding carries out an analysis to identify issues relevant to the Group and its stakeholders. The results of the analysis are reported in the Materiality Matrix (present in the Group Sustainability Report). The management of the Group's main stakeholders varies in terms of how and how often they are consulted and involved, depending on the type of topics, themes, interests and characteristics of the Group's various territories. In view of the fact that the parent company is a holding company, some of these stakeholders interact directly with the central structures, while others are only interested in the activities of Group plants carried out locally and management of relations with these parties is delegated to the regional level. Therefore, the frequency of stakeholder engagement and topics discussed with them vary according to the stakeholder category and the countries in which the Group operates. Based on the analysis carried out, the Group has set 26 Sustainability Goals to be achieved by 2030, which cover the priority areas for Cementir. The objectives are linked to Cementir's effort to adopt all necessary measures and the most innovative technology to minimise the impact of our activity on the environment; create a healthy, safe and inclusive working environment; respecting human rights and fostering a constructive and transparent relationship with local communities and business partners. These objectives, set by individual plant and by year, are included in the Business Plan and the short-term incentive system for employees. Cementir also pursues the creation of long-term sustainable value through a Long-Term Incentive Plan in place for its top management.

The Cementir Group has decided to adopt a Code of Ethics to conform and conduct its business activities according to the principles of integrity, honesty and confidentiality and in compliance with the laws and regulations of the countries in which it operates. The Code of Ethics promotes the correct and efficient use of resources in the perspective of corporate, social and environment responsibility, to reconcile the search for competitiveness in the Cementir Group market with respect for rules on competition. The Group, in business dealings, is inspired by and observes the principles of loyalty, fairness, transparency, efficiency and market orientation, regardless of the importance of the deal.

The ethical principles contained therein are directly and expressly linked to the vision and values of the Group, which operates primarily in the production and sale of cement and ready-mixed concrete with a global presence. The ability to create synergies with other subsidiaries enables Group companies to improve their economic performance by increasing added value for stakeholders. The ability to propose, model and implement innovative and complex highly integrated technology solutions, starting from an understanding of the territory and customer needs, is an integral part of the Group's strategy. Each company in the Group pioneers technologies and standards to consistently reduce their impact; innovating and transforming every new plant acquired or built - in any country - to the highest standards for the protection of workers, the environment and the communities in which the plant is located. In terms of social responsibility, the Group devotes significant resources to different aspects of the life of the community in which it operates: promoting studies; working with the government; protecting the historical and monumental heritage; sponsoring culture and entertainment; taking action to reduce environmental impact.

All actions, transactions and negotiations carried out and, more generally, people's behaviour in their daily tasks, are inspired by the highest accuracy, completeness and transparency of information, legitimacy, both in form and substance, and clarity and accuracy of accounting records in accordance with regulations and internal procedures. To achieve this goal, the Cementir Group requires its employees to comply with the highest standards of business conduct in the performance of their duties, as set in the Code of Ethics and the procedures to which it refers. For these reasons, the Group:

- guarantees that employees who report any violations of the Code of Ethics will not be subject to any form of retaliation;

- takes fair sanctions commensurate to the type of violation of the Code of Ethics, and guarantees its application to all the categories of employees, keeping into account laws, contracts and regulations applicable in the Country in which it operates;

- periodically checks compliance with the Code of Ethics.

The Code of Ethics, updated on 1 June 2020, with the principles and values defined in the Group Policy on respect for Human Rights, is available on the Company's website pursuant to Best Practice provision 2.5.2 of the Code.

ETHICS COMMITTEE

To monitor the constant compliance with the Code of Ethics by the employees of the Company and its subsidiaries and the application of the regulations following the transfer of the registered office, on 5 October 2019, the Board of Directors resolved, among other things, to establish an Ethics Committee, formed by the Group General Counsel and the Group Chief Internal Audit Officer, which also performs the functions of the Supervisory Board pursuant to Legislative Decree 231/2001.

PROCEDURE FOR REPORTING VIOLATIONS

On 13 November 2019, the Board of Directors approved the Whistleblowing Management Procedure in accordance with Dutch law and made subsequent updates. The last update took place during the year 2023 with the creation of an additional dedicated reporting channel, technically managed by a third party with a special IT platform, to further guarantee the confidentiality and protection of the whistleblower. The procedure is available on the Company website pursuant to Best Practice provision 2.6.1 of the Code.

POLICY ON BILATERAL CONTACTS WITH SHAREHOLDERS

On 13 November 2019, the Board of Director adopted, in compliance with the Dutch Law, the Policy on bilateral contacts with shareholders. This policy was updated and revised during the year, also in light of the new provisions of the Code in force as of 1 January 2023 and, in particular, Best Practice provision 4.2.2. This provision has been integrated by providing that the shareholders and the company be prepared to enter into a dialogue. In particular, the Company is expected to facilitate the dialogue unless it is in the interest of the Company and the Group to reject it and shareholders are expected to be prepared to engage in constructive dialogue and, outside the context of a General Meeting, disclose their full shareholding position at the request of the Company.

These recommendations have therefore been incorporated into the updated version of the Policy and, on this occasion, a general review has been carried out. Bilateral contacts with shareholders and potential investors are managed by the Investor Relations department which, by delegation and in agreement with the Chairman and CEO of the Group, discretionarily identifies the shareholders or potential investors with whom to interact, based on the Company's interest.

In order to ensure information symmetry, the Investor Relations function is always present at meetings, even where it is proactively organised by other functions, and the Group Chairman and CEO and/or Group CFO may participate.

The Chairman and CEO of the Cementir Group is the point of contact between investors and the Board.

The policy on bilateral contacts with shareholders, as updated in 2023, is available on the Company's website pursuant to Best Practice provision 4.2.2 of the Code.

Relations with shareholders and financial analysts are handled with a high degree of accuracy and in compliance with the Policy, the Code and applicable regulations. By way of example, after the Board of Directors' meetings to approve the periodic financial results, the Company organises conference calls to present these results to the financial community and informs the stakeholders by issuing a press release. It has also included a special section on the Company website dedicated to investor relations where presentations of financial results and press releases are published in accordance with the Best Practice provisions of the Code.

In addition, the Annual General Meeting is the natural event where the Company's shareholders can meet with the Board of Directors and ask questions, participating with their vote in the Company's decisions.

GROUP STAKEHOLDERS ENGAGEMENT POLICY

The Group Stakeholder Engagement Policy has been drawn up in accordance with the new provisions of the Code in force since January 2023 and the common practice that is being defined in this first application period and was approved by the Board of Directors on 6 November 2023. The policy has been published on the Company's website pursuant to Best Practice provision 1.1.5 of the Code.

The Best Practice provision 1.1.5 has been introduced among the new provisions of the Code, recommending the definition of a policy for facilitating dialogue with stakeholders that includes at least the sustainability aspects of the strategy.

The Cementir Group's Stakeholder Relations Policy recognises that dialogue with stakeholders plays a vital role in the success of the Company and the Group and sets as the Group's objective the establishment of a constructive dialogue with stakeholders in order to establish a lasting and effective relationship with them, not limited to sustainability aspects alone.

All employees of the Group are required to acknowledge and comply with this Policy.

The categories of stakeholders with whom the Group interacts and has a stable relationship (at holding or local level) and the tool used to strengthen their involvement have been identified; the updated list is included in the official sustainability report (the Sustainability Report). A stakeholder impact is considered material when it pertains to Cementir’s actual or potential effects on people or the environment over the short-, medium- and/or long-term time horizons.

The Chairman and CEO of the Group assesses on a case-by-case basis which stakeholders are relevant to the Company, with whom to enter into dialogue and in what form, and he has the power to make changes to the list of stakeholders.

Examples of interaction with stakeholders, such as customers, suppliers, staff, the local community, public institutions and trade associations, are described in the 2023 Sustainability Report - Non-Financial Statement. The various stakeholders are involved in periodically updating the materiality matrix, which considers as relevant those issues that may have a direct or indirect impact on the Company's ability to establish, maintain or adversely affect the Group's values.

INSIDE INFORMATION

Pursuant to the Market Abuse Regulation (EU No 596/2014), Cementir Holding shall communicate to the public without delay any information that: (i) has a precise character; (ii) has not been made public; (iii) refers directly or indirectly to the Company or the Company's ordinary shares; and (iv) if made public, could have a significant effect on the prices of the Company’s common stock or the price of related derivative financial instruments (hereinafter “Inside Information”). In this regard:

“information shall be deemed to be of a precise nature” if: (a) it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred, or which may reasonably be expected to occur and (b) it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related derivative financial instrument. In this respect in the case of a protracted process that is intended to bring about, or that results in particular circumstances or a particular event those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information;

“information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments and derivative financial instruments” mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

An intermediate step in a protracted process shall be deemed to be Inside Information if, by itself, it satisfies the criteria of Inside Information as referred to above.

The above disclosure requirement shall be complied with through the publication of a press release by the Company, in accordance with the modalities set forth under the MAR and Dutch and Italian law, disclosing to the public the relevant Inside Information.

Cementir Holding may, under its own responsibility, delay public disclosure of Inside Information provided that all of the following conditions are met: (a) immediate disclosure could prejudice the legitimate interests of Cementir Holding; (b) the delay in communication would probably not have the effect of misleading the public; (c) Cementir Holding is able to guarantee the confidentiality of such information.

In the case of a prolonged process that occurs in several stages and is intended to cause, or results in, a particular circumstance or event, Cementir Holding may, under its own responsibility, delay the public disclosure of Inside Information related to this process, under the conditions set out in points a), b) and c) above.

Cementir Holding, as well as persons acting on its behalf or on its account, shall draw up and keep regularly updated, a list of all persons who have access to Inside Information and who are working for them under a contract of employment, or otherwise performing tasks through which they have access to Inside Information, such as advisers, accountants or credit rating agencies (the “Insider List”).

Cementir Holding or any person acting on its behalf or on its account, shall take all reasonable steps to ensure that any person on the Insider List acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of Inside Information.

CODE OF CONDUCT FOR INTERNAL DEALING

On 13 November 2019, the Board of Director updated the Code of Conduct for Internal Dealing ("Code of Conduct"), adopted by the Company for the first time on 1st April 2006, in compliance to Dutch law. The Code of Conduct guarantees the utmost transparency and consistency of information provided to the market, with regard to reporting obligations and limitations on the purchase, sale, subscription and exchange of Cementir Holding shares carried out by Managers (Company directors and senior executives with regular access to Inside Information relating, directly or indirectly, to the Company and with the power to make managerial decisions affecting the Company's future developments and business prospects) and Persons closely associated with them.

In accordance with European regulations, the Code of Conduct provides for a black-out period for trading in the Company's shares during the 30 calendar days preceding the Company's disclosure to the market of the data contained in the annual financial statements, half-yearly reports, interim management reports (or other comparable financial statements or reports for the period) that the Company is required to publish or has decided to publish.

DISCLOSURES PURSUANT TO DECREE IMPLEMENTING ART. 10 OF EU DIRECTIVE ON TAKEOVERS

In accordance with the Dutch *Besluit artikel 10 overnamerichtlijn* (the "Decree"), the Company discloses the following:

(a) Information on the structure of the capital of the Company and the composition of the issued share capital formed entirely by common shares, are detailed in the table here below.

Share capital structure

	No. shares	Percentage of share capital	Listed
Common shares	159,120,000	100%	Borsa Italiana - Euronext STAR Milan Segment

The authorised share capital of the Company amounts to five hundred million euro (EUR 500,000,000) and is divided into five hundred million (500,000,000) shares, each with a nominal value of one euro (EUR 1).

The issued share capital of the Company at 31 December 2023, subscribed and paid up, amounts to EUR 159,120,000 subdivided into 159,120,000 nominal shares of a nominal value of EUR 1.00 each.

Information on the rights attaching to the ordinary shares is in the Company's Articles of Association, available on the Company's website. In particular, the rights attached to Cementir Holding's ordinary shares include (i) option rights on the issue of ordinary shares; (ii) the right, in person or by proxy authorised in writing, to attend and address the General Meeting; (iii) voting rights and the right to dividend distributions to the extent that the Company's equity exceeds the sum of the paid-up and called-up portion of the capital and reserves that must be maintained by law or the Articles of Association.

(b) No restrictions apply to transfer of common shares.

(c) Information on direct and indirect shareholdings in the Company's capital in respect of which notification requirements apply, pursuant to Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Act (Wet op het financieel Toezicht, hereinafter "WFT") is in the Notes to the Financial Statements section, including the shareholders who hold 3% or more of the issued common shares on the basis of information published on the AFM (Stichting Autoriteit Financiële Markten) website and other information at the disposal of the Company.

(d) No special control rights or other rights accrue to shares in the capital of the Company.

(e) No employee shareholding scheme has been established as under Art. 1 sub 1(e) of the Decree, so there is no specific procedure for the exercise of voting rights by employees.

(f) No restrictions apply to voting rights attaching to common shares in the capital of the Company, nor deadlines for exercising voting rights. The Company is not aware of any depository receipts issued for shares in its capital.

(g) The Company is not aware of any agreements with any shareholder which may result in restrictions on the transfer of shares or limitation of voting rights.

(h) The rules governing the appointment and replacement of members of the Board of Directors are stated in Art. 7.2 of the Articles of Association and described in letter a) "Composition and nomination of the Board of Directors" above. According to Art. 11 of the Articles of Association a resolution to amend the Articles of Association may only be adopted by the General Meeting at the proposal of the Board. If a proposal to amend the Articles of Association is to be submitted to the General Meeting, it shall be so stated in the notice convening the meeting, and a copy of the proposal containing the text of the proposed amendment shall be held available at the Company's office for inspection by every shareholder and other persons with meeting rights, from the date of the notice convening the General Meeting until the conclusion of such meeting.

(i) The powers of Board members are detailed in the Articles of Association and in the Board Rules, both available on the Company's website. With particular reference to the power to issue shares, shares are issued pursuant to a Board resolution if the Board has been authorised to do so by a resolution of the General Meeting for a specific period with due observance of applicable statutory provisions. If and insofar as the Board is not authorised as previously referred to, the General Meeting may resolve to issue shares at the proposal of the Board.

The Board may be authorised by the General Meeting to repurchase shares against payment. Authorisations to buy back treasury shares in the 2023 financial year have not been approved and are not in progress.

(j) The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company following a public offer within the meaning of Section 5:70 of the WFT, except for a finance agreement signed in 2021 with a pool of banks. Pursuant to this agreement the Company is required to make early repayments if there is a change of the controlling shareholder. The Company's subsidiaries have in place loan contracts that include standard clauses of change of control that are consistent with the commercial practice.

(k) The Company did not enter into any agreement with a member of the Board or an employee providing for a compensation if they resign or are made redundant without a valid reason or if they resign, are made redundant or if their employment ceases as a result of a public offer within the meaning of Art. 5:70 of the WFT.

COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE

Companies with statutory seat in the Netherlands whose shares are listed on a regulated stock exchange or comparable system are required pursuant to the Code to disclose in their annual report to what extent they apply the Principles and Provisions of Best Practice of the Code and, if they do not apply certain Best Practice provisions, to explain the reasons why they have chosen to deviate.

The Company has a governance structure made up of a one-tier Board (the Board of Directors). Pursuant to chapter 5 of the Code and the related Explanatory Notes, the principles that pertain to the members of the supervisory board are applicable to Non-Executive Directors and the principles that pertain to the members of the management board are applicable to the Executive Director. In addition, the duties and responsibilities set out in section 1 up to including 4 of the Code to the extent they refer to the chairman of a supervisory board, fall in a company with a one-tier board structure, such as Cementir Holding, within the remit of the Non-Executive Directors. As for Cementir Holding, a Senior Non-Executive Director is appointed from among the Non-Executive Directors, who serves as chairman of meetings pursuant to Dutch law (Art. 2:129a of the Dutch Civil Code) and in accordance with Best Practice provision 2.1.9. of the Code, separately from the position of the Chairman and Chief Executive Officer, being the (sole) Executive Director of the Company.

As per the date of approval of the annual financial statements for 2023, Cementir Holding complies with the principles and Best Practice provisions of the Code, subject to the following observations and explanations in respect of each of the Best Practice provisions set out hereunder.

Best Practice Provision 2.1.7.

There are three (3) independent Non-Executive Directors out of a total of seven (7) Non-Executive Directors in office until the approval of the financial statements for the 2023 financial year. Accordingly, they are almost half of the total number of Non-Executive Directors. The other four (4) Non-Executive Directors are related to a shareholder holding ten percent or more of the issued share capital of the Company. In the view of Cementir Holding such board composition is appropriate, as it is consistent with the historical composition of the Board and as it reflects the ownership structure of Cementir Holding, with a shareholder owning a substantial majority of the issued share capital. In this regard, it should furthermore be pointed out that in Cementir Holding's country of origin, where it has a secondary and operational office (Italy), it is customary for a shareholder with a majority participation to also have a majority representation on the board.

Best Practice Provision 2.2.2.

Most of the Non-Executive Directors, who were re-elected for a further three-year term by the Company's General Meeting on 20 April 2023, had already been in office for more than eight years at the time. Cementir Holding believes that renewal beyond the eight-year term set out in this Best Practice provision is appropriate, taking into consideration that, in light of the ownership structure characterising the Company, certain board members are of crucial importance and indispensable for the continuity of the Company and its business. In addition, it may be noted that the provisions of the Code only have become applicable to Cementir Holding as of 5 October 2019.

Best Practice Provision 3.4.2.

The main elements of the contract with the Executive Director were published on the Company's website in the context of the remuneration report.

Best Practice Provision 4.1.8 and 4.1.9.

The Non-Executive Directors justified their absence from the Annual General Meeting of 20 April 2023. The Executive Director attended remotely via videoconference. The independent auditor also participated via remote videoconference in the General Meeting of 20 April 2023.

CONTROL AND RESPONSIBILITY STATEMENT

In accordance with best practice 1.4.3 of the Code, it is confirmed that:

• This report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems as set out in the Internal Control and Risk Management System section of this report, where no major failings were identified in the 2023 financial year;

• The internal risk management and control systems provide reasonable assurance that the 2023 financial reporting does not contain any material inaccuracies. The Internal Control and Risk Management System section of this annual report provides further details;

• In light of the current situation, financial reporting is prepared on a going concern basis, as management has assessed the existence of the requirement. Compliance with the Code is evident in factors such as the Group's strong cash position, the available credit facilities, the Group's risk management, and the Group's ability to meet its obligations without substantial restructuring or selling of its assets. For more detailed information, please refer to the Group Performance section of this annual report together with The Internal Control and Risk Management System as set out in the notes to the Consolidated Financial Statements section of this annual report;

• This report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of 12 months after the preparation of the report. The Internal Control and Risk Management System section of this annual report together with the Group Performance section provide a clear substantiation of the abovementioned statement.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement, provided for under the Dutch *Besluit inhoud bestuursverslag*, can be found on the company's website www.cementirholding.com.

REPORT OF THE NON-EXECUTIVE DIRECTORS

INTRODUCTION

This report has been drafted in compliance with the Best Practice provision 5.1.5 of the Code: *"The Non-Executive Directors render account of the supervision exercised in the past financial year. They should, as a minimum, report on the items referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2".*

SUPERVISION BY THE NON-EXECUTIVE DIRECTORS

In compliance with the Articles of Association, the Board of Directors, as a result of its appointment by the Shareholders' Meeting of 20 April 2023, until the approval of the financial statements as at 31 December 2025, is made up of an Executive Director (Francesco Caltagirone, CEO) and seven Non-Executive Directors (Alessandro Caltagirone, Azzurra Caltagirone, Saverio Caltagirone, Fabio Corsico, Adriana Lamberto Floristan, Benedetta Navarra and Annalisa Pescatori).

The Non-Executive Directors of the Company are responsible for the supervision of the Executive Director's conduct and performance of duties, the Company's general affairs and its business, developing a general strategy, including the formulation of the strategy for realising long-term sustainable value creation and taking into account risks connected to the Cementir Group's business activities.

Non-Executive Directors also supervise at least the following key elements:

(a) ensuring compliance with all relevant laws and regulations, the Articles of Association and good corporate governance practice;

(b) integrity and quality of financial and sustainability reporting, ensuring the adequacy of financial controls and risk management systems; and

(c) reviewing the performance of the Board as a whole, each Director individually, and the committees of the Board.

Cementir Holding has a one-tier board structure, consisting of Executive and Non-Executive Directors, consequently the Non-Executive Directors exercise their duties during the meetings of the Board of Directors and, limited to its members, of the Board Committees. The Board of Cementir Holding is also composed of 7 Non-Executive Directors out of the 8 directors from which it is formed. The Audit Committee and the Remuneration and Nomination Committee are composed exclusively of independent Non-Executive Directors while the Sustainability Committee is currently composed of four directors, three of whom are non-executive and independent.

With particular regard to participation in the formulation of the long-term sustainable value strategy and the supervision of the Non-Executive Directors on its implementation, the Non-Executive Directors defined, within the work of the Board of Directors, the concrete strategy and vision of the Company and the Group, evaluating and considering the possible challenges and risks associated with its implementation. For more details, please refer to the other sections of the Report on Budget Management and the Sustainability Report - Non-Financial Statement.

With regard to the supervision exercised in relation to the policies put in place by the Executive Director and the general conduct of the Company's and the Group's affairs, the Non-Executive Directors, at the meeting of the Committees, for those who are members of them, as well as collectively within the Board, assessed the internal control and risk management system as adequate and effective and also examined the reporting process financial and sustainability.

During 2023, supervision of the Non-Executive Directors as part of the activities of the committees was carried out, inter alia, while performing the following activities:

- the examination, discussion and approval of risk assessment during the Audit Committee. Every year, Cementir Holding updates the risk assessment model for Group companies, in accordance with the Enterprise Risk Management - Integrated Framework. The Integrated Risk Management process is based on a top-down and risk-based approach, starting from the definition of Cementir Holding's Business Plan with reference to strategic, financial, operational, compliance and sustainability risks. With this process, the main risks are identified, assessed, managed and monitored taking into account the operations, risk profiles and risk management system of each business unit, to achieve an integrated risk management process. The main risks were discussed by the Non-Executive Directors constituting the Audit Committee at the meeting of 3 November 2023, who assessed the identified risks as being consistent with the Group's activities and strategy, and the measures and actions (short- and long-term) defined by management to contain the risks within the desired level. In this way, the Non-Executive Directors supervised the organisational process of identifying, assessing and managing risks and opportunities, actively participating in the process and also approving its contents at the Board of Directors on 6 November 2023;
- the approval first by the Sustainability Committee on 8 March 2023 and, subsequently, by the Board of Directors on 9 March 2023 of the Sustainability Report – Non-Financial Statement 2022 where long-term objectives are set in order to create long-term sustainable value.
- the examination by the Nomination and Remuneration Committee on 8 March 2023 of the Remuneration Report and the Remuneration Policy and subsequent proposal to the Board of Directors which discussed and approved these documents and resolved to submit them for approval at the General Meeting;
- the assessment of adequacy and effectiveness in relation to the internal control and risk management system and the examination of the financial and sustainability reporting process, which took place during the Audit Committee and Sustainability Committee on 8 March 2023 and at the subsequent Board of Directors meeting on 9 March 2023.

Non-Executive-Directors held the yearly meeting recommended by Best Practice provisions of the Code, on 9 March 2023.

More details regarding the role, the composition and the activities carried out by the Non-Executive Directors, including the “Personal Information” pursuant to Best Practice provision 2.1.2 of the Code, are set forth in the paragraph "*Board of Directors*" of the "*Corporate Governance*" section above.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

Pursuant to Best Practice provision 2.1.10 of the Code, the Report of the Non-Executive Directors, should state if the independence requirements referred to in Best Practice provisions 2.1.7 to 2.1.9 inclusive have been fulfilled and, if applicable, should also state which Non-Executive Director(s), if any, is not considered to be independent.

The independent Non-Executive Directors in office until the approval of the financial statements for the year 2025 are Adriana Lamberto Floristan, Annalisa Pescatori and Benedetta Navarra while the non-independent Non-Executive Directors are Alessandro Caltagirone, Azzurra Caltagirone, Saverio Caltagirone and Fabio Corsico. Therefore, there are three (3) independent Non-Executive Directors out of a total of seven (7) Non-Executive Directors and thus they are almost half of the total number of Non-Executive Directors; the other four (4) Non-Executive Directors are related to a shareholder holding ten percent or more of the issued share capital of the Company. In the view of Cementir Holding such board composition is appropriate, as it is consistent with the historical composition of the Board and as it reflects the ownership structure of Cementir Holding, with a shareholder owning a substantial majority of the issued share capital. In this regard, it should furthermore be pointed out that in Cementir Holding's country of origin, where it still has a secondary and operational office (Italy), it is customary for a shareholder with a majority participation to also have a majority representation on the board.

Pursuant to Best Practice provision 2.1.9 of the Code, the Board of Directors, on 27 April 2023, appointed Adriana Lamberto Floristan as Senior Non-Executive Director among the Non-Executive Directors, with the role of chairing the Board as prescribed by Dutch law (Art. 2:129a of the Italian Civil Code) and in accordance with the Company's Articles of Association and Article 2.3.7 of the Board Regulation, as distinct from the office of Chairman and Chief Executive Officer, which is held by the sole Executive Director.

Finally, with reference to Best Practice provision 2.2.2 of the Code, most of the Non-Executive Directors who were re-elected for a further period of three years by the Company's Shareholders' Meeting of 20 April 2023, had already been in office for over eight years at the time. Cementir Holding believes that renewal beyond the eight-year term set out in this Best Practice provision is appropriate, taking into consideration that, in light of the ownership structure characterising the Company, certain board members are of crucial importance and indispensable for the continuity of the Company and its business. In addition, it may be noted that the provisions of the Code only have become applicable to Cementir Holding as of 5 October 2019.

With said clarifications, the independence requirements set forth in Best Practice provision 2.1.10 of the Code are otherwise met. On the basis of the declarations received from the independent directors and the discussion carried out during the annual verification of the requirements for the Company's permanence on the Euronext STAR Milan segment, the Remuneration and Nomination Committee and, subsequently, the Board of Directors, verified the existence of the independence requirements of the same directors qualified as such.

ASSESSMENT BY THE NON-EXECUTIVE DIRECTORS

Pursuant to Best Practice provisions 2.2.6 and 2.2.8 of the Code, the Non-Executive Directors of Cementir Holding have conducted, for the financial year 2023, an assessment of the size, composition and functioning of the Board, the Committees and its individual members, also focusing on substantial aspects, conduct, culture, interaction and mutual collaboration, significant concrete events, indicating: (i) the method by which the assessment of the Non-Executive Directors was conducted, both as a whole and individually, and the assessment of the committees; (ii) the method by which the Executive Director’s assessment was conducted; (ii) concluding remarks and suggestions for possible improvements in the functioning of the Board.

The assessment is carried out yearly by the Directors filling in questionnaires regarding the size, composition and functioning of the Board, its members and committees and, upon their request, through a personal interview. Cementir Holding’s Corporate Affairs Department deals with the collection and management of feedback confidentially. The assessment takes into account the replies of the Non-Executive Directors who expressed their views completing the aforementioned questionnaires.

The Non-Executive Directors expressed unanimous satisfaction with the functioning of the Board of Directors and appreciation for its composition, in particular in terms of skills and experience, and suggested the opportunity – in the event of a possible increase in the number of the Board itself – to consider new members from other countries where the Group has a significant presence (Denmark or Türkiye). A great awareness emerged with regard to training and information activities of various kinds, and the usefulness of inductions aimed at increasing knowledge of the reality and dynamics of the company was highlighted, organised in particular on the occasion of the entry of new members but also in the field of digitisation and cybersecurity, which it is hoped will continue in any event. The Board unanimously declared its commitment to achieving greater diversity and inclusion in its composition and in the composition of the Company's senior management, including through the determination of challenging targets, in order to create an increasingly differentiated and inclusive work environment. They also all agreed on the role played by the Board of Directors, in accordance with the division of tasks between executive and non-executive directors, in pursuing the objective of creating long-term sustainable value. The Board's role in monitoring the internal control and risk management system has been widely recognised, including the supervision of Non-Executive Directors with the help of the Group's whistleblowing system and the verification and control activities carried out by the internal audit function;

equally ample recognition was given to the contribution of substantial independence made by the independent directors. Almost all of the Directors positively evaluated the knowledge of the corporate culture

Among the Board's areas of excellence were: the efficiency, availability and collaboration between the members and in general the significant engagement of the same in the activities on the agenda; the diversity of experiences and professional backgrounds that allow for multiple points of view on the topics under discussion; financial management; risk management, attention to ESG issues. Some of the Non-Executive Directors also highlighted, among the areas for improvement, in addition to the focus dedicated to strategic issues also with the Executive Director's insights on geopolitical scenarios, the possibility of extending skills to certain specialised areas of the group's business, such as logistics and the product portfolio. In addition, some directors identified among the possible areas for improvement of the Board a greater focus on M&A and Energy transition issues as well as - more generally - the opportunity to increase the level of knowledge among the members of the Board and their involvement as well as to increase the number of meetings to further strengthen the structured approach to strategic issues, maintaining a significant level of information, even in the interval between board meetings.

The management structures of Cementir Holding were deemed adequate and effective for the achievement of the objectives set by the Company, the interaction between the bodies constructive and appropriate, while suggesting the opportunity for a greater in-depth study of the activities of the Ethics Committee in the Board, also in favour of the interaction of the same committee with the other corporate bodies.

The role of the Executive Director was particularly appreciated in relation to the operational management of the Company, defining the objectives of the Cementir Group and managing the corporate performance, within the scope of the responsibility for creating profit and analysing and proposing strategic opportunities that contribute to the growth of the Group. Non-Executive Directors believe that the Executive Director has ensured compliance with applicable laws and regulations, the Articles of Association and good corporate governance practices, has appropriately maintained relations with the media, the market stakeholders and shareholders and has also carried out the decisions of the Board of Directors, determined the objectives of the Board of Directors, preparing the annual financial documentation in accordance with the applicable regulations. Furthermore, the Non-Executive Directors believe that the powers attributed to the Executive Director allow the Board of Directors to adequately exercise the duties of direction and control over management and corporate risks. Finally, all the responses of the non-Executive Directors converge in considering the current configuration of the system of delegations to the Executive Director as defined in the Board Rules to be appropriate.

In relation to the Audit Committee, the Non-Executive Directors appreciated and were in agreement with the contribution of this Committee and deemed its composition to be essentially adequate. All Non-Executive Directors agreed that the Audit Committee periodically gives the Board of Directors an accurate, effective and substantial picture of the control activities to be carried out, with an indication of the priorities. The Non-Executive Directors also believe that the Committee promptly provides the Board of Directors with the necessary documentation and information and that the activities carried out are explained to the Board of Directors in a clear and effective manner. In this regard, several directors – highlighting the importance of the Audit Committee's activities – have therefore highlighted that the most significant contribution for the Board of Directors is the awareness of an effective and in-depth examination of the issues within its competence, including in the field of risk management.

All the members of the Audit Committee considered the average number and duration of meetings held in 2023 to be adequate and unanimously considered that the risk assessment and the consequent monitoring of the main risks by the Company are carried out satisfactorily and that the relationship between the Committee in question and the Group Functions is continuous and effective. All members also agreed that the organisational framework for risk governance is adequate and satisfactory. The Audit Committee has the technical skills and experience necessary for the credible and effective performance of its functions and all members have had the opportunity to access information relevant to the exercise of their role, even in the interval between scheduled meetings.

The members ensured total attendance at the meetings of the Audit Committee (more details can be found in Table B - “Attendance” in the “Corporate Governance” section, paragraph “*Role of the Board of Directors*”).

More information regarding the role, the composition and the activities carried out by the Audit Committee, are set forth in the “Corporate Governance” section, paragraph "Board Committees".

In relation to the Remuneration and Nomination Committee, the Non-Executive Directors appreciated and were in agreement with the contribution of this Committee and deemed its composition to be essentially adequate.

A number of Non-Executive Directors, also in view of the recent arrival of some members, expressed the hope that the Committee, in its new composition, would be able to look more closely at the remuneration of the Chief Executive Officer and the remuneration systems in place, with particular reference to the Short Term and Long Term Incentive, especially in view of the activities on the agenda for 2024.

The Non-Executive Directors unanimously assessed that the Committee timely provides the Board of Directors with the necessary documentation and information and that the activities carried out were clearly and effectively illustrated to the Board of Directors and the related recommendations were adequately discussed, having an impact on the decisions of the Board itself.

The members of the Remuneration and Nomination Committee all deemed the number and average duration of the meetings held in 2023 to be adequate. The Remuneration and Nomination Committee, as a whole, has the skills and experience necessary for the credible and effective performance of its functions and the members have had the opportunity to access information relevant to the exercise of their role, for which they have expressed consideration, in the hope of being able to further increase their contribution during the next financial year also through meetings of longer duration.

The members ensured total attendance at the meetings (more details can be found in Table B - “Attendance” in the “Corporate Governance” section, paragraph “*Role of the Board of Directors*”).

More information regarding the role, the composition and the activities carried out by the Remuneration and Nomination Committee, are set forth in the “*Corporate Governance*” section, paragraph "Board Committees".

With reference to the Sustainability Committee, the Non-Executive Directors all considered the Committee's contribution appreciated and shared, as well as substantially agreed that its composition is adequate.

In addition, the Non-Executive Directors, acknowledging the importance of the choice made by the Company with regard to sustainability, considered as an area of excellence and of undoubted strategic role also for medium and long-term investments, expressed a unanimous opinion on the effectiveness of the role played by the Committee for the benefit of the Board in relation to the development and promotion of a healthy environment, safe and secure for all stakeholders and, more generally, in relation to sustainable development and social responsibility.

The Non-Executive Directors then considered that this Committee supports the decisions of the Board of Directors by providing the necessary assistance and technical support and, therefore, expressed their opinion that the Committee in question is carrying out its role satisfactorily and in accordance with its regulations. In this regard, the training received and the direct dialogue with the Company's technicians and operatives was particularly appreciated, also for the related practical usefulness.

The majority of the members of the Sustainability Committee considered the average duration of meetings to be adequate. The Sustainability Committee is considered, as a whole, to possess substantially the skills and experience – assessed as well balanced due to the presence of the diversified professionalism of the members – necessary for the performance of its functions. The hope expressed is that the Company will continue to focus on the issue of sustainability, to complete the process started, since the complete implementation will take years, also due to the related technical implications. Also for the Sustainability Committee, several directors suggested further increasing training, recognising the importance of that organised by the Company as well as that carried out personally, through updates and events relevant to the subject.

All members of the Committee attended the meetings (more details are given in Table B - “Attendance” in the “Corporate Governance” section, paragraph “*Role of the Board of Directors*”).

More information regarding the role, the composition and the activities carried out by the Sustainability Committee, are set forth in the “*Corporate Governance*” section, paragraph "Board Committees".

COMMITTEE REPORTS

Pursuant to Best Practice provision 2.3.5 of the Code, the Non-Executive Directors received the reports of each Committee.

By resolution of 27 April 2023, the Board of Directors established the Audit Committee, the Sustainability Committee and, combining the tasks of the Remuneration Committee and the Selection and Appointment Committee into a single committee, the Remuneration and Nomination Committee.

The duties and responsibilities of these Committees are defined in the respective regulations (published on the Company's website) approved by the Board of Directors pursuant to Art. 7.1.4 of the Articles of Association and updated on 27 April 2023 in light of the new provisions of the Code.

The Audit Committee is currently made up of 3 (three) Non-Executive Directors, all independent: Benedetta Navarra (Chairman), Annalisa Pescatori and Adriana Lamberto Floristan.

The Remuneration and Nomination Committee is currently made up of 3 (three) Non-Executive Directors, all independent: Annalisa Pescatori (Chairman), Benedetta Navarra and Adriana Lamberto Floristan.

The Sustainability Committee is currently composed of 1 (one) Executive Director, Francesco Caltagirone (chairman) and 3 (three) independent Non-Executive Directors: Benedetta Navarra, Annalisa Pescatori and Adriana Lamberto Floristan.

Further information relating to the number of meetings, the performance of the tasks assigned and the main topics discussed in the meetings of the Committees, are contained in the "Corporate Governance" section in the paragraphs "Audit Committee", "Remuneration and Nomination Committee" and “Sustainability Committee”.

The participation of Non-Executive Directors in the meetings of their respective Committees to which they belong, also for the purposes of the disclosure established in Best Practice provision 2.4.4, is detailed in the “Corporate Governance” section, Table B of the paragraph “*Role of the Board of Directors*”.

OTHER INFORMATION

ALTERNATIVE PERFORMANCE INDICATORS

The Cementir Group uses some alternative performance indicators to enable a better assessment of the performance of economic management and the capital and financial situation. In line with that established in the ESMA/2015/1415 guidelines, the meaning and contents of those indicators are noted below.

- EBITDA: is an indicator of operating performance calculated by adding together “EBIT” and “Amortisation, depreciation, impairment losses and provisions”;
- Net financial debt: is an indicator of financial structure calculated according to Consob Communication No. 6064293/2006, updated based on the Notice no. 5/21 of 29 April 2021 in implementation of the recommendations contained in paragraph 175 of ESMA Recommendation 32-382-1138 of 4 March 2021, as the sum of the items:

- Current financial assets;
- Cash and cash equivalents;
- Current and non-current financial liabilities.

- Net capital employed: is calculated as the total amount of non-financial assets, net of non-financial liabilities.

NON-FINANCIAL STATEMENT

Cementir is committed to developing a business model in line with the sustainability strategic goals and the CO_2 emission reduction targets judged by the Science Based Targets initiative (SBTi) to be consistent with a 1.5°C world.

In February 2024, the Science Based Targets Initiative (SBTi) validated that the CO_2 reduction targets for the near-term (2030) and long-term (2050) defined by Cementir are in line with the 1.5°C Scenario. SBTi disclosed the approval of the target on February 29, 2024.

<u>Overall Net-Zero Target</u>: Cementir commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

<u>Near-Term Targets</u>: Cementir commits to reduce gross scope 1 and 2 GHG emissions 29.33% per ton of cementitious materials by 2030 from a 2021 base year and commits to reduce gross scope 3 GHG emissions from purchased goods and services 23.00% per ton of purchased clinker and cement by 2030 from a 2021 base year.

<u>Long-Term Targets</u>: Cementir. commits to reduce gross scope 1 and 2 GHG emissions 96.1% per ton of cementitious materials by 2050 from a 2021 base year and commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2021 base year.

Cementir's daily commitment to sustainable development is evidenced by its participation in the UN Global Compact. Although it is only a voluntary practice, in 2023, Cementir has decided to publicly disclose the company’s 2022 data on the official UN Global Compact’s platform - CoP (Communication on Progress). In 2023 Cementir received an ‘A-’ rating for climate change management from CDP, thus confirming the rating obtained in 2022 and placing Cementir above the cement and ready-mixed concrete industry average (B) and the European average (B). For the second time, Cementir also obtained an ‘A-’ rating for water management ('Water Security'). Again, the rating obtained places the Group above the average for the cement and ready-mixed concrete sector (B) and the European average (C).

EU Taxonomy

The EU Taxonomy has been introduced by Regulation EU/2020/852 (also referred to as the «EU Taxonomy Regulation») as part of the European Commission's action plan to redirect capital flows towards a more sustainable economic system. The Taxonomy represents a classification system to establish which economic activities can be considered environmentally sustainable. The purpose of this Regulation is to protect private investors from greenwashing while simultaneously assisting companies in understanding what types of investments are required to make their business activities sustainable from an environmental standpoint.

The six environmental objectives to which economic activities can potentially contribute as Taxonomy-eligible activities are:

1. Climate Change Mitigation;
2. Climate Change Adaptation;
3. Sustainable Use of Water and Marine Resources;
4. Transition to a Circular Economy;
5. Pollution Prevention and Control;
6. Protection and Restoration of Biodiversity and Ecosystems.

To be classified as Taxonomy-aligned, and therefore environmentally sustainable, eligible activities must:

- substantially contribute to the achievement of at least one of the six aforementioned environmental objectives;
- do not significantly harm (DNSH) any of the other environmental objectives;
- comply with the minimum safeguards criteria pertaining to human and labour rights, bribery, taxation, and fair competition.

Starting from their annual reports on fiscal year 2022, non-financial corporations were required to extend the analysis of eligibility conducted on fiscal year 2021 by reporting on the level of alignment of their economic activities. However, as of 2023, technical screening criteria had only been published with reference to the environmental objectives of climate change mitigation and climate change adaptation. Consequently, Cementir Group's 2022 Taxonomy disclosure only focused on the requirements set out for the two climate-related environmental objectives.

For the present disclosure on fiscal year 2023, the remaining environmental delegated acts having been published, the analysis includes the required screening of eligibility and alignment to the objectives of climate change mitigation and climate change adaptation plus the required screening of eligibility to the remaining objectives. On a voluntary basis, as detailed below, Cementir has also conducted the alignment analysis in relation to the identified eligible activity to the remaining environmental objectives.

Looking ahead, the Group is closely monitoring the developments of the EU Taxonomy in relation to the possible development of a social and governance Taxonomy and to the compliance with the Corporate Sustainability Reporting Directive (CSRD) that will require to integrate the Taxonomy disclosure in a dedicated section of its Management Report.

EU Taxonomy - Eligibility Assessment

In continuity with the activities performed in the previous years, Cementir conducted the eligibility assessment by associating the Group's economic activities with the descriptions of the eligible activities provided by the Taxonomy Delegated Acts and used the activity codes of the Statistical Classification of Economic Activities in the European Community (NACE codes) as a guide. During this phase, only the inclusion of the Group's economic activities among those listed by the delegated acts has been evaluated, irrespectively of whether such activities were suitable to meet any of the technical screening criteria established by the Regulation.

From this analysis, Cementir Group identified the following eligible economic activities:

Table 1: Eligible Activities

Activity	Description	Climate Change Mitigation	Climate Change Adaptation	Sustainable use and protection of water and marine resources
2.1 Water Supply	Construction, extension, operation, and renewal of water collection, treatment and supply systems intended for human consumption based on the abstraction of natural resources of water from surface or ground water sources.			✓
3.7. Manufacture of cement	Manufacture of cement clinker, cement or alternative binder.	✓	✓	
4.25 Production of heat/cool using waste heat	Construction and operation of facilities that produce heat/cool using waste heat.	✓	✓	
5.5. Collection and transport of non-hazardous waste in source separated fractions	Separate collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling.	✓	✓	
5.9 Material recovery from non-hazardous waste	Construction and operation of facilities for the sorting and processing of separately collected non-hazardous waste streams into secondary raw materials involving mechanical reprocessing, except for backfilling purposes.	✓	✓	

The identified eligible activities are equivalent to the ones identified for fiscal year 2022 except for the inclusion of activity 2.1. Water Supply. The latter can contribute to the objective of sustainable use of water and marine resources and its technical screening criteria have been made available in the newly delegated act containing the technical screening criteria for the remaining environmental objectives. As such, this inclusion needs to be understood as a natural progression in the application of the EU Taxonomy Regulation.

An additional note should be made in relation to activities 5.5. Collection and transport of non-hazardous waste in source separated fractions and 5.9. Material recovery from non-hazardous waste that this year are limited to the legal entity of Sureko.

Lastly, it should be emphasized that the economic activities that have not been identified as Taxonomy-eligible are simply not included in the EU Taxonomy Regulation at present and, therefore, do not constitute any form of non-compliance. This is the case for the production of white cement, ready-mix concrete, aggregates, and concrete products, activities which are not yet included in the Delegated Acts of the EU Taxonomy Regulation and represent 61.88% of Cementir Group's 2023 total turnover.

Please find in the table reported below the list of the Group's legal entities linked to each eligible economic activity identified:

Table 2: Group's Legal Entities – Eligibility

Activity 2.1 Water Supply

Compagnie des Ciments Belges S.A.	Recovery and potabilization of water removed during the exploitation of our quarry of limestone in Clypot (Belgium)

Activity 3.7. Cement Production

Cimentas AS	Production of grey cement only with its plants located in Izmir and Trakya.
Kars Cimento AS	Production of grey cement only
Elazig Cimento	Production of grey cement only
Aalborg Portland A/S	Production of grey cement and white cement. Only the grey cement part is considered in the analysis.
Compagnie des Ciments Belges S.A.	Production of grey cement, ready-mixed concrete and aggregates. Only the grey cement part is considered in the analysis.
Aalborg Islandi	It does not produce grey cement, but resells the grey cement purchased within the group.
CCB France SAS (CCBF)	It does not produce grey cement, but resells the grey cement purchased within the group.
Spartan Hive SpA	It does not produce grey cement, but resells the grey cement purchased within the group.

Table 3: Activity 4.25. Heat/cooling production using waste heat

Aalborg Portland A/S	Recovery of waste heat used for district heating in the area surrounding the plant.

Table 4: Activity 5.5. Collection and transport of non-hazardous waste in source-separated fractions

Sureko SA	Collection and transport of hazardous and non-hazardous waste.

Table 5: Activity 5.9. Recovery of materials from non-hazardous waste

Sureko SA	Recycling of produced materials (ferrous materials, aluminium, etc.) and fuels from waste.

EU Taxonomy - Alignment Assessment

As anticipated, for its 2023 non-financial disclosure, Cementir Group is required to conduct the alignment analysis for the identified eligible activities to the objectives of climate change mitigation and climate change adaptation. However, on a voluntary basis, the Group has also conducted the alignment analysis for activity 2.1. Water Supply, eligible to the objective of sustainable use of water and marine resources.

