2022 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 / 2022. 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.

cementirholding
GRUPPO CALTAGIRONE

Cementir Holding N.V.
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Share capital: € 159,120,000
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Tax number: 00725950638
CCI number 76026728 - Netherlands Chamber of Commerce

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GENERAL INFORMATION

GROUP PROFILE

Cementir Holding 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 operators in Turkey, with two listed companies on the Istanbul Stock Exchange. In Belgium, the Group operates one of the largest aggregate quarries in Europe, while in Turkey and the United Kingdom is active in the processing of urban and industrial waste, used to produce waste-derived fuel for cement plants.

Cementir pursues a strategy of sustainable growth, 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. The Group also holds an investment grade financial rating of BBB- 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
102	Ready-mixed concrete plants
1,723 (million/€)	Revenue
335 (million/€)	Ebitda
3,085	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 has defined specific medium and long-term sustainability objectives in line with the United Nations Sustainable Development Goals 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 environmental, social and governance targets are embedded in the Group Industrial Plan and management's incentive schemes.

The 2030 objectives, including the reduction of CO_2 emissions by 25% compared to 2020, have been validated by the Science Based Target initiative and are consistent with the goal of maintaining global warming "well below 2°C".

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. A series of initiatives are also envisaged to reduce the climate impact of transport, procurement and logistics and greater water resources efficiency.

Innovation

The Group is progressively increasing the production low carbon cement such as FUTURECEM®, which enables clinker content reduction thus cutting CO_2 emissions by approximately 30%. Other sustainable and high value-added products at an advanced stage of development and commercialization include: Ultra-High-Performance Concrete (UHPC), Glass-Fiber Reinforced Concrete (GFRC), concrete for 3D printing.

Some pilot projects are also being undertaken in Carbon Capture, Usage and Storage, with the participation of leading industrial and technological partners.

Improvement of competitiveness

The Group is implementing a series of actions aimed at improving the efficiency of manufacturing processes, making the entire production structure leaner, more dynamic and more efficient.

The digitization of processes extends to the entire value chain, from intelligent preventive and predictive maintenance ("Maintenance 4.0" program) to advanced production control systems, from intelligent logistics to warehouse management ("Warehouse 4.0" program), to integrated digital sales planning.

Growth and Positioning

Cementir continues to reinforce its vertically integrated model and its competitive position in the Nordic & Baltic area, in Belgium and Turkey, besides consolidating of its leadership in white cement with targeted actions in strategic markets.

The Group is ready to seize potential growth opportunities through acquisitions in the core business.

Enhancement of people

The Group's commitment is focused on: health and safety with the initiatives envisaged by the Zero Accidents program; the development of human capital and the enhancement of skills through an integrated system of evaluation and growth of people to improve both individual and organizational performance.

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: 2.8 million t
Ready-mixed concrete sales: 4.8 million m^3
Aggregate sales: 10.5 million t

Cement plants: 11
Terminals: 60
Ready-mixed concrete plants: 102
Quarries: 34
Cement product plants: 1
Waste management facilities: 2

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: 6

United Kingdom
Waste management facilities: 1
Terminals: 1

Latvia
Terminals: 1

Iceland
Terminals: 3

Netherlands
Terminals: 1

Poland
Terminals: 1

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

France
Ready-mixed concrete plants: 5
Terminals: 2

USA
White cement production capacity: 0.26 million t
Cement plants: 2
Cement product plants: 1
Terminals: 31

Turkey
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: 1

Australia
Terminals: 4

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

Nordic & Baltic

Volumes sold (million/t–m^3)	2022	2021
Denmark		
Grey cement sales	1.88	1.81
White cement sales	0.63	0.86
Ready-mixed concrete sales	1.16	1.22
Aggregate sales	0.55	0.82
Norway		
Ready-mixed concrete sales	0.82	0.80
Sweden		
Ready-mixed concrete sales	0.21	0.24
Aggregate sales	2.67	3.56

Belgium / France

Volumes sold (million/t–m^3)	2022	2021
Belgium / France		
Grey cement sales	2.03	1.81
Ready-mixed concrete sales	0.87	0.86
Aggregate sales	5.55	1.22

North America

Volumes sold (million/t)	2022	2021
United States		
White cement sales	0.67	0.67

Turkey

Volumes sold (million/t–m^3)	2022	2021
Grey cement sales	4.09	4.47
Ready-mixed concrete sales	1.72	1.89
Aggregate sales	1.70	1.22

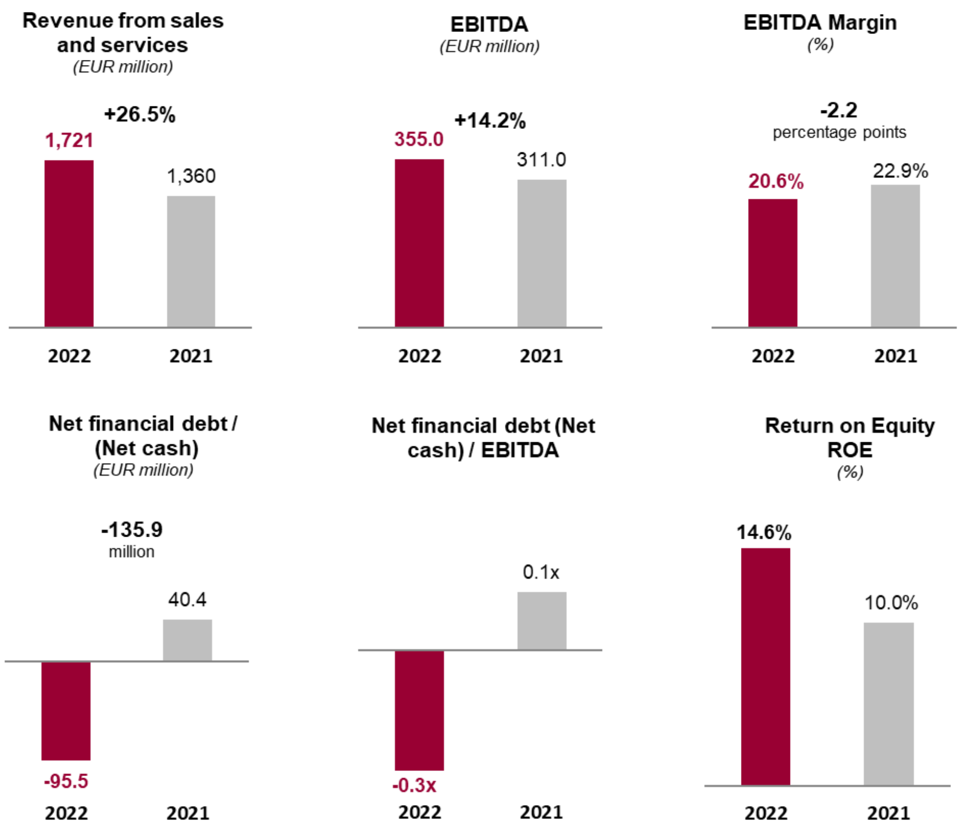
Egypt

Volumes sold (million/t)	2022	2021
White cement sales	0.56	0.57

Asia Pacific

Volumes sold (million/t)	2022	2021
China		
White cement sales	0.68	0.72
Malaysia		
White cement sales	0.34	0.33

PERFORMANCE, FINANCIAL AND EQUITY HIGHLIGHTS



PERFORMANCE HIGHLIGHTS[1]

(EUR'000)	2022	2022 (Non-GAAP)	2021	2020	2019	2018	2017
Revenue from sales and services	1,723,103	1,720,871	1,359,976	1,224,793	1,211,828	1,196,186	1,140,006
EBITDA	335,250	355,022	310,952	263,740	263,794	238,504	222,697
EBITDA Margin %	19.5%	20.6%	*22.9%*	*21.5%*	*21.8%*	*19.9%*	*19.5%*
EBIT	204,422	233,478	197,783	157,173	151,743	153,213	140,565
EBIT Margin %	11.9%	13.6%	*14.5%*	*12.8%*	*12.5%*	*12.8%*	*12.3%*
Net financial income (expense)	32,012	11,980	(25,797)	(14,615)	(25,095)	31,422	(13,912)
Profit before taxes	236,434	245,458	171,986	142,558	126,648	184,635	126,653
Income taxes	(54,877)	(50,344)	(48,992)	(33,195)	(36,219)	(35,866)	(16,393)
Profit from continuing operations	181,557	195,114	122,995	109,363	90,429	148,769	110,260
Profit margin %	10.5%	11.3%	*9.0%*	*8.9%*	*7.5%*	*12.4%*	*9.7%*
Profit (loss) from discontinued operations	-	-	-	-	-	(13,109)	(33,094)
Profit for the year	181,557	195,114	122,995	109,363	90,429	135,660	77,166
Profit attributable to the owners of the parent	162,286	175,891	113,316	102,008	83,569	127,194	71,471
Profit margin %	9.4%	10.2%	*8.3%*	*8.3%*	*6.9%*	*10.6%*	6.3%

[1] From April 2022 the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29 - Financial Reporting in Hyperinflationary Economies". The effects of IAS 29 on the main items of the income statement are provided for the year 2022.

FINANCIAL AND EQUITY HIGHLIGHTS[2]

(EUR'000)	2022)	2022 (Non-GAAP)	2021	2020	2019	2018	2017
Net capital employed	1,427,272	1,242,556	1,267,932	1,305,142	1,421,195	1,383,799	1,558,929
Total assets	2,493,976	2,290,079	2,111,058	2,232,379	2,266,094	2,132,223	2,357,329
Total equity	1,522,773	1,338,057	1,227,557	1,182,962	1,181,567	1,128,384	1,015,658
Equity attributable to the owners of the parent	1,368,183	1,189,583	1,088,128	1,056,709	1,044,627	997,146	956,188
Net financial debt	(95,501)	(95,501)	40,375	122,181	239,629	255,415	543,271

PROFIT AND EQUITY RATIOS[2]

	2022	2022 (Non-GAAP)	2021	2020	2019	2018	2017
Return on equity (a)	11.9%	14.6%	10.0%	9.2%	7.7%	13.2%	10.9%
Return on capital employed (b)	14.3%	18.8%	15.6%	12.0%	10.7%	11.1%	9.0%
Equity ratio (c)	60.3%	57.6%	57.7%	52.7%	51.8%	52.5%	42.8%
Net gearing ratio (d)	-6.4%	-7.2%	3.3%	10.4%	20.4%	22.8%	53.8%
Net financial debt/EBITDA	-0.3x	-0.3x	0.1x	0.5x	0.9x	1.1x	2.4x

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

PERSONNEL AND INVESTMENTS

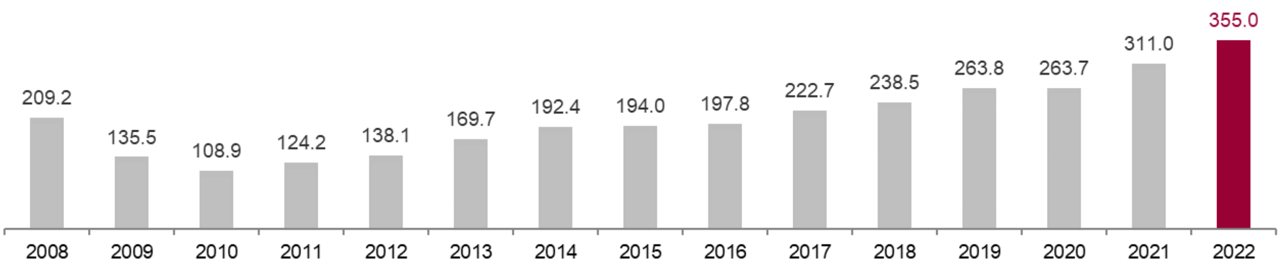
	2022	2021	2020	2019	2018	2017
Number of employees (at 31 Dec)	3,085	3,083	2,995	3,042	3,083	3,021
Acquisitions (EUR million)	-	3.8	-	-	(223)	7.5
Investments (EUR million)	122.6[f]	99.1[f]	85.9[f]	88.4[f]	66.7	85.8

(e) On a cash and debt-free basis.
(f) Including investments accounted for in accordance with IFRS.

SALES VOLUMES

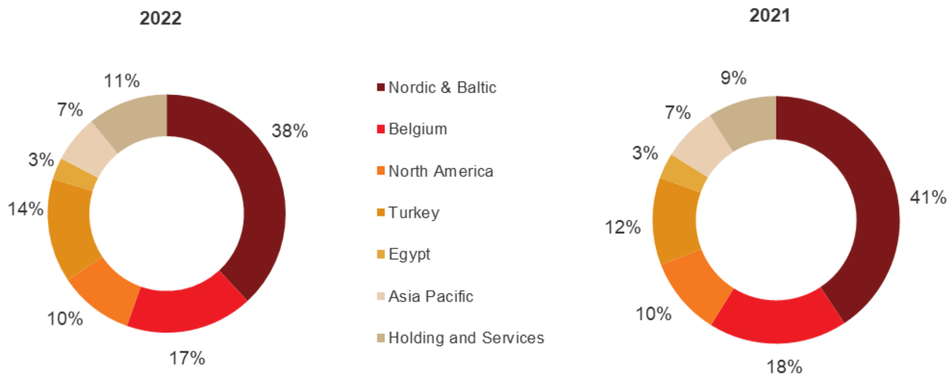
(000)	2022	2021	2020	2019	2018	2017
Grey and white cement (metric tons)	10,849	11,156	10,712	9,489	9,828	10,282
Ready-mixed concrete (m^3)	4,798	5,093	4,435	4,116	4,921	4,948
Aggregates (t)	10,462	11,052	10,222	9,710	9,953	9,335

EBITDA PERFORMANCE



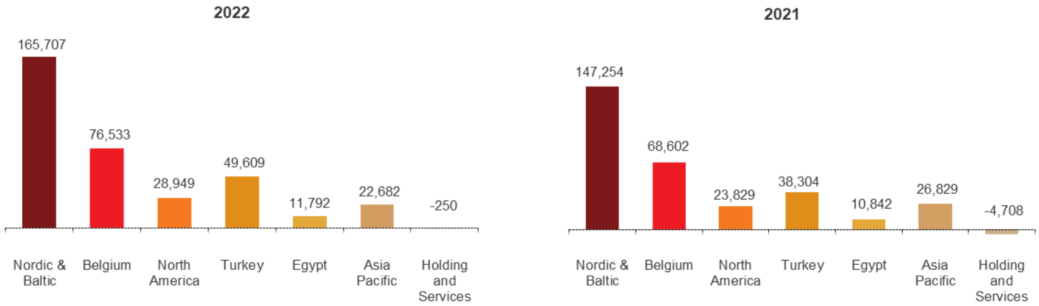
[2] From April 2022 the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29 - Financial Reporting in Hyperinflationary Economies". The effects of IAS 29 on the Balance sheet and the main items of the income statement are provided for the year 2022.

REVENUE FROM SALES AND SERVICES BY GEOGRAPHICAL SEGMENT



(EUR'000)	**2022 (Non-GAAP)**	**2021**	**Change %**
Nordic & Baltic	736,210	617,365	19.3%
Belgium	334,396	274,957	21.6%
North America	196,370	155,478	26.3%
Turkey	272,581	173,263	57.3%
Egypt	57,113	50,729	12.6%
Asia Pacific	124,588	108,017	15.3%
Holding and Services	210,367	136,580	54.0%
Eliminations	(210,754)	(156,413)	34.7%
Total revenue from sales and services	**1,720,871**	**1,359,976**	**26.5%**

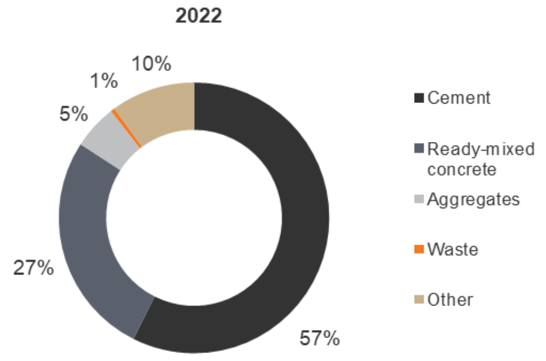
EBITDA BY GEOGRAPHICAL SEGMENT

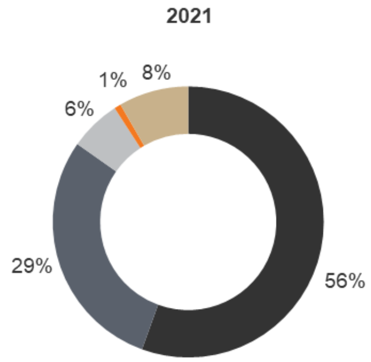


(EUR'000)	**2022 (Non-GAAP)**	**2021**	**Change %**
Nordic & Baltic	165,707	147,254	12.5%
Belgium	76,533	68,602	11.6%
North America	28,949	23,829	21.5%
Turkey [1]	49,609	38,304	29.5%
Egypt	11,792	10,842	8.8%
Asia Pacific	22,682	26,829	-15.5%
Holding and Services[2]	(250)	(4,708)	94.7%
Total EBITDA	**355,022**	**310,952**	**14.2%**

[1] Includes non-recurring revenue of EUR 18.7 million in 2022 and EUR 18.3 million in 2021.
[2] Includes non-recurring charges of EUR 1.0 million in 2022 and EUR 7.2 million in 2021.

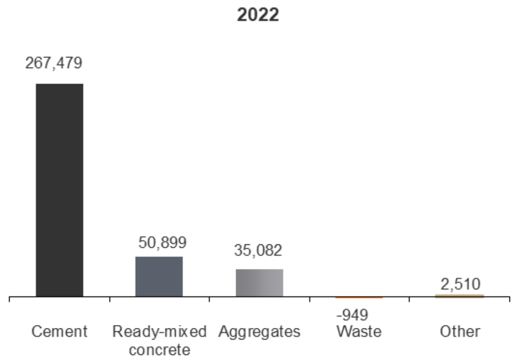
REVENUE FROM SALES AND SERVICES BY BUSINESS SEGMENT

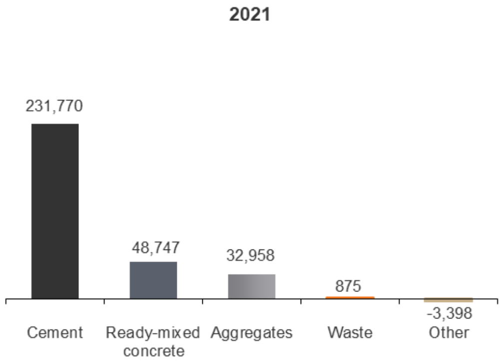




(EUR'000)	**2022 (Non-GAAP)**	**2021**	**Change %**
Cement	1,136,583	853,796	33.1%
Ready-mixed concrete	529,721	448,632	18.1%
Aggregates	105,393	94,142	12.0%
Waste	9,636	12,243	-21.3%
Other	198,876	128,142	55.2%
Eliminations	(259,338)	(176,979)	-
Total revenue from sales and services	**1,720,871**	**1,359,976**	**26.5%**

EBITDA BY BUSINESS SEGMENT





(EUR'000)	**2022 (Non-GAAP)**	**2021**	**Change %**
Cement [1]	267,479	231,770	15.4%
Ready-mixed concrete	50,899	48,747	4.4%
Aggregates	35,082	32,958	6.4%
Waste	(949)	875	-208.4%
Other [2]	2,510	(3,398)	173.9%
Total EBITDA	**355,022**	**310,952**	**14.2%**

[1] Includes non-recurring revenue of EUR 18.7million in 2022 and EUR 18.3 million in 2021.
[2] Includes non-recurring charges of EUR 1.0 million in 2022 and EUR 7.2 million in 2021.

CEMENTIR HOLDING ON THE STOCK EXCHANGE

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

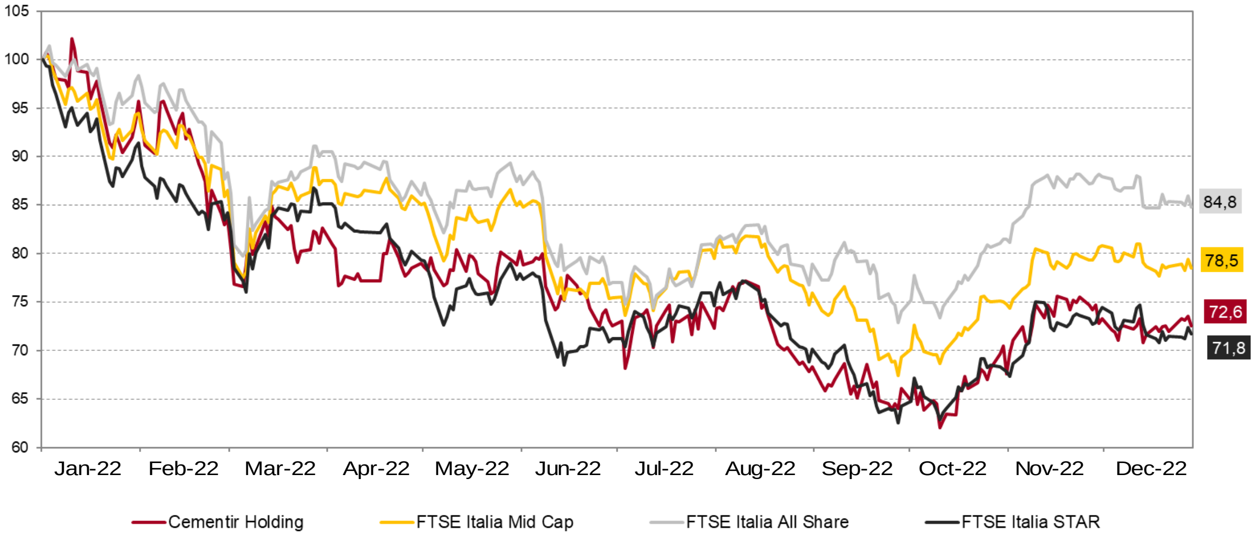
The stock is present in the FTSE Italia All-Share, FTSE Italia Mid Cap and FTSE Italia STAR indices.

KEY MARKET DATA

(EUR'000)	2022	2021	2020	2019	2018
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	694,500		
Earnings per share (EUR)	1.044 (1)	0.724	0.641	0.525	0.799
Dividend per share (EUR)	0.22 (2)	0.18	0.14	0.14	0.14
Pay-out ratio	21.1%	24.9%	21.8%	26.7%	17.5%
Dividend yield (2)	3.6%	2.1%	2.1%	2.7%	2.7%
Market capitalisation (EUR million)(2)	977.0	1,333.4	1,058.1	1,069.9	816.3
Share price (EUR)					
Low	5.17	6.60	4.17	4.98	4.48
High	8.67	9.98	7.20	7.15	8.19
Year-end price	6.14	8.38	6.65	6.72	5.13

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

PERFORMANCE OF CEMENTIR HOLDING SHARES VERSUS FTSE ITALIA MID CAP, FTSE ITALIA ALL SHARE AND FTSE ITALIA STAR INDEXES IN 2022 (BASE 3 JANUARY 2022 = 100)



FINANCIAL RATING

In May 2022 the rating agency Standard and Poor's confirmed the BBB- rating with Stable Outlook.

RATING ESG

In 2022 Cementir Holding achieved the following ESG ratings:

Questionnaire	Rating
CDP Climate Change	A-
CDP Water Security	A-
Refinitiv	B+
MSCI	BBB
ISS ESG	C+ Prime
Moody's ESG Solutions	55/100
Ethifinance	64/100
Integrated Governance Index	57/100

CORPORATE BODIES

Board of Directors In office until approval of 2022 financial statements	*Executive Director, Chairman and CEO*	Francesco Caltagirone Jr.
	Vice-Chairman and Non-Executive Director	Alessandro Caltagirone
	Vice-Chairwoman and Non-Executive Director	Azzurra Caltagirone
	Non-Executive Directors	Edoardo Caltagirone Saverio Caltagirone Fabio Corsico Veronica De Romanis *(independent)* Paolo Di Benedetto *(independent - Senior Non Executive Director)* Chiara Mancini *(independent)* Adriana Lamberto Floristan *(independent)*[3]
Audit Committee	**Chairwoman**	Veronica De Romanis *(independent)*
	Members	Paolo Di Benedetto *(independent)* Chiara Mancini *(independent)*
Remuneration and Nomination Committee	**Chairwoman**	Chiara Mancini *(independent)*
	Members	Paolo Di Benedetto *(independent)* Veronica De Romanis *(independent)*
Sustainability Committee	**Chairman**	Francesco Caltagirone Jr.
	Members	Veronica De Romanis *(independent)* Chiara Mancini *(independent)* Adriana Lamberto Floristan *(independent)*[4]
Independent Auditors For the period 2021-2030		PricewaterhouseCoopers Accountants N.V.

[3] Appointed by resolution of the shareholders' meeting of 21 April 2022
[4] Appointed by resolution of the Board of Directors dated 5 May 2022

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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 2022. These 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 2022 and has 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 made by the board of directors considered the activities and principal risks of the Group, together with factors likely to affect the Group's future performance, such as climate change and environmental requirements, financial position, forecasted cash flows, liquidity position and borrowing facilities. Based on the above the Directors have reasonable expectations that the Group will be able to continue as a going concern.

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, 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 and the United Kingdom it operates in the treatment of municipal and 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

Starting from 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 this report and in accordance with IAS 29, certain items in the balance sheets of the investee companies in Türkiye 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 this adjustment, in addition to already being reflected in the opening balance sheet as of 1 January 2022, 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 2022 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, the Cementir Group's presentation 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 2021: 503%
- From January 2022 to 31 December 2022: 64%

In 2022, the application of IAS 29 resulted in the recognition of a net financial income (pre-tax) of EUR 20.1 million.

The impact of hyperinflation on the main income statement items for 2022 is shown below:

EUR '000	**Effect IAS 29**	**Effect IAS 21**	**Total Effect**
REVENUE FROM SALES AND SERVICES	32,528	(30,296)	2,232
Change in inventories	(3,483)	(1,019)	(4,502)
Increase for internal work and other income	(316)	(2,613)	(2,929)
TOTAL OPERATING REVENUE	**28,729**	**(33,928)**	**(5,199)**
Raw materials costs	(37,368)	25,083	(12,285)
Personnel costs	(2,342)	1,824	(518)
Other operating costs	(5,541)	3,771	(1,770)
TOTAL OPERATING COSTS	**(45,251)**	**30,678**	**(14,573)**
EBITDA	**(16,522)**	**(3,250)**	**(19,772)**
Amortisation, depreciation, impairment losses and provisions	(10,375)	1,091	(9,284)
EBIT	**(26,897)**	**(2,159)**	**(29,056)**
Net financial income (expense)	18,709	1,323	20,032
NET FINANCIAL INCOME (EXPENSE)	**18,709**	**1,323**	**20,032**
PROFIT BEFORE TAXES	**(8,188)**	**(856)**	**(9,024)**
Income taxes	(3,797)	(736)	(4,533)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(11,985)**	**(1,572)**	**(13,557)**
PROFIT (LOSS) FOR THE PERIOD	**(11,985)**	**(1,572)**	**(13,557)**
Attributable to: Non-controlling interests	106	(57)	49
Owners of the Parent	(12,091)	(1,514)	(13,605)

Financial Highlights including hyperinflation effect

(EUR'000)	2022	2021	Change%
REVENUE FROM SALES AND SERVICES	**1,723,103**	**1,359,976**	**26.7%**
Change in inventories	18,725	14,733	27.1%
Increase for internal work and other income	35,716	39,011	-8.4%
TOTAL OPERATING REVENUE	**1,777,544**	**1,413,720**	**25.7%**
Raw materials costs	(829,446)	(566,468)	46.4%
Personnel costs	(198,182)	(181,406)	9.2%
Other operating costs	(414,666)	(354,894)	16.8%
TOTAL OPERATING COSTS	**(1,442,294)**	**(1,102,768)**	**30.8%**
EBITDA	**335,250**	**310,952**	**7.8%**
EBITDA MARGIN %	*19.46%*	*22.86%*	
Amortisation, depreciation, impairment losses and provisions	(130,828)	(113,169)	15.6%
EBIT	**204,422**	**197,783**	**3.4%**
EBIT Margin %	*11.86%*	*14.54%*	
Share of net profits of equity-accounted investees	972	818	18.8%
Net financial income (expense)	31,040	(26,615)	n.m.
NET FINANCIAL INCOME (EXPENSE)	**32,012**	**(25,797)**	**n.m.**
PROFIT BEFORE TAXES	**236,434**	**171,986**	**37.5%**
PROFIT BEFORE TAXES/REVENUE %	*13.72%*	*12.65%*	
Income taxes	(54,877)	(48,991)	12.0%
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**181,557**	**122,995**	**47.6%**
PROFIT (LOSS) FOR THE PERIOD	**181,557**	**122,995**	**47.6%**
Attributable to: Non-controlling interests	19,271	9,679	99.1%
Owners of the Parent	**162,286**	**113,316**	**43.2%**

The consolidated income statement for 2022 is reported below, with comparative figures provided for 2021.

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 reported in the previous section. This representation allows a better comparison of the Group's performance with respect to the same period of the previous year. The 2022 figures below are considered as "Non-GAAP" measures.

Financial Highlights without hyperinflation effect

(EUR'000)	2022 (Non-GAAP)	2021	Change %
REVENUE FROM SALES AND SERVICES	**1,720,871**	**1,359,976**	**26.5%**
Change in inventories	23,227	14,733	57.7%
Increase for internal work and other income	38,645	39,011	-0.9%
TOTAL OPERATING REVENUE	**1,782,743**	**1,413,720**	**26.1%**
Raw materials costs	(817,161)	(566,468)	44.3%
Personnel costs	(197,664)	(181,406)	9.0%
Other operating costs	(412,896)	(354,894)	16.3%
TOTAL OPERATING COSTS	**(1,427,721)**	**(1,102,768)**	**29.5%**
EBITDA	**355,022**	**310,952**	**14.2%**
EBITDA Margin %	*20.6%*	*22.9%*	
Amortisation, depreciation, impairment losses and provisions	(121,544)	(113,169)	7.4%
EBIT	**233,478**	**197,783**	**18.0%**
EBIT Margin %	*13.6%*	*14.5%*	
Share of net profits of equity-accounted investees	972	818	18.8%
Net financial income (expense)	11,008	(26,615)	n.m.
NET FINANCIAL INCOME (EXPENSE)	**11,980**	**(25,797)**	**n.m.**
PROFIT BEFORE TAXES	**245,458**	**171,986**	**42.7%**
PROFIT BEFORE TAXES/REVENUE %	*14.3%*	*12.6%*	
Income taxes	(50,344)	(48,991)	2.8%
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**195,114**	**122,995**	**58.6%**
PROFIT (LOSS) FOR THE YEAR	**195,114**	**122,995**	**58.6%**
Attributable to:			
Non-controlling interests	19,223	9,679	98.6%
Owners of the Parent	**175,891**	**113,316**	**55.2%**

Sales volumes

(EUR'000)	2022	2021	Change %
Grey, White cement and Clinker (metric tons)	10,849	11,156	-2.8%
Ready-mixed concrete (m3)	4,798	5,093	-5.8%
Aggregates (metric tons)	10,462	11,052	-5.3%

In 2022, cement and clinker **volumes** sold, at 10.8 million tons, decreased by 2.8% compared to 2021 due to the general market slowdown mainly in Türkiye, Denmark, China and Belgium, which weighed particularly heavily in the second half of the year.

Sales volumes of ready-mixed concrete, equal to 4.8 million cubic metres, were down by 5.8% compared to 2021 due to the decline recorded in Türkiye, Denmark, Belgium and Sweden.

Aggregate sales volumes of 10.5 million tons decreased 5.3% compared to 2021 due to the slowdown in activities in Sweden and Denmark.

Group revenue reached EUR 1,720.9 million, up 26.5% compared to EUR 1,360.0 million in 2021. The increase in revenues is mainly due to the pricing policy aimed at mitigating the exceptional increase in the costs of fuels, electricity, raw materials, transport and services. At constant 2021 exchange rates, revenue would have reached EUR 1,854.0 million, up by 36.3% on the previous year.

At EUR 1,427.7 million, **operating costs** increased by 29.5% compared to 2021 (EUR 1,102.8 million).

The **cost of raw materials** was EUR 817.2 million (EUR 566.5 million in 2021), up 44.3% due to the generalised increase in fuel prices on international markets.

At EUR 197.7 million, **personnel costs** increased by 9.0% compared to EUR 181.4 million in 2021.

Other operating costs of EUR 412.9 million increased by 16.3% compared to the EUR 354.9 million in 2021 mainly due to the increase in transport costs.

EBITDA amounted to EUR 355.0 million, up 14.2% from EUR 311.0 million in 2021, due to better results in Denmark, Belgium, Türkiye, the United States and Egypt, while Asia Pacific and Sweden reported a decrease in EBITDA. This result benefited from non-recurring net income of EUR 17.8 million, related to the valuation of non-industrial properties in Türkiye and Italy (EUR 11.1 million of non-recurring net income in 2021). In the absence of these non-recurring items, EBITDA would have amounted to EUR 337.2 million, up 12.4% from 2021.

At constant 2021 exchange rates, EBITDA would have amounted to EUR 365.9 million, up 17.7% compared to 2021.

The EBITDA margin was 20.6%, compared to 22.9% in 2021.

Taking into account EUR 121.5 million of amortisation, depreciation, write-downs and provisions (EUR 113.2 million in 2021), **EBIT** reached EUR 233.5 million, up 18.1% compared to EUR 197.8 million in the previous year. Amortisation, depreciation, impairment losses and provisions include amortisation and depreciation due to the application of IFRS 16 of EUR 28.9 million (EUR 27.5 million in 2021).

At constant exchange rates with the previous year, EBIT would have reached EUR 240.8 million.

The **share of net profits of equity-accounted investees** was EUR 1 million (EUR 0.8 million in 2021).

Net financial expense, positive by EUR 11.0 million (negative by EUR 26.6 million in 2021), includes net financial expenses of EUR 10.7 million (EUR 10.4 million in 2021), net foreign exchange income of EUR 28.4 million (net foreign exchange expenses of EUR 13.7 million in 2021) and the effect of the valuation of derivatives.

Profit before taxes was EUR 245.5 million, an increase of 42.7% on EUR 172.0 million in 2021.

Profit from continuing operations totalled EUR 195.1 million (EUR 123.0 million 2021), after taxes amounting to EUR 50.3 million (EUR 49.0 million in the previous year).

Group net profit, once non-controlling interests were accounted for, amounted to EUR 175.9 million (EUR 113.3 million in 2021).

Financial highlights

(EUR'000)	31-12-2022	31-12-2022 Non-GAAP*	31-12-2021
Net capital employed	1,427,272	1,242,556	1,267,932
Total equity	1,522,773	1,338,057	1,227,557
Net financial debt	-95,501	-95,501	40,375

* These figures are non-GAAP measures.