As a result of the alignment analysis, Cementir Group identified Taxonomy-aligned economic activities for three legal entities within the scope of eligibility:

- Compagnie des Ciments Belges S.A. for activity 3.7. Manufacture of cement;
- Cimentas A.S. limited to the operations taking place in Trakya's plant for activity 3.7. Manufacture of cement;
- Aalborg Portland A/S for activity 3.7. Manufacture of Cement limited to the grey cement production and for activity 4.25. Production of heat/cool using waste heat.

For these activities, Cementir Group has been able to meet all the respective technical screening criteria detailed in the Delegated Acts of the EU Taxonomy Regulation.

In relation to activity 2.1. Water Supply, it was found that it does not produce turnover and that it should be considered as an individual measure enabling the target activity to become low-carbon or to lead to greenhouse gas reductions. Its voluntary alignment assessment resulted in partial compliance due to the non-applicability of several of the technical screening criteria. Awaiting to witness the application of such criteria on a broader scale and the possibility to conduct deeper research on the subject, activity 2.1. Water Supply is not considered aligned in light of the present disclosure.

With special regard to activity 3.7. Manufacture of cement, the Group's core business, alignment was found to be limited to three legal entities because of the ambitious emissions thresholds set out by the criteria of Substantial Contribution to Climate Change Mitigation and of Do Not Significant Harm to Climate Change Mitigation. As of 2023, the plants of Aalborg Portland A/S, Compagnie des Ciments Belges S.A., and Cimentas A.S. - Trakya respect one such limitation on emissions – the one set by the Do Not Significant Harm to Climate Change Mitigation. However, as further explained below, the Group has developed an investment plan which will allow to cut GHG emissions on several other plants in the coming years. The very inclusion of Aalborg Portland A/S for 2023 is an example of such developments.

Despite representing a residual part of Cementir Group's business activities, the production of heat recovered from Aalborg's kiln operations has been assessed as aligned with the EU Taxonomy as it is conducted by respecting all technical screening criteria.

As for the 2022 disclosure, activities 5.5. Collection and transport of non-hazardous waste in source separated fractions and 5.9. Material recovery from non-hazardous waste could not be considered Taxonomy-aligned due to the non-compliance with the criteria of Substantial Contribution to Climate Change Adaptation and of Do Not Significant Harm to Climate Change Adaptation. In fact, while an assessment of the physical climate risks has been conducted for the Group's cement producing facilities, for the moment such analysis has not been extended to legal entities conducting waste management activities. Based on the gaps identified in our analysis, it was deemed reasoned to assign the percentage of eligibility of these activities to the objective of Climate Change Adaptation.

EU Taxonomy - Substantial Contribution and Do No Significant Harm (DNSH)

As required, all identified eligible economic activities were screened to assess the compliance with the Substantial Contribution criteria and the Do No Significant Harm criteria. The analysis allowed to distinguish between eligible-not aligned activities and eligible-aligned activities. We hereby report the assessment results of the eligible-aligned activities.

Activity 3.7 Cement Production (Aalborg Portland A/S, Cimentas A.S. - Trakya and Compagnie des Ciments Belges S.A.)

Requirements	Elements of compliance
Substantial contribution to climate change adaptation	For all its cement production facilities Cementir Holding N.V. conducted a physical climate risk assessment in line with the provisions of the Taxonomy Regulation. In accordance, the appropriate adaptation solutions for the identified risks have been assessed and implemented.
Do no significant harm to climate change mitigation	For Aalborg Portland A/S, Cimentas A.S. – Trakya and Compagnie des Ciments Belges S.A., the greenhouse gas emissions from grey cement clinker production processes are lower than 0.816 tCO2e per ton of clinker manufactured.
Do no significant harm to the use and protection of water and marine resources	Environmental degradation risks related to preserving water quality and avoiding water stress have been identified and addressed and a water use and protection management plan has been developed accordingly. For Aalborg Portland A/S and Compagnie des Ciments Belges S.A. the Environmental Impact Assessment was carried out in accordance the most up to date European Directives. For Cimentas A.S. - Trakya the Environmental Impact Assessment was carried out in accordance with equivalent local regulation and standards.
Do no significant harm to pollution prevention and control	Neither activity leads to the manufacture, placing on the market or use of substances included in Appendix C of Annex I to the Climate Delegated Act. Moreover, emissions from all three plants are in line with the BAT-AEL ranges and no significant cross-media effects occur. In accordance, measures are in place to ensure the safe handling of waste in the manufacturing of cement employing hazardous wastes as alternative fuels.
Do no significant harm to the protection and restoration of biodiversity and ecosystems	For Aalborg Portland A/S and Compagnie des Ciments Belges S.A. the Environmental Impact Assessment was carried out in accordance with the most up to date European Directives. The Environmental Impact Assessments carried out for the sites of Cimentas A.S. Trakya were conducted in accordance with local regulation and standards equivalent to the European ones. The sites of Aalborg Portland A/S and of Cimentas A.S. Trakya are not located within or near biodiversity sensitive areas such as to have a significant impact on them.

4.25 Production of heat/cool using waste heat (Aalborg Portland A/S)

Requirements	Compliance elements
Substantial contribution to climate change mitigation	The activity produces heat or cool from waste heat.
Do no significant harm to climate change adaptation	For all its cement production facilities Cementir Holding N.V. conducted a physical climate risk assessment in line with the provisions of the Taxonomy Regulation. In accordance, the appropriate adaptation solutions for the identified risks have been assessed and implemented. Being the activity under scrutiny conducted within the Aalborg Portland A/S plant, the assessment was deemed sufficient.
Do no significant harm to the transition to a circular economy	The activity uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.
Do no significant harm to pollution prevention and control	The pumps and equipment of the Aalborg Portland A/S plant comply with the top class requirements of the energy label..
Do no significant harm to the protection and restoration of biodiversity	The Environmental Impact Assessment for Aalborg Plant A/S was carried out in accordance with the most up to date European Directives. The plant is not located within or near biodiversity sensitive areas such as to have a significant impact on them.

It is worth noticing that the compliance with the criteria for both Substantial Contribution and Do No Significant Harm for the objective of Climate Change Adaptation across all the identified taxonomy-aligned economic activities is the outcome of the Physical Climate Risk Assessment conducted by the Group. The risks associated with 7 climate change hazards (namely water stress, floods, heatwaves, cold waves, hurricanes, wildfires and sea level rise) have been analyzed based on a medium- and long-term scenario-analysis on the geographical locations in which Cementir Group owns cement production facilities. Such analysis allowed the Group to determine which of these risks need to be considered material and what kind of adaptation solutions need to be implemented to prevent negative effects in sensitive geographical areas. In particular, the assessment was based on 3 different climate scenarios (High Climate Change Scenario RCP8.5, Moderate Climate Change Scenario RCP4.5, Low Climate Change Scenario RCP2.6), using 2020 as the baseline and projecting the respective effects at 2030 and 2050. For further information regarding the analysis please refer to the Sustainability Report 2024.

With regard to the Do No Significant Harm criteria to the objective of Climate Change Mitigation in relation to activity 3.7 Manufacture of cement, the Climate Delegated Act defines thresholds of greenhouse gas emissions for unit of grey cement and clinker produced which the producing plants must not surpass in order to meet the criteria for alignment. According to the Climate Delegated Act, the amount of GHG emissions considered needs to be calculated by adopting the methodologies detailed by regulation EU/2019/331, used for determining the allocation of emission allowances in the context of the European Union Emissions Trading System (EU ETS). Accordingly, Cementir Group assessed the emissions of all its plants producing grey cement against the emission thresholds defined by the EU Taxonomy Regulations for both the production of grey cement and clinker. While the amount of emissions per ton of grey cement manufactured currently exceeds the threshold for all existing plants, emissions per ton of clinker produced have been recorded below the established threshold for the plants of Trakya (Cimentas A.S.) and Compagnie des Ciments Belges S.A.

In the context of the Group's 2030 Roadmap described in the Sustainability Report 2023 of Cementir Holding N.V. identified a series of investments aimed at progressively reducing the amount of emissions associated with cement production activities by recurring to both incremental efficiency-driven interventions and disruptive technologies which could considerably improve the environmental performance of the Group's cement producing facilities. According to such investment plan, most of the Group's plants producing grey cement and clinker will reduce emissions below the thresholds defined within the EU Taxonomy Regulation by the year 2030, thus allowing other Cementir's grey cement production plants to reach alignment (in case all other technical screening criteria will still be met by these plants). Please, find in the following table the share of CapEx invested in FY2023 as part of the aforementioned 2030 Roadmap:

Aligned Roadmap CapEx	**Euro (FY 2022)**	**Euro (FY 2022)**
Aalborg Grey Cement	5,297,294	5,355,470
CCB Grey Cement	14,645,000	10,700,00

<u>EU Taxonomy - Minimum Safeguards</u>

Compliance with the minimum safeguard criteria was assessed based directly on Art. 18 of the Regulation 852/2020 and on 'Final Report on Minimum Safeguards' published in October 2022 by the Platform on Sustainable Finance (PSF), the advisory body constituted by the European Commission to coordinate the development and the implementation of the EU Taxonomy Regulation. The analysis focused on whether Cementir Group respects the OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines) and the UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and The International Bill of Human Rights.

More specifically, Cementir Group's assessment for compliance was based on the following 4 areas of analysis for which it has not been convicted in court cases:

- human rights: Cementir Group annually conducts due diligence activities focused on human rights by having all legal entities undergo a self-assessment survey and conducting related audits to verify the accuracy of the information reported. Cementir operates to promote and ensure that these are respected in all its operations and those of its suppliers. The Group has also defined its Human rights Policy, which can be downloaded from the corporate website under the section Governance/Ethics and Compliance;
- corruption and bribery: the Group adopted policies, measures, programmes and internal control systems to ensure ethics and compliance in the fight against corruption. Relevant policies in this area include: the Anti-bribery Policy, the Supplier code of conduct, the Code of ethics. More information can be found on the Sustainability Report 2023;
- taxation: the Group conducts its business activities in a manner that complies with tax regulations in all the countries its operations take place, and institutes internal control procedures to guarantee compliance with such regulations. More information can be found on the Cementir's approach to taxes, on the Sustainability Report 2023;
- fair competition: Cementir Holding N.V. conducts its business activities in a manner that complies with all applicable laws focusing on fair business competition and requires its employees to complete topic-specific training to prevent risks of occurrence.

Moreover, the Group is aware of the integration of D&I requirements within the minimum safeguards and, in accordance with Dutch law and the New Dutch Code of Corporate Governance, it set diversity targets for a good balance of D&I aspects in the Board and in the Senior Management. As a matter of fact, Cementir reports the board gender diversity and during 2023 it conducted a pilot project to calculate the gender pay gap of its Turkish workforce, region selected based on the ease of data processing. This pilot will then be extended with the goal to collect and calculate the gender pay gap of the whole workforce. More information can be found on the Sustainability Report 2023. Lastly, the Group is not involved in the manufacture or selling of controversial weapons.

EU Taxonomy - Indicators and Accounting Policies

The proportion of Cementir Group's turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with the execution of their eligible and aligned economic activities are hereby reported in accordance with Article 8 of the EU Taxonomy Regulation and its respective supporting Delegated Act. In compliance with the instructions provided by the EU Taxonomy Regulation to avoid double counting (Sect. 1.2.2.2. (c) of Annex I to the Art. 8 Delegated Act) the activities identified as aligned were attributed to a single environmental objective.

Proportion of economic activities Taxonomy-eligible and Taxonomy-aligned in terms of turnover, capital expenditure (CapEx) and operating expenditure (OpEx).				
Year 2023	Total EUR	Proportion of taxonomy-eligible economic activities (%)	Proportion of taxonomy-aligned economic activities (%) Substantial contribution to **climate change mitigation** (Obj 1)	Proportion of taxonomy-aligned economic activities (%) Substantial contribution to **climate change adaptation** (Obj 2)
Turnover	1,694,246,561	38.12%	0.29%	28.22%
Operating expenditure (OpEx)	132,941,586	33.83%	0.38%	26.58%
Capital expenditure (CapEx)	132,400,955	46.32%	0.15%	38.51%

EU Taxonomy - Turnover

The proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in terms of total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible and Taxonomy-aligned economic activities (numerator) divided by the total consolidated net turnover (denominator).

For further details on our accounting policies regarding our consolidated net turnover, see chapter 'Accounting policies' of the 2023 Annual Report. The accounting items for this indicator have been derived from the 2023 consolidated Profit & Loss statement of Cementir Group.

For legal entities considered in scope of eligibility, only revenues pertaining to the identified eligible economic activities have been considered. As a consequence, all sales associated with activities different from those described in Table 1 have been excluded from the calculation of the numerator for the turnover KPI.

EU Taxonomy - CapEx

The proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in terms of capital expenditure is defined as Taxonomy aligned Capex (numerator) divided by total Capex (denominator).

Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortization, and any re-assessments, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), right-of-use assets (IFRS 16) and investment properties (IAS 40). Additions resulting from business combinations are also included. Goodwill is not included in Capex, as it is not defined as an intangible asset in accordance with IAS 38. For further details on our accounting policies regarding our Capex, see chapter 'Accounting policies' of the 2023 Annual Report.

Investments are extrapolated from Cementir's 2023 Statutory Book. The accounting items selected from the statutory book are tangible investments and intangible investments. The numerator consists of 'Capex related to assets or processes that are associated with Taxonomy-eligible economic activities' (Sect. 1.1.2.2. (a) of Annex I to Art. 8 Delegated Act), eventually of investments that are part of Cementir's 2030 Investment Plan to allow Taxonomy-eligible cement production activities to become Taxonomy-aligned (Sect. 1.1.2.2. (b) of Annex I to Art. 8 Delegated Act), and of individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions (Sect. 1.1.2.2. (c) of Annex I to Art. 8 Delegated Act).

Since Aalborg Portland A/S produces both grey and white cement, it was necessary to use a driver to select only the proportion of eligible CapEx that was computed based on the proportion of tonnes of grey cement produced on total tonnes produced by the entity (77.30%).

EU Taxonomy - OpEx

The proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in terms of operating expenditure is defined as Taxonomy-eligible or Taxonomy-aligned Opex (numerator) divided by total Opex (denominator). This indicator is limited to non-capitalized costs related to research and development, repair and maintenance costs, personnel costs linked with maintenance, repair and cleaning costs, building renovation measures, and short-term leases.

Operating expenditures are selected from the 2023 managerial profit and loss statements of the Group. The numerator includes the portion of the above-mentioned accounting items linked with eligible economic activities.

As for the CaEx KPI, since Aalborg Portland A/S produces both grey and white cement, it was necessary to use a cost driver to calculate the OpEx KPI, as well. Again, this was based on the proportion of tons of grey cement produced in relation to the total tons produced by the entity (77.30%).

Legenda for templates reported in the following pages.

For the purposes of tabular representation, the following legend applies:

(1) Climate Change Mitigation: CCM;
(2) Climate Change Adaptation: CCA;
(3) Water and Marine Resources: WTR;
(4) Circular Economy: CE;
(5) Pollution Prevention and Control: PPC;
(6) Biodiversity and ecosystems: BIO;
MS Minimum Safeguards.

For the reading of the alignment section of the templates, the following legend applies:

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;
N/A – Not applicable, technical screening criteria not listed by the Regulation.

For the reading of the eligibility section of the templates, the following legend applies:

N/EL - not eligible, Taxonomy non-eligible activity for the relevant environmental objective;
EL - Taxonomy eligible activity for the relevant objective;
N/A - Not applicable.

Table 6 - Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	**Code**	**Turnover**	**Proportion of Turnover, year N**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year 2022**	**Category enabling activity**	**Category transitional activity**
		mlnEUR	%	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of Cement	CCM 3.7 / **CCA 3.7**	478,074,589.31	28.22%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	N/A	Y	N/A	Y	Y	Y	11.71%	-	-
Production of heat/cool using waste heat	**CCM 4.25** / CCA 4.25	4,879,000.00	0.29%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	Y	Y	Y	Y	0.49%	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		482,953,589.31	28.51%														12.20%		
Of which Enabling		-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	-	-
Of which Transitional		-	0.00%	-						-	-	-	-	-	-	-	0.00%	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Manufacture of Cement	CCM 3.7 / **CCA 3.7**	160,778,021.83	9.49%	EL	EL	N/EL	N/EL	N/EL	N/EL								18.91%	-	-
Collection and transport of non-hazardous waste in source separated fractions	CCM 5.5 / **CCA 5.5**	1,874,575.00	0.11%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.13%	-	-
Material recovery from non-hazardous waste	CCM 5.9 / **CCA 5.9**	181,333.00	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.04%	-	-
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		162,833,929.83	9.61%																
A. Turnover of Taxonomy eligible activities (A1+A2)		**645,787,519.13**	**38.12%**	**0.29%**	**37.82%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								31.29%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy- non-eligible activities		**1,048,459,041.87**	**61.88%**																
TOTAL		**1,694,246,561.00**	**100.00%**																

Table 7 - Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023				**Substantial Contribution Criteria**						**DNSH criteria ('Does Not Significantly Harm')**									
Economic Activities	**Code**	**CapEx**	**Proportion of CapEx, year N**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022**	**Category enabling activity**	**Category transitional activity**
		mlnEUR	%	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of Cement	CCM 3.7 / **CCA 3.7**	59,202,776.02	38.51%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	N/A	Y	N/A	Y	Y	Y	23.21%	-	-
Production of heat/cool using waste heat	**CCM 4.25** / CCA 4.25	224,378.30	0.15%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	Y	Y	Y	Y	0.10%	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		59,427,154.31	38.66%														23.31%		
Of which Enabling		-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Of which Transitional		-	0.00%	-						-	-	-	-	-	-	-		-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Water Supply	WTR 2.1	374,439.37	0.24%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.00%		
Manufacture of Cement	CCM 3.7 / **CCA 3.7**	10,377,967.14	6.75%	EL	EL	N/EL	N/EL	N/EL	N/EL								18.33%		
Collection and transport of non-hazardous waste in source separated fractions	CCM 5.5 / **CCA 5.5**	1,023,565.33	0.67%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.51%		
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11,775,971.83	7.66%																
A. CapEx of Taxonomy eligible activities (A1+A2)		**71,203,126.15**	**46.32%**	0.15%	45.93%	0.24%	0.00%	0.00%	0.00%								42.15%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy- non-eligible activities		**82,524,058.52**	**53.68%**																
TOTAL		**153,727,184.67**	**100.00%**																

Table 8 - Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	**Code**	**OpEx**	**Proportion of OpEx, year N**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022**	**Category enabling activity**	**Category transitional activity**
		mlnEUR	%	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of Cement	CCM 3.7 / **CCA 3.7**	35,335,832.85	26.58%	N	Y	N/EL	N/EL	N/EL	N/EL	Y	N/A	Y	N/A	Y	Y	Y	12.74%	-	-
Production of heat/cool using waste heat	**CCM 4.25** / CCA 4.25	509,996.26	0.38%	Y	N	N/EL	N/EL	N/EL	N/EL	N/A	Y	N/A	Y	Y	Y	Y	0.81%	-	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		35,845,829.11	26.96%														13.55%		
Of which Enabling		-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Transitional		-	0.00%	-						-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Water Supply	WTR 2.1	64,000.00	0.05%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.00%	-	-
Manufacture of Cement	CCM 3.7 / **CCA 3.7**	8,963,981.41	6.74%	EL	EL	N/EL	N/EL	N/EL	N/EL								17.45%	-	-
Collection and transport of non-hazardous waste in source separated fractions	CCM 5.5 / **CCA 5.5**	93,854.62	0.07%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.48%	-	-
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		9,121,836.04	6.86%																
A. OpEx of Taxonomy eligible activities (A1+A2)		**44,967,665.15**	**33.83%**	0.38 %	33.39 %	0.05 %	0.00 %	0.00 %	0.00%								31.48%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy- non-eligible activities		**87,973,921.03**	**66.17%**																
TOTAL		**132,941,586.18**	**100.00%**																

Table 6.1 - Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

	Proportion of Turnover / Total Turnover	
	Taxonomy-Aligned per	Taxonomy-Eligible per
CCM	0.29%	0.29%
CCA	28.22%	37.82%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Table 7.1 - Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

	Proportion of CapEx/Total CapEx	
	Taxonomy-Aligned per	Taxonomy-Eligible per
CCM	0.15%	0.15%
CCA	38.51%	45.93%
WTR	0.00%	0.24%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Table 8.1 - Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

	Proportion of OpEx/Total OpEx	
	Taxonomy-Aligned per	Taxonomy-Eligible per
CCM	0.38%	0.38%
CCA	26.58%	33.39%
WTR	0.00%	0.05%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Table 6 - Nuclear and fossil gas related activities

Row	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

ORGANISATION AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001

On 8 May 2008, the Board of Directors of Cementir Holding approved a new organisational, management and control model based on a careful analysis of the risk of corporate offences in connection with Group operations. The model complies with guidance provided by Legislative Decree No. 231/2001, Italian best practice and Confindustria recommendations.

The Company also adopted a Code of Conduct endorsing the business principles that all company officers and employees, and anyone working with the company in any capacity, are required to comply with, in pursuing company business.

Furthermore, the Company appointed the Supervisory Body pursuant to Legislative Decree 231/2001 to carry out the task of updating and supervising the implementation of the Model adopted by the Company, with the support of the Internal Audit function for specific initiatives.

The Model has been periodically updated since 2008 to reflect organisational changes, as well as regulatory updates (new offences added) to Legislative Decree 231.

On 28 June 2019, the Extraordinary General Meeting of the Company decided to transfer its registered office from Rome to Amsterdam, adopting the legal form of a Dutch Naamloze Vennootschap and changing its name to Cementir Holding N.V. On 5 October 2019, when all the conditions had been met, the Dutch notarial deed necessary to transfer the Company's registered office was signed, effective as of the same date.

As a result of this transfer, from 5 October 2019 the Italian regulations under Legislative Decree 231/2001 no longer applied to the Company. At the same time, as a result of the transfer, the Supervisory Body set up in accordance with this law also ceased to exist.

Notwithstanding the foregoing, the Company, also in consideration of its own sharing of the principles inspiring the legislation in question and in general of a sound company management, nevertheless continues to apply (i) its own Code of Ethics (although this must not be understood as subjecting Cementir Holding or the Group to the previously applicable legislation) as well as (ii) the Model in consideration of the circumstance that the Company's operations are carried out in Italy, where Cementir Holding has established its own secondary and operational office.

On 13 November 2019, the Company's Board of Directors also appointed an Ethics Committee, made up of the Group General Counsel and the Company's Chief Internal Audit Officer, granting this committee powers equivalent to those of the Supervisory Body.

RELATED-PARTY TRANSACTIONS

With regard to related-party transactions, as defined by IAS 24, the Group did not conduct any atypical and/or unusual transactions. All business and financial dealings with related parties were conducted on terms equivalent to those that prevail in arm's length transactions.

The Group did not conduct any significant or material transactions concerning related-party transactions. For a detailed analysis of the financial and economic relations with all related parties, please refer to Note 34 to the consolidated financial statements and Note 31 to the financial statements.

TREASURY SHARES

The number of treasury shares held following the completion of the share buy-back programme (the "Programme") in October 2021 has not changed.

It should be noted that under the Programme, between 15 October 2020 and 12 October 2021 (ends included), 3,600,000 treasury shares, equal to 2.2624% of the share capital, were purchased on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. at a weighted average price of EUR 8.1432 per share and for a total outlay of EUR 29,315 thousand.

MANAGEMENT AND COORDINATION

Cementir Holding NV sets its general and operational strategies independently. In particular, the Board of Directors of Cementir Holding NV has sole responsibility for reviewing and approving strategic, commercial and financial plans, and for overseeing the adequacy of organisational, administrative and accounting structures.

PERSONAL DATA PROTECTION

Also due to the entry into force of the relevant legislation (EU Regulation 679 /2016) as well as following Legislative Decree 101 of 10 August 2018, the Parent Company has equipped itself with operational tools and internal regulations to ensure the protection of personal data according to the expected regulatory standards.

Subsequently, it implemented and completed a project to update its policy on the subject and is currently engaged in strengthening its safeguards, including IT, for the protection of personal data.

Litigation

The Company is responsible for leading the defence in proceedings, of which it is not a party in accordance with the terms and conditions set out in a settlement agreement with Italcementi S.p.A., relating to the sale of the shares of Cementir Italia S.p.A. (today Cemitaly S.p.A.), Cementir Sacci S.p.A. (today Italsacci S.p.A.) and Betontir S.p.A., finalised on 2 January 2018.

Other legal disputes

An administrative dispute is pending before the Court of Appeal in Turkey, brought by the Turkish company Cimentas AS, indirect subsidiary of Cementir Holding. The dispute relates to the order issued by the Turkish stock exchange's regulatory and supervisory body (Capital Market Board – CMB), requiring Cimentas AS to demand back from the concerned Cementir Group companies around 100 million Turkish Lira (now equal to around EUR 3 million) by way of hidden profit distribution, allegedly generated by an intragroup company sale in 2009. On 29 January 2017, CMB served a summons to Cementir Holding to appear before the Court of Izmir, requesting that the company be ordered to pay to Cimentas AS an amount provisionally set at approximately 1 million Turkish lira. The Company duly appeared in court, arguing the total lack of foundation of the plaintiff's argument and requested that the civil proceedings be suspended until the administrative proceeding is finally settled. With a ruling of 1 July 2020, the Court of Appeal in Turkey declared lack of jurisdiction in relation to the case in question. That judgment was overturned on 18 October 2021 by the Supreme Court, which definitively affirmed the existence of Turkish jurisdiction. In a judgment dated 6 September 2023, the Izmir Court ordered Cementir Holding to pay Cimentas approximately 1 million Turkish lira. Cementir Holding and CMB appealed the ruling to the Court of Appeal.

SUBSEQUENT EVENTS AFTER THE REPORTING DATE

On 8 February 2024, the Parent Company's Board of Directors approved the update of the 2024-2026 Industrial Plan, to whose press release please refer (www.cementirholding.com in the Investors, Press Releases section).

The new Group Industrial plan envisages the achievement of the following targets in 2026, which exclude the impact of IAS 29 and non-recurring items:

- **Revenue up to approximately EUR 2 billion**, with a compounded annual growth rate (CAGR) of 5-6%. Over the period of the Plan, a moderate increase in sales volumes of cement, ready mixed concrete and aggregates is expected, with more marked growth in 2024 in all geographical areas with the exception of China, which is expected to remain stable over the three-year period. Prices are expected to be stable or slightly higher on average.
- **EBITDA of approximately EUR 425 million**, with a compounded annual growth rate (CAGR) of 1.2%. A non-homogeneous trend is expected in the different geographical areas and, in particular, a normalization of Turkey's contribution. Among the Plan's assumptions, we highlight: the capacity optimization in Egypt with the restart of the second kiln and in Belgium as a consequence of kiln 4 upgrade; the increase of fuels and electricity costs, and an average yearly CO_2 shortage of approximately 250,000 tonnes which includes a step up in 2026 due to the reduction in the free allocation of emission allowances at the European plants. EBITDA margin will stand at a lower level than that recorded in 2022-2023.
- **Average annual investments of approximately EUR 80 million** for the development of production capacity, maintenance of plant efficiency, health and safety and digitalization.
- **Additional cumulative investments in sustainability of EUR 100 million** for projects enabling a reduction of CO_2 emissions in line with the Group's objectives.
- **Net cash position of around EUR 600 million by 2026 year end,** resulting from cash generation of over EUR 500 million before dividend distribution.

Finally, the Plan assumes the distribution of an increasing dividend, corresponding to a payout ratio between 20% and 25%.

In February 2024, for the third year in a row Cementir has been confirmed leader with the "A-" rating for Climate Change from CDP, ranking above the European average (B) and the cement & concrete sector average (B). Cementir has also been confirmed leader in CDP Water Security with an A- score for the second year in a row ranking above the sector (B) and European average (C).

In February 2024 Cementir obtained the validation of both its near and long-term decarbonization targets by the Science Based Targets initiative (SBTi) aligned with the 1.5°C framework scenario. In addition, SBTi also approved Cementir's overall net-zero emissions target by 2050.

No other significant events occurred after the year ended.

MANAGEMENT OPERATING OUTLOOK

The macroeconomic scenario continues to be characterized by strong uncertainty, with risks of economic downturns linked to geopolitical tensions and still restrictive financial conditions.

For the year 2024, the Group expects to achieve consolidated revenues of approximately EUR 1.8 billion, EBITDA of approximately EUR 385 million and a net cash position of around EUR 300 million at the end of the period.

Planned investments are equal to approximately EUR 135 million (EUR 104.2 million in 2023), of which around EUR 48 million in sustainability projects. Research and development expenses are expected to remain stable compared to 2023, as is the average number of employees. The Group does not envisage the need for new external financing, given the cash generation and the net cash position expected by year end.

These forward-looking indications do not include: i) the impacts of the application of IAS 29; ii) any non-recurring items; iii) the impact of any worsening of the geopolitical situation or other extraordinary events.

The foregoing solely reflects the views of the company's management, and does not constitute a guarantee, promise, operational suggestion or even investment advice. Therefore, it should not be taken as a forecast on future market trends and of any financial instruments concerned.

PROPOSED ALLOCATION OF THE PROFIT FOR THE YEAR 2023 OF CEMENTIR HOLDING NV

The Board of Directors proposes that the General Meeting:

- to approve the Directors' Report for 2023 and the financial statements for the year ended 31 December 2023, which show a profit of EUR 52,115 thousand;
- to allocate to the Shareholders, by way of dividend, an amount equal to EUR 43,546 thousand, net of treasury shares, in the amount of EUR 0.28 for each ordinary share, gross of any withholding taxes, using the earnings for the year for EUR 43,546 thousand;
- to allocate the remaining part of the profit for the year to be carried forward for EUR 8,570 thousand.

Rome, 11 March 2024

Chairman of the Board of Directors

Signed: /f/ Francesco Caltagirone Jr.

REMUNERATION REPORT

REMUNERATION OF DIRECTORS

Introduction

It is worth highlighting that the main financial results in 2023 that could influence the Group Remuneration were:

a) Net cash of EUR 217.6 million (net cash of EUR 95.5 million in 2022)
b) EBIT at EUR 278.3 million (EUR 204.4 million in 2022).

The Board of Directors was renewed by the Shareholders' Meeting of 20 April 2023 for a three-year term, reducing the number of members from 10 to 8, of which one Executive Director and seven Non-Executive Directors.

The Board then established the Board Committees, appointing the members of the Audit Committee, the Remuneration and Nomination Committee and the Sustainability Committee as well as their respective Chairmen by resolution of 27 April 2023.

This report (hereinafter the "**Remuneration Report**") consists of the following sections:

- **Section I**, which illustrates the policy of Cementir Holding N.V. (hereinafter "**Cementir Holding**" or "**Company**") regarding the remuneration of Executive and Non-Executive Directors (hereinafter, jointly, "**Directors**") for 2024, as well as the procedures used for the adoption and implementation of the policy. The Remuneration Policy for 2024, effective from 1 January 2024, remained unchanged compared to the previous year.
- **Section II**, which describes how the remuneration policy was implemented with reference to Directors and indicates the amounts paid during 2023 to Directors, providing a representation of each remuneration component.

Please refer to the terms of the 2023 Remuneration Policy, effective from 1 January 2023, approved by the Shareholders' Meeting on 20 April 2023 with 93.05% of the votes cast and available on the Company's website, www.cementirholding.com. There have been no deviations or derogations from the approved Policy.

The 2022 Remuneration Report was submitted to the non-binding and advisory vote of the General Meeting on 20 April 2023 and received the favourable vote of the overwhelming majority of shareholders, amounting to 94.40% of the votes cast, with only 5.60% voting against.

Given the broad consensus received, it was therefore deemed appropriate to maintain the same approach for this Remuneration Report, without substantial changes to its structure and level of disclosure.

In this Remuneration Report, Cementir Holding intends to strengthen the transparency of the contents of its remuneration policies and their implementation, allowing investors to obtain information on remuneration, including variable remuneration, and enabling them to make an even more accurate assessment of the Company, thereby enabling shareholders to act in an informed manner when exercising their rights.

The Remuneration Report shall be drawn up in accordance with articles 2: 135, 2: 135a and 2: 135b of the Dutch Civil Code (hereinafter "**DCC**") and Chapter 3 of the Dutch Corporate Governance Code (hereinafter the "**Code**"). It was approved by the Board of Directors upon proposal of the Remuneration and Nomination Committee (hereinafter also the "**Committee**" in this Remuneration Report) at the meeting of 8 March 2024. Section I is to be submitted to the approval of the Shareholders' Meeting called for 22 April 2024. Section II is to be submitted to the advisory vote of the Shareholders' Meeting called for 22 April 2024.

The Remuneration Report is made available on the Company's website (*www.cementirholding.com*) after the General Meeting and will be accessible for 10 (ten) years, in compliance to the procedures and within the terms prescribed by current regulations. http://www.cementirholding.com.

SECTION I – REMUNERATION POLICY 2024

This section of the Remuneration Report describes, in a comprehensive manner, the principles and guidelines with which Cementir Holding determines and monitors the remuneration policy and its implementation within the Company (hereinafter the "**Remuneration Policy**" or the "**Policy**").

The Policy has the primary objective of creating sustainable value over the medium to long-term by creating a strong bond between individual performance and the Group on the one hand, and remuneration on the other.

The Remuneration Policy summarises the remuneration policies applied within the Group and aimed at ensuring a fair and sustainable remuneration system, in line with the long-term corporate strategies and objectives, with regulations and with Stakeholders' expectations.

The total remuneration of Directors, which is deemed appropriate to the size and structure of the Group, the sector of activity carried out and the level of complexity of the business, contributes to the long-term performance of the Company as it enables the Company to attract and retain qualified and experienced Directors, motivating them to achieve the Company's business, financial and strategic objectives and their implementation for the creation of long-term sustainable value for all stakeholders consistent with the Company and Group's founding values and culture.

The Policy also aims to attract and retain members of staff with the professional qualities necessary to manage and operate successfully in an international environment characterised by competitiveness and complexity, recognising and rewarding good performance.

Cementir Holding intends to adopt a competitive remuneration system that guarantees the delicate balance between strategic objectives and the recognition of the merits of Group employees. By using short and medium to long-term variable remuneration components, the Policy is designed to facilitate the alignment of staff interests with the pursuit of the overriding objective - value creation - and the achievement of financial and sustainability goals. This objective is pursued also by linking a significant part of remuneration to the achievement of set performance targets, by means of both the short-term incentive scheme (STI) and the long-term incentive scheme (LTI). The LTI concerns selected employees only.

The principles applied in defining the Policy are intended to ensure that Cementir Holding is appropriately competitive in its sector and international markets, are in particular:

- the promotion of merit and performance to reward actions and behaviours that reflect the values of the company, the principles of the code of ethics and the strategic objectives;
- external competitiveness and internal fairness to make sure that pay packages are in line with best practices, and to ensure that they are consistent with the complexity and responsibilities of the role;
- aligning the interests of Management with those of the Shareholders and with the medium-and long-term strategies of the Company;
- aligning the values of the Cementir culture (e.g. sustainability, value of people, etc.) and the model of leadership and skills in line with business objectives, starting from 2021, the skills deriving from the culture of the Cementir Group are also assessed in the context of the STI as a further confirmation and strengthening of the inclination towards the values of the corporate culture;
- the inclusion of specific quantitative KPIs linked to ESG objectives in the STI plan, contributing to the implementation of the corporate strategy and the pursuit of long-term interests and sustainability objectives;
- a focus on rewards and retention purposes based on meritocracy;

- the consideration of the point of view of the Executive-Director and the Board in its entirety, as also provided for by the Code;
- balancing continuity with the choices already made in the past and endorsed by shareholders and the approval of the General Meeting of the proposals presented and, at the same time, a periodic assessment in the light of the international trend, the market practice for comparable companies and the regulatory changes;
- transparency regarding the remuneration system implemented and envisaged for the following year, in accordance with the provisions of the Code and applicable legislation.

1.1 DEFINITION AND APPROVAL OF THE REMUNERATION POLICY

Parties involved in the Remuneration Policy

The definition of the Remuneration Policy is the result of a clear and transparent process in which the Company's *Remuneration and Nomination Committee* and Board of Directors play a central role.

The Policy is submitted for the approval of the General Meeting by the Board of Directors on the recommendation of the *Remuneration and Nomination Committee.* The Policy is deemed approved with the favourable vote of at least ¾ of the votes cast at the General Meeting. In case the Policy is not approved by the General Meeting, the Company applies the existing policy and submits to the approval of next General Meeting a revised policy.

The bodies and parties involved in the remuneration policies approval process are listed below, along with a precise indication of their roles in the process.

General Meeting

With regard to remuneration, the General Meeting:

- adopts the remuneration policy upon proposal of the Board, pursuant to Art. 7.4.1 of the Company's Articles of Association;
- determines the compensation for the Executives and Non-Executive Directors as well as for the members of the board committees (Audit Committee*, Remuneration and Nomination Committee* and *Sustainability Committee*), in accordance with the remuneration policy, as provided for in Art. 7.4.2 of the Company's Articles of Association;
- expresses a vote, each year, on the first section of the remuneration report, i.e. on the Remuneration Policy;
- receives adequate disclosure about the implementation of remuneration policies and express an advisory vote, each year, on the second section of the Remuneration Report, i.e. on the report on compensation paid;
- resolves on any remuneration plans based on shares or other financial instruments and intended for Directors, employees and other workers, including Key Executives.

Board of Directors

With regard to remuneration, the Board of Directors:

- submits a remuneration policy proposal to the General Meeting pursuant to Art. 7.4.1 of the Articles of Association, drawn up with the support of the *Remuneration and Nomination Committee*;
- develops the strategy for realising long-term value creation;

- approves the Remuneration Report pursuant to Articles 2:135 and 2:135a DCC, to be presented at the annual General Meeting;
- prepares any remuneration plans based on stocks or other financial instruments and submits them to the General Meeting for approval;
- implements the remuneration plans based on shares or other financial instruments, after authorisation from the General Meeting.

Non-Executive Directors

The Non-Executive Directors are responsible for overseeing the following within their remit:

- the performance of the Executive Directors;
- the development of a general strategy, including the strategy for realising long-term sustainable value creation.

Executive Directors

The Executive Director, who in this case also assumes the role of CEO pursuant to Art. 7.1.2 of the Articles of Association:

- sets performance targets for the Cementir Group;
- submits to the *Remuneration and Nomination Committee* the stock incentives, stock options, corporate shareholding and other types of incentive plans, motivating and retaining the managers of the Group companies controlled by the Company or, as the case may be, assisting the Committee in their drafting, with the support also of the Group's Human Resources department;
- enforces the Company's Remuneration Policy in accordance with this document.

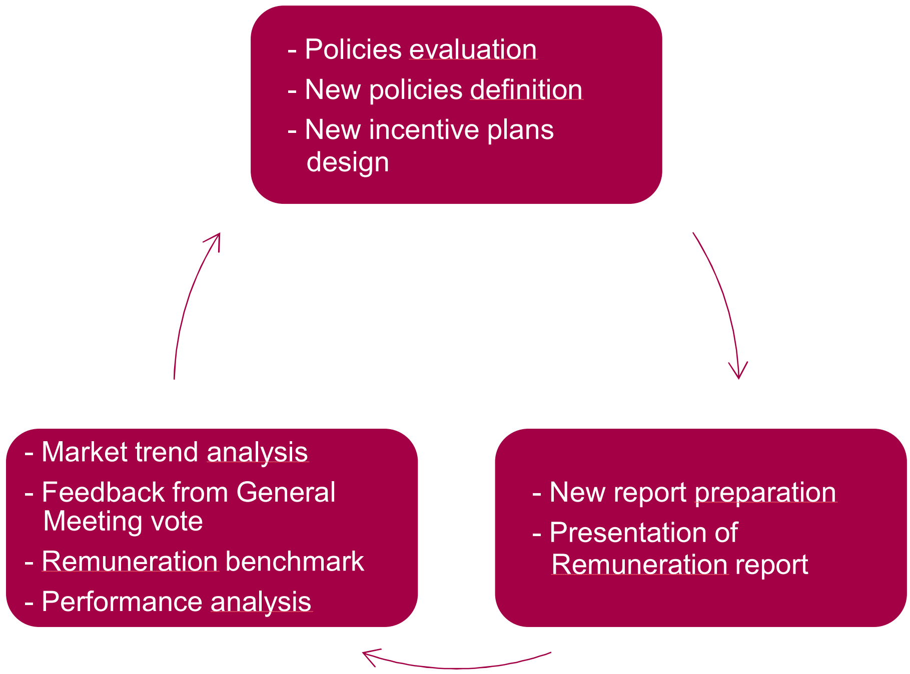
Remuneration and Nomination Committee

In accordance with the recommendations contained in the Code and the Board of Directors Rules, the *Remuneration and Nomination Committee*:

- prepares the Board's decision-making (including proposals of the Board for the General Meeting) regarding the determination of the remuneration of individual Directors, including severance payments;
- submits a proposal to the Board concerning the remuneration of each Director. The proposal is drawn up according to the remuneration policy that has been established and in any event it covers:

(a) the objectives of the strategy for the implementation of long-term sustainable value creation within the meaning of Best Practice provision 1.1.1 of the Code;
(b) the scenario analyses carried out in advance;
(c) the pay ratios within the Company and the Group;
(d) the development of the market price of the shares;
(e) an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;
(f) if shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and

(g) in the case of the assignment of share options, the terms and conditions governing them, as well as the terms and conditions for the exercise of share options. Share options may not be exercised during the first three years after they have been awarded.



Human Resources

The Company's HR Department is involved in defining and approving the proposals for the remuneration plan of the Company's personnel, monitoring and checking that those proposals are fully implemented with the aim of collecting market data in terms of practice, policies and benchmarking and if necessary, resorting to advice from independent experts.

Composition and activities of the Remuneration and Nomination Committee

As of the date of approval of this Report, the *Remuneration and Nomination Committee* is made up of three Non-Executive Directors, all independent, appointed by the Board of Directors at the meeting of 27 April 2023:

Composition of the Committee

Annalisa Pescatori	*Non-Executive independent Director and Chairwoman of the Committee*
Benedetta Navarra	*Non-Executive independent Director and member of the Committee*
Adriana Lamberto Floristan	*Non-Executive independent Director and member of the Committee*

The *Remuneration and Nomination Committee* provides advice and submits proposals to the Board of Directors, and supervises to ensure that the Remuneration Policy is defined and applied; specifically it prepares the Board of Directors' decision-making regarding the:

- periodical assessment of size and composition of the Board and its Committees, and the proposal for the profile of the Board also in regard to the professional roles whose presence within the Board or the Board Committees is deemed necessary in order for the Board to express its strategy to shareholders before the new Board is appointed, also taking into account the results of the annual assessment of the Board and the Board Committees as required by the Code;
- drawing up of selection criteria and appointment procedures for Executive Directors and Non-Executive Directors;
- drawing up of a succession plan for Executive Directors and Non-Executive Directors;
- proposal of candidates for the office of Executive and Non-Executive Directors;
- supervision of the policy of the Board regarding the selection criteria and appointment procedures for senior management;
- developing the Company's diversity, equity and inclusion policy for the composition of the Board and certain employees in senior management positions.

In addition:

- submits proposals to the Board of Directors regarding the remuneration policy for Executive and Non-Executive Directors, periodically assessing the performance of individual Executive Directors and Non-Executive Directors and reporting this to the Board;
- submits proposals or provides opinions to the Board of Directors regarding the remuneration of Executive and Non-Executive Directors with specific duties, and on the setting of performance targets related to the variable-pay component;
- evaluates and formulates proposals to the Board of Directors with regard to stock incentive, stock option, corporate shareholding and similar plans aimed to motivate and retain the managers and employees of the Group companies controlled by the Company;
- reports to the Board on the ways it performs its duties;
- examines the annual Remuneration Report to be approved by the Board and submitted to the vote of the General Meeting as part of the annual financial reports;
- provides opinions on issues submitted to it from time to time for screening by the Board of Directors, concerning remuneration or any pertinent or related topics.

The Non-Executive Directors, including those forming the *Remuneration and Nomination Committee*, can access the information and contact Company departments as necessary, in order to fulfil their duties.

The *Remuneration and Nomination Committee* meets during each financial year according to a calendar scheduled by the beginning of such year and any time it may deem appropriate, upon notice issued by the Chairman of the Committee, so as to ensure the correct execution of its tasks. No Executive Director shall participate to any Committee meeting where proposals related to their remuneration are discussed.

Meetings of the *Remuneration and Nomination Committee* are attended - when deemed appropriate and at the invitation of the Committee - by Company’s management (General Counsel and Chief Human Resources Officer).

Annually, on the occasion of the approval of the financial statements, the Remuneration and Nomination Committee reports to the Board in relation to its work.

During 2023, the Remuneration and Nomination Committee met on 8 March, 8 May and 3 November. During these meetings, the Remuneration and Nomination Committee examined and discussed, among other things, the remuneration policy and the report on remuneration drawn up in accordance with Art. 2:135a of the Dutch

Civil Code and Best Practice provision 3.1 and following of the Code, as well as the report concerning the activity carried out by the Committee in 2022, drawn up in accordance with Best Practice provision 2.3.5 of the Code; discussed the annual assessment carried out by the members of the Committee pursuant to Best Practice provision 2.2.6 of the Code; updated the Board Profile on the occasion of the examination of the candidacy proposals to be discussed in the Board; discussed and verified the independence requirements in the context of the review of the requirements for membership in the Euronext Star Milan segment; verified the achievement of the gender diversity targets set for 2022 and approved the proposed DE&I targets for 2023, determined in accordance with current legislation, to be submitted to the Board of Directors for approval. The Remuneration and Nomination Committee also examined and discussed the state of implementation of the LTI plans with particular reference to the payment of the fees provided for under the LTI 2020-2022 Plan as well as the allocation criteria and the setting of the objectives relating to the 2023-2025 LTI Plan; also examined the assigned ESG objectives included in the STI Plan; finally, received the periodic update on the Succession Plan for the Company's personnel.