Net cash at 31 December 2022 amounted to EUR 95.5 million, a change of EUR 135.9 million compared to a net financial debt of EUR 40.4 million at 31 December 2021, and includes the distribution of dividends of EUR 28.0 million occurred in May. These amounts include EUR 73.0 million due to the application of IFRS 16 (EUR 76.0 million at 31 December 2021).

Total equity as at 31 December 2022 amounted to EUR 1,338.1 million (EUR 1,227.6 million as at 31 December 2021). With the application of IAS 29, total equity amounted to EUR 1,522.8 million 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	2022	2022 (Non-GAAP)	2021	COMPOSITION
Return on Equity	11.92%	14.58%	10.02%	Profit from continuing operations/Equity
Return on Capital Employed	14.32%	18.79%	15.60%	EBIT/(Equity + Net financial debt)

FINANCIAL INDICATORS	2022	2022 (Non-GAAP)	2021	COMPOSITION
Equity Ratio	60.29%	57.59%	57.69%	Adjusted Equity/Total Assets
Net Gearing Ratio	-6.35%	-7.24%	3.32%	Net financial debt/ Adjusted Equity
Liquidity Ratio	1.01	1.01	0.98	Cash + Receivables / Current Liabilities
Cash Flow	1.11	1.11	0.89	Operating Cash Flow / Total Financial Debt
Finance Needs (Net cash)	-95.5	-95.5	40.4	Net Financial Position

The improvement in the economic indicators is due to the positive trend of the current economic management and the impact generated by the cash flow from ordinary activities, positive for EUR 160.9 million.

Financial indicators show a further strengthening of the equity and financial structure of the Group, which closed the year with a significant reduction in net financial debt, reaching a net cash position of EUR 95.5 million.

NON-FINANCIAL INDICATORS

The Group has defined a Roadmap to 2030 that will allow for the constant reduction of CO_2 emissions per ton of cement. In the 2020-2022 period, action to reduce CO_2 emissions per ton of cement achieved better results than initially planned by the Group in its Roadmap to 2030.

In 2022, the emissions per ton of grey cement were 672 kg, 6% lower than in 2020 and below the 679 kg target for 2022. Emissions per ton of white cement were 886 kg, 3% lower than in 2020 and below the target of 915 kg set for 2022.

The Group is focusing part of its research activities on testing, through small-scale pilot projects, new technologies for carbon capture and storage (CCS). For this reason, the Roadmap to 2030 has been updated by assuming the implementation of this technology at the Aalborg plant, in addition to the actions already planned to replace fossil fuels with “green” alternative fuels and to reduce the clinker content in the cement produced.

With the implementation of a CCS system in Aalborg, expected in 2030, the Group will reduce emissions of CO_2 per ton of grey cement to 460 kg, which is below the limits required by the European Taxonomy and equates to a 36% reduction from 2020 levels.

Even for white cement, which is a niche product for specific applications, with a market share of 0.5% of world production, the Group has revised its emissions to 2030 downwards. For white cement, CO_2 emissions will be reduced to 738 kg per ton 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 targets for mitigating the climate change established by the Group have been deployed per single plant and year and were included in the 2023-2025 Industrial Plan approved by the Board of Directors of Cementir Holding on 8 February 2023.

Grey cement

Year	2020	2021	Target 2022	2022	Target 2025	Target 2030
Traditional fuel use in %	72%	70%	64%	**68%**	61%	50%
Alternative fuel use in %	28%	30%	36%	**32%**	39%	50%
Clinker ratio	82%	81%	78%	**80%**	76%	64%
CO_2 emissions (kg CO_2/ton cement)	718	684	679	**672**	621	460
Reduction compared to 2020	0%	-5%	-5%	**-6%**	-13%	-36%

White Cement

<table>
<tr><th>Year</th><th>2020</th><th>2021</th><th>Target 2022</th><th>2022</th><th>Target 2025</th><th>Target 2030</th></tr>
<tr><td>Traditional fuel use in %</td><td>85%</td><td>85%</td><td rowspan="2">96%</td><td>85%</td><td>79%</td><td>59%</td></tr>
<tr><td>Use of natural gas %</td><td>12%</td><td>12%</td><td>13%</td><td>17%</td><td>28%</td></tr>
<tr><td>Alternative fuel use in %</td><td>3%</td><td>3%</td><td>4%</td><td>2%</td><td>4%</td><td>13%</td></tr>
<tr><td>Clinker ratio</td><td>82%</td><td>83%</td><td>82%</td><td>81%</td><td>80%</td><td>78%</td></tr>
<tr><td>CO_2 emissions (kg CO_2/ton cement)</td><td>915</td><td>919</td><td>915</td><td>886</td><td>841</td><td>738</td></tr>
<tr><td>Reduction compared to 2020</td><td>0%</td><td>0%</td><td>0%</td><td>-3%</td><td>-6%</td><td>-19%</td></tr>
</table>

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**	**Description**
Alternative fuel (metric tons)	79,106	72,408	39,112	Fuel produced from municipal solid waste, industrial waste or commercial waste.

In 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.

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

The Group has defined a 10-Year Roadmap that will allow for the reduction of the water consumption per cement produced by 20% compared to 2019 (plan baseline). Concerning the plants located in high water stress areas, for which the specific water consumption is already lower than the Group average, the reduction target is 25%.

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

Water consumption in high water stress areas	**2019**	**2020**	**2021**	**2022**	**Target 2030**	**Composition**
Specific water consumption (litres / ton cement)	280	287	276	**257**	**210**	Water consumed in high water stress areas / cement produced by the Group in high water stress areas
Reduction compared to 2019		0%	-1.5%	**-8%**	**-25%**	

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

Health and Safety	2019	2020	2021	2022	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)	61	60	56	25	No. of injuries with absence days
LTI Frequency Rate	10.4	11.0	9.9	4.2	(No. of injuries with absence days/ worked hours) x 1,000,000
LTI Severity Rate	0.27	0.16	0.14	0.10	(No. of days off work/ worked hours) x 1,000

In 2022, no fatal or serious accidents occurred among employees and contractors. The accident frequency and severity indices for employees improved by 59% and 49%, respectively, compared to the average of the previous three years, thanks to the safety improvement measures taken by the Group over the last two years, including the certification of all cement plants to the ISO 45001 standard. For more details on worker health and safety management, please refer to the specific paragraph in the Non-Financial Statement.

Training	2020	2021	2022	Composition
Training hours per capita	11.7	12.2	22.0	Training hours / number of employees

In 2022, following the relaxation of security measures that the Group had introduced in 2020/2021 to counter COVID-19, it was possible to start recovering part of the previously suspended in-person training activities.

Employees with periodic performance assessment	2020	2021	2022	Description
Executives	93%	98%	100%	Executives receiving performance assessment / total Executives
Managers	61%	99%	100%	Managers receiving performance assessment / total Managers
White-collars	77%	98%	96%	White-collars receiving performance assessment / total White-collars
Blue-collars	44%	44%	38%	Blue-collars receiving performance assessment / total Blue-collars

In 2022, 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 2023.

PERFORMANCE BY GEOGRAPHICAL SEGMENT

The figures reported in the section Türkiye do not include the impact of the application of IAS 29 - Financial Reporting for Hyperinflationary Economies for Türkiye, the effects of which are reported in the section "TÜRKIYE- HYPERINFLATED ECONOMY: IMPACTS OF THE APPLICATION OF IAS 29.

Nordic and Baltic

(EUR'000)	2022	2021	Change %
Revenue from sales	736,210	617,365	19.3%
Denmark	*509,817*	*413,915*	*23.2%*
Norway / Sweden	*216,533*	*193,625*	*11.8%*
Other (1)	*82,240*	*66,054*	*24.5%*
Eliminations	*(72,380)*	*(56,229)*	
EBITDA	165,707	147,254	12.5%
Denmark	*141,107*	*121,281*	*16.3%*
Norway / Sweden	*20,767*	*21,213*	*-2.1%*
Other (1)	*3,833*	*4,760*	*-19.5%*
EBITDA Margin %	*22.5%*	*23.9%*	
Investments	50,606	51,921	

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

Denmark

Sales revenues in 2022 reached EUR 509.8 million, up 23.2% compared to EUR 413.9 million in 2021, due mainly to the rise in sales prices.

Overall cement volumes decreased by 6% compared to previous year. White cement exports declined by 29% mainly due to the redistribution of sales in the United States to other group companies and a decline in sales in Poland, France, Belgium, Germany and the United Kingdom due to the slowdown of business in these countries.

Ready-mixed concrete volumes in Denmark decreased by 5% compared to 2021 due to the completion of some public works and the postponement of others due to rising energy and raw material costs.

Aggregate volumes were down 33% from the previous year during which sales had been particularly strong for specific local projects.

EBITDA in 2022 amounted to EUR 141.1 million, up 16.3% on EUR 121.3 million in 2021. The increase was attributable to higher selling prices of cement, ready-mixed concrete and aggregates in the domestic and export markets, against lower volumes sold and higher variable costs for raw materials, fuel, electricity, clinker purchases and higher fixed costs.

Total investments in 2022 amounted to EUR 41 million, of which approximately EUR 30.6 million in the cement sector, focused on unscheduled maintenance, sustainability projects and production streamlining. Investments in ready-mixed concrete amounted to EUR 9.1 million and included the renewal of some functions of the ready-mixed concrete distribution vehicles and leasing contracts of transport vehicles. The region's investments include EUR 8 million accounted for according to the IFRS 16 accounting standard.

Norway and Sweden

In **Norway**, ready-mixed concrete sales volumes increased by 3% compared to 2021 due to the recovery of infrastructure and civil activities in the face of a contraction in those residential and commercial. Despite competitive pressures in some regions, volumes are increasing due in part to higher sales from new mobile plants operating from 2022.

It should be noted that the Norwegian krone appreciated by 0.6% compared to the average 2021 exchange rate against the euro.

In **Sweden**, ready-mixed concrete and aggregate volumes decreased by 13% and 25%, respectively, from the previous year due to the completion of major infrastructure projects near the Malmö region where the company's plants operate, only partly replaced by projects in the residential and commercial sectors. Several public projects have been postponed due to rising costs and uncertainty over the economic situation and international politics.

The Swedish krona depreciated by 4.7% against the average euro exchange rate in 2021.

In 2022, sales revenue in Norway and Sweden amounted to EUR 216.5 million, up 11.8% from EUR 193.6 million in 2021, while EBITDA decreased by 2.1% to EUR 20.8 million (EUR 21.2 million in 2021).

The decrease in EBITDA was due to lower sales volumes and higher variable costs in Sweden, only partly offset by higher sales prices and savings on fixed costs. In Norway, on the other hand, EBITDA increased compared to 2021 due to higher sales volumes and prices against higher costs for cement, raw materials and distribution and higher fixed costs due to inflationary dynamics.

Investments in the area in 2022 amounted to EUR 9.4 million, of which EUR 5.5 million in Norway, mainly for the purchase of machinery and leasing contracts for transport vehicles and investments in the main plant at Sjursøya, and EUR 3.9 million in Sweden, for the purchase of aggregate mining and crushing machinery. Investments recognised as a result of IFRS 16 were EUR 3.6 million.

Belgium

(EUR'000)	2022	2021	Change %
Revenue from sales	334,396	274,957	21.6%
EBITDA	76,533	68,602	11.6%
EBITDA Margin %	22.9%	25.0%	
Investments	32,053	17,428	

In 2022, cement sales volumes decreased by 2% compared to 2021, with a slightly negative trend in Belgium, France and Germany, also due to price increases, and a modest increase in the Netherlands.

Overall, ready-mixed concrete sales volumes in Belgium and France fell by 5% compared to the previous year, but with differing trends in the two countries: In Belgium, there was a 10% contraction with a gradual drop in the market from the second quarter onwards due to the rise in raw material prices and the consequent postponement of some private building projects, as well as the closure of a plant from 1 July and the week of freezing temperatures in December which caused plant closures and distribution problems. In contrast, sales in France increased by 11% due to the good market performance in the north of the country and the introduction of government incentives for the construction sector.

Aggregate sales volumes increased by 2% compared to 2021. Sales in Belgium increased by 5% despite strong competition due to price increases and benefited from the development of infrastructure, positive weather conditions, the acquisition of new customers and the company's efficient distribution organisation. In

France and the Netherlands, however, sales performance is down 5.5% from the previous year, mainly due to the contraction of the road sector and greater competition.

Overall, in 2022, sales revenue grew by 21.6% to EUR 334.4 million (EUR 275.0 million in 2021) while EBITDA increased by 11.6% to EUR 76.5 million (EUR 68.6 million in the previous year).

In the cement sector, which contributed the most to the growth in earnings, EBITDA benefited from higher sales prices against a significant increase in production costs as well as lower sales volumes; in the aggregates segment, the increase in margin was driven by higher sales volumes and prices, only partially offset by the growth of variable and fixed costs. In contrast, EBITDA for the ready-mixed concrete business is down from 2021 due to the strong impact of variable raw material and cement costs, and to a lesser extent fixed costs, that have not been fully recovered on the sales price side.

Investments made in 2022 amounted to EUR 32.1 million and mainly related to the Gaurain cement plant and quarry sustainability projects. Investments accounted in accordance with IFRS 16 amounted to EUR 1.5 million and mainly related to contracts for aggregate vehicles.

North America

(EUR'000)	2022	2021	Change %
Revenue from sales	196,370	155,478	26.3%
EBITDA	28,949	23,829	21.5%
EBITDA Margin %	14.7%	15.3%	
Investments	9,366	5,636	

In the US, white cement sales volumes were in line with the previous year and were supported by higher deliveries in Texas and California against lower sales in the York and Florida regions.

The dollar appreciated by 11% against the average euro exchange rate of 2021.

Overall in the US, revenues increased by 26.3% to EUR 196.4 million (EUR 155.5 million in 2021), while EBITDA increased by 21.5% to EUR 28.9 million (EUR 23.8 million in 2021), due to higher selling prices of white cement and the positive exchange rate effect, only partially offset by higher cement, raw materials, fuel, packaging and fixed costs. The company Vianini Pipe, active in the production of cement products, reported an increase in EBITDA compared to the previous year due to higher volumes and sales prices.

Investments in the year amounted to approximately EUR 9.4 million, almost entirely related to the white cement plants. Investments accounted for under IFRS 16 amounted to EUR 5.6 million for cement terminals and transport vehicles.

Türkiye

(EUR'000)	2022 (Non-GAAP)	2021	Change %
Revenue from sales	272,581	173,263	57.3%
EBITDA	49,609	38,304	29.5%
EBITDA Margin %	18.2%	22.1%	
Investments	16,886	13,116	

Revenue reached EUR 272.6 million, an increase of 57.3% compared to 2021 (EUR 173.3 million), despite the devaluation of the Turkish lira against the euro (-65.6% compared with the average exchange rate in 2021).

In the cement sector, in the context of the general inflationary environment, the increase in selling prices led to a significant increase in sales revenues in local currency, while sales volumes in the domestic market decreased by 10% due to significantly lower sales at the Elazig plant (-31%) in Eastern Anatolia and Kars (-31%) in North-eastern Türkiye, only partially offset by higher deliveries to Trakya (+4%) in the Marmara region, while at the Izmir plant in the Aegean region, sales remained stable.

Exports of cement and clinker remained stable compared to 2021.

Concrete volumes decreased by 9% year-on-year for the reasons already stated related to the country's economic situation, the postponement of new large projects and the slowdown of urban transformation projects due to the lack of financial capacity of private parties, as well as pressure from rising sales prices and the wet weather in the Aegean and Marmara areas in the last quarter.

Aggregate volumes increased by about 39% year-on-year due to the full operation of the newly acquired quarry in the second half of 2021 and despite a contraction in infrastructure construction.

In the waste sector, the industrial waste treatment subsidiary Sureko recorded 137% higher revenues in local currency than in 2021, due to increased prices of fuel sales (RDF) produced by waste collection, landfill quantities and trading of raw materials for recycling. The British subsidiary Quercia reported revenues down 55% compared to 2021.

Overall, the region's EBITDA was a positive EUR 49.6 million, an increase of 29.5% over the previous year (EUR 38.3 million). This result includes non-recurring income for the revaluation of non-industrial properties in Türkiye in the amount of approximately EUR 18.7 million, compared to EUR 18.3 million recognised in 2021. This result was mainly attributable to the cement segment due to higher sales prices despite higher costs for raw materials, fuels and electricity, and higher fixed costs due to inflation, compounded by the significant depreciation of the Turkish lira. The ready-mixed concrete segment also saw an increase in EBITDA due to higher sales prices, partially offset by higher variable costs for raw materials, cement, distribution charges, fixed costs in addition to the significant devaluation of the Turkish lira. The aggregates segment showed a significant increase in margin compared to 2021 due to higher volumes and prices.

Investments for the period amounted to EUR 16.9 million; investments in cement amounted to about EUR 9 million, concentrated mainly in the Izmir plant for extraordinary maintenance and in the Trakya plant for an additive supply system in cement mills. In concrete, investments amounted to approximately EUR 7.1 million, most of which related to IFRS 16 (EUR 4.7 million) and transport vehicles. Investments in the Waste division amounted to approximately EUR 0.7 million.

Egypt

(EUR'000)	2022	2021	Change %
Revenue from sales	57,113	50,729	12.6%
EBITDA	11,792	10,842	8.8%
EBITDA Margin %	20.6%	21.4%	
Investments	1,005	1,825	

Sales revenue increased by 12.6% to EUR 57.1 million (EUR 50.7 million in 2021), despite the fact that sales volumes decreased by 3% compared to 2021.

Sales volumes of white cement decreased by 3% due to some deliveries to customers being brought forward to December 2021 before the end of the year, and due to increased competition as a result of higher prices due to rising energy costs.

EBITDA increased by 8.8% to EUR 11.8 million compared to EUR 10.8 million in the previous year, due to higher sales prices, both on the domestic market and exports, which more than offset higher purchase costs for fuel, raw materials, higher fixed costs due to inflation, as well as the negative effects of the devaluation of the local currency.

The Egyptian pound depreciated by 8.7% against the average euro exchange rate in 2021.

Investments made in 2022 amounted to EUR 1 million and mostly concerned lab equipment and recladding the sand mills.

Asia Pacific

(EUR'000)	**2022**	**2021**	**Change %**
Revenue from sales	124,588	108,017	15.3%
China	*66,316*	*62,967*	*5.3%*
Malaysia	*58,272*	*45,103*	*29.2%*
Eliminations	-	*(53)*	
EBITDA	22,682	26,829	-15.5%
China	*17,096*	*20,768*	*-17.7%*
Malaysia	*5,586*	*6,061*	*-7.8%*
EBITDA Margin %	*18.2%*	*24.8%*	
Investments	7,555	6,872	

China

Sales revenue increased by 5.3% to EUR 66.3 million (EUR 63 million in the year 2021) despite the fact that sales volumes decreased by 6% year-on-year for several reasons: further government restrictions to limit the spread of COVID-19 ("zero COVID policy") in many areas of the country (the regions of Shanghai (Jiangsu) and Henan remained in lockdown for long periods of the year), logistical problems in the country's major ports, declining activity in major infrastructure works and the residential sector, competition in the local market, as well as adverse weather conditions and international political tensions.

EBITDA decreased by 17.7% to EUR 17.1 million (EUR 20.8 million in 2021) due to higher fuel and electricity purchase costs and lower sales volumes, partially offset by higher sales prices, a positive exchange rate effect and higher government grants for technological innovations and workforce retention.

The Chinese Renminbi appreciated by 7.2% against the average euro exchange rate in 2021.

Investments in the year amounted to EUR 3.2 million, mainly related to the construction of a cement silo.

Malaysia

Sales revenue increased by 29.2% to EUR 58.3 million (EUR 45.1 million in 2021) against a 2% growth in total volumes.

Domestic sales fell by 11% due to the decline in residential, infrastructure and industrial activities, uncertainty over the general elections in November, a shortage of foreign labour on some large construction sites and rising prices of building materials.

Exports increased by 3% compared to 2021 despite strong international competition in the area: higher volumes sold in Australia, the Philippines, Vietnam, Myanmar and Cambodia were partially offset by lower volumes in South Korea and New Zealand.

At EUR 5.6 million, EBITDA decreased by 7.8% compared to EUR 6.1 million in 2021. Higher fuel purchase costs but especially higher freight costs for exports to Australia were only partially offset by higher average selling prices in domestic and foreign markets.

The local currency appreciated by 6.5% against the average euro exchange rate in 2021.

In 2022, investments amounted to EUR 4.3 million in connection with efficiency-boosting renovation works at the cement mills and silos.

Holding and Services

(EUR'000)	**2022**	**2021**	**Change %**
Revenue from sales	210,367	136,580	54.0%
EBITDA	(250)	(4,708)	94.7%
EBITDA Margin %	-0.1%	-3.4%	
Investments	5,147	2,353	

This grouping includes the parent company, Cementir Holding, the trading company, Spartan Hive, and other minor companies. The increase in revenue and EBITDA is attributable to the higher volumes of clinker, cement and fuels traded by Spartan Hive. EBITDA includes non-recurring expenses of approximately EUR 1 million in 2022 and EUR 7.7 million in 2021, related to the valuation of non-industrial properties.

INVESTMENTS

During 2022, the Group made total investments of approximately EUR 122.6 million (EUR 99.1 million in 2021), of which approximately EUR 26.1 million (EUR 19.5 million in 2021) related to the right of use assets.

Investments included EUR 81 million in the cement sector, EUR 25.7 million in ready-mixed concrete, EUR 9.2 million in aggregates and EUR 6.7 million for other business sectors.

The breakdown by asset class shows that EUR 118.5 million (EUR 95.7 million in 2021) relates to property, plant and equipment and EUR 4.1 million (EUR 3.4 million in 2021) 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 applicable accounting standards 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

2022 ended with an EBITDA of EUR 335.3 million (EUR 311.0 million in 2021). The cash flow generated by operating activities and the management of working capital allowed the Group to end the year with net cash of EUR 95.5 million (net financial debt of EUR 40.4 in 2021), which included the debt position resulting from the application of IFRS 16 for EUR 73.0 million (EUR 76.0 million in 2021).

On 8 February 2022, the Parent Company's Board of Directors approved the 2022-2024 Industrial Plan.

During May, dividends of EUR 28.0 million were paid as per the resolution of the General Meeting when the 2021 financial statements were approved.

In May 2022, the rating agency Standard and Poor's confirmed the BBB- rating with a stable outlook.

In December 2022, the Group achieved an “A-” climate change rating from CDP for the second consecutive year, placing it above the European average (B) and the cement and concrete sector average (B). Cementir also took a leadership position on the CDP Water list with a score of A-, improving on last year's “B” rating and placing it above the industry average (B) and the European average (B).

With reference to the Russian-Ukrainian conflict, the directors have not identified any significant direct impacts on the Group and the financial statements, in light of the Group‘s substantial lack of activities in these areas and dealings with them.

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 2022, 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, to guide the Group towards more sustainable production, 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 was marked by the implementation of key projects envisaged in the Roadmap. The Group together with DTI - Danish Technological Institute - continued to work on the CALLISTE (Calcined Clay-Limestone Technology Extension) applied research project, based on FUTURECEM® technology. Calliste's main aim is to achieve a clinker content 50% lower than conventional Portland cement by the end of 2024. The consortium behind Calliste involves the value chain of the construction industry including universities. 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 cooperation with leading manufacturers to fully exploit the CO_2 emissions reduction potential of cements based on FUTURECEM® technology.

In 2023, Cementir Group will also participate 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 value creation and real recycling for 100% of the concrete constituents.

2022 saw the launch of another low environmental impact cement in Denmark: AALBORG SOLID, a new low alkaline cement with a 20% lower CO_2 footprint.

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 is an integral part of InWhite Solutions™, a platform managed by the Corporate Sales, Marketing and Business Development function that involves the entire Group, including a dedicated team at the Research and Quality Centre.

The process behind InWhite's business concept involves gathering the relevant information from the market and customers to generate a list of potential high value-added solutions to be offered to customers, to set their priorities and, finally, to convert them into sustainable business models.

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.

From 2019, the Cementir Group has progressively 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 EXTREME™ Light 120 and AALBORG EXCEL™.

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 an initial focus on the European market, the Cementir Group extended its sales perimeter to include China, Asia and North America, given the growing interest in UHPC technology from the market and confirmed by trends in the construction sector.

Therefore, sales expectations for this innovative product range in 2023 are confirmed to be higher than in 2022. 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 FUTURECEM® technology, to meet the needs of its customers and business partners in the reference markets. In 2022, a new product from the InWhite family was launched: InBind - a versatile binder for very high-strength concretes using the materials available in the customer's production plant. In 2023, further development is expected in the field of ultra-high-performance concrete for bridge deck cladding, industrial flooring and floor slab restoration. The InWhite™ innovation process has also moved into the ready-mixed concrete 3D printing sector with participation in research projects and identification of potential collaboration opportunities with customers based on economically viable business models.

As part of the Group's innovation process, the proprietary FUTURECEM® technology is used to improve the range of innovative low CO_2 emission products 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 the FUTURECEM® technology continued at our subsidiary in CCB - Belgium, where the cement was marketed in France in 2022. Belgium will have to wait for its inclusion in the regulations for its use in concrete for construction purposes, scheduled for 2023.

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 included in the research project “B40 blocks for low-carbon concretes” carried out by CERIB- Centre d'études et de recherches de l'industrie du béton.

FUTURECEM®'s experience in Denmark and now in 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, 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 and life cycle analysis. 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.

The White Cement Competence Centre (WCCC) specifically supports the InWhite™ innovation process and the use of white cement in general. 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 (BU CON CQ) 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. The Quality Community Meeting is held annually where achievements are presented, projects, new activities and technical upgrades are shared and there is always a training session.

INFORMATION SYSTEMS

In 2022, the Information Technology department continued and expanded its mandate to provide IT services to the entire Cementir Group and support the digital transition of the core business with initiatives in all regions, with the aim of globalising and transforming the way people work through flexible, dynamic and data-driven group services and solutions. It 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.

One of the most important pillars of IT activities is Cyber Security, an area where the already started initiatives continued and expanded, updating the plan presented back in 2020. In particular, the Cyber Security Training initiatives continued, through the sharing of information pills on new Cyber Risks and the creation of an innovative and engaging training framework based on interactive platforms. This training will be delivered in 2023, but the materials and methods for delivering the training have been finalised and prepared. A new feature introduced during the year is SASE (Secure Access Service Edge), which allows for secure and efficient working in a company like ours that uses cloud resources with a geographically distributed workforce. A new approach to remote access was adopted here, still based on multi-factor authentication (MFA), but with additional security features. The “secure” access to the industrial network, which inherits all the security specifications already developed for the business network, has been extended to 3 regions (Malaysia, Egypt, USA) and will be implemented in the remaining countries in 2023. A Cyber Security Incident Response Plan has been released and will be fully implemented in 2023. Work has also been done to create internal controls to verify that what has been put in place in terms of cyber security and IT activities is, in fact, correctly applied. Furthermore, the creation of a SOC (Security Operations Center) has been completed. This will initially monitor one part of the security framework (EDR, firewall), but will be extended in the following years seeking a new approach for the monitoring and reaction to cyber security events and incidents (XDR).

Concerning Corporate Data, a “Data Management” project was launched, implementing the Microsoft solution related to e-mail and Sharepoint. A plan has been developed for the involvement of business functions for data categorisation, the associated level of protection, and other activities related to the Data life cycle, transmission and sharing. This project will be fully completed during 2023 and 2024.

In the networking area, a major effort was put in the upgrade of the Nordic&Baltic area, where fibre and Wi-Fi equipment was enhanced at the main site in Aalborg, and the replacement of obsolete equipment at remote cement distribution sites was started and partially completed. In addition, the entire WAN connection was renewed at 82 sites (mainly ready-mixed concrete plants) between Denmark and Norway.

The portfolio of group and local Information Technology investment initiatives was also completed on time and in budget. 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, selecting a small number of non-SAP applications to complete the process coverage required for business operations and development.

The most important project activities related to business processes and application work were those related to SAP, the Cementir 4.0 programme, the new Budget Tool and the consolidation and further deployment of the proprietary C-Scale platform. The latter continues its adoption in remote terminals in the USA and was successfully released in CCB, replacing the previous “Austral” system. A significant operation both in terms of volumes managed and the complexity of the logistics flows. The release of the solution in CCB brings significant functional evolutions in C-Scale, now able to perform the execution of all receiving, shipping and post-shipment logistics movements related to the cement business. The plan to roll out this solution worldwide also continues. The next step, already initiated in the last months of 2022, will be the introduction of C-Scale in Aalborg Portland Malaysia and affiliated companies, which is scheduled for completion by the second quarter of 2023. The adoption in Asia-Pacific of C-Scale will go through a review and harmonisation of logistics processes - whether run on C-Scale or SAP - with the primary objective of adopting an efficient, effective and Group-wide operating model.

In 2022, a new application for managing the budget process was introduced, which was used for the first time in the autumn of 2022 for the creation of Budget 2023. This tool collects and processes data in an integrated way from all business processes, with levels of detail shared with the relevant functions. It has been specifically designed for the Cementir Group, creating a single model per line of business that is used by all regions, providing a complete and consolidated profit and loss account and balance sheet, as well as all sectional budget details.

Within the Cementir 4.0 Program, the IT function was mainly involved in initiatives related to purchasing, logistics and maintenance processes. The "Maintenance 4.0" project has made possible the definition and implementation of the new corporate model for Maintenance, which is much more efficient and leaner than in the past and which will be gradually exported to all group plants. Through digitalisation, it is now possible to use a mobile application to manage maintenance orders and spare parts inventories remotely and in real-time during inspections and work tasks. The implementation of the S&OP (Sales & Operations Planning) process on SAP was also finalised and put into operation, supported by extensive operational and management reporting. In the area of quality, processes were improved and historicised on SAP, enabling effective corporate-level reporting updated in real time.

In procurement process, the extension of the e-procurement solution continued by completing the roll-out of the sourcing module in all group companies. In addition, the scope of the e-procurement solution was extended by implementing the contract framework functionality. Also in the procurement area, a Business Process Reengineering project was started to standardise purchasing processes in the group companies and have a single solution on SAP. With a view to optimising processes, a Web App was developed to allow requests, orders and purchase contracts to be issued via mobile devices.

In the SAP area, the migration of the Database to the HANA platform was completed. This is a preparatory activity for the transition to the S/4 HANA system, which was presented in the business plan for the next three years. A new company was implemented to manage the Aggregates in Türkiye, and the migration of the Italian companies to the Group system landscape was completed, eliminating the historical SAP environment dedicated to the Italian operating companies now outside of the Group perimeter.

A further major initiative completed in 2022 was the development and release of the logistics portal for Lehigh White Cement (USA). This portal allows accurate management and control of the activities of transporters who distribute cement imported and produced in our plants in the United States through a network of about 40 terminals. Clear benefits were immediately seen in the management of customer receivables and in a more punctual and accurate management of transport costs.

The use of Process Mining continued and was geographically extended. In 2022 it was applied to both the Purchasing and Payment processes as well as Sales and Cash collection ones, identifying possible areas for improvement. An action plan that is constantly updated and developed has also been prepared.

In 2022, we continued to develop our Business Intelligence (BI - Vizion) platform, which is now a recognised and well-established high added-value tool for analysing and optimising business process execution. An awareness-raising and a survey on the use of BI from mobile devices has begun and will continue extensively next year. A successful campaign to promote the use of BI in the Regions was also launched, creating synergies and new local projects that then became of global interest, pioneering the group and bringing BI closer to local entities. Various analyses were produced and published at group and local level on all business processes, including analyses on margins, the new Environment section, the Monthly Book dedicated to Italian companies and strategic reporting on Group sales. The multi-project on ready-mixed concrete KPIs in Belgium and the area dedicated to cash and treasury analysis continued and expanded, including from this year a first series of local analyses. Thanks to the complete upgrading of the BI portal last year, a number of new portal features were developed in 2022 and a roadmap has been planned that will bring further improvements and additional functionality in the coming years.

HEALTH, SAFETY AND ENVIRONMENT

Health and Safety

Over the past two years, the Group has embarked on a management improvement path, the results of which in terms of accidents and their frequency are beginning to positively reflect the measures put in place. In 2022, the progress of the initiative plans of each plant/business was in line with plan.

The main areas of work focused on effective leadership, worker involvement and awareness, operational management from the work preparation stages, performance assessment, and learning from positive and negative events. With regard to this last aspect, the analysis of the root causes of the incidents that occurred made it possible to identify further work for improvement, also within the framework of the operational practices adopted; learning from events is one of the key principles of our occupational health and safety management systems.

In this regard, the ISO 45001 Certification Plan was completed. All of the Group's cement production plants are certified according to this internationally recognised management benchmark.

The project to define and implement leading indicators common to all Group entities is on track. The monitoring of action plans and the measurement of their effectiveness, precisely through these indicators, is making it possible to increasingly link actions more closely to results in terms of accident prevention. In this context, the inclusion of leading indicators, complementing the usual health- and safety-specific lagging indicators, in individual performance assessment plans was started as early as 2022.

On 28 April, the Group celebrated the World Day for Health and Safety at Work in a coordinated way. The involvement and active participation level of workers, at each site where we operate, further reassures us that the path taken is the most effective. Topics related to Job Safety Analysis, one of our Golden Rules, were addressed through specific initiatives such as simulations, safety walks & talks and training sessions.

Environment

In 2022, the Group continued the implementation of its environmental performance improvement plan, which is based in its climate change guidelines on minimising and controlling energy consumption, maximising the use of alternative fuels (e.g. biomass) in production processes, and using raw materials and cement components with a lower impact (e.g. Futurcem).

As part of the climate commitments, the policy on water resource management includes maximising its reuse/recycling, minimising withdrawals and consumption, including leakage, and applying efficient and responsible operational practices. In this context, objectives for improving specific water consumption for cement production envisage an overall reduction of 20% by 2030. In the most water-stressed areas the improvement target is 25%. The progress of these objectives is broadly in line with what was planned.

The Group signed the WASH (Water, Sanitation and Hygiene) Pledge, developed by the World Business Council for Sustainable Development (WBCSD). Access to WASH is a basic human right and the key to achieving the UN Sustainable Development Goals. Cementir is committed to meeting the requirements of the WASH Pledge and over the next three years will commit to:

- implementing access to drinking water and sanitation for all employees in all workplaces whose operational control is under their responsibility;
- addressing and supporting access to WASH along the value chain, as well as in communities surrounding their workplaces and/or where employees live.

The Group's environmental management framework is consistent with the ISO 14001 standard. Currently, over 90% of total cement production comes from plants whose environmental management system is certified according to this standard. Monitoring and control of atmospheric emissions, as well as water and waste management, are an integral part of this in line with international industry guidelines (e.g. GCCA). By 2025, all cement plants will be ISO 14001 certified.

At the end of 2022, Cementir achieved an “A-” climate change rating from CDP for the second consecutive year, placing it above the European average (B) and the cement and concrete sector average (B). The Group also achieved a leading position in the CDP rating for water management (“Water Security”) with a score of “A-”, improving on last year's “B” rating, again placing it above the industry average (B) and the European average (B).