Independent experts who contributed to preparing the Remuneration Policy

As mentioned in the previous years' Reports, in 2020, the Company took advantage of the advice of the independent expert Korn Ferry to conduct international benchmark analyses and to align the Remuneration Policy, reiterated in substantially the same way in subsequent years, with the best practices of competitors and the market.

1.2 CONTENT OF THE REMUNERATION POLICY

1.2.1 Content of the Remuneration Policy and main changes compared to 2023

The Policy determines the principles and guidelines adopted by the Board in order to define the remuneration of its members and in particular of Executive and Non-Executive Directors as well as members of the Committees. It provides detailed information to ensure stakeholders receive more information about pay policies, practices adopted and results achieved, and it shows that the policies are consistent with the Company's business strategy and performance.

The 2024 Remuneration Policy does not envisage substantial changes compared to that approved in 2023:

- confirming the simplification and standardisation of the overall structure of the short-term variable incentive system, thanks mainly to the digitalisation of the process through an online definition and subsequent assessment platform;
- continuously strengthening the number and relevance of the objectives related to the company's sustainability strategy at different organisational levels, confirming the extension of the audience of interested parties for all ESG issues.

As a result of the establishment of the Sustainability Committee, a benchmark analysis was carried out by the Company's departments (in particular the Human Resources department with the contribution of the Legal Department) to verify alignment with the market and the Remuneration Policy was reviewed with reference to market practices.

The Policy also maintains and confirms the medium and long-term incentive system applied in previous years.

The Remuneration and Nomination Committee, at its meeting on 8 March 2024, reviewed this report and the criteria selected to assess the variable remuneration of the Executive Director and the performance of the strategic executives and Group personnel receiving variable remuneration. The *Remuneration and Nomination*

Committee then assessed the Remuneration Policy from the point of view of its consistency with the objectives of the Company and Group, with particular reference to its suitability to contribute to the creation of long-term value. In particular, the ESG objectives included for some beneficiaries of the incentive plan addressed to Group employees were illustrated and discussed in detail, as a further demonstration of the Company's ongoing commitment to pursuing sustainability objectives. Finally, it concluded that the criteria established for both short-term variable remuneration and medium and long-term variable remuneration, insofar as they are applicable to the respective recipients, fully meet these requirements and appear consistent and appropriate to support the implementation of the strategic objectives. It therefore decided to propose the 2024 Remuneration Policy to the Board of Directors, taking into account the Executive Director's views on the level and structure of his remuneration.

During 2024, a study will be launched aimed at the possibility of introducing sustainability-related objectives in the variable component of the Group CEO & Chairman.

1.2.2 Description of fixed and variable pay components with particular regard to their weightings within the overall remuneration, and distinguishing between the short and medium and long-term variable components

The remuneration of Directors has been defined as follows, with reference to the fixed and variable components:

Remuneration of the Board of Directors

The Remuneration Policy for the Board of Directors set by the General Meeting of 20 April 2023 includes the following elements:

A. remuneration of Directors for the office and for attendance at Board meetings;

B. remuneration of the Executive Director (who also holds the position of CEO) for the performance of executive functions, powers and responsibilities;

C. remuneration of Non-Executive Directors;

D. remuneration of members of the *Audit Committee,* the *Remuneration and Nomination Committee* and the Sustainability Committee.

Remuneration of Directors

The remuneration to be paid to Directors (see letter A) shall be in the form of an allowance for attendance at each meeting of the Board of Directors and of a fixed annual payment for the office of Director, payable to each Director (both Executive and Non-Executive Directors) and approved, in accordance with the provisions of the law, by the General Meeting.

The current annual remuneration of all Directors is:

- a fixed annual allowance of EUR 5,000.00;
- a participation token of EUR 1,000.00 for each board meeting in which they participate in presence or by teleconference, except for written resolutions.

Directors are entitled to reimbursement of the reasonable expenses incurred because of their office on the basis of the arrangements with the Company.

The same is confirmed as policy for 2024.

Remuneration of Directors with specific duties

The compensation to be paid to Directors with specific duties (letters B and D above) is determined, upon proposal of the *Remuneration and Nomination Committee*, taking into account the commitment actually required from each of them and any powers vested in addition to the compensation due to all Directors.

The following Directors have specific duties within the Board of Directors of the Company:

(i) the Chairman of the Board of Directors;
(ii) the CEO;
(iii) the Directors who participate in the Board Committees (Audit Committee, *Remuneration and Nomination Committee* and *Sustainability Committee*).

The Non-Executive Directors (i) appointed as members of the *Remuneration and Nomination Committee,* the Audit Committee and the Sustainability Committee and (ii) who are appointed as Chairman of such Committees, shall receive an additional compensation, commensurate with the commitment required from each of them in the performance of their aforesaid duties.

Remuneration of Chairman and CEO.

The annual gross remuneration of the Chairman of the Board of Directors and the CEO generally includes the following elements:

- a fixed component;
- a variable component determined according to the Group's performance and tied to predetermined, measurable parameters connected to the creation of shareholder value in a medium/long-term time span.

In determining the remuneration of the Chairman and of the CEO, the Board of Directors takes into account (i) the specific content of the vested powers and/or (ii) the functions and the role actually served within the Company, thereby assuring that the provision of a possible variable component is consistent with the nature of assigned duties.

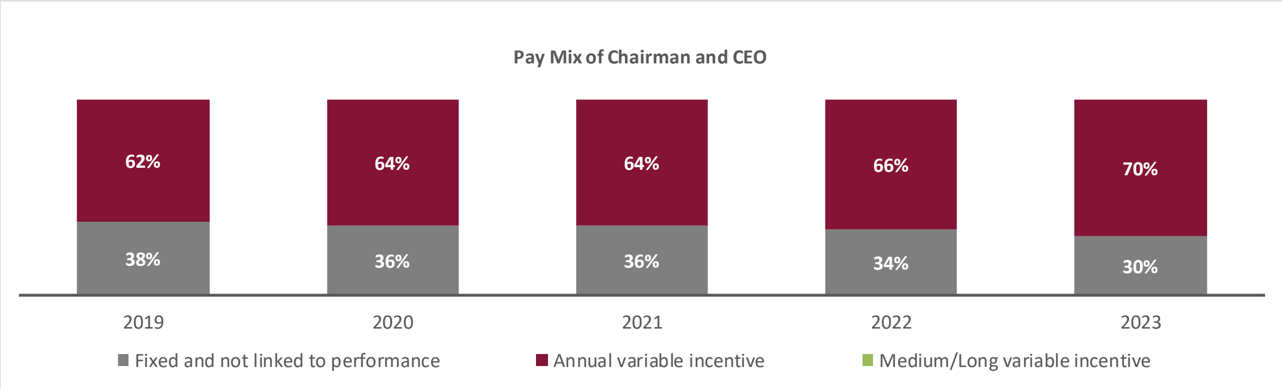
In particular, remuneration is determined on the basis of the following criteria:

- correct balance between the fixed component and the variable component in accordance with the Company's strategic goals and its risk management policy, also taking into account the industry in which it operates and the characteristics of its business;
- provision of maximum limits for the variable components, provided that the fixed component shall be sufficient to remunerate the performance of the Chairman and of the CEO should the variable component not be paid;
- the parameters, economic results and any other specific objectives to which the payment of the variable components is tied are predetermined, measurable and connected to the creation of shareholder value in a medium/long-term time span.

In detail, in line with the resolution approved in previous years, the variable component is set at 2% of the cash flow produced by the Group in the year of reference and is defined according to a formula that enables a quick reference with the consolidated accounts figures, from which the fixed pay component should be deducted. The variable component, which is pre-tax and may have a value of zero or more, may be calculated and paid in advance as an interim payment when the Board of Directors approves the Group's half-yearly financial statements; When the Group's annual financial statements are approved by the General Meeting, the variable component is finally determined and the balance is paid out. The fixed component is also confirmed consistently with previous years. The fixed component proposed for the Chairman and Chief Executive Officer is EUR 1.8 million per year before taxes, payable on a monthly basis.

The reference to operational cash flow generated by the Group has been identified as it is considered that this value, more than others, represents the link between annual performance (short-term) and the value of the company, and therefore appropriately aligns the results obtained by the CEO with the objective of creating value for all shareholders.

The following is the historical trend of the pay mix, i.e. the percentage weight of the various components of remuneration in relation to Annual Total Compensation (excluding benefits):



As the Chairman and CEO expresses the will of the Company's controlling shareholders and is a shareholder himself, there is an alignment of the interests of the Executive Director with the interest of all shareholders and stakeholders of the Company, consequently there is no need for an (additional) medium/long-term incentive plan.

Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors is not tied to the Group's economic-financial results or based on short or medium-term incentive plans or based on financial instruments.

Remuneration of Non-Executive Directors proposed for 2024 confirms the structure and the order of magnitude defined in the previous years.

The annual remuneration of Non-Executive Directors consists of:

- a fixed annual allowance of EUR 5,000 determined for all Directors (see letter A above);
- an attendance fee of EUR 1,000 per board meeting, determined for all directors (see letter A above).

Remuneration of Committee members

In addition to the remuneration of Non-Executive Directors, the Remuneration Policy provides for an additional remuneration for the participation in board committees (currently Audit Committee, Remuneration and Nomination Committee and Sustainability Committee), differentiated according to the time and effort dedicated to the performance of the tasks of these committees.

Specifically, it:

- an annual remuneration of EUR 30,000 for each position held by the Non-Executive Directors as Chairmen of the Committees;
- an annual fee of EUR 20,000 for each position held by the Non-Executive Directors as members of the Audit Committee and Remuneration and Nomination Committee;

- an attendance fee of EUR 1,000 for each meeting of the Sustainability Committee attended in attendance or by teleconference by Non-Executive Directors.

Short-Term Incentive and Long-Term Incentive Schemes

In addition to the remuneration described above for Executive and Non-Executive Directors, Cementir Holding NV adopts, for the managers within the Company, a compensation scheme to create value, for its Stakeholders, achieving ever-improving performance levels within the sustainable value creation structure that is the Company's true objective.

Short-term variable component - STI (Short Term Incentive)

The variable component is based on a Short-Term Incentive (STI) Plan. The system assesses the performance of the Company and of the beneficiary on an annual basis and directs the actions of the management towards strategic objectives in line with the Group's short-term business priorities.

In 2021, the structure of the short-term incentive system was confirmed, based on the financial objectives of the Group and/or the subsidiaries (access system Gate). In addition, objectives were defined with indicators linked to individual performance, as well as skills related to the leadership model. Each target (corporate and individual) is matched with a minimum performance, target performance and maximum performance level, correlated to the payout curve within the range 90%-120%.

In 2021, a fully digitalised performance appraisal system was used for the first time within the Group, by means of a dedicated Performance Management platform that also enables the management of the short-term incentive system and the related assessment of results achieved.

Therefore, the same will continue to be based on the Group's and/or subsidiaries' financial targets, which are the factor that enables access (Gate) to the system. Each target will be matched with a minimum performance, target performance and maximum performance level, correlated to the payout curve within the range 90%-120%. Other individual objectives should be defined on the basis of indicators linked to company performance and/or individual performance (including sustainability) specific to the role, while skills have been assessed in relation to the organisational position of reference. The total individual performance assessment is defined according to a rating scale ranging from 1- Unsatisfactory to 5- Exceptional and which will measure the "What" of the objectives, but also the "How" ensuring adherence to company values.

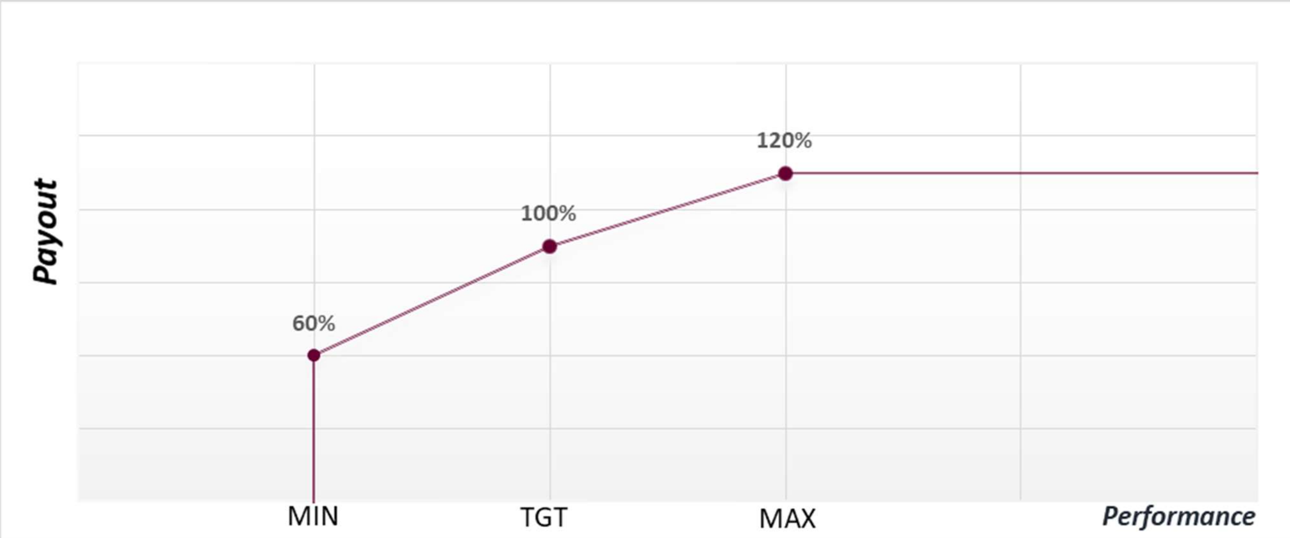
The combination of corporate and individual objectives, as well as skills will entitle to a variable bonus payment.

For the purposes of incentivisation and the final bonus, overall performance, taking into account the entry gate and performance results, cannot be less than 60%.

The structure and weighting of the various objectives, which is standardised at the Group level, is shown in the following table:

30% Weighting	70% Weighting

Group targets
• Economic-Financial Targets (Gate)
  ○ EBIT (20%)
  ○ NCF (10%)
	Individual targets 80%
	• Targets based on Operational Projects/Results and sustainability of earnings
	• Organisational Development and Growth Targets
	Cementir Leadership Competencies Model 20%



In order to encourage managers to pursue their annual budget targets, the short-term incentive plan is addressed to all managers within the Group with exactly the same scheme as described above. Target incentive levels expressed as percentages of fixed remuneration, depend on the responsibility and complexity of the role covered, whilst maintaining a single structure throughout the Group.

Medium/Long Term Incentive – LTI

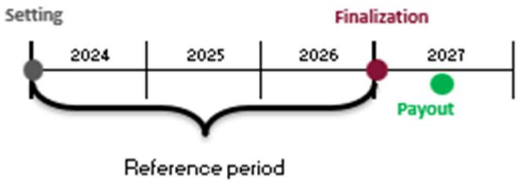
The LTI plan is intended for Key Executive and a selected group of managerial staff, chosen from those who have the greatest impact on the Group's medium/long-term results.

As the CEO is also a major shareholder, he does not participate in this plan.

The LTI plan consists of three-year cycles based on the medium/long-term performance of the Group in relation to the existing Business Plan, and it has the following aims:

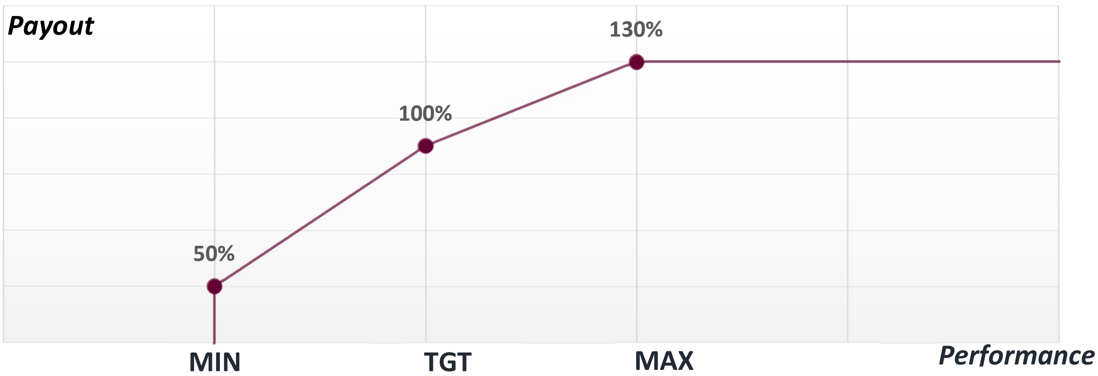
- Incentivise the aforementioned Key Executives to achieve the objectives set out in the Business Plan;
- To converge the interests of Key Executives with those of shareholders to create sustainable medium/long-term value;
- To introduce a motivation and retention plan.

The LTI also provides for the annual award of the right to receive a monetary performance bonus measured over a three-year period, in line with the company's medium-term strategic planning (vesting period).



Bonus opportunities for recipients differ and amount to either 30% or 40% of the annual gross remuneration to be awarded upon achievement of the target; the incentive payable at the end of the accrual period is determined on the basis of the performance achieved and varies from 50% to 130% of the value of the bonus.

This incentive may rise to up to 52% (the "cap") of gross annual remuneration upon achievement of levels of performance higher than the target levels.



Performances below the target will see a reduction in the bonus of up to 15% of gross annual salary, when a performance threshold is reached.

No bonus will be awarded if the results are below the threshold.

The award of the bonus depends on two performance conditions being met. These conditions operate separately, and each have a weighting of 50% in the calculation of the bonus:

- Three-year cumulative Free Cash Flow
- Three-year cumulative EBIT

The threshold, target and maximum amount are set in line with the Company's medium-term business plan.

Clawback and malus clauses

A clawback clause applies to both the LTI and the STI. This allows the Board of Directors to ask the beneficiaries to return all or part of the bonuses paid if they find that the performance targets were achieved on the basis of inaccurate or untrue data.

During the 2023, no clawback is deemed required and consequently no clawback has been applied.

1.2.3 Criteria used in assessing performance targets underlying the award of shares, options, other financial instruments and variable pay components

The criteria used in assessing performance targets is based on the financial results of the Group. For more information, refer to the contents of paragraph 1.2.2 above.

1.2.4 Information on the alignment of the Remuneration Policy and the pursuit of the Company's long-term interests and risk management policy

As described above, the Remuneration Policy, inspired by the principles described in paragraph 1.2.1 above, pursues the objective of creating sustainable value over the medium to long-term, for the Company and its shareholders.

Therefore the remuneration of Executive Directors and key executives is structured so as to:

- ensure that the overall remuneration structure is adequately balanced between fixed and variable components, with the aim of creating sustainable value over the medium to long-term, for the Company;
- coordinate the variable remuneration with the achievement of operational and financial targets, in line with the creation of value over the medium to long-term and the actual results achieved by the Company;
- ensure that overall pay levels reflect the professional value of individuals and their contribution to creating sustainable value over the medium to long-term.

For Non-Executive Directors, please refer to paragraph 1.2.2.

In order to achieve challenging Group strategic objectives, the Board approved a compensation plan for the Company's executives to create value for its stakeholders by achieving increasingly better performance levels within the sustainable value creation structure that represents the ultimate goal pursued by the Company. The three-year cycles of the LTI plan are based on the medium/long-term performance of the Group in relation to the existing Business Plan. The sustainability objectives were approved and included in the short-term incentive and in the three-year business plan.

Metrics and targets, with particular reference to short-term ones, are being continuously assessed and monitored, with a view to a progressive improvement path to ensure an ever-increasing alignment between strategy, sustainability and incentive systems.

1.2.5 Vesting period, deferred payment schemes, indication of deferment periods and criteria used to determine them, as well as ex-post adjustment mechanisms and information about clauses on the inclusion of financial instruments in the portfolio after acquisition, with details of the holding periods and criteria used to determine them

The Company has not adopted any Remuneration Plan based on shares or any other financial instruments nor does it award shares or other financial instruments as variable performance-based pay components. In addition, no clauses were determined for the retention in portfolio of financial instruments after their acquisition, meaning clauses that include the obligation of non-portability on a relevant portion of the shares awarded.

1.2.6 Policy on indemnities applied after termination of contract or resignation

In general, for all Directors, there shall be no (i) indemnities in case of resignation or revocation without just cause or non-renewal, (ii) agreements prescribing the allocation or continuation of non-monetary benefits in favour of persons who have resigned from their office and, (iii) consulting agreements with the Directors for a period following termination of their employment.

In relation to the above, it should be noted that the Chairman and CEO is one of the main shareholders of the Company and that the remuneration of the other Directors takes the form of a participation fee and a fixed annual remuneration of a limited amount for each Director, thus limiting the risk of any claim relating in any way to the termination of the office of director and, in any case, the corresponding amount.

Directors that have an employment relationship with the Company or its Subsidiaries must comply in any case with current provisions related to Collective Labour Agreements for the termination of their employment relationship, in accordance with the legal procedures and requirements.

Where necessary, the Company may request the signature of a non-competition agreement by an outgoing Director, which includes the payment of an indemnity related to the terms and extension of such obligation.

The breach of this agreement will determine the refusal to pay the indemnity or its reimbursement, as well as an obligation to damage compensation for an agreed amount (i.e. the double of the agreed indemnity).

If employment with the Company is terminated for reasons other than just cause, efforts will be made to reach a termination agreement. Subject in any case to the obligations set out by law and/or by the employment agreement, the arrangements for the termination of employment with the Company are tailored on the basis of the relevant reference benchmarks and within the limits defined by courts and practice.

1.2.7 Information about insurance coverage, welfare or pension provision

In line with best practices, a Directors & Officers (D&O) Liability insurance policy covering the liability of the Board of Directors towards third parties has been undersigned.

In case of employment relationship with the Company, pension or welfare provision are in line with the practices applied for managers of the Company.

1.2.8 Information about the use of benchmark pay policies from other companies

The Remuneration Policy was devised by the Company without using as reference the policies of other companies. However, as part of the annual review prior to the preparation of the 2022 Remuneration Policy, a specific benchmark activity was carried out relating to the remuneration of non-executive directors using the information available in the remuneration reports published by companies considered comparable and which is also valid for the 2023 and 2024 Remuneration Policy, which re-proposed the 2022 Remuneration Policy.

The current Remuneration Policy is valid 1 (one) year and is therefore revised yearly by the Remuneration and Nomination Committee and by the Board of Directors and submitted to approval of the General Meeting.

1.3. Derogations and deviations

The Board of Directors, with the abstention, if any, of the Director concerned, on the proposal of the Remuneration and Nomination Committee, may discretionally approve derogations or deviations from any part of the Remuneration Policy, where there are exceptional circumstances that provide compelling reasons for the deviation. However, such derogations may only be temporary until a new policy is adopted in the following circumstances: (a) in the event of changes in the corporate bodies, both by composition and by number or skills; or (b) in additional exceptional circumstances. Exceptional circumstances are circumstances in which the deviation from the Remuneration Policy is necessary to pursue long-term interests and sustainability of the Company and/or to ensure its profitability.

SECTION II - PAYMENTS RECEIVED DURING 2023 BY THE MEMBERS OF THE BOARD OF DIRECTORS

This section of the Report sets out the remuneration paid in 2023 to each member of the Board of Directors. This remuneration was paid in application of the principles as set out in the Remuneration Policy.

On 8 March 2024, the Remuneration and Nomination Committee verified the correct application of the Remuneration Policy approved in 2023.

PART I – REMUNERATION COMPONENTS

Remuneration of Directors

Fixed component

The General Meeting of 20 April 2023 approved the proposed Remuneration Policy by a large majority of votes, assigning to all Directors, for their term of office, a fixed allowance of EUR 5,000.00, plus an attendance token of EUR 1,000.00 for each Board meeting they attend.

Variable component

The variable remuneration component was paid exclusively to the Executive Director, who also holds the position of CEO, in accordance with the 2023 Remuneration Policy approved by the General Meeting.

The compensation of Non-Executive Directors is not tied to the Group's economic-financial results or based on short or medium-term incentive plans or based on financial instruments.

Monetary and non-monetary benefits

In keeping with best practices, a Directors & Officers (D&O) Liability insurance policy covering the third-party liability of the governing bodies has been undersigned.

Reimbursement of expenses

Directors are entitled to reimbursement of the reasonable expenses incurred because of their office on the basis of the arrangements with the Company.

Treatment/indemnities in case of termination from office

As of the date of approval of this Report, no agreement has been entered into with any of the Directors that implies indemnity in the event of resignation or removal without just cause or termination of the office following a takeover bid, nor are there any agreements that provide for the transfer or continuation of non-monetary benefits in favour of the persons who have left office; in addition, there have been no consulting agreements with the Directors for a period after termination or agreements providing for compensation for non-compete commitments.

Remuneration of Directors with specific duties

As of the date of approval of this report, the Directors with specific duties are:

- Francesco Caltagirone — Chairman and CEO

  Chairman of the Sustainability Committee
- Adriana Lamberto Floristan — Member of the Remuneration and Nomination Committee, of the Audit Committee of the Sustainability Committee
- Annalisa Pescatori — Chairwoman of the Remuneration and Nomination Committee

  Member of the Audit Committee and the Sustainability Committee
- Benedetta Navarra — Chairwoman of the Audit Committee

  Member of the Remuneration and Nomination Committee and Sustainability Committee

(i) Remuneration of the Chairman and CEO

With reference to the remuneration of the Chairman and CEO Francesco Caltagirone, the General Meeting of 20 April 2023 confirmed with broad consensus the remuneration policy and remuneration already in force and unchanged from the previous term of office, as detailed here below and in the table in 2.2.1.

Fixed component

The fixed component is EUR 1.8 million per year before taxes, payable on a monthly basis.

Variable component

The variable components for 2023 were estimated at EUR 4,367 million, before tax. The achievement was calculated as 2% of Net Operating Cash Flow.

(ii) Remuneration for participation in Board Committees

The General Meeting of 20 April 2023 approved the proposed Remuneration Policy and established an additional annual remuneration for participation in the Board Committees in addition to that approved for the office of Director and specifically, as detailed in the table below:

- For each position held by the Non-Executive Directors as Chairman of the Remuneration and Nomination Committee and the Audit Committee, a fixed annual compensation of EUR 30,000, before tax and any statutory surcharges;
- For the other members of the Remuneration and Nomination Committee and the Audit Committee, a fixed annual compensation of EUR 20,000 for each office held, before tax and statutory surcharges;
- for the Non-Executive Directors who are members of the *Sustainability Committee* an attendance fee of EUR 1,000 for each meeting they attend.

***

Information on the compliance of remuneration with the Remuneration Policy and how the performance criteria have been applied

In general, the practice applied by the Company is in line with the 2023 Remuneration Policy. In 2023, in fact, there were no deviations from the 2023 Remuneration Policy.

It is confirmed that the implementation of the 2023 Remuneration Policy has contributed to the creation of long-term sustainable value, as occurred also in previous years and to an increasing extent. The individual objectives assigned to the recipients of variable remuneration, in fact, are closely linked to the strategic objectives of the 2023-2025 Business Plan, which identify, among other things, the sustainability roadmap as one of the main interests to be pursued. As regards the recipients of the STI and LTI plans, these are objectively measurable and pre-determined targets, the achievement of which influences variable remuneration to the extent they have been achieved. As for the Directors, the Remuneration Policy provides for a variable component for the Executive Director only, who is also the representative of the majority shareholder and himself a substantial shareholder. This determines the implicit and automatic coincidence of the interests and objectives of the Executive Director with those of all shareholders, including minority shareholders, of the Company and, ultimately, the creation of long-term value.

PART II – COMPENSATION PAID IN FINANCIAL YEAR 2023

Compensation paid to the members of the Board of Directors.

The table below shows the compensation paid in Financial Year 2023, for any reason and in any form, by the Company. There is no compensation paid by subsidiaries of the Cementir Group to the members of the Board of Directors. It should be noted that the remuneration paid in the affiliates is disclosed within the context of the report on remuneration of the parent company Caltagirone S.p.A., published in accordance with the provisions of law applicable to listed companies, to which reference should be made.

YEAR 2023

(EUR'000) Name of Director, position	Fixed Remuneration					Variable Compensation (non equity)	Non-monetary benefits	Other fees *	Total	Proportion of fixed and variable remuneration
	Token of presence BoD	Compensation approved by the Shareholders' Meeting or by the BoDs	Compensation for employee work	Compensation for participation in committees	Token of presence committees	Bonuses and other incentives				
BOARD OF DIRECTORS										
Francesco Caltagirone, Chairman of the Board of Directors and CEO***	6	1,805	80			4,367	18		6,277	70% variable remuneration 30% fixed remuneration
Alessandro Caltagirone, Non-Executive Director and Vice-Chairman	6	5							11	100% fixed remuneration
Azzurra Caltagirone, Non-Executive Director and Vice-Chairwoman	6	5							11	100% fixed remuneration
Saverio Caltagirone, Non-Executive Director	5	5							10	100% fixed remuneration
Fabio Corsico, Non-Executive Director*	6	5						260	271	100% fixed remuneration
Annalisa Pescatori, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee, Member of the Audit Committee and of the Sustainability Committee	4	3		33	1				41	100% fixed remuneration
Benedetta Navarra, Non-Executive Independent Director, Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee	4	3		33	1				41	100% fixed remuneration
Adriana Lamberto Floristan, Senior Non-Executive Independent Director, Member of the Audit Committee, Member of the Remuneration and Nomination Committee and Member of the Sustainability Committee	6	5		27	2				40	100% fixed remuneration
DIRECTORS WHO LEFT THE OFFICE DURING 2023										
Edoardo Caltagirone, Non-Executive Director	0	2							2	100% fixed remuneration
Paolo Di Benedetto, Senior Non-Executive Independent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	2	2		13					17	100% fixed remuneration
Chiara Mancini, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee	2	2		17	1				22	100% fixed remuneration
Veronica De Romanis, Non-Executive Independent Director, Chairman of the Audit Committee and	2	2		17	1				22	100% fixed remuneration

Member of the Remuneration and Nomination Committee and of the Sustainability Committee										
MANAGEMENT WITH STRATEGIC RESPONSIBILITIES										
Executives with strategic responsibilities:**			3,999			1,787	493		6,279	28% variable remuneration 72% fixed remuneration
TOTAL	**49**	**1,843**	**4,079**	**140**	**6**	**6,154**	**512**	**260**	**13,043**	

* Consulting agreement
** Includes Group COO, Group CFO, Heads of Region and Business Unit Managing Directors
*** He also holds the position of Chairman of the Sustainability Committee for which he does not receive remuneration. He is also considered a “Management with strategic responsibilities” in accordance with IAS 24 definition.

YEAR 2022

(EUR'000)	Fixed Remuneration					Variable Compensation (non equity)	Non-monetary benefits	Other fees *	Total	Proportion of fixed and variable remuneration
Name of Director, position	**Token of presence BoD**	**Compensation approved by the Shareholders' Meeting or by the BoDs**	**Compensation for employee work**	**Compensation for participation in committees**	**Token of presence committees**	**Bonuses and other incentives**				
BOARD OF DIRECTORS										
Francesco Caltagirone, Chairman of the Board of Directors and CEO***	5	1,805	81			3,667	18		5,576	66% variable remuneration 34% fixed remuneration
Alessandro Caltagirone, Non-Executive Director and Vice-Chairman	5	5							10	100% fixed remuneration
Azzurra Caltagirone, Non-Executive Director and Vice-Chairwoman	5	5							10	100% fixed remuneration
Edoardo Caltagirone, Non-Executive Director	0	5							5	100% fixed remuneration
Saverio Caltagirone, Non-Executive Director	5	5							10	100% fixed remuneration
Fabio Corsico, Non-Executive Director*	5	5						260	270	100% fixed remuneration
Paolo Di Benedetto, Senior Non-Executive Independent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	5	5		40					50	100% fixed remuneration
Chiara Mancini, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee	5	5		50	2				62	100% fixed remuneration
Veronica De Romanis, Non-Executive Independent Director, Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee	5	5		50	2				62	100% fixed remuneration
Adriana Lamberto Floristan, Non-Executive Independent Director, Member of the Sustainability Committee	3	5			1				9	100% fixed remuneration
MANAGEMENT WITH STRATEGIC RESPONSIBILITIES										
Executives with strategic responsibilities:**			3,190			1,539	550		5,279	29% variable remuneration 71% fixed remuneration
TOTAL	**43**	**1,850**	**3,271**	**140**	**5**	**5,206**	**568**	**260**	**11,343**	

* Consulting agreement
** Includes Group COO, Group CFO, Heads of Region and Business Unit Managing Directors
*** He also holds the position of Chairman of the Sustainability Committee for which he does not receive remuneration. He is also considered a "Management with strategic responsibilities" in accordance with IAS 24 definition..

Stock options assigned to the members of the Board of Directors, to general managers and to the other Key Executives.

There are no stock-option plans for members of the Board of Directors nor for sake of completeness for the General Manager, other Key Executives or employees of the Company.

Incentive plans based on financial instruments, other than stock options, for members of the Board of Directors, General Managers and other Key Executives.

There are no incentive plans based on financial instruments other than stock options (restricted shares, performance share, share plan, etc.); for members of the Board of Directors, nor for sake of completeness for the General Manager, other Key Executives or employees of the Company.

During the year, the Group did not grant loans to Directors, while a loan was granted to a Key Executive and therefore has a receivable from them as of 31 December 2023.

The following table shows a comparison of the total remuneration of Directors over the last five years, based on Cementir Holding N.V. Directors in office as at 31 December 2023.

Board of Directors (EUR thousands)	2023	2022	2021	2020	2019
Francesco Caltagirone, Chairman of the Board of Directors and CEO	6,277	5,576	5,213	5,325	5,024
Alessandro Caltagirone, Non-Executive Director and Vice-Chairman	11	10	10	9	8
Azzurra Caltagirone, Non-Executive Director and Vice-Chairwoman	11	10	10	10	11
Saverio Caltagirone, Non-Executive Director	10	10	10	10	12
Fabio Corsico, Non-Executive Director*	271	270	270	234	236
Annalisa Pescatori, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee***	41				
Benedetta Navarra, Non-Executive Indipendent Director, Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee***	41				
Adriana Lamberto Floristan, Senior Non-Executive Indipendent Director, Member of the Audit Committee, Member of the Remuneration and Nomination Committee and Member of the Sustainability Committee**	40	9			32

Board of Directors who left the office in 2023 (EUR thousands)	2023	2022	2021	2020	2019
Edoardo Caltagirone, Non-Executive Director	2	5	8	10	10
Paolo Di Benedetto, Senior Non-Executive Indipendent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	17	50	49	49	72
Chiara Mancini, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee	22	62	60	60	52
Veronica De Romanis, Non-Executive Indipendent Director, Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee	22	62	60	60	52

"* Include consulting agreement
** Director until 5 October 2019 and, again, from 21 April 2022
***Director from 20 April 2023"

Company results (millions of Euro)	2023	2022	2021	2020	2019
EBIT	278.3	204.4	197.8	157.2	151.7

Average fixed remuneration on a FTE basis of employees (Euro)	2023	2022	2021	2020	2019
Average fixed remuneration of a FTE	66,619	64,072	58,841	62,915	60,424

Internal pay ratio

The internal pay ratio is a relevant factor to be considered in the assessment of the definition and implementation of the Remuneration Policy, in accordance with the Code.

The remuneration pay ratio for the Chief Executive Officer compared to the average remuneration of all employees of Group companies during 2023 is 94:1. This ratio includes the CEO's total direct compensation during 2023 for EUR 6,277 thousands, as shown in the table on Total direct compensation, pension and other benefits in this appendix, compared to the average compensation of all employees. The average compensation of all employees was calculated from the numbers as reported in Note 24.

In the previous 5 years, the ratio was:

	2023	2022	2021	2020	2019
Pay Ratio	94	87	89	85	83

The average remuneration of each employee is EUR 66,619, which represents the total cost of EUR 202,855.6 thousand for the total 3,045 employees.

As can be seen from the above figures, the internal pay ratio is represented by comparing the remuneration of the sole Executive Director, as well as Group Chairman and CEO, with the average remuneration of personnel of all levels operating throughout the Group. It should be noted that the Cementir Group has offices across the world and, as well known, the geographical location has a strong impact on the rules and measures of remuneration with a consequent influence on the following internal pay ratio.

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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

(EUR'000)	Note	31 December 2023	31 December 2022
ASSETS			
Intangible assets with a finite useful life	1	188,419	204,541
Intangible assets with an indefinite useful life (goodwill)	2	404,515	406,835
Property, plant and equipment	3	908,930	898,080
Investment property	4	87,585	86,226
Equity-accounted investments	5	6,529	5,559
Other equity investments	6	352	351
Non-current financial assets	9	125	592
Deferred tax assets	20	46,127	43,071
Other non-current assets	11	569	2,826
TOTAL NON-CURRENT ASSETS		**1,643,151**	**1,648,081**
Inventories	7	230,760	218,618
Trade receivables	8	164,931	194,549
Current financial assets	9	45,334	50,867
Current tax assets	10	5,326	8,018
Other current assets	11	20,301	18,084
Cash and cash equivalents	12	412,391	355,759
TOTAL CURRENT ASSETS		**879,043**	**845,895**
TOTAL ASSETS		**2,522,194**	**2,493,976**
EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		27,702	27,702
Other reserves		1,114,878	1,019,075
Profit (loss) attributable to the owners of the parent		201,364	162,286
Equity attributable to owners of the Parent	13	**1,503,064**	**1,368,183**
Reserves attributable to non-controlling interests		133,641	135,319
Profit (loss) attributable to non-controlling interests		14,128	19,271
Equity attributable to non-controlling interests	13	**147,769**	**154,590**
TOTAL EQUITY		**1,650,833**	**1,522,773**
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefits	14	22,807	26,340
Non-current provisions	15	25,485	32,752
Non-current financial liabilities	17	161,083	205,556
Deferred tax liabilities	20	160,009	161,896
Other non-current liabilities	19	247	1,107
TOTAL NON-CURRENT LIABILITIES		**369,631**	**427,651**
Current provisions	15	3,809	4,054
Trade payables	16	320,054	358,535
Current financial liabilities	17	79,032	105,569
Current tax liabilities	18	24,010	12,253
Other current liabilities	19	74,825	63,141
TOTAL CURRENT LIABILITIES		**501,730**	**543,552**
TOTAL LIABILITIES		**871,361**	**971,203**
TOTAL EQUITY AND LIABILITIES		**2,522,194**	**2,493,976**

Consolidated income statement

(EUR'000)	Note	2023	2022
REVENUE	21	**1,694,247**	**1,723,103**
Change in work in progress and finished goods	7	11,671	18,725
Increase for internal work	22	1,085	7,300
Other income	22	30,544	28,416
TOTAL OPERATING REVENUE		**1,737,547**	**1,777,544**
Raw materials costs	23	(739,121)	(829,446)
Personnel costs	24	(203,125)	(198,182)
Other operating costs	25	(384,179)	(414,666)
EBITDA		**411,122**	**335,250**
Amortisation and depreciation	26	(130,302)	(124,171)
Additions to provision	26	(2,326)	(3,084)
Impairment losses	26	(165)	(3,573)
Total amortisation, depreciation, impairment losses and provisions		(132,793)	(130,828)
EBIT		**278,329**	**204,422**
Share of net profits of equity-accounted investees	27	772	972
Financial income	27	17,430	5,820
Financial expense	27	(17,473)	(23,290)
Exchange rate profits / (losses)	27	15,538	28,448
Net income/(expense) from hyperinflation	27	(3,886)	20,062
Net financial income (expense)	27	**11,609**	**31,040**
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES		**12,381**	**32,012**
PROFIT (LOSS) BEFORE TAXES		**290,710**	**236,434**
Income taxes	28	(75,218)	(54,877)
PROFIT FROM CONTINUING OPERATIONS		**215,492**	**181,557**
PROFIT (LOSS) FOR THE YEAR		**215,492**	**181,557**
Attributable to:			
Non-controlling interests		14,128	19,271
Owners of the Parent		**201,364**	**162,286**

(EUR)			
Earnings per ordinary share			
Basic earnings per share	29	1.295	1.044
Diluted earnings per share	29	1.295	1.044

(EUR)			
Earnings per ordinary share from continuing operations			
Basic earnings per share	29	1.295	1.044
Diluted earnings per share	29	1.295	1.044

Consolidated statement of comprehensive income

(EUR'000)	Note	2023	2022
PROFIT (LOSS) FOR THE YEAR		**215,492**	**181,557**
Other components of comprehensive income:			
Items that will never be reclassified to profit or loss for the year:			
Net actuarial gains (losses) on post-employment benefits	30	1,294	5,169
Taxes recognised in equity	30	(326)	(989)
Total items that will never be reclassified to profit or loss		**968**	**4,180**
Items that may be reclassified to profit or loss for the year:			
Foreign currency translation differences - foreign operations	30	(162,157)	(64,187)
Profit (losses) on derivatives	30	(3,381)	8,356
Taxes recognised in equity	30	735	(417)
Total items that may be reclassified to profit or loss		**(164,803)**	**(56,248)**
Total other comprehensive expense, net of tax		**(163,835)**	**(52,068)**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		**51,657**	**129,489**
Attributable to:			
Non-controlling interests		(423)	12,170
Owners of the Parent		**52,080**	**117,319**

Consolidated statement of changes in equity

(EUR'000)	Note	Share capital	Share premium reserve	Other reserves: Legal reserve	Other reserves: Translation reserve	Other reserves: Hedge reserve	Other reserves: Retained earnings	Profit (loss) attributable to the owners of the parent	**Equity attributable to the owners of the parent**	Profit (loss) attributable to non-controlling interests	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total Equity**
Equity at 1 January 2023	**13**	**159,120**	**27,701**	**-**	**(743,235)**	**10,200**	**1,752,111**	**162,286**	**1,368,183**	**19,271**	**135,319**	**154,590**	**1,522,773**
Allocation of 2022 profit (loss)		-	-	-	-	-	162,286	(162,286)	**-**	(19,271)	19,271	**-**	-
Distribution of 2022 dividends		-	-	-	-	-	(34,214)	-	**(34,214)**	-	(10,023)	**(10,023)**	**(44,237)**
Treasury share purchase		-	-	-	-	-	-	-	**-**	-	-	**-**	**-**
Total transactions with investors		**-**		**-**	**-**	**-**	**128,072**	**(162,286)**	**(34,214)**	**(19,271)**	**9,248**	**(10,023)**	**(44,237)**
Profit (loss) for the year		-	-	-	-	-	-	201,370	**201,370**	14,122	-	**14,122**	**215,492**
Change in translation reserve	30	-	-	-	(147,618)	-	-	-	**(147,618)**	-	(14,539)	**(14,539)**	**(162,157)**
Net actuarial gains	30	-	-	-	-	-	970	-	**970**	-	(2)	**(2)**	**968**
Loss on derivatives	30	-	-	-	-	(2,642)	-	-	**(2,642)**	-	(4)	**(4)**	**(2,646)**
Other comprehensive income (expense)		-	-	-	(147,618)	(2,642)	970	-	**(149,290)**	-	(14,545)	**(14,545)**	**(163,835)**
Total comprehensive income (expense)	30	-	-	-	**(147,618)**	**(2,642)**	**970**	**201,370**	**52,080**	**14,122**	**(14,545)**	**(423)**	**51,657**
Adjustment for hyperinflation in Türkiye		**-**	**-**	**-**	**-**	**-**	115,420	**-**	**115,420**	**-**	3,183	**3,183**	**118,603**
Change in other reserves		-	-	-	-	-	1,595	**-**	**1,595**	-	442	**442**	**2,037**
Total other transactions		**-**	**-**	**-**	**-**	**-**	**117,015**		**117,015**		**3,625**	**3,625**	**120,640**
Equity at 31 December 2023	**13**	**159,120**	**27,701**	**-**	**(890,853)**	**7,558**	**1,998,168**	**201,370**	**1,503,064**	**14,122**	**133,647**	**147,769**	**1,650,833**

(EUR'000)	Note	Share capital	Share premium reserve	Other reserves: Legal reserve	Other reserves: Translation reserve	Other reserves: Hedge reserve	Other reserves: Retained earnings	Profit (loss) attributable to the owners of the parent	**Equity attributable to the owners of the parent**	Profit (loss) attributable to non-controlling interests	Reserves attributable to non-controlling interests	**Equity attributable to non-controlling interests**	**Total Equity**
Equity at 1 January 2022	**13**	**159,120**	**35,710**	**-**	**(687,321)**	**2,263**	**1,465,040**	**113,316**	**1,088,128**	**9,679**	**129,750**	**139,429**	**1,227,557**
Opening balances' hyperinflation adjustment in respect of Türkiye		-	-	-	-	-	112,879	-	**112,879**	-	3,165	**3,165**	**116,044**
Equity at 1 January 2022 (IAS29)		**159,120**	**35,710**	**-**	**(687,321)**	**2,263**	**1,577,919**	**113,316**	**1,201,007**	**9,679**	**132,915**	**142,594**	**1,343,601**
Allocation of 2021 profit		-	-	-	-	-	113,316	(113,316)	**-**	(9,679)	9,679	**-**	-
Distribution of 2021 dividends		-	(8,009)	-	-	-	(19,985)	-	**(27,994)**	-	(2,807)	**(2,807)**	**(30,801)**
Treasury share purchase		-	-	-	-	-	-	-	**-**	-	-	**-**	**-**
Total transactions with investors		**-**	**(8,009)**		**-**	**-**	**93,331**	**(113,316)**	**(27,994)**	**(9,679)**	**6,872**	**(2,807)**	**(30,801)**
Profit (loss) for the year		-	-	-	-	-	-	162,286	**162,286**	19,271	-	**19,271**	**181,557**
Change in translation reserve	30	-	-	-	(55,914)	-	-	-	**(55,914)**	-	(8,273)	**(8,273)**	**(64,187)**
Net actuarial gains	30	-	-	-	-	-	3,010	-	**3,010**	-	1,170	**1,170**	**4,180**
Gain on derivatives	30	-	-	-	-	7,937	-	-	**7,937**	-	2	**2**	**7,939**
Other comprehensive income (expense)		-	-	-	(55,914)	7,937	3,010	-	**(44,967)**	-	(7,101)	**(7,101)**	**(52,068)**
Total comprehensive income (expense)	30	**-**	**-**	**-**	**(55,914)**	**7,937**	**3,010**	**162,286**	**117,319**	**19,271**	**(7,101)**	**12,170**	**129,489**
Adjustment for hyperinflation in Türkiye		**-**	**-**	**-**	**-**	**-**	77,968	**-**	**77,968**	**-**	2,701	**2,701**	**80,669**
Change in other reserves		-	-	-	-	-	(117)	-	**(117)**	-	(68)	**(68)**	**(185)**
Total other transactions		**-**	**-**	**-**	**-**	**-**	**77,851**	**-**	**77,851**	**-**	**2,633**	**2,633**	**80,484**
Equity at 31 December 2022	**13**	**159,120**	**27,701**	**-**	**(743,235)**	**10,200**	**1,752,111**	**162,286**	**1,368,183**	**19,271**	**135,319**	**154,590**	**1,522,773**

Consolidated statement of cash flows

(EUR'000)	Note	31 December 2023	31 December 2022
Profit/(loss) for the year		**215,492**	**181,557**
Amortisation and depreciation	26	130,302	124,171
Net Reversals of impairment losses		(7,505)	(11,813)
Share of net profits of equity-accounted investees	27	(772)	(972)
Net financial income (expense)	27	(16,252)	(10,948)
Gains on disposals		(11,343)	(2,201)
Income taxes	28	75,218	51,106
Change in employee benefits		(823)	(2,025)
Change in provisions (current and non-current)		(2,738)	(560)
Operating cash flows before changes in working capital		**381,579**	**328,316**
(Increase) decrease in inventories		(28,544)	(23,513)
(Increase) decrease in trade receivables		8,758	(17,249)
Increase (decrease) in trade payables		(12,282)	58,742
Change in other non-current and current assets and liabilities		14,268	15,317
Change in current and deferred taxes		4,383	(15,077)
Operating cash flows		**368,162**	**346,537**
Dividends collected		114	194
Interest collected		11,023	2,919
Interest paid		(12,850)	(10,538)
Other net income (expense) collected (paid)		(4,784)	(10,058)
Income taxes paid		(61,280)	(47,655)
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**300,385**	**281,400**
Investments in intangible assets		(10,681)	(14,641)
Investments in property, plant and equipment		(95,890)	(90,428)
Acquisitions, net of cash and cash equivalents acquired		(5,908)	-
Proceeds from the sale of intangible assets		595	710
Proceeds from the sale of property, plant and equipment		15,545	6,332
Proceeds from the sale of equity investments and non-current securities		3,527	-
Change in non-current financial assets		719	(310)
Change in current financial assets		337	(40,643)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)		**(91,756)**	**(138,980)**
Change in non-current financial liabilities	17	(42,364)	(11,706)
Change in current financial liabilities	17	(59,094)	(27,759)
Dividends distributed		(37,548)	(30,801)
Other changes in equity	13	-	-
CASH FLOWS USED IN FINANCING ACTIVITIES (C)		**(139,006)**	**(70,266)**
NET EXCHANGE RATE PROFIT (LOSSES) ON CASH AND CASH EQUIVALENTS (D)		**(12,987)**	**1,066**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**56,633**	**73,220**
Opening cash and cash equivalents	**12**	**355,759**	**282,539**
Closing cash and cash equivalents	**12**	**412,391**	**355,759**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information

On 28 June 2019, the Extraordinary Shareholders' Meeting approved the transformation of the Company Cementir Holding SpA from a joint-stock company under Italian law into a Naamloze Vennootschap under Dutch law, consequent to the transfer of the registered office to Amsterdam, Netherlands (36, Zuidplein, 1077 XV). The transfer and transformation process was completed on 5 October 2019.

On that date the Board of Directors resolved to establish an operational and secondary headquarters in Rome, at 200 Corso Francia. The company's tax residence remained in Italy. As part of this transformation, Management aligned the equity composition from the Italian Law requirements with the Dutch Civil Code requirements.

The Company remained listed on the STAR segment of the Milan Stock Exchange.

Cementir Holding NV (the "Parent") and its subsidiaries make up the Cementir Holding Group (the "Group"), which operates internationally mainly in the cement and ready-mixed concrete sectors.

At 31 December 2023 shareholders holding shares exceeding 3% of share capital, as indicated in the book of shareholders, from communications received pursuant to Art. 5:28 of Financial Supervision Act and other information available, are:

1) Francesco Gaetano Caltagirone – 106,217,754 shares (66.753%). The shareholding is held as follows:
    - Direct ownership of 1,327,560 shares (0.834%)
    - Indirect ownership through the companies:
        - Calt 2004 Srl – 49,168,424 shares (30.900%)
        - Caltagirone SpA – 22,800,000 shares (14.329%)
        - FGC SpA – 17,600,000 shares (11.061%)
        - Azufin Spa – 5,600,000 shares (3.519%)
        - Pantheon 2000 SpA – 4,500,000 shares (2.828%)
        - Capitolium Srl – 2,600,000 shares (1.634%)
        - Ical 2 Spa - 1,000,000 shares (0.628%)
        - SO.CO.GE.IM Spa - 500,000 shares (0.314%)
        - Compagnia Gestioni Immobiliare Srl - 500,000 shares (0.314%)
        - Porto Torre Spa - 350,000 shares (0.220%)
        - INTERMEDIA Srl - 270,000 shares (0.170%)
        - Vianini Lavori SpA - 1,770 shares (0.001%)
2) Francesco Caltagirone – 8,720,299 shares (5.480%). The above investment is held indirectly through the company Chupas 2007 Srl for 8,720,299 shares (5.480%).

On 11 March 2024, the Board of Directors approved these consolidated financial statements at 31 December 2023 and authorised their publication on 11 March 2024.

Cementir Holding N.V. is included line-by-line in the consolidated financial statements of the direct parent company Caltagirone SpA, available on the website of Caltagirone Group. At the date of preparation of these consolidated financial statements, the ultimate Parent is FGC SpA due to the shares held via its subsidiaries.

The consolidated financial statements at 31 December 2023 include the financial statements of the Parent and its subsidiaries. The financial statements of the individual companies at the same date prepared by their directors were used for the consolidation, in accordance with uniform accounting policies.

Going Concern

The financial statement of the Group has been prepared on the basis of the going concern assumption. The Group has sufficient reserves to meet its obligations and will be able to operate for a period of at least 12 months from the date of preparation of the financial statements. The assessment carried out by the Board of Directors took into account the Group's main activities and risks, together with factors that may affect the Group's future performance, such as climate change and environmental requirements, financial position, expected cash flows, liquidity position and financing facilities. On the basis of the above, the Directors have reasonable expectations that the Group will continue to operate as a going concern.

Climate Change

The cement industry's ability to reduce its CO2 emissions and respond to climate change has become a focus for investors. In 2021, the Cementir Group launched a project to implement the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosure) by committing to being transparent on the risks and opportunities related to climate change. Cementir is also committed to ensuring the transparency of its climate-related risks and opportunities in line with the EU Taxonomy. The identification, assessment and effective management of risks and opportunities related to climate change are fully integrated into the Group's risk management process.

As suggested by the TCFD, the Group monitors the risks and opportunities arising from the evolution of transition scenarios and the evolution of physical variables. For further details on the scenarios used, please see the description in the 2023 Non-Financial Statement.

Physical variables are divided into two risk categories:

A. Acute: linked to the occurrence of extreme weather conditions such as cyclones, hurricanes or floods. Acute physical phenomena, in the various cases, are characterised by a notable intensity and a frequency of occurrence which is not high in the short term, but which, considering long-term scenarios, sees a clear increasing trend;
B. Chronic: refers to gradual and long-term changes in climate patterns (e.g., sustained high temperatures) that can cause sea-level rises or chronic heat waves.

With regard to the energy transition process, towards a progressive reduction of carbon emissions, there are risks and opportunities linked to changes in the regulatory, technological, market and reputational context.

The Group has decided to align itself with the TCFD framework to clearly represent the types of risks and opportunities indicating how each of them must be managed. The effects were assessed over three time horizons: the short term (1-3 years), linked to the implementation of the Business Plan; the medium term until 2030 during which it will be possible to see the effects of the energy transition; the long term up to 2050 during which the Group is committed to achieving net-zero emissions along its entire value chain. As the TCFD states, the process of disclosing risks and opportunities related to climate change will be gradual and incremental from year to year.

For further details on the impact of climate change on company estimates and valuations, please see the section “Use of estimates”.

It should also be noted that the analysis carried out did not reveal either any uncertainty factors that could lead to significant adjustments to the company's estimates in the short/medium term or significant impact of the climate change on the recoverability of the carrying amounts of the assets as at 31 December 2023.

Statement of compliance with the IFRS

These consolidated financial statements at 31 December 2023 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) of the Dutch Civil Code.

Certain parts of this annual report contain alternative indicators that are not financial performance or liquidity indicators under IFRS. These are commonly referred to as alternative (non-IFRS) performance indicators and include items such as earnings before interest, taxes, depreciation and amortisation (EBITDA) and earnings before income tax (EBIT). The Company calculates EBITDA before provisions.

Basis of presentation

The consolidated financial statements at 31 December 2023 are presented in euros, the Parent’s functional currency. All amounts are expressed in thousands of euros, unless indicated otherwise. The consolidated financial statements consist of a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and these notes. The Group has opted to present these statements as follows:

- the statement of financial position presents current and non-current assets and liabilities separately;
- the income statement classifies costs by nature;
- the statement of comprehensive income presents the effect of gains and losses recognised directly in equity, starting from the profit or loss for the year;
- the statement of cash flows is presented using the indirect method.

The general criterion adopted is the historical cost method, except for items recognised and measured at fair value based on specific IFRS, as described below in the section on accounting policies.

The IFRS have been applied consistently with the guidance provided in the “Framework for the preparation and presentation of financial statements”. The Group was not required to make any departures as per IAS 1.19.

In the financial statements, in addition to those specifically requested by IAS 1 and the other standards, when material, so as to show transactions with related parties separately or, in the case of the income statement, profits and losses on non-recurring or unusual transactions.

Cementir Holding N.V. has also prepared its company financial statements at 31 December 2023 in accordance with EU-IFRS and with Section 2:362(9) of Dutch Civil Code, as defined above.

TURKEY - hyperinflated economy: impacts of the application of IAS 29

As of April 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29-Financial Reporting in Hyperinflationary Economies". For the purpose of preparing these Consolidated Financial Statements and in accordance with IAS 29, certain non-monetary items in the balance sheets of the investee companies in Turkey and the income statement items have been remeasured by applying the general consumer price index to historical data, in order to reflect the changes in the purchasing power of the Turkish Lira at the balance sheet date of these companies.

Bearing in mind that the Cementir Group acquired control of the Turkish companies in September 2001, and that they applied hyperinflation until 31 December 2004, the re-measurement of the non-monetary balance sheet data of these companies' financial statements was carried out by applying inflation indices from that date.

The cumulative levels of the general consumer price indices are as follows:

- From 1 January 2005 to 31 December 2022: 891%
- From 1 January 2023 to 31 December 2023: 65%

The accounting effects of this adjustment, in addition to those already being accounted for in the prior year, incorporate the changes for the period. In particular, the effect related to the re-measurement of non-monetary assets and liabilities, equity items, and income statement items recognised in 2023 was recognised in a separate income statement item under financial income and expenses. The related tax effect of non-monetary assets and liabilities was recognised in taxes for the period.

To take into account the impact of hyperinflation also on the local currency exchange rate, profit and loss account balances expressed in hyperinflationary currencies have been converted into euro, the Cementir Group's presentation currency, applying the exchange rate at the end of the period instead of the average exchange rate for the period, in line with IAS 21's requirement to report these amounts at current values.

In 2023, the application of IAS 29 resulted in the recognition of a net financial charge (pre-tax) of EUR 3.9 million.

Below are the effects of IAS 29 on the main items of the Income Statement for 2023, differentiating for the latter between the revaluation based on general consumer price indices and the application of the final exchange rate, rather than the average exchange rate for the period, as required by IAS 21 for hyperinflationary economies:

(EUR'000)	IAS 29 Effect*	IAS 21 Effect**	Total Effect
REVENUE FROM SALES AND SERVICES	**64,418**	**(64,809)**	**(391)**
Change in inventories	(4,909)	(474)	(5,383)
Increase for internal work and other income	(720)	6,325	5,605
TOTAL OPERATING REVENUE	**58,789**	**(58,958)**	**(169)**
Raw materials costs	(46,445)	36,105	(10,340)
Personnel costs	(4,754)	4,485	(269)
Other operating costs	(10,417)	10,444	27
TOTAL OPERATING COSTS	**(61,616)**	**51,034**	**(10,582)**
EBITDA	**(2,827)**	**(7,924)**	**(10,751)**
Amortisation, depreciation, impairment losses and provisions	(11,989)	1,838	(10,151)
EBIT	**(14,816)**	**(6,086)**	**(20,902)**
Net financial income (expense)	(4,767)	618	(4,149)
NET FINANCIAL INCOME (EXPENSE)	**(4,767)**	**618**	**(4,149)**
PROFIT BEFORE TAXES	**(19,583)**	**(5,468)**	**(25,051)**
Income taxes	(18,415)	21,870	3,455
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(37,998)**	**16,402**	**(21,596)**
PROFIT (LOSS) FOR THE PERIOD	**(37,998)**	**16,402**	**(21,596)**
Attributable to: Non-controlling interests	3,263	(2,890)	373
Owners of the Parent	**(41,261)**	**19,292**	**(21,969)**

* The figures reported in this column represents the effects of the IAS29 application on the 2023 Consolidated Income statements;

** The figures reported in this column represents the difference between the application of the ending exchange rates, as required by IAS21 for Hyperinflationary economy, and the average exchange rate for the period.

Standards and amendments to standards adopted by the Group

a) The following list illustrates the new accounting standards and interpretations approved by the IASB, approved in Europe and in force starting from 1 January 2023:

- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (published 9 December 2021)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (published 7 May 2021)
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (published 23 May 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (published 12 February 2021)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (published 12 February 2021)
- IFRS 17 Insurance Contracts (published 18 May 2017); including Amendments to IFRS 17 (published 25 June 2020).

It should be noted that the adoption of these changes did not have significant impacts on the Consolidated Financial Statements.

With reference to the Legislative Decree to implement the BEPS 2.0 Pillar Two global measures (GloBE Rules) in its domestic legislation and the EU Directive n. 2022/2523 dated 14 December 2022 aimed at implementing the OECD Pillar Two rules, the Company performed a preliminary analysis of the income tax paid in all the countries where the Group is operating on the basis of the Country by Country Report, also pursuant to the transitional Safe Harbours where applicable, and no significant potential tax effects are expected.

b) Accounting standards not yet applicable, as they have not been approved by the European Union.

At the date of approval of the Consolidated Financial Statements, the following accounting standards and amendments have not yet been approved by the EU:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (published May 25, 2023). The amendments are effective for financial years starting on or after 1 January 2024.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (published 15 August 2023). The amendments are effective for financial years starting from 1 January 2025.

It should be noted that the Group is evaluating the effects that the application of the aforementioned principles could have on its Consolidated Financial Statements.

c) Accounting standards approved by the European Union, but not yet applicable

At the date of approval of the Consolidated Financial Statements, the competent bodies of the European Union have approved the following principles and amendments, but they have not yet been adopted by the Group:

- Amendments to IAS 1 Presentation of Financial Statements:
  • Classification of Liabilities as Current or Non-current Date (published on 23 January 2020);
  • Classification of Liabilities as Current or Non-current - Deferral of Effective Date (published on 15 July 2020); and
  • Non-current Liabilities with Covenants (published 31 October 2022)
  The amendments are effective for financial years starting on or after 1 January 2024.
- *Amendments to IFRS 16 Leases:* Lease Liability in a Sale and Leaseback (published 22 September 2022).
  The amendments are effective for financial years starting on or after 1 January 2024.

It should be noted that the Group is evaluating the effects that the application of the aforementioned principles could have on its Consolidated Financial Statements.

Basis of consolidation

Consolidation scope

A list of the companies included in the scope of consolidation at 31 December 2023 is provided in annex 1.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill (component of the purchase price in excess of the sum of the market values of the assets acquired and liabilities assumed in a business combination) that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Transactions between companies under common control and with owners

For transactions under common control, the Group applies the book value method of accounting.
Under the book value method of accounting, such transactions are recognised on the basis of the economic substance of the operation, i.e. a significant influence on the future cash flows of the net assets transferred for the entities concerned. Where the transaction is with owners, the difference between the transfer value and the carrying amounts of the transferred business is a transaction to be recognised, depending on the circumstances, as a contribution or distribution of equity of the entities involved in the transaction.

Subsidiaries

The scope of consolidation includes the Parent, Cementir Holding NV, and the companies over which it has direct or indirect control. Subsidiaries subject to direct or indirect control include companies for which the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence of potential voting rights is considered when determining whether control exists.

Subsidiaries are consolidated from the date on which control is obtained until when control ceases to exist. The financial statements used for consolidation purposes have a reporting date of 31 December, i.e., the same as that of the consolidated financial statements. They are usually prepared specifically for the purpose and approved by the directors of the individual companies and adjusted, when necessary, to comply with the Parent's accounting policies.

Consolidation criteria

Subsidiaries are consolidated line-by-line. The criteria adopted for line-by-line consolidation are as follows:

- assets, liabilities, expense and income are consolidated line-by-line, attributing to non-controlling interests (when they exist) their share of equity and profit (loss) for the year; which is presented separately under equity and in the consolidated statement of comprehensive income;
- business combinations where the Parent acquires control of an entity are recognised using the acquisition method. The consideration transferred is given by the fair value of the transferred assets, the liabilities assumed and equity instruments issued as at the acquisition date. The acquired assets, liabilities and contingent liabilities are recognised at fair value as at the date of acquisition. The difference between the purchase cost and the fair value of the acquired assets and liabilities is recognised as goodwill, if positive, or directly as income in the income statement, if negative;

- intragroup transactions and balances, including any unrealised profits with third parties arising on transactions with group companies, are eliminated, net of the related tax effect, if material. Unrealised losses are not eliminated if the transaction provides evidence of an impairment of the transferred asset;
- gains or losses on the sale of investments in consolidated companies are recognised in equity attributable to the owners of the Parent as owner transactions for the difference between the sales price and the related share of equity sold. If the sale leads to the loss of control and, therefore, the exclusion of the investee from the scope of consolidation, the difference between the sales price and the related share of equity is recognised as a gain or loss in the income statement.

Interests in joint arrangements

A joint arrangement is an agreement whereby two or more parties contractually have joint control of an "arrangement", i.e. when decisions about the relevant activities require the unanimous consent of the parties sharing control.

As regards the method of measurement and recognition in the financial statements, IFRS 11 sets out different approaches for:

- Joint Operations (JO): a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

- Joint Ventures (JV): a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The formulation of IFRS 11 as regards the distinction between JO and JV therefore depends upon the rights and obligations of the co-venturer in the joint arrangement, i.e. the substance of the arrangement and not its legal form.

As regards the presentation in the consolidated financial statements of JVs, IFRS 11 only requires then to be measured using the equity method, as described below.

As regards JOs, since the parties to the arrangement share the rights to the assets and assume the obligations for liabilities connected to the agreement, IFRS 11 requires each joint operator to recognise the pro-rata value of its share of the assets, liabilities, revenues and expense of the JO.

Associates

Associates are entities over which the Group has significant influence, which is assumed to exist when the investment is between 20% and 50% of the voting rights.

Investments in associates are measured using the equity method and are initially recognised at cost.

The equity method may be described as follows:

- the carrying amount of the investments equals the Group's share of the investees' equity and includes the recognition of any greater value attributable to the assets and liabilities and any goodwill identified at the acquisition date;
- the Group's share of profits or losses is recognised from the date that significant influence, or joint control, commences and until such significant influence or joint control ceases to exist. If an equity-accounted investee has a deficit due to losses, the carrying amount of the investment is cancelled and any remainder attributed to the Group, where the Group has a constructive or legal obligation to cover such losses, is recognised in a specific provision. Changes in the equity of the equity-accounted investee not related to its profit or loss for the year are offset directly against reserves;

- unrealised significant gains and losses on transactions between the Parent/subsidiaries and equity-accounted investees are eliminated to the extent of the Group's investment therein; unrealised losses are eliminated, unless they represent an impairment loss. Unrealised losses are eliminated, except to the extent that they represent impairment.

Accounting policies

Intangible assets

Intangible assets are identifiable, non-monetary assets without physical substance. They are a resource, controlled by an entity, from which future economic benefits are expected to flow. They are recognised at cost, including any directly related costs necessary for the asset to be available for use.

Upon initial recognition, the Group determines the asset's useful life. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate cash inflows for the Group. Useful life is reviewed annually and any changes, if necessary, are applied prospectively.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and the gain or loss (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the income statement in the year of its derecognition.

Intangible assets with a finite useful life are recognised net of accumulated amortisation and any impairment losses determined using the methods set out below. Amortisation begins when the asset is available for use and is allocated systematically over its residual useful life. Amortisation is determined in the period in which the intangible asset becomes available for use when it actually becomes available for use.

The estimated useful life of the main items of intangible assets with a finite useful life is reported below:

	Useful life intangible assets finite useful life
Development expenditure	5 years
Concessions, licences and trademarks	4-18-30 years
Other intangible assets, of which:	5-22 years
- Customer list	15-20 years
- Contracts for the exclusive exploitation of quarries	30 years

Intangible assets with an indefinite useful life (goodwill)

In the case of an acquisition of a subsidiary, the acquired identifiable assets, liabilities assumed and contingent liabilities are recognised at their fair value as at the date of acquisition. Any positive difference between the consideration transferred and the Group's share of fair value of these assets and liabilities is recognised as goodwill under intangible assets; goodwill is allocated to the CGU related to the acquisition. Any negative difference (negative goodwill) is recognised in the income statement at the acquisition date. Goodwill is not amortised after initial recognition but is tested for impairment annually or more frequently whenever there is an indication that it may be impaired. Impairment losses on goodwill are not reversed.

Emission rights

In relation to atmospheric emission rights (or CO_2), it should be noted that the accounting treatment of atmospheric emission rights (CO_2) is not expressly governed by IFRS. With reference to emission rights, the initial accounting among intangible assets takes place at the cost incurred (zero for the assigned free quotas), not amortised as it is believed that the residual value is at least equal to the carrying amount. At the end of each period if production requires greater availability of CO_2 quotas than those assigned free of charge. The Group records a liability for an amount equal to the market value (fair value) relating to the number of shares that must subsequently be acquired on the market. In the event that these shares have already been purchased by the company at the balance sheet date, the liability is valued using the weighted average cost and classified among "Other liabilities". The costs incurred to comply with the regulations on emissions rights (or CO_2) into the atmosphere are considered part of the production costs and consequently accounted for within raw materials.

Property, plant and equipment

Property, plant and equipment are recognised at their acquisition or construction cost, including directly attributable costs required to make the asset ready for the use for which it was purchased, increased by the present value of the estimated cost of dismantlement or removal of the asset, if the Group has an obligation in this sense.

Borrowing costs directly attributable to the acquisition, construction or production of an asset are capitalised as part of the asset's cost until the asset is ready for its intended use or sale.

Ordinary and/or regular maintenance and repair costs are expensed when incurred. Costs to extend, upgrade or improve group-owned assets or assets owned by third parties are capitalised only when they meet the requirements for their separate classification as assets or a part of an asset, using the component approach.

Property, plant and equipment are recognised net of accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the asset's estimated useful life, which is reviewed annually. Any necessary changes to its useful life are applied prospectively. Quarries are depreciated considering the quantities extracted in the period compared to the quantity extractable over the quarry's useful life (extracted/extractable criterion). When the Group has a specific commitment to do so, it recognises a provision for site restoration costs.

The estimated useful life of the main items of property, plant and equipment is reported below:

	Useful life of property, plant and equipment
Quarries	Extracted/extractable
Production plants	10-20 years
Other plants (not production):	
- Industrial buildings	18-20 years
- Light construction	10 years
- Generic or specific plant	8 years
- Sundry equipment	4 years
- Transport vehicles	5 years
- Office machines and equipment	5 years

The above time brackets, which show the minimum and maximum number of years, reflect the existence of components with different useful lives in the same asset category.

Land, whether free of construction or part of civil or industrial buildings, is not depreciated as it has an indefinite useful life.

If the asset to be depreciated consists of separate identifiable components with different useful lives, they are depreciated separately using the component approach. Property, plant and equipment are derecognised at the time of sale or when no future economic benefits are expected from their use.

At the time of sale or when there are no future economic benefits expected from use, the tangible asset is eliminated from the balance sheet. Any profit or loss (calculated as the difference between the transfer value and the related net book value) is recognised in the income statement in the year of the aforementioned elimination.

Leases

Identifying a lease

The company checks whether a contract contains a lease at the inception date (the earlier of the date of the lease agreement and the date of commitment by the parties to the terms of the contract) and subsequently each time the terms and conditions of the contract are changed. A contract is, or represents, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract contains or represents a lease, the company:

- assesses whether it has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- verifies whether the contract refers to the use of a specified asset, explicitly or implicitly, physically distinct or representing substantially all the capacity of a physically distinct asset. If the supplier has the substantive substitution right, the asset is not identified;
- verifies whether it has the right to direct the use of the asset. The company maintains that it has this right when it has the rights to make the most significant decisions to change the method and purpose of using the asset.

For contracts containing more than one lease and non-lease component and therefore falling under other accounting standards, the individual components to which the respective accounting standards apply must be separated out.

The lease term begins when the lessor makes the asset available to the lessee (commencement date) and is determined by reference to the non-cancellable period of the contract, i.e. the period during which the parties have legally enforceable rights and obligations, also including rent-free periods. The term can be extended by:

- the periods covered by an option to renew the contract (“renewal option”), when the company is reasonably certain that it will exercise that option;
- the periods after the date of termination (“termination option”), when the company is reasonably certain that it will not exercise that option.

Termination options held only by the lessor are not considered.

The reasonable certainty of whether or not to exercise an option to extend or terminate the contract is verified by the company on the commencement date, considering all the facts and circumstances that give rise to an economic incentive to exercise or not to exercise the option, and is subsequently reviewed whenever significant events occur or changes in circumstances that could affect the decision, which are under the control of the company.

It should be noted that the group has not used the practical expedient introduced by the amendment to IFRS 16 relating to the accounting by lessees for rent concessions obtained as a result of the Covid-19 pandemic.

<u>Lease accounting</u>

At the effective date of the lease, the company recognises the right of use (RoU) asset and the lease liability.

The right of use asset is initially measured at cost, including the amount of the initial measurement of the lease liability, adjusted for lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee for the dismantlement and removal of the underlying asset or restoring the underlying asset or the site where it is located, net of any lease incentives received.

The lease liability is measured at the present value of the lease payments that are not paid at that date. For discounting purposes, the company uses the implicit interest rate of the lease when possible – and if it can be inferred from the contract – or alternatively the incremental borrowing rate (IBR). The lease payments included in the measurement of the liability include fixed payments, variable payments that depend on an index or rate, amounts expected to be paid as a residual value guarantee, the exercise price of a purchase option (which the company has reasonable certainty that it will exercise), payments due during an optional renewal period (if the company is reasonably certain that it will exercise the renewal option) and penalties for early termination (unless the company is reasonably certain that it will not terminate the lease early).

Subsequently, the right of use asset is amortised on a straight-line basis over the entire term of the contract, unless the contract provides for the transfer of ownership at the end of the lease term or the cost of the lease reflects the fact that the lessee will exercise the purchase option. In the latter case, the amortisation period must be the shorter of the useful life of the asset and the term of the contract. The estimated useful lives of right of use assets are calculated according to the same approach applied to the associated asset. In addition, the value of the right of use asset is reduced by any impairment losses and adjusted to reflect the re-measurement of the lease liability.

Subsequent to initial measurement at the commencement date, lease liabilities are measured at amortised cost using the effective interest criterion and is remeasured in the event of a change in future lease payments deriving from a change in the index or rate, in the event of a change in the amount that the company expects to pay as a residual value guarantee or when the company changes its measurement as a result of the exercise or non-exercise of a purchase, extension or termination option. When the lease liability is remeasured, the lessee makes a corresponding change to the right of use asset. If the carrying amount of the right of use asset is reduced to zero, the change is recognised in profit/(loss) for the period.

In the statement of financial position, the company recognises right of use assets under assets, within the same line item as that within which the corresponding assets would be presented if they were owned; and lease liabilities are recognised under financial liabilities. In the income statement, interest expense on lease liabilities is a component of financial expenses and shown separately from the amortisation of right of use assets. Depreciation of right-of-use assets is presented in the depreciation item of the income statement.

Cash outflows relating to leasing payments are presented in the “Cash flow from financing activities” section of the Consolidated Cash Flow Statement.

Subleases

As regards subleases, the company, as intermediate lessor, classifies its share of the head lease separately from the sublease. To this end it classifies the sublease by reference to the right of use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease that the company has accounted for applying the exemption allowed for by the standard and discussed below, the sublease is classified as an operating lease. In the presence of subleases, the head lease is never considered to be of low value.

Investment property

Investment property is initially measured at cost and subsequently at fair value; changes in value are recognised in the income statement under other income or other operating costs, respectively. The investment property held to earn rentals or for capital appreciation is not depreciated.

Fair value is calculated on the basis of the following methods, depending on the type of investment:

- market value approach based on an analysis of a sample of recent sales of similar properties located in the nearby area. The resulting amount is then adjusted to account for the particular features of the building or land (level 2);
- projection of discounted cash flows based on reliable estimates of future cash flows supported by payments under lease and/or other existing contracts (level 3).

Impairment losses

At each reporting date, the Group assesses whether events or changes in circumstances exist suggesting that the carrying amount of intangible assets or property, plant and equipment may not be recovered. If any such indication exists, the Group determines the asset's recoverable amount. If the carrying amount exceeds the recoverable amount, the asset is impaired and written down to reflect its recoverable amount. The recoverable amount of goodwill and other intangible assets with an indefinite life is estimated at each reporting date or whenever changes in circumstances or specific events make it necessary.

The recoverable amount of property, plant and equipment and intangible assets is the higher of their fair value less costs to sell and their value in use, which is the present value of the future cash flows expected to be derived from an asset or a cash-generating unit to which the asset belongs, in the case of assets that do not independently generate largely separate cash flows.

When defining value in use, the future cash flows are discounted using a pre-tax rate that reflects the current market estimate of the time value of money and specific risks of the asset.

Impairment losses are recognised in the income statement when the carrying amount of the asset or related cash-generating unit (CGU) to which it is allocated is higher than its recoverable amount. Impairment losses on CGUs are firstly used to decrease the carrying amount of any goodwill allocated thereto and subsequently the other assets, in proportion to their carrying amounts. When the reason for an impairment loss on property, plant and equipment and intangible assets other than goodwill no longer exists, the carrying amount of the asset is increased through profit or loss to the carrying amount the asset would have had, had the impairment loss not been recognised and depreciation/amortisation charged.

If the impairment loss is higher than the carrying amount of the tested asset allocated to the CGU to which it belongs, the remaining amount is allocated to the assets included in the CGU in proportion to their carrying amounts. This allocation has as a minimum limit the higher amount of:

- the fair value of the asset, net of costs to sell;
- the value in use, as defined above;
- zero.

Impairment losses are recognised in the income statement under amortisation, depreciation and impairment losses.

Inventories

Raw materials, semi-finished products and finished goods are recognised at cost and measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and includes any ancillary costs. In order to determine net realisable value, the carrying amount of any obsolete or slow-moving inventories is written down to reflect their future utilisation/net realisation by recognising an allowance for inventory write-down.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification and measurement

The classification provided for by IFRS 9 is based on the business model for the management of financial assets and on the contractual conditions of cash flows. Financial assets are classified into three main categories: Financial assets are classified in three main categories: at amortised cost, at the fair value recognised in the other components of the comprehensive income statement (FVOCI) and at the fair value recognised in the profit/(loss) for the year (FVTPL).

Financial assets relating to commodity swaps are always recognised at fair value.

If the instrument is held for trading purposes, the changes in fair value must be recognised in the income statement. Whereas, for all the other investments, the company can decide, at the initial recognition date, to subsequently recognise all changes to fair value in the other components of the comprehensive income statement (OCI), exercising the FVTOCI option. In that case, amounts accumulated in the OCI will never be attributed to profit/(loss) for the year even if the investment is removed from accounts. Application of the "FVTOCI" option is irrevocable and reclassifications between the three categories are not permitted.

However, as regards the classification of financial assets, it is necessary to consider two elements:

1. the business model adopted by the company. Specifically, it:

- *Held to Collect* (HTC), model aimed at owning the financial assets to collect contractual flows;
- Held To Collect and Sale (HTC&S), model aimed at both collecting contractual flows resulting from the financial assets and to sell the financial asset itself;
- other different business models to the two previous ones.

2. the characteristics of the contractual cash flow coming from the financial instrument. More specifically, checking whether those contractual cash flows are solely represented by payment of capital and interest or include other components. This control is called SPPI Test (Solely Payment of Principal and Interest Test).

A financial asset represented by a certificate of indebtedness can be classified in the following categories:

1) Amortised cost when:

a. the instruments' contractual cash flows are solely represented by payment of capital and interest (SPPI Test passed); and

b. the business model adopted by the company foresees that the latter only holds the financial asset to collect the contractual cash flows (HTC business model).

In this category, financial instruments are initially recognised at fair value, including operating costs, and are then valued at amortised cost. Interest (calculated using the effective interest criterion as in the previously in force IAS 39), losses (and recovery of losses) for reduced value, profits/(losses) on exchange and profits/(losses) resulting from elimination from accounts are recognised in profit/(loss) of the year.

2) Fair Value Through Other Comprehensive Income (FVTOCI) when:

a. the instruments' contractual cash flows are solely represented by payment of capital and interest (SPPI Test passed); and

b. the business model adopted by the company foresees that the latter holds the financial asset to collect the contractual cash flows and the cash flows generated by sales (HTC&S business model).

In that category the financial instruments classified are initially recognised at fair value, including operating costs.

Interest (calculated using the effective interest criterion as in the previously in force IAS 39), losses/(profits) for reduced value, profits/(losses) on exchange are recognised in profits/(losses) for the year. Other changes to the fair value of the instrument are recognised among the other comprehensive income statement components (OCI). When the instrument is deleted from accounts, all profits/(losses) accumulated to OCI will be reclassified in the profit/(loss) for the year.

3) Fair Value Through Profit Or Loss secondarily, that is when:
a. the criteria described above are not complied with or;
b. when the fair value option is exercised.
Financial instruments classified in that category are initially and subsequently recognised at fair value. Operation costs and the changes in fair value are recognised in the profit/(loss) for the year.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

• The rights to receive cash flows from the asset have expired

or

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Losses for reduction in value

The 'expected credit loss' model (or 'ECL' model) assumes a significant valuation level due to the impact of economic factor changes on the ECL which are weighted based on probability.

The new loss for reduction in value model applies to financial assets valued at amortised cost or at FVOCI, except for the credit instruments and assets resulting from contracts with customers.

Provisions for credit risks are determined using the following methodological approaches: the "General deterioration method" and the "Simplified approach"; specifically:

- The "General deterioration method" requires classification of the financial instruments included in the scope of IFRS 9 application in three stages. The three stages reflect the credit's quality deterioration level, from when the financial instrument is acquired, and imply a different ECL calculation method;
- The "Simplified approach" foresees adoption of some simplifications for trade credits, contract assets and credits resulting from leasing contracts, in order to avoid that companies be obliged to monitor changes to the credit risk, as foreseen by the general model. Recognition of the loss applying the simplified approach

must be lifetime, therefore the allocation stage is not required. Therefore, for that type receivables are divided into uniform clusters; the reference parameters (PD, LGD, and EAD) used to calculate the lifetime expected credit losses are then calculated for each cluster using the information available.

In cases where the General Deterioration Method is applied, as was said, financial instruments are classified in three stages based on deterioration of the credit quality between the date of initial recognition and that of valuation:

- Stage 1: includes all financial assets being considered when they are first recognised (Initial recognition date) regardless of the qualitative parameters (e.g.: rating) and except for situations with objective evidence of impairment. In the subsequent valuation stage, all financial instruments that have had a significant increase in credit risk compared to initial recognition or that have a low credit risk at the reference date remain in stage 1. For those assets, credit losses for the next 12 months (12-month ECL) are recognised, considering the possibility that default could occur in the next 12 months. The interest on financial instruments included in stage 1 is calculated on the book value gross of any asset impairment losses;
- Stage 2: includes financial instruments that have had a significant increase in credit risk compared to the initial recognition Date, but no objective evidence of impairment. Solely expected credit losses resulting from all possible default events are recognised for those assets; for the entire expected lifetime of the financial instrument (Lifetime ECL). The interest on financial instruments included in stage 2 is calculated on the book value gross of any asset impairment losses;
- Stage 3: includes financial assets with objective evidence of impairment at the Date of valuation. Solely expected credit losses resulting from all possible default events are recognised for those assets; for the entire expected lifetime of the instrument.

For trade receivables and contract assets that do not include a significant financial component, the Group applies a simplified approach to calculating expected losses, as required by paragraph 5.5.15 of IFRS 9. Therefore, the Group does not monitor changes in credit risk, but fully recognises the expected loss at each reporting date. The Group has established a matrix system based on historical information, revised to take into account forward-looking factors with reference to specific types of debtors and their economic environment, as a tool for determining expected losses.

The Group considers a financial asset to be in default when contractual payments have been due for a period of time that is deemed to be consistent on the basis of the practices applicable in the various countries in which the Group operates. In some cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to recover the contractual amounts in full before considering the credit guarantees held by the Group, in which case the loan is considered non-performing, and stage 3 of the general model is applied. A financial asset is derecognised when there is no reasonable expectation of recovering the contractual cash flows.

The Group also takes available macroeconomic information (e.g. expected GDP) into account when assessing the recoverable amount of trade receivables.

Financial liabilities

Classification and measurement

Financial liabilities, related to loans and borrowings, trade payables and other obligations to pay, are initially recognised at fair value, net of directly related costs. They are subsequently measured at amortised cost, using the effective interest method. If there is a change in the estimated future cash flows and they can be determined reliably, the carrying amount of the liability is recalculated to reflect this change based on the present value of the new estimated future cash flows and the initially determined internal rate of return.

Financial liabilities are classified as current liabilities, unless the Group has the unconditional right to defer their payment for at least 12 months after the reporting date.

Derecognition

Financial liabilities are derecognised when they are extinguished, and the Group has transferred all the risks and obligations related to them.

Derivatives

The Group uses derivatives to hedge the risk of fluctuations in exchange rates, interest rates and market prices.

All derivatives are measured and recognised at fair value.

Transactions that meet requirements for the application of hedge accounting are classified as hedging transactions. Other transactions are designated as trading transactions, even when their purpose is to manage risk. Therefore, as some of the formal requirements of IFRS were not met at the derivative agreement date, changes in their fair value are recognised in the income statement.

Subsequent fair value gains or losses on derivatives that meet the requirements for classification as hedging instruments are recognised using the criteria set out below.

A derivative qualifies for hedge accounting if, at the inception of the hedge, there is formal designation and documentation of the hedging relationship, including the entity's risk management objective and strategy for undertaking the hedge as well as methods to test effectiveness. The hedge's effectiveness is assessed at inception and over the life of the hedge. Generally, a hedge is considered to be highly effective if, both upon inception and over its life, changes in the fair value (fair value hedges) or estimated cash flows (cash flow hedges) of the hedged item are substantially covered by changes in the fair value of the hedging instrument.

When the hedge relates to changes in the fair value of a recognised asset or liability (fair value hedge), changes in the fair value of both the hedging instrument and the hedged item are recognised in the income statement.

In the case of cash flow hedges (hedging designated to offset the risk of changes in cash flows generated by the future performance of contractually defined obligations at the reporting date), changes in fair value of the derivative recognised after its initial recognition are recognised under reserves (in equity) for the effective part only. When the economic effects of the hedged item arise, the reserve is reversed to the income statement under operating income (expense). If the hedge is not perfectly effective, changes in the fair value of the hedging instrument, related to the ineffective portion, are immediately recognised in the income statement. If, during the life of a derivative, the estimated cash flows hedged are no longer highly probable, the portion of the reserves related to that instrument is immediately reversed to the income statement. Conversely, if the derivative is sold or no longer qualifies as an effective hedging instrument, the part of the reserves representing the fair value changes in the instrument, accumulated to date, is maintained in equity and reversed to the income statement using the above classification method when the originally hedged transaction takes place.

The fair value of financial instruments was calculated used pricing techniques in order to define the present value of future cash flows attributable to such instruments, using market curves in place at the measurement date. Furthermore, the component related to the risk of non-compliance (by the Group and the counterparty) was measured using yield-curve spreads.

Treasury shares

The cost of acquiring its own equity instruments ('treasury shares') is deducted from capital. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of equity instruments. Such treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration paid or received is recognised directly in equity.

Cash and cash equivalents

Cash and cash equivalents are recognised at fair value and include bank deposits and cash-on-hand, i.e., short-term, highly liquid assets that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

In case bank deposits do not meet the definition of cash and cash equivalents reported above, are classified as financial assets, either current or non-current, depending on the specific related terms.

Employee benefits

Liabilities for employee benefits paid at or after termination of employment related to defined-benefit plans, net of any plan assets, are determined using actuarial assumptions, estimating the amount of future benefits accrued by employees at the reporting date. They are recognised on an accruals basis over the period in which the employees' rights accrue. Defined benefit plans also include the post-employment benefits (TFR) due to employees[1] pursuant to Art. 2120 of the Italian Civil Code for benefits vested up to 31 December 2006. Following pension law reform, postemployment benefits accruing since 1 January 2007 are compulsorily transferred to a supplementary pension fund or the special treasury fund set up by INPS (the Italian social security institution) depending on which option the employee has chosen. Therefore, the Group's liability for defined benefits owing to employees solely relates to those vested up to 31 December 2006.

Accounting policies adopted by the Group[1] since 1 January 2007 (described below) comply with the prevailing interpretation of the new legislation and follow the accounting guidance provided by relevant professional bodies. Specifically, it:

- post-employment benefits accruing since 1 January 2007 are considered to be defined contribution plans, including when the employee has opted to transfer the benefits to the INPS treasury fund. These benefits, determined in accordance with Italian Civil Code requirements, are not subjected to actuarial evaluation and are recognised as personnel expense.
- post-employment benefits vested up to 31 December 2006 continue to be recognised as a company liability for defined benefit plans. This liability will not increase in the future through additional accruals. Therefore, the actuarial calculation used to determine the 31 December 2016 balance did not include future salary increases.

Independent actuaries calculate the present value of the Group's obligations using the projected unit credit method. They project the liability into the future to determine the probable amount to be paid when the employment relationship terminates and then discount it to consider the time period before the first effective payment. This calculation includes post-employment benefits accrued for past service and uses actuarial assumptions, mainly based on interest rates, which reflect the market yield on high quality corporate bonds with a term consistent with that of the Group's obligation and employee turnover rate.

Actuarial gains and losses, defined as the difference between the carrying amount of the liability and the present value of the Group's obligations at the reporting date, due to changes in the actuarial assumptions previously used (see above), are recognised directly in other comprehensive income.

[1] Relating to Italian companies.

Provisions for risks and charges

These provisions cover certain or probable risks and charges identified, whose due date or amount is unknown at the reporting date.

Accruals to provisions for risks and charges are recognised when the company has a constructive or legal obligation at the reporting date as a result of a past event and it is likely that an outflow of resources will be necessary to settle the obligation and the amount of this outflow can be estimated reliably. When the time value of money is material and the payment dates can be estimated reliably, the provision is discounted. Increases in the provision due to the passage of time are recognised as a financial expense. The Group sets up a specific provision when it has an obligation to dismantle and restore sites (e.g., quarries), thus increasing the carrying amount of the related asset pursuant to IAS 16 and IFRIC 1.

The provision for dismantling and removing, recorded in the financial statements, essentially includes the estimated costs that will be incurred, upon completion of the extraction of materials used for production, for the mining closure of quarries, removal of structures and restoration of sites. The Group periodically assesses changes, circumstances or events that may require it to recognise such liabilities.