HUMAN RESOURCES

Changes in the workforce

As at 31 December 2022, the Group had a workforce of 3,085 employees, 2 more than at year-end 2021.

Personnel costs increased of about EUR 16 million compared to 2021, but they were below the budget for 2022. The change is essentially due to the adjustment of personnel costs to inflation, as also provided for in many local trade union agreements, to turnover and recruitment processes that in some Regions/Business Units resumed after the COVID-19 effect of the 2020/21 period and finally to foreign currency effects.

Organisation

As of 31 December 2022, the Group's organisational model remained structured in the following territorial areas:

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

and two dedicated business units: Spartan Hive and Waste.

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

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 2021 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.

There was a specific organisational focus on areas related to innovation and sustainability, with the introduction of new ad hoc profiles to strengthen the monitoring of these issues.

The implementation of standard operating models (processes, organisation and systems) also continued, with the Maintenance technical structure as a pilot area with the “Maintenance 4.0” programme extended to the Asia Pacific region (Malaysia and China), in addition to that implemented in previous years (Nordic & Baltic, Türkiye and Belgium). The standardisation programme also affected the warehouse activities of cement plants with the launch of the “Warehouse 4.0” programme that starting from the pilot in Türkiye was rolled out to Belgium.

Technological innovation affected the entire organisation in a cross-cutting way through the implementation of the new reporting tool for the definition and periodic updating of budget data for the entire Group. This continuous improvement project aims to rationalise and centralise expenditure data with a view to strengthening management control activities and performance monitoring.

Talent Strategy

With the easing of COVID-19 restrictions, the Group significantly resumed its in-person training activities while continuing to use digital tools to ensure continuity of the defined strategy.

The year 2022 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:

- the Graduate Program “CE-MENTORship Program”, aimed at placing brilliant new graduates in the technical area, gave them the opportunity to gain 8-months of international experience where they learnt and developed specific cement sector remit and managerial skills in line with the Group's way of working. With over 1,200 hours of training delivered, the programme involved more than 80 colleagues as trainers from the main participating countries: Italy, Denmark, Belgium and Türkiye;
- “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.

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.

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.

The use and continuous updating of the platform with new content, aligned with the company's evolutionary and development strategy, has also resulted in 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 2022 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 2022, 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 2022 Remuneration Policy remained consistent with the governance model adopted by the Group and the recommendations of the Code of Ethics available on Corporate Website under https://www.cementir holding.com/en/governance/corporate-regulations in order to attract, motivate and retain staff with a high professional profile and to align management interests with the main objective of creating shareholder value in the medium/long-term.

Reference group and market positioning

In 2022, 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 to us in terms of size and complexity, data transparency and geographical area.

Internal communication

As a follow up to what had already been carried out in 2019, a Group-wide survey (Group People Survey) called "Your Voice" was launched in 2022 to check the level of employee engagement and involvement within the Group and compare these results with what had previously been collected in 2019 and further market benchmarks. For this reason, several key indicators have been identified to take into account the various aspects of staff involvement, also based on international benchmarks.

To ensure the engagement of the entire Group population, a dedicated communication plan was implemented during all key phases of the survey:

- Pre-survey: to announce the survey and prepare staff;
- During the survey: to provide instructions and operational support and to encourage the participation of all employees;
- Post-survey: to explain the next steps and the resulting action plan.

The survey took place in November with an overall participation rate of 88% (+5% compared to 2019). Based on the results of the survey, an action plan will be finalised at both global and local level to be implemented during 2023. The main indicators of engagement and enablement have improved since the last group survey carried out in 2019, by 3% and 1% respectively.

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

This was followed by extraordinary communications during 2022, with a particular focus on internal dissemination concerning preventive actions to counter the COVID-19 pandemic.

In 2022, Internal communication focused mainly on the following topics:

- Prevention activities to combat the COVID-19 pandemic, in continuity with the previous year, confirming the constant commitment to informing the Holding's employees of the safety protocols adopted and the main updates arising from the constantly evolving emergency situation;
- The establishment of the communication campaign for World Safety Day managed at Group level with the support of all local business units
- The further 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;
- Consolidation of the guiding principles of Equity, Diversity and Inclusion with the publication of the relevant policy at Group level;
- Support for the launch of graduate program and emerging talent program career development initiatives.

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 2022, 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.

Representatives from Belgium, Denmark and Norway took part in the meeting, which was again held face-to-face, after the meeting had been exceptionally held by videoconference in 2021 due to the COVID-19 pandemic. The meeting shared the main economic and financial results of the period, as well as the main ongoing strategic initiatives.

Statement about the diversity targets

Pursuant to Article 3d paragraph 1 of the Decree on the content of the management report, the Company makes the following statements about the target figure for a more balanced distribution of men and women in the (sub)top:

a) number of men and women who are part of the Board of Directors as Executive and Non-Executive Directors at the end of the financial year as well as of the categories of employees in managerial positions determined by the company as prescribed in articles 2:166 paragraph 2 and 2:276 paragraph 2 Dutch Civil Code at the end of the financial year

	Women	Men	Vacant position	Total	% Female	% Male
Board Members	4	6	na	10	40%	60%
Senior Management Team (N-1 and N-2)	23	76	3	103	22%	74%

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

2022	Men	Women	Total
Executive Director	1	0	1
Non Executive Director	5	4	9
Total	**6**	**4**	**10**

In order to set appropriate targets to the Group, the Senior Management team has been defined as the first line reporting of:

- Group CEO/COO
- Group Chief Professional family
- Head of Region/ BU Managing director

Including level N-1 and N-2 in the organization without taking into account the assistant roles and the non-core businesses activities (e.g. Waste).

b) goals in the form of a target figure as referred to in articles 2:166 paragraph 2 and 2:276 paragraph 2 of the Dutch Civil Code

The commitment of the Company towards Diversity, Equity and Inclusion matters is shown by the following appropriate and ambitious targets set for directors and senior management, as defined above, with the related key achievements:

Objective	Target	2022 Achievement
Diversity in Cementir Holding Board of Directors	Having 1 Additional Board Member of Cementir Holding for the less represented gender by the end of 2022	1 additional member from April 2022
Diversity in CE-mentorship program	Having at least 25% for the less represented gender involved in the program;	50%
Diversity in Emerging Talent program	Having at least 25% for the less represented gender involved in the program;	29%
Diversity in Senior management team	Less represented gender is at 19% (May 2022) and we target to increase by 1% by the end of 2023	22% at 31 Dec 2022

c) the plan to achieve these goals as referred to in Articles 2:166 paragraph 3 and 2:276 paragraph 3 of the Dutch Civil Code; and if one or more goals have not been achieved, the reasons for this.

As detailed in the Sustainability Report – Non Financial Statements 2022 of Cementir Holding Group, the production sector, where the Group is active, is historically characterized by a predominantly male workforce. Analysis of 2022 data on personnel distribution shows that 86.7% of employees are male. This is widely linked to a high prevalence of men amongst blue collar employees (the main category of staff) but in past year it has been registered a positive increase of employed women compared to 2021, which shows the commitment of the Group to gender balance.

In recent years, the Group has developed measures to promote equal gender treatment and opportunities throughout the entire organisation, starting by defining Group values and a leadership competency model in which the concepts of inclusion and diversity appreciation are well represented.

With this purpose the **Group Diversity, Equity and Inclusion policy**, published in November 2022, establishes some guidelines in the Cementir Group that promote a culture of respect for diversity, work equality, non-discrimination and the inclusion of labour groups in Cementir Holding. Through this, it strives to ensure equality of opportunities for group employees. The Group Diversity, Equity and Inclusion policy is part of the DEI roadmap, which also includes the definition of a specific action plan including the entire population of the Group.

Such commitment will be strengthened extending into future years of the action plan.

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

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.

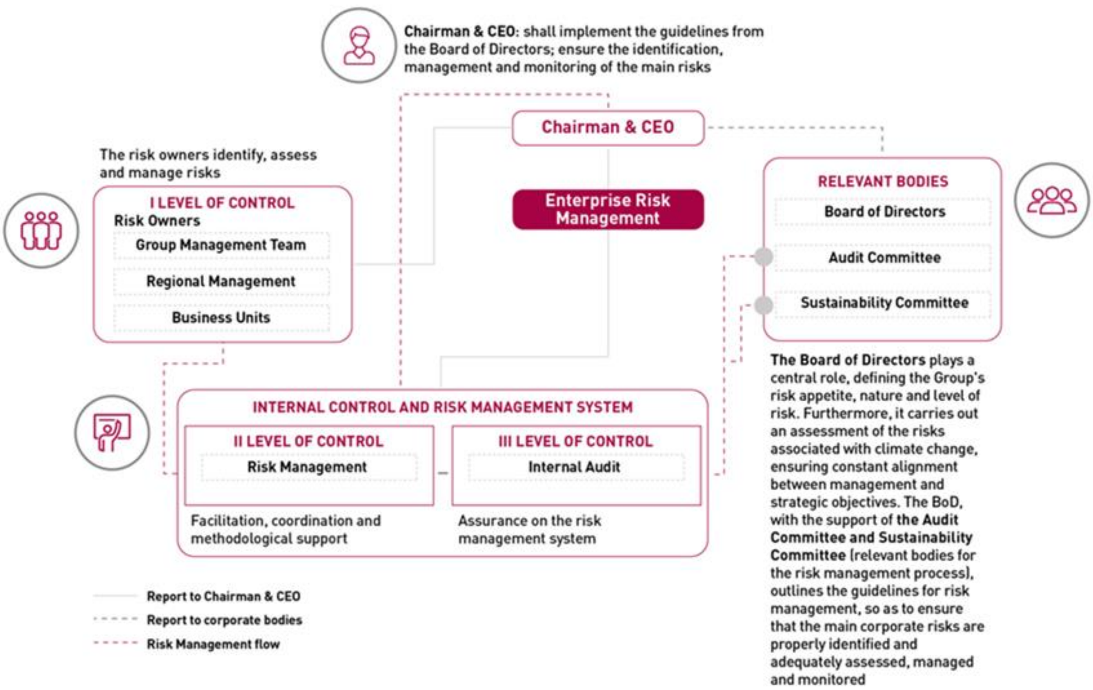
The Internal Control and Risk Management System adopts a "top-down" and "risk-based" approach that starts from the definition of the Cementir Group's Business Plan. It ensures that the main risks are identified, assessed and monitored taking into account each business unit, to create a fully integrated 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 2022 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 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. 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.

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, employees or third parties, in order to obtain unlawful advantages. Fraud, whether 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.

Exposure to potential fraud risks is analysed during the risk assessment carried out by Internal Audit when drawing up the Audit Plan to give priority analysis to the areas considered at risk. The identified fraud risks are assessed, with particular regard to the probability of occurrence and possible impacts, thus assessing their relevance for the organisation. All operational and compliance audits (particularly L. 262) foreseen a preliminary assessment of the ability of the internal control system to prevent potential fraud. Following the audit results, all actions and control measures agreed upon with the Management have the primary aim to secure the process from fraud exposure and then to make it more effective.

In the assessments, all reports emerging from whistleblowing channels and cases of fraud detected in the last 12 months are also taken into account.

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 disciplinary, organisational and operational actions for each individual breach. The Ethics Committee reports on its work to the Audit Committee and the Board of Directors. The Ethics Committee reports on its work to the Audit Committee and the Board of Directors.

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 Group's results are highly dependent on the economic conditions in the countries in which it operates: - rising inflation and tightening monetary policy have made the outlook for global GDP growth weaker in 2023; - the economic consequences of the war in Ukraine worsen the outlook for euro area economies, pushing inflationary pressures further upwards. GDP is expected to slow significantly in 2023, but to recover in 2024; - estimates for American territory growth for 2023 have also been revised downwards; - The recovery in China is being held back by the authorities' zero-COVID approach and the downturn in the real estate market, the contraction of which is expected to continue in 2023; As for construction activity, the much higher cost of living combined with rising interest rates will hit the housing sector in most developed and emerging economies. Demand for building materials is fundamentally driven by economic growth. These changes in demand may affect sales volumes and prices.	**The Group estimated a potential reduction in sales volumes**	With the support of the relevant functions, the Group actively monitors market conditions in order to predict any adverse scenarios. The Group aims to maintain strict cost discipline. The Group will favour long-term contracts to ensure favourable logistics and energy costs.

GEOPOLITICAL RISK

DESCRIPTION	IMPACT	MITIGATION ACTIONS
The Group operates on five continents and is exposed to political risks both locally and globally. Geopolitical instability in some of the countries where the Group operates may influence demand trends.	**Impact on the Group's economic/financial results**	The Group continuously monitors the reference environment, focusing mainly on political/institutional developments and regulatory aspects that may potentially affect operations. Geographical differentiation, on the other hand, helps the Group limit its exposure to this risk.

FINANCIAL RISK

DEVALUATION OF THE TURKISH LIRA

DESCRIPTION	IMPACT	MITIGATION ACTIONS
The Group operates in ten different currencies and exchange rate fluctuations can affect the economic/financial situation of the Group. The Turkish lira is the currency mainly affected by a significant depreciation in recent years. The main indicators show an increase in the CPI (Consumer Price Index) of about 104% (compared to 2003 data) and the PPI (Producer Price Index) which reached 151% at the end of September (compared to 2003 data). The Central Bank of Türkiye continues to cut interest rates despite high inflation. Under these conditions, the Turkish lira could continue to be devalued against the two main currencies: € and $. In addition, the presidential and parliamentary elections, scheduled for June 2023, could cause further uncertainty regarding the actions that Turkish financial institutions could take.	**Unfavourable exchange rate changes could adversely affect Group profits**	The Group continuously monitors currencies in order to reduce overall exposure and seize opportunities through hedging operations.

OPERATIONAL RISKS

RAW MATERIAL (FUEL AND ELECTRICITY) PRICE VOLATILITY

DESCRIPTION	IMPACT	MITIGATION ACTIONS
Risk linked to the volatility of commodities market prices (electricity and fuel), which may affect the Group's results. The war in Ukraine is having a significant impact on raw material prices. Sanctions against Russia in the energy sectors and Europe's dependence on Russian supplies have already contributed to a sharp increase in gas and oil prices, which has increased costs for the company. The Group closely monitors energy market trends and stocks of goods needed for production and continuously seeks the best supply conditions to meet production needs. These risks are overseen by each Local Procurement with the coordination of the Corporate Global Procurement, which uses financial instruments commonly available on the market in order to keep risk exposure within set limits.	**Operational costs increase**	The Group contains price risks for energy and fuels by centralising supply management. In order to reduce the risk of price volatility, it uses financial instruments such as hedging, signs sales contracts based on indexed formulas, enters into long-term contracts with suppliers, and is expanding the use of alternative energy sources including gas or green energy.

LOGISTICS AND FREIGHT COSTS

DESCRIPTION	IMPACT	MITIGATION ACTIONS
Logistics costs (road transport) Logistics is one of the key drivers of the Group's business. The recent conflict in Ukraine has had a significant impact on rising fuel prices and thereby on logistical costs. This trend is expected to continue throughout 2023. **Freight costs (shipping transport)** The Group is exposed to volatile freight costs due to the uncertainty of macroeconomic conditions (recession and high inflation).	**Operational costs increase**	**Logistic costs:** The Group is establishing agreements with a ceiling in order to reduce the impact of increases proposed by carriers. For expiring contracts, the Group is launching tender activities to select the best option. **Transport costs:** For specific shipping routes such as Europe versus USA or Türkiye versus Belgium and Denmark, the Group is signing AOC (Contract of Affreightment) agreements.

CYBER SECURITY

DESCRIPTION	IMPACT	MITIGATION ACTIONS
The increasing use of IT systems increases the Company's exposure to various types of risks. The most significant is the risk of cyber-attacks which is a constant threat to the Group.	**Data loss** **Privacy impacts** **Business interruption** **Reputational damage**	▪ 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.

RISK OF THE COVID-19 PANDEMIC

DESCRIPTION	IMPACT	MITIGATION ACTIONS
Cementir sells its products all over the world and has plants in several countries. The pandemic and the measures put in place to mitigate the effect of the virus by some government authorities have been relaxed over the past year with the exception of a few countries (e.g. China). These risks from new variants, if they persist, could alter normal market dynamics and business operating conditions. For example, China's ZERO-COVID policy, aimed at zero contagion, has led to a slowdown in production activities, a contraction in the construction sector and a drop in turnover.	**Impact on operations, and Group results**	The Company has promptly adopted control and prevention measures for all employees around the world, including through alternative (remote) working methods, both for offices and operational sites. Ensure business continuity according to government guidelines.

TALENT AND RETENTION MANAGEMENT

DESCRIPTION	IMPACT	MITIGATION ACTIONS
Existing processes related to "people management", such as attracting, retaining and developing staff members, succession planning, as well as the focus on developing a diverse and inclusive workforce, contribute significantly to the realisation of corporate strategies.	**Failure to attract talent could hinder the achievement 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 Cementorship Graduate Program initiatives launched in 2022 and continuing in 2023. In November 2022, the Global Survey "Your Voice" was also launched with the aim of collecting feedback from all staff on the working environment and areas for improvement.

COMPLIANCE RISKS

HEALTH AND SAFETY

DESCRIPTION	IMPACT	MITIGATION ACTIONS
Risk of accidents that can have consequences for the health of workers and / or cause problems in production processes.	**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.).

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 CO_2 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 taxonomy required by the European Union. 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. In addition, for more details, please refer to what is described in Non-Financial Statement 2022.

Physical variables are divided into two categories of risk:

(a) 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;

(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 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 Business 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 out to 2050

Risk Exposure Classification

● High ● Medium ● Low

STABILIMENTI	INCENDI	ONDATA DI FREDDO	ONDATA DI CALDO	STRESS IDRICO	ALLUVIONI	INNALZAMENTO DEI MARI	URAGANI	RISK EXPOSURE CLASSIFICATION
Turkey – Trakya	Medium	Low	High	High	Medium	Medium	Low	HIGH
Belgium – Gaurain	Medium	Low	High	High	Medium	Medium	Low	HIGH
USA – Waco	Medium	Low	High	High	Medium	Medium	Low	HIGH
Egypt – Sinai	Medium	Low	High	High	Medium	Medium	Low	HIGH
Turkey – Izmir	Medium	Low	High	High	Medium	Medium	Low	HIGH
Turkey – Kars	High	Low	High	High	Medium	Medium	Low	HIGH
Turkey – Elazig	Medium	Low	High	High	Medium	Medium	Low	MODERATE
Malaysia – Ipoh	Medium	Low	High	High	Medium	Medium	Low	MODERATE
USA – York	Medium	Low	High	Medium	Medium	Medium	Low	MODERATE
China – Anqing	Medium	Low	High	Medium	Medium	Medium	Low	LOW
Denmark- Aalborg	Medium	Low	High	Medium	Medium	Medium	Low	LOW
RISK EXPOSURE	MODERATE	LOW	HIGH	HIGH	MODERATE	MODERATE	LOW	MODERATE

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.

		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 defined its policy on water management. Maximising its reuse/recycling, minimising withdrawals and consumption and applying efficient operating practices are areas of focus, starting with those geographical areas with the greatest water scarcity. The Group has set overall reduction targets of 20% in specific water consumption for cement production by 2030 and 25% in areas with increased water stress.	  

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	TECHNOLOGY	Medium – Long Term	**OPPORTUNITY** **Carbon Capture "CCS"**	The implementation of this innovative technology will be a keystone on the path to "net zero emissions" cement production. The development and implementation of CCS technology will lead the company to achieve its goals of reducing CO2 emissions. The Group is considering several opportunities, mainly 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.	9, 13
TRANSITION RISK	REPUTATION	Short Term	**RISK** **Reputational risk**	The risk of being perceived by the public as a major carbon emitter could reduce the Group's attractiveness to stakeholders. The risk is mitigated by the Group's Sustainability Strategy, whose emission reduction targets have been validated by SBTi (well below 2°).	In Denmark, the new Roadmap has been published with ambitious scope 1 and scope 2 emissions targets (70% reduction in CO2 emissions by 2030). Cementir's ambition is to reduce CO_2 emissions intensity to achieve carbon neutrality along the value chain by 2050.	12, 13
TRANSITION RISK	POLICY & REGULATION	Medium – Long Term	**RISK** **Exposure to new CO2 emissions laws and regulations**	Following the Paris Climate Agreement (COP21), signatory countries are required to commit to an emission reduction path. The likely effect will be an increasing number of CO2 regulations that will increase the cost of emissions. The speed and level at which carbon prices could rise are uncertain and will vary between countries and regions. The risk was assessed by S&P through different pricing scenarios applied in each country in which the Group operates and based on the introduction of CCS technology from 2030.	The Group minimises its exposure to the risk of new taxes and regulations through the progressive decarbonisation process. Cementir's ambition is to reduce CO_2 emissions intensity to achieve carbon neutrality along the value chain by 2050. The strategy focused on energy transition makes the Group resilient to the risk associated with introducing more ambitious emission reduction policies and maximises opportunities for infrastructure and technology development.	12, 13
TRANSITION RISK	POLICY & REGULATION	Medium – Long Term	**RISK** **OPPORTUNITY** **CBAM – Carbon Border Adjustment Mechanism and ETS reports**	Initiatives such as the CBAM "Carbon Border Adjustment Mechanism" are designed to protect the competitiveness of the European Union. On the other hand, the introduction of this tax could change the business model for import activities from regions with less stringent CO2 regulations. In recent years, the quantities of cement imported into Europe have increased compared to the past. European bodies are considering introducing this tax from 2026.	Monitoring of international bodies (European Union, FSB – Financial Stability Board, Government Authorities)	12, 13, 9

	TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
MARKET	Medium Term	**RISK** **Availability of raw materials**	The production of cement and ready-mixed concrete requires the use of raw materials such as clay, fly ash and blast furnace slag (the latter two are by-products respectively of coal-fired power stations and steelworks whose production is to be reduced). During 2022, following the conflict between Russia and Ukraine, to avoid power shortages, authorities reopened coal-fired power plants, which is leading to increased availability of fly ash in the short term (2023 and 2024). In the medium term (from 2025), fly ash may be in short supply again in Europe as coal-fired plants are phased out. A further strategic material for achieving the Group's objectives is the calcined clay required for the production of Futurecem and for the reduction of the clinker ratio.	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).	
MARKET	Medium Term	**RISK** **Increased costs of using alternative fuels and lower availability**	The achievement of CO_2 reduction targets is also achieved through the use of biomass (i.e. meat and bone meal, sawdust, seeds). In current market conditions, quantities of these alternative fuels are shrinking due to increasing demand, and supply costs are rising as suppliers begin to demand a price indexed to production costs.	Identification of partnerships with other suppliers in order to increase flexibility in the supply chain.	
MARKET	Short – Medium term	**OPPORTUNITY** **Development of low emission impact products**	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 CO2 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.	

	TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
RESOURCE EFFICIENCY	Short – Medium term	OPPORTUNITY **Recovery and purification of water used in quarry operations**	Under the coordination of the Walloon Region, the Group participated in the project to make groundwater from the Clypot quarry drinkable and make it available to the public network. In September 2022, a similar project was signed with SWDE (Wallonia Water Management Company) for the Gaurain quarry, with the start of drinking water supplies from 2024.	Increase in the amount of water delivered to the public network from the Clypot quarry (up to 3,500,000 cubic metres per year). New water supplies from the Gaurain site to the public network from 2024. (up to 1,700,000m3 per year); Development of partnerships with local communities.	
ENERGY SOURCE	Medium – Long Term	OPPORTUNITY **Green Energy**	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).	
ENERGY SOURCE	Short – Medium term	OPPORTUNITY **Increased supply of district heating in the city of Aalborg**	The Aalborg plant recovers excess heat from cement production to provide district heating to local residents. In 2021, Aalborg Portland delivered approximately 1.7 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. Furthermore, as reported on the section covering the Business Plan approved by Group Board, it planned to be in a positive cash position at the end of 2022.

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 8 December 2016 applicable for 2022 and available at the following address: https://www.mccg.nl/publicaties/codes/2016/12/8/corporate-governance-code-2016 (for the unofficial English version: https://www.mccg.nl/publicaties/codes/2016/12/8/corporate-governance-code-2016-en). On 22 December 2022, the Corporate Governance Code Monitoring Committee updated the Code. The new version will be applicable from financial year 2023 and is available for download at: 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 2020, resolved, inter alia, on the appointment and composition of the Board of Directors expiring on that date in accordance with the provisions of the Articles of Association set out below. Subsequently, the General Meeting of 21 April 2022, integrated the Board of Directors with an additional independent Non-Executive Director, raising the number of members to ten.

The Board of Directors is currently made up of one Executive Director (Francesco Caltagirone, Chief Executive Officer or "CEO") and nine Non-Executive Directors (Alessandro Caltagirone and Azzurra Caltagirone, Vice Chairmen; Paolo Di Benedetto, Senior Non-Executive Director; Edoardo Caltagirone, Saverio Caltagirone, Fabio Corsico, Veronica De Romanis, Chiara Mancini and Adriana Lamberto Floristan).

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 and, unless such Director has resigned at an earlier date, such term of office shall expire ultimately immediately after the close of the first General Meeting held after three years have lapsed since the 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 entitled to vote are present or represented at the meeting including at least one Executive Director, if the Executive Director is entitled to vote on matters being 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 but not limited to the Company's shareholders. 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 28 July 2021, 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 value creation.

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

(g) the functioning of the Board, the Chief Executive Director, the Senior Non-Executive Director and the other Directors, and the conclusions to be drawn on the basis of this; 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 2022 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 https://www.cementirholding.com/en/governance/corporate-bodies/board-directors.

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 2020	AGM 2023
Alessandro Caltagirone 27/12/1969, M, Italian	Non-Executive Director (*Vice-chairman*)	10 May 2006	20 April 2020	AGM 2023
Azzurra Caltagirone 10/03/1973, F, Italian	Non-Executive Director (*Vice-chairman*)	10 May 2006	20 April 2020	AGM 2023
Paolo Di Benedetto 21/10/1947, M, Italian	Senior Non-Executive Director	18 April 2012	20 April 2020	AGM 2023
Edoardo Caltagirone 12/04/1944, M, Italian	Non-Executive Director	27 June 1992	20 April 2020	AGM 2023
Saverio Caltagirone 03/03/1971, M, Italian	Non-Executive Director	22 May 2003	20 April 2020	AGM 2023
Fabio Corsico 20/10/1973, M, Italian	Non-Executive Director	15 January 2008	20 April 2020	AGM 2023
Veronica De Romanis 31/03/1969, F, Italian	Non-Executive Director	21 April 2015	20 April 2020	AGM 2023
Chiara Mancini 20/11/1972, F, Italian	Non-Executive Director	21 April 2015	20 April 2020	AGM 2023
Adriana Lamberto Floristan 11/09/1973, Spanish F	Non-Executive Director	21 April 2022	21 April 2022	AGM 2023

Four Non-Executive Directors of the Company are qualified as independent for the purposes of the Code: Veronica De Romanis, Paolo Di Benedetto, Chiara Mancini and Adriana Lamberto Floristan.

During 2022, 5 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 2021 and for the year ended 31 December 2021;
- examined and approved the 2022 budget and the update of the 2022-2024 Business Plan. In this context, in particular, the Board examined and discussed the strategic vision underlying the 2022-2024 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 2021 and also approved the Cementir Group's Sustainability Report - Non-Financial Statement 2021, 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;
- examined and approved the renewal of the LTI programme for the years 2023-2027, to ensure the long-term retention of a select number of Group executives in strategic positions;
- examined and approved the Internal Audit plan for the financial year 2023 and the Group's risk assessment, which provided specific and separate information on the risks related to climate change and the energy transition, which were therefore a further opportunity for discussion and in-depth analysis of sustainability issues in the boardroom;
- integrated the Sustainability Committee, including Adriana Lamberto Floristan, newly appointed independent Non-Executive Director of the General Meeting, in this committee;
- examined the work carried out in 2021 by the Audit 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 Diversity Policy in light of the Dutch legislation that came into force in January 2022 also defining the related targets and approved the Succession Plan, also containing the Contingency Plan, for Executive and Non-Executive Directors as well as the new Group Diversity, Equity and Inclusion policy for CH Group employees.

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	5/5	N/A	N/A	2/2
Alessandro Caltagirone	5/5	N/A	N/A	N/A
Azzurra Caltagirone	5/5	N/A	N/A	N/A
Edoardo Caltagirone	0/5	N/A	N/A	N/A
Saverio Caltagirone	5/5	N/A	N/A	N/A
Fabio Corsico	5/5	N/A	N/A	N/A
Veronica De Romanis	5/5	4/4	4/4	2/2
Paolo Di Benedetto	5/5	3/4	3/4	N/A
Chiara Mancini	5/5	3/4	4/4	2/2
Adriana Lamberto Floristan	3/3	N/A	N/A	1/1

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 the end of 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. 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 were suspended in 2020 due to the pandemic.

Furthermore, in addition to the induction sessions for non-executive and independent members of the Sustainability Committee organised in 2021 and aimed at introducing them to new position and deepening their understanding of sustainability issues, with contributions from the Company and the Group functions involved, in 2022 the organisation of induction sessions for all directors at the end of board meetings also continued. Specifically, a first session was held on 5 May on the framework and main competitors of the Group in the white and grey cement market; The other, held on 27 July 2022, focused on the challenges for the future for production and sustainability.

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, on the basis of the favourable opinion of the Remuneration and Nomination Committee. In particular, the Procedure describes the roadmap, players and actions to be taken for the appointment both due to the expiry of the term set by the General Meeting of the Company for the office of director of the Company and also in any event of the early termination of Executive or Non-Executive Directors from their positions. The safeguards and contingency plan 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 24 April 2020, following the appointment of the Board of Directors with the General Meeting resolution of 20 April 2020, appointed the Non-Executive Director Paolo Di Benedetto 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 the strategy for realising 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 of financial information and ensuring the appropriateness 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 2022. 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 2 November 2022 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.

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 and submitted 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 industry in particular. The Profile has also been enriched with sustainability expertise, as this is an issue of great interest to the Company and one in which it is investing considerable resources and commitment.

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, the Board acknowledged the targets set for Non-Executive Directors by 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 listed companies such as Cementir Holding 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 company as defined in Article 2:166 of the Dutch Civil Code, it is also 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.

The percentage of one-third for each gender established by Dutch law with reference to non-executive directors, incorporated in Cementir Holding's current Board Diversity Policy approved on 9 March 2022, had already been reached prior to the General Meeting with three directors of the least represented gender (female) out of eight non-executive directors. As a target for 2022, the Company decided to integrate the Board with an additional director of the less represented gender.

The appointment of Adriana Lamberto Floristan by the General Meeting of 21 April 2022 achieves this by increasing the number of female directors to 4 (four) out of 9 (nine) Non-Executive Directors and a total of 10 (ten) directors, so that at least 1/3 of the directors are men and at least 1/3 are women.

The composition of the Board also complies with the criteria of diversity of age, education and experience, set out in the Diversity Policy. The appointment of board member Floristan, a Spanish national with extensive experience in ESG matters, also achieves the additional goal of increasing diversity of nationalities and experience in sustainability.

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 2022 no transactions in conflict of interest with Directors and/or majority shareholders were reported or took place.

BOARD COMMITTEES

Audit Committee

By means of the resolution adopted on 24 April 2020, the Board of Directors appointed the Audit Committee. The duties and the responsibilities of the Audit Committee are set out in the related charter (published on the Company website) adopted by the Board of Director on 24 April 2020, pursuant to Art. 7.1.4 of the Articles of Association.

The Audit Committee consists of three members: 1. Veronica De Romanis (chairwoman, expert in financial reporting), 2. Paolo Di Benedetto, 3. Chiara Mancini.

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 essence of its audit results to 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 Business; and

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

(b) the Company's funding;
(c) the application of information and communication technology by the Company, including risks relating to cybersecurity; and
(d) 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.
(c) 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.
(d) 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;
(e) reporting annually to the Board on the functioning of, and the developments in, the relationship with the external auditor.
(f) the Audit Committee advises the Board regarding the external auditor's nomination for appointment/reappointment or dismissal 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;

(g) submitting a proposal to the Board for the external auditor's engagement to audit the financial statements.

(h) 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.

(i) 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;

(j) 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 financial statements and the management letter;

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

(l) 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 provision 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 2022, 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 2021 financial statements, the half-year financial report and the quarterly financial results for 2022 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 2021; it examined the activities of the Internal Audit function for the first quarter and the first half of 2022; the Audit Committee then examined the Audit Plan prepared by the Internal Audit function for 2023, in accordance with Best Practice provision 1.3.3 of the Code, together with the budget for that function for the same year; it 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 2021 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 examined the financial documentation with the Group Chief Financial Officer, who attended all the Committee meetings. The Audit Committee met the external auditor at three of the four meetings held during the year, at which, always in the presence of the Group Chief Financial Officer, it examined, among other things, the annual financial statements, the report of the external auditor concerning the audit work carried out on the 2021 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 24 April 2020, the 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 on 24 April 2020, pursuant to Art. 7.1.4 of the Articles of Association.

The Remuneration and Nomination Committee consists of three members: 1. Chiara Mancini (chairwoman), 2. Veronica De Romanis, 3. Paolo Di Benedetto.

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 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 for exercising the share options. 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 drawing up of the Company's diversity policy for the composition of 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 long-term value creation;
(c) that scenario analyses have been taken into consideration;
(d) the pay ratios within the Company and the Business and, if applicable, any changes in these ratios in comparison with the previous financial year;
(e) in the event that a Director receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance and 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 2022, the Remuneration and Nomination Committee met 4 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 2021, drawn up in accordance with Best Practice provision 2.3.5 of the Code; the Remuneration and Nomination Committee discussed the annual assessment carried out by the members of the Committee pursuant to Best Practice provision 2.2.6 of the Code, confirming the Board Profile. The Remuneration and Nomination Committee also expressed a favourable opinion on the integration of the Board of Directors with Non-Executive Director Adriana Lamberto Floristan, recommending her inclusion in the Sustainability Committee as an additional member in consideration of her specific experience in ESG matters; examined and discussed the proposal to update the Diversity Policy and proposed its approval by the Board; examined and took note of the results of the benchmark analysis requested from the HR department concerning the remuneration of committees in companies comparable to the Company also for the purpose of drafting the Remuneration Policy; discussed and verified the independence requirements in the context of the review of the requirements for membership in the Euronext Star Milan segment; approved targets for gender diversity in accordance with existing legislation; also examined and discussed the *gates* and targets of the LTI 2018-2020 and STI 2021, as well as the setting of those for the LTI 2022-2024, with a special focus on ESG targets, and also expressed a favourable opinion on the approval of the LTI 2023-2027; finally, received the periodic update on the Succession Plan for the Company's personnel and reviewed the proposed Succession Plan for the Board and the *Group Employees' Diversity, Equity and Inclusion Policy*, recommending its approval by the Board.