Liabilities related to the dismantling of tangible assets and the restoration of sites at the end of production activities are recognised, in the presence of a legal or constructive obligation and of the possibility of making a reliable estimate of the charge, as an offsetting entry to the assets to which they refer. In view of the long period of time between when the obligation arises and when it is settled, estimates of charges to be incurred are recognised on the basis of their present value. The adjustment of the provision related to the passage of time is recognised in the income statement under financial income and expenses. Provisions are periodically assessed to take into account updated costs to be incurred, contractual constraints, legislation and practices in the country where the tangible assets are located. Changes in estimates of these provisions are generally recognised as a balancing entry to the assets to which they relate; in this regard, if the change in estimate results in a reduction in an amount greater than the carrying amount of the asset to which it relates, the excess is recognised in the income statement.

Revenue from contracts with customers

The Group is in the business mainly of producing and distributing cement, ready-mixed concrete, aggregates and related services. Revenue from contracts with customers is recognised at the point in time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. For standard sale of products, control generally passes to the customer at the time the product is delivered and accepted, depending on the delivery conditions and incoterms. The Group has generally concluded that it is the principal in its transactions with clients.

The transaction price may be variable due to discounts, rebates or similar arrangements. Revenue is only recognised for the part of the consideration for which it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Sale of services

The Group is providing mainly transport services which are recognised at the time the service is provided.

Financial income and expense

Financial income and expense are recognised on an accruals basis considering the interest accrued on the carrying amount of the related financial assets and liabilities using the effective interest rate, i.e., the interest rate that matches the cash inflows and outflows of a specific transaction. Reference should be made to the section on property, plant and equipment for the treatment of capitalised borrowing costs.

Dividends

Dividends are recognised when the shareholders' right to receive them is established. This usually takes place at the date of the shareholders' resolution to distribute the dividends. Therefore, distribution is recognised as a liability in the period in which the shareholders approve it.

Income taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities are calculated on temporary differences between the carrying amounts of assets and liabilities and their tax base, except for goodwill, applying the tax rates expected to be enacted in the years in which the temporary differences will be recovered or settled. Deferred tax assets are recognised when their recovery is probable, i.e., when taxable profits sufficient to allow recovery are foreseen for the future. Recoverability is reviewed at the end of each reporting period.

Current and deferred income taxes are recognised in the income statement except for those related to items directly recognised in other comprehensive income. Other current and deferred income taxes are offset when the income taxes are applied by the same tax authority, there is a legal right to offset and payment of the net balance is expected.

Other non-income taxes, such as property taxes, are recognised under other operating costs.

Earnings per share

(i) Basic: basic earnings per share are calculated by dividing the Group's profit by the weighted average number of shares outstanding during the year, excluding treasury shares.

(ii) Diluted: diluted earnings per share are calculated by dividing the Group's profit by the weighted average number of shares outstanding during the year, excluding treasury shares. The weighted average is adjusted assuming that all potential shares with diluting effects have been converted. Diluted earnings per share are not calculated if the Group makes a loss, as any dilutive effect would lead to an improvement in the earnings per share.

Transactions in currencies other than the functional currency

All transactions in currencies other than the functional currency of individual group companies are recognised at the exchange rate applicable at the transaction date.

Monetary assets and liabilities in currencies other than the functional currency are subsequently retranslated using the closing rate. Any resulting exchange rate gains or losses are recognised in the income statement.

Non-monetary assets and liabilities denominated in a currency other than the functional currency are recognised at historical cost and converted using the exchange rate in force at the date the transaction was first recognised.

Non-monetary assets and liabilities recognised at fair value are translated using the exchange rate in force at the date fair value was determined.

Translation of financial statements of foreign operations

The financial statements of subsidiaries, associates and joint ventures are prepared using the currency of the primary economic environment in which they operate (the functional currency).

The financial statements of group companies operating outside the eurozone are translated into euros using the closing rate for the statement of financial position items and the average annual rate for the income statement items if no major fluctuations are detected in the reference period, in which case the exchange rate on the date of the transaction applies. For Turkish subsidiaries, please refer to that explained in the paragraph "Turkey — Hyperinflated Economy: impacts of the application of IAS 29". Translation differences arising on the adjustment of opening equity at the closing spot rates and the differences arising from the different methods used to translate profit for the year are recognised in equity through the statement of comprehensive income and shown separately in a special reserve.

When a foreign operation is sold, the translation differences accumulated in the specific equity reserve are reclassified to profit or loss.

The main exchange rates used in translating the financial statements of companies with functional currencies other than the euro are as follows:

	31 December 2023	Average 2023	31 December 2022	Average 2022
Turkish lira – TRY *	32.65	25.76	19.96	17.41
US dollar – USD	1.11	1.08	1.07	1.05
British pound – GBP	0.87	0.87	0.89	0.85
Egyptian pound – EGP	34.24	33.01	26.20	20.09
Danish krone – DKK	7.45	7.45	7.44	7.44
Icelandic krona – ISK	150.50	149.13	151.50	142.24
Norwegian krone – NOK	11.24	11.42	10.51	10.10
Swedish krona – SEK	11.10	11.48	11.12	10.63
Malaysian ringgit – MYR	5.08	4.93	4.70	4.63
Chinese renminbi yuan – CNY	7.85	7.66	7.36	7.08

(*) For Turkish subsidiaries, please see the section "Turkey - hyperinflated economy: impacts of the application of IAS 29".

Use of estimates

The preparation of consolidated financial statements requires management to use accounting policies and methods that are sometimes based on difficult and subjective judgements, estimates based on past experience and assumptions that are considered reasonable and realistic in the circumstances. The application of these estimates and assumptions affects the amounts presented in the financial statements and disclosures. The actual results for which these estimates and assumptions were used may differ due to the uncertainties that characterise the assumptions and the conditions on which the estimates were based.

The accounting policies and financial statements items that require greater subjective judgement by management when making estimates and for which a change in the conditions underlying the assumptions could have a significant impact on the Group's consolidated financial statements are the following:

- *Intangible assets with indefinite life:* goodwill is tested for impairment annually to identify any impairment losses to be recognised in the income statement. Specifically, this test involves determining the recoverable amount of the CGUs to which goodwill is allocated by estimating their value in use or fair value less costs of disposal; If this recoverable amount is lower than the carrying amount of the CGUs, the goodwill allocated to them must be written down. Allocation of goodwill to the CGUs and determination of their fair value involves the use of estimates that rely on factors that may change over time, including the technological, economic and regulatory ones deriving from climate change, with potentially significant effects compared to the valuations made by management.

- *Amortisation and depreciation of non-current assets:* amortisation and depreciation are significant costs for the Group. The cost of property, plant and equipment is depreciated systematically over the assets' estimated useful life. The economic useful life of the Group's fixed assets is determined by the directors at the time the fixed asset was acquired; it is based on historical experience for similar fixed assets, market conditions and anticipations regarding future events that may impact useful life, including changes in technology. As such, effective useful life may differ from estimated useful life. The Group regularly assesses technological and sector changes, as well as those related to the effects deriving from climate change, dismantlement costs and the recoverable amount to update useful life. This regular update could lead to a change in the depreciation period and, therefore, the amount of depreciation in future years. Management regularly reviews the estimates and assumptions and the effects of each change are recognised in the income statement. When the review affects current and future years, the change is recognised in the year in which it is made and in the related future years, as explained in more detail in the next section.
- *Dismantling and removing provisions:* the Group incurs significant liabilities related to the obligations to decommission tangible assets and restore the land environment at the end of production activity. Estimating future decommissioning and restoration costs is a complex process and requires the management's judgement in assessing the liabilities that will be incurred many years from now to meet decommissioning and restoration obligations, which are often not fully defined by laws, administrative regulations or contractual clauses. Moreover, these obligations are affected by the constant updating of decommissioning and restoration techniques and costs, as well as by the continuous evolution of political and public awareness of health and environmental protection. The determination of the discount rate to be used both in the initial measurement of the charge and in subsequent measurements, as well as the forecast of the timing of the disbursements and their possible updating, are the result of a complex process that involves the exercise of professional judgement by management.
- *Purchase Price Allocation:* as part of business combinations, the identifiable assets purchased and the liabilities assumed are recognised in the consolidated financial statements at fair value on the acquisition date, through a Purchase price allocation process, against the consideration transferred to acquire the control of a company, which corresponds to the fair value of the assets acquired and the liabilities assumed, as well as of capital instruments issued. During the measurement period, the calculation of the aforementioned their values requires Directors to make estimates on the information available on all facts and circumstances that exist on the acquisition date and may affect the value of the acquired assets and assumed liabilities.
- *Estimate of the fair value of investment property*: at each reporting data investment property is measured at fair value and is not subject to depreciation. When determining their fair value, the Directors based their valuation on assumptions about the trend of the reference real estate market in particular. Such assumptions may vary over time, influencing evaluations and forecasts to be performed by the Directors.
- *Estimate of the Deferred Tax Assets recoverability:* deferred tax assets are recognized on deductible temporary differences between the carrying amount of an asset or liability in the financial statements and its tax base and on unused tax losses carried forward, to the extent it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. Judgment is required on the part of management, involving estimates regarding the timing and level of future taxable profits, to determine the level of deferred tax assets that should be recognized.

Changes in accounting policies, errors and changes in estimates

The Company modifies the accounting policies adopted from one reporting period to another only if the change is required by a standard or contributes to providing more reliable and relevant information about the effects of transactions on the company's financial position, performance and cash flows.

Changes in accounting policies are recognised retrospectively in the opening balance of each affected component of equity for the earliest prior period presented. Other comparative amounts shown for each previous period presented are adjusted as if the new accounting policy had always been applied. The prospective approach is only applied when it is impracticable to reconstruct the comparative amounts.

The application of a new or amended accounting standard is accounted for as required by the standard. If the standard does not govern the transition method, the change is accounted for retrospectively or, if impracticable, on a prospective basis.

This same approach is applied to material errors. Non-material errors are recognised in the income statement in the period in which the error is identified.

Changes in estimates are recognised prospectively in the income statement in the period in which the change takes place, if it only affects that period, or in the period in which the change takes place and subsequent periods, if the change also affects these periods.

Financial risk management

The Group is exposed to financial risks related to its operations, namely:

Credit risk

The Group is not particularly exposed to credit risk, despite operating in different geographical markets, as it is not overly exposed to a limited number of positions. Moreover, its operating procedures require checks on credit risk, with the sale of products and/or services limited to customers with suitable credit ratings and guarantees.

Receivables are recognised net of the loss allowance, calculated considering the rules set out by IFRS 9, as mentioned above. Therefore, the maximum exposure to credit risk is equivalent to the carrying amount.

With respect to bank deposits and derivatives, the Group has always worked with leading counterparties, thus limiting its credit risk in this sense.

Liquidity risk

Liquidity risk concerns the availability of financial resources and access to credit market and financial instruments.

Specifically, the Group monitors and manages its cash flows, funding requirements and liquidity levels in order to ensure the effective and efficient use of its financial resources.

It meets its liquidity requirements for investing activities, working capital and the payment of amounts payable drawing on cash flows generated constantly by its operating activities and on credit facilities.

The Group aims to maintain its ability to generate cash flows through operating activities, given the current market conditions. In fact, thanks to its strong financial position, any unplanned financial requirements can be funded through its access to credit facilities.

Market risk

Market risk mainly concerns exchange rates, interest rates and raw materials costs, as the Group operates internationally in areas with different currencies.

The Group monitors the financial risks to which it is exposed regularly so as to assess in advance any potential impacts and take the most suitable action to mitigate them; derivative financial instruments are also used for this purpose.

Currency risk

Group companies operate internationally; as such they are structurally exposed to currency risk for cash flows from operating activities and financing operations in currencies other than the functional currency.

The Group's operating activities are exposed differently to changes in exchange rates: in particular the cement sector is exposed to currency risk on both revenues, for exports, and costs to purchase solid fuels in USD; whereas the ready-mixed concrete sector is less exposed as both revenue and costs are in local currency. The Group assesses the natural hedging of cash flows and financing for these risks and purchases currency forwards and currency put and call options for hedging purposes. Transactions involving derivatives are performed for hedging purposes.

The Group's presentation currency is the euro. As a result, it is exposed to currency risk in relation to the translation of the financial statements of consolidated companies based in countries outside the Economic Monetary Area (except for Denmark whose currency is historically tied to the euro). The income statements of these companies are translated into euros using the average annual rate in the event that changes in value are not significant, and changes in exchange rates may affect the value in euros, even when the revenue and profits in local currency remain unchanged. Pursuant to the IFRS, translation differences on assets and liabilities are recognised directly in equity in the translation reserve (note 13).

For information on the accounting effects of hyperinflation applied to investee companies in Turkey, please see the section "Turkey — hyperinflated economy: impacts of the application of IAS 29".

Interest rate risk

As the Group has net financial debt, it is exposed to the risk of fluctuations in interest rates. The Group purchases interest rate swaps to partly hedge the risk after assessing forecast interest rates and timeframes for the repayment of debt by using estimated cash flows.

The Group's operating and financial policies aim to minimise the impact of these risks on its performance.

Raw materials price risk

The Group is exposed to the risk of fluctuations in raw materials prices. It manages this risk through supply agreements with Italian and foreign suppliers which set prices and quantities for roughly 12 months. It also uses suppliers in different geographical areas to avoid the risk of supply chain concentration and to obtain the most competitive prices. Furthermore, the Group uses derivative instruments to hedge the risk of market price fluctuations.

Also refer to note 32 for quantitative information on risks.

Group's value

The Stock Exchange capitalisation of the Cementir shares as of 31 December 2023 is equal to EUR 1,518.0 million (EUR 977.0 million as of 31 December 2022) against a net equity pertaining to the Group of EUR 1,503.1 million (EUR 1,368.2 million as of 31 December 2022).

Segment reporting

In accordance with IFRS 8, the Group has identified its operating segments on the basis of the Parent's internal reporting system for management purposes.

The Group's operations are organised on a regional basis, divided into Regions that represent the following geographical areas: Nordic & Baltic, Belgium, North America, Türkiye, Egypt, Asia Pacific and Italy (hereinafter also "Holding and Services").

The Nordic & Baltic region includes Denmark, Norway, Sweden, Iceland, Poland and the white cement operations in Belgium and France. The Belgium region includes the activities of the Compagnie des Ciments Belges S.A. group in Belgium and France. The North America region includes the United States. The Asia Pacific region includes China, Malaysia and Australia. "Holding and Services" includes the Parent Company, Spartan Hive and Aalborg Portland Digital and other smaller companies.

The Group's geographical segments consist of the non-current assets of each company based and operating in the above areas. Transfer prices applied to transactions between segments for the exchange of goods and services comply with normal market conditions.

The following table shows the performance of each operating segment at 31 December 2023:

(EUR'000)	Nordic & Baltic	Belgium	North America	Türkiye	Egypt	Asia Pacific	Holding and Services	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
Operating revenue	**754,526**	**362,049**	**183,690**	**333,866**	**50,345**	**124,981**	**214,478**	(286,388)	**1,737,547**
Intra-segment operating revenue	(86,860)	(3)	(1,116)	(16,146)	(8,933)	-	(173,330)	286,388	-
Contributed operating revenue	667,666	362,046	182,574	317,720	41,412	124,981	41,148	-	1,737,547
Segment result (EBITDA)	**181,250**	**97,559**	**26,282**	**63,321**	**12,540**	**26,879**	**3,291**	-	**411,122**
Amortisation, depreciation, impairment losses and provisions	(49,150)	(33,601)	(16,463)	(19,622)	(2,005)	(8,615)	(3,337)	-	(132,793)
EBIT	**132,100**	**63,958**	**9,819**	**43,699**	**10,535**	**18,264**	**(46)**	-	**278,329**
Net profit (loss) of equity-accounted investees	772	-	-	-	-	-	-	-	772
Net financial income (expense)	-	-	-	-	-	-	-	11,609	11,609
Profit (loss) before taxes	-	-	-	-	-	-	-	-	**290,710**
Income taxes	-	-	-	-	-	-	-	(75,218)	(75,218)
Profit (loss) for the year	-	-	-	-	-	-	-	-	**215,492**

The following table shows the performance of each operating segment at 31 December 2022:

(EUR'000)	Nordic & Baltic	Belgium	North America	Türkiye	Egypt	Asia Pacific	Holding and Services	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
Operating revenue	**835,975**	**338,601**	**198,205**	**292,104**	**59,206**	**131,609**	**219,400**	**(297,556)**	**1,777,544**
Intra-segment operating revenue	(84,275)	-	(1,190)	(26,954)	(5,288)	-	(179,849)	297,556	-
Contributed operating revenue	751,700	338,601	197,015	265,150	53,918	131,609	39,551	-	1,777,544
Segment result (EBITDA)	**165,707**	**76,533**	**28,949**	**26,592**	**11,792**	**22,683**	**2,994**	-	**335,250**
Amortisation, depreciation, impairment losses and provisions	(48,420)	(28,658)	(16,611)	(21,747)	(3,159)	(9,004)	(3,229)	-	(130,828)
EBIT	**117,287**	**47,875**	**12,338**	**4,845**	**8,633**	**13,679**	**(235)**	-	**204,422**
Net profit (loss) of equity-accounted investees	898	74	-	-	-	-	-	-	972
Net financial income (expense)	-	-	-	-	-	-	-	31,040	31,040
Profit (loss) before taxes	-	-	-	-	-	-	-	-	**236,434**
Income taxes	-	-	-	-	-	-	-	(54,877)	(54,877)
Profit (loss) for the year	-	-	-	-	-	-	-	-	**181,557**

The following table shows the other financial data of the geographical sector as of 31 December 2023:

(EUR'000)	Segment total assets	Segment non-current assets	Segment total liabilities	Segment Equity-accounted investments	Segment Investments property, plant and equipment and intangible asset
Nordic & Baltic	818,251	559,697	395,152	6,386	61,291
Belgium	492,611	393,898	172,898	143	37,262
North America	359,153	209,935	68,181	-	12,849
Türkiye	453,614	317,881	109,397	-	17,704
Egypt	117,255	18,440	29,665	-	2,878
Asia Pacific	145,810	72,538	28,591	-	7,209
Holding and Services	135,500	70,762	67,477	-	10,750
Total	**2,522,194**	**1,643,151**	**871,361**	**6,529**	**149,943**

The following table shows the other financial data by sector as of 31 December 2022:

(EUR'000)	Segment total assets	Segment non-current assets	Segment total liabilities	Segment Equity-accounted investments	Segment Investments property, plant and equipment and intangible asset
Nordic & Baltic	812,524	552,487	436,717	5,416	50,606
Belgium	490,935	394,135	182,936	143	32,053
North America	356,505	220,106	65,231	-	9,366
Türkiye	408,084	313,914	111,259	-	14,758
Egypt	117,385	22,986	22,099	-	1,005
Asia Pacific	161,092	74,216	30,606	-	7,555
Holding and Services	147,451	70,237	122,356	-	17,058
Total	**2,493,976**	**1,648,081**	**971,204**	**5,559**	**132,401**

The following table shows revenue from third-party customers by geographical segment in 2023:

(EUR'000)	Nordic & Baltic	Belgium	North America	Türkiye	Egypt	Asia Pacific	Italy	Rest of the world	CEMENTIR HOLDING GROUP
Revenue by customer geographical location	727,832	255,945	191,817	282,554	18,766	138,403	6,900	72,030	**1,694,247**

The following table shows revenue from third-party customers by geographical segment in 2022:

(EUR'000)	Nordic & Baltic	Belgium	North America	Türkiye	Egypt	Asia Pacific	Italy	Rest of the world	CEMENTIR HOLDING GROUP
Revenue by customer geographical location	838,293	239,458	205,656	218,001	24,775	128,714	3,487	64,719	**1,723,103**

Also refer to note 21) for information on segment revenue by product.

For details of the products and services from which each reportable segment derives its revenues, please see the Director’s Report.

1) Intangible assets with a finite useful life

At 31 December 2023, intangible assets with a finite useful life amounted to EUR 188,419 thousand (EUR 204,541 thousand at 31 December 2022). Concession rights and licences mainly consisted of concessions to use quarries and software licences for the IT system (SAP R/3). The increase in the period is attributable to projects relating to improvements in IT processes, technology, infrastructure and IT security measures. In particular, the main projects concerned new developments in ERP and reporting systems (mainly SAP), the implementation and further development of systems for the centralized management of some core processes including investments, Budget, treasury (to name the main ones); in addition, major investments were made in some Group companies for network and systems optimization and security, and for customer and product portfolio support. The increases also include investments made in accordance with the Emissions Trading System Regulation. The reclassification reported in the table below is mainly the effect of the fulfilment of the obligation for CO_2 quotas accrued in 2022 as liability.

Other intangible assets include the values assigned to certain assets upon acquisition of the CCB Group and LWCC, such as customer lists and contracts for the exclusive exploitation of quarries. These amounts were recognised as part of the purchase price allocation for the acquisition of these companies.

Amortisation is applied over the assets’ estimated useful life.

(EUR'000)	Development expenditure	Concessions, licenses and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2023	**1,786**	**65,203**	**267,186**	**1,004**	**335,179**
Hyperinflation adjustment in respect of Türkiye	-	1,907	1,653	-	3,560
Additions	-	47	6,966	4,816	11,829
Disposals	-	(1,111)	(173)	-	(1,284)
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	16	-	16
Exchange differences	-	(2,575)	(4,630)	-	(7,205)
Reclassifications	-	276	(5,210)	(4,255)	(9,189)
Gross amount at 31 December 2023	**1,786**	**63,747**	**265,808**	**1,565**	**332,906**
Amortisation at 1 January 2023	**1,786**	**28,042**	**100,810**	**-**	**130,638**
Hyperinflation adjustment in respect of Türkiye	-	290	1,577	-	1,867
Amortisation	-	2,369	13,101	-	15,470
Decrease	-	(435)	(254)	-	(689)
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	(807)	(1,993)	-	(2,800)
Reclassifications	-	-	-	-	-
Amortisation at 31 December 2023	**1,786**	**29,459**	**113,241**	**-**	**144,486**
Net amount at 31 December 2023	**-**	**34,288**	**152,567**	**1,565**	**188,419**

The Group spent approximately EUR 2.2 million on research and development during the year (EUR 2.3 million at 31 December 2022), all of which was recognised in the income statement.

(EUR'000)	Development expenditure	Concessions, licenses and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2022	**1,786**	**58,695**	**242,781**	**3,027**	**306,289**
Hyperinflation adjustment in respect of Türkiye	-	4,243	3,090	-	7,333
Additions	-	622	12,389	2,997	16,008
Disposals	-	-	(1,054)	-	(1,054)
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	410	5,675	2	6,087
Reclassifications	-	1,233	4,305	(5,022)	516
Gross amount at 31 December 2022	**1,786**	**65,203**	**267,186**	**1,004**	**335,179**
Amortisation at 1 January 2022	**1,786**	**24,822**	**85,207**	**-**	**111,815**
Hyperinflation adjustment in respect of Türkiye	-	561	2,995	-	3,556
Amortisation	-	2,593	13,531	-	16,124
Decrease	-	-	(1,049)	-	(1,049)
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	(255)	1,086	-	831
Reclassifications	-	321	(960)	-	(639)
Amortisation at 31 December 2022	**1,786**	**28,042**	**100,810**	**-**	**130,638**
Net amount at 31 December 2022	**-**	**37,161**	**166,376**	**1,004**	**204,541**

2) Intangible assets with an indefinite useful life (goodwill)

The Group regularly tests intangible assets with an indefinite useful life, consisting of goodwill allocated to CGUs, for impairment.

At 31 December 2023, the item amounted to EUR 404,515 thousand (EUR 406,835 thousand at 31 December 2022).

The following table shows CGUs by macro geographical segment:

31.12.2023 (EUR'000)	Nordic & Baltic	North America	Türkiye	Egypt	Asia Pacific	Total
Opening balance	**255,403**	**28,845**	**117,957**	**1,453**	**3,177**	**406,835**
Hyperinflation adjustment in respect of Türkiye	-	-	42,203	-	-	42,203
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment losses	-	-				
Change in consolidation scope	-	-	-	-	-	-
Exchange differences	(1,631)	(1,002)	(41,310)	(341)	(239)	(44,523)
Reclassifications	-	-	-	-	-	-
Closing balance	**253,772**	**27,843**	**118,850**	**1,112**	**2,938**	**404,515**

31.12.2022 (EUR'000)	Nordic & Baltic	North America	Türkiye	Egypt	Asia Pacific	Total
Opening balance	**256,757**	**27,164**	**27,874**	**2,147**	**3,169**	**317,111**
Hyperinflation adjustment in respect of Türkiye	-	-	99,133	-	-	99,133
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment losses	-	-	(3,148)	-	-	(3,148)
Change in consolidation scope	-	-	-	-	-	-
Exchange differences	(1,354)	1,681	(5,902)	(694)	8	(6,261)
Reclassifications	-	-	-	-	-	-
Closing balance	**255,403**	**28,845**	**117,957**	**1,453**	**3,177**	**406,835**

In line with previous years, the Group tested the cash generating units (hereinafter CGUs), to which goodwill had been allocated, for impairment.

CGUs are defined as the smallest identifiable group of assets that generates cash inflows which are largely independent of cash inflows generated by other assets or groups of assets. The Group's CGUs consist of companies and/or the specific facilities they operate and to which goodwill paid at acquisition was allocated.

At 31 December 2023, the Group represented the CGUs on the basis of its operating segments, consistent with corporate organisation. The CGU groupings for the "Nordic & Baltic" and "Türkiye" include CGUs to which goodwill was allocated for the local acquisitions of companies.

In particular, the "Nordic & Baltic" CGU grouping includes the Aalborg Portland group, Unicon Denmark and Unicon Norway, the "North America" CGU grouping includes the United States, the "Türkiye" CGU grouping includes the Cimentas group, Lalapasa, Sureko, Elazig Cimento, Egypt refers to the Sinai White Cement Company, while the "Asia Pacific" CGU grouping includes Aalborg Portland Malaysia, Aalborg Portland Anqinq and Aalborg Portland Australia.

Impairment testing of the CGUs covered cash flows tied to the relative groups, to check for impairment.

Impairment testing involved comparing each CGU's carrying amount with its value in use, determined using the discounted cash flow (DCF) method applied to the future cash flows forecast by the three/five-year plans prepared by the directors of each CGU. Cash flow projections were estimated using budget forecasts for 2024 approved by the Board of Directors of the respective subsidiaries and of the following two/four-year period carried out by the company management; these projections were prepared on the basis of the Group Business Plan, examined and approved by the Board of Directors of Cementir Holding NV on 8 February 2024. The terminal values were determined using a perpetual growth rate.

The discount rate applied to the estimated future cash flows was determined for each CGU using a weighted average cost of capital (WACC).

Key assumptions to determine value in use of CGUs were as follows:

31.12.2023 **Values in %**	**Growth rate of terminal values**	**Discount rate**	**Average increase of revenue 2024 to terminal period**	**Average EBITDA ratio 2024 to terminal period**
Nordic & Baltic	1.5%	6.7%	6.1%	24.45%
North America	2%	8.7%	4.7%	14.5%
Türkiye	5%	21.4%	38.9%	16.98%
Egypt	3%	24.6%	10.4%	24.6%
Asia Pacific	3%	8.5%	4%	16.9%

31.12.2022 **Values in %**	**Growth rate of terminal values**	**Discount rate**	**Average increase of revenue 2023 to terminal period**	**Average EBITDA ratio 2023 to terminal period**
Nordic & Baltic	1.5%	5.4%	4.7%	21.6%
North America	1%	7.8%	3.8%	14.7%
Türkiye	5%	19.5%	23.8%	10.9%
Egypt	3%	19.7%	13%	18%
Asia Pacific	3%	10.4%	3%	13%

The above tests did not identify any impairment at 31 December 2023.

Taking into consideration the above reported key assumptions management performed sensitivity analyses assuming the following:

- A hypothetical variation in the discount rate (WACC). Specifically, a possible reasonable variation in WACC, at the same conditions, would not result in the recognition of any impairment loss for all the CGUs listed above. The applied changes of the assumption, based on the peculiarities of the CGU and the macroeconomic environment where they operate, are as follows:
    - Nordic & Baltic +/- 0,4%
    - North America +/- 0,4%
    - Türkiye +/- 2%
    - Egypt +/- 0,4%
    - Asia Pacific +/- 0,4%
- A reduction of the growth rate for a percentage equal to -1%, at the same conditions, would not result in the recognition of any impairment loss for all the aforesaid CGUs.
- A reduction of both annual revenue increase and EBITDA ratio by 10% at the same conditions, would not result in the recognition of any impairment loss for all the aforesaid CGUs.

The input assumptions stated in the table above were applied to estimates and forecasts determined by on the basis of past experience and expected developments in the markets in which the Group operates. The Group constantly monitors circumstances and events that could lead to impairment losses based on developments in the current economic climate.

3) Property, plant and equipment

At 31 December 2023, property, plant and equipment amounted to EUR 908,930 thousand (EUR 898,080 thousand at 31 December 2022).

Additional disclosures for each category of property, plant and equipment are set out below:

(EUR'000)	Land and buildings	Quarries	Plant and equipment	Other	Assets under development and advances	Total
Gross amount at 1 January 2023	**520,533**	**198,859**	**1,491,283**	**177,871**	**56,235**	**2,444,781**
Hyperinflation adjustment in respect of Türkiye	56,327	791	162,262	10,650	83	**230,113**
Additions	4,688	2,036	29,302	33,063	69,024	**138,113**
Disposals	(2,189)	(3,481)	(5,044)	(16,036)	-	**(26,750)**
Impairment losses	-	-	-	-	-	-
Change in consolidation scope	(1,425)	(2,076)	(9,079)	(670)	-	**(13,250)**
Exchange differences	(64,076)	(4,935)	(181,946)	(14,005)	(1,470)	**(266,432)**
Reclassifications and similar changes	6,432	(99)	20,470	2,836	(28,770)	**869**
Gross amount at 31 December 2023	**520,290**	**191,095**	**1,507,248**	**193,709**	**95,102**	**2,507,444**
Depreciation at 1 January 2023	**301,886**	**29,361**	**1,100,248**	**115,206**		**1,546,701**
Hyperinflation adjustment in respect of Türkiye	31,108	730	151,742	9,865	-	**193,445**
Depreciation	13,785	3,696	59,129	26,307	-	**102,917**
Decrease	(1,701)	(3,584)	(4,603)	(14,291)	-	**(24,179)**
Change in consolidation scope	(1,088)	(5,359)	(7,731)	(598)	-	**(14,776)**
Exchange differences	(33,530)	(3,473)	(157,376)	(11,229)	-	**(205,608)**
Reclassifications and similar changes	5		6	3	-	**14**
Depreciation at 31 December 2023	**310,465**	**21,371**	**1,141,415**	**125,263**	-	**1,598,514**
Net amount at 31 December 2023	**209,825**	**169,724**	**365,833**	**68,446**	**95,102**	**908,930**

Note 31 IFRS 16 – "Leases" gives a breakdown of Right of use assets categorised according to their nature.

(EUR'000)	Land and buildings	Quarries	Plant and equipment	Other	Assets under development and advances	Total
Gross amount at 1 January 2022	**397,861**	**193,954**	**1,129,996**	**150,628**	**50,423**	**1,922,862**
Hyperinflation adjustment in respect of Türkiye	121,759	1,621	346,274	23,415	207	**493,276**
Additions	8,352	3,236	27,394	21,722	55,689	**116,393**
Disposals	(7,413)	(85)	(19,077)	(16,917)	-	**(43,492)**
Impairment losses	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-
Exchange differences	(10,048)	(98)	(32,958)	(2,630)	(1,244)	**(46,978)**
Reclassifications and similar changes	10,022	231	39,654	1,653	(48,840)	**2,720**
Gross amount at 31 December 2022	**520,533**	**198,859**	**1,491,283**	**177,871**	**56,235**	**2,444,781**
Depreciation at 1 January 2022	**233,643**	**23,165**	**765,609**	**86,215**	**-**	**1,108,632**
Hyperinflation adjustment in respect of Türkiye	65,696	1,496	321,223	21,287	-	**409,702**
Depreciation	13,882	4,117	54,831	24,950	-	**97,780**
Decrease	(7,030)	(57)	(18,826)	(15,737)	-	**(41,650)**
Change in consolidation scope	-	-	-	-	-	**-**
Exchange differences	(4,885)	(252)	(22,625)	(1,776)	-	**(29,538)**
Reclassifications and similar changes	580	892	36	267	-	**1,775**
Depreciation at 31 December 2022	**301,886**	**29,361**	**1,100,248**	**115,206**	**-**	**1,546,701**
Net amount at 31 December 2022	**218,647**	**169,498**	**391,035**	**62,665**	**56,235**	**898,080**

See the section on accounting policies for the useful life criteria adopted by the Group.

At 31 December 2023, a total of EUR 101,1 million of property, plant and equipment (EUR 120.2 million at 31 December 2022) was pledged as collateral for bank loans totalling a residual EUR 120,7 million at the reporting date (EUR 134.9 million at 31 December 2022).

At 31 December 2023, no contractual commitments in place to purchase property, plant and equipment (nor at 31 December 2022). No financial expenses were capitalised in 2023, nor in 2022.

The increases in the period mainly concern investments to improve the efficiency of the plants, aimed at reducing the consumption of electricity, fuel and raw materials, as well as other investments to increase grinding or storage capacity and improving material transfer logistics within plants. Investments in sustainability are also included to increase the use of alternative fuels compared to traditional ones as well as projects for new cement silos. The most important investment refers to the kiln upgrade at the Belgian plant to increase the use of alternative fuels from the current 40% to over 70%. Finally, also significant are investments accounted for under IFRS 16 related to the renewal of transport and distribution vehicles for cement, concrete and aggregates and some cement terminals.

4) Investment property

Investment property amounting to EUR 87,585 thousand (EUR 86,226 thousand at 31 December 2022) are exposed at fair value.

(EUR'000)	31.12.2023			31.12.2022		
	Land	Buildings	Total	Land	Buildings	Total
Opening balance	**65,506**	**20,720**	**86,226**	**42,815**	**20,779**	**63,594**
Hyperinflation adjustment in respect of Türkiye	23,053	550	23,603	19,921	727	**20,648**
Increase	-	-	**-**	-	-	**-**
Decrease	(2,573)	(545)	**(3,118)**	(1,963)	(661)	**(2,624)**
Fair value gains (losses)	7,425	244	**7,669**	14,970	385	**15,355**
Exchange differences	(25,602)	(1,193)	**(26,795)**	(10,237)	(510)	**(10,747)**
Reclassifications	-	-	**-**	-	-	**-**
Closing balance	**67,809**	**19,776**	**87,585**	**65,506**	**20,720**	**86,226**

At 31 December 2023, the investment property mainly included land and buildings of the Cimentas Group for EUR 66.8 million (EUR 65.4 million at 31 December 2022).

At 31 December 2023, the change in fair value includes the revaluation of properties in Türkiye for approximately EUR 7.7 million.

At 31 December 2023, approximately EUR 2.9 million of investment property was pledged as collateral for bank loans related to the acquisition of the property, totalling a residual, discounted amount of approximately EUR 1.6 million at the reporting date.

The fair value of investment property was determined at the end of each period by independent property assessors who meet professionalism requirements, bearing in mind mainly the prices of other similar assets recently involved in transactions or currently offered on the same market. Refer to note 33) for information on fair value.

5) Equity-accounted investments

The item includes the Group's share of equity in equity-accounted associates and joint ventures. The carrying amount of these investments and the Group's share of the investees' profit or loss are shown below:

31.12.2023

(EUR'000)

Companies	Business	Registered office	% owned	Carrying amount	Share of profit or loss
ECOL Unicon Spzoo	Ready-mixed concrete	Gdańsk (Poland)	49%	4,249	607
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	2,137	165
Recybel	Other	Liège-Flémalle (Belgium)	25.5%	143	-
Total				**6,529**	**772**

31.12.2022

(EUR'000)

Companies	Business	Registered office	% owned	Carrying amount	Share of profit or loss
ECOL Unicon Spzoo	Ready-mixed concrete	Gdańsk (Poland)	49%	3,455	458
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	1,962	440
Recybel	Other	Liège-Flémalle (Belgium)	25.5%	142	74
Total				**5,559**	**972**

No indicators of impairment were identified for these investments.

6) Other investments

(EUR'000)	31.12.2023	31.12.2022
Available-for-sale equity investments Opening balance	**351**	**257**
Hyperinflation adjustment in respect of Türkiye	45	97
Increase (decrease)	-	27
Fair value gains (losses)	-	-
Change in consolidation scope	-	-
Reclassifications to assets held for sale	-	-
Exchange differences	(44)	(30)
Reclassifications - Recybel	-	-
Available-for-sale equity investments Closing balance	**352**	**351**

No indicators of impairment were identified.

7) Inventories

The breakdown of inventories is shown below:

(EUR'000)	31.12.2023	31.12.2022
Raw materials, consumables and supplies	120,900	116,758
Work in progress	57,541	52,017
Finished goods	51,726	48,427
Advances	593	1,416
Inventories	**230,760**	**218,618**

Changes were recorded over the period in the different inventory categories as a result of manufacturing processes and sales, the costs of the raw materials used for production and the foreign exchange rates used to translate financial statements stated in foreign currencies.

The change in raw materials, consumables and supplies, negative for EUR 240 thousand (negative for EUR 14,945 thousand at 31 December 2022) was accounted for in the income statement as “Raw materials costs” (Note 23). The positive change in work in progress and finished goods was recorded in the income statement for a total of EUR 11,671 thousand (31 December 2022: positive for EUR 18,725 thousand).

It should be noted that the net realised value of the inventories is higher than the carrying amount.

8) Trade receivables

Trade receivables, net of related loss allowance, totalled EUR 164,931 (EUR 194,549 thousand at 31 December 2022) and break down as follows:

(EUR'000)		31.12.2023	31.12.2022
Trade receivables		164,936	196,387
Loss allowance		(3,411)	(3,996)
Net trade receivables		**161,525**	**192,391**
Advances to suppliers		3,334	2,005
Trade receivables - related parties	(note 34)	72	153
Trade receivables		**164,931**	**194,549**

The carrying amount of trade receivables equals their fair value. They arise on commercial transactions for the sale of goods and services and do not present any significant concentration risks.

In Türkiye, received collaterals amount to EUR 35.1 million at 31 December 2023 (EUR 32.5 million at 31 December 2022).

The decrease in trade receivables compared to 31 December 2023 is attributable to a decrease in average days of collection (also as a result of sale of receivables in Denmark) and the reduction in revenues.

The breakdown by due date is shown below:

(EUR'000)	31.12.2023	31.12.2022
Not yet due	147,075	173,192
Overdue:	17,861	23,195
0-30 days	*12,871*	*16,196*
30-60 days	*2,990*	*3,872*
60-90 days	*486*	*852*
More than 90 days	*1,514*	*2,275*
Total trade receivables	164,936	196,387
Loss allowance	(3,411)	(3,996)
Net trade receivables	**161,525**	**192,391**

9) Current and non-current financial assets

Non-current financial assets amounted to EUR 125 thousand (EUR 592 thousand at 31 December 2022).

Current financial assets totalled EUR 45,334 thousand (EUR 50,867 thousand 31 December 2022) and break down as follows:

(EUR'000)		31.12.2023	31.12.2022
Fair value of derivatives		5,539	12,593
Accrued income/ Prepayments		844	118
Loan assets - related parties	(note 34)	450	453
Other financial receivables		38,501	37,703
Current financial assets		**45,334**	**50,867**

Other financial receivables mainly include investments in US government bonds redeemable on demand on the relevant markets and temporarily restricted accounts in Egypt (and released on .March 2024).

10) Current tax assets

Current tax assets, totalling EUR 5,326 thousand (EUR 8,018 thousand at 31 December 2022), mainly refer to IRES and IRAP payments on account to tax authorities, approximately EUR 1.6 million, and to the receivable related to the refund due to lower royalties related to the so-called Mutual Agreement Procedure (MAP).

11) Other current and non-current assets

Other non-current assets amounted to EUR 569 thousand (EUR 2,826 thousand at 31 December 2022) mainly refer to deposits.

Other current assets totalled EUR 20,301 thousand (EUR 18,084 thousand at 31 December 2022) and consisted of non-trade items. The item breaks down as follows:

(EUR'000)	**31.12.2023**	**31.12.2022**
VAT assets	8,101	5,542
Personnel	886	163
Accrued income	342	491
Prepayments	4,381	3,209
Other receivables	6,591	8,679
Other current assets	**20,301**	**18,084**

12) Cash and cash equivalents

Totalling EUR 412,391 thousand (EUR 355,759 thousand at 31 December 2022), the item consists of liquidity held by the Group, which is usually invested in remunerated short-term deposits:

(EUR'000)		**31.12.2023**	**31.12.2022**
Bank and postal deposits		412,276	354,705
Bank deposits - related parties	(note 34)	-	-
Cash-in-hand and cash equivalents		115	1,054
Cash and cash equivalents		**412,391**	**355,759**

13) Equity

Equity attributable to the owners of the parent

Equity attributable to the owners of the parent amounted to EUR 1,503,064 thousand at 31 December 2023 (EUR 1,368,183 thousand at 31 December 2022). Profit for 2023 attributable to the owners of the parent totalled EUR 201,364 thousand (EUR 162,286 thousand in 2022).

Share capital

The Parent's share capital consists of 159,120,000 ordinary shares with a par value of EUR 1 each. It is fully paid up and has not changed with respect to the previous year end. There are no pledges or restrictions on the shares.

Other reserves

Treasury shares

The number of treasury shares held following the completion of the share buy-back programme (the "Programme") in October 2021 has not changed.

It should be noted that under the Programme, between 15 October 2020 and 12 October 2021 (ends included), 3,600,000 treasury shares, equal to 2.2624% of the share capital, were purchased on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. at a weighted average price of EUR 8.1432 per share and for a total outlay of EUR 29,315 thousand.

Translation reserve

At 31 December 2023, the translation reserve had a negative balance of EUR 890,853 thousand (negative EUR 743,235 thousand at 31 December 2021), broken down as follows:

(EUR'000)	**31.12.2023**	**31.12.2022**	**Change**
Türkiye (Turkish lira – TRY)	(775,533)	(673,753)	(101,780)
USA (US dollar – USD)	6,245	9,391	(3,146)
Egypt (Egyptian pound – EGP)	(100,367)	(84,772)	(15,595)
Iceland (Icelandic krona – ISK)	(2,906)	(2,953)	47
China (Chinese renminbi yuan – CNY)	8,339	10,522	(2,183)
Norway (Norwegian krone – NOK)	(8,759)	(7,403)	(1,356)
Sweden (Swedish krona – SEK)	(1,941)	(2,096)	155
Other countries	(15,931)	7,829	(23,760)
Total translation reserve - attributable to Group	**(890,853)**	**(743,235)**	**(147,618)**

Dividends

During the year, the 2022 dividend was distributed to shareholders in the amount of EUR 0.22 per ordinary share, for a total amount of EUR 34,214,000, net of treasury shares.

Equity attributable to non-controlling interests

Equity attributable to non-controlling interests amounted to EUR 147,769 thousand at 31 December 2023 (EUR 154,590 thousand at 31 December 2022). Profit for 2023 attributable to non-controlling interests totalled EUR 14,128 thousand (EUR 19,271 thousand in 2022).

Capital management

The Board's policy is to maintain a strong capital base aiming to safeguard investor, creditor and market confidence and to sustain future development of the business. Management manages the capital structure by constantly monitoring the evolution of Net Financial Debt/Position, Net Gearing Ratio and Equity Ratio. For this purpose, net financial debt is calculated as total financial liabilities (as shown in the statement of financial position) less cash and cash equivalents and current financial assets. Adjusted Equity comprises all components of equity other than amounts accumulated in the hedging and cost of hedging reserves.

Specifically, the Board of Directors of Cementir Holding NV in the meeting of 8 February 2024 approved the update of the 2024 - 2026 Business Plan with the aim of reaching a net cash position of approximately EUR 600 million at the end of the plan, resulting from a cash generation of over EUR 500 million before the distribution of dividends.

The following table highlights the financial indicators:

Ratio (EUR'000)	**2023**	**2022**
Total Financial Liabilities	240,115	311,125
- Less cash and cash equivalents and current financial assets	(457,725)	(406,626)
Net Financial Debt	**(217,610)**	**(95,501)**
Total Equity	1,650,833	1,522,773
- Hedging reserve	7,820	11,195
Adjusted Equity	1,658,653	1,533,968
Net Gearing Ratio (Net Financial Debt/Adjusted Equity)	**-13.12%**	**-6.23%**
Adjusted Equity	1,658,653	1,533,968
Total Assets	2,522,194	2,493,976
Equity ratio (Adjusted Equity/Total Assets)	**65.76%**	**61.51%**

The cost of borrowing is 5.66% of average debt in 2022 (3.86% in 2022).

The Group's Management monitors the performance of the Return on Equity calculated by dividing the Result from continuing operations by the Shareholders' Equity. This indicator is equal to 13.05% in 2023 (11.92% in 2022), thanks to the positive management performance.

Subsidiaries with material non-controlling interests

	Aalborg Portland Malaysia		AB Sydsten	
(EUR'000)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Revenue	**54,208**	**58,272**	**46,037**	**75,422**
Profit for the year:	**4,117**	**1,047**	**733**	**6,412**
- attributable to the owners of the Parent	2,882	733	339	3,054
- attributable to non-controlling interests	1,235	314	394	3,358
Other comprehensive income (expense)	(4,026)	180	255	509
Comprehensive income (expense) for the year	**91**	**1,227**	**988**	**6,921**
Assets:	**70,391**	**74,067**	**46,936**	**52,450**
- Non-current assets	*25,179*	*25,705*	*22,230*	*22,154*
- Current assets	*45,212*	*48,362*	*24,706*	*30,296*
Liabilities:	**13,941**	**14,970**	**23,602**	**24,997**
- Non-current liabilities	*2,754*	*2,564*	*12,712*	*12,169*
- Current liabilities	*11,187*	*12,406*	*10,890*	*12,828*
Net assets	**56,450**	**59,097**	**23,334**	**27,453**
- attributable to the owners of the Parent	*39,520*	*41,370*	*11,048*	*12,957*
- attributable to non-controlling interests	*16,930*	*17,727*	*12,286*	*14,496*
Net change in cash flow	**5,686**	**4,542**	**5,102**	**10,424**
Dividends paid to third parties	**808**	**-**	**2,728**	**2,765**

	Lehigh White Cement Company		Sinai White Portland Cement	
(EUR'000)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Revenue	**159,621**	**176,228**	**50,255**	**57,113**
Profit for the year:	**10,477**	**13,071**	**21,889**	**32,538**
- attributable to the owners of the Parent	*6,627*	*8,267*	*15,566*	*23,138*
- attributable to non-controlling interests	*3,850*	*4,804*	*6,323*	*9,400*
Other comprehensive income (expense)	(4,585)	6,395	(21,975)	(38,987)
Comprehensive income (expense) for the year	**5,892**	**19,466**	**(86)**	**(6,449)**
Assets:	**304,667**	**299,633**	**118,510**	**117,904**
- Non-current assets	*171,079*	*176,139*	*18,440*	*22,986*
- Current assets	*133,588*	*123,494*	*100,070*	*94,918*
Liabilities:	**57,867**	**54,569**	**34,420**	**27,227**
- Non-current liabilities	*27,697*	*21,628*	*10,374*	*9,750*
- Current liabilities	*30,170*	*32,941*	*24,046*	*17,477*
Net assets	**246,800**	**245,064**	**84,090**	**90,677**
- attributable to the owners of the Parent	*156,076*	*155,002*	*64,245*	*64,481*
- attributable to non-controlling interests	*90,724*	*90,062*	*19,845*	*26,196*
Net change in cash flow	**25,035**	**24,493**	**18,228**	**1,466**
Dividends paid to third parties	**-**	**-**	**-**	**-**

14) Employee benefits

Employee benefits totalled EUR 22,807 thousand (EUR 26,340 thousand at 31 December 2022) and included provisions for employee benefits and post-employment benefits. Where conditions are met for their recognition, liabilities are also recognised for future commitments connected with medium/long-term incentive plans that will be paid to employees at the end of the plan period. The long-term incentive plan envisages the payment of a variable monetary reward, calculated on the basis of the gross annual salary of the beneficiary, which is tied to the achievement of the business and financial objectives in the Industrial Plans prepared and approved. It amounted to EUR 3,063 thousand at 31 December 2023 (EUR 2,481 thousand at 31 December 2022).

Liabilities for employee benefits, mainly in Türkiye, Belgium and Norway, are included in the defined benefit plans and are partly funded by insurance plans. In particular, plan assets refer to the pension plans in Belgium and Norway. Liabilities are valued applying actuarial methods and assets have been calculated based on the fair value at the reporting date. Post-employment benefits are an unfunded and fully provisioned liability recognised for benefits attributable to employees upon or after termination of employment. This liability is a defined contribution plan. The assumptions are summarised in the table below:

Values in %	**31.12.2023**	**31.12.2022**
Annual discount rate	2%-4%	2%-4%
Expected return on plan assets	2.7%	2.7%
Annual post-employment benefits growth rate	3.31%	3.31%

The amounts disclosed in the statement of financial position were determined as follows:

(EUR'000)	**31.12.2023**	**31.12.2022**
Liabilities for employee benefits	54,823	56,795
Fair value of plan assets	(35,079)	(32,936)
Employee benefits	**19,744**	**23,859**
Long-term incentive plan obligation	**3,063**	**2,481**
Total employee benefits	**22,807**	**26,340**

The tables below show changes in the net liabilities/(assets) for employee benefits and the related parts:

(EUR'000)	**31.12.2023**	**31.12.2022**
Liabilities for employee benefits opening balance	**56,795**	**61,467**
Current service cost	3,209	2,738
Interest cost	1,770	620
Net actuarial gains recognised in the year	(1,118)	(4,341)
Change in consolidation scope	**-**	**-**
Exchange differences	(1,867)	(1,330)
Other changes	-	-
(Benefits paid)	(3,966)	(2,359)
Liabilities for employee benefits closing balance	**54,823**	**56,795**

(EUR'000)	31.12.2023	31.12.2022
Fair value of plan assets opening balance	**32,936**	**31,273**
Financial income on plan assets	1,053	289
Net actuarial gains recognised in the year	110	917
Change in consolidation scope	-	-
Exchange differences	(272)	(221)
Other changes	-	-
(Net benefits paid)	1,252	678
Fair value of plan assets closing balance	**35,079**	**32,936**

At 31 December 2023, the effect on the Defined Benefit plans in Belgium/France of a decrease or increase in the key assumptions, is shown below:

- Discount rate +50 bp: EUR -0.6 million;

• Discount rate -50 bp: EUR +0.7 million;

• Increase in healthcare costs + 1%: EUR 0.4 million

Regarding these plans, the life expectancy for an employee of 65 y.o. today:

• Belgium: M: 20.93 years / F: 24.58 years

• France: plans are related to payment during active life or at retirement, so the information is not relevant.

Employer and employees’ contribution 2023 related to pension plans in Belgium are:

• Employees’ contribution: EUR 0.3 million

• Employer’s contributions: EUR 1.3 million

Expected Employer contribution 2024 related to pension plans in Belgium are EUR 1.3 million.

Total weighted average duration of these Defined Benefit Obligation is 10 years.

15) Provisions

Non-current and current provisions amounted to EUR 25,485 thousand (EUR 32,752 thousand at 31 December 2022) and EUR 3,809 thousand (EUR 4,054 thousand at 31 December 2022) respectively.

(EUR'000)	Provision for quarry restoration	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2023	**23,750**	**9,650**	**3,406**	**36,806**
Provisions	168	2,938	496	**3,602**
Utilisations	(143)	(5,843)	(440)	**(6,426)**
Decrease	(145)	(353)	(54)	**(552)**
Change in consolidation scope	(1,050)		(1,633)	**(2,683)**
Exchange differences	(1,022)	(1,054)	31	**(2,045)**
Reclassifications				**-**
Net actuarial gains recognised in the year				**-**
Other changes	635		(44)	**591**
Balance at 31 December 2023	**22,193**	**5,338**	**1,762**	**29,293**
Including:				
Non-current provisions	22,086	2,689	709	**25,484**
Current provisions	107	2,649	1,053	**3,809**

(EUR'000)	Provision for quarry restoration	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2022	**21,870**	**7,380**	**4,084**	**33,334**
Provisions	1,606	5,007	237	**6,850**
Utilisations	(55)	(2,428)	(723)	**(3,206)**
Decrease	(127)	(50)	(106)	**(283)**
Change in consolidation scope	-	-	-	**-**
Exchange differences	(666)	(259)	(157)	**(1,082)**
Reclassifications	-	-	-	**-**
Net actuarial gains recognised in the year	-	-	71	**71**
Other changes	1,122	-	-	**1,122**
Balance at 31 December 2022	**23,750**	**9,650**	**3,406**	**36,806**
Including:				
Non-current provisions	23,597	6,939	2,216	**32,752**
Current provisions	153	2,711	1,190	**4,054**

The provision for quarry restructuring is allocated for the cleaning and maintenance of quarries where raw materials are extracted, to be performed before the utilisation concession expires.

Other provisions mainly include the provision for risks for corporate restructuring charges of approximately EUR 0.6 million (EUR 0.8 million at 31 December 2022).

16) Trade payables

The carrying amount of trade payables approximates their fair value; the item breaks down as follows:

(EUR'000)		31.12.2023	31.12.2022
Suppliers		311,401	350,819
Related parties	(note 34)	287	503
Advances		8,366	7,213
Trade payables		**320,054**	**358,535**

17) Financial liabilities

Non-current and current financial liabilities are shown below:

(EUR'000)		31.12.2023	31.12.2022
Bank loans and borrowings	(note 33)	106,147	144,490
Lease liabilities	(note 31)	54,936	46,065
Lease liabilities - related parties	(note 34)		1,545
Fair value of derivatives	*(note 33.1)*	-	13,456
Financial debt - related parties		-	-
Non-current financial liabilities		**161,083**	**205,556**
Bank loans and borrowings		2	147
Current portion of non-current financial liabilities	*(note 33.1)*	40,638	78,399
Current loan liabilities - related parties	(note 34)	-	-
Current lease liabilities	(note 31)	26,242	24,333
Current lease liabilities - related parties	(note 34)	1,536	1,545
Other loan liabilities		155	487
Fair value of derivatives	*(note 33.1)*	10,459	658
Current financial liabilities		**79,032**	**105,569**
Total financial liabilities		**240,115**	**311,125**

The carrying amount of non-current and current financial liabilities approximates their fair value.

At 31 December 2023, the total financial exposure amounted to EUR 240.1 million (EUR 311.1 million at 31 December 2022), the change in debt of approximately EUR 71.0 million is mainly linked to the repayment of portions of loans and the change in the overall fair value of derivative instruments, negative for approximately EUR 10.5 million (negative for approximately EUR 14.1 million at 31 December 2022) which represents the valuation at 31 December 2023 of the derivatives put in place for the purposes of hedging changes in interest rates, commodities and exchange rates maturing between January 2024 and December 2025.

About 61.1% of these financial liabilities requires compliance with financial covenants which were complied with at 31 December 2023. In particular, the *covenant* to be complied with is the debt/EBITDA ratio, at consolidated level.

In this regard, it should be noted that there has been no breach of any covenant provided for in the above loans.

The Group's exposure, broken down by residual expiry of the financial liabilities, is as follows:

(EUR'000)	31.12.2023	31.12.2022
Within three months	20,001	20,356
Between three months and one year	59,031	85,213
Between one and two years	32,455	73,881
Between two and five years	74,028	67,483
After five years	54,600	64,192
Total financial liabilities	**240,115**	**311,125**

(EUR'000)	31.12.2023	31.12.2022
Floating rate	240,115	299,034
Fixed rate		12,091
Financial liabilities	**240,115**	**311,125**

The following table shows the Net Financial Debt as at 31 December 2023 and 2022, calculated in accordance with paragraph 175 of the recommendations contained in ESMA 32-382-1138 March 4 2021:

(EUR'000)	31.12.2023	31.12.2022
A. Cash	115	1,054
B. Cash equivalents	412,276	354,705
C. Other current financial assets	45,334	50,867
D. Liquidity (A+B+C)	**457,725**	**406,626**
E. Current financial debt	(38,394)	(27,170)
F. Current portion of non-current financial debt	(40,638)	(78,399)
G. Current financial indebtedness (E+F)	**(79,032)**	**(105,569)**
H. Net current financial Intebtedness (G-D)	**378,693**	**301,057**
I. Non-current financial debt	(161,083)	(205,556)
J. Debt instruments	-	-
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I+J+K)	**(161,083)**	**(205,556)**
M. Total financial indebtedness (H+L)	**217,610**	**95,501**

18) Current tax liabilities

Current tax liabilities amounted to EUR 24,010 thousand (EUR 12,253 thousand at 31 December 2022) and relate to income tax liabilities, net of payments on account.

19) Other non-current and current liabilities

Other non-current liabilities totalled EUR 247 thousand (EUR 1,107 thousand at 31 December 2022).

Other current liabilities totalled EUR 74,825 thousand (EUR 63,141 thousand at 31 December 2022) and break down as follows:

(EUR'000)		31.12.2023	31.12.2022
Personnel		31,098	29,176
Social security institutions		3,824	3,544
Related parties	(note 34)	-	-
Deferred income		867	1,335
Accrued expenses		4,732	3,385
Other sundry liabilities		34,304	25,701
Other current liabilities		**74,825**	**63,141**

Deferred income refers to EUR 0.8 million (in line with 31 December 2022) of the future benefits of the above-mentioned business agreement which began to accrue from 1 January 2013.

Other sundry liabilities mainly includes payables to the revenue office for employee withholdings, VAT and other payables.

20) Deferred tax assets and liabilities

Deferred tax liabilities, amounting to EUR 160,009 thousand (EUR 161,896 thousand as of 31 December 2022), and deferred tax assets, amounting to EUR 46,126 thousand (EUR 43,071 thousand as of 31 December 2022), were determined as follows:

(EUR'000)	Deferred tax liabilities	Deferred tax assets
Balance at 1 January 2023	**161,896**	**43,071**
Hyperinflation adjustment in respect of Türkiye	10,927	6,228
Accrual, net of utilisation in profit or loss	2,728	196
Increase (decrease) in equity	(36)	226
Change in consolidation scope	1	118
Exchange differences	(13,778)	(1,491)
Other changes	(1,729)	(1,985)
Balance at 31 December 2023	**160,009**	**46,127**

(EUR'000)	Deferred tax liabilities	Deferred tax assets
Balance at 1 January 2022	**138,806**	**50,509**
Hyperinflation adjustment in respect of Türkiye	19,182	(10,186)
Accrual, net of utilisation in profit or loss	7,329	3,871
Increase (decrease) in equity	1,131	(476)
Change in consolidation scope	68	-
Exchange differences	(4,498)	(560)
Other changes	13	(87)
Balance at 31 December 2022	**161,896**	**43,071**

(EUR'000)	**01.01.2023**	Accrual, net of utilisation in profit or loss	Increase, net of decreases in equity	Change in consolidation scope	**31.12.2023**
Fiscally-driven depreciation of property, plant and equipment	79,570	(5,419)	1,747	-	75,898
Fiscally-driven amortisation of intangible assets	16,470	(966)	(1,004)	-	14,500
Revaluation of plant	8,354	3,253	(4,668)	-	6,939
Hyperinflation adjustment in respect of Türkiye	19,182	8,282	(4,808)	-	22,656
Other	38,320	5,685	3,990	1	47,996
Deferred tax liabilities	**161,896**	**2,728**	**(4,617)**	**1**	**160,009**
Tax losses carried forward	22,721	(857)	(772)	-	21,092
Provisions for risks and charges	1,538	815	(558)	-	1,796
Differences in property, plant and equipment	7,359	-	(3,165)	-	4,194
Hyperinflation adjustment in respect of Türkiye	(10,186)	(7,340)	17,526	-	-
Other	21,639	239	(2,714)	(118)	19,046
Deferred tax assets	**43,071**	**(7,144)**	**(4,090)**	**6,110**	**46,127**

(EUR'000)	**01.01.2022**	Accrual, net of utilisation in profit or loss	Increase, net of decreases in equity	Change in consolidation scope	**31.12.2022**
Fiscally-driven depreciation of property, plant and equipment	81,878	(624)	(1,684)	-	79,570
Fiscally-driven amortisation of intangible assets	16,620	(422)	272	-	16,470
Revaluation of plant	8,071	714	(431)	-	8,354
Hyperinflation adjustment in respect of Türkiye	-	3,654	15,528	-	19,182
Other	32,237	7,656	(1,573)	-	38,320
Deferred tax liabilities	**138,806**	**10,978**	**12,112**	**-**	**161,896**
Tax losses carried forward	25,734	(2,180)	(833)	-	22,721
Provisions for risks and charges	1,010	727	(198)	-	1,538
Differences in property, plant and equipment	(269)	7,751	(123)	-	7,359
Hyperinflation adjustment in respect of Türkiye	-	-	(10,186)	-	(10,186)
Other	24,034	(2,316)	(80)	-	21,639
Deferred tax assets	**50,509**	**3,982**	**(11,420)**	**-**	**43,071**

Recovery of the deferred tax assets is expected in the following years within the timeframe defined by the relevant legislation.

21) Revenue

(Euro '000)		2023	2022
Product sales		1,593,112	1,588,521
Product sales to related parties	(note 34)	476	55
Services and other recharges		100,659	134,527
Revenue		**1,694,247**	**1,723,103**

Group revenue reached EUR 1,694.2 million, down 1.7% compared to EUR 1,723.1 million in 2022.

The caption Services and other recharges is mainly related to transport services which are recognised at the time the service is provided.

Revenue by product broken down by related operating segments is shown below:

2023 (Euro '000)	**Nordic & Baltic**	**Belgium**	**North America**	**Türkiye**	**Egypt**	**Asia Pacific**	**Holding and Services**	Unallocated items and adjustments**	**CEMENTIR HOLDING GROUP**
Cement	445,519	200,817	160,737	235,154	50,255	121,350	-	*(56,674)*	**1,157,158**
Ready-mixed concrete	295,735	98,203	-	92,072	-	-	-	-	**486,010**
Aggregates	25,267	60,853	-	7,077	-	2,926	-	-	**96,123**
Waste	-	-	-	6,602	-	-	-	-	**6,602**
Other	-	-	22,103	18,282	-	-	204,492	*(46,828)*	**198,049**
Unallocated items and adjustments**	*(47,960)*		-	*(34,155)*	-	*(2,836)*	-	*(164,744)*	**(249,695)**
Revenue	**718,561**	**359,873**	**182,840**	**325,032**	**50,255**	**121,440**	**204,492**	**(268,246)**	**1,694,247**

2022 (Euro '000)	**Nordic & Baltic**	**Belgium**	**North America**	**Türkiye**	**Egypt**	**Asia Pacific**	**Holding and Services**	Unallocated items and adjustments**	**CEMENTIR HOLDING GROUP**
Cement	456,986	179,335	177,418	197,768	57,113	124,563	-	*(62,527)*	**1,130,656**
Ready-mixed concrete	369,753	90,605	-	70,295	-	-	-	-	**530,653**
Aggregates	29,496	64,455	-	4,640	-	2,936	-	-	**101,527**
Waste	-	-	-	9,638	-	-	-	-	**9,638**
Other	-	-	18,952	19,541	-	-	210,367	*(47,358)*	**201,502**
Unallocated items and adjustments**	*(47,721)*	-	-	*(30,985)*	-	*(2,911)*	-	*(169,256)*	**(250,873)**
Revenue	**808,514**	**334,395**	**196,370**	**270,897**	**57,113**	**124,588**	**210,367**	**(279,141)**	**1,723,103**

** Unallocated items and adjustments" mainly refers to infra-group transactions.

22) Increase for internal work and other income

Increase for internal work of EUR 1,085 thousand (EUR 7,300 thousand in 2022) refers to the capitalisation of costs of materials and personnel costs used in the realisation of property, plant and equipment and intangible fixed assets.

Other income

Other income of EUR 30,544 thousand (EUR 28,416 thousand in 2022) breaks down as follows:

(Euro '000)		2023	2022
Rent, lease and hires		914	1,283
Rent, lease and hires - related parties	(note 34)	135	116
Gains		12,140	2,360
Release of provision for risks		552	283
Insurance refunds		145	49
Revaluation of investment property	(note 4)	7,670	16,331
Other income		8,986	7,716
Other income from related parties	(note 34)	2	278
Other income		**30,544**	**28,416**

Gains refer to capital gains on the sale of land and machinery mainly in Denmark (EUR 6.8 million) and Türkiye (EUR 4.2 million).

23) Raw materials costs

(Euro '000)	2023	2022
Raw materials and semi-finished products	367,396	399,031
Fuel	191,945	235,406
Electrical energy	131,125	151,645
Other materials	48,895	58,309
Change in raw materials, consumables and goods	(240)	(14,945)
Raw materials costs	**739,121**	**829,446**

The cost of raw materials amounted to EUR 739.1 million (EUR 829.4 million in 2022), decreasing by 10.9% due to lower production and the weakening of local currencies.

24) Personnel costs

(Euro '000)	2023	2022
Wages and salaries	162,247	156,123
Social security charges	30,181	29,445
Other costs	10,697	12,614
Personnel costs	**203,125**	**198,182**

Pensions cost amount to EUR 858 thousand (EUR 948 thousand in 2022) and are included in other costs.

The Group's workforce breaks down as follows:

	31.12.2023	31.12.2022	Average 2023	Average 2022
Executives	53	55	54	60
Middle management, white-collar workers and intermediates	1,234	1,183	1,210	1,191
Blue-collar workers	1,758	1,847	1,830	1,854
Total	**3,045**	**3,085**	**3,094**	**3,105**

More specifically, at 31 December 2023, employees in service at the Parent numbered 40 (39 at 31 December 2022); those at the Cimentas Group numbered 763 (774 at 31 December 2022), those at the Aalborg Portland Group numbered 1.148 (1,132 at 31 December 2022), those at the Unicon Group numbered 627 (688 at 31 December 2022), and those at the CCB Group numbered 467 (452 at 31 December 2022). The Group has no employees in the Netherlands.

25) Other operating costs

(Euro '000)		2023	2022
Transport		175,682	227,923
Services and maintenance		103,671	90,859
Consultancy		12,287	10,761
Insurance		4,743	4,690
Other services - related parties	(note 34)	492	492
Rent, lease and hires		10,891	11,322
Rent, lease and hires - related parties	(note 34)	168	173
Other costs		76,245	68,446
Other operating costs		**384,179**	**414,666**

The reduction in transport costs is attributable to a decrease in volumes sold, lower ship freight and the positive impact of currency devaluation in certain countries.

26) Amortisation, depreciation, impairment losses and additions to provision

(Euro '000)	2023	2022
Amortisation	15,769	16,277
Depreciation	114,533	107,894
Provisions	2,326	3,084
Impairment losses	165	3,573
Amortisation, depreciation, impairment losses and provisions	**132,793**	**130,828**

Amortisation, depreciation, impairment losses and provisions include EUR 33.3 million (EUR 30.3 million in 2022) in amortisation of right of use assets in the application of the IFRS 16.

Impairment losses refer to trade receivables; in 2022 they included EUR 3.1 million in write-downs of intangible assets with an indefinite useful life (note 2).

27) Net financial income (expense) and share of net profits of equity-accounted investees

The positive balance for 2022 of EUR 12,381 thousand (2022: positive EUR 32,012 thousand) relates to the share of net profits of equity-accounted investees and net financial income, broken down as follows:

(Euro '000)		2023	2022
Share of profits of equity-accounted investees		772	972
Share of losses of equity-accounted investees		-	-
Share of net profits of equity-accounted investees		**772**	**972**
Interest and financial income		11,709	2,982
Interest and financial income - related parties	(note 34)	34	11
Financial income on derivatives		5,687	2,827
Total financial income		17,430	*5,820*
Interest expense		(13,105)	(11,070)
Other financial expense		(3,416)	(2,737)
Interest and financial expense - related parties	(note 34)	-	-
Losses on derivatives		(952)	(9,483)
Total financial expense		*(17,473)*	*(23,290)*
Exchange rate gains		31,330	49,477
Exchange rate losses		(15,792)	(21,029)
Net exchange rate losses		*15,538*	*28,448*
Net income/(expense) from hyperinflation		*(3,886)*	*20,062*
Net financial income (expense)		**11,609**	**31,040**
Net financial income (expense) and share of net profits of equity-accounted investees		**12,381**	**32,012**

In 2023 the net result of financial management is positive for EUR 11.6 million compared to the previous year (positive for EUR 31.0 million in 2022) and includes net charges from hyperinflation of EUR 3.9 million (net income for EUR 20.1 million in 2022), net financial charges for EUR 4.8 million (EUR 10.8 million in 2022), net exchange rate income for EUR 15.5 million (EUR 28.4 million in 2022) and the effect of the fair value of derivatives.

Interest expense included EUR 2.6 million (EUR 2.2 million in 2022) thousand in interest on lease liabilities arising from the application of the IFRS 16 accounting standard.

Financial income and expense on derivatives mainly reflect the mark-to-market accounting of derivatives purchased to hedge currency and interest rate risks. In the light of the aforementioned measurements, around EUR 2.3 million (around EUR 0.1 million at 31 December 2022) are unrealised gains and around EUR 0.4 million (around EUR 2 million at 31 December 2022) are unrealised losses.

Regarding exchange rate gains (EUR 31.3 million) and losses (EUR 15.8 million), approximately EUR 21.7 million were unrealised gains (EUR 37.9 million in 2022) and approximately EUR 6.2 million were unrealised losses (EUR 6.1 million in 2022).

28) Income taxes

(Euro '000)	2023	2022
Current taxes	78,910	47,882
Deferred taxes	(3,692)	6,995
Income taxes	**75,218**	**54,877**

The following table shows the difference between the theoretical and effective tax expense:

(Euro '000)	2023	2022
Theoretical tax expense	**88,178**	**72,329**
Tax according to Italian tax rate	**24%**	**24%**
Taxable permanent differences	6,105	6,689
Deductible permanent differences	(24,046)	(18,546)
Tax consolidation scheme	167	224
Other changes	4,800	(5,468)
Effective IRAP tax expense	18	(352)
Income taxes	**75,218**	**54,877**
Applicable tax rate for the year	**26%**	**23%**

29) Earnings per share

Basic earnings per share are calculated by dividing profit attributable to the owners of the Parent by the monthly weighted average number of ordinary shares outstanding in the year.

(Euro)	2023	2022
Profit attributable to the owners of the Parent (EUR '000)	201,364	162,286
Weighted average number of outstanding ordinary shares ('000)	155,520	155,520
Basic earnings per ordinary share	**1.295**	**1.044**
Diluted earnings per ordinary share	**1.295**	**1.044**

(Euro)	2023	2022
Profit attributable to the owners of the Parent (EUR '000)	201,364	162,286
Weighted average number of outstanding ordinary shares ('000)	155,520	155,520
Basic earnings per ordinary share from continuing operations	**1.295**	**1.044**
Diluted earnings per ordinary share from continuing operations	**1.295**	**1.044**

Diluted earnings per share equal the basic earnings per share as the only outstanding shares are the ordinary shares of Cementir Holding NV.

30) Other comprehensive expense

The following table gives a breakdown of other comprehensive expense, including and excluding the related tax effect:

(Euro '000)	2023			2022		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Net actuarial gains (losses) on post-employment benefits	1,294	(326)	**968**	5,169	(989)	**4,180**
Foreign currency translation differences - foreign operations	(162,157)	-	**(162,157)**	(64,187)	-	**(64,187)**
Financial instruments	(3,381)	735	**(2,646)**	8,356	(417)	**7,939**
Total other comprehensive income (expense)	**(164,244)**	**409**	**(163,835)**	**(50,662)**	**(1,406)**	**(52,068)**

31) IFRS 16 Leases

The following table shows the impact of the application of IFRS 16 for the Group at 31 December 2023 and the related disclosures:

(Euro '000)	Land and buildings	Plant and equipment	Other	Total Right-of-use assets
Gross amount at 1 January 2023	**23,182**	**27,193**	**102,336**	**152,711**
Hyperinflation adjustment in respect of Türkiye	125	232	422	778
Increase	2,932	10,357	29,304	42,593
Decrease	(817)	(702)	(13,087)	(14,606)
Change in consolidation scope	(318)		(26)	(344)
Exchange differences	(790)	(955)	(3,576)	(5,321)
Reclassifications	13		1,078	1,091
Gross amount at 31 December 2023	**24,327**	**36,125**	**116,451**	**176,902**
Amortisation at 1 January 2023	**8,697**	**13,364**	**58,128**	**80,189**
Hyperinflation adjustment in respect of Türkiye	114	165	376	655
Amortisation	3,789	4,752	21,962	30,503
Decrease	(483)	(698)	(11,846)	(13,027)
Change in consolidation scope	(11)		(16)	(27)
Exchange differences	(336)	(546)	(1,920)	(2,802)
Reclassifications	12		3	15
Amortisation at 31 December 2023	**11,782**	**17,037**	**66,687**	**95,506**
Net amount at 31 December 2023	**12,545**	**19,088**	**49,764**	**81,396**

(Euro ‘000)	Land and buildings	Plant and equipment	Other	Total Right-of-use assets
Gross amount at 1 January 2022	**21,484**	**23,041**	**94,723**	**139,248**
Hyperinflation adjustment in respect of Türkiye	55	451	3,052	3,558
Increase	4,748	3,900	16,836	25,484
Decrease	(4,886)	(572)	(11,563)	(17,021)
Exchange differences	(362)	337	(682)	(707)
Reclassifications	2,143	36	(30)	2,149
Gross amount at 31 December 2022	**23,182**	**27,193**	**102,336**	**152,711**
Amortisation at 1 January 2022	**9,328**	**8,854**	**46,651**	**64,833**
Hyperinflation adjustment in respect of Türkiye	47	326	1,808	2,181
Amortisation	3,598	4,527	20,542	28,667
Decrease	(4,673)	(572)	(10,482)	(15,727)
Exchange differences	(183)	216	(391)	(358)
Reclassifications	580	13		593
Amortisation at 31 December 2022	**8,697**	**13,364**	**58,128**	**80,189**
Net amount at 31 December 2022	**14,485**	**13,829**	**44,208**	**72,522**

As at 31 December 2023, right-of-use assets reached EUR 81,396 thousand (EUR 72,522 thousand at 31 December 2022) and the “Other” category equal to EUR 49.8 million (EUR 44.2 million at 31 December 2022) mainly included lease contracts for vehicles and means of transport for EUR 48.0 million (EUR 43.9 at 31 December 2022).

The Group’s exposure, broken down by expiry of the lease liabilities, is as follows:

(Euro ‘000)	31.12.2023	31.12.2022
Within three months	6,540	6,754
Between three months and one year	17,830	19,041
Between one and two years	13,840	17,227
Between two and five years	15,443	19,928
After five years	5,202	8,708
Total undiscounted lease liabilities at December 31	**58,855**	**71,658**

Current and non-current lease liabilities are shown below:

(Euro ‘000)	31.12.2023	31.12.2022
Non-current lease liabilities	54,937	46,065
Non-current lease liabilities - related parties (note 34)		1,545
Non-current lease liabilities	**54,937**	**47,610**
Current lease liabilities	26,242	24,333
Current lease liabilities - related parties (note 34)	1,536	1,545
Current lease liabilities	**27,778**	**25,878**
Total lease liabilities	**82,715**	**73,488**

Amounts recognised in the consolidated income statement

(Euro '000)		2023	2022
Depreciation	(note 26)	33,328	30,345
Interest expense on lease liabilities		2,625	2,156
Short-term lease costs		3,916	3,871
Costs of leases of low-value assets		119	165

Amounts recognised in the cash flow statement

(Euro '000)	2023	2022
Total cash outflow for leases	32,738	30,374

32) Financial risks

Credit risk

The Group's maximum exposure to credit risk at 31 December 2023 equals the carrying amount of loans and receivables recognised in the statement of financial position.

Management of the credit risks is based on internal credit limits, which are based on the customer's and the counterparties' creditworthiness, based on both internal and external credit ratings as well as the Group's experience with the counterparty. If no satisfactory guarantee is obtained when credit rating the customer/counterparty, payment in advance or separate guarantee for the sale, e.g. a bank guarantee, will be required.

Given the sector's collection times and the Group's procedures for assessing customers' creditworthiness, the percentage of disputed receivables is low. If an individual credit position shows irregular payment trends, the Group blocks further supplies and takes steps to recover the outstanding amount.

Due to the market situation, the Group has in recent years increased the resources used on follow-up on customers, which contributes to early warnings of possible risks. Historically the Group has had relatively small losses due to customers' or counterparties' inability to pay.

Recoverability is assessed considering any collateral pledged that legally can be attached and advice from legal advisors who oversee collection procedures. The Group impairs all receivables for which a loss is probable at the reporting date, based on whether the entire amount or a part thereof will not be recovered.

The credit risk limit of financial assets corresponds to the values recognised on the balance sheet.

No individual customer or co-operator poses any material risk to the Group.

With respect to bank deposits and derivatives, the Group has always worked with leading counterparties, thus limiting its credit risk in this sense.

Notes 8 and 11 provide information on trade and other receivables.

At 31 December 2023 the break down by Region of Net trade receivables, as follows:

(Eur '000)	31.12.2023	31.12.2022
Nordic & Baltic	25,758	62,614
Belgium	51,997	48,434
North America	19,413	23,768
Türkiye	51,041	45,143
Egypt	1,421	2,581
Asia Pacific	6,903	8,538
Italy	4,992	1,313
Total	**161,525**	**192,391**

In Nordic and Baltic Region, receivables are attributable to Danish customers and export customers characterised as medium-sized and major customers. The Group is familiar with the Danish customers, who have not been granted long credit lines. Experience shows that export customers pose a low credit risk. The reduction year on year is attributable to the reduction in revenues and the sale of receivables.

Regarding ready-mixed concrete and aggregates business, the Group's customers primarily consist of contractors, builders and other customers posing a higher credit risk.

In North America, Asia Pacific and Egypt, activities are attributable to minor local customers and medium-sized to major customers on a global scale. Credits are granted in accordance with usual, local trading terms. Credit rating is applied to some types of customers, but experience shows that customers in Overseas pose a low credit risk.

In Turkey, there are both dealers and end users (contractors and other customers) within both the ready-mixed concrete, cement and waste business. All customers are generally required to provide guarantees for deliveries unless the management has assessed that there are no significant risks associated with selling to that customer. The waste business sales are only to large customers. Received collaterals amount to EUR 35.1 million at 31 December 2023 (EUR 32.5 million at 31 December 2022).

Liquidity risk

The Group has credit facilities which cover any unforeseen requirements.

Note 17 Financial Liabilities provides a breakdown of financial liabilities by due date.

Market risk

Information necessary to assess the nature and scope of financial risks at the reporting date is provided in this section.

Currency risk

The Group is exposed to the risk of fluctuations in exchange rates, which may affect its earnings performance and equity.

With respect to the main effects of consolidating foreign companies, if the exchange rates for the Turkish lira (TRY), Norwegian krone (NOK), Swedish krona (SEK), US dollar (USD), Chinese renminbi yuan (CNY), Malaysian ringgit (MYR) and Egyptian pound (EGP) were an average 10% below the effective exchange rate, the translation of equity at 31 December 2023 would have generated a decrease of EUR 58 million equal to about 3.5% on consolidated equity (reduction of EUR 58 million equal to about 3.8% as at 31 December 2022). The currency with the greatest impact is the Turkish lira (TRY), EUR 15 million. Additional currency risks from the consolidation of the other foreign companies are to be considered insignificant.

The Group is mainly exposed to currency risk in relation to EBIT from sales and purchases in USD, PLN, SEK, NOK and CNY. A hypothetical 10% decrease in all these exchange rates (excluding the DKK) would have generated a reduction in EBITDA of EUR 2.8 million (USD equal to EUR -2.5 million, PLN equal to EUR 2.3 million, SEK equal to EUR 0.1 million, NOK equal to EUR 2.8 million and CNY equal to EUR 0.2 million) (2022 EUR 4.4 million of which: USD equal to EUR -3.6 million, PLN equal to EUR 2.4 million, SEK equal to EUR 2.1 million, NOK equal to EUR 2 million and CNY equal to EUR 1.5 million).

The Group entered into a swap agreement (hedge accounting) with a termination date in 2024, where both currency risk and interest risk have been hedged. Related to the interest risk the Group has agreed to pay a fixed rate of 0.43% + a spread of 3.63% and the Group will receive EURIBOR + a spread of 2.88% each 30 April and 31 October until maturity. The effective part of the hedge is equal to all future cash flow payments and nominal instalments.

The fair value liability is included in a separate line item in the balance sheet "Derivatives financial instruments". The ineffective part is recognised as financial income.

2023	**Notional amount**	**Maturity**			**Strike**	**Fair value liability**	**Change in fair value recognised in hedge reserve**	**Ineffective part recognised in income statement**
EURm		**< 1 year**	**1-5 years**	**> 5 years**				
Swap USD/EUR	66.6	66.6	0.0	0.0	1,00 EUR/ 1,235 USD	-5.1	-1.9	-1.5

2022	**Notional amount**	**Maturity**			**Strike**	**Fair value liability**	**Change in fair value recognised in hedge reserve**	**Ineffective part recognised in income statement**
EURm		**< 1 year**	**1-5 years**	**> 5 years**				
Swap USD/EUR	77.3	10.7	66.6	0.0	1,00 EUR/ 1,235 USD	-6.6	8.3	0.6

As at 31 December 2023, risks connected with main receivables and payables in foreign currency related to those in TRY, DKK, NOK, SEK, USD and GBP; assuming an average drop of 10% in all the exchange rates, the potential effect of the fluctuation, excluding the DKK, would be negative for approximately EUR 0.8 million (31 December 2022: negative for approximately EUR 4.3 million). Similarly, a hypothetical increase in exchange rates would have an identical positive effect.

Interest rate risk

The Group is exposed to the risk of fluctuations in interest rates. Consolidated net financial position as at 31 December 2023 was positive EUR 217.6 million (positive for EUR 95.5 million at 31 December 2022); the credit lines are subject to floating rates as well as deposits.

With regard to the variable rate of loans and cash and cash equivalents, an annual increase in interest rates, equal to 1%, other variables being equal, would have a positive impact on pre-tax income of EUR 1.6 million (31 December 2022 of EUR 0.4 million) and on equity of EUR 1.3 million (31 December 2022 of EUR 0.3 million). A decrease in interest rates of the same level would not have impact.

Raw materials price risk

The Group uses a range of raw materials for production purposes, which expose it to price risk, especially for fuel and energy. The Group enters into contracts with defined price conditions for certain raw materials. The market value of swap contracts open at 31 December is as follows:

(EUR million)	2023	2022
Market value - swap contract	(1.4)	2.6

33) Fair value hierarchy

IFRS 13 requires that assets and liabilities carried at fair value be classified using a hierarchy which reflects the sources of the inputs used to measure their fair value. The hierarchy consists of the following levels:

- Level 1: measurement of fair value using quoted prices on active markets for identical assets or liabilities.

- Level 2: measurement of fair value using inputs other than the quoted prices included within Level 1 which are directly observable (such as prices) or indirectly observable (i.e., derived from prices) on the market.

- Level 3: measurement of fair value using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of assets and liabilities is classified as follows:

31 December 2023	Note	Level 1	Level 2	Level 3	Total
(Eur '000)					
Investment property	4	-	66,760	20,825	**87,585**
Current financial assets (derivative instruments)	9	-	4,766	-	**4,766**
Total assets		**-**	**71,526**	**20,825**	**92,351**
Non current financial liabilities (derivative instruments)	17	-		-	
Current financial liabilities (derivative instruments)	17	-	(10,459)	-	**(10,459)**
Total liabilities		**-**	**(10,459)**	**-**	**(10,459)**

31 December 2022	Note	Level 1	Level 2	Level 3	Total
(Eur '000)					
Investment property	4	-	65,401	20,825	**86,226**
Current financial assets (derivative instruments)	9	-	12,594	-	**12,594**
Total assets		**-**	**77,995**	**20,825**	**98,820**
Non current financial liabilities (derivative instruments)	17	-	(13,455)	-	**(13,455)**
Current financial liabilities (derivative instruments)	17	-	(657)	-	**(657)**
Total liabilities		**-**	**(14,112)**	**-**	**(14,112)**

No transfers among the levels took place during 2023 and no changes in level 3 were made.

Investment property classified in Level 3 of the fair value hierarchy refers to assets held by Italian companies. For this type of asset, the fair value was determined using the following methodologies commonly accepted in the valuation practice:

- Synthetic - comparative method, on the basis of which the fair value of the asset is determined by referring to the unit market value (€/m2) multiplied by the surface of the asset;
- Direct capitalisation method, according to which the fair value of the asset is determined by dividing the annual income by a capitalisation rate.

33.1) Financial instruments - Fair value and risk management

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2023		Carrying amount			Fair value
(Eur '000)	Note	Fair value – hedging instruments	Financial assets/ liabilities	Other financial liabilities	Level 2
Commodity futures	9	1,254			1,254
Interest rate swap	9	315			315
Forwards	9	457			457
Cross Currency Swap	9	3,513			3,513
Financial assets measured at fair value		**5,539**	**-**	**-**	**5,539**
Trade and other receivables	8-11		185,232		
Cash and cash equivalents	12		412,391		
Financial assets not measured at fair value		**-**	**597,623**	**-**	**-**
Interest rate swap	17	-			-
Cross Currency Swap	17	8,616			8,616
Forwards	17	251			251
Commodity futures	17	1,593			1,593
Financial liabilities measured at fair value		**10,460**	**-**	**-**	**10,460**

	Note	Fair value – hedging instruments	Financial assets/ liabilities	Other financial liabilities	Level 2
Bank loans and borrowing	17		106,147		
Bank overdrafts	17		2		
Current loan liabilities	17		40,638		
Other loan liabilities	17			184	
Financial liabilities not measured at fair value		**-**	**146,787**	**184**	**-**

31 December 2022		**Carrying amount**			**Fair value**
(Eur '000)	**Note**	**Fair value – hedging instruments**	**Financial assets/ liabilities**	**Other financial liabilities**	**Level 2**
Commodity swap	9	3,148			3,148
Interest rate swap	9	1,820			1,820
Forwards	9	814			814
Cross Currency Swap	9	6,812			6,812
Financial assets measured at fair value		**12,594**	**-**	**-**	**12,594**
Trade and other receivables	8-11		212,633		
Cash and cash equivalents	12		355,759		
Financial assets not measured at fair value		**-**	**568,392**	**-**	**-**
Interest rate swap	17	-			-
Cross Currency Swap	17	13,455			13,455
Forwards	17	153			153
Commodity swap	17	504			504
Financial liabilities measured at fair value		**14,112**	**-**	**-**	**14,112**
Bank loans and borrowing	17		144,490		
Bank overdrafts	17		147		
Current loan liabilities	17		78,399		
Other loan liabilities	17			487	
Financial liabilities not measured at fair value		**-**	**223,036**	**487**	**-**

34) Related party transactions

Transactions performed by group companies with related parties are part of normal business operations and take place at arm's-length conditions. No atypical or unusual transactions took place. The following tables show the value of related party transactions:

31 December 2023 (Eur '000)	**Ultimate Parent**	**Associates**	**Companies under common control**	**Other related parties**	**Total related parties**	Total financial statements	% of item
Statement of financial position							
Non-current financial assets	-	-	-	-	**-**	**125**	0.0%
Current financial assets	-	-	450	-	**450**	**45,334**	1.0%
Trade receivables	30	-	41	-	**71**	**164,931**	0.0%
Trade payables	225	-	62	-	**287**	**320,054**	0.1%
Other non-current liabilities	-	-	-	-	**-**	**247**	0.0%
Other current liabilities	-	-	-	-	**-**	**74,825**	0.0%
Non-current financial liabilities	-	-	-	-	-	**161,083**	0.0%
Current financial liabilities	-	-	1,536	-	**1,536**	**79,032**	1.9%
Income statement							
Revenue	-	-	476	-	**476**	**1,694,247**	0.0%
Other operating revenue	-	-	137	-	**137**	**30,544**	0.4%
Other operating costs	450	-	302	-	**752**	**384,179**	0.2%
Financial income	-	-	34	-	**34**	**17,430**	0.2%
Financial expense	-	-	-	-	**-**	**17,473**	0.0%

31 December 2022 (Eur '000)	**Ultimate Parent**	**Associates**	**Companies under common control**	**Other related parties**	**Total related parties**	Total financial statements	% of item
Statement of financial position							
Non-current financial assets	-	-	453	-	**453**	**592**	76.5%
Current financial assets	-	-	453	-	**453**	**50,867**	0.9%
Trade receivables	115	-	38	-	**153**	**194,549**	0.1%
Trade payables	450	-	53	-	**503**	**358,535**	0.1%
Other non-current liabilities	-	-	-	-	**-**	**1,107**	0.0%
Other current liabilities	-	-	-	-	**-**	**63,141**	0.0%
Non-current financial liabilities	-	-	1,545	-	**1,545**	**205,556**	0.8%
Current financial liabilities	-	-	1,545	-	**1,545**	**105,569**	1.5%
Income statement							
Revenue	-	-	54	-	**54**	**1,723,103**	0.0%
Other operating revenue	-	-	394	-	**394**	**28,416**	1.4%
Other operating costs	450	-	241	-	**691**	**414,666**	0.2%
Financial income	-	-	11	-	**11**	**5,820**	0.2%
Financial expense	-	-	20	-	**20**	**23,290**	0.1%

The main related-party transactions are summarised below.

Business transactions with associates concern the sale of products and semi-finished products (cement and clinkers) at arm's-length conditions. Revenue and costs connected with business transactions with the ultimate Parent and companies under common control include various services, such as leases.

The Group did not grant loans to directors or key management personnel during the reporting period and did not have loan assets due from them at 31 December 2023.

As at 31 December 2023, fees due to directors and key management personnel stood at EUR 13,043 thousand.

Compensation paid to directors in financial year 2023 amounted to EUR 6,764 thousand, as shown in the following table:

(Eur '000)	2023	2022
Fixed Remuneration	1,972	1,974
Compensation for participation in committees	146	145
Variable Compensation	4,367	3,667
Non monetary benefits	19	18
Other fees	260	260
Total	**6,764**	**6,064**

Compensation paid to key management personnel, amounted to EUR 6,279 thousand (EUR 5,279 thousand in 2022) and included EUR 3,999 thousand for fixed remuneration (EUR 3,190 thousand in 2022) and EUR 1,787 thousand for variable remuneration (EUR 1.539 thousand in 2022). The amount of EUR 493 thousand related to non-monetary benefits (EUR 550 thousand in 2022). The variable compensation has not been paid as of 31 December 2023.