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 ever-growing commitment of the Company and the Group towards sustainability and the fulfilment of demanding and challenging objectives, by resolution of 28 July 2021, the Board of Directors set up the Sustainability Committee, determining its number, duration and 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. Veronica De Romanis, 3. Chiara Mancini, 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 2022.

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 2021, and resolved to propose it to the Board for approval with a favourable opinion; discussed the ten-year sustainability roadmap and reduction targets by 2030, as well as the Group's 2021-2050 CO2 roadmap and CO2 reduction targets by 2030 set by Aalborg Portland A/S, the Danish subsidiary; was then updated on the latest news and initiatives on sustainability in the short term, in particular on the Company's letter of accession to the United Nations Global Compact, which entails a commitment to responsible business practices in the areas of human rights, labour, environment and anti-corruption.

All meetings were attended by the Group General Counsel, also as committee secretary, 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 2022 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 VALUE CREATION AND CODE OF ETHICS

The Cementir Group's values that contribute to a culture aimed at creating 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) value of people; 4) quality; 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 long-term sustainability 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 2022-24 Business Plan, approved by the Company's

Board of Directors in February 2022, the 2021 Sustainability Report, approved by the Company Board of Directors in March 2022 and the 2021 Consolidated Group Financial Statements, approved by the General Meeting in April 2022.

Also in 2022, 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 2022-2024 Business Plan, was inspired by the aim of 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 2022 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 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 2023-2025 Business Plan, updated on 8 February 2023, which incorporates them, but also having given the sustainability roadmap high priority in recent years.

In particular, Cementir Holding believes that long-term 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 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 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 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 compliance with Dutch law and subsequently updated it on 11 February 2021 with regard to the communication channels for reporting. The procedure is available on the Company website www.cementirholding.com 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. The policy is available on the Company website www.cementirholding.com 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, as was the case at the Annual General Meetings held in 2020 and 2021, the Company, in view of the restrictions on attendance at the 2022 Annual General Meeting adopted as a precautionary measure due to the continuation of critical health conditions relating to COVID-19, in accordance with the emergency regulations in force, allowed shareholders to submit any questions in writing, providing detailed instructions in the notice of meeting. Moreover, 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.

Further examples of interaction with other stakeholders, such as customers, suppliers, staff, the local community, public institutions and trade associations, are described in the 2022 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 2022, 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 section General Information of the notes to the consolidated financial statements, 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. The share buy-back programme authorised by the General Meeting on 2 July 2020 ended on 12 October 2021. Authorisations to buy back treasury shares in the 2022 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 section 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 2022, 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 four (4) independent Non-Executive Directors out of a total of nine (9) Non-Executive Directors in office until the approval of the financial statements for the 2022 financial year. As a result, independent Non-Executive Directors make up slightly less than half the total number. The other five (5) 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 at the General Meeting of the Company on 20 April 2020 had at that time been in office for more than eight years, while some had at that time been in office for more than twelve years. 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.

In view of the protracted health situation caused by the COVID-19 pandemic, the Non-Executive Directors cautiously avoided attending the General Meeting on 21 April 2022. The Executive Director participated via remote videoconference. The independent auditor also participated via remote videoconference in the General Meeting of 21 April 2022.

CONTROL AND RESPONSIBILITY STATEMENT

In accordance with best practice 1.4.3 of the Code of December 2016 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 2022 financial year;

• The internal risk management and control systems provide reasonable assurance that the 2022 financial reporting does not contain any material inaccuracies. The Internal Control and Risk Management System section of this annual report provides further details;

• Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis. 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;

• Management has assessed the going concern assumption in relation to COVID-19. Based on the latest available information, management concluded that there is no material uncertainty regarding the Group's going concern as a consequence of COVID-19;

• 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 the appointment by the General Meeting of 20 April 2020 and the subsequent integration by the General Meeting of 21 April 2022, until the approval of the financial statements as at 31 December 2022, consists of one Executive Director (Francesco Caltagirone, CEO) and nine Non-Executive Directors (Alessandro Caltagirone, Azzurra Caltagirone, Edoardo Caltagirone, Saverio Caltagirone, Fabio Corsico, Veronica De Romanis, Paolo Di Benedetto, Chiara Mancini and Adriana Lamberto Floristan).

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 strategy for realising long-term 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) satisfying the integrity of financial information and ensuring the appropriateness 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 9 Non-Executive Directors out of a total of 10 directors. 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.

Specifically with regard to the supervision of the Non-Executive Directors on the development of the strategy and its procedures of execution, the Non-Executive Directors defined the concrete strategy and vision of the Company and the Group within the work of the Board of Directors, assessing and considering the possible challenges and risks associated with its implementation. For more details, please refer to the other sections of the Director's Report and the Sustainability Report - Non-Financial Statement.
During 2022, 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 framework based on the CoSO framework (Committee of Sponsoring Organizations of the Treadway Commission, Enterprise Risk Management). The Integrated Risk

Management process is based on a top-down, risk-based approach, starting from the definition of Cementir Holding's Business Plan related to various issues: sustainability, climate change, environment, compliance, operational, financial, strategic planning, health and safety and reputational risks. With this process, 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 2 November 2022, 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 as being effective. 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 3 November 2022;

- the approval first by the Sustainability Committee and, subsequently, by the Board of Directors of the 2021 Sustainability Report – Non-Financial Statement where long-term objectives are established to create long-term value;
- the examination by the Nomination and Remuneration Committee 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.

Non-Executive-Directors scheduled 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, indicates if the independence requirements referred to in Best Practice provisions 2.1.7 to 2.1.9 inclusive have been fulfilled and, if applicable, also indicates which Non-Executive Director(s), if any, is not considered to be independent.

Until the approval of the financial statements for the 2022 financial year, the independent Non-Executive Directors in office are Veronica De Romanis, Chiara Mancini, Paolo Di Benedetto and Adriana Lamberto Floristan, while the non-independent Non-Executive Directors are Alessandro Caltagirone, Azzurra Caltagirone, Saverio Caltagirone, Edoardo Caltagirone and Fabio Corsico. Therefore, there are four (4) independent Non-Executive Directors out of a total of nine (9) Non-Executive Directors and they therefore make up slightly less than half of the total number of Non-Executive Directors; the other five (5) 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 deemed 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 in the board.

Pursuant to Best Practice provision 2.1.9 of the Code, the Board of Directors, on 24 April 2020, appointed Paolo Di Benedetto 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 Dutch Civil Code) and in accordance with the Company's Articles of Association and Article 2.3.7 of the Board Rules, 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 three year term at the General Meeting of the Company on 20 April 2020 had at that time already been in office for more than eight years, while some had at that time been in office for more than twelve years. Cementir Holding believes that renewal beyond the eight-year term set out in said 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.

On 21 April 2022, the Board was integrated, increasing the number of independent directors, with the appointment of an additional Non-Executive Director that met the necessary independence requirements.

With said clarifications, the independence requirements set forth in Best Practice provision 2.1.10 of the Code are considered met.

ASSESSMENT BY THE NON-EXECUTIVE DIRECTORS

Pursuant to Best Practice Provision 2.2.8 of the Code, the Non-Executive Directors of Cementir Holding conducted an assessment of the size, composition and functioning of the Board members, the Board itself and its Committees for the year 2022, 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 were unanimously satisfied with the functioning of the Board of Directors, of which a reduction or a change in number (so as to have an odd number of members) was suggested. A high level of awareness was demonstrated in training and information activities of various kinds, also in relation to the Group's structure and industrial business development strategies, and the opportunity to increase competences in digitalisation and cybersecurity was particularly highlighted. Among the Board's areas of excellence were: the professionalism and competence of the members, with particular focus on the diversity of experience and background of the Board members and the consequent contribution of different points of view on the topics discussed; financial management; risk management; the role of the Committees. Some of the Non-Executive Directors also highlighted, among the areas for improvement, focus on strategic issues, more updates (including between meetings) on major events concerning the Company and the Group and the execution of decisions taken, the inclusion of other international members to reflect the Group's transnational dimension.

Cementir Holding's management structures were essentially considered adequate and effective for the achievement of the Company's objectives, but there is not in-depth knowledge of the organisational structure and managers by the Directors.

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. The Non-Executive Directors agree that the Executive Director has ensured compliance with applicable laws and regulations, the Articles of Association and good practices regarding corporate governance and has also implemented the decisions of the Board of Directors, determined the objectives of the Board of Directors and prepared the annual financial documentation in accordance with applicable legislation. Furthermore, almost all Non-Executive Directors believed 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. The vast majority of Non-Executive Directors also deems that the current structure of powers of the Executive Director as defined in the Board Rules is 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. The Non-Executive Directors considered 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 believed 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. One of the Directors - highlighting the work of the committees as an area of excellence in the Group's organisation - suggested that, when preparing documentation for meetings, the elements of detail and related examples should be further increased and that the summary should not be excessive.

The members of the Audit Committee then considered the number and average duration of meetings held during 2022 to be adequate; the majority also considered that the Company's assessment of risks and its monitoring of the main risks are carried out in a satisfactory manner and that the relationship between this Committee and the Group Functions is continuous and effective. All members then agreed that the organisational framework for risk governance is adequate and satisfactory. The Audit Committee, as a whole, has the technical skills and experience necessary for the credible and effective performance of its functions.

The members ensured adequate 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.

The Non-Executive Directors considered effective and substantial the contribution made to the Board on the remuneration of the Chief Executive Officer and on the remuneration systems in place.

The Non-Executive Directors also found that this Committee makes effective and substantive contributions to the Board regarding possible need of appointing of directors, considered profiles and assessment/motivation of proposed solutions.

The Non-Executive Directors also then held 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 deemed the number and average duration of the meetings held in 2022 to be essentially adequate. The Remuneration and Nomination Committee, as a whole, has the skills and experience necessary for the credible and effective performance of its functions. Also with reference to the Remuneration and Nomination Committee a director and member suggested that, in the preparation of documents for meetings, more detailed elements should be included, instead of purely operational summaries.

The participation of the members in the meetings was extensive (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 Remuneration and Nomination Committee, are set forth in the “Corporate Governance” section, paragraph "Board Committees".

In relation to the Sustainability Committee, the Non-Executive Directors appreciated and were in agreement with the contribution of this Committee and deemed its composition to be adequate. It was pointed out that, in the Committee's further activities, it would be advisable to organise further induction programs and dedicate even more time to them in order to strengthen the skills, including on specific issues, of the Committee, which in any event has benefited from the executive and non-executive membership since its inception, recently strengthened with the arrival of the new board member.

Moreover, the Non-Executive Directors, in addition to recognising the importance of the choice made by the Company with regard to sustainability - which attributes significant relevance to the subject, also in relation to the Group's strategic choices - expressed substantially agreeing opinions 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, safe and secure environment for all stakeholders and, more generally, in relation to the main themes of sustainability.

The Non-Executive Directors also considered that this Committee, although having been set up more recently and therefore needing time to fully implement the cultural change initiated, is fulfilling its role satisfactorily and in accordance with its rules, and it was also pointed out, in this regard, that it could lead the Group to become a reference for the sector in matters of sustainability.

The majority of the members of the Sustainability Committee considered the average duration of meetings to be substantially adequate, with some calling for even more frequent meetings. As a whole, the Sustainability Committee is considered to have substantially the necessary skills and experience to perform its functions, and the hope expressed is that it will continue to stimulate the Group on the subject of sustainability, in order to complete the process it has started. Also for the Sustainability Committee, too, a director and member suggested that, in the preparation of documents for meetings, more detailed elements should be included, instead of operational summaries.

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".

The Remuneration and Nomination Committee, taking into account the conclusions of the assessment above, the provisions and Best Practices of the Corporate Governance Code applicable as of the financial year 2023, and the specific requirements deemed appropriate to hold the position of director of the Company, in consideration of the expiration of the office of the current directors, reviewed and updated the Board Profile, which was then approved by the Board of Directors. The Board Profile is available on the Company's website also for the purpose of the selection process to be undertaken for the occasion of the next renewal of the Board of Directors.

COMMITTEE REPORTS

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

On 24 April 2020, the Board of Directors established the Audit Committee and combined the roles of the remuneration committee and the selection and appointment committee in one committee, establishing the Remuneration and Nomination Committee. By resolution of 28 July 2021, the Board of Directors also established the Sustainability Committee.

The duties and responsibilities of these Committees are defined in the relevant regulation (published on the Company's website) approved by the Board of Directors on 24 April 2020 pursuant to Article 7.1.4 of the

Articles of Association and most recently supplemented on 28 July 2021 with the regulation of the most recent Sustainability Committee.

The Audit Committee is currently made up of 3 (three) Non-Executive Directors, all independent: Veronica De Romanis (chairwoman), Paolo Di Benedetto and Chiara Mancini.

The Remuneration and Nomination Committee is currently made up of 3 (three) Non-Executive Directors, all independent: Chiara Mancini (chairwoman), Veronica De Romanis and Paolo Di Benedetto.

The Sustainability Committee is currently composed of 1 (one) Executive Director, Francesco Caltagirone (chairman) and 3 (three) independent Non-Executive Directors: Chiara Mancini, Veronica De Romanis 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 to 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 Holding Group used 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, 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

In recent years Cementir has implemented a programme inspired by circular economy principles, which envisages a series of initiatives focused on reducing the environmental impact of production processes and on developing less CO_2-intensive products.

The Group is currently defining a transition plan aligned with a 1.5°C world. Its goal is to reduce Scope 1, 2 and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global level in eligible 1.5°C scenarios and to neutralize any residual emissions at the net-zero target date.

As first step, in 2020, Cementir defined a roadmap until 2030 to reduce its scope 1 and 2 emissions according to the reductions required to keep warming to well-below 2°C. This commitment, that did not include any breakthrough technology, has been validated by SBTi.

The Group is focusing part of its research activities on testing, through small-scale pilot projects, new technologies for carbon capture and storage (CCS). For this reason, the Roadmap to 2030 has been updated by assuming the implementation of this technology at the Aalborg plant, in addition to the actions already planned to replace fossil fuels with "green" alternative fuels and to reduce the clinker content in the cement produced.

With the implementation of a CCS system in Aalborg, expected in 2030, the Group will reduce emissions of CO_2 per ton of grey cement to 460 kg, which is below the limits required by the European Taxonomy and equates to a 36% reduction from 2020 levels.

Even for white cement, which is a niche product for specific applications, with a market share of 0.5% of world production, the Group has revised its emissions to 2030 downwards. For white cement, CO_2 emissions will be reduced to 738 kg per ton 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.

Cementir's day-to-day commitment to sustainable development is witnessed also by the signature in 2022 of the UN Global Compact, entering into such an international and active environment, in addition to reflecting the very nature of the company, enables the group to better pursue the achievement of the Sustainable Development Goals (SDGs) within 2030.

In 2022, Cementir was awarded an 'A-' rating for Climate Change from the CDP, keeping stable the 2021 'A-' rating and placing Cementir above the cement and concrete sector average (B) and the European average (B).

For the first time, Cementir was also awarded a 'A-'rating for water security, higher that the Europe regional average (B) and higher than the Cement & concrete sector average (B).

EU Taxonomy

The EU Taxonomy has been introduced by Regulation EU/2020/852[1] (also referred to as «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.

For 2021 non-financial disclosures, the EU Taxonomy Regulation only required those companies in scope of applicability to assess the level of eligibility of their economic activities. This meant that organisations had to disclose what proportion of their economic activities could potentially be considered sustainable as set out by

[1] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020

the Commission Delegated Regulation EU/2021/2139[2] (also referred to as the «Climate Delegated Act») which lists the economic activities relevant for contributing to climate-related environmental objectives.

EU Taxonomy establishes that economic activities can be considered environmentally sustainable (‘aligned’) if they possess specific characteristics to substantially contribute to at least one of the following environmental objectives:

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

Starting from annual reports for the financial year 2022, non-financial corporations are required to extend the analysis by reporting on the level of alignment of their economic activities with the EU Taxonomy. In order to be classified as aligned, and as a consequence as 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;

To assess the compliance of eligible activities to such requirements, the European Commission defined a set of specific technical screening criteria for every economic activity mentioned by the Climate Delegated Act.

As of early 2023, technical screening criteria have only been published with reference to the environmental objectives of climate change mitigation and climate change adaptation. Over the course of the coming years, the European Commission is expected to integrate the EU Taxonomy Regulation with delegated acts focusing on the four remaining environmental objectives. As a consequence, Cementir’s 2022 disclosure for the purpose of the Regulation EU/2020/852 will only consider the requirements set out for the two climate-related environmental objectives.

<u>EU Taxonomy - Eligibility Assessment</u>

In continuity with the activities performed for 2021 Taxonomy disclosure on eligibility, Cementir conducted the eligibility assessment for the 2022 disclosure by associating the Group’s economic activities with the descriptions of eligible activities provided by the Climate Delegated Act (Annexes I and II) and the activity codes of the Statistical Classification of Economic Activities in the European Community (NACE codes). During this phase, only the inclusion of Cementir’s economic activities among those listed by delegated act has been evaluated, regardless of whether such activities were suitable to meet any of the technical screening criteria established by the same regulation. From this analysis, Cementir identified the following economic activities as eligible for both of the climate-related environmental objectives defined by the EU Taxonomy Regulation:

[2] Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council.

Table 1: Eligible Activities

Activity	Description	Climate Change Mitigation	Climate Change Adaptation
3.7. Manufacture of cement	Manufacture of cement clinker, cement or alternative binder. The economic activities in this category could be associated with NACE code C23.51 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.	☒	☒
4.25 Production of heat/cool using waste heat	Construction and operation of facilities that produce heat/cool using waste heat. The economic activities in this category could be associated with NACE code D35.30 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.	☒	☒
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. The economic activities in this category could be associated with NACE code E38.11 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.	☒	☒
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 economic activities in this category could be associated with several NACE codes, in particular E38.32 and F42.99 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.	☒	☒

The addition of activity 4.25. '*Production of heat/cool using waste heat*' and activity 5.9. '*Material recovery from non-hazardous waste'* to the outcome of Cementir's 2021 taxonomy eligibility disclosure needs to be understood as a natural progression in the application of the EU Taxonomy Regulation in these early stages of implementation. Likewise, it should be emphasised that the economic activities that have not been identified as Taxonomy-eligible, have simply not been included at this stage in the macro-areas subject to analysis by the European Regulator and, as a consequence, do not constitute any form of non-compliance with this or other directives from the EU Commission. This is the case, for example, for the production of white cement, ready-mix concrete, aggregates, and concrete products that are not mentioned among the activities listed by the Climate Delegated Act. Such activities represent 68.71% of 2022 total turnover for the Cementir Group.

The following table lists the Group's legal entities considered for each eligible economic activity identified:

Table 2: Group's legal entities - eligibility
Activity 3.7 Manufacture of cement

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 portion will be considered in the analysis
Compagnie des Ciments Belges SA	Production of grey cement, ready-mix concrete and aggregates. Only the grey cement portion will be considered in the analysis.
Aalborg Islandi EHF	Does not produce grey cement, but resells grey cement purchased intra-group.
Compagnie des Ciments Belges France SAS (CCBF)	Does not produce grey cement, but resells grey cement purchased intra-group.
Spartan Hive SpA	Does not produce grey cement, but resells grey cement purchased intra-group.

Table 3
Activity 4.25 Production of heat/cool 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	Collecting and transporting hazardous and non-hazardous waste.
Neales Waste Management Ltd	Collecting and transporting hazardous and non-hazardous waste.
Quercia Ltd	Collecting and transporting hazardous and non-hazardous waste.

Table 5
Activity 5.9 Material recovery from non-hazardous waste

Sureko SA	Recycling materials produced (ferrous materials, aluminium etc.) and recovery fuels (RDF/SRF)
Neales Waste Management Ltd	Recycling materials produced (ferrous materials, aluminium etc.)
Quercia Ltd	Recycling materials produced (ferrous materials, aluminium etc.) and recovery fuels (RDF/SRF)

EU Taxonomy - Alignment Assessment

As anticipated, starting from its 2022 non-financial disclosure, Cementir is required to extend the analysis for the purpose of the EU Taxonomy to assess the alignment of its Taxonomy-eligible economic activities. Cementir conducted such analysis by evaluating the compliance with the technical screening criteria set out within the Climate Delegated Act for each of the legal entities conducting taxonomy eligible activities, as described in the previous paragraph.

In particular, the 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 limited to activity *4.25 Production of heat/cool using waste heat.*

For such activities Cementir Group was able to meet all of the respective technical screening criteria required to be considered aligned according to EU Taxonomy Regulation for at least one of the two climate objectives covered by the Delegated Regulation EU/2021/2139. With special regard to activity *3.7: Manufacture of cement,* the Group's core business, alignment has been identified limitedly to two legal entities because of the ambitious emissions thresholds set out by the Climate Delegated Act for respecting the criteria of Substantial Contribution and Do Not Significant Harm for the objective of Climate Change Mitigation. As detailed in the following paragraph, as of 2022 only Compagnie des Ciments Belges and Trakya's plants respect such limitations on emissions, however the Group has developed an investment plan which will allow GHG emissions at several other plants to be cut in the coming years.

Despite representing a residual part of the 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 of the Do Not Significant Harm criteria concerning the other environmental objectives.

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 for the purpose of 2022 disclosure as the criteria of Substantial Contribution and Do Not Significant Harm for the objective of 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.

The next paragraph gives an overview of the criteria evaluated for determining Taxonomy-aligned activities.

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

In assessing the compliance with the Substantial Contribution criteria and the Do No Significant Harm criteria, all identified eligible economic activities were screened. The analysis made it possible to distinguish between eligible-not aligned activities and eligible-aligned activities. We hereby report the eligible aligned activities and their assessment results.

Activity 3.7 Manufacture of Cement (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 Climate Change Mitigation	For both plants, the greenhouse gas emissions from grey cement clinker production processes are lower than 0.816 tCO_2e per ton of clinker manufactured.
Do No Significant Harm 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 Compagnie des Ciments Belges S.A. the Environmental Impact Assessment was carried out in accordance with Directive 2011/92/EU. For Cimentas A.S. Trakya the Environmental Impact Assessment was carried out in accordance with the local regulation and standards equivalent to European regulation.
Do No Significant Harm 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 both plants are in line with the Best Available Techniques – Associated Emission Level (BAT-AEL) ranges and no significant cross-media effects[3] 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 Protection and Restoration of Biodiversity and Ecosystems	For Compagnie des Ciments Belges S.A. the Environmental Impact Assessment was carried out in accordance with Directive 2011/92/EU. For Cimentas A.S. Trakya the Environmental Impact Assessment was carried out in accordance with the local and standards equivalent to European regulation. Neither plant is located within or near biodiversity sensitive areas.

[3] Cross-media effects please refer to ecm_bref_0706.pdf (europa.eu)

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

Requirements	Elements of compliance
Substantial Contribution to Climate Change Mitigation	The activity produces heat or cool from waste heat.
Do No Significant Harm 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 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 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 Protection and Restoration of Biodiversity	The Environmental Impact Assessment for Aalborg Plant A/S was carried out in accordance with Directive 2011/92/EU. The plant is not located within or near biodiversity sensitive areas.

It is worth noting 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 analysed based on a medium and long term scenario-analysis of the geographical locations where 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 initiatives needed to be implemented in order to prevent negative effects in sensitive geographical areas. In particular, the assessment was based on 3 different climate scenarios (High Climate Change Scenario RCP 8.5, Moderate Climate Change Scenario RCP 4.5, Low Climate Change Scenario RCP 2.6), using 2020 as the baseline and projecting the respective effects at 2030 and 2050. For further information regarding the analysis please refer to Chapter Risk Management Framework, Paragraph Climate risks.

With regard to the criteria for Do No Significant Harm for the objective of Climate Change Mitigation, for the activity 3.7 *'Manufacture of cement'* the Climate Delegated Act defines thresholds for greenhouse gas emissions per 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 for the purpose of the criteria 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 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 Trakya (Cimentas A.S.) and Compagnie des Ciments Belges S.A. plants.

In the context of the Group's 2030 Roadmap, described in the Sustainability Report 2022 – Non-financial statement at the Chapter Cementir Roadmap 2030 Cementir Holding N.V. identified a series of investments aimed at progressively reducing the amount of emissions associated with cement production activities through both incremental efficiency-driven interventions and disruptive technologies which could considerably improve the environmental performance of the Group's cement producing facilities. According to this 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 2030, thus allowing other Cementir grey cement production plants to reach the status of alignment (if all other screening criteria are met by these plants). In the following table the share of CapEx invested in 2022 as part of the 2030 is displayed:

Aligned Roadmap CapEx 2022	Euro
Aalborg Grey Cement	5,297,294
CCB Grey Cement	14,645,000

EU Taxonomy - Minimum Safeguards

Compliance with criteria pertaining to minimum safeguards was assessed based directly on Art. 18 of 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 thus focused on how the 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, the Cementir Group's assessment of compliance was based on the following four areas of analysis.

- Human Rights: the Cementir Group regularly conducts due diligence activities focused on human rights and works to promote and ensure that these are respected in all its operations and those of its suppliers. Cementir has also defined its Human Rights Policy, which can be downloaded from the corporate website under the section Governance/Ethics and Compliance. More information can be found in the Sustainability Report 2022 – Non-financial statement under 'Governance', in the paragraph 'Commitment on Human Rights'.
- 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 in the Sustainability Report 2022 – Non-financial statement under Governance, Paragraphs Commitment to fighting corruption and The Code of Ethics.
- Taxation: the Group conducts its business activities in a manner that complies with tax regulations in all the countries in which its operations take place, and institutes internal control procedures to guarantee compliance with such regulations. More information can be found in the Sustainability Report 2022 – Non-financial statement on the Cementir's approach to taxes, under Looking at the value created.
- 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.

EU Taxonomy - Indicators and accounting policies

The KPIs required by Article 8 of the EU Taxonomy Regulation and detailed by the respective supporting Delegated Act[4] (also referred to as «Art. 8 Delegated Act») to disclose the proportion of Taxonomy-aligned economic activities are hereby reported. The regulation requests non-financial undertakings to disclose such information by detailing the proportion of their turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with the execution of economic activities aligned with all the respective technical screening criteria. 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 Art. 8 Delegated Act) the activities identified as aligned were attributed to a single environmental objective.

In the next table, the 2022 proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover, CapEx and OpEx are presented.

Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover, CapEx and OpEx					
Year 2022	Total EUR	Proportion of **Taxonomy- eligible** economic activities (%)	Proportion of **Taxonomy-aligned** activitiy (%) Substantial contribution to **climate change mitigation** (Obt 1)	Proportion of **Taxonomy- aligned** activity (%) Substantial contribution to **climate change adaptation** (Obt 2)
Turnover	1,723,102,998	31.29%	0.49%	11.71%
Operating expenditure (OpEx)	115,714,660	31.48%	0.81%	12.74%
Capital expenditure (CapEx)	132,400,955	42.15%	0.10%	23.21%

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 the 'Accounting policies' chapter of the 2022 Annual Report. The accounting items for this indicator have been derived from the 2022 Consolidated Profit & Loss statement of the Cementir Group.

For legal entities considered to be in the 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, amortisation, 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).

[4] Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council.

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 the 'Accounting policies' chapter of the 2022 Annual Report.

Investments are extrapolated from Cementir's 2022 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' (Category A Sect. 1.2.1 (a) of Annex I to Art. 8 Delegated Act) and of investments that are part of Cementir's 2030 Investment Plan to allow Taxonomy-eligible cement production activities to become Taxonomy-aligned (Category B Sect. 1.2.1 (a) of Annex I to Art. 8 Delegated Act).

Since Aalborg Portland A/S produces both grey cement and white cement, it was necessary to use a driver to select only the proportion of eligible CapEx. The driver is computed based on the proportion of tons of grey cement produced on total tons produced by the entity (76.24%).

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). The denominator is limited to the following: non-capitalised 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 2022 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 CapEx KPI, since Aalborg Portland A/S produces both grey cement and white cement, it was necessary to use cost drivers to select only the proportion of eligible costs. These cost drivers were identified for costs linked with non-capitalised research and development and for factory cleaning and maintenance. The cost driver is computed based on the proportion of tons of grey cement produced out of the total tons produced by the entity (76.24%).

Templates For the purposes of tabular representation, the following legend applies: (1) Climate Change Mitigation; (2) Climate Change Adaptation; (3) The Sustainable Use of Water and Marine Resources; (4) The Transition to a Circular Economy; (5) Pollution Prevention and Control; (6) The Protection and Restoration of Biodiversity and Ecosystems; MS - Minimum Safeguards.
Table 6 - Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

				Substantial contribution criteria						DNSH Criteria								
Economic activities	**Code**	**Absolute turnover**	**Proportion of turnover**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Taxonomy aligned proportion of turnover 2022**	**Category (enabling/transitional activity)**
		€	%	%	%	%	%	%	%	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	3.7	201,847,913	11,71	0	11.71	0	0	0	0	Y	N/A	Y	N/A	Y	Y	Y	11.71	-
Production of heat/cool using waste heat	4.25	8,516,052	0.49	0.49	0	0	0	0	0	N/A	Y	N/A	Y	Y	Y	Y	0.49	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**210.363.965**	**12,20**	**0,49**	**11,71**	**0**	**0**	**0**	**0**								**12.20**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of cement	3.7	325,839,359	18.91	0	18.91	0	0	0	0									
Production of heat/cool using waste heat	4.25	0	0.00	0	0	0	0	0	0									
Collection and transport of non-hazardous waste in source segregated fractions	5.5	2,284,175	0.13	0	0.13	0	0	0	0									
Material recovery from non-hazardous waste	5.9	630,425	0.04	0	0.04	0	0	0	0									
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**328,753,959**	**19.08**	**0**	**19.08**	**0.00**	**0.00**	**0.00**	**0.00**									
Total Turnover of Taxonomy eligible activities (A.1 + A.2) (A)		**539,117,924**	**31.29**	**0.49**	**30.79**	**0.00**	**0.00**	**0.00**	**0.00**									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Turnover of Taxonomy-non-eligible activities (B)		**1,183,985,074**	**68.71**															
Total (A + B)		**1,723,102,998**	**100**															

Table 7- Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

				Substantial contribution criteria						DNSH Criteria								
Economic activities	**Code**	**Absolute CapEx**	**Proportion of CapEx**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Taxonomy aligned proportion of CapEx 2022**	**Category (enabling/transitional activity)**
		€	%	%	%	%	%	%	%	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	3.7	30,732,096	23.21	0	23,21	0	0	0	0	Y	N/A	Y	N/A	Y	Y	Y	23,21	-
Production of heat/cool using waste heat	4.25	134,058	0.10	0.10	0	0	0	0	0	N/A	Y	N/A	Y	Y	Y	Y	0.10	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**30,866,154**	**23.31**	**0.10**	**23.21**	**0**	**0**	**0**	**0**								**23,31**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of cement	3.7	24,270.110	18,33	0	18,33	0	0	0	0									
Production of heat/cool using waste heat	4.25	-	0	0	0	0	0	0	0									
Collection and transport of non-hazardous waste in source segregated fractions	5.5	675,809	0.51	0	0,51	0	0	0	0									
Material recovery from non-hazardous waste	5.9	-	0	0	0	0	0	0	0									
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**24,945,919**	**18.84**	**0**	**18,84**	**0**	**0**	**0**	**0**									
Total CapEx of Taxonomy eligible activities (A.1 + A.2) (A)		**55,812,073**	**42.15**	**0.10**	**42,05**	**0**	**0**	**0**	**0**									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Capex of Taxonomy-non-eligible activities (B)		**76,588,882**	**57.85**															
Total (A + B)		**132,400,955**	**100**															

Table 8 - Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

				Substantial contribution criteria						DNSH Criteria								
Economic activities	**Code**	**Absolute OpEx**	**Proportion of OpEx**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Taxonomy aligned proportion of OpEx 2022**	**Category (enabling/transitional activity)**
		€	%	%	%	%	%	%	%	*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	3.7	14,743,018	12.74	0	12.74	0	0	0	0	Y	N/A	Y	N/A	Y	Y	Y	12.74	-
Production of heat/cool using waste heat	4.25	939,821	0.81	0.81	0	0	0	0	0	Y	N/A	N/A	Y	Y	Y	Y	0.81	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**15,682,839**	**13.55**	**0.81**	**12.74**	**0**	**0**	**0**	**0**								**13.55**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Manufacture of cement	3.7	21.191.218	17,45	0	17,45	0	0	0	0									
Production of heat/cool using waste heat	4.25	0	0	0	0	0	0	0	0									
Collection and transport of non-hazardous waste in source segregated fractions	5.5	555.890	0,48	0	0,48	0	0	0	0									
Material recovery from non-hazardous waste	5.9	0	0	0	0	0	0	0	0									
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**20.747.107**	**17,93**	**0**	**17,93**	**0**	**0**	**0**	**0**									
Total OpEx of Taxonomy eligible activities (A.1 + A.2) (A)		**36,429,947**	**31.48**	**0**	**31.48**	**0**	**0**	**0**	**0**									
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
Opex of Taxonomy-non-eligible activities (B)		**79,284,713**	**68.52**															
Total (A + B)		**115,714,660**	**100**															

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

The Parent Company ensures the protection of personal data in accordance with current laws.

The Company has adopted internal regulations and the relevant operational tools needed to ensure regulatory compliance at the date of entry into force of EU regulation 679/2016. In order to ensure full compliance with the legislation and review the system created also in light of Legislative Decree 101 of 10 August 2018, which came into force on 19 September 2018, Cementir Holding launched another project, now complete, to update and refine its privacy policy.

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.

The main proceedings, relating to events in which the Company may be abstractly subject to compensation obligations based on the aforementioned settlement agreement, in relation to events prior to the transfer, are noted below.

Antitrust proceedings

On 7 August 2017, upon completion of an investigation, the Italian Competition Authority ("Authority") found there to have been an agreement aimed at coordinating cement selling prices across the entire country and imposed an administrative fine on the producers involved, including Cemitaly. The Company paid Cemitaly the sum of EUR 5,118,076 as compensation, to extinguish the fine and the interest accrued.

Proceedings in relation to the Cemitaly plant in Taranto

On 28 September 2017, Cemitaly was notified of criminal proceedings brought against it, Ilva S.p.A. and Enel Produzione S.p.A. in relation to administrative offences under Articles 5, 6 and 25 undecies paragraph 2 letter F) of Legislative Decree 231/2001. According to investigator allegations, (i) Cemitaly was aware of the fact that the fly ash it bought from Enel Produzione did not comply with applicable legislation, as traces of substances not derived solely from burning coal were found; (ii) the blast-furnace slag supplied by Ilva to Cemitaly should be qualified and treated as waste, due to its alleged "mechanical" impurities (presence of ferrous metals, crushed stone, debris, etc.), such as to require treatments such as sieving and deferrization, both of which, according to the investigator, are outside "normal industrial practice". At the outcome of the hearing of 15 April 2019, the Public Prosecutor requested that the company and natural persons appeared before the court, limited to answering the charges relating to the fly ash purchased from Enel Produzione, with consequent dismissal of the disputes related to the slag. Following the annulment of the decree that ordered the trial, in a ruling filed with the clerk's office on 18 October 2022, the Preliminary Hearing Judge acquitted all persons of the crimes charged against them because "the fact does not exist."