Further information on remuneration has been included in the Remuneration Report.

35) Business acquisitions and disposals

The following is a brief description of the acquisition realised during the year 2023, which expanded the Group's scope of consolidation.

Acquisition of Casa Bayan Sdn Bhd

On 13 October 2023, Aalborg Portland Holding A/S entered into a contract to acquire the entire share capital of Casa Bayan Sdn Bhd ("Casa Bayan"), a company that owns a quarry in Malaysia. The above-mentioned contract was finalised on 16 October 2023. The consideration paid for the acquisition amounted to EUR 5.9 million (MYR 30 million). The consideration was paid through cash.

For the period between the date of acquisition and 31 December 2023, in light of the fact that the company is a small business at present, no significant impact on the group's results has been recognised.

The assets acquired and liabilities assumed were measured for their recognition at fair value and, in addition to the value of the latter, a higher value of the Quarry of approximately EUR 5.7 million was recognised, determined as shown in the table below:

(EUR '000)	Carrying amount at the date of acquisition	Purchase price allocation at date of acquisition	Fair Value at the date of acquisition
Intangible assets with a finite useful life	15	-	15
Property, plant and equipment	162	5,714	5,876
Current tax assets	22	-	22
Other current assets	18	-	18
Cash and cash equivalents	0	-	0
Non-current provisions	(22)	-	(22)
Income taxes tax liabilities	(1)	-	(1)
Identifiable net assets acquired (A)	**194**	**5,714**	**5,908**
Acquisition fee (B)			5,908
Goodwill (B) - (A)			**-**

At the date of preparation of this document, activities to determine the fair value of the assets acquired and liabilities assumed are still in progress and, in accordance with IFRS 3 in terms of disclosure, the company may complete the valuation process within twelve months after the effective date of the acquisition. Provisional amounts of acquired assets and liabilities may be retroactively adjusted to reflect their fair value at the acquisition date, resulting in a restatement of goodwill.

The net cash flow deriving from the acquisition is shown in the table below:

(EUR '000)	
Consideration paid as at 31 December 2023	(5,908)
Cash on the date of acquisition	-
Net cash flow as at 31 December 2023 deriving from the acquisition	**(5,908)**

Sale of subsidiary NWM Holding Limited to Opes MRF 2013 Limited

On 8 November 2023, Recydia AS announced that it had reached an agreement to sell its entire shareholding in NWM Holding Limited to Opes MRF 2013 Limited, one of the UK's leading waste companies. The transaction entailed the deconsolidation by the Cementir Group of NWH Holding Limited and its subsidiaries Neales Waste Management Limited and Quercia Limited, with the related deconsolidation impact on the income statement, including the reversal to the income statement of the translation reserve recognised for the translation of these companies' reporting packages into Euro. The impacts of the deconsolidation are deemed not to be significant for the financial statements as a whole, as the related operations are non-core for the group.

36) Off balance sheet assets and liabilities

Regarding charges and securities and contract commitments on property, plant and equipment refer to note 3.

Regarding pledge as collateral for banks loans refer to note 4.

37) Independent auditors' fees

Fees paid in 2023 by the Parent Cementir Holding N.V. and its subsidiaries to the independent auditors and their network totalled approximately EUR 1,386 thousand (2022: EUR 1,452 thousand), including EUR 1,307 thousand for audit services (2022: EUR 1,316 thousand) and EUR 79 thousand for other services (2022: EUR 135 thousand).

The following fees were charged by PWC Accountants N.V. to the parent and its subsidiaries, as referred to in Section 2: 382a(1) and (2) of the Dutch Civil Code.

2023 (Eur '000)	**PWC Accountants NV**	**Other PWC network**	**Non- PWC network**	**Total**
Audit of the financial statement	145	1,162	200	**1.507**
Other audit services	-	79*	-	**79***
Tax-related advisory services	-	-	-	**-**
Other non-audit services	-	-	-	**-**
Total fees	**145**	**1,241**	**200**	**1.586**

*Other audit services relate to:
- limited assurance and verification services of the sustainability reporting of the Group
- limited review procedures on interim financial information as of 30 June 2023 of the Group and Danish subsidiaries;
- assurance services on Danish special purpose financial statements
- procedures on financial covenants for a term loan in Italy

38) Events after the reporting period

On 8 February 2024, the Parent Company's Board of Directors approved the update of the 2024-2026 Industrial Plan, to whose press release please refer (www.cementirholding.com in the Investors, Press Releases section).

In February 2024, for the third year in a row Cementir has been confirmed leader with the "A-" rating for Climate Change from CDP, ranking above the European average (B) and the cement & concrete sector average (B). Cementir has also been confirmed leader in CDP Water Security with an A- score for the second year in a row ranking above the sector (B) and European average (C).

In February 2024 Cementir obtained the validation of both its near and long-term decarbonization targets by the Science Based Targets initiative (SBTi) aligned with the 1.5°C framework scenario. In addition, SBTi also approved Cementir's overall net-zero emissions target by 2050.

No other significant events occurred after the year ended.

39) Other information

The Company is responsible for leading the defence in proceedings, of which it is not a party in accordance with the terms and conditions set out in a settlement agreement with Italcementi S.p.A., relating to the sale of the shares of Cementir Italia S.p.A. (today Cemitaly S.p.A.), Cementir Sacci S.p.A. (today Italsacci S.p.A.) and Betontir S.p.A., finalised on 2 January 2018.

Other legal disputes

An administrative dispute is pending before the Court of Appeal in Turkey, brought by the Turkish company Cimentas AS, indirect subsidiary of Cementir Holding. The dispute relates to the order issued by the Turkish stock exchange's regulatory and supervisory body (Capital Market Board – CMB), requiring Cimentas AS to demand back from the concerned Cementir Group companies around 100 million Turkish Lira (now equal to around EUR 3 million) by way of hidden profit distribution, allegedly generated by an intragroup company sale in 2009. On 29 January 2017, CMB served a summons to Cementir Holding to appear before the Court of Izmir, requesting that the company be ordered to pay to Cimentas AS an amount provisionally set at approximately 1 million Turkish lira. The Company duly appeared in court, arguing the total lack of foundation of the plaintiff's argument and requested that the civil proceedings be suspended until the administrative proceeding is finally settled. With a ruling of 1 July 2020, the Court of Appeal in Turkey declared lack of jurisdiction in relation to the case in question. That judgment was overturned on 18 October 2021 by the Supreme Court, which definitively affirmed the existence of Turkish jurisdiction. In a judgment dated 6 September 2023, the Izmir Court ordered Cementir Holding to pay Cimentas approximately 1 million Turkish lira. Cementir Holding and CMB appealed the ruling to the Court of Appeal.

ANNEX

Annex 1

List of equity investments at 31 December 2023

Company name	Registered office	Share capital	Currency	Type of % Direct	Type of % Indirect	Investment held by Group companies	Method
Cementir Holding NV	Amsterdam (NL)	159,120,000	EUR			Parent	Line-by-line
Aalborg Cement Company Inc.	West Palm Beach (USA)	1,000	USD		100	Aalborg Portland US Inc,	Line-by-line
Aalborg Portland Holding A/S	Aalborg (DK)	300,000,000	DKK		75 23	Cementir Espana SL Globocem SL	Line-by-line
Aalborg Portland A/S	Aalborg (DK)	100,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Belgium SA	Gand (B)	500,000	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Digital Srl	Rome (I)	500,000	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland España SL	Madrid (E)	3,004	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland France SAS	Rochefort (FR)	10,010	EUR		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Islandì EHF	Kopavogur (IS)	303,000,000	ISK		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland Malaysia Sdn Bhd	Perak (MAL)	95,400,000	MYR		70	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Polska Spzoo	Warszawa (PL)	100,000	PLN		100	Aalborg Portland A/S	Line-by-line
Aalborg Portland US Inc	West Palm Beach (USA)	1,000	USD		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Anqing) Co Ltd	Anqing (CN)	265,200,000	CNY		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland (Australia) Pty Ltd	Brisbane (AUS)	1,000	AUD		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
Aalborg Portland OOO	Kingisepp (RUS)	14,700,000	RUB		99.9 0.1	Aalborg Portland A/S Aalborg Portland Holding A/S	Line-by-line
Aalborg Resources Sdn Bhd	Perak (MAL)	2,543,972	MYR		100	Aalborg Portland Malaysia Sdn Bhd	Line-by-line
AB Sydsten	Malmö (S)	15,000,000	SEK		50	Unicon A/S	Line-by-line
AGAB Syd Aktiebolag	Svedala (S)	500,000	SEK		40	AB Sydsten	Equity
Alfacem Srl	Rome (I)	1,010,000	EUR	99.99		Cementir Holding NV	Line-by-line
Basi 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding NV	Line-by-line
Casa Bayan Sdn Bhd	Perak (MAL)	250,000	MYR		100	Aalborg Portland Holding A/S	Line-by-line
Cementir Espana SL	Madrid (E)	3,007	EUR	100		Cementir Holding NV	Line-by-line
Cimbeton AS	Izmir (TR)	1,770,000	TRY		50.28 0.06	Cimentas AS Kars Cimento AS	Line-by-line
Cimentas AS	Izmir (TR)	87,112,463	TRY		96.69 0.12 0.48	Aalborg Portland España Cimbeton AS Kars Cimento AS	Line-by-line
Compagnie des Ciments Belges SA	Gaurain (B)	179,344,485	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Compagnie des Ciments Belges France SAS (CCBF)	Villenueve d'Ascq (FR)	34,363,400	EUR		100	Compagnie des Ciments Belges SA	Line-by-line
Destek AS	Izmir (TR)	50,000	TRY		99.99 0.01	Cimentas AS Cimentas Foundation	Line-by-line

Annex 1 *(cont'd)*

Company name	Registered office	Share capital	Currency	Type of % Direct	Type of % Indirect	Investment held by Group companies	Method
Destek AS	Izmir (TR)	50,000	TRY		99.99	Cimentas AS	Line-by-line
					0.01	Cimentas Foundation	
ECOL Unicon Spzoo	Gdansk (PL)	1,000,000	PLN		49	Unicon A/S	Equity
Gaetano Cacciatore LLC	West Palm Beach (USA)	-	USD		100	Aalborg Cement Company Inc	Line-by-line
Globocem SL	Madrid (E)	3,007	EUR		100	Alfacem Srl	Line-by-line
Kars Cimento AS	Kars (TR)	513,162,416	TRY		41.55	Cimentas AS	Line-by-line
					58.45	Alfacem Srl	
Kudsk & Dahl A/S	Vojens (DK)	10,000,000	DKK		100	Unicon A/S	Line-by-line
Lehigh White Cement Company LLC	West Palm Beach (USA)	-	USD		24.52	Aalborg Cement Company Inc	Line-by-line
					38.73	White Cement Company LLC	
Recybel SA	Liegi-Flemalle (B)	99,200	EUR		25.5	Compagnie des Ciments Belges SA	Equity
Recydia AS	Izmir (TR)	759,544,061	TRY		23.72	Cimentas AS	Line-by-line
					76.28	Aalborg Portland Holding	
Sinai White Portland Cement Co. SAE	Cairo (ET)	350,000,000	EGP		71.11	Aalborg Portland Holding A/S	Line-by-line
Skane Grus AB	Ljungbyhed (S)	1,000,000	SEK		60	AB Sydsten	Line-by-line
Société des Carrières du Tournaisis SA	Gaurain (B)	12,297,053	EUR		65	Compagnie des Ciments Belges SA	Proportionate
Spartan Hive SpA	Rome (I)	300,000	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Sureko AS	Izmir (TR)	43,443,679	TRY		100	Recydia AS	Line-by-line
Svim 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding NV	Line-by-line
Unicon A/S	Copenaghen (DK)	150,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Unicon AS	Oslo (N)	13,289,100	NOK		100	Unicon A/S	Line-by-line
Vianini Pipe Inc	Branchburg N.J. (USA)	4,483,396	USD		100	Aalborg Portland US Inc	Line-by-line
White Cement Company LLC	West Palm Beach (USA)	-	USD		100	Aalborg Cement Company Inc.	Line-by-line

Rome, 11 March 2024

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.

2023 COMPANY FINANCIAL STATEMENTS

COMPANY FINANCIAL STATEMENTS

Statement of Financial Position
(Before profit appropriation)

(EUR'000)	Note	31 December 2023	31 December 2022
ASSETS			
Intangible assets	1	28	55
Property, plant and equipment	2	1,102	1,703
Investment property	3	17,650	17,650
Investments in subsidiaries	4	299,201	299,201
Non-current financial assets	5	24	930
Deferred tax assets	17	19,338	19,035
Other non-current assets		-	27
TOTAL NON-CURRENT ASSETS		**337,343**	**338,601**
Trade receivables	6	172	1,895
- Trade receivables - third parties		*7*	*12*
- Trade receivables - related parties	31	*165*	*1,883*
Current financial assets	7	38,073	27,143
- Current financial assets - third parties		*1,360*	*2,704*
- Current financial assets - related parties	*31*	*36,713*	*24,439*
Current tax assets	8	1,403	4,941
Other current assets	9	13,027	8,813
- Other current assets - third parties		*1,372*	*936*
- Other current assets - related parties	*31*	*11,655*	*7,877*
Cash and cash equivalents	10	1,442	634
TOTAL CURRENT ASSETS		**54,117**	**43,426**
ASSETS HELD FOR SALE		**-**	**-**
TOTAL ASSETS		**391,460**	**382,027**
EQUITY AND LIABILITIES			
Share capital	11	159,120	159,120
Share premium reserve	12	27,701	27,702
Legal reserve	13	46	1,855
Other reserves	13	30,025	26,795
Profit (loss) for the year		52,116	37,449
TOTAL EQUITY		**269,008**	**252,921**
Employee benefits	14	2,604	2,260
Non-current provisions	19	370	370
Non-current financial liabilities	15	252	27,681
Income taxes tax liabilities	17	-	-
TOTAL NON-CURRENT LIABILITIES		**3,226**	**30,311**
Current provisions		0	0
Trade payables	16	1,689	1,916
- Trade payables - third parties		*1,464*	*1,445*
- Trade payables - related parties	*31*	*225*	*471*
Current financial liabilities	15	110,574	91,375
- Current financial liabilities - third parties		*27,064*	*51,243*
- Current financial liabilities - related parties	31	*83,510*	*40,132*
Current tax liabilities	17	171	-
Other current liabilities	18	6,792	5,504
- Other current liabilities - third parties		6,523	5,307
- Other current liabilities - related parties	31	269	197
TOTAL CURRENT LIABILITIES		**119,226**	**98,795**
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE		**-**	**-**
TOTAL LIABILITIES		**122,452**	**129,106**
TOTAL EQUITY AND LIABILITIES		**391,460**	**382,027**

Income statement

(EUR'000)	Note	2023	2022
REVENUE	20	**8,990**	**8,635**
- Revenue - related parties	31	*8,990*	*8,635*
Other operating revenue	21	78	76
- Other operating revenue - third parties		*78*	*76*
TOTAL OPERATING REVENUE		**9,068**	**8,711**
Personnel costs	22	(7,918)	(8,260)
Other operating costs	23	(12,121)	(12,438)
- Other operating costs - third parties		*(11,415)*	*(11,732)*
- Other operating costs - related parties	31	*(706)*	*(706)*
TOTAL OPERATING COSTS		**(20,039)**	**(20,698)**
EBITDA		**(10,971)**	**(11,987)**
Amortisation, depreciation, impairment losses and provisions	24	(858)	(914)
EBIT		**(11,829)**	**(12,901)**
Financial income	25	74,566	59,232
- Financial income - third parties		*6,077*	*5,958*
- Financial income - related parties	31	*68,489*	*53,274*
Financial expense	25	(10,290)	(11,743)
- Financial expense - third parties		*(6,616)*	*(9,196)*
- Financial expense - related parties	31	*(3,674)*	*(2,547)*
NET FINANCIAL INCOME (EXPENSE)		**64,276**	**47,489**
PROFIT BEFORE TAXES		**52,447**	**34,588**
Income taxes	26	(331)	2,861
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**52,116**	**37,449**

Statement of comprehensive income

(EUR'000)	Note	2023	2022
PROFIT FOR THE YEAR		**52,116**	**37,449**
Other components of comprehensive income:			
Items that will never be reclassified to profit or loss for the year			
Net actuarial gains (losses) on post-employment benefits	27	(7)	23
Taxes recognised in equity	27	2	(6)
Total items that will never be reclassified to profit or loss		**(5)**	**17**
Items that may be reclassified to profit or loss for the year:			
Profit (Losses) on derivatives	27	(2,569)	2,855
Taxes recognised in equity	27	760	(844)
Total items that may be reclassified to profit or loss		**(1,809)**	**2,011**
Total other comprehensive expense, net of tax		**(1,814)**	**2,028**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**50,302**	**39,477**

Statement of changes in equity

(EUR'000)	Share capital	Share premium reserve	Legal reserves: Hedging Reserve	Other reserves: Actuarial Reserves IAS 19	Retained earnings	Profit (loss) for the year	Total Equity
Notes	11	12	13		13		
Equity at 1 January 2023	**159,120**	**27,701**	**1,855**	**(110)**	**26,906**	**37,449**	**252,921**
Allocation of 2022 profit (loss)	-	-	-	-	37,449	(37,449)	-
Distribution of 2022 dividends	-	-	-	-	(34,215)	-	(34,215)
Treasury share purchase	**-**	**-**	**-**	**-**	-	-	-
Total transactions with investors	-	**-**	**-**	-	**3,234**	**(37,449)**	**(34,215)**
Profit (loss) for the year	-	-	-	-	-	52,116	52,116
Net actuarial gains	-	-	-	(5)	**-**	-	(5)
Losses on derivatives	-	-	(1,809)	-	**-**	-	(1,809)
Total comprehensive income (expense)	**-**	**-**	**(1,809)**	**(5)**	**-**	**52,116**	**50,302**
Equity at 31 December 2023	**159,120**	**27,701**	**46**	**(115)**	**30,140**	**52,116**	**269,008**

Note	11	12	13		13		
	Share capital	Share premium reserve	Legal reserves	Other reserves	Retained earnings	Profit (loss) for the year	Total Equity
			Hedging Reserve	Actuarial Reserves IAS 19			
Equity at 1 January 2022	**159,120**	**35,710**	**(156)**	**(127)**	**41,582**	**5,309**	**241,438**
Allocation of 2021 profit	-	-	-	-	5,309	(5,309)	-
Distribution of 2021 dividends	-	(8,009)	-	-	(19,985)	-	(27,994)
Treasury share purchase	-	-	-	-	-	-	-
Total transactions with investors	-	**(8,009)**	-	-	**(14,676)**	**(5,309)**	**(27,994)**
Profit (loss) for the year	-	-	-	-	-	37,449	37,449
Net actuarial gains	-	-	-	17	-	-	17
Losses on derivatives	-	-	2,011	-	-	-	2,011
Total comprehensive income (expense)	-	-	**2,011**	**17**	-	**37,449**	**39,477**
Equity at 31 December 2022	**159,120**	**27,701**	**1,855**	**(110)**	**26,906**	**37,449**	**252,921**

Statement of Cash Flows

(EUR'000)	Note	31 December 2023	31 December 2022
Profit/(loss) for the year		**52,115**	**37,449**
Amortisation	24	858	914
Investment property FV adjustment		-	975
Loss allowance	6	-	-
Net financial income (expense)	25	(64,275)	(47,489)
- third parties		654	*3,258*
- related parties	31	(64,929)	*(50,747)*
Income taxes	26	331	(2,861)
Change in employee benefits		337	111
Change in provisions (current and non-current)	19	-	(2,323)
Operating cash flows before changes in working capital		**(10,634)**	**(13,224)**
Decrease in trade receivables - third parties (Increase)		4	(12)
Decrease in trade receivables - related parties		1,718	4,247
Increase (Decrease) in trade payables - third parties		19	8
Increase (Decrease) in trade payables - related parties		(246)	(44)
Change in other non-current and current assets and liabilities - third parties		890	305
Change in other non-current and current assets and liabilities - related parties		(36)	193
Change in current and deferred taxes		84	(514)
Operating cash flows		**(8,201)**	**(9,041)**
Dividends collected		66,606	52,000
Interest received		1,897	1,269
Interest paid		(5,653)	(921)
Other net income (expense) collected (paid) on derivatives	25	2,194	(2,135)
Income taxes paid		-	-
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)		**56,843**	**41,172**
Investments in intangible assets		-	-
Investments in property, plant and equipment		-	-
Acquisitions of equity investments		-	-
Proceeds from the sale of property, plant and equipment		-	-
Change in non-current financial assets – third parties		14	36
Change in non-current financial assets – related parties		892	(706)
Change in current financial assets – third parties		(1,293)	(247)
Change in current financial assets – related parties		(12,275)	65,636
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)		**(12,662)**	**64,719**
Change in non-current financial liabilities - third parties		(27,588)	(50,535)
Change in current financial liabilities - third parties		(24,375)	(11,135)
Change in current financial liabilities - related parties		42,804	(18,814)
Dividends distributed		(34,214)	(27,994)
Purchase of treasury shares		-	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)		**(43,373)**	**(108,478)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)		**808**	**(2,587)**
Opening cash and cash equivalents	10	**634**	**3,221**
Closing cash and cash equivalents	10	**1,442**	**634**

Reconciliation of the parent's equity at 31 December 2023 and 2022 and profit (loss) for the year then ended with consolidated equity and profit (loss)

(EUR'000)	Profit (loss) 2023	Equity 31 December 2023
Cementir Holding NV	**52,116**	**269,008**
Effect of consolidating subsidiaries and affiliates	190,509	1,872,150
Difference in translation reserve	-	890,853
Hyperinflation adjustment in respect of Türkiye	41,261	252,759
Total attributable to the owners of the parent	**201,364**	**1,503,064**
Total attributable to the non-controlling interests	**14,128**	**147,769**
Cementir Holding Group	**215,492**	**1,650,833**

(EUR'000)	Profit (loss) 2022	Equity 31 December 2022
Cementir Holding NV	**37,449**	**252,921**
Effect of consolidating subsidiaries and affiliates	138,442	1,679,897
Difference in translation reserve	-	(743,235)
Hyperinflation adjustment in respect of Türkiye	(13,605)	178,600
Total attributable to the owners of the parent	**162,286**	**1,368,183**
Total attributable to the non-controlling interests	**19,271**	**154,590**
Cementir Holding Group	**181,557**	**1,522,773**

The main differences are caused by the valuation of the investments in subsidiaries at cost in the company financial statements. Translation reserves are therefore not applicable in the company financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

General information

On 28 June 2019, the Extraordinary Shareholders' Meeting approved the transformation of the company Cementir Holding SpA from a joint-stock company under Italian law into a Naamloze Vennootschap under Dutch law, consequent to the transfer of the registered office to Amsterdam, Netherlands (36, Zuidplein, 1077 XV; Chamber of Commerce registration number 76026728). The transfer and transformation process was completed on 5 October 2019.

On that date the Board of Directors resolved to establish an operational and secondary headquarters in Rome, at 200 Corso Francia. The company's tax residence remained in Italy. As part of this transformation, Management aligned the equity composition per the Italian law requirements with the Dutch Civil Requirements.

The company remained listed on the STAR segment of the Milan Stock Exchange.

At 31 December 2023, shareholders holding shares exceeding 3% of share capital, as indicated in the book of shareholders, from communications received pursuant to 5:28 of Financial Supervision Act and other information available, are:

1) Francesco Gaetano Caltagirone – 106,217,754 shares (66.753%). The shareholding is held as follows:
    - Direct ownership of 1,327,560 shares (0.834%)
    - Indirect ownership through the companies:
        - Calt 2004 Srl – 49,168,424 shares (30.900%)
        - Caltagirone SpA – 22,800,000 shares (14.329%)
        - FGC SpA – 17,600,000 shares (11.061%)
        - Pantheon 2000 SpA – 4,500,000 shares (2.828%)
        - Ical 2 Spa - 1,000,000 shares (0.628%)
        - Capitolium Srl – 2,600,000 shares (1.634%)
        - Vianini Lavori SpA – 1,700 shares (0.001%)
        - Azufin Spa – 5,600,000 shares (3.519%)
        - Intermedia Srl - 270,000 shares (0.170%)
        - Compagnia Gestioni Immobiliari Srl – 500,000 shares (0.314%)
        - Porto Torre Spa - 350,000 shares (0.220%)
        - SO.CO.GE.IM Spa - 500,000 shares (0.314%)
2) Francesco Caltagirone – 8,720,299 shares (5.48%). The above investment is held indirectly through the company Chupas 2007 Srl for 8,720,299 shares (5.48%).

On 11 March 2024, the Company's Board of Directors approved these company financial statements at 31 December 2023 and authorised their publication on 11 March 2024.

Statement of compliance with the IFRS

These company financial statements at 31 December 2023, drawn up on a going concern basis for the Parent and have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2: 362(9) of the Dutch Civil Code.

Certain parts of this Annual Report contain financial measures that are not measures of financial performance or liquidity under IFRS. These are commonly referred to as non-IFRS financial measures and include items such as Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA), Earnings Before Income Taxes (EBIT) and net financial debt. The Company calculates EBITDA as follow, total operating revenues minus total operating costs, excluding provisions.

Basis of presentation

The company financial statements at 31 December 2023 are presented in euros, the Company's functional currency. All amounts are expressed in thousands of euros, unless indicated otherwise. They consist of a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and these notes.

The company financial statements have been prepared on a going concern basis as the directors are reasonably certain that the Company will continue to operate in the foreseeable future, based on their assessment of the risks and uncertainties to which it is exposed.

The Company has opted to present these statements as follows:

1. the statement of financial position presents current and non-current assets and liabilities separately;
2. the income statement classifies costs by nature;
3. the statement of comprehensive income presents the effect of gains and losses recognised directly in equity, starting from the profit or loss for the year;
4. the statement of cash flows is presented using the indirect method.

The accounting policies are described in Basis of presentation section of the consolidated financial statements and are deemed incorporated and repeated herein by reference. Investments in subsidiaries are accounted for at cost, net of impairment.

Notes

1) Intangible assets

Intangible assets totalled EUR 28 thousand (EUR 55 thousand at 31 December 2022). "Other intangible assets" mainly refers to leasehold improvement costs related to the maintenance of the building at 200 Corso di Francia, owned by ICAL SpA. Amortisation is calculated over five years.

(EUR'000)	Other intangible assets	Total
Gross amount at 1 January 2023	**2,333**	**2,333**
Increase	-	-
Reclassifications	-	-
Gross amount at 31 December 2023	**2,333**	**2,333**
Depreciation at 1 January 2023	**2,278**	**2,278**
Increase	27	27
Amortisation at 31 December 2023	**2,305**	**2,305**
Net amount at 31 December 2023	**28**	**28**
Gross amount at 1 January 2022	**2,333**	**2,333**
Increase	-	-
Reclassifications	-	-
Gross amount at 31 December 2022	**2,333**	**2,333**
Amortisation at 1 January 2022	**2,159**	**2,159**
Increase	119	119
Amortisation at 31 December 2022	**2,278**	**2,278**
Net amount at 31 December 2022	**55**	**55**

2) Property, plant and equipment

At 31 December 2023 the item totalled EUR 1,102 thousand (EUR 1,703 thousand at 31 December 2022). The Other assets consists of furniture, electronic equipment and servers used by the company.

(EUR'000)	Other assets	Right-of-use assets	Total
Gross amount at 1 January 2023	**336**	**1,858**	**2,194**
Increase	-	319	319
Decrease	-	(452)	(452)
Gross amount at 31 December 2023	**336**	**1,725**	**2,061**
Depreciation at 1 January 2023	**210**	**281**	**491**
Increase	37	793	830
Decrease	-	(362)	(362)
Amortisation at 31 December 2023	**247**	**712**	**959**
Net amount at 31 December 2023	**89**	**1,013**	**1,102**

(EUR'000)	Other assets	Right-of-use assets	Total
Gross amount at 1 January 2022	**336**	**3,920**	**4,256**
Increase	-	1,458	1,458
Decrease	-	(3,520)	(3,520)
Gross amount at 31 December 2022	**336**	**1,858**	**2,194**
Amortisation at 1 January 2022	**173**	**2,891**	**3,064**
Increase	37	757	794
Decrease	-	(3,367)	(3,367)
Amortisation at 31 December 2022	**210**	**281**	**491**
Net amount at 31 December 2022	**126**	**1,577**	**1,703**

Property, plant and equipment includes EUR 1,014 thousand in right-of-use assets (EUR 1,577 thousand as at 31 December 2022). Note 28 “IFRS 16 Leases” gives a breakdown of Right-of-use assets categorised according to their nature and its useful life.

The estimated useful life of the main items of plant and equipment is reported below:

	Useful life of property, plant and equipment
Various equipment	5 years
Office machines and equipment	5 years

3) Investment property

The item investment property, totalling EUR 17,650 thousand (EUR 17,650 thousand at 31 December 2022), is recognised at fair value, as determined using appraisals prepared by an independent property assessor, of the property in Torrespaccata (Rome), unchanged against the previous year. Around EUR 2.9 million of investment property has been pledged as collateral to secure and short-term bank loans and borrowings with a residual, discounted amount of EUR 1,628 thousand at 31 December 2023.

4) Investments in subsidiaries

Totalling EUR 299,201 thousand (EUR 299,201 thousand at 31 December 2022), the item breaks down as follows:

(EUR'000)	Currency	Registered office	Investment %	Carrying amount at 31/12/2023	Investment %	Carrying amount at 31/12/2022
Cementir Espana SL	EUR	Madrid (ES)	100.00%	206,735	100.00%	206,735
Alfacem Srl	EUR	Rome (I)	99.99%	90,220	99.99%	90,220
Basi 15 Srl	EUR	Rome (I)	99.99%	1,646	99.99%	1,646
Svim 15 Srl	EUR	Rome (I)	99.99%	600	99.99%	600
Equity investments				**299,201**		**299,201**

No changes occurred during 2023.

All investments in subsidiaries are in unlisted companies. As of the date of preparation of these financial statements, there are no significant issues concerning the recoverability of these investments, as the Company has not identified any indicators of impairment.

The list of direct and indirect participations of the parent is shown, according to Art. 2:379(1) DCC, in the annex to the Consolidated Financial Statements.

5) Non-current financial assets

The item amounts to EUR 24 thousand (EUR 930 thousand at 31 December 2022) and is made up of receivables for guarantee deposits with a maturity of less than five years.

The decrease of EUR 906,000 was mainly due to the decrease in receivables arising from the application of IFRS 16, all of which were reclassified as short-term due to the fact that these receivables are due within one year from Spartan Hive SpA, Aalborg Portland Digital Srl and Piemme relating to the subletting of the building at 200 Corso Francia.

6) Trade receivables

Trade receivables totalled EUR 172 thousand (EUR 1,895 thousand at 31 December 2022) and the breakdown is as follows:

(EUR'000)		31.12.2023	31.12.2022
Trade receivables from third parties		7	12
Loss allowance		-	-
Trade receivables - subsidiaries	(note 31)	135	1,768
Trade receivables - other group companies	(note 31)	30	115
Trade receivables		**172**	**1,895**

The carrying amount of trade receivables is representative of their fair value. The maturities of receivables from third-party customers are as follows:

(EUR'000)	31.12.2023	31.12.2022
Not yet due	-	-
Overdue	7	12
Loss allowance	-	-
Total trade receivables from third parties	**7**	**12**

Trade receivables from subsidiaries mainly refer to fees related to the Trademark License Agreement for the use of the trademark by subsidiaries, these receivables expired on 31 December 2023. The Company has decided, in light of the recoverability assessments made, not to make any write-downs on these amounts, considering them recoverable with certainty in the short term.

Note 31) Related party transactions provides more information about trade receivables from subsidiaries, associates and other group companies.

7) Current financial assets

Totalling EUR 38,073 thousand (EUR 27,143 thousand at 31 December 2022), the item breaks down as follows:

- loans to the subsidiary Svim 15 Srl, revocable and interest bearing, amounting to EUR 1,255 thousand and rate equal to Euribor 3 month + 1,0%;
- the interest-bearing loan to Aalborg Cement Company, amounting to EUR 10,407 thousand, maturity 31 December 2024 and rate equal to Libor 3 month + 1,5%;
- the interest-bearing loan to White Cement Company, amounting to EUR 23,439 thousand, maturity 31 December 2024 and rate equal to Libor 3 month + 1,5%;
- the loan to the subsidiary BASI 15, revocable and interest bearing, amounting to EUR 700 thousand and rate equal to Euribor 3 month + 1,0%;
- The positive fair value of derivatives totalled approximately EUR 773 thousand; the figure is related to the fair value measurement at 31 December 2023 of derivatives purchased to hedge interest rate and currency risks;
- receivables arising from IFRS 16 on the sublease to Spartan Hive SpA, amounting to EUR 113 thousand, to Aalborg Portland Digital Srl for EUR 349 thousand and to Piemme SpA for EUR 450 thousand.

The carrying amount of the financial assets equals their fair value.

The change compared to the previous year, amounting to EUR 10,929 thousand, is mainly attributable to:

- the negative effect of the fair value of derivative products for EUR 1,861 thousand;
- the increase in loans and exchange rate effect, to Aalborg Cement Company for EUR 3,375 thousand and White Cement Company for EUR 8,579 thousand;
- The increase in receivables from IFRS 16 in the amount of EUR 21 thousand;
- The increase in the loan to Basi 15 Srl for 300 thousand euros;

The item also includes EUR 587 thousand (EUR 71 thousand at 31 December 2022) mainly for prepaid expenses relating to the fees on financial debt relating to the "Facility", the "RCF", and the bank interest income and the IRS settlements of the Facility accrued but not yet collected.

8) Current tax assets

Current tax assets, which amounted to EUR 1,403 thousand (EUR 4,941 thousand as of 31 December 2022), mainly consisted of EUR 344 thousand of taxes paid abroad and requested for refund, and EUR 982 thousand of the receivable related to the request for refund due to lower royalties related to the so-called Mutual Agreement Procedure (MAP). The procedure, finalised during 2021, was initiated in November 2014 following an audit by the Danish Tax Authorities concerning the disavowal of royalties paid by Aalborg Portland Holding to Cementir Holding in the period 2008 – 2012. In 2023, in light of specific recoverability analyses, the total receivables for withholding taxes applied on royalties for the use of the brand were written down by EUR 2,954, thousand.

9) Other current assets

The item totalled EUR 13,027 thousand (EUR 8,813 thousand at 31 December 2022) and breaks down as follows:

(EUR'000)		31.12.2023	31.12.2022
Subsidiaries (IRES tax consolidation scheme)	(note 31)	11,655	7,877
Prepayments		85	130
VAT assets		1,280	802
Other receivables		7	4
Other current assets		**13,027**	**8,813**

10) Cash and cash equivalents

This item, totalling EUR 1.442 thousand (EUR 634 thousand at 31 December 2022) consists of cash and cash equivalents held by the Company and breaks down as follows:

(EUR'000)	31.12.2023	31.12.2022
Bank deposits	1,439	632
Cash-in-hand and cash equivalents	3	2
Cash and cash equivalents	**1,442**	**634**

For the change, equal to 808 thousand Euro, please refer to the Company's statement of cash flows.

11) Share capital

The Company's share capital consists of 159,120,000 ordinary shares with a par value of EUR 1 each. It is fully paid up and has not changed with respect to the previous year end.

12) Share premium reserve

The share premium reserve as of 31 December 2023 was equal to EUR 27,702 thousand (EUR 27,702 thousand as of 31 December 2022).

13) Reserves

Other reserves totalled EUR 30,071 thousand (EUR 28,651 thousand at 31 December 2022) and break down as follows:

(EUR'000)	Legal Reserve	Other Reserves	Retained Earnings	Total
Balance at 1 January 2023	**1,855**	**(110)**	**26,906**	**28,651**
Increase	-	-	37,449	37,449
Decrease	(1,809)	(5)	(34,215)	(36,029)
Balance at 31 December 2023	**46**	**(115)**	**30,140**	**30,071**
(EUR'000)	Legal Reserve	Other Reserves	Retained Earnings	Total
Balance at 1 January 2022	**(156)**	**(127)**	**41,582**	**72,138**
Increase	2,011	17	5,309	862
Decrease	-	-	(19,985)	(31,701)
Balance at 31 December 2022	**1,855**	**(110)**	**26,906**	**41,299**

The decrease in the Legal Reserve, amounting to EUR 1,809 thousand, is entirely attributable to the changes in the Cash Flow Hedge reserve.

The increase in retained earnings, equal to EUR 3,234 thousand, is related to the carry forward of the operating profit of the previous financial year net of the distribution of 2022 dividends.

Equity items

It is noted that the Company is tax residence in Italy, the following table shows the origin, possible use and availability of equity items in respect to Italian tax rules:

(EUR'000)		Summary of utilisation in previous three years	
Nature/Description	**Amount as at 31/12/2023**	**To cover losses**	**For other reasons**
Share capital	**159,120**	**-**	**-**
Share premium reserve	27,702	-	8,009
Legal reserve (Italian law)	31,824	-	-
Reserve for treasury shares in portfolio	(29,315)	-	-
Reserve for dividends undistributed	355	-	-
A) Reserve for grants related to assets	13,207	-	-
Reserve as per Art. 15 of Law No. 67 of 11/3/88	138	-	-
Reserve as per Law 349/95	41		
Goodwill arising on merger	-	9,174	21,959
Other IFRS reserves	10,586	-	-
Retained earnings	3,234	-	-
Total reserves	**57,772**	**9,174**	**29,968**
Profit (loss) for the year	**52,116**	**-**	**-**
Total equity	**269,008**	**-**	**-**

A) In the event of distribution, the reserves contribute to forming the taxable income of the company.

The following table shows the reconciliation between Italian tax law and the Dutch Civil Code as at 31 December 2023:

(EUR'000)	Share premium reserve	Reserve for treasury shares in portfolio	Reserve for dividends undistributed	Reserve for grants related to assets	Hedging Reserve*	Legal reserve (Italian Law)	Other IFRS reserves*	Reserve as per Art. 15 of Law No. 67/88	Reserve as per Law No. 349/95	Goodwill arising on merger	Actuarial reserves IAS 19*	IFRS 9 Reserve*	Retained earnings	Total
Italian Tax rules	27,702	(29,315)	355	13,207	45	31,824	5,170	138	41	-	(115)	5,486	3,234	**57,772**
Reclassification due conversion in N.V.	-	29,315	(355)	(13,207)	-	(31,824)	(5,170)	(138)	(41)	-	-	(5,486)	26,906	
Dutch Civil Code	**27,702**	**-**	**-**	**-**	**45**	**-**	**-**	**-**	**-**	**-**	**(115)**	**-**	**30,140**	**57,772**

*other IFRS reserves

Treasury share purchase

The number of treasury shares held following the completion of the share buy-back programme (the "Programme") in October 2021 has not changed.

It should be noted that under the Programme, between 15 October 2020 and 12 October 2021 (ends included), 3,600,000 treasury shares, equal to 2.2624% of the share capital, were purchased on the Mercato Telematico

Azionario organised and managed by Borsa Italiana S.p.A. at a weighted average price of EUR 8.1432 per share and for a total outlay of EUR 29,315 thousand.

Dividends

During the year, the company distributed a total of EUR 34,214 thousand in dividends to shareholders for 2022, corresponding to EUR 0.22 per ordinary share.

14) Employee benefits

Post-employment benefits totalled EUR 185 thousand (EUR 172 thousand at 31 December 2022). The figure represents the company's estimate of its obligation, determined using actuarial techniques, to employees upon termination of employment. On 1 January 2007, the Italian Finance Act and related implementing decrees introduced significant reforms to the regulations governing post-employment benefits, including the right of employees to decide where to allocate their accruing benefits. Benefits may be transferred to a pension fund or kept within the company, in which case they are transferred to a special treasury fund set up by INPS.

As a result of the reforms, accruing Italian post-employment benefits now qualify as a defined contribution plan rather than a defined benefit plan.

The actuarial assumptions used for their measurement are summarised below:

Values in %	31.12.2023	31.12.2022
Annual discount rate	3.10%	3.70%
Annual post-employment benefits growth rate	3.31%	3.31%

Changes in the liability are shown below:

(EUR'000)	31.12.2023	31.12.2022
Net liability *opening balance*	**172**	**181**
Current service cost	-	-
Interest cost	6	2
Payments of post-employment benefits	-	-
Net actuarial gains recognised in the year	7	(23)
Other	-	12
Net liability *closing balance*	**185**	**172**

Employee benefits included the long-term incentive plan that envisages the payment of a variable monetary reward, calculated on the basis of the gross annual salary of the beneficiary, which is tied to the achievement of the business and financial objectives in the Industrial Plans prepared and approved. It amounted to EUR 2,419 thousand at 31 December 2023 (EUR 2,088 thousand at 31 December 2022).

15) Financial liabilities

Non-current and current financial liabilities are shown below:

(EUR'000)		31.12.2023	31.12.2022
Bank loans and borrowing		-	25,997
Other non-current loan liabilities		252	140
Other non-current financial liabilities - related parties	(note 31)	-	1,544
Non-current financial liabilities		**252**	**27,681**
Bank loans and borrowing		26,542	49,862
Bank loans and borrowings - related parties (note 31)		81,751	38,587
Current portion of non-current financial liabilities		155	1,216
Current portion of non-current financial liabilities to related parties	(note 31)	1,536	1,544
Fair value of derivatives		251	154
Fair value of derivative instruments - related parties	(note 31)	211	-
Other loan liabilities		116	12
Other financial payables - related parties	(note 31)	12	-
Current financial liabilities		**110,574**	**91,375**
Total financial liabilities		**110,826**	**119,056**

Non-current payables to bank loans and borrowing decreased due to the fact that the residual portions of the senior term loans and the variable-rate loan will fall due within one year, so they are classified in full as current payables.

Current payables to bank loans and borrowings, for EUR 26,542 thousand, include the short-term portion of the senior term loan and to the variable rate loan (6M Euribor + spread of 0.75%) granted by Banca Intesa SpA against a mortgage on the property located in Torrespaccata expiring in 2024.

The senior term loan is secured by collateral appropriate to the type of transaction and requires compliance with the financial covenants, which at 31 December 2023 have been met by the Company. In particular, the covenant to be respected is the ratio between consolidated net financial debt and consolidated EBITDA not exceeding 3.5. It is specified that this covenant was respected with regard to the reference observation period.

Bank payables to related parties of EUR 81,751 thousand refer to the balance of the cash pooling account in place with Alfacem Srl.

The short-term portion of non-current financial liabilities, amounting to EUR 1,788 thousand (EUR 251 thousand to third parties and EUR 1,536 thousand to related parties), related to the debt arising from the application of IFRS 16; while other financial payables current, amounting to EUR 116 thousand, mainly refer to accrued interest on non-current loans and on the Deutsche Bank current account overdraft used during the year.

The fair value of derivative instruments and derivative instruments with related parties, negative for EUR 251 thousand and EUR 211 thousand respectively, represent the valuation as at 31 December 2023 of the derivatives put in place for the purposes of hedging interest rates and exchange rates expiring between December 2024 and December 2025.

At 31 December 2023, a company-owned property in Torrespaccata, Rome, was mortgaged to third parties for EUR 2.9 million to secure the loan granted by Banca Intesa SpA.

The company’s exposure, broken down by due date of the financial liabilities, is as follows:

(EUR'000)	31.12.2023	31.12.2022
Within three months	1,333	501
• *third parties*	*585*	*501*
• *related parties* *(note 31)*	*748*	*0*
Between three months and one year	109,241	90,874
• *third parties*	*26,480*	*52,287*
• *related parties* *(note 31)*	*82,761*	*38,587*
Between one and two years	183	27,681
• *third parties*	*183*	*27,681*
• *related parties* *(note 31)*	*0*	*0*
Between two and five years	69	0
• *third parties*	*69*	*0*
• *related parties* *(note 31)*	*0*	*0*
After five years	0	0
Total financial liabilities	**110,826**	**119,056**

The carrying amount of current and non-current financial liabilities equals their fair value.

Net financial debt

The following table shows the Net Financial Debt as at 31 December 2023 and 2022, calculated in accordance with paragraph 175 of the recommendations contained in ESMA 32-382-1138 March 4 2021:

(EUR'000)	31.12.2023	31.12.2022
A. Cash	3	2
B. Cash flow	1,438	632
C. Current financial assets	38,073	27,143
D. Cash and cash equivalents (A+B+C)	**39,514**	**27,777**
E. Current bank loans and borrowings	(24,880)	(49,861)
F. Current portion of non-current debt	(85,695)	(41,514)
G. Current financial debt (E+F)	**(110,575)**	**(91,375)**
H. Net current financial debt (G-D)	**(71,061)**	**(63,598)**
I. Non-current bank loans and borrowings	-	(25,997)
J. Bonds issued	-	-
K. Other non-current liabilities	(252)	(1,684)
L. Non-current financial debt (I+J+K)	**(252)**	**(27,681)**
M. Net financial debt (H+L)	**(71,313)**	**(91,279)**

The Company's net financial debt at 31 December 2023 amounted to EUR 71,313 thousand (EUR 91,279 thousand at 31 December 2022) down by EUR 19,966 thousand compared to the previous year. This change is mainly attributable to the repayment of principal amounts of outstanding loans.