Other legal disputes

An administrative dispute is pending before the Court of Appeal in Türkiye, 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 5 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 Türkiye 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. The judgment on the substantive case is still pending.

SUBSEQUENT EVENTS AFTER THE REPORTING DATE

On 8 February 2023, the Board of Directors' of the Parent Company approved the 2023 - 2025 Industrial Plan. Please refer to the relevant press release available con the company website www.cementirholdidng.com under the Investors, Press Releases section.

The new Group business Plan envisages the achievement of the following targets in 2025:

The Plan envisages the achievement of the following 2025 targets, which exclude IAS 29 impact 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 in all geographical areas, starting from 2024; the Asia-Pacific region is expected to see volumes recover as early as 2023. The increase in prices, especially in the cement sector, is expected to offset the significant increase in energy, raw material and logistics costs.
- **EBITDA of approximately EUR 400 million**, with a compounded annual growth rate (CAGR) of around 6%. EBITDA is expected to grow in all geographical areas. The Plan assumptions include a double-digit increase in the cost of fuels and electricity and an average yearly CO2 shortage of approximately 300,000 tons.
- **Average annual maintenance and expansion capex of approximately EUR 81** million including health and safety and digitalisation.
- **Additional cumulative investments in sustainability of EUR 86 million** for projects enabling a reduction of CO2 emissions in line with the Group's objectives.
- **Net cash position of over EUR 500 million by 2025 year end**, deriving from better results and consistent cash generation.

Finally, the Plan assumes the distribution of an increasing dividend, corresponding to a payout ratio between 20% and 25% of the net profit for the period.

No other significant events occurred after the year ended.

MANAGEMENT OPERATING OUTLOOK

The macroeconomic scenario is characterized by considerable uncertainty, due to the war in Ukraine, high inflation, increasing interest rates and the possible repercussions on the real economy. Based on their latest forecasts, international institutions expect global growth to weaken this year due high energy prices, the weakness of household disposable income and more restrictive financial conditions.

In this context, for the year 2023, the Group continues to implement its strategy based on sustainable growth, focusing on lower carbon products, operational efficiency, and innovation as key levers to deliver further growth. Based on current information available, the management expects to achieve consolidated revenues of over EUR 1.8 billion (EUR 1.72 billion in 2022), an EBITDA broadly stable from 2022 between EUR 335 and 345 million and to continue to generate a significant level of cash flow, reaching a net cash position of over EUR 200 million by the end of the period. The planned investments are expected to be around EUR 113 million (from EUR 97 million in 2022), of which approximately EUR 28 million in sustainability projects. The R&D expenditure is expected to remain stable compared to 2022 as well as the average number of employees. The Group does not envisage the need of new external financing, given its cash generative profile and the net cash position expected by year end.

The above forward-looking indications do not include: i) the impacts of IAS 29 application ii) any non-recurring items; iii) any resurgence of the Covid 19 pandemic; iv) any worsening of the geopolitical situation in the coming months.

The foregoing reflects the view of the company's management only, and does not represent a guarantee, a promise, an operational suggestion or even just an investment advice. It should therefore not be taken as a forecast on future market trends and of any financial instruments concerned.

PROPOSED ALLOCATION OF THE LOSS FOR THE YEAR 2022 OF CEMENTIR HOLDING NV

The Board of Directors proposes that the General Meeting:

- approve the Directors' Report on 2022 and the Company financial statements as at and for the year ended 31 December 2022, showing a profit of EUR 37,449 thousand;
- to allocate to the Shareholders, by way of dividend, an amount equal to EUR 34,214 thousand, net of treasury shares, in the amount of EUR 0.22 for each ordinary share, gross of any withholding taxes, using:
    - profit for the year for EUR 34,214 thousand;
    - to carry forward the remaining part of the profit for the year for EUR 3,234 thousand.

Rome, 9 March 2023

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 2022 that could influence the Group Remuneration were:

a) Net cash of EUR 95.5 million (net financial debt of EUR 40.4 million in 2021).
b) EBIT at EUR 204.4 million (EUR 197.8 million in 2021).

The Board of Directors was renewed by the General Meeting of 20 April 2020 for a three-year term, reducing the number of members from 13 to 9. Subsequently, the General Meeting of 21 April 2022 appointed an additional independent Non-Executive Director, determining the current composition of 10 directors.

The Board then established the Board Committees, first appointing the members of the Audit Committee and the Remuneration and Nomination Committee and their respective Chairmen by resolution of 24 April 2020, then by resolution of 28 July 2021 the Board also established the Sustainability Committee, finally adding to it the newly appointed director on 5 May 2022.

This Section (hereinafter the "**Remuneration Report**") defines the principles and guidelines with which Cementir Holding N.V. (hereinafter "**Cementir Holding**" or "**Company**") determines and monitors its own remuneration policy and describes how it has been implemented with reference to the Executives and Non-Executive Directors (hereinafter jointly "**Directors**"). Please refer to the copy of the 2022 Remuneration Policy approved by the General Meeting on 21 April 2022 with 90.85% 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 2021 Remuneration Report was submitted to the non-binding and advisory vote of the General Meeting on 21 April 2022 and received the favourable vote of the vast majority of shareholders, amounting to 92.15% of the votes cast, with only 7.85% voting against and no abstentions; in consideration of 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.

The Remuneration Policy for 2023 remained unchanged compared to the previous year.

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 consists of the following sections:

- **Section I,** illustrating the policy of Cementir Holding N.V. regarding the remuneration of the Executive and Non-Executive Directors for the year 2023, as well as the procedures used to adopt and implement the policy.
- **Section II**, which indicates the amounts paid during 2022 to the Directors, providing a representation of each pay component.

Since the previous year, both sections of this report have been integration with additional information to further increase the level of disclosure, in line with market expectations and in compliance with legislation.

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 9 March 2023. Section I is to be submitted to the approval of the General Meeting called on 20 April 2023. Section II is to be submitted to the advisory vote of the General Meeting called on 20 April 2023.

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 legislation.

SECTION I – REMUNERATION POLICY 2023

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 Remuneration Policy has the main purpose of summarising the remuneration policies applied within the Group and 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 value for all stakeholders consistent with the Company and Group's founding values and culture.

The Policy is also intended to attract and retain members of staff with the professional qualities needed to manage and operate successfully in an international environment characterised by competitiveness and complexity and is also designed to recognise and reward good performance.

Cementir Holding intends to adopt a competitive remuneration system that better guarantees the delicate balance between strategic objectives and the identification 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 defined 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 Remuneration Policy is made available on the Company's website (*www.cementirholding.com*) upon approval by the General Meeting and during the period of its applicability in compliance to Art. 2:135a paragraph 7 DCC.

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 the subsequent 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 eventual 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 among their duties are responsible for the supervision of:

- the performance of the Executive Directors;
- the development of a general strategy, including the strategy for realising long-term 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;

- applies 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 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 mainly long-term;
(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 awarded, the terms and conditions governing the same, 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, with the advice of independent experts.

Composition and activities of the Remuneration and Nomination Committee

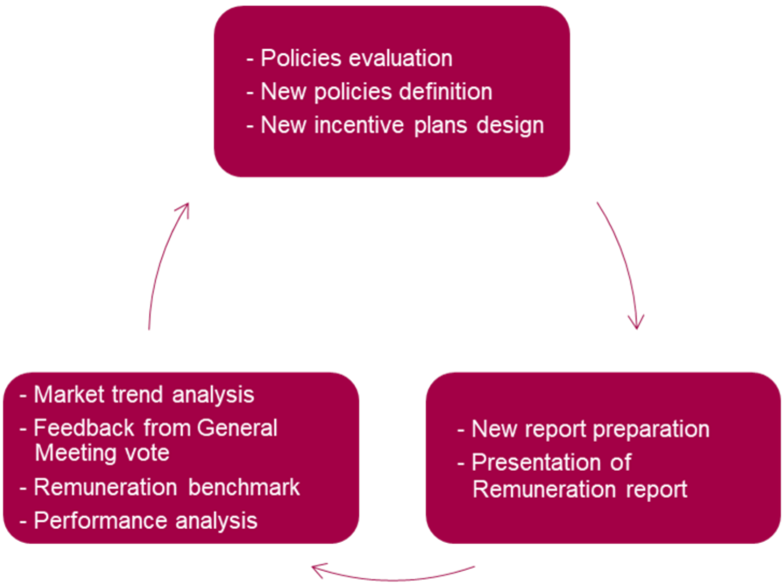
As of the date of approval of this Report, the *Remuneration and Nomination Committee* is made up of three Non-Executive Directors, all independent, appointed by the Board of Directors at the meeting of 24 April 2020:

Composition of the Committee

Chiara Mancini	*Non-Executive independent Director and Chairwoman of the Committee*
Veronica De Romanis	*Non-Executive independent Director and member of the Committee*
Paolo Di Benedetto	*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;
- drawing up of the Company's diversity policy for the composition of the Board.



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 the outcome 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 at 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 his/her remuneration are discussed.

Meetings of the *Remuneration and Nomination Committee* are attended - when deemed appropriate and upon invitation of the Committee - by Company's management (General Counsel and Chief Human Resources Officer).

Annually, when the financial statements are approved, the *Remuneration and Nomination Committee* reports to the Board in relation to its work.

During 2022, the Remuneration and Nomination Committee met on 7 March, 2 May, 26 July and 2 November. During these meetings, the Remuneration and Nomination Committee examined and discussed 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 2021, 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, confirming the Board Profile; expressed its support for the integration of the Board of Directors with the Non-Executive Director Adriana Lamberto Floristan recommending, after her appointment, her inclusion in the Sustainability Committee as an additional component in view of her specific experience in ESG matters; examined and discussed the proposal to update the Diversity Policy and proposed its approval by the Board; examined and took note of the results of the benchmark analysis requested from the HR department concerning the remuneration of committees in companies comparable to the Company also for the purpose of drafting the Remuneration Policy; discussed and verified the independence requirements in the context of the review of the requirements for membership in the Euronext Star Milan segment; approved targets for gender diversity in accordance with existing legislation. The Remuneration and Nomination Committee also examined and discussed the gates and targets of the LTI 2018-2020 and STI 2021, as well as the setting of those for the LTI 2022-2024, with a special focus on ESG targets, and also expressed a favourable opinion on the approval of the LTI 2023-2027; finally, received the periodic update on the Succession Plan for the Company's personnel and reviewed the proposed Succession Plan for the Board and the *Group Employees' Diversity, Equity and Inclusion Policy*, recommending its approval by the Board.

Independent experts who contributed to preparing the Remuneration Policy

As mentioned in the previous years' Reports, in 2020, the Company benefited of the advice of the independent expert Korn Ferry to conduct international benchmark analyses and to align the Remuneration Policy with competitors and market best practices.

1.2 CONTENT OF THE REMUNERATION POLICY

1.2.1 Content of the Remuneration Policy and main changes compared to 2022

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 designed to ensure stakeholders receive more information about pay policies, practices adopted and results achieved, and it shows that the policies are consistent with the business strategy and company performance.

Cementir Holding pursues a Remuneration Policy aimed at motivating, attracting and retaining people who, thanks to their professional skills and personal ability to apply those skills in fulfilling business objectives, are able to build value for the Company's Stakeholders.

The principles applied in defining the Policy are intended to ensure that Cementir Holding is appropriately competitive in its sector and international markets, and in particular for:

- 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, the Remuneration Policy, therefore, contributes to the implementation of the company strategy, 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.

The Policy has the primary objective of creating sustainable value in medium and long-term period by creating a strong bond between individual performance and the Group on the one hand, and remuneration on the other.

The 2023 Remuneration Policy does not envisage substantial changes compared to that approved in 2022:

- 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;
- strengthening the number and relevance of objectives linked to the company's sustainability strategy at different organisational levels by extending the audience of stakeholders for all ESG issues.

As a result of the recent establishment of the Sustainability Committee, it is also noted that in 2021 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 2023, reviewed the existing 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, as 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 2023 Remuneration Policy to the Board of Directors, taking into account the Executive Director's views on the level and structure of his remuneration.

1.2.2 Description of fixed and variable pay components with particular regard to their corrective coefficients within the overall remuneration, and distintion between 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 21 April 2022 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.

The same is confirmed as policy for 2023.

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.

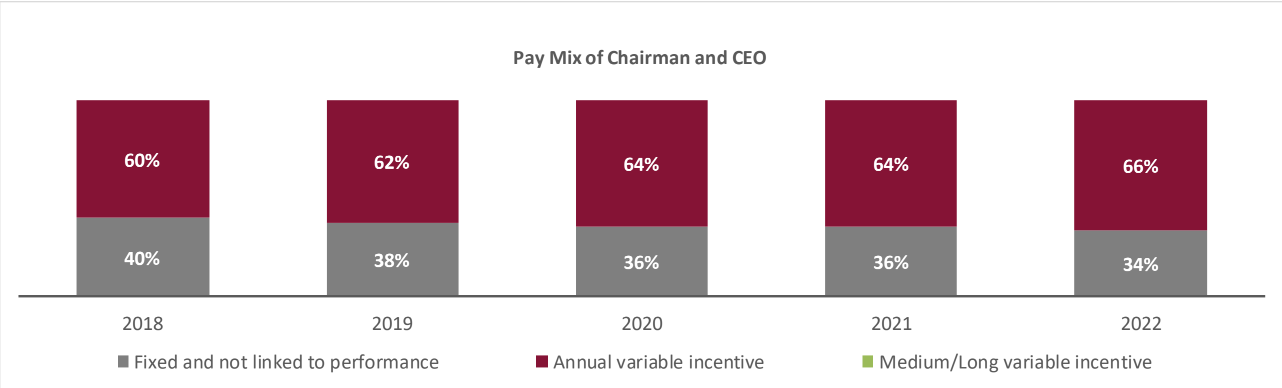
In particular, remuneration is determined on the basis of the following criteria:

- 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 2023 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 fee of EUR 30,000 for each position held by the Non-Executive Directors as Chairman of the Audit Committee and Remuneration and Nomination Committee;
- an annual fee of EUR 20,000 for each position held by the Non-Executive Directors as member of the Audit Committee and Remuneration and Nomination Committee;

- an attendance fee of EUR 1,000 for each meeting of the Sustainability Committee attended either in person 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 2022, 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%.

Since 2021 a fully digitalised performance appraisal system has been used 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.

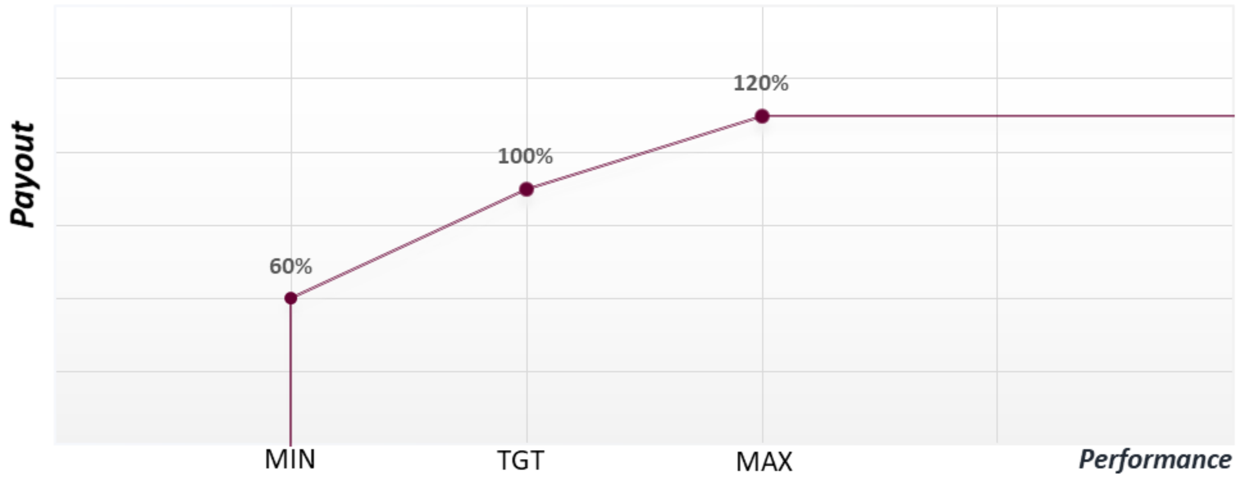
The combination of corporate and individual objectives, as well as skills will entitle to a variable bonus payment.

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

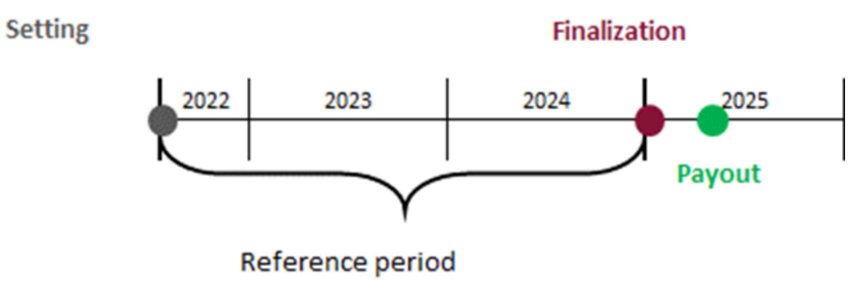
The LTI plan is intended for Key Executive and a selected group of managerial staff, chosen from those who have the greatest impact on the Group's medium/long-term results.

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:

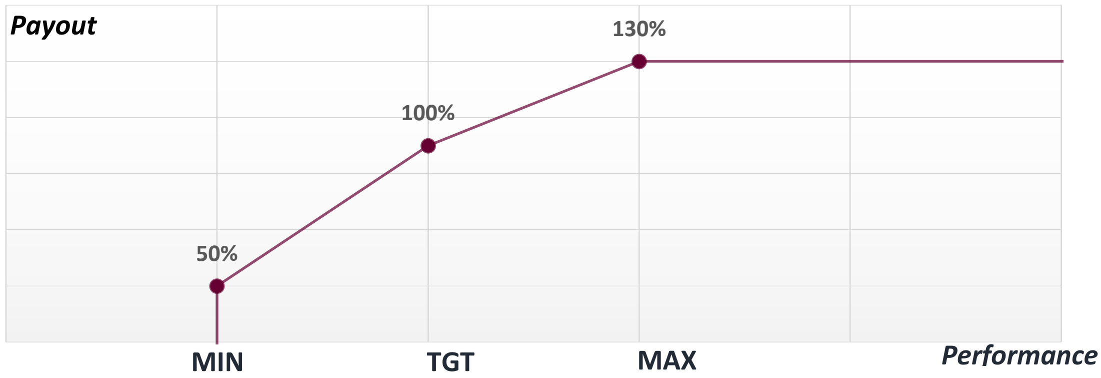
- Incentivise the aforementioned Key Executives to achieve the objectives set out in the Business Plan;
- To converge the interests of Key Executives with those of shareholders to create sustainable medium/long-term value;
- To introduce a motivation and retention plan.

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 2022, 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 LTI Plan is intended for Key Executives and a selected group of managers, chosen from among those who have the greatest impact on the Group's medium/long-term results. The LTI plan is divided into three-year cycles 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 removal 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.

With regard to the above, it is consistent that on the one hand the Chairman and CEO is among the main shareholders of the Company, but on the other hand, it must be considered that the payment to be assigned to the other Directors consist in an attendance token and a fixed annual remuneration of a modest entity for each Director, thus limiting the risk of any claim related in any way to the termination of office as 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, prior to the preparation of the 2022 Remuneration Policy, as part of the annual review, a specific benchmarking activity was carried out on the remuneration of non-executive directors with information available in the remuneration reports published by comparable companies.

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 2022 BY THE MEMBERS OF THE BOARD OF DIRECTORS

This section of the Report sets out the remuneration paid in 2022 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 2023, the Remuneration and Nomination Committee verified the correct application of the Remuneration Policy approved in 2022.

PART I – REMUNERATION COMPONENTS

Remuneration of Directors

Fixed component

The General Meeting of 21 April 2022 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 2022 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
▪ Paolo Di Benedetto	Member of the Remuneration and Nomination Committee
	Member of the Audit Committee
▪ Chiara Mancini	Chairwoman of the Remuneration and Nomination Committee
	Member of the Audit Committee and the Sustainability Committee
▪ Veronica De Romanis	Chairwoman of the Audit Committee
	Member of the Remuneration and Nomination Committee and Sustainability Committee
▪ Adriana Lamberto Floristan	Member of the 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 21 April 2022 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 2022 were estimated at EUR 3,667 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 21 April 2022 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 2022 Remuneration Policy. In 2022, in fact, there were no deviations from the 2022 Remuneration Policy.

It is confirmed that the implementation of the 2022 Remuneration Policy has contributed to the creation of long-term 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 2022-2024 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 2022

Compensation paid to the members of the Board of Directors.

The table below shows the compensation paid in Financial Year 2022, 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.

Cementir Holding N.V. - Year 2022

COMPENSATION PAID TO THE BOARD OF DIRECTORS AND TO THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

(in thousands of Euros)

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***	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 Indipendent 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 Indipendent 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**

YEAR 2021

Cementir Holding N.V. - Year 2021

COMPENSATION PAID TO THE BOARD OF DIRECTORS AND TO THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

(in thousands of Euros)

Name of Director, position	Fixed Remuneration			Compensation for participation in committees	Variable Compensation (non equity)	Non-monetary benefits	Other fees *	Total	Proportion of fixed and variable remuneration
	Token of presence	Compensation approved by the Shareholders' Meeting or by the BoDs	Compensation for employee work		Bonuses and other incentives				
BOARD OF DIRECTORS									
Francesco Caltagirone, Chairman of the Board of Directors and CEO	5	1.805	81		3.315	7		5.213	64% variable remuneration 36% 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	3	5						8	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 Indipendent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	4	5		40				49	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				60	100% fixed remuneration
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	5	5		50				60	100% fixed remuneration
MANAGEMENT WITH STRATEGIC RESPONSIBILITIES									
Executives with strategic responsibilities:**			3.169		1.666	556		5.391	31% variable remuneration 69% fixed remuneration
TOTAL:	**42**	**1.845**	**3.250**	**140**	**4.981**	**563**	**260**	**11.081**	

*** Consulting agreement**

**** Includes Group COO, Group CFO, Heads of Region and Business Unit Managing Directors**

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.

The Group did not grant loans to Directors or Key Executives during the reporting period and did not have receivables due from them as at 31 December 2022.

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 2022. Compensation data are reported for the last five years although the Cementir Holding N.V. is a Dutch-listed company starting from 2019.

Board of Directors (EUR thousands)	**2022**	**2021**	**2020**	**2019**	**2018**
Francesco Caltagirone, Chairman of the Board of Directors and CEO	5,576	5,213	5,325	5,024	4,751
Alessandro Caltagirone, Non-Executive Director and Vice-Chairman	10	10	9	8	9
Azzurra Caltagirone, Non-Executive Director and Vice-Chairwoman	10	10	10	11	11
Edoardo Caltagirone, Non- Executive Director	5	8	10	10	11
Saverio Caltagirone, Non- Executive Director	10	10	10	12	12
Fabio Corsico, Non-Executive Director *	270	270	234	236	210
Paolo Di Benedetto, Senior Non-Executive Independent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	50	49	49	72	71
Chiara Mancini, Non-Executive Independent Director and Chairwoman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee	62	60	60	52	51
Veronica De Romanis, Non-Executive Independent Director, Chairwoman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee	62	60	60	52	52
Adriana Lamberto Floristan, Non-Executive Independent Director, Member of the Sustainability Committee **	9			32	25
Company performance (EUR million)					
EBIT	204.4	197.8	157.2	151.7	153.2
Average fixed remuneration on a full-time equivalent basis of employees (EUR)					
Average fixed remuneration on a full-time equivalent basis of employees	64,072	58,841	62,915	60,424	57,755

* Include consulting agreement
** Director until 5 October 2019 and, again, from 21 April 2022

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 pay ratio for the Chief Executive Officer in relation to the average remuneration of all employees of Group companies during 2022 is 87:1. Last year the ratio was 89:1. This ratio includes the CEO's total direct compensation during 2022 of 5,576 thousands of Euros, as reported 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.

The average remuneration of each employee is EUR 64,072 thousand, which represents the total cost of EUR 197,664 thousand for the total 3,085 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.

The ratio decreased compared with the previous year. This result was considered as further support for the confirmation of the 2023 Remuneration Policy in line with what was proposed and approved for 2022.

CONSOLIDATED FINANCIAL STATEMENTS 2022

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

(EUR'000)	Note	31 December 2022	31 December 2021
ASSETS			
Intangible assets with a finite useful life	1	204,541	194,474
Intangible assets with an indefinite useful life (goodwill)	2	406,835	317,111
Property, plant and equipment	3	898,080	814,230
Investment property	4	86,226	63,594
Equity-accounted investments	5	5,559	4,988
Other equity investments	6	351	257
Non-current financial assets	9	592	282
Deferred tax assets	20	43,071	50,509
Other non-current assets	11	2,826	3,745
TOTAL NON-CURRENT ASSETS		**1,648,081**	**1,449,190**
Inventories	7	218,618	180,298
Trade receivables	8	194,549	170,170
Current financial assets	9	50,867	4,446
Current tax assets	10	8,018	8,559
Other current assets	11	18,084	15,856
Cash and cash equivalents	12	355,759	282,539
TOTAL CURRENT ASSETS		**845,895**	**661,868**
TOTAL ASSETS		**2,493,976**	**2,111,058**
EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		27,702	35,711
Other reserves		1,019,075	779,981
Profit (loss) attributable to the owners of the parent		162,286	113,316
Equity attributable to owners of the Parent	13	**1,368,183**	**1,088,128**
Reserves attributable to non-controlling interests		135,319	129,750
Profit (loss) attributable to non-controlling interests		19,271	9,679
Equity attributable to non-controlling interests	13	**154,590**	**139,429**
TOTAL EQUITY		**1,522,773**	**1,227,557**
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefits	14	26,340	32,450
Non-current provisions	15	32,752	28,088
Non-current financial liabilities	17	205,556	221,497
Deferred tax liabilities	20	161,896	138,806
Other non-current liabilities	19	1,107	2,041
TOTAL NON-CURRENT LIABILITIES		**427,651**	**422,882**
Current provisions	15	4,054	5,246
Trade payables	16	358,535	281,915
Current financial liabilities	17	105,569	105,864
Current tax liabilities	18	12,253	17,064
Other current liabilities	19	63,141	50,530
TOTAL CURRENT LIABILITIES		**543,552**	**460,619**
TOTAL LIABILITIES		**971,203**	**883,501**
TOTAL EQUITY AND LIABILITIES		**2,493,976**	**2,111,058**

Consolidated income statement

(EUR'000)	Note	2022	2021
REVENUE	21	**1,723,103**	**1,359,976**
Change in work in progress and finished goods	7	18,725	14,733
Increase for internal work	22	7,300	9,260
Other income	22	28,416	29,751
TOTAL OPERATING REVENUE		**1,777,544**	**1,413,720**
Raw materials costs	23	(829,446)	(566,468)
Personnel costs	24	(198,182)	(181,406)
Other operating costs	25	(414,666)	(354,894)
EBITDA		**335,250**	**310,952**
Amortisation and depreciation	26	(124,171)	(109,571)
Additions to provision	26	(3,084)	(3,234)
Impairment losses	26	(3,573)	(364)
Total amortisation, depreciation, impairment losses and provisions		(130,828)	(113,169)
EBIT		**204,422**	**197,783**
Share of net profits of equity-accounted investees	27	972	818
Financial income	27	5,820	5,891
Financial expense	27	(23,290)	(18,849)
Exchange rate profits / (losses)	27	28,448	(13,657)
Net income/(expense) from hyperinflation	27	20,062	-
Net financial income (expense)	27	**31,040**	**(26,615)**
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES		**32,012**	**(25,797)**
PROFIT (LOSS) BEFORE TAXES		**236,434**	**171,986**
Income taxes	28	(54,877)	(48,991)
PROFIT FROM CONTINUING OPERATIONS		**181,557**	**122,995**
PROFIT (LOSS) FOR THE YEAR		**181,557**	**122,995**
Attributable to:			
Non-controlling interests		19,271	9,679
Owners of the Parent		**162,286**	**113,316**

(EUR)			
Earnings per ordinary share			
Basic earnings per share	29	1.044	0.724
Diluted earnings per share	29	1.044	0.724

(EUR)			
Earnings per ordinary share from continuing operations			
Basic earnings per share	29	1.044	0.724
Diluted earnings per share	29	1.044	0.724

Consolidated statement of comprehensive income

(EUR'000)	Note	2022	2021
PROFIT (LOSS) FOR THE YEAR		**181,557**	**122,995**
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	5,169	2,854
Taxes recognised in equity	30	(989)	(708)
Total items that will never be reclassified to profit or loss		**4,180**	**2,146**
Items that may be reclassified to profit or loss for the year:			
Foreign currency translation differences - foreign operations	30	(64,187)	(32,370)
Profit (losses) on derivatives	30	8,356	3,017
Taxes recognised in equity	30	(417)	(321)
Total items that may be reclassified to profit or loss		**(56,248)**	**(29,674)**
Total other comprehensive expense, net of tax		**(52,068)**	**(27,528)**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		**129,489**	**95,467**
Attributable to:			
Non-controlling interests		12,170	15,955
Owners of the Parent		**117,319**	**79,512**

Consolidated statement of changes in equity

(EUR'000)	Note	Share capital	Share premium reserve	Other reserves				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**
				Legal reserve	Translation reserve	Hedge reserve	Retained earnings						
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**
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 (loss)		-	-	-	-	-	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 movements		**-**	**-**	**-**	**-**	**-**	**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**

(EUR'000)	Note	Share capital	Share premium reserve	Other reserves				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**
				Legal reserve	Translation reserve	Hedge reserve	Retained earnings						
Equity at 1 January 2021	**13**	**159,120**	**35,710**	**-**	**(648,715)**	**(393)**	**1,408,979**	**102,008**	**1,056,709**	**7,355**	**118,898**	**126,253**	**1,182,962**
Allocation of 2020 profit		-	-	-	-	-	102,008	(102,008)	**-**	(7,355)	7,355	**-**	-
Distribution of 2020 dividends		-	-	-	-	-	(21,922)	-	**(21,922)**	-	(2,680)	**(2,680)**	**(24,602)**
Treasury share purchase		-	-	-	-	-	(24,772)	-	**(24,772)**	-	-	**-**	**(24,772)**
Total transactions with investors		**-**	**-**		**-**	**-**	**55,314**	**(102,008)**	**(46,694)**	**(7,355)**	**4,675**	**(2,680)**	**(49,374)**
Profit (loss) for the year		-	-	-	-	-	-	113,316	**113,316**	9,679	-	**9,679**	**122,995**
Change in translation reserve	30	-	-	-	(38,606)	-	-	-	**(38,606)**	-	6,236	**6,236**	**(32,370)**
Net actuarial gains	30	-	-	-	-	-	2,079	-	**2,079**	-	67	**67**	**2,146**
Gain on derivatives	30	-	-	-	-	2,656	-	-	**2,656**	-	40	**40**	**2,696**
Other comprehensive income (expense)		-	-	-	(38,606)	2,656	2,079	-	**(33,871)**	-	6,343	**6,343**	**(27,528)**
Total comprehensive income (expense)	**30**	**-**	**-**	**-**	**(38,606)**	**2,656**	**2,079**	**113,316**	**79,445**	**9,679**	**6,343**	**16,022**	**95,467**
Change in other reserves		-	-	-	-	-	(1,332)	-	**(1,332)**	-	(166)	**(166)**	**(1,498)**
Total other movements		**-**	**-**	**-**	**-**	**-**	**(1,332)**	**-**	**(1,332)**	**-**	**(166)**	**(166)**	**(1,498)**
Equity at 31 December 2021	**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**

Consolidated statement of cash flows

(EUR'000)	Note	31 December 2022	31 December 2021
Profit/(loss) for the year		**181,557**	**122,995**
Amortisation and depreciation	26	124,171	109,571
(Revaluation)/ Impairment losses		(11,813)	(10,723)
Share of net profits of equity-accounted investees	27	(972)	(818)
Net financial income (expense)	27	(10,948)	26,615
Gains on disposals		(2,201)	(2,047)
Income taxes	28	51,106	48,991
Change in employee benefits		(2,025)	(1,378)
Change in provisions (current and non-current)		(560)	4,450
Operating cash flows before changes in working capital		**328,316**	**297,656**
(Increase) decrease in inventories		(23,513)	(34,566)
(Increase) decrease in trade receivables		(17,249)	(30,235)
Increase (decrease) in trade payables		58,742	69,720
Change in other non-current and current assets and liabilities		15,317	(2,303)
Change in current and deferred taxes		(15,077)	(9,894)
Operating cash flows		**346,537**	**290,378**
Dividends collected		194	145
Interest collected		2,919	2,018
Interest paid		(10,538)	(8,581)
Other net income (expense) collected (paid)		(10,058)	(17,852)
Income taxes paid		(47,655)	(47,125)
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**281,400**	**218,983**
Investments in intangible assets		(14,641)	(2,472)
Investments in property, plant and equipment		(90,428)	(79,214)
Acquisitions, net of cash and cash equivalents acquired		-	(3,790)
Proceeds from the sale of intangible assets		710	2
Proceeds from the sale of property, plant and equipment		6,332	4,647
Change in non-current financial assets		(310)	(53)
Change in current financial assets		(40,643)	8,210
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)		**(138,980)**	**(72,670)**
Change in non-current financial liabilities	17	(11,706)	62,022
Change in current financial liabilities	17	(27,759)	(290,610)
Dividends distributed		(30,801)	(24,665)
Other changes in equity	13	-	(31,149)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)		**(70,266)**	**(284,402)**
NET EXCHANGE RATE PROFIT (LOSSES) ON CASH AND CASH EQUIVALENTS (D)		**1,066**	**7,063**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**73,220**	**(131,026)**
Opening cash and cash equivalents	**12**	**282,539**	**413,565**
Closing cash and cash equivalents	**12**	**355,759**	**282,539**

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, The 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 Corso Francia 200. 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”), mainly active in the cement and ready-mixed concrete sector in Italy and around the world.

At 31 December 2022 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 – 104,947,660 shares (65.955%). The shareholding is held as follows:
    - Direct ownership of 1,327,560 shares (0.834%)
    - Indirect ownership through the companies:
        - Calt 2004 Srl – 47,900,100 shares (30.103%)
        - Caltagirone SpA – 22,800,000 shares (14.329%)
        - FGC SpA – 17,600,000 shares (11.061%)
        - Gamma Srl – 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%)
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 9 March 2023, the Board of Directors approved these consolidated financial statements at 31 December 2022. The consolidated financial statements were authorised for issue by the Board of Directors on 9 March 2023.

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 2022 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 consolidated financial statements are 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 made by the board of directors considered the activities and principal risks of the Group, together with factors likely to affect the Group's future performance, such as climate change and environmental requirements, financial position, forecasted cash flows, liquidity position and borrowing facilities. Based on the above the Directors have reasonable expectations that the Group will be able to continue as a going concern.

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 taxonomy required by the European Union. 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 more details on the scenarios used, please refer to what is described in Non-Financial Statement 2022.

Physical variables are divided into two categories of risk:

A. 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;
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 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 Business 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.

In addition, please see the "Use of estimates" section for more details on the impact of climate change on business estimates and valuations.

It should also be noted that the analysis carried out did not reveal any uncertainty factors that could lead to significant adjustments to the company's estimates in the short/medium term.

Statement of compliance with the IFRS

These consolidated financial statements at 31 December 2022 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 2022 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.

The Parent Cementir Holding N.V. has also prepared its Company financial statements at 31 December 2022 in accordance with EU-IFRS and with Section 2:362(9) of Dutch Civil Code, as defined above.

TÜRKIYE - hyperinflated economy: impacts of the application of IAS 29

Starting from 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, in accordance with IAS 29, certain non-monetary items included in the balance sheets of the investee companies in Türkiye 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.

When applying IAS 29 on an ongoing basis, comparatives in stable currency are not restated and, as per Cementir's accounting policy choice, the differences between equity at 31 December 2021 as reported and the equity after the restatement of the non-monetary items to the measuring unit current at 31 December 2021 were recognised in Equity.

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 2021: 503%
- From 1 January 2022 to 31 December 2022: 64%

The accounting effects of this adjustment, in addition to that already being reflected in the opening balance sheet as of 1 January 2022, 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 presented in 2022 was recognised in a separate income statement item under financial income and expenses. The related tax effect of non-monetary 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, the Cementir Group's presentation currency, applying the year-end 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.

In 2022, the application of IAS 29 resulted in the recognition of a net financial income (pre-tax) of EUR 20.1 million.

Below are the effects of IAS 29 on the Balance Sheet as at 31 December 2022 and the impact of hyperinflation on the main items of the Income Statement for 2022, in this last case differentiating 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:

Euro 000	Cumulative hyperinflation at 01/01/2022	Hyperinflation effect of the period	Exchange rate effect	Cumulative hyperinflation effect at 31/12/2022
Total assets	**128,546**	105,815	(30,464)	**203,897**
Total liabilities	**12,502**	9,642	(2,963)	**19,181**
Equity	**116,044**	96,173	(27,501)	**184,716**

Euro 000	IAS 29 effect	IAS 21 effect	Total Effect
REVENUE FROM SALES AND SERVICES	**32,528**	**(30,296)**	**2,232**
Change in inventories	(3,483)	(1,019)	(4,502)
Increase for internal work and other income	(316)	(2,613)	(2,929)
TOTAL OPERATING REVENUE	**28,729**	**(33,928)**	**(5,199)**
Raw materials costs	(37,368)	25,083	(12,285)
Personnel costs	(2,342)	1,824	(518)
Other operating costs	(5,541)	3,771	(1,770)
TOTAL OPERATING COSTS	**(45,251)**	**30,678**	**(14,573)**
EBITDA	**(16,522)**	**(3,250)**	**(19,772)**
Amortisation, depreciation, impairment losses and provisions	(10,375)	1,091	(9,284)
EBIT	**(26,897)**	**(2,159)**	**(29,056)**
Net financial income (expense)	18,709	1,323	20,032
NET FINANCIAL INCOME (EXPENSE)	**18,709**	**1,323**	**20,032**
PROFIT BEFORE TAXES	**(8,188)**	**(856)**	**(9,024)**
Income taxes	(3,797)	(736)	(4,533)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(11,985)**	**(1,572)**	**(13,557)**
PROFIT (LOSS) FOR THE PERIOD	**(11,985)**	**(1,572)**	**(13,557)**
Attributable to: Non-controlling interests	106	(57)	49
Owners of the Parent	**(12,091)**	**(1,514)**	**(13,605)**

Standards and amendments to standards adopted by the Group

a) As of 1 January 2022, the Group has adopted the following new accounting standards:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Asset; and Annual Improvements 2018-2020, which the EU approved on 28 June 2021. The amendments are intended to replace references to the Framework for the Preparation and Presentation of Financial Statements with references to the Conceptual Framework for Financial Reporting published in March 2018 without a significant change to the requirements of the standard.

The adoption of the new standards applicable from 1 January 2022 has not had significant effects for the Group.

b) Accounting principles and interpretations of effective standards for the financial years after 2022 and not early adopted by the Group:

- On 18 May 2017, the IASB published the new standard IFRS 17 Insurance Contracts, which replaces the current IFRS 4. The new standard on insurance contracts aims to increase transparency about the sources of profit and the quality of profits made and to ensure high comparability of results by introducing a single revenue recognition standard that reflects the services provided. In addition, on 25 June 2020, the IASB published the document "Amendments to IFRS 17" which includes some amendments to IFRS 17 and the deferral of the entry into force of the new accounting standard to 1 January 2023. The principle was approved on 19 November 2021.
- On 12 February 2021, the IASB published Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimate and Errors: Definition of Accounting Estimates", with the aim of distinguishing changes in accounting policies from changes in accounting estimates. This document, adopted by the European Union with Regulation No. 357 of 2 March 2022, is applicable to financial statements for financial years beginning on or after 1 January 2023. The principle was approved on 2 March 2022.
- On 23 January 2020, the IASB published some amendments to IAS 1. The document “Presentation of Financial Statements: Classification of Liabilities as Current or Non-current” requires that a liability be classified as current or non-current based on the rights existing at the reporting date. In addition, it states that the classification is not affected by the entity's expectation that it will exercise its right to defer settlement of the liability. Finally, it clarifies that such settlement consists of the transfer of cash, equity instruments, other assets or services to the counterparty. The amendments were initially expected to become effective on 1 January 2022, however, the IASB, in a second document published on 15 July 2020 entitled "Classification of Liabilities as Current or Non-current - Deferral of Effective Date", deferred their effective date to 1 January 2023. The endorsement process ended with the endorsement on 2 March 2022.
- On 7 May 2021, the IASB published the document “Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”. The amendments require drafters of financial statements to recognise deferred taxes on transactions that give rise to an equivalent amount of taxable and deductible temporary differences on initial recognition. The amendments are effective for financial years beginning on or after 1 January 2023. The endorsement process ended with the endorsement on 11 August 2022.
- On 9 December 2021, the IASB published the amendment to the transitional provision of IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”. The amendment provides insurers with an option to improve the relevance of the information to be provided to investors during the initial implementation of the new standard. The endorsement process ended with the endorsement on 11 August 2022.

The potential impact of the amendments to be applied in the future on the Group’s financial reports is currently being studied and assessed.

c) Accounting standards, amendments and interpretations not yet approved by the European Union:

At the date of approval of these consolidated financial statements, the IASB has issued certain standards, interpretations and amendments that the European Union has yet to endorse, some of which are still at the discussion stage. They include:

- Amendments to IAS 1 Presentation of Financial Statements: a) Classification of Liabilities as Current or Non-current Date (published on 23 January 2020); b) Classification of Liabilities as Current or Non-current - Deferral of Effective Date (published on 15 July 2020); and c) Non-current Liabilities with Covenants (published 31 October 2022). The amendments are effective for financial years beginning on or after 1 January 2023. Early application is permitted. The endorsement process is still in progress.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (published 22 September 2022). The amendment to IFRS 16 Leases specifies requirements for selling lessees in the measurement of the lease liability in a sale and leaseback transaction. The amendment does not change the accounting for leases not related to sales and leaseback transactions. The amendments are effective for financial years beginning on 1 January 2024 and may be applied in advance. The endorsement process is still in progress.

Any repercussions that the accounting principles, amendments and interpretations soon to be applied may have on the Group's financial reporting are being studied and evaluated.

Basis of consolidation

Consolidation scope

A list of the companies included in the scope of consolidation at 31 December 2022 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 with entities 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 information 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 (years)
- Development expenditure	5
- Concessions, licences and trademarks	4-18-30
- Other intangible assets, of which:	5-22
- Customer list	15-20
- Contracts for the exclusive exploitation of quarries	30

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. In relation to emission rights, the initial accounting among intangible assets takes place at cost (nil for free allowances), not amortised considering that-the residual value is considered to be at least equal to carrying value. At the end of each reporting period, if production requires a greater number of CO_2 allowances than those received for free, the Group sets up a liability for an amount equal to the period end market value of the number of allowances to be subsequently purchased. In case those allowances are already owned by the Company at balance sheet date, the liability is measured using the weighted average cost thereof and classified within “Other liabilities”. The costs incurred in order to meet the atmospheric emission rights (CO_2) legislation are considered as part of the production costs and accounted for accordingly.

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 range, 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 written off when no future economic benefits are expected from their use. The related gain or loss (calculated as the difference between the net disposal proceeds and related carrying amount) is recognised in the income statement in the year of derecognition.

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.

Lease accounting

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 depreciated 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 depreciated 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 depreciated 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 depreciated of right of use assets. The depreciation of right of use assets are presented under the amortization and depreciation line item in the income statement.

The cash outflows related to the lease payments are presented within the section “Cash flows used in financing activities” of the Consolidated statement of cash flows.

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.

Discontinued operations and non-current assets held for sale

Non-current assets (or disposal groups) whose carrying amount will mainly be recovered through their sale and not with their continued use are classified as held for sale and presented separately from other assets and liabilities in the statement of financial position. For that to occur, the asset (or disposal group) must be available for immediate sale in its present condition, subject to terms that are used and customary for the sale of such assets (or disposal groups) and it must be highly probable within one year. If these criteria are met after the reporting date, the non-current asset (or disposal group) is not classified as held for sale. However, if those conditions are met after the reporting date but before authorisation to publish the financial statements, suitable information is provided in the Notes.

Non-current assets (or disposal groups) classified as held for sale, are recognised at the lower of their carrying amount between book value and relative fair value; the comparative prior year-end captions are not reclassified. A discontinued operation is a component of a company that has either been disposed of or classified as held for sale and:

- represents a major line of business or geographical area of operations;
- is part of a coordinated disposal plan for a major activity branch or geographical area of operations or is a subsidiary acquired solely to be resold.

The profit or loss discontinued operations – whether disposed of or classified as held for sale and in the process of being disposed of – are shown separately in the income statement, net of tax effects. The corresponding amounts for the previous year, where present, are reclassified and shown separately in the income statement, net of tax effects, for comparative purposes.

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 under IFRS 9 is based on the business model for managing the financial assets and contractual terms of the cash flows. 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.

Related to classification of financial assets, two elements need to be considered:

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.

The allowances for bad debt are determined using the following 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.

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.

[1] Relating to Italian companies.

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.

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 profit attributable to the owners of the Parent 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 profit attributable to the owners of the Parent 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 paragraph “Türkiye - 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 2022	Average 2022	31 December 2021	Average 2021
Turkish lira – TRY *	19.96	17.41	15.23	10.51
US dollar – USD	1.07	1.05	1.13	1.18
British pound – GBP	0.89	0.85	0.84	0.86
Egyptian pound – EGP	26.20	20.09	17.73	18.48
Danish krone – DKK	7.44	7.44	7.44	7.44
Icelandic krona – ISK	151.50	142.24	147.60	150.15
Norwegian krone – NOK	10.51	10.10	9.99	10.16
Swedish krona – SEK	11.12	10.63	10.25	10.15
Malaysian ringgit – MYR	4.70	4.63	4.72	4.90
Chinese renminbi yuan – CNY	7.36	7.08	7.19	7.63

(*) For Turkish subsidiaries, please refer to paragraph “Türkiye - 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.

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 regarding the effects of hyperinflationary accounting applicable to the Turkish subsidiaries, please refer to paragraph "Türkiye - 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. Moreover, the Group uses derivatives to hedge the risk of fluctuations in market prices.

Also refer to note 32 for quantitative information on risks.

Group's value

The Stock Exchange capitalisation of Cementir shares as of 31 December 2022 was EUR 977.0 million (EUR 1,333.4 million as of 31 December 2021) against Group Shareholders' Equity of EUR 1,368.2 million (EUR 1,088.1 million as of 31 December 2021); this capitalisation value is therefore lower than the measurement based on the Group's fundamentals expressed by the economic value, calculated on the basis of the forecasted future results.

It is believed that the value of the Group should be determined with regard to its ability to generate cash flows rather than on stock market values that also reflect situations not strictly related to the Group, with expectations focused on the short term.

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. The "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 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 performance of each operating segment at 31 December 2021:

(EUR'000)	Nordic & Baltic	Belgium	North America	Türkiye	Egypt	Asia Pacific	Holding and Services	Unallocated items and adjustments	CEMENTIR HOLDING GROUP
Operating revenue	**702,218**	**280,210**	**157,503**	**200,355**	**49,298**	**112,185**	**147,302**	**(235,351)**	**1,413,720**
Intra-segment operating revenue	(87,542)	(13)	(881)	(19,064)	(3,729)	**-**	(124,122)	235,351	-
Contributed operating revenue	614,676	280,197	156,622	181,291	45,569	112,185	23,180	-	1,413,720
Segment result (EBITDA)	**147,254**	**68,602**	**23,829**	**38,303**	**10,842**	**26,830**	**(4,708)**	-	**310,952**
Amortisation, depreciation, impairment losses and provisions	(47,056)	(26,626)	(14,176)	(8,553)	(3,239)	(8,022)	(5,497)	-	(113,169)
EBIT	**100,198**	**41,976**	**9,653**	**29,750**	**7,603**	**18,808**	**(10,205)**	-	**197,783**
Net profit (loss) of equity-accounted investees	623	195	-	-	-	-	-	-	818
Net financial income (expense)	-	-	-	-	-	-	-	(26,615)	(26,615)
Profit (loss) before taxes	-	-	-	-	-	-	-	-	**171,986**
Income taxes	-	-	-	-	-	-	-	(48,991)	(48,991)
Profit (loss) for the year	-	-	-	-	-	-	-	-	**122,995**

The following table shows other balance sheet data for each geographical segment at 31 December 2022:

	Segment total assets	Non current segment assets	Segment total liabilities	Equity-accounted investments	Investments in 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 other balance sheet data for each segment at 31 December 2021:

	Segment total assets	Non current segment assets	Segment total liabilities	Equity-accounted investments	Investments in property, plant and equipment and intangible asset
Nordic & Baltic	738,937	547,332	369,697	4,819	51,921
Belgium	493,157	387,227	158,500	169	17,428
North America	321,875	213,428	56,778	-	5,636
Türkiye	175,669	118,070	61,950	-	13,116
Egypt	121,959	36,772	22,892	-	1,825
Asia Pacific	151,157	74,323	30,599	-	6,872
Holding and Services	108,304	72,037	183,085	-	2,353
Total	**2,111,058**	**1,449,189**	**883,501**	**4,988**	**99,151**

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**

The following table shows revenue from third-party customers by geographical segment in 2021:

(EUR'000)	Nordic & Baltic	Belgium	North America	Turkey	Egypt	Asia Pacific	Italy	Rest of the world	CEMENTIR HOLDING GROUP
			USA						
Revenue by customer geographical location	625,845	191,015	160,665	167,505	24,184	123,520	451	66,791	**1,359,976**

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.

Notes

1) Intangible assets with a finite useful life

At 31 December 2022, intangible assets with a finite useful life amounted to EUR 204,541 thousand (EUR 194,474 thousand at 31 December 2021). Concession rights and licences mainly consisted of concessions to use quarries and software licences for the IT system (SAP R/3). Additions in the period are 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 (SAP and BW) and the implementation of a Group-wide Budget Tool; moreover, major investments were made in some Group companies to optimise the network and systems to support logistics (e.g. C-Scale). Furthermore additions include the investments made in accordance with Emission Trading System regulation.

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, licences 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**

The Group spent approximately EUR 2.3 million on research and development during the year (EUR 2.0 million at 31 December 2021), all of which was recognised in the income statement.

(EUR'000)	Development expenditure	Concessions, licences and trademarks	Other intangible assets	Assets under development and advances	Total
Gross amount at 1 January 2021	**1,786**	**51,003**	**231,135**	**3,412**	**287,336**
Additions	-	565	128	2,688	3,381
Disposals	-	(2)	-	-	(2)
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	5,634	5	-	5,639
Exchange differences	-	1,230	7,212	5	8,447
Reclassifications	-	265	4,301	(3,078)	1,488
Gross amount at 31 December 2021	**1,786**	**58,695**	**242,781**	**3,027**	**306,289**
Amortisation at 1 January 2021	**1,786**	**20,908**	**68,711**	**-**	**91,405**
Amortisation	-	3,145	13,450	-	16,595
Decrease	-	-	-	-	-
Change in consolidation scope	-	-	4	-	4
Exchange differences	-	769	1,299	-	2,068
Reclassifications	-	-	1,743	-	1,743
Amortisation at 31 December 2021	**1,786**	**24,822**	**85,207**	**-**	**111,815**
Net amount at 31 December 2021	**-**	**33,873**	**157,574**	**3,027**	**194,474**

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 2022, the item amounted to EUR 406,835 thousand (EUR 317,111 thousand at 31 December 2021).

The following table shows CGUs by macro geographical segment:

31.12.2022	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**

31.12.2021	Nordic & Baltic	North America	Türkiye	Egypt	Asia Pacific	Total
Opening balance	**255,551**	**25,072**	**44,157**	**1,982**	**3,014**	**329,776**
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Change in consolidation scope	-	-	65	-	-	65
Exchange differences	1,206	2,092	(16,348)	165	155	(12,730)
Reclassifications	-	-	-	-	-	-
Closing balance	**256,757**	**27,164**	**27,874**	**2,147**	**3,169**	**317,111**

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 2022, 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 and/or plants.

In particular, the "Nordic & Baltic" CGU groupings includes the Aalborg Portland Group (operating in Denmark), Unicon Denmark and Unicon Norway, the "North America" CGU includes the United States, the "Türkiye" CGU groupings includes the Cimentas Group, Lalapasa, Sureko, Elazig Cimento, Egypt CGU refers to the Sinai White Cement Company, while the "Asia Pacific" CGU groupings includes Aalborg Portland Malaysia, Aalborg Portland Anqing 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 2023 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 Industrial Plan, examined and approved by the Board of Directors of Cementir Holding NV on 8 February 2023. 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:

31.12.2022 **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%

31.12.2021 **Values in %**	**Growth rate of terminal values**	**Discount rate**	**Average increase of revenue 2022 to terminal period**	**Average EBITDA ratio 2022 to terminal period**
Nordic & Baltic	1%	4.2%	8%	22%
North America	1%	6%	4%	15%
Türkiye	4%	17.2%	25%	12%
Egypt	3%	12%	9%	20%
Asia Pacific	3%	8%	8%	17%

The above tests did not identify any impairment at 31 December 2022, except for the Türkiye CGU groupings, for which, on the basis of the current conditions and generally accepted appraisal techniques, on 31 December 2022, an impairment of GBP 2.7 million equal to EUR 3.1 million is recognized.

A sensitivity analysis was performed assuming a hypothetical variation in the discount rate (WACC) and showed that the impairment test results were not sensitive to changes in input assumptions. Specifically, a reasonable possible change in WACC, at the same conditions, would not result in the recognition of any impairment loss for all the CGUs listed above. Furthermore, a growth rate of terminal values equal to zero, 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 2022, property, plant and equipment reached EUR 898,080 thousand (EUR 814,230 thousand at 31 December 2021).

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 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**

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 2021	**397,233**	**189,816**	**1,103,876**	**144,815**	**39,074**	**1,874,814**
Additions	4,978	2,509	30,820	18,215	39,248	95,770
Disposals	(989)	(251)	(4,850)	(10,118)	(114)	(16,322)
Impairment losses	-	-	-	-	-	-
Change in consolidation scope	-	-	11	119	49	179
Exchange differences	(4,927)	1,601	(24,775)	(3,506)	137	(31,470)
Reclassifications and similar changes	1,566	279	24,914	1,103	(27,971)	(109)
Gross amount at 31 December 2021	**397,861**	**193,954**	**1,129,996**	**150,628**	**50,423**	**1,922,862**
Depreciation at 1 January 2021	**222,794**	**19,031**	**742,112**	**73,106**	**-**	**1,057,043**
Depreciation	13,436	3,496	51,590	24,454	-	92,976
Decrease	(584)	(34)	(4,228)	(9,224)	-	(14,070)
Change in consolidation scope	-	-	-	-	-	**-**
Exchange differences	(2,006)	672	(23,699)	(2,338)	-	(27,371)
Reclassifications and similar changes	3	-	(166)	217	-	54
Depreciation at 31 December 2021	**233,643**	**23,165**	**765,609**	**86,215**	-	**1,108,632**
Net amount at 31 December 2021	**164,218**	**170,789**	**364,387**	**64,413**	**50,423**	**814,230**

See the section on accounting policies for the useful life criteria adopted by the Group.

At 31 December 2022, a total of EUR 120.2 million of property, plant and equipment (EUR 108.9 million at 31 December 2021) was pledged as collateral for bank loans totalling a residual EUR 134.9 million at the reporting date (EUR 98.2 million at 31 December 2021).

Contractual commitments in place at 31 December 2022 to purchase property, plant and equipment amounted to EUR 0 million (EUR 0 million at 31 December 2021). No financial expenses were capitalised in 2022, nor in 2021.

Additions in the period mainly refer to investments to improve plant efficiency, aimed at reducing the consumption of electricity, fuel and raw materials, as well as other investments to increase grinding or storage capacity. Investments in sustainability are also included to increase the use of alternative fuels compared to traditional ones.

4) Investment property

Investment property of EUR 86,226 thousand (EUR 63,594 thousand at 31 December 2021) is recognised at fair value.

(EUR'000)	31.12.2022			31.12.2021		
	Land	Buildings	Total	Land	Buildings	Total
Opening balance	**42,815**	**20,779**	**63,594**	**51,251**	**27,991**	**79,242**
Hyperinflation adjustment in respect of Türkiye	19,921	727	20,648	-	-	-
Increase	-	-	**-**	-	-	**-**
Decrease	(1,963)	(661)	**(2,624)**	(1,276)	-	**(1,276)**
Fair value gains (losses)	14,970	385	**15,355**	16,993	(5,906)	**11,087**
Exchange differences	(10,237)	(510)	**(10,747)**	(24,153)	(1,306)	**(25,459)**
Reclassifications	-	-	**-**	-	-	**-**
Closing balance	**65,506**	**20,720**	**86,226**	**42,815**	**20,779**	**63,594**

At 31 December 2022, the investment property mainly included land and buildings of the Cimentas Group for EUR 65.4 million (EUR 41.8 million at 31 December 2021).

At 31 December 2022, the change in fair value includes the revaluation of real estate in Türkiye for approximately EUR 16.3 million, of which EUR 15 million related to land and EUR 1.3 million related to building, and the write-down of building in Italy for EUR 1 million due to market prices in 2022.

At 31 December 2022, approximately EUR 4.7 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 2.2 million at the reporting date.

The fair value of investment property was determined, at each period end, 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:

31.12.2022

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**

31.12.2021

Companies	Business	Registered office	% owned	Carrying amount	Share of profit or loss
ECOL Unicon Spzoo	Ready-mixed concrete	Gdańsk (Poland)	49%	3,146	270
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	1,673	353
Recybel	Other	Liège-Flémalle (Belgium)	25.5%	169	195
Total				**4,988**	**818**

No indicators of impairment were identified for these investments.

6) Other investments

(EUR'000)	31.12.2022	31.12.2021
Available-for-sale equity investments Opening balance	**257**	**271**
Hyperinflation adjustment in respect of Türkiye	**97**	**-**
Increase (decrease)	27	-
Fair value gains (losses)	-	-
Change in consolidation scope	-	-
Reclassifications to assets held for sale	-	-
Exchange differences	(30)	(14)
Reclassifications - Recybel	-	-
Available-for-sale equity investments Closing balance	**351**	**257**

No indicators of impairment were identified.

7) Inventories

The breakdown of inventories is shown below:

(EUR'000)	31.12.2022	31.12.2021
Raw materials, consumables and supplies	116,758	97,355
Work in progress	52,017	41,995
Finished goods	48,427	40,294
Advances	1,416	654
Inventories	**218,618**	**180,298**

Changes were recorded over the period in the different inventory categories as a result of manufacturing processes and sales, the costs of raw material 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 14,945 thousand (negative for EUR 19,266 thousand at 31 December 2021) was expensed 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 18,725 thousand (31 December 2021: positive for EUR 14,733 thousand).

It should be noted that the net realizable value of the inventories is higher than the carrying amount.

8) Trade receivables

Trade receivables, net of related loss allowance, totalled EUR 194,549 (EUR 170,170 thousand at 31 December 2021) and break down as follows:

(EUR'000)		31.12.2022	31.12.2021
Trade receivables		196,387	173,129
Loss allowance		(3,996)	(5,415)
Net trade receivables		**192,391**	**167,714**
Advances to suppliers		2,005	2,364
Trade receivables - related parties	(note 34)	153	92
Trade receivables		**194,549**	**170,170**

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 guarantees amount to EUR 32.5 million at 31 December 2022 (EUR 21.4 million at 31 December 2021).

The increase in trade receivables compared to 31 December 2022 is attributable to the positive trend in revenues.

The breakdown by due date is shown below:

(EUR'000)	31.12.2022	31.12.2021
Not yet due	173,192	155,497
Overdue:	23,195	17,632
0-30 days	*16,196*	*10,382*
30-60 days	*3,872*	*3,227*
60-90 days	*852*	*632*
More than 90 days	*2,275*	*3,391*
Total trade receivables	196,387	173,129
Loss allowance	(3,996)	(5,415)
Net trade receivables	**192,391**	**167,714**

9) Current and non-current financial assets

Non-current financial assets of EUR 592 thousand (EUR 282 thousand at 31 December 2021) mainly refer to financial items which will be expensed upon termination of the financing contract signed by Cementir Holding NV in May 2021 with a pool of banks and which will expire in 2024.

Current financial assets totalled EUR 50,867 thousand (EUR 4,446 thousand 31 December 2021) and break down as follows:

(EUR'000)		31.12.2022	31.12.2021
Fair value of derivatives		12,593	3,938
Accrued income/ Prepayments		118	87
Loan assets - related parties	(note 34)	453	420
Other financial receivables		37,703	1
Current financial assets		**50,867**	**4,446**

Other financial receivables mainly include investments in US government bonds that can be liquidated on demand on the relevant markets.

10) Current tax assets

Current tax assets, totalling EUR 8,018 thousand (EUR 8,559 thousand at 31 December 2021), mainly refer to Corporate Tax - IRES and Regional Tax - IRAP payments on account to tax authorities, approximately EUR 0.9 million, and withholding tax for EUR 3.4 million).

11) Other current and non-current assets

Other non-current assets totalled EUR 2,826 thousand (EUR 3,745 thousand at 31 December 2021) and mainly consisted of VAT assets and deposits.

Other current assets totalled EUR 18,084 thousand (EUR 15,856 thousand at 31 December 2021) and consisted of non-commercial items. The item breaks down as follows:

(EUR'000)	31.12.2022	31.12.2021
VAT assets	5,542	4,004
Personnel	163	222
Accrued income	491	217
Prepayments	3,209	3,262
Other receivables	8,679	8,151
Other current assets	**18,084**	**15,856**

12) Cash and cash equivalents

Totalling EUR 355,759 thousand (EUR 282,539 thousand at 31 December 2021), the item consists of liquidity held by the Group, which is usually invested in remunerated short-term deposits:

(EUR'000)		31.12.2022	31.12.2021
Bank and postal deposits		354,705	282,117
Bank deposits - related parties	(note 34)	-	-
Cash-in-hand and cash equivalents		1,054	422
Cash and cash equivalents		**355,759**	**282,539**

13) Equity

Equity attributable to the owners of the parent

Equity attributable to the owners of the parent amounted to EUR 1,368,183 thousand at 31 December 2022 (EUR 1,088,128 thousand at 31 December 2021). Profit for 2022 attributable to the owners of the parent totalled EUR 162,286 thousand (EUR 113,316 thousand in 2021).

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 2022, the translation reserve had a negative balance of EUR 743,235 thousand (negative EUR 687,321 thousand at 31 December 2021), broken down as follows:

(EUR'000)	**31.12.2022**	**31.12.2021**	**Change**
Türkiye (Turkish lira – TRY)	(673,753)	(645,281)	(28,472)
USA (US dollar – USD)	9,391	4,251	5,140
Egypt (Egyptian pound – EGP)	(84,772)	(57,048)	(27,724)
Iceland (Icelandic krona – ISK)	(2,953)	(2,812)	(141)
China (Chinese renminbi yuan – CNY)	10,522	12,309	(1,787)
Norway (Norwegian krone – NOK)	(7,403)	(5,887)	(1,516)
Sweden (Swedish krona – SEK)	(2,096)	(1,174)	(922)
Other countries	7,829	8,321	(492)
Total translation reserve - attributable to Group	**(743,235)**	**(687,321)**	**(55,914)**

Dividends

During the year, the 2021 dividend was distributed to shareholders in the amount of EUR 0.18 per ordinary share, for a total amount of EUR 27,994,000, net of treasury shares.

Equity attributable to non-controlling interests

Equity attributable to non-controlling interests amounted to EUR 154,590 thousand at 31 December 2022 (EUR 139,429 thousand at 31 December 2021). Profit for 2022 attributable to non-controlling interests totalled EUR 19,271 thousand (EUR 9,679 thousand in 2021).

Capital management

The Board's policy is to maintain a strong capital base aiming to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the capital structure by means of tracking the trend 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, in the meeting of 8 February 2023, the Board of Directors of Cementir Holding NV approved the update of the Industrial Plan 2023 - 2025 with the aim of achieving a cash position of over EUR 500 million at the end of the plan, deriving from growing results and strong cash generation.

The following table highlights the financial indicators:

Ratio	**2022**	**2021**
Total Financial Liabilities	311,125	327,361
- Less cash and cash equivalents and current financial assets	(406,626)	(286,986)
Net Financial Debt	**(95,501)**	**40,375**
Total Equity	1,522,773	1,227,557
- Hedging reserve	11,195	2,842
Adjusted Equity	1,533,968	1,230,399
Net Gearing Ratio (Net Financial Debt/Adjusted Equity)	**-6.23%**	**3.28%**
Adjusted Equity	1,533,968	1,230,399
Total Assets	2,493,976	2,111,058
Equity ratio (Adjusted Equity/Total Assets)	**61.51%**	**58.28%**

The cost of borrowing is 3.86% of average debt in 2022 (2.0% in 2021).

The Management of the Group monitors the trend of Return on Equity with a ratio given by Profit on continuing operation over Equity. This indicator is 11.92% in 2022 (10.02% in 2021), thanks to the positive performance of operations.

Subsidiaries with material non-controlling interests

	Aalborg Portland Malaysia		AB Sydsten	
(EUR'000)	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Revenue	**58,272**	**45,103**	**75,422**	**74,723**
Profit for the year:	**1,047**	**1,217**	**6,412**	**6,933**
- attributable to the owners of the Parent	733	*852*	3,054	3,311
- attributable to non-controlling interests	314	*365*	3,358	3,622
Other comprehensive income (expense)	180	2,401	509	(551)
Comprehensive income (expense) for the year	**1,227**	**3,618**	**6,921**	**6,382**
Assets:	**74,067**	**71,144**	**52,450**	**56,475**
- Non-current assets	*25,705*	*25,536*	*22,154*	*24,410*
- Current assets	*48,362*	*45,608*	*30,296*	*32,065*
Liabilities:	**14,970**	**13,253**	**24,997**	**30,419**
- Non-current liabilities	*2,564*	*2,361*	*12,169*	*15,447*
- Current liabilities	*12,406*	*10,892*	*12,828*	*14,972*
Net assets	**59,097**	**57,891**	**27,453**	**26,056**
- attributable to the owners of the Parent	*41,370*	*40,520*	*12,957*	*12,156*
- attributable to non-controlling interests	*17,727*	*17,371*	*14,496*	*13,900*
Net change in cash flow	**4,542**	**4,242**	**10,424**	**9,664**
Dividends paid to third parties	**-**	**-**	**2,765**	**2,665**

	Lehigh White Cement Company		Sinai White Portland Cement	
(EUR'000)	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Revenue	**176,228**	**138,938**	**57,113**	**50,730**
Profit for the year:	**13,071**	**9,972**	**32,538**	**5,425**
- attributable to the owners of the Parent	*8,267*	*6,307*	*23,138*	*3,858*
- attributable to non-controlling interests	*4,804*	*3,665*	*9,400*	*1,567*
Other comprehensive income (expense)	6,395	7,805	(38,987)	7,219
Comprehensive income (expense) for the year	**19,466**	**17,777**	**(6,449)**	**12,644**
Assets:	**299,633**	**268,094**	**117,904**	**122,404**
- Non-current assets	*176,139*	*172,064*	*22,986*	*36,772*
- Current assets	*123,494*	*96,030*	*94,918*	*85,632*
Liabilities:	**54,569**	**49,464**	**27,227**	**25,277**
- Non-current liabilities	*21,628*	*21,582*	*9,750*	*7,870*
- Current liabilities	*32,941*	*27,882*	*17,477*	*17,407*
Net assets	**245,064**	**218,630**	**90,677**	**97,127**
- attributable to the owners of the Parent	*155,002*	*138,283*	*64,481*	*69,068*
- attributable to non-controlling interests	*90,062*	*80,347*	*26,196*	*28,059*
Net change in cash flow	**24,493**	**21,768**	**1,466**	**14,240**
Dividends paid to third parties	**-**	**-**	**-**	**-**

14) Employee benefits

Employee benefits totalled EUR 26,340 thousand (EUR 32,450 thousand at 31 December 2021) 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 2,481 thousand at 31 December 2022 (EUR 2,256 thousand at 31 December 2021).

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 %	**31.12.2022**	**31.12.2021**
Annual discount rate	2%-4%	1%-2%
Expected return on plan assets	2.7%	2%
Annual post-employment benefits growth rate	3.31%	2.81%

The amounts disclosed in the statement of financial position were determined as follows:

(EUR'000)	**31.12.2022**	**31.12.2021**
Liabilities for employee benefits	56,795	61,467
Fair value of plan assets	(32,936)	(31,273)
Employee benefits	**23,859**	**30,194**
Long-term incentive plan obligation	**2,481**	**2,256**
Total employee benefits	**26,340**	**32,450**

The tables below show changes in the net liabilities/(assets) for employee benefits and the related parts:

(EUR'000)	**31.12.2022**	**31.12.2021**
Liabilities for employee benefits opening balance	**61,467**	**63,901**
Current service cost	2,738	2,892
Interest cost	620	447
Net actuarial gains recognised in the year	(4,341)	(1,967)
Change in consolidation scope	**-**	**-**
Exchange differences	(1,330)	(1,195)
Other changes	-	978
(Benefits paid)	(2,359)	(3,589)
Liabilities for employee benefits closing balance	**56,795**	**61,467**

(EUR'000)	**31.12.2022**	**31.12.2021**
Fair value of plan assets opening balance	**31,273**	**30,839**
Financial income on plan assets	289	184
Net actuarial gains recognised in the year	917	688
Change in consolidation scope	-	-
Exchange differences	(221)	195
Other changes	-	-
(Net benefits paid)	678	(633)
Fair value of plan assets closing balance	**32,936**	**31,273**

At 31 December 2022, 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 -0.7 million;

• Discount rate -50 bp: EUR +0.8 million;

• Increase in healthcare costs + 1%: EUR 0.5 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 2022 related to pension plans in Belgium are:

• Employees' contribution: EUR 0.3 million

• Employer's contributions: EUR 1.3 million

Expected Employer contribution 2023 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 32,752 thousand (EUR 28,088 thousand at 31 December 2021) and EUR 4,054 thousand (EUR 5,246 thousand at 31 December 2021) respectively.