The current portion of non-current debt, amounting to EUR 85,695 thousand (EUR 41,514 thousand at 31 December 2022) increased by EUR 44,181 thousand mainly due to the measurement of the fair value of derivative instruments and the cash pooling debt with Alfacem.

If the non-current component of the loan had been included, the net financial debt of Cementir Holding NV would have been EUR 71,289 thousand (as presented below).

(EUR'000)	31.12.2023	31.12.2022
Current financial assets	38,073	27,143
Cash and cash equivalents	1,441	634
Current financial liabilities	(110,575)	(91,375)
Non-current financial liabilities	(252)	(27,681)
Net financial debt (as per CONSOB Communication)	**(71,313)**	**(91,279)**
Non-current financial assets	24	930
Total net financial debt	**(71,289)**	**(90,349)**

16) Trade payables

Their balance of EUR 1,689 thousand (EUR 1,916 thousand at 31 December 2022) may be analysed as follows:

(EUR'000)	31.12.2023	31.12.2022
Trade payables - third parties	1,464	1,445
Trade payables - related parties (note 31)	225	471
Trade payables	**1,689**	**1,916**

Note 31) Related party transactions gives a breakdown of trade payables to subsidiaries, associates and Parents.

17) Deferred tax assets and liabilities and current tax liabilities

The provision for current taxes amounts to EUR 171 thousand as a result of the provision for IRES taxes for the year.

At 31 December 2023, deferred tax, amounted to EUR 19,338 thousand, includes deferred tax assets net of deferred tax liabilities as shown below:

(EUR'000)	31.12.2022	Accruals, net of utilisation in profit or loss	Increase, net of decreases in equity	Other changes	31.12.2023
Tax losses	16,166	-	-	-	16,166
Other	5,552	(323)	-	-	5,229
Deferred tax assets	**21,718**	**(323)**	**-**	**-**	**21,395**
Difference between accounting value and their tax base	2,683	(32)	(594)	-	2,057
Income taxes tax liabilities	**2,683**	**(32)**	**(594)**	**-**	**2,057**
Total	**19,035**				**19,338**

The balance as of 31 December 2023 of deferred tax assets (EUR 21,395 thousand) is mainly composed of IRES credits due to tax losses related to companies participating in the Italian domestic tax consolidation scheme; recovery is foreseen in subsequent years within the limits defined by the reference legislation.

Deferred tax liabilities, totalling EUR 2,057 thousand at 31 December 2023, consisted of EUR 1,844 thousand relating to IRES and EUR 213 thousand relating to IRAP.

18) Other current liabilities and current and non-current provisions

(EUR'000)		31.12.2023	31.12.2022
Personnel		1,450	1,404
Social security institutions		489	477
Other liabilities		4,584	3,426
Subsidiaries (IRES and VAT tax consolidation scheme)	(note 31)	269	197
Other payables - related parties (Note 31)		-	1
Other current liabilities		**6,792**	**5,505**

Other liabilities relate mainly to remuneration for directors and auditors for a total of EUR 4,367 thousand.

The amount due to subsidiaries primarily comprises amounts owed by Cementir Holding to companies that have joined the national IRES tax consolidation scheme following the assignment of tax losses of previous years.

19) Change in provisions (current and non-current)

At 31 December 2023, non-current provisions amounted to EUR 370 thousand, unchanged compared to 31 December 2022.

20) Revenue

(EUR'000)	2023	2022
Services	8,990	8,635
Revenue	**8,990**	**8,635**

Revenue included EUR 8,356 thousand mainly from revenues for royalties related to the use of the trademark by the subsidiaries and for EUR 451 thousand from revenues for administrative services to group companies.

Note 31) Related-party transactions provides more information about revenue from subsidiaries, associates and other Group companies.

21) Other operating revenue

(EUR'000)	2023	2022
Building lease payments	-	-
Other revenue and income	78	76
Other operating revenue	**78**	**76**

22) Personnel costs

(EUR'000)	2023	2022
Wages and salaries	5,575	5,339
Social security charges	1,492	1,518
Other costs	851	1,403
Personnel costs	**7,918**	**8,260**

It is specified that the comparative data relating to the sub-items "Wages and salaries", "Social security charges" and "Other costs" have been restated for a better classification of the items.
Pensions cost amount to EUR 414 thousand (EUR 439 thousand in 2022) and are included in Other costs.

The company's workforce breaks down as follows:

	31.12.2023	31.12.2022	2023 Average	2022 Average
Executives	13	11	12	16
Middle management, white-collar workers and intermediates	27	28	27	25
Total	**40**	**39**	**39**	**41**

The Company has no employees in the Netherlands.

23) Other operating costs

(EUR'000)	2023	2022
Consultancy	1,766	2,038
Directors' fees	6,239	5,036
Independent auditors' fees	553	413
Other services	2,235	1,956
Other operating costs	1,328	2,995
Other operating costs	**12,121**	**12,438**

Total other operating expenses also include transactions with related parties; please refer to note 31 for full details.

24) Amortisation, depreciation, impairment losses and provisions

(EUR'000)	2023	2022
Amortisation	27	120
Depreciation	831	794
Provisions and write-downs	0	0
Amortisation, depreciation, impairment losses and provisions	**858**	**914**

Amortisation and depreciation includes for EUR 793 thousand (EUR 757 thousand in 2022) in amortisation of right of use assets deriving from the application of IFRS 16.

25) Net financial expense

Financial income net of expenses was EUR 64,275 thousand. This result is broken down as follows:

(EUR'000)		2023	2022
Total income from investments		**66,606**	**52,000**
Total expense from investments		**-**	**(2,300)**
Interest income from third parties		32	-
Interest income from related parties	(note 31)	1,883	1,274
Other financial income		6,045	5,958
Total financial income		**7,960**	**7,232**
Interest expense		(2,577)	(905)
Interest expense - related parties (note 31)		(115)	(20)
Other financial expense		(4,039)	(8,291)
Other financial expense - related parties	(nota 31)	(3,559)	(227)
Total financial expense		**(10,290)**	**(9,443)**
Net financial income (expense)		**64,276**	**47,489**

"Income from investments", amounting to EUR 66,606 thousand, refers to the dividends received by the subsidiary Cementir Espana.

Other financial income amounting to EUR 6,045 thousand (EUR 5,958 thousand as of 31 December 2022) consisted of gains on derivative financial instruments purchased to hedge currency and exchange rate gains on financial transactions.

Other financial expense totalled EUR 4,039 thousand (EUR 8,291 thousand as of 31 December 2022) mainly consisted of foreign exchange losses on financial transactions and losses on the measurement of derivatives held to hedge currency and interest rate risks.

26) Income taxes

The overall net amount, negative for EUR 331 thousand (positive for EUR 2,861 thousand in 2022), is made up as follows:

(EUR'000)	2023	2022
Current taxes	(39)	2,652
- *IRES*	*(39)*	*2,652*
- *IRAP*	*-*	*-*
Deferred tax assets	(324)	(1,152)
- *IRES*	*(324)*	*(1,158)*
- *IRAP*	*18*	*6*
Income taxes tax liabilities	32	1,361
- *IRES*	*-*	*1,014*
- *IRAP*	*32*	*347*
Income taxes	**(331)**	**2,861**

The following table shows a reconciliation between the theoretical tax expense and the effective expense recognised in the income statement:

(EUR'000)	2023	2022
Theoretical tax expense (based on Italian nominal tax rate)	**(12,587)**	**(8,301)**
Taxable permanent differences	(2,359)	(660)
Deductible permanent differences	18,154	11,906
Prior year taxes	(3,539)	(436)
Change in IRES tax rate	-	-
Effective IRAP tax expense	-	352
Taxes	**(331)**	**2,861**

The Company, as allowed by the Consolidated Income Tax Act, participates in the group tax regime called "National tax consolidation scheme" as Parent.

27) Other comprehensive expense

The following table gives a breakdown of other comprehensive expense, including and excluding the related tax effect:

(EUR'000)	2023			2022		
	Gross amount	Tax effect	Gross amount	Gross amount	Tax effect	Gross amount
Financial instruments	(2,569)	760	**(1,809)**	2,855	(844)	**2,011**
Net actuarial gains (losses) on post-employment benefits	(7)	2	**(5)**	23	(6)	**17**
Total other comprehensive income (expense)	**(2,576)**	**762**	**(1,814)**	**2,878**	**(850)**	**2,028**

28) IFRS 16 Leases

The following table shows the movements of RoU at 31 December 2023 and the related disclosures:

(EUR'000)	Land and buildings	Plant and equipment	Other assets	Total Right-of-use assets
Gross amount at 1 January 2023	**1,306**	**553**	**-**	**1,859**
Increase	-	319	-	319
Decrease	(75)	(377)	-	(452)
Gross amount at 31 December 2023	**1,231**	**495**	**-**	**1,726**
Depreciation at 1 January 2023	**-**	**281**	**-**	**281**
Amortisation	619	174	-	793
Decrease	-	(362)	-	(362)
Amortisation at 31 December 2023	**619**	**93**	**-**	**712**
Net amount at 31 December 2023	**612**	**402**	**-**	**1,014**

(EUR'000)	Land and buildings	Plant and equipment	Other assets	Total Right-of-use assets
Gross amount at 1 January 2022	**3,385**	**535**	**-**	**3,920**
Increase	1,306	152	-	1,458
Decrease	(3,385)	(134)	-	(3,519)
Gross amount at 31 December 2022	**1,306**	**553**	**-**	**1,859**
Depreciation at 1 January 2022	**2,653**	**237**	**-**	**2,890**
Amortisation	589	168	-	757
Decrease	(3,242)	(124)	-	(3,366)
Amortisation at 31 December 2022	**-**	**281**	**-**	**281**
Net amount at 31 December 2022	**1,306**	**272**	**-**	**1,578**

As at 31 December 2023, right of use assets were EUR 1,014 thousand (EUR 1,578 thousand at 31 December 2022) and mainly included the contract related to the 200 Corso Francia premises for EUR 612 thousand (EUR 1,306 thousand at 31 December 2022).

The depreciation period of the right-of-use assets is reported below:

	Useful life of the right of use assets
Land and buildings	2 years
Plant and equipment	4 years

The Company's exposure, broken down by expiry of the lease liabilities, is as follows:

(EUR'000)	31.12.2023	31.12.2022
Within three months	424	437
Between three months and one year	1,255	1,285
Between one and two years	31	1,679
Between two and five years	3	41
After five years	-	-
Total undiscounted lease liabilities at 31 December	**1,713**	**3,442**

Current and non-current lease liabilities are shown below:

(EUR'000)		31.12.2023	31.12.2022
Non-current lease liabilities		252	792
Non-current lease liabilities - related parties	(note 31)	-	892
Non-current lease liabilities		**252**	**1,684**
Current lease liabilities		155	788
Current lease liabilities - related parties	(note 31)	1,536	892
Current lease liabilities		**1,691**	**1,680**
Total lease liabilities		**1,943**	**3,364**

Amounts recognised in profit/(loss) in the income statement

(EUR'000)	**2023**	**2022**
Amortisation and depreciation (note 24)	(793)	(757)
Interest expense on lease liabilities	(123)	(25)

Amounts recognised in the cash flow statement

(EUR'000)	**2023**	**2022**
Total cash outflow for leases	1,762	1,736

29) Financial risk management and disclosures

The company is exposed to financial risks connected with its operations, namely:

Credit risk

Cementir Holding N.V.'s exposure to credit risk is not considered particularly significant as it mainly does business with subsidiaries and related parties whose risk of insolvency is substantially inexistent.

Credit risk related to trade receivables from subsidiaries is considered insignificant.

Note 6 provides additional details regarding the maturities of third-party trade receivables.

With respect to bank deposits (note 10) and derivatives (note 7), the Company has always worked with leading counterparties, thus limiting its credit risk in this sense.

Liquidity risk

Liquidity risk concerns the availability of financial resources and access to credit market and financial instruments.

The company monitors its cash flows, funding requirements and liquidity levels in order to ensure the effective and efficient use of its financial resources.

The company has credit lines which cover any unforeseen requirements.

Note 15 provides a breakdown of financial liabilities by due date.

Market risk

The market risk mainly concerns currency and interest rate risks.

Currency risk

Cementir Holding N.V. is directly exposed to currency risk to a limited degree in relation to loans and deposits held in foreign currency. The Company constantly monitors these risks so as to assess any impact in advance and take any necessary mitigating actions.

Interest rate risk

As Cementir Holding NV has floating rate bank loans, it is exposed to the risk of fluctuations in interest rates. This risk is considered moderate as the company's loans are currently only in euros and the medium to long-term interest rate curve is not steep. Having thoroughly assessed the level of rates expected and debt reduction timing based on cash forecasts, Interest Rate Swaps are agreed to partly hedge the risk.

Net financial debt at 31 December 2023 amounted to EUR 71,312 thousand (EUR 91,279 thousand in 2022) made up of current financial receivables and cash and cash equivalents for EUR 39,514 thousand, current loan liabilities for EUR 110,574 thousand and non-current loan liabilities of EUR 252 thousand, entirely regulated at a variable rate.

With respect to the floating rate on net financial debt, an annual 1% increase in interest rates, assuming all the other variables remain stable, would have had a negative effect on profit before taxes of EUR 0.8 million (EUR 1 million in 2022) and on equity of EUR 0.6 million (EUR 0.7 million at 31 December 2022). A similar decrease in interest rates would have an identical positive impact.

30) Fair value hierarchy

IFRS 13 requires that assets and liabilities carried at fair value be classified using a hierarchy which reflects the sources of the inputs used to measure their fair value. The hierarchy consists of the following levels:

- Level 1: measurement of fair value using quoted prices on active markets for identical assets or liabilities.

- Level 2: measurement of fair value using inputs other than the quoted prices included within Level 1 which are directly observable (such as prices) or indirectly observable (i.e., derived from prices) on the market.

- Level 3: measurement of fair value using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of assets and liabilities is classified as follows:

31 December 2023 (EUR'000)	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	3	-	-	17,650	**17,650**
Total assets		**-**	**-**	**17,650**	**17,650**
Current financial liabilities (derivative instruments)	15	-	251	-	**251**
Total liabilities		**-**	**251**	**-**	**251**

31 December 2022 (EUR'000)	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	3	-	-	17,650	**17,650**
Total assets		**-**	**-**	**17,650**	**17,650**
Current financial liabilities (derivative instruments)	15	-	154	-	**154**
Total liabilities		**-**	**154**	**-**	**154**

No transfers among the levels took place during 2023.

31) Related party transactions

Transactions performed by the Company with related parties are part of normal business operations and take place at arm's-length conditions; there are no transactions of an atypical or unusual nature, outside the normal course of business. Loans granted to the subsidiaries Svim 15 Srl, and Basi 15 Srl, as described in Note 7. These loans are also described in Note 15 "Net Financial Debt".

On 5 November 2010, the Board of Directors of Cementir Holding NV approved a new procedure for related party transactions complying with CONSOB guidelines, issued pursuant to CONSOB Resolution No. 17221 of 12 March 2010 and subsequent amendments and additions thereto. The procedure has been applicable starting from 1 January 2011. On 13 November 2019, the Board of Directors resolved to make a number of changes to the Related Party Transaction Procedure, following the conversion of Cementir Holding into a company under Dutch law. Finally, it should be noted that the procedure was again approved by the Board of Directors on 9 November 2020 during the periodic review of company procedures.

As required by CONSOB Communication No. 6064293 of 28 July 2006, related party transactions and their effects are reported in the table below:

Trade and financial transactions

Year 2023 (EUR'000)	**Trade receivables**	**Non-current financial assets**	**Current financial assets**	**Other current assets**	**Trade payables**	**Current and non-current financial**	**Other current liabilities**	**Balance**
Cimentas AS	-	-	-	-	-	-	-	**-**
Alfacem Srl	-	-	-	319	-	(81,751)	-	**(81,432)**
Aalborg Portland Holding A/S	-	-	-	-	-	-	-	**-**
Basi 15 Srl	-	-	700	-	-	-	(202)	**498**
Svim 15 Srl	-	-	1,255	-	-	-	(66)	**1,189**
Cementir Espana SL	-	-	-	-	-	-	-	**-**
Aalborg Portland A/S	128	-	-	-	-	(12)	-	**116**
Lehigh White Cement Company	-	-	-	-	-	-	-	**-**
Aalborg Cement Company	-	-	10,407	-	-	-	-	**10,407**
White Cement Company	-	-	23,439	-	-	-	-	**23,439**
Quercia Ltd	-	-	-	-	-	-	-	**-**
Aalborg Portland Digital S.r.l.	-	-	349	426	-	-	-	**775**
Spartan Hive SpA	5	-	113	10,909	-	(211)	-	**10,816**
Recydia	-	-	-	-	-	-	-	**-**
Caltagirone SpA	30	-	-	-	(225)	-	-	**(195)**
Vianini Lavori SpA	-	-	-	-	-	-	-	**-**
Piemme SpA	-	-	450	-	-	-	-	**450**
Compagnie des Ciments Belges France S	-	-	-	-	-	-	-	**-**
Compagnie des Ciments Belges SA	-	-	-	-	-	-	-	**-**
Aalborg Portland Malaysia Sdn. Bhd.	-	-	-	-	-	-	-	**-**
Aalborg Portland Anqing CO. LTD.	-	-	-	-	-	-	-	**-**
Unicon NO AS	(1)	-	-	-	-	-	-	**(1)**
Unicon DK AS	-	-	-	-	-	-	-	**-**
Neales Waste Management LTD	-	-	-	-	-	-	-	**-**
Sinai White Portland Cement CO S.A.E.	-	-	-	-	-	-	-	**-**
Gaetano Cacciatore LLC	3	-	-	-	-	-	-	**3**
ICAL SpA	-	-	-	-	-	(1,536)	-	**(1,536)**
Total related parties	**165**	**-**	**36,713**	**11,654**	**(225)**	**(83,510)**	**(268)**	**(35,471)**
Total financial statements	**173**	**24**	**38,073**	**13,027**	**(1,689)**	**(110,826)**	**(6,792)**	
% of item	**95.38%**	**0.0%**	**96.43%**	**89.46%**	**13.32%**	**75.35%**	**3.95%**	

Year 2022 (EUR'000)	**Trade receivables**	**Non-current financial assets**	**Current financial assets**	**Other current assets**	**Trade payables**	**Current and non-current financial**	**Other current liabilities**	**Balance**
Cimentas AS	1,291	-	-	-	-	-	-	**1,291**
Alfacem Srl	-	-	-	40	-	(38,587)	-	**(38,547)**
Aalborg Portland Holding A/S	-	-	-	-	-	-	-	**-**
Basi 15 Srl	-	-	400	-	-	-	(139)	**261**
Svim 15 Srl	-	-	1,255	-	-	-	(57)	**1,198**
Cementir Espana SL	-	-	-	-	-	-	-	**-**
Aalborg Portland A/S	12	-	-	-	-	-	-	**12**
Lehigh White Cement Company	1	-	-	-	-	-	-	**1**
Aalborg Cement Company	-	-	7,032	-	-	-	-	**7,032**
White Cement Company	-	-	14,860	-	-	-	-	**14,860**
Quercia Ltd	11	-	-	-	-	-	-	**11**
Aalborg Portland Digital S.r.l.	-	326	326	431	-	-	-	**1,083**
Spartan Hive SpA	-	113	113	7,406	-	-	-	**7,632**
Recydia	-	-	-	-	-	-	-	**-**
Caltagirone SpA	115	-	-	-	(450)	-	-	**(335)**
Vianini Lavori SpA	-	-	-	-	(21)	-	-	**(21)**
Piemme SpA	-	453	453	-	-	-	(1)	**905**
Compagnie des Ciments Belges France SA	-	-	-	-	-	-	-	**-**
Compagnie des Ciments Belges SA	-	-	-	-	-	-	-	**-**
Aalborg Portland Malaysia Sdn. Bhd.	-	-	-	-	-	-	-	**-**
Aalborg Portland Anqing CO. LTD.	96	-	-	-	-	-	-	**96**
Unicon NO AS	228	-	-	-	-	-	-	**228**
Unicon DK AS	126	-	-	-	-	-	-	**126**
Neales Waste Management LTD	2	-	-	-	-	-	-	**2**
Sinai White Portland Cement CO S.A.E.	1	-	-	-	-	-	-	**1**
ICAL SpA	-	-	-	-	-	(3,089)	-	**(3,089)**
Total related parties	**1,883**	**892**	**24,439**	**7,877**	**(471)**	**(41,676)**	**(197)**	**(7,253)**
Total financial statements	**1,895**	**930**	**27,143**	**8,813**	**(1,916)**	**(119,056)**	**(5,504)**	
% of item	**99.37%**	**95.91%**	**90.04%**	**89.38%**	**24.58%**	**35.01%**	**3.58%**	

Trade receivables mainly refer to the invoicing for brand fees sent to the company Aalborg Portland A/S.

Financial assets refer to the interest-bearing loans to White Cement Company (EUR 23,439 thousand), Aalborg Cement Company (EUR 10,407 thousand), Svim 15 Srl (EUR 1,255 thousand) and Basi 15 Srl (EUR 700 thousand). In addition, the item includes financial receivables arising from the sublease of part of the building at 200 Corso Francia with effect from 1 September 2019, accounted for in accordance with IFRS 16, from Aalborg Portland Digital, Piemme and Spartan Hive

Current and non-current financial liabilities include cash pooling balances with Alfacem Srl (EUR 81,751 thousand).

Other current liabilities and other current assets mainly related to the effects of Cementir Holding NV and the companies Alfacem Srl, Spartan Hive SpA, Aalborg Portland Digital Srl, Basi15 Srl and Svim15 Srl joining the national tax consolidation scheme.

Revenue and costs

Year 2023 (EUR'000)	Operating revenue and other income	Financial income	Operating costs	Financial expense	Balance
Caltagirone SpA	-	-	(450)	-	**(450)**
Cimentas AS	2,778	-	-	-	**2,778**
Alfacem Srl	8	-	-	(3,434)	**(3,426)**
Basi 15 Srl	16	25	-	-	**41**
Svim 15 Srl	11	53	-	-	**64**
Cementir Espana	-	66,606	-	-	**66,606**
Aalborg Portland Holding A/S	-	-	-	-	**-**
Aalborg Portland A/S	764	-	-	(62)	**702**
Aalborg Cement Company	-	520	-	-	**520**
White Cement Company	-	1,217	-	-	**1,217**
Quercia Ltd	-	-	-	-	**-**
Sinai White Portland Cement Co.S.A.E.	-	-	-	-	**-**
Aalborg Portland Digital S.r.l.	406	25	(118)	-	**313**
Vianini Lavori SpA	-	-	(42)	-	**(42)**
Piemme SpA	102	33	-	-	**135**
Spartan Hive SpA	91	8	(96)	-	**3**
Compagnie des Ciments Belges SA	2,807	-	-	(62)	**2,745**
Compagnie des Ciments Belges France SA	-	-	-	-	**-**
Aalborg Portland Malaysia Sdn. BHD.	342	-	-	-	**342**
Kudsk & Dahl AS	9	-	-	-	**9**
Vianini Pipe Inc.	111	-	-	-	**111**
Gaetano Cacciatore LLC	17	-	-	-	**17**
Unicon NO AS	617	-	-	-	**617**
Unicon DK AS	398	-	-	-	**398**
Aalborg Portland Anqing CO. LTD.	514	-	-	-	**514**
ICAL SpA	-	-	-	(115)	**(115)**
Total related parties	**8,991**	**68,487**	**(706)**	**(3,673)**	**73,099**
Total financial statements	**9,068**	**74,566**	**(12,121)**	**(10,291)**	
% of item	**99.15%**	**91.85%**	**5.82%**	**35.69%**	

Year 2022 (EUR'000)	Operating revenue and other income	Financial income	Operating costs	Financial expense	Balance
Caltagirone SpA	-	-	(450)	-	**(450)**
Cimentas AS	2,334	-	-	-	**2,334**
Alfacem Srl	8	805	-	(1)	**812**
Basi 15 Srl	16	2	-	-	**18**
Svim 15 Srl	11	13	-	-	**24**
Cementir Espana	-	52,000	-	-	**52,000**
Aalborg Portland Holding A/S	-	1	-	-	**1**
Aalborg Portland A/S	793	-	-	(113)	**680**
Aalborg Cement Company	-	138	-	-	**138**
White Cement Company	-	293	-	-	**293**
Quercia Ltd	-	1	-	-	**1**
Sinai White Portland Cement Co.S.A.E.	-	-	-	-	**-**
Aalborg Portland Digital S.r.l.	406	5	(118)	-	**293**
Vianini Lavori SpA	-	-	(42)	-	**(42)**
Piemme SpA	83	11	-	-	**94**
Spartan Hive SpA	91	3	(96)	-	**(2)**
Compagnie des Ciments Belges SA	2,641	1	-	(113)	**2,529**
Compagnie des Ciments Belges France SA	-	1	-	-	**1**
Aalborg Portland Malaysia Sdn. BHD.	361	-	-	-	**361**
Kudsk & Dahl AS	10	-	-	-	**10**
Vianini Pipe Inc.	91	-	-	-	**91**
Gaetano Cacciatore LLC	15	-	-	-	**15**
Unicon NO AS	802	-	-	-	**802**
Unicon DK AS	447	-	-	-	**447**
Aalborg Portland Anqing CO. LTD.	526	-	-	-	**526**
ICAL SpA	-	-	-	(20)	**(20)**
Total related parties	**8,635**	**53,274**	**(706)**	**(247)**	**60,956**
Total financial statements	**8,711**	**59,232**	**(12,438)**	**(9,443)**	
% of item	**99.13%**	**89.94%**	**5.68%**	**2.62%**	

Revenues to subsidiaries Cimentas AS, Aalborg Portland A/S, Compagnie des Ciments Belges SA, Aalborg Portland Malaysia Sdn. BHD, Kudsk & Dahl AS, Vianini Pipe Inc., Gaetano Cacciatore LLC, Unicon NO AS, Unicon DK AS and Aalborg Portland Anqing CO. LTD relate to fees inherent to the Trademark License Agreement), while for the subsidiaries Spartan Hive SpA, Alfacem Srl, Basi 15 Srl, Svim 15 Srl and Aalborg Portland Digital Srl, revenues refer only to fees relating to centralised activities as regulated by Cementir Group Intercompany Service Agreement.

Financial income from Cementir Espana includes dividends (EUR 66,606 thousand); Financial income from Aalborg Cement Company and White Cement Company relates to interest accrued on loans granted.

Operating costs from Spartan Hive SpA (EUR 96 thousand) relate to purchasing services, while operating costs from Aalborg Portland Digital Srl (EUR 118 thousand) relate to consulting services.

Financial expense with Alfacem Srl concern interest on cash pooling with Alfacem for 3,434 thousand euros.

32) Independent auditors' fees

Fees paid in 2023 to the independent auditors totalled approximately EUR 553 thousand, including EUR 419 thousand for audit services and EUR 133 thousand for other services (EUR 440 thousand in 2022 of which EUR 328 thousand for audit services and EUR 112 thousand for other services).

33) Director's remuneration

Compensation paid in financial year 2023 totalled EUR 6,764 thousand (EUR 6,064 thousand in 2022) as shown below:

(EUR'000)	**2023**	**2022**
Fixed Remuneration	1,973	1,974
Compensation for participation in committees	146	145
Variable Compensation	4,367	3,667
Non monetary benefits	18	18
Other fees	260	260
Total	**6,764**	**6,064**

The key management personnel compensation is mainly relating to short-term employee benefits. The portion of the variable compensation has not been paid as of 31 December 2023.

The table below shows the compensation paid in Financial Year 2023

YEAR 2023 (EUR'000)	Fixed Remuneration					Variable Compensation (non equity)				
Name of Director, position	**Token of presence BoD**	**Compensation approved by the Shareholders' Meeting or by the BoDs**	**Compensation for employee work**	**Compensation for participation in committees**	**Token of presence committees**	**Bonuses and other incentives**	**Non-monetary benefits**	**Other fees ***	**Total**	**Proportion of fixed and variable remuneration**
BOARD OF DIRECTORS										
Francesco Caltagirone, Chairman of the Board of Directors and CEO***	6	1,805	80			4,367	18		6,277	70% variable remuneration 30% fixed remuneration
Alessandro Caltagirone, Non-Executive Director and Vice-Chairman	6	5							11	100% fixed remuneration
Azzurra Caltagirone, Non-Executive Director and Vice-Chairwoman	6	5							11	100% fixed remuneration
Saverio Caltagirone, Non-Executive Director	5	5							10	100% fixed remuneration
Fabio Corsico, Non-Executive Director*	6	5						260	271	100% fixed remuneration
Annalisa Pescatori, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee, Member of the Audit Committee and of the Sustainability Committee	4	3		33	1				41	100% fixed remuneration
Benedetta Navarra, Non-Executive Independent Director, Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee	4	3		33	1				41	100% fixed remuneration
Adriana Lamberto Floristan, Senior Non-Executive Independent Director, Member of the Audit Committee, Member of the Remuneration and Nomination Committee and Member of the Sustainability Committee	6	5		27	2				40	100% fixed remuneration
DIRECTORS WHO LEFT THE OFFICE DURING 2023										
Edoardo Caltagirone, Non-Executive Director	0	2							2	100% fixed remuneration
Paolo Di Benedetto, Senior Non-Executive Independent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	2	2		13					17	100% fixed remuneration
Chiara Mancini, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee	2	2		17	1				22	100% fixed remuneration
Veronica De Romanis, Non-Executive Independent Director, Chairman of the Audit Committee and	2	2		17	1				22	100% fixed remuneration

Member of the Remuneration and Nomination Committee and of the Sustainability Committee										
MANAGEMENT WITH STRATEGIC RESPONSIBILITIES										
Executives with strategic responsibilities:**			3,999			1,787	493		6,279	28% variable remuneration 72% fixed remuneration
TOTAL	**49**	**1,843**	**4,079**	**140**	**6**	**6,154**	**512**	**260**	**13,043**	

* Consulting agreement
** Includes Group COO, Group CFO, Heads of Region and Business Unit Managing Directors
*** He also holds the position of Chairman of the Sustainability Committee for which he does not receive remuneration

The table below shows the compensation paid in Financial Year 2022:

YEAR 2022

(EUR'000)	Fixed Remuneration					Variable Compensation (non equity)				
Name of Director, position	**Token of presence BoD**	**Compensation approved by the Shareholders' Meeting or by the BoDs**	**Compensation for employee work**	**Compensation for participation in committees**	**Token of presence committees**	**Bonuses and other incentives**	**Non-monetary benefits**	**Other fees ***	**Total**	**Proportion of fixed and variable remuneration**
BOARD OF DIRECTORS										
Francesco Caltagirone, Chairman of the Board of Directors and CEO***	5	1,805	81			3,667	18		5,576	66% variable remuneration 34% fixed remuneration
Alessandro Caltagirone, Non-Executive Director and Vice-Chairman	5	5							10	100% fixed remuneration
Azzurra Caltagirone, Non-Executive Director and Vice-Chairwoman	5	5							10	100% fixed remuneration
Edoardo Caltagirone, Non-Executive Director	0	5							5	100% fixed remuneration
Saverio Caltagirone, Non-Executive Director	5	5							10	100% fixed remuneration
Fabio Corsico, Non-Executive Director*	5	5						260	270	100% fixed remuneration
Paolo Di Benedetto, Senior Non-Executive Independent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	5	5		40					50	100% fixed remuneration
Chiara Mancini, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee	5	5		50	2				62	100% fixed remuneration
Veronica De Romanis, Non-Executive Independent Director, Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee	5	5		50	2				62	100% fixed remuneration
Adriana Lamberto Floristan, Non-Executive Independent Director, Member of the Sustainability Committee	3	5			1				9	100% fixed remuneration
MANAGEMENT WITH STRATEGIC RESPONSIBILITIES										
Executives with strategic responsibilities:**			3,190			1,539	550		5,279	29% variable remuneration 71% fixed remuneration
TOTAL	**43**	**1,850**	**3,271**	**140**	**5**	**5,206**	**568**	**260**	**11,343**	

* Consulting agreement
** Includes Group COO, Group CFO, Heads of Region and Business Unit Managing Directors
*** He also holds the position of Chairman of the Sustainability Committee for which he does not receive remuneration. He is also considered a "Management with strategic responsibilities" in accordance with IAS 24 definition.

34) Off balance sheet liabilities

Regarding pledge as collateral for banks loans refer to note 15.

35) Events after the reporting period

No significant events occurred after the end of the year.

PROPOSED ALLOCATION OF THE PROFIT FOR THE YEAR 2023 OF CEMENTIR HOLDING NV

The Board of Directors proposes that the General Meeting:

- approve the company financial statements as at and for the year ended 31 December 2023 – including the statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and these notes – showing a profit of EUR 52,115,446;
- to allocate to the Shareholders, by way of dividend, an amount equal to EUR 43,545,600, net of treasury shares, in the amount of EUR 0.28 for each ordinary share, gross of any withholding taxes, using the earnings for the year for EUR 43,545,600 and to allocate the remaining part of the profit for the year to be carried forward for EUR 8,569,846.

Rome, 11 March 2024

Chairman of the Board of Directors

/f/ Francesco Caltagirone Jr.

/f/ Alessandro Caltagirone

/f/ Azzurra Caltagirone

/f/ Saverio Caltagirone

/f/ Fabio Corsico

/f/ Adriana Lamberto Floristan

/f/ Annalisa Pescatori

/f/ Benedetta Navarra

OTHER INFORMATION

Provisions of the Articles of Association relating to profit appropriation

Article 10 of the articles of association states the following regarding profit appropriation:
The articles of association show that the annual profit obtained can be fully or in part be allocated to the reserves. The remaining profit is at the free disposal of the general meeting.

Independent Auditor’s Report

Independent auditor's report

To: the general meeting of Cementir Holding N.V.

Report on the audit of the financial statements 2023

Our opinion

In our opinion, the financial statements of Cementir Holding N.V. ('the Company') give a true and fair view of the financial position of the Company and the Group (the company together with its subsidiaries) as at 31 December 2023, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2023 of Cementir Holding N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The financial statements comprise:

- the consolidated and company statement of financial position as at 31 December 2023;
- the following statements for 2023: the consolidated and company income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows; and
- the notes to the consolidated and company financial statements, including material accounting policy information and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

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Independence

We are independent of Cementir Holding N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (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).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

Cementir Holding N.V. is a multinational company offering innovative building solutions in 70 countries worldwide, is the global leader in white cement and has a diversified business portfolio of cement, aggregates, concrete and value-added products. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change.

In the notes to the financial statements the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the complexity, subjectivity and significant estimation uncertainty and the related higher inherent risks of material misstatement in the recoverability of goodwill we considered this matter as a key audit matter as set out in the section 'Key audit matters' of this report.

Other areas of focus, that were not considered as key audit matters, were hyperinflation in Türkiye, climate change and valuation of investment property. Hyperinflation in Türkiye accounting is no longer considered a Key Audit Matter, as in 2023 this standard was applied for the second year, and we did not have significant findings in the prior year when it was applied for the first time.

There is increasing attention for climate change and the impact on companies and their operations, as well as the impact of companies on their environment. The Company assessed the possible effects of climate change and its plans to meet the emissionZERO® commitments on its financial position.

In the ‘Climate change’ section in the directors’ report and in the consolidated financial statements, the board of directors reflected on climate-related risk and opportunities. It is management’s assessment that the future estimates and judgements underlying the carrying amounts of assets or liabilities will be influenced by the entity’s response to climate-related risks.

We discussed management’s assessment and governance thereof and evaluated the potential impact on the financial position including underlying assumptions and estimates. The board of directors concluded that the climate change has no significant impact on the recoverability of the carrying amounts of the assets as at 31 December 2023. Please also refer to the key audit matter ‘Recoverability of goodwill’.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for this audit. We therefore included experts in the areas of valuations and specialists in the areas of, amongst others, IT and corporate income taxes in our team.

The outline of our audit approach was as follows:

Materiality

- Overall materiality: €15,200,000 for the consolidated financial statements and €3,900,000 for the company financial statements.

Audit scope

- We conducted audit work on 18 components in 11 locations organised in four sub-group components: Italy, Denmark, Türkiye, and Belgium.
- We performed physical site visits in three countries and conducted several virtual meetings during the audit – which involved all of the sub-group components in scope.
- Audit coverage: 92% of consolidated revenue, 96% of consolidated total assets and 85% of consolidated profit before tax.

Key audit matter

- Recoverability of goodwill.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section ‘Our responsibilities for the audit of the financial statements’.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing, and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€ 15,200,000 (2022: € 15,500,000) for the consolidated financial statements and € 3,900,000 (2022: € 3,800,000) for the company financial statements
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 0.9% of total revenues. For the company financial statements, we used 1% of total assets.
Rationale for benchmark applied	We used total revenues as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the consolidated financial statements. On this basis, we believe that total revenues are

	an important metric for the financial performance of the Company. Additionally, revenues are less volatile than other benchmarks. We consider total assets as the most appropriate benchmark for the company financial statements given the primary nature of the parent company's activities, as holding of investments.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between € 3.9 million and €14 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the audit committee that we would report to them any misstatement identified during our audit above € 760,000 (2022: € 775,000) for the consolidated financial statements and € 390,000 (2022: € 380,000) for the company financial statements as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Cementir Holding N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Cementir Holding N.V.

We tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

Our audit primarily focussed on the significant components of the Group: (i) Cementir Holding N.V., (ii) Aalborg Portland sub-group (Denmark), (iii) Çimentaş sub-group (Türkiye), (iv) Compagnie des Ciments Belges CCB sub-group (Belgium).

In total, in performing these procedures, we achieved the following coverage on the financial statement line items:

Revenue	*92%*
Total assets	*96%*
Profit before tax	*85%*

None of the remaining components represented more than 2% of total group revenue or total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

Where component auditors performed the work, we determined the level of involvement we needed to have in their work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued instructions to the component audit teams in our audit scope. These instructions included, amongst others, our risk analysis, materiality, and the scope of the work. We explained to the component audit teams the structure of the Group, the main developments that were relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach. We had individual video or physical meetings with each of the in-scope sub-group components audit teams both during the year and upon conclusion of their work. During these calls, we discussed the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters, that could be of relevance for the consolidated financial statements. The group engagement team visits the component teams and local management on a rotational basis. In the current year, the group audit team visited the the Çimentaş sub-group (Türkiye) and Compagnie des Ciments Belges CCB sub-group (Belgium) components given the importance of the components for the overall group, as well as held conference calls and video conference meetings with the teams of the sub-group component in Denmark and local management. For each of these locations we reviewed selected working papers of the respective component auditors. During the meetings with local management, we discussed strategy and finance performance of the local businesses, among other things. The group engagement team performed the audit work on the group consolidation, financial statements and disclosures.

By performing the procedures outlined above at the components, combined with additional procedures exercised at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Group and its environment and the components of the internal control system. This includes management's risk assessment process, management's process for responding to the risks of fraud and monitoring the internal control system and how the board of directors exercises oversight, as well as the outcomes We refer to the section 'Internal control system for fraud risk management' of the directors' report where the board of directors reflects on its response to fraud risk.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as, among others, the code of conduct, whistle-blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the board of directors as well as the internal audit department, legal affairs, compliance department, human resources, and regional directors whether they are aware of any actual or suspected fraud, including incidents noted within the Group through the whistle-blower process or otherwise. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	***Our audit work and observations***
Management override of controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: • the appropriateness of journal entries and other adjustments made in the preparation of the financial statements; • estimates; • significant transactions, if any, outside the normal course of business for the entity. We pay particular attention to tendencies due to possible interests of management.	We evaluated the design and implementation of the internal control measures and assessed the effectiveness of the measures in the processes of generating and processing journal entries and making estimates. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties. We performed data analysis on high-risk journal entries as part of which we also paid attention to significant transactions outside the normal course of business. Where we identified instances of unexpected journal entries through our data analytics, we performed additional audit procedures to address each identified risk. These procedures included reconciliation with and inspection of transactions to source information. We paid specific attention to consolidation and elimination entries which included reconciliation with and inspection of underlying information. We evaluated key estimates and judgements for bias by management, including retrospective reviews of prior year's estimates. In this context we paid specific attention to the recoverable amount of the goodwill. We refer to the section 'Key audit matters' for detailed procedures. We performed the review of minutes of the meetings of corporate bodies and included unpredictability procedures in our audit tests. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of internal controls.
The risk of fraudulent financial reporting due to overstating revenue The risk of fraud in revenue recognition is a presumed significant risk in all our audits. Revenue is an important measure for the company due to growth targets. These specific targets could lead to pressure on management in terms of overstating revenue. Therefore, we concluded that the risk of fraud in revenue recognition relates to the assertions existence/occurrence.	We assessed the design and implementation of the internal controls and their effectiveness in the processes of recording revenues. We performed substantive procedures such as reconciliation with and inspection of revenue to underlying documentation. We performed specific tests in order to search for unusual/unexpected transactions. Finally, we selected journal entries based on specific risk criteria and performed substantive audit procedures for these entries. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the existence/occurrence of the revenue reporting.

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Audit approach going concern

We concluded that the board of directors' use of the going concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The board of directors prepared the financial statements based on the assumption that the Company is a going concern and that it will continue its operations for at least twelve months from the date of preparation of the financial statements.

Our procedures to evaluate the board of director's going concern assessment include, amongst others:

- Considering whether the board of directors identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.
- Considering whether the board of director's going concern assessment includes all relevant information of which we are aware as a result of our audit, inquiry with management regarding management's most important assumptions underlying their going concern assessment and considering whether management has identified any events or conditions that may cast a significant doubt on the Company's ability to continue as a going concern (hereafter: going concern risks). These most important considerations include compliance with debt covenants, analysing the financial position per balance sheet date compared to prior year as well as the liquidity scenarios, financial stress tests and sensitivity analysis, including the assessment of the debt/EBITDA ratio's for the financing facilities of the company, to assess whether events or circumstances exist that may lead to a going concern risk.
- Evaluating the board of director's current operating plan for 2024 to 2026 including cash flows in comparison with last year, current developments in the industry and all relevant information of which we are aware as a result of our audit.
- Perform inquiries with the board of directors as to their knowledge of going concern risks beyond the period of the board of directors' going concern assessment.

Our procedures did not result in outcomes contrary to the board of director's assumptions and judgements used in the application of the going concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

We did not identify any key audit matters for the audit of the company financial statements.

Key audit matter	Our audit work and observations
Recoverability of goodwill *Refer to note 2 of the consolidated financial statements: intangible assets with an indefinite useful life (goodwill)* The carrying value of goodwill as at 31 December 2023 is € 405 million. The Company conducts an annual goodwill impairment test as at the year-end or when circumstances indicate that the carrying value of goodwill may be impaired. Based on the annual goodwill impairment test in the current year, no impairment charge was recorded. The annual evaluation of the recoverability of this intangible asset is linked to the occurrence of the assumptions underlying the group plans. This evaluation requires management to make complex estimates, especially with reference to the expected cash flows, the discount rate applied, the determination of the CGU, and the determination of the growth rate to be used to estimate the terminal value of each group of cash-generating units (groups of CGUs) to which goodwill has been allocated. At 31 December 2023, the Company represented the group of CGUs on the basis of its operating segments, consistent with corporate organisation. Management assessed the potential impact of climate-related risks on future expected cash flows to invest in the reduction of the CO_2 emission. This is not expected to have a material impact on the impairment assessment. We identified the evaluation of the recoverable amount of goodwill as a key audit matter due to significant estimates and assumptions about discount rates, profitability as well as growth rates.	In the context of the annual goodwill impairment test, we have performed procedures, with the support of our valuation specialists. Our audit procedures included, amongst others: • We gained an understanding of, and assessed the procedures adopted by management in order to verify the compliance with the requirements of 'IAS 36 – Impairment of Assets' adopted by the European Union. • We verified the reasonableness of the directors' assumptions used to estimate the expected cash flows and we verified the mathematical accuracy of the calculations prepared by management. • In order to assess the directors' forecast capacity, we have performed retrospective review procedures. • We also verified the consistency of the cash generating units identified (groups of CGUs and CGUs), to which goodwill was allocated compared with the previous year and their alignment with the organisational, management and operating structure of the Group. Additionally, we verified the consistency between assets and liabilities attributable to individual CGUs, including allocated goodwill, and the cash flows used for determining the related recoverable amount. • We analysed the assumptions applied in the determination of the discount rate (WACC) and growth rate used for the impairment test and we performed an independent recalculation using the parameters applicable to the Group. • We examined the sensitivity analyses performed by management in respect of the impact from possible changes in estimated cash flows, the long-term growth rates and discount rates used, on the recoverability of goodwill. • We assessed any indications of management bias in determining the significant assumptions. • Finally, we verified the adequacy and completeness of the disclosures regarding assumptions and sensitivities in the explanatory notes. We identified no material exceptions.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The board of directors is responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were appointed as auditors of Cementir Holding N.V. which followed the passing of a resolution by the shareholders at the annual general meeting held on 20 April 2020. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of 3 years.

European Single Electronic Format (ESEF)

Cementir Holding N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the marked-up consolidated financial statements, as included in the reporting package by Cementir Holding N.V., complies in all material respects with the RTS on ESEF.

The board of directors is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF, whereby the board of directors combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included, amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 37 to the consolidated financial statements and note 32 to the company financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 11 March 2024
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.G.J. Gerritsen RA

Appendix to our auditor's report on the financial statements 2023 of Cementir Holding N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

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 consisted, among other things, of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional 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 board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure, and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision, and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.