(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**
Additions to provision	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

(EUR'000)	Provision for quarry restoration	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2021	**22,298**	**3,584**	**4,565**	**30,447**
Additions to provision	740	5,971	129	6,840
Utilisations	(382)	(403)	(342)	(1,127)
Decrease	(12)	(939)	(239)	(1,190)
Change in consolidation scope	-	-	-	-
Exchange differences	(774)	(833)	120	(1,487)
Reclassifications	-	-	-	-
Net actuarial gains recognised in the year	-	-	(149)	(149)
Other changes	-	-	-	-
Balance at 31 December 2021	**21,870**	**7,380**	**4,084**	**33,334**
Including:				
Non-current provisions	21,577	3,964	2,547	28,088
Current provisions	293	3,416	1,537	5,246

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.

In addition, within the net tax charge, an accrual for a total amount of EUR 6 million has been made, in 2021 and 2022, in CCB France following a tax audit that took place in 2021 referring to some write off made in 2017 tax year soon after the CCB Group acquisition. A case is ongoing with Tax authorities in France to review their preliminary evaluation.

Other provisions mainly consist of environmental provisions totalling approximately EUR 1.6 million (EUR 1.7 million at 31 December 2021), provision for risks for corporate restructuring costs for around EUR 0.8 million (EUR 1.1 million at 31 December 2021).

16) Trade payables

The carrying amount of trade payables approximates their fair value; the item breaks down as follows:

(EUR'000)		31.12.2022	31.12.2021
Suppliers		350,819	274,492
Related parties	(note 34)	503	475
Advances		7,213	6,948
Trade payables		**358,535**	**281,915**

17) Financial liabilities

Non-current and current financial liabilities are shown below:

(EUR'000)		31.12.2022	31.12.2021
Bank loans and borrowings	(note 33)	144,490	162,556
Lease liabilities	(note 31)	46,065	49,944
Lease liabilities - related parties	(note 34)	1,545	376
Fair value of derivatives		13,456	8,621
Financial debt - related parties		-	-
Non-current financial liabilities		**205,556**	**221,497**
Bank loans and borrowings		147	7,581
Current portion of non-current financial liabilities		78,399	68,564
Current loan liabilities - related parties	(note 34)	-	-
Current lease liabilities	(note 33)	24,333	24,570
Current lease liabilities - related parties	(note 34)	1,545	1,489
Other loan liabilities		487	16
Fair value of derivatives		658	3,644
Current financial liabilities		**105,569**	**105,864**
Total financial liabilities		**311,125**	**327,361**

The carrying amount of non-current and current financial liabilities approximates their fair value.

At 31 December 2022, the total financial exposure was EUR 311.1 million (EUR 327.4 million at 31 December 2021), the change in debt of approximately EUR 16.2 million is mainly related to the repayment of portions of loans and the change in total fair value of derivative instruments, negative for about EUR 14.1 million (negative for about EUR 12.3 million at 31 December 2021), which represents the valuation at 31 December 2022 of the derivatives put in place to hedge against changes in interest rates, commodities and exchange rates maturing between January 2021 and February 2027.

About 71.7% of these financial liabilities requires compliance with financial covenants which were complied with at 31 December 2022. In particular, the *covenant* to be complied with is the debt/EBITDA ratio, at consolidated level.

In this regard, it should be noted that not breach of any covenant in the above loans was determined.

The Group's exposure, broken down by residual expiry of the financial liabilities, is as follows:

(EUR'000)	31.12.2022	31.12.2021
Within three months	20,356	22,640
Between three months and one year	85,213	83,224
Between one and two years	73,881	82,094
Between two and five years	67,483	94,324
After five years	64,192	45,079
Total financial liabilities	**311,125**	**327,361**

(EUR'000)	31.12.2022	31.12.2021
Floating rate	299,034	315,589
Fixed rate	12,091	11,772
Financial liabilities	**311,125**	**327,361**

The following table provides the Net Financial Indebtedness – ESMA as of December 31, 2022 and 2021, calculated in accordance paragraph 175 of the recommendations contained in ESMA 32-382-1138 released on March 4, 2021:

(EUR'000)	31.12.2022	31.12.2021
A. Cash	1,054	422
B. Cash equivalents	354,705	282,117
C. Other current financial assets	50,867	4,446
D. Liquidity (A+B+C)	**406,626**	**286,985**
E. Current financial debt	(147)	(7,581)
F. Current portion of non-current financial debt	(105,422)	(98,282)
G. Current financial indebtedness (E+F)	**(105,569)**	**(105,863)**
H. Net current financial Intebtedness (G-D)	**301,057**	**181,122**
I. Non-current financial debt	(205,556)	(221,497)
J. Debt instruments	-	-
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I+J+K)	**(205,556)**	**(221,497)**
M. Total financial indebtedness (H+L)	**95,501**	**(40,375)**

18) Current tax liabilities

Current tax liabilities amounted to EUR 12,253 thousand (EUR 17,064 thousand at 31 December 2021) and relate to income tax liabilities, net of payments on account.

19) Other non-current and current liabilities

Other non-current liabilities totalled EUR 1,107 thousand (EUR 2,041 thousand at 31 December 2021) and included around EUR 0.8 million of deferred income (EUR 1.6 million at 31 December 2021) relating to future benefits from a business agreement which started to accrue from 1 January 2013, which are payable within five years.

Other current liabilities totalled EUR 63,141 thousand (EUR 50,530 thousand at 31 December 2021) and break down as follows:

(EUR'000)		31.12.2022	31.12.2021
Personnel		29,176	25,663
Social security institutions		3,544	3,770
Related parties	(note 34)	-	-
Deferred income		1,335	969
Accrued expenses		3,385	2,071
Other sundry liabilities		25,701	18,057
Other current liabilities		**63,141**	**50,530**

Deferred income refers to the future benefits of the above-mentioned business agreement (approximately EUR 0.8 million in line with 31 December 2021).

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 161,896 thousand (EUR 138,806 thousand as of 31 December 2021), and deferred tax assets, amounting to EUR 43,071 thousand (EUR 50,509 thousand as of 31 December 2021), were determined as follows:

(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)	**Deferred tax liabilities**	**Deferred tax assets**
Balance at 1 January 2021	**137,595**	**48,770**
Accrual, net of utilisation in profit or loss	735	4,687
Increase (decrease) in equity	612	(250)
Change in consolidation scope	1,134	-
Exchange differences	(2,029)	(2,688)
Other changes	759	(10)
Balance at 31 December 2021	**138,806**	**50,509**

(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
Other	32,237	3,654	15,528		19,182
Deferred tax liabilities	**138,806**	7,656	(1,573)		38,320
		10,978	**12,112**	**-**	**161,896**
Tax losses carried forward	25,734				
Provisions for risks and charges	1,010	(2,180)	(833)	-	22,721
Differences in property, plant and equipment	(269)	727	(198)		1,538
Other	24,034	7,751	(123)		7,359
Deferred tax assets	**50,509**	-	(10,186)		(10,186)

(EUR'000)	**01.01.2021**	Accrual, net of utilisation in profit or loss	Increase, net of decreases in equity	Change in consolidation scope	**31.12.2021**
Fiscally-driven depreciation of property, plant and equipment	81,707	(963)	-	1,134	81,878
Fiscally-driven amortisation of intangible assets	18,495	(672)	(1,203)	-	16,620
Revaluation of plant	11,286	(582)	(2,623)	(10)	8,071
Other	26,107	2,952	2,409	769	32,237
Deferred tax liabilities	**137,595**	**735**	**(1,417)**	**1,893**	**138,806**
Tax losses carried forward	23,535	4,688	(2,489)	-	25,734
Provisions for risks and charges	1,342	140	(402)	(70)	1,010
Differences in property, plant and equipment	79	-	(348)	-	(269)
Other	23,814	(141)	301	60	24,034
Deferred tax assets	**48,770**	**4,687**	**(2,938)**	**(10)**	**50,509**

Recovery of the deferred tax assets is expected in the following years within the timeframe defined by the relevant legislation.

21) Revenue

(Euro '000)		2022	2021
Product sales		1,588,521	1,270,723
Product sales to related parties	(note 34)	55	78
Services		134,527	89,175
Revenue		**1,723,103**	**1,359,976**

Group revenue reached EUR 1,723.1 million, up 27% compared to EUR 1,360.0 million in 2021.

The caption Services 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:

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**

2021 (Euro '000)	**Nordic & Baltic**	**Belgium**	**North America**	**Türkiye**	**Egypt**	**Asia Pacific**	**Holding and Services**	Unallocated items and adjustments**	**CEMENTIR HOLDING GROUP**
Cement	353,598	137,595	139,819	123,766	50,730	107,900	-	*(59,612)*	**853,796**
Ready-mixed concrete	323,781	81,612	-	43,239	-	-	-	-	**448,632**
Aggregates	33,891	55,753	-	1,926	-	2,572	-	-	**94,142**
Waste	-	-	-	12,243	-	-	-	-	**12,243**
Other	-	-	15,659	11,702	-	-	136,580	*(35,799)*	**128,142**
Unallocated items and adjustments**	*(37,999)*	(3)	-	*(19,614)*	-	*(2,455)*	-	*(116,908)*	**(176,979)**
Revenue	**673,271**	**274,957**	**155,478**	**173,262**	**50,730**	**108,017**	**136,580**	**(212,319)**	**1,359,976**

** Unallocated items and adjustments" mainly refers to infra-group transactions.

22) Increase for internal work and other income

Increase for internal work of EUR 7,300 thousand (EUR 9,260 thousand in 2021) 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 28,416 thousand (EUR 29,751 thousand in 2021) breaks down as follows:

(Euro '000)		2022	2021
Rent, lease and hires		1,283	1,073
Rent, lease and hires - related parties	(note 34)	116	106
Gains		2,360	2,129
Release of provision for risks		283	1190
Insurance refunds		49	280
Revaluation of investment property	(note 4)	16,331	18,267
Other income		7,716	6,668
Other income from related parties	(note 34)	278	38
Other income		**28,416**	**29,751**

23) Raw materials costs

(Euro '000)	2022	2021
Raw materials and semi-finished products	399,031	295,492
Fuel	235,406	140,054
Electrical energy	151,645	100,533
Other materials	58,309	49,655
Change in raw materials, consumables and goods	(14,945)	(19,266)
Raw materials costs	**829,446**	**566,468**

The cost of raw materials amounted to EUR 829.4 million (EUR 566.5 million in 2021), up 46% due to the generalised increase in fuel prices on international markets.

24) Personnel costs

(Euro '000)	2022	2021
Wages and salaries	156,123	142,909
Social security charges	29,445	27,714
Other costs	12,614	10,783
Personnel costs	**198,182**	**181,406**

Pensions cost amount to EUR 948 thousand (EUR 929 thousand in 2021) and are included in other costs.

The Group's workforce breaks down as follows:

	31.12.2022	31.12.2021	Average 2022	Average 2021
Executives	55	65	60	68
Middle management, white-collar workers and intermediates	1,183	1,207	1,191	1,220
Blue-collar workers	1,847	1,811	1,854	1,787
Total	**3,085**	**3,083**	**3,105**	**3,075**

More specifically, at 31 December 2022, employees in service at the Parent numbered 39 (41 at 31 December 2021); those at the Cimentas Group numbered 774 (773 at 31 December 2021), those at the Aalborg Portland Group numbered 1132 (1,131 at 31 December 2021), those at the Unicon Group numbered 688 (677 at 31 December 2021), and those at the CCB Group numbered 452 (461 at 31 December 2021). The Group has no employees in the Netherlands.

25) Other operating costs

(Euro '000)		2022	2021
Transport		227,923	181,463
Services and maintenance		90,859	86,415
Consultancy		10,761	9,665
Insurance		4,690	4,382
Other services - related parties	(note 34)	492	492
Rent, lease and hires		11,322	10,317
Rent, lease and hires - related parties	(note 34)	173	105
Other costs		68,446	62,055
Other operating costs		**414,666**	**354,894**

26) Amortisation, depreciation, impairment losses and additions to provision

(Euro '000)	2022	2021
Amortisation	16,277	16,595
Depreciation	107,894	92,976
Additions to provision	3,084	3,234
Impairment losses	3,573	364
Amortisation, depreciation, impairment losses and additions to provision	**130,828**	**113,169**

Amortisation, depreciation, impairment losses and additions to provision include EUR 30.3 million (EUR 27.5 million in 2021) in amortisation of right of use assets in the application of the IFRS 16.

Impairment losses refer to intangible assets with an indefinite useful life of EUR 3.1 million (note 2).

27) Net financial income (expense) and share of net profits of equity-accounted investees

The positive balance for 2022 of EUR 32,012 thousand (2021: negative EUR 25,797 thousand) relates to the share of net profits of equity-accounted investees and net financial income, broken down as follows:

(Euro '000)		2022	2021
Share of profits of equity-accounted investees		972	818
Share of losses of equity-accounted investees		-	-
Share of net profits of equity-accounted investees		**972**	**818**
Interest and financial income		2,982	2,031
Interest and financial income - related parties	(note 34)	11	48
Grants related to interest		-	-
Financial income on derivatives		2,827	3,812
Revaluation of equity investments		-	-
Total financial income		*5,820*	*5,891*
Interest expense		(11,070)	(8,641)
Other financial expense		(2,737)	(3,771)
Interest and financial expense - related parties	(note 34)	-	(41)
Losses on derivatives		(9,483)	(6,396)
Total financial expense		*(23,290)*	*(18,849)*
Exchange rate gains		49,477	9,002
Exchange rate losses		(21,029)	(22,659)
Net exchange rate losses		*28,448*	*(13,657)*
Net income/(expense) from hyperinflation		*20,062*	-
Net financial income (expense)		**31,040**	**(26,615)**
Net financial income (expense) and share of net profits of equity-accounted investees		**32,012**	**(25,797)**

In 2022, net financial income was positive for EUR 31.0 million compared to the previous financial year (negative for EUR 26.6 million in 2021) and includes net hyperinflationary income of EUR 20.1 million, net financial expenses of EUR 10.7 million (EUR 10.4 million in 2021), foreign exchange income of EUR 28.4 million (EUR 13.7 million in 2021) and the effect of the valuation of derivatives.

Interest expense included EUR 2.2 million (EUR 1.9 million in 2021) 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 0.1 million (around EUR 3.2 million at 31 December 2021) are unrealised gains and around EUR 2 million (around EUR 1.2 million at 31 December 2021) are unrealised losses.

Regarding exchange gains (EUR 49.5 million) and losses (EUR 21 million), approximately EUR 37.9 million were unrealised gains (EUR 2.6 million in 2021) and approximately EUR 6 million were unrealised losses (EUR 3.5 million in 2021).

28) Income taxes

(Euro '000)	2022	2021
Current taxes	47,882	53,110
Deferred taxes	6,995	(4,119)
Income taxes	**54,877**	**48,991**

The following table shows the difference between the theoretical and effective tax expense:

(Euro '000)	2022	2021
Theoretical tax expense	**72,329**	**40,530**
Tax according to Italian tax rate	**24%**	**24%**
Taxable permanent differences	6,689	10,909
Deductible permanent differences	(18,546)	(7,518)
Tax consolidation scheme	224	394
Other changes	(5,468)	5,617
Effective IRAP tax expense	(352)	(941)
Income taxes	**54,877**	**48,991**
Applicable tax rate for the year	**23%**	**28%**

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)	2022	2021
Profit attributable to the owners of the Parent (EUR '000)	162,286	113,316
Weighted average number of outstanding ordinary shares ('000)	155,520	156,434
Basic earnings per ordinary share	**1.044**	**0.724**
Diluted earnings per ordinary share	**1.044**	**0.724**

(Euro)	2022	2021
Profit attributable to the owners of the Parent (EUR '000)	162,286	113,316
Weighted average number of outstanding ordinary shares ('000)	155,520	156,434
Basic earnings per ordinary share from continuing operations	**1.044**	**0.724**
Diluted earnings per ordinary share from continuing operations	**1.044**	**0.724**

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)	2022			2021		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Net actuarial gains (losses) on post-employment benefits	5,169	(989)	**4,180**	2,854	(708)	**2,146**
Foreign currency translation differences - foreign operations	(64,187)	-	**(64,187)**	(32,370)	-	**(32,370)**
Financial instruments	8,356	(417)	**7,939**	3,017	(321)	**2,696**
Total other comprehensive income (expense)	**(50,662)**	**(1,406)**	**(52,068)**	**(26,499)**	**(1,029)**	**(27,528)**

31) IFRS 16 Leases

The following table shows the impact of the application of IFRS 16 for the Group at 31 December 2022 and the related disclosures:

(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**

(Euro '000)	Land and buildings	Plant and equipment	Other	Total Right-of-use assets
Gross amount at 1 January 2021	**18,670**	**22,173**	**86,113**	**126,956**
Increase	2,896	2,540	14,099	19,535
Decrease	(626)	(2,209)	(4,620)	(7,455)
Exchange differences	541	527	(947)	121
Reclassifications	3	10	78	91
Gross amount at 31 December 2021	**21,484**	**23,041**	**94,723**	**139,248**
Amortisation at 1 January 2021	**6,079**	**6,277**	**30,675**	**43,031**
Amortisation	3,316	3,955	20,189	27,460
Decrease	(242)	(1,680)	(4,070)	(5,992)
Exchange differences	172	300	(248)	224
Reclassifications	3	2	105	110
Amortisation at 31 December 2021	**9,328**	**8,854**	**46,651**	**64,833**
Net amount at 31 December 2021	**12,156**	**14,187**	**48,072**	**74,415**

As at 31 December 2022, right-of-use assets reached EUR 72,522 thousand (EUR 74,415 thousand at 31 December 2021) and the "Other" category equal to EUR 44.2 million (EUR 48.1 million at 31 December 2021) mainly included lease contracts for vehicles and means of transport for EUR 43.9 million (EUR 47.6 at 31 December 2021).

The Group's exposure, broken down by expiry of the lease liabilities, is as follows:

(Euro '000)	31.12.2022	31.12.2021
Within three months	6,754	7,026
Between three months and one year	19,041	20,264
Between one and two years	17,227	19,359
Between two and five years	19,928	23,513
After five years	8,708	10,326
Total undiscounted lease liabilities at December 31	**71,658**	**80,488**

Current and non-current lease liabilities are shown below:

(Euro '000)	31.12.2022	31.12.2021
Non-current lease liabilities	46,065	49,944
Non-current lease liabilities - related parties (note 34)	1,545	376
Non-current lease liabilities	**47,610**	**50,320**
Current lease liabilities	24,333	24,570
Current lease liabilities - related parties (note 34)	1,545	1,489
Current lease liabilities	**25,878**	**26,059**
Total lease liabilities	**73,488**	**76,379**

Amounts recognised in the consolidated income statement

(Euro '000)		2022	2021
Depreciation	(note 26)	30,345	27,460
Interest expense on lease liabilities		2,156	1,851
Short-term lease costs		3,871	3,141
Costs of leases of low-value assets		**165**	**156**

Amounts recognised in the cash flow statement

(Euro '000)	2022	2021
Total cash outflow for leases	30,374	29,324

32) Financial risks

Credit risk

The Group's maximum exposure to credit risk at 31 December 2022 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 2022 the break down by Region of Net trade receivables, as follows:

(Eur '000)	**31.12.2022**	**31.12.2021**
Nordic & Baltic	62,614	54,078
Belgium	48,434	45,844
North America	23,768	19,825
Türkiye	45,143	31,062
Egypt	2,581	2,920
Asia Pacific	8,538	6,743
Italy	1,313	7,242
Total	**192,391**	**167,714**

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.

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 Türkiye, 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 guaranties 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 32.5 million at 31 December 2022 (EUR 21.4 million at 31 December 2021).

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 2022 would have generated a decrease of EUR 58 million equal to about 3.8% on consolidated equity (reduction of EUR 55 million equal to about 4.5% as at 31 December 2021).

The currency with the greatest impact is the Turkish lira (TRY), EUR 12 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 decrease of 10% in all these exchange rates (excluding the DKK) would have lowered EBITDA by EUR 4.4 million (USD amounts to EUR 3.6 million, PLN amounts to EUR 2.4 million SEK amounts to EUR 2.1 million, NOK amounts to EUR 2 million and CNY amounts to EUR 1.5 million) (2021: EUR 13.4 million of which: CNY amounted to EUR 2.4 million, USD amounted to EUR 3.5 million, SEK amounted to EUR 1.7 million, PLN amounted to EUR 1.6 million and NOK amounted to EUR 2.7 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.

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

2021	**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	88.4	11.1	77.3	0.0	1,00 EUR/ 1,235 USD	-7.1	2.0	0.3

As at 31 December 2022, 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 4.3 million (31 December 2021: negative for approximately EUR 2.7 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 debt as at 31 December 2022 was positive EUR 95.5 million (negative for EUR 40.4 million at 31 December 2021); 96% of the interest rates are floating rates, with the remaining 4% fixed rates.

With regard to the variable rate of loans and cash and cash equivalents, an annual increase in interest rates, on all currencies in which the debt is contracted, equal to 1%, other variables being equal, would have a negative impact on pre-tax income of EUR 0.4 million (31 December 2021 of EUR 0.8 million) and on equity of EUR 0.3 million (31 December 2021 of EUR 0.5 million). A decrease in interest rates of the same level would have had a corresponding positive 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:

2022

EUR million	Total
Market value - swap contract	2.6

2021

EUR million	Total
Market value - swap contract	2.4

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 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)**

31 December 2021	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
(Eur '000)					
Investment property	4	-	41,794	21,800	**63,594**
Current financial assets (derivative instruments)	9	-	3,938	-	**3,938**
Total assets		**-**	**45,732**	**21,800**	**67,532**
Non current financial liabilities (derivative instruments)	17	-	(8,621)	-	**(8,621)**
Current financial liabilities (derivative instruments)	17	-	(3,644)	-	**(3,644)**
Total liabilities		**-**	**(12,265)**	**-**	**(12,265)**

No transfers among the levels took place during 2022 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 2022		**Carrying amount**			**Fair value**
(Eur '000)	**Note**	**Fair value – hedging instruments**	**Financial assets/ liabilities**	**Other financial liabilities**	**Level 2**
Financial assets measured at fair value					
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
		12,594	**-**	**-**	**12,594**
Financial assets not measured at fair value					
Trade and other receivables	8-11		212,633		
Cash and cash equivalents	12		355,759		
		-	**568,392**	**-**	**-**
Financial liabilities measured at fair value					
Interest rate swap	17	-			-
Cross Currency Swap	17	13,455			13,455
Forwards	17	153			153
Commodity swap	17	504			504
		14,112	**-**	**-**	**14,112**
Financial liabilities not measured at fair value					
Bank loans and borrowing	17		144,490		
Bank overdrafts	17		147		
Current loan liabilities	17		78,399		
Other loan liabilities	17			487	
		-	**223,036**	**487**	**-**

31 December 2021		Carrying amount			Fair value
(Eur '000)	Note	Fair value – hedging instruments	Financial assets/ liabilities	Other financial liabilities	Level 2
Financial assets measured at fair value					
Commodity swap	9	2,367			2,367
Forwards	9	26			26
Cross Currency Swap	9	1,545			1,545
		3,938	**-**	**-**	**3,938**
Financial assets not measured at fair value					
Trade and other receivables	8-11		186,026		
Cash and cash equivalents	12		282,539		
		-	**468,565**	**-**	-
Financial liabilities measured at fair value					
Interest rate swap	17	3,061			3,061
Cross Currency Swap	17	8,621			8,621
Forwards	17	583			583
Commodity swap	17	-			-
		12,265	**-**	**-**	**12,265**
Financial liabilities not measured at fair value					
Bank loans and borrowing	17		162,556		
Bank overdrafts	17		7,581		
Current loan liabilities	17		68,564		
Other loan liabilities	17			16	
		-	**238,701**	**16**	**-**

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 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%

31 December 2021 (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	-	-	107	-	**107**	**282**	37.9%
Current financial assets	-	-	420	-	**420**	**4,446**	9.4%
Trade receivables	63	-	29	-	**92**	**170,170**	0.1%
Trade payables	450	-	25	-	**475**	**281,915**	0.2%
Other non-current liabilities	-	-	-	-	**-**	**2,041**	0.0%
Other current liabilities	-	-	-	-	**-**	**50,530**	0.0%
Non-current financial liabilities	-	-	376	-	**376**	**221,497**	0.2%
Current financial liabilities	-	-	1,489	-	**1,489**	**105,864**	1.4%
Income statement							
Revenue	-	-	78	-	**78**	**1,359,976**	0.0%
Other operating revenue	-	-	144	-	**144**	**29,751**	0.5%
Other operating costs	450	-	173	-	**623**	**354,894**	0.2%
Financial income	-	-	48	-	**48**	**5,891**	0.8%
Financial expense	-	-	41	-	**41**	**18,849**	0.2%

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 2022.

As at 31 December 2022, fees due to directors and key management personnel stood at EUR 11,343 thousand.

Compensation paid to directors in financial year 2022 amounted to EUR 6,064 thousand, as shown in the following table:

(Eur '000)	2022	2021
Fixed Remueration	1,974	1,968
Compensation for participation in committees	145	140
Variable Compensation	3,667	3,315
Non monetary benefits	18	7
Other fees	260	260
Total	**6,064**	**5,690**

Compensation paid to key management personnel, amounted to EUR 5,279 thousand and included EUR 3,190 thousand for fixed remuneration and EUR 1,539 thousand for variable remuneration. The amount of EUR 550 thousand related to non-monetary benefits. The portion of variable remuneration as at 31 December 2022 has not been paid.

Further information on remuneration has been included in the Remuneration Report.

35) Business acquisitions and disposals

It should be noted that, during the year, the Group did not carry out any acquisition and disposal transactions.

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 2022 by the Parent Cementir Holding N.V. and its subsidiaries to the independent auditors and their network totalled approximately EUR 1,452 thousand (2021: EUR 1,370 thousand), including EUR 1,316 thousand for audit services (2021: EUR 1,226 thousand) and EUR 135 thousand for other services (2021: EUR 144 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.

2022 (Eur '000)	**PWC Accountants NV**	**Other PWC network**	**Non- PWC network**	**Total**
Audit of the financial statement	166	1,150	87	**1,403**
Other audit engagements	-	32	-	**32**
Tax-related advisory services	-	-	95	**95**
Other non-audit services	-	103	-	**103**
Total fees	**166**	**1,285**	**182**	**1,633**

38) Events after the reporting period

On 8 February 2023, the Board of Directors' of the Parent Company approved the 2023 - 2025 Industrial Plan. Please refer to the relevant press release available con the company website www.cementirholdidng.com under the Investors, Press Releases section.

The new Group Industrial plan envisages the achievement of the following targets in 2025, which exclude the impact of non-recurring items (including further Covid-19 restrictions and any intensification of geopolitical tensions):

- **Revenue to reach EUR 2 billion**, with an annual average growth rate (CAGR) of 5-6%. Over the Plan horizon, sales volumes of cement, ready-mixed concrete and aggregates are expected to increase moderately from 2024 onwards in all regions; the Asia-Pacific region is expected to recover volumes as early as 2023. The increase in prices, especially in the cement sector, will offset the significant increase in energy, raw material and logistics costs.
- **EBITDA to reach around EUR 400 million**, with an annual average growth rate (CAGR) of 6%. EBITDA is expected to grow in all geographical areas. Plan assumptions include a double-digit increase in fuel and electricity costs and an average annual CO_2 deficit of around 300,000 tons.
- **Average annual capex of approximately EUR 81 million** directed towards developing production capacity, maintaining plant efficiency, health and safety and digitisation.
- **Additional cumulative sustainability capex of EUR 86 million** for projects that will reduce CO_2 emissions in line with Group targets.
- **Net Cash Position of over EUR 500 million by 2025** deriving from growing results and strong cash generation.

Finally, the Plan assumes the distribution of a growing dividend, corresponding to a payout ratio between 20% and 25%.

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.

The main proceedings, relating to events in which the Company may be abstractly subject to compensation obligations based on the aforementioned settlement agreement, in relation to events prior to the transfer, are noted below.

Antitrust proceedings

On 7 August 2017, upon completion of an investigation, the Italian Competition Authority ("Authority") found there to have been an agreement aimed at coordinating cement selling prices across the entire country and imposed an administrative fine on the producers involved, including Cemitaly. The Company paid Cemitaly the sum of EUR 5,118,076 as compensation, to extinguish the fine and the interest accrued.

Proceedings in relation to the Cemitaly plant in Taranto

On 28 September 2017, Cemitaly was notified of criminal proceedings brought against it, Ilva S.p.A. and Enel Produzione S.p.A. in relation to administrative offences under Articles 5, 6 and 25 undecies paragraph 2 letter F) of Legislative Decree 231/2001. According to investigator allegations, (i) Cemitaly was aware of the fact that the fly ash it bought from Enel Produzione did not comply with applicable legislation, as traces of substances not derived solely from burning coal were found; (ii) the blast-furnace slag supplied by Ilva to Cemitaly should be qualified and treated as waste, due to its alleged "mechanical" impurities (presence of ferrous metals, crushed stone, debris, etc.), such as to require treatments such as sieving and deferrization, both of which, according to the investigator, are outside "normal industrial practice". At the outcome of the hearing of 15 April 2019, the Public Prosecutor requested that the company and natural persons appeared before the court, limited to answering the charges relating to the fly ash purchased from Enel Produzione, with consequent dismissal of the disputes related to the slag. Following the annulment of the decree that ordered the trial, in a ruling filed with the clerk's office on 18 October 2022, the Preliminary Hearing Judge acquitted all persons of the crimes charged against them because "the fact does not exist."

Other legal disputes

An administrative dispute is pending before the Court of Appeal in Türkiye, 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 5 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 Türkiye 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. The judgment on the substantive case is still pending. The risk of potential liabilities for the Group is assessed as remote.

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ANNEX

Annex 1

List of equity investments at 31 December 2022

Company name	Registered office	Share capital	Currency	Type of % Direct	Type of % Indirec	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	Antwerp (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
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		96.93 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 % Indirec	Investment held by Group companies	Method
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	Izmir (TR)	513,162,416	TRY		41.55 58.45	Cimentas AS Alfacem Srl	Line-by-line
Kudsk & Dahl A/S	Vojens (DK)	10,000,000	DKK		100	Unicon A/S	Line-by-line
Lehigh White Cement Company	West Palm Beach (USA)	-	USD		24.52 38.73	Aalborg Cement Company Inc White Cement Company LLC	Line-by-line
Neales Waste Management Ltd	Preston (GB)	100,000	GBP		100	NWM Holdings Ltd	Line-by-line
NWM Holdings Ltd	Preston (GB)	5,000,001	GBP		100	Recydia AS	Line-by-line
Quercia Ltd	Preston (GB)	5,000,100	GBP		100	NWM Holdings Ltd	Line-by-line
Recybel SA	Liegi-Flemalle (B)	99,200	EUR		25.5	Compagnie des Ciments Belges SA	Equity
Recydia AS	Izmir (TR)	759,544,061	TRY		67.39 23.72 8.89	Kars Cimento AS Cimentas AS Aalborg Portland Holding	Line-by-line
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, 9 March 2023

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.

2022 COMPANY FINANCIAL STATEMENTS

COMPANY FINANCIAL STATEMENTS

Statement of Financial Position

(Before profit appropriation)

(EUR'000)	Note	31 December 2022	31 December 2021
ASSETS			
Intangible assets	1	55	174
Property, plant and equipment	2	1,703	1,192
Investment property	3	17,650	18,625
Investments in subsidiaries	4	299,201	301,501
Non-current financial assets	5	930	260
Deferred tax assets	17	19,035	19,677
Other non-current assets		27	80
TOTAL NON-CURRENT ASSETS		**338,601**	**341,509**
Trade receivables	6	1,895	6,130
- Trade receivables - third parties		*12*	-
- Trade receivables - related parties	31	*1,883*	*6,130*
Current financial assets	7	27,143	90,161
- Current financial assets - third parties		*2,704*	*87*
- Current financial assets - related parties	*31*	*24,439*	*90,074*
Current tax assets	8	4,941	4,672
Other current assets	9	8,813	5,890
- Other current assets - third parties		*936*	*965*
- Other current assets - related parties	*31*	*7,877*	4,925
Cash and cash equivalents	10	634	3,221
TOTAL CURRENT ASSETS		**43,426**	**110,074**
ASSETS HELD FOR SALE		**-**	**-**
TOTAL ASSETS		**382,027**	**451,583**
EQUITY AND LIABILITIES			
Share capital	11	159,120	159,120
Share premium reserve	12	27,702	35,710
Legal reserve	13	1,855	(156)
Other reserves	13	26,795	41,455
Profit (loss) for the year		37,449	5,309
TOTAL EQUITY		**252,921**	**241,438**
Employee benefits	14	2,260	2,172
Non-current provisions	19	370	370
Non-current financial liabilities	15	27,681	77,487
Income taxes tax liabilities	17	-	-
TOTAL NON-CURRENT LIABILITIES		**30,311**	**80,029**
Current provisions		0	2,323
Trade payables	16	1,916	1,952
- Trade payables - third parties		*1445*	*1,437*
- Trade payables - related parties	*31*	*471*	515
Current financial liabilities	15	91,375	120,808
- Current financial liabilities - third parties		*51,243*	*61,918*
- Current financial liabilities - related parties	31	*40,132*	*58,890*
Current tax liabilities	17	-	-
Other current liabilities	18	5,504	5,033
- Other current liabilities - third parties		5,307	*4,919*
- Other current liabilities - related parties	31	197	*114*
TOTAL CURRENT LIABILITIES		**98,795**	**130,116**
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE		**-**	**-**
TOTAL LIABILITIES		**129,106**	**210,145**
TOTAL EQUITY AND LIABILITIES		**382,027**	**451,583**

Income statement

(EUR'000)	Note	2022	2021
REVENUE	20	**8,635**	**10,390**
- Revenue - third parties		*-*	*5*
- Revenue - related parties	31	*8,635*	*10,385*
Increase for internal work		-	-
Other operating revenue	21	76	44
- Other operating revenue - third parties		*76*	*44*
TOTAL OPERATING REVENUE		**8,711**	**10,434**
Personnel costs	22	(8,260)	(6,559)
Other operating costs	23	(12,438)	(13,441)
- Other operating costs - third parties		*(11,732)*	*(12,738)*
- Other operating costs - related parties	31	*(706)*	*(703)*
TOTAL OPERATING COSTS		**(20,698)**	**(20,000)**
EBITDA		**(11,987)**	**(9,566)**
Amortisation, depreciation, impairment losses and additions to provision	24	(914)	(3,255)
EBIT		**(12,901)**	**(12,821)**
Financial income	25	59,232	25,145
- Financial income - third parties		*5,958*	*4,491*
- Financial income - related parties	31	*53,274*	*20,654*
Financial expense	25	(11,743)	(13,970)
- Financial expense - third parties		*(9,196)*	*(11,279)*
- Financial expense - related parties	31	*(2,547)*	*(2,691)*
NET FINANCIAL INCOME (EXPENSE)		**47,489**	**11,175**
PROFIT BEFORE TAXES		**34,588**	**(1,646)**
Income taxes	26	2,861	6,955
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**37,449**	**5,309**

Statement of comprehensive income

(EUR'000)	Note	2022	2021
PROFIT FOR THE YEAR		**37,449**	**5,309**
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	23	3
Taxes recognised in equity	27	(6)	(1)
Total items that will never be reclassified to profit or loss for the year		**17**	**2**
Items that may be reclassified to profit or loss for the year:			
Profit (Losses) on derivatives	27	2,855	1,220
Taxes recognised in equity	27	(844)	(361)
Total items that may be reclassified to profit or loss		**2,011**	**859**
Total other comprehensive expense, net of tax		**2,028**	**861**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		**39,477**	**6,170**

Statement of changes in equity

Notes	11	12					13					13		
(EUR'000)	**Share capital**	**Share premium reserve**	**Legal reserves**		**Other reserves**							**Retained earnings**	**Profit (loss) for the year**	**Total Equity**
			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			
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
Gain 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**

Note	11	12						13				13		
(EUR'000)	**Share capital**	**Share premium reserve**	**Legal reserves**			**Other reserves**						**Retained earnings**	**Profit (loss) for the year**	**Total Equity**
			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			
Equity at 1 January 2021	**159,120**	**35,710**	**-**	**(1,015)**	**-**	**-**	**-**	**-**	**-**	**(130)**	**-**	**73,283**	**14,994**	**281,962**
Allocation of 2020 profit (loss)	-	-	-	-	-	-	-	-	-	-	-	14,994	(14,994)	-
Distribution of 2020 dividends	-	-	-	-	-	-	-	-	-	-	-	(21,922)	-	(21,922)
Treasury share purchase	-	-	-	-	-	-	-	-	-	-	-	(24,773)	-	(24,773)
Total transactions with investors	-	-	-	-	-	-	-	-	-	-	-	**(31,701)**	**(14,994)**	**(46,695)**
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	5,309	5,309
Net actuarial gains	-	-	-	-	-	-	-	-	-	3	-	-	-	3
Gain on derivatives	-	-	-	859	-	-	-	-	-	-	-	-	-	859
Total comprehensive income (expense)	**-**	**-**	**-**	**859**	**-**	**-**	**-**	**-**	**-**	**3**	**-**	**-**	**5,309**	**6,171**
Equity at 31 December 2021	**159,120**	**35,710**	**-**	**(156)**	**-**	**-**	**-**	**-**	**-**	**(127)**	**-**	**41,582**	**5,309**	**241,438**

Statement of Cash Flows

(EUR'000)	Note	31 December 2022	31 December 2021
Profit/(loss) for the year		**37,449**	**5,309**
Amortisation and depreciation	24	914	932
Investment property FV adjustment		975	4,230
Loss allowance	6	-	-
Net financial income (expense)	25	(47,489)	(11,175)
- third parties		*3,258*	*6,829*
- related parties	31	*(50,747)*	*(18,004)*
Income taxes	26	(2,861)	(6,955)
Change in employee benefits		111	(1,472)
Change in provisions (current and non-current)	19	(2,323)	2,323
Operating cash flows before changes in working capital		**(13,224)**	**(6,808)**
Decrease in trade receivables - third parties (Increase)		(12)	9
Decrease in trade receivables - related parties		4,247	(1,126)
Increase (Decrease) in trade payables - third parties		8	15
Increase (Decrease) in trade payables - related parties		(44)	265
Change in other non-current and current assets and liabilities - third parties		305	274
Change in other non-current and current assets and liabilities - related parties		193	(2,325)
Change in current and deferred taxes		(514)	(237)
Operating cash flows		**(9,041)**	**(9,933)**
Dividends collected		52,000	19,000
Interest received		1,269	1,525
Interest paid		(921)	(5,340)
Other net income (expense) collected (paid) on derivatives	25	(2,135)	(5,073)
Income taxes paid		-	-
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)		**41,172**	**179**
Investments in intangible assets		-	-
Investments in property, plant and equipment		-	(177)
Acquisitions of equity investments		-	(200)
Proceeds from the sale of property, plant and equipment		-	110
Change in non-current financial assets – third parties		36	737
Change in non-current financial assets – related parties		(706)	(47)
Change in current financial assets – third parties		(247)	239
Change in current financial assets – related parties		65,636	77,864
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)		**64,719**	**78,526**
Change in non-current financial liabilities - third parties		(50,535)	72,241
Change in current financial liabilities - third parties		(11,135)	(271,435)
Change in current financial liabilities - related parties		(18,814)	(715)
Dividends distributed		(27,994)	(21,922)
Purchase of treasury shares		-	(24,773)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)		**(108,478)**	**(246,604)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)		**(2,587)**	**(167,899)**
Opening cash and cash equivalents	10	**3,221**	**171,120**
Closing cash and cash equivalents	10	**634**	**3,221**

Reconciliation of the parent's equity at 31 December 2022 and 2021 and profit (loss) for the year then ended with consolidated equity and profit (loss)

(EUR'000)	Profit (loss) 2022	Equity 31 December 2022
Cementir Holding NV	**37,449**	**252,921**
Effect of consolidating subsidiaries	137,470	1,532,747
Effect of equity-accounted investees	972	48,993
Difference in translation reserve	-	(743,235)
Hyperinflation adjustment in respect of Türkiye	(13,605)	178,600
Other differences including the result for the year	-	98,157
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**

(EUR'000)	Profit (loss) 2021	Equity 31 December 2021
Cementir Holding NV	**5,309**	**241,438**
Effect of consolidating subsidiaries	107,189	1,395,277
Effect of equity-accounted investees	818	48,021
Difference in translation reserve	-	(687,321)
Other differences including the result for the year	-	90,713
Total attributable to the owners of the parent	**113,316**	**1,088,128**
Total attributable to the non-controlling interests	**9,679**	**139,429**
Cementir Holding Group	**122,995**	**1,227,557**

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, The 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 Corso Francia 200. 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 2022, 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 – 104,947,660 shares (65.955%). The shareholding is held as follows:
    - Direct ownership of 1,327,560 shares (0.834%)
    - Indirect ownership through the companies:
        - Calt 2004 Srl – 47,900,100 shares (30.103%)
        - Caltagirone SpA – 22,800,000 shares (14.329%)
        - FGC SpA – 17,600,000 shares (11.061%)
        - Gamma Srl – 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%)
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 9 March 2023, the Company's Board of Directors approved these Company financial statements at 31 December 2022 and authorised their publication on 9 March 2023.

Statement of compliance with the IFRS

These company financial statements at 31 December 2022, 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 before provisions.

Basis of presentation

The Company financial statements at 31 December 2022 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 55 thousand (EUR 174 thousand at 31 December 2021). "Other intangible assets" mainly refers to leasehold improvement costs related to the maintenance of the building in 200 Corso di Francia, owned by ICAL SpA. Amortisation is calculated over five years.

(EUR'000)	Other intangible assets	Assets under development and advances	Total
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**
Gross amount at 1 January 2021	**2,333**	**-**	**2,333**
Increase	-	-	-
Reclassifications	-	-	-
Gross amount at 31 December 2021	**2,333**	**-**	**2,333**
Amortisation at 1 January 2021	**2,032**	**-**	**2,032**
Increase	127	-	127
Amortisation at 31 December 2021	**2,159**	**-**	**2,159**
Net amount at 31 December 2021	**174**	**-**	**174**

2) Property, plant and equipment

At 31 December 2022 the item totalled EUR 1,703 thousand (EUR 1,192 thousand at 31 December 2021). 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 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**
Depreciation at 1 January 2022	**173**	**2,891**	**3,064**
Increase	37	757	794
Decrease	-	(3,367)	(3,367)
Depreciation at 31 December 2022	**210**	**281**	**491**
Net amount at 31 December 2022	**126**	**1,577**	**1,703**

(EUR'000)	Other assets	Right-of-use assets	Total
Gross amount at 1 January 2021	**317**	**3,949**	**4,266**
Increase	19	158	177
Decrease	-	(187)	(187)
Gross amount at 31 December 2021	**336**	**3,920**	**4,256**
Depreciation at 1 January 2021	**138**	**2,197**	**2,335**
Increase	35	770	805
Decrease	-	(76)	(76)
Depreciation at 31 December 2021	**173**	**2,891**	**3,064**
Net amount at 31 December 2021	**163**	**1,029**	**1,192**

Property, plant and equipment includes EUR 1,577 thousand in right-of-use assets (EUR 1,029 thousand as at 31 December 2021). Note 28 “IFRS 16 Leases” gives a breakdown of Right-of-use assets categorised according to their nature and its useful life.

The increase over the previous year is attributable to the new two-year lease agreement for the rental of the Rome office, starting on 01/01/2023 and expiring on 31/12/2024.

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 18,625 thousand at 31 December 2021), is recognised at fair value, as determined using appraisals prepared by an independent property assessor, of the property in Torrespaccata (Rome), which decreased against the previous year by EUR 975 thousand due to the decrease in market prices of commercial buildings in 2022. Around EUR 4.7 million of investment property has been pledged as collateral to secure non-current bank loans and borrowings with a residual, discounted amount of EUR 2,197 thousand at 31 December 2022.

4) Investments in subsidiaries

Totalling EUR 299,201 thousand (EUR 301,501 thousand at 31 December 2021), the item breaks down as follows:

(EUR'000)	Currency	Registered office	Investment %	Carrying amount at 31/12/2022	Investment %	Carrying amount at 31/12/2021
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%	3,946
Svim 15 Srl	EUR	Rome (I)	99.99%	600	99.99%	600
Equity investments				**299,201**		**301,501**

The change from 2021, amounting to EUR 2,300 thousand, refers to the write-down for impairment of the investment in Basi 15 Srl.

All investments in subsidiaries are in unlisted companies. At the date of preparing these Financial Statements there are no impairment indicator noted except for the investment in Basi 15 Srl as reported above.

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 930 thousand (EUR 260 thousand as at 31 December 2021) and mainly includes:

- EUR 892 thousand for financial receivables arising from the application of the IFRS16 accounting standard with Spartan Hive SpA, Aalborg Portland Digital Srl and Piemme SpA, and related to the lease of the building at 200 Corso di Francia;
- EUR 24 thousand of receivables for guarantee deposits due to mature in less than five years.

6) Trade receivables

Trade receivables totalled EUR 1,895 thousand (EUR 6,130 thousand at 31 December 2021) and break down as follows:

(EUR'000)		**31.12.2022**	**31.12.2021**
Trade receivables from third parties		12	788
Loss allowance		-	(788)
Trade receivables - subsidiaries	(note 31)	1,768	6,067
Trade receivables - other group companies	(note 31)	115	63
Trade receivables		**1,895**	**6,130**

The carrying value of trade receivables is representative of their fair value. The maturities of receivables from third-party customers are as follows:

(EUR'000)	**31.12.2022**	**31.12.2021**
Not yet due	-	-
Overdue	12	788
Loss allowance	-	(788)
Total trade receivables from third parties	**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 were overdue at 31 December 2022.

Note 31) Related party transactions provides more information about trade receivables from subsidiaries, associates and other group companies.

7) Current financial assets

Totalling EUR 27,143 thousand (EUR 90,161 thousand at 31 December 2021), the item breaks down as follows:

- loans to the subsidiary Svim 15 Srl, revocable and interest bearing, amounting to EUR 1,255 thousand;
- the loan to Aalborg Cement Company, amounting to EUR 7,032 thousand;
- the loan to White Cement Company, amounting to EUR 14,860 thousand;
- the loan to the subsidiary BASI 15, revocable and interest bearing, amounting to EUR 400 thousand;
- The positive fair value of derivatives totalled approximately EUR 2,634 thousand; the figure is related to the fair value measurement at 31 December 2022 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 325 thousand and to Piemme SpA for EUR 453 thousand.

The change compared to the previous year, amounting to EUR 63,018 thousand, is mainly attributable to:

- collection of the loan to Alfacem Srl, amounting to EUR 57,996 thousand;
- closure of the cash pooling relationship with Aalborg Portland digital srl for EUR 2,512 thousand;
- collection of the loan granted to Spartan Hive SpA, for EUR 17,711 thousand;
- the positive effect of the fair value of derivative products for EUR 2,634 thousand;
- the increase in loans to Aalborg Cement Company for EUR 3,491 thousand and White Cement Company for EUR 8,665 thousand;
- The increase in receivables from IFRS16 in the amount of EUR 475 thousand.

The item also included EUR 71 thousand of deferrals mainly for fees on the Base Facility and the RCF.

8) Current tax assets

Current tax assets, which amounted to EUR 4,941 thousand (EUR 4,672 thousand at 31 December 2021), consisted of EUR 3,415 thousand mainly of withholding taxes applied to royalties for the use of the trademark and EUR 1,527 thousand of the credit related to the claim for reimbursement due to lower royalties related to the 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.

9) Other current assets

The item totalled EUR 8,813 thousand (EUR 5,890 thousand at 31 December 2021) and breaks down as follows:

(EUR'000)		31.12.2022	31.12.2021
Subsidiaries (IRES tax consolidation scheme)	(note 31)	7,877	4,925
Prepayments		130	72
VAT assets		802	705
Other receivables		4	188
Other current assets		**8,813**	**5,890**

10) Cash and cash equivalents

This item, totalling EUR 634 thousand (EUR 3,221 thousand at 31 December 2021) consists of cash and cash equivalents held by the Company and breaks down as follows:

(EUR'000)		31.12.2022	31.12.2021
Bank deposits		632	3,220
Bank deposits - related parties	(note 31)	-	-
Cash-in-hand and cash equivalents		2	1
Cash and cash equivalents		**634**	**3,221**

For further details of the change of EUR 2,587 thousand please refer to the 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 additional paid-in capital reserve as of 31 December 2022 was EUR 27,702 thousand (EUR 35,710 thousand as of 31 December 2021), the decrease of EUR 8,009 thousand related to the distribution of dividends.

13) Reserves

Other reserves totalled EUR 28,651 thousand (EUR 41,299 thousand at 31 December 2021) and break down as follows:

(EUR'000)	Legal Reserve	Other Reserves	Retained Earnings	Total
Balance at 1 January 2022	**(156)**	**(127)**	**41,582**	**41,299**
Increase	2,011	17	-	2,028
Decrease	-	-	(14,676)	(14,676)
Balance at 31 December 2022	**1,855**	**(110)**	**26,906**	**28,651**
(EUR'000)	**Legal Reserve**	**Other Reserves**	**Retained Earnings**	**Total**
Balance at 1 January 2021	**(1,015)**	**(130)**	**73,283**	**72,138**
Increase	859	3	-	862
Decrease	-	-	(31,701)	(31,701)
Balance at 31 December 2021	**(156)**	**(127)**	**41,582**	**41,299**

The increase in the Legal Reserve, amounting to EUR 2,011 thousand, is entirely attributable to the increase in the Cash Flow Hedge reserve.

The decrease in Retained Earnings of EUR 14,676 thousand relates to the distribution of 2021 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 31/12/2022**	**To cover losses**	**For other reasons**
Share capital	**159,120**	**-**	**-**
Share premium reserve	27,701	-	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		
Merger surplus	-	14,527	44,236
Other IFRS reserves	12.401	-	-
Retained earnings	-	-	4,296
Total reserves	**56,352**	**14,527**	**56,541**
Profit (loss) for the year	**37,449**	**-**	**-**
Total equity	**252,921**	**-**	**-**

A) The reserves if distributed will be part of the company's taxable profit.

The following table shows the reconciliation between Italian tax law and the Dutch Civil Code as at 31 December 2022:

(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	1,855	31,824	5,170	138	41	-	(110)	5,485	-	**56,352**
Reclassification due conversion in N.V.	-	29,315	(355)	(13,207)	-	(31,824)	(5,170)	(138)	(41)	-	-	(5,485)	26,905	
Dutch Civil Code	**27,702**	**-**	**-**	**-**	**1,855**	**-**	**-**	**-**	**-**	**-**	**(110)**	**-**	**26,905**	**56,352**

*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 27,994 thousand in dividends to shareholders for 2021, corresponding to EUR 0.18 per ordinary share.

14) Employee benefits

Post-employment benefits totalled EUR 172 thousand (EUR 181 thousand at 31 December 2021). 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 %	**31.12.2022**	**31.12.2021**
Annual discount rate	3.70%	1.00%
Annual post-employment benefits growth rate	3.31%	2.81%

Changes in the liability are shown below:

(EUR'000)	**31.12.2022**	**31.12.2021**
Net liability *opening balance*	**181**	**166**
Current service cost	-	-
Interest cost	2	-
Payments of post-employment benefits	-	(10)
Net actuarial gains recognised in the year	(23)	25
Other	12	**-**
Net liability *closing balance*	**172**	**181**

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 2,088 thousand at 31 December 2022 (EUR 1,991 thousand at 31 December 2021).

15) Financial liabilities

Non-current and current financial liabilities are shown below:

(EUR'000)		31.12.2022	31.12.2021
Bank loans and borrowing		25,997	76,953
Other non-current loan liabilities		140	158
Other non-current financial liabilities - related parties	(note 31)	1,544	376
Non-current financial liabilities		**27,681**	**77,487**
Bank loans and borrowing		49,862	57,419
Bank loans and borrowings - related parties (note 31)		38,587	57,401
Current portion of non-current financial liabilities		1,216	1,188
Current portion of non-current financial liabilities - related parties (note 31)		1,544	1,489
Fair value of derivatives		154	3,295
Other loan liabilities		12	16
Current financial liabilities		**91,375**	**120,808**
Total financial liabilities		**119,056**	**198,295**

Non-current payables to bank loans and borrowings, for EUR 25,997 thousand, referring to the new 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.

Current bank loans and borrowing, amounting to EUR 49,862 thousand, mainly include the short-term share of the new senior term loan.

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 2022 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.

Bank payables to related parties of EUR 38,587 thousand refer to the balance of the cash pooling account in place with Alfacem Srl.

The current portion of non-current financial liabilities mainly includes re-instalments due in 2022 of the floating-rate loan (6M Euribor + spread of 0.75%) granted by Banca Intesa SpA secured by a company-owned property in Torrespaccata (EUR 1,080 thousand).

Other non-current financial payables, amounting to EUR 1,684 thousand (EUR 140 thousand to third parties and EUR 1,544 thousand to related parties), related to the debt arising from the application of IFRS 16; while other financial payables current, amounting to EUR 12 thousand, mainly refer to accrued interest on non-current loans.

The negative fair value of derivatives totalled approximately EUR 154 thousand; the figure is related to the fair value measurement at 31 December 2022 of derivatives purchased to hedge interest rate and currency risks connected with liabilities falling due between January 2022 and December 2024.

At 31 December 2022, a company-owned property in Torrespaccata, Rome, was mortgaged to third parties for EUR 4.7 million to secure the loan granted by Banca Intesa SpA.

Guarantees given to third parties at 31 December 2022 amounted to EUR 9,351 thousand (GBP 8.3 million). They include guarantees issued to the subsidiaries Quercia Limited and Neales Waste Management, in favour of Intesa San Paolo SpA and UniCredit.

Sureties in GBP were translated into euros at the exchange rates effective at 31 December 2022, equal to EUR/GBP 0.88693.

The company's exposure, broken down by due date of the financial liabilities, is as follows:

(EUR'000)		31.12.2022	31.12.2021
Within three months		501	7,974
• *third parties*		*501*	*7,974*
• *related parties*	*(note 31)*	*0*	*-*
Between three months and one year		90,874	112,834
• *third parties*		*52,287*	*55,433*
• *related parties*	*(note 31)*	*38,587*	*57,401*
Between one and two years		27,681	51,556
• *third parties*		*27,681*	*51,080*
• *related parties*	*(note 31)*	*0*	*476*
Between two and five years		0	25,931
• *third parties*		*0*	*25,873*
• *related parties*	*(note 31)*	*0*	*58*
After five years		0	-
Total financial liabilities		**119,056**	**198,295**

The carrying amount of current and non-current financial liabilities equals their fair value.

Net financial debt

The following table provides the Net Financial Indebtedness – ESMA as of December 31, 2022 and 2021, calculated in accordance paragraph 175 of the recommendations contained in ESMA 32-382-1138 released on March 4, 2021.

(EUR'000)	31.12.2022	31.12.2021
A. Cash	2	1
B. Cash equivalents	632	3.220
C. Other current financial assets	27.143	90.161
D. Liquidity (A+B+C)	**27.777**	**93.382**
E. Current financial debt	(49.861)	(57.419)
F. Current portion of non-current financial debt	(41.514)	(63.389)
G. Current financial indebtedness (E+F)	**(91.375)**	**(120.808)**
H. Net current financial Indebtedness (G-D)	**(63.598)**	**(27.426)**
I. Non-current financial debt	(25.997)	(76.953)
J. Debt instruments	-	-
K Non-current trade and other payables	(1.684)	(534)
L. Non-current financial indebtedness (I+J+K)	**(27.681)**	**(77.487)**
M. Total financial indebtedness (H+L)	**(91.279)**	**(104.913)**

The Company's total financial indebtedness at 31 December 2022 amounted to EUR 91,279 thousand (EUR 104,913 thousand at 31 December 2021) down by EUR 13,634 thousand compared to the previous year. This change is mainly attributable to the repayment of principal amounts of outstanding loans.

Other current financial payables, which amounted to EUR 38,753 thousand (EUR 60,712 thousand as of 31 December 2021), decreased by EUR 21,959 thousand mainly due to the fair value measurement of derivative instruments and the settlement of cash pooling accounts with Spartan Hive, CCB, CCB France, Aalborg Portland Digital and Aalborg Portland Holding and the recognition of a receivable from Alfacem.

If the loan had been included, the net financial debt of Cementir Holding NV would have been EUR 90,349 thousand (as presented below).

(EUR'000)	**31.12.2022**	**31.12.2021**
Current financial assets	27,143	90,161
Cash and cash equivalents	634	3,221
Current financial liabilities	(91,375)	(120,808)
Non-current financial liabilities	(27,681)	(77,487)
Net financial debt (as per CONSOB Communication)	**(91,279)**	**(104,913)**
Non-current financial assets	930	260
Total net financial debt	**(90,349)**	**(104,653)**

16) Trade payables

Their balance of EUR 1,916 thousand (EUR 1,952 thousand at 31 December 2021) may be analysed as follows:

(EUR'000)	**31.12.2022**	**31.12.2021**
Trade payables - third parties	1,445	1,437
Trade payables - related parties (note 31)	471	515
Trade payables	**1,916**	**1,952**

Note 31) Related party transactions gives a breakdown of trade payables to subsidiaries, associates and Parents.

17) Deferred tax assets and liabilities

At 31 December 2022, deferred tax, amounted to EUR 19,035 thousand, includes deferred tax assets net of deferred tax liabilities as shown below:

(EUR'000)	**31.12.2021**	Accruals, net of utilisation in profit or loss	Increase, net of decreases in equity	Other changes	**31.12.2022**
Tax losses	16,166	-	-	-	16,166
Other	6,941	(1,153)	(236)	-	5,552
Deferred tax assets	**23,107**	**(1,153)**	**(236)**	**-**	**21,718**
Difference between accounting value and their tax base	3,430	(1,361)	614	-	2,683
Deferred tax liabilities	**3,430**	**(1,361)**	**614**	**-**	**2,683**
Total	**19,677**				**19,035**

The balance as of 31 December 2022 of deferred tax assets (EUR 21,718 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 2,683 thousand at 31 December 2022, consisted of EUR 2,359 thousand in IRES liabilities and EUR 324 thousand in IRAP liabilities.

18) Other current liabilities and current and non-current provisions

(EUR'000)		31.12.2022	31.12.2021
Personnel		1,404	1,268
Social security institutions		477	462
Other liabilities		3,426	3,189
Subsidiaries (IRES and VAT tax consolidation scheme)	(note 31)	197	114
Other payables - related parties (Note 31)		1	-
Other current liabilities		**5,505**	**5,033**

Other liabilities relate mainly to remuneration for directors and auditors for a total of EUR 3,175 thousand.

The amount due to subsidiaries primarily comprises amounts owed by Cementir Holding to entities 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 2022, non-current provisions amounted to EUR 370 thousand, unchanged from 31 December 2021, while current provisions were reduced to zero due to their utilisation.

20) Revenue

(EUR'000)	2022	2021
Services	8,635	10,390
Revenue	**8,635**	**10,390**

Revenue included EUR 8,021 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)	2022	2021
Building lease payments	-	-
Other income	76	44
Other operating revenue	**76**	**44**

22) Personnel costs

(EUR'000)	2022	2021
Wages and salaries	4,609	4,647
Social security charges	1,684	1,659
Other costs	1,967	253
Personnel costs	**8,260**	**6,559**

The company's workforce breaks down as follows:

	31.12.2022	31.12.2021	2022 Average	2021 Average
Executives	11	16	16	17
Middle management, white-collar workers and intermediates	28	25	25	25
Total	**39**	**41**	**41**	**42**

The Company has no employees in the Netherlands.

23) Other operating costs

(EUR'000)	2022	2021
Consultancy	2,038	1,880
Directors' fees	5,036	4,779
Independent auditors' fees	413	253
Other services	1,956	1,497
Other operating costs	2,995	5,032
Other operating costs	**12,438**	**13,441**

Other operating costs include the write-down of the Torrespaccata property for EUR 975 thousand.

Total other operating expenses also include transactions with related parties; please refer to note 31 for full details.

24) Amortisation, depreciation, impairment losses and additions to provision

(EUR'000)	2022	2021
Amortisation	120	127
Depreciation	794	805
Additions to provision and write-downs	0	2,323
Amortisation, depreciation, impairment losses and additions to provision	**914**	**3,255**

Amortisation and depreciation includes for EUR 757 thousand (EUR 770 thousand in 2021) 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 47,489 thousand. This result is broken down as follows:

(EUR'000)		2022	2021
Total income from investments		**52,000**	**19,000**
Total expense from investments		**(2,300)**	**(2,500)**
Interest income from third parties		-	457
Interest income from related parties	(note 31)	1,274	1,654
Other financial income		5,958	4,034
Total financial income		**7,232**	**6,145**
Interest expense		(905)	(5,299)
Interest expense - related parties (note 31)		(20)	(41)
Other financial expense		(8,291)	(5,980)
Other financial expense - related parties	(nota 31)	(227)	(150)
Total financial expense		**(9,443)**	**(11,470)**
Net financial income (expense)		**47,489**	**11,175**

"Income from investments", amounting to EUR 52,000 thousand, refers to the dividends received by the subsidiary Cementir Espana.

Other financial income amounting to EUR 5,958 thousand (EUR 4,034 thousand as of 31 December 2021) consisted of gains on derivative financial instruments purchased to hedge currency and exchange rate gains on financial transactions.

Other financial expense totalled EUR 8,291 thousand (EUR 5,980 thousand as of 31 December 2021) mainly consisted of foreign exchange losses on financial transactions and losses on the settlement of derivatives held to hedge currency and interest rate risks.

26) Income taxes

The item shows a net tax income of EUR 2,861 thousand (EUR 6,955 thousand in 2021) and breaks down as follows:

(EUR'000)	2022	2021
Current taxes	2,652	2,960
- *IRES*	*2,652*	*2,415*
- *IRAP*	*-*	*545*
Deferred tax assets	(1,152)	2,354
- *IRES*	*(1,158)*	*2,405*
- *IRAP*	*6*	*(51)*
Income taxes tax liabilities	1,361	1,641
- *IRES*	*1,014*	*1,323*
- *IRAP*	*347*	*318*
Taxes	**2,861**	**6,955**

The following table shows a reconciliation between the theoretical tax expense and the effective expense recognised in the income statement:

(EUR'000)	2022	2021
Theoretical tax expense (based on Italian nominal tax rate)	**(8,301)**	**395**
Taxable permanent differences	(660)	(287)
Deductible permanent differences	11,906	4,372
Prior year taxes	(436)	1,664
Change in IRES tax rate	-	-
Effective IRAP tax expense	352	811
Taxes	**2.861**	**6,955**

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)	2022			2021		
	Gross amount	Tax effect	Gross amount	Gross amount	Tax effect	Gross amount
Financial instruments	2,855	(844)	**2,011**	1,220	(361)	**859**
Net actuarial gains (losses) on post-employment benefits	23	(6)	**17**	3	(1)	**2**
Total other comprehensive income (expense)	**2,878**	**(850)**	**2,028**	**1,223**	**(362)**	**861**

28) IFRS 16 Leases

The following table shows the movements of RoU at 31 December 2022 and the related disclosures:

(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**
Depreciation	589	168	-	757
Decrease	(3,242)	(124)	-	(3,366)
Depreciation at 31 December 2022	**-**	**281**	**-**	**281**
Net amount at 31 December 2022	**1,306**	**272**	**-**	**1,578**

(EUR'000)	Land and buildings	Plant and equipment	Other assets	Total Right-of-use assets
Gross amount at 1 January 2021	**3,473**	**476**	**-**	**3,949**
Increase	15	143	-	158
Decrease	(103)	(84)	-	(187)
Gross amount at 31 December 2021	**3,385**	**535**	**-**	**3,920**
Depreciation at 1 January 2021	**2,026**	**171**	**-**	**2,197**
Depreciation	627	143	-	770
Decrease	-	(77)	-	(77)
Depreciation at 31 December 2021	**2,653**	**237**	**-**	**2,890**
Net amount at 31 December 2021	**732**	**298**	**-**	**1,030**

As at 31 December 2022, right of use assets were EUR 1,578 thousand (EUR 1,030 thousand at 31 December 2021) and mainly included the contract related to the 200 Corso Francia premises for EUR 1,306 thousand (EUR 732 thousand at 31 December 2021).

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
Other assets	4 years

The Company's exposure, broken down by expiry of the lease liabilities, is as follows:

(EUR'000)	31.12.2022	31.12.2021
Within three months	437	418
Between three months and one year	1,285	1,252
Between one and two years	1,679	484
Between two and five years	41	58
After five years	-	-
Total undiscounted lease liabilities at 31 December	**3,442**	**2,212**

Current and non-current lease liabilities are shown below:

(EUR'000)		31.12.2022	31.12.2021
Non-current lease liabilities		792	158
Non-current lease liabilities - related parties	(note 31)	892	376
Non-current lease liabilities		**1,684**	**534**
Current lease liabilities		788	144
Current lease liabilities - related parties	(note 31)	892	1,489
Current lease liabilities		**1,680**	**1,633**
Total lease liabilities		**3,364**	**2,167**

Amounts recognised in profit/(loss) in the income statement

(EUR'000)	2022	2021
Amortisation and depreciation (note 24)	(757)	(770)
Interest expense on lease liabilities	(25)	(47)

Amounts recognised in the cash flow statement

(EUR'000)	2022	2021
Total cash outflow for leases	1,736	1,654

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 euro 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.

At 31 December 2022, the company's net financial debt amounted to EUR 91,279 thousand (EUR 104,913 thousand in 2021) in current loan assets and cash and cash equivalents EUR 27.777 thousand in current loan liabilities EUR 91,375 thousand in non-current loan liabilities, entirely regulated at a floating 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 1 million (EUR 0,8 million in 2021) and on equity of EUR 0.7 million (EUR 0.6 million at 31 December 2021). 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 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**

31 December 2021 (EUR'000)	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment property	3	-	-	18,625	**18,625**
Total assets		**-**	**-**	**18,625**	**18,625**
Current financial liabilities (derivative instruments)	15	-	3,295	-	**3,295**
Total liabilities		**-**	**3,295**	**-**	**3,295**

No transfers among the levels took place during 2022.

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, are 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 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 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 S	-	-	-	-	-	-	-	**-**
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%**	

Year 2021 (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	3,645	-	-	-	-	-	-	**3,645**
Alfacem Srl	3	-	57,996	-	-	-	-	**57,999**
Aalborg Portland Holding A/S	2,218	-	1	-	-	(16,000)	-	**(13,781)**
Basi 15 Srl	5	-	-	-	-	-	(78)	**(73)**
Svim 15 Srl	3	-	1,258	-	-	-	(36)	**1,225**
Cementir Espana SL	-	-	-	-	-	-	-	**-**
Aalborg Portland A/S	-	-	-	-	-	-	-	**-**
Lehigh White Cement Company	-	-	-	-	-	-	-	**-**
Aalborg Cement Company	-	-	3,540	-	-	-	-	**3,540**
White Cement Company	-	-	6,195	-	-	-	-	**6,195**
Quercia Ltd	-	-	5	-	-	-	-	**5**
Aalborg Portland Digital S.r.l.	105	52	2,833	674	(36)	-	-	**3,628**
Spartan Hive SpA	62	27	17,824	4,251	(29)	(17,693)	-	**4,442**
Recydia	-	-	-	-	-	-	-	**-**
Caltagirone SpA	63	-	-	-	(450)	-	-	**(387)**
Vianini Lavori SpA	-	-	-	-	-	-	-	**-**
Piemme SpA	-	107	420	-	-	-	-	**527**
Compagnie des Ciments Belges France SA	-	-	1	-	-	(12,148)	-	**(12,147)**
Compagnie des Ciments Belges SA	15	-	1	-	-	(11,559)	-	**(11,543)**
Aalborg Portland Malaysia Sdn. Bhd.	3	-	-	-	-	-	-	**3**
Aalborg Portland Anqing CO. LTD.	8	-	-	-	-	-	-	**8**
ICAL SpA	-	-	-	-	-	(1,865)	-	**(1,865)**
Total related parties	**6,130**	**186**	**90,074**	**4,925**	**(515)**	**(59,265)**	**(114)**	**41,410**
Total financial statements	**6,130**	**260**	**90,161**	**5,890**	**(1,952)**	**(198,295)**	**(5,033)**	
% of item	**100,00%**	**71.54%**	**99.90%**	**83.62%**	**26.38%**	**28.89%**	**2.27%**	

Trade receivables mainly refer to invoices for brand licences to Cimentas Aalborg Portland Anqing CO. LTD, Unicon NO AS and Unicon DK AS.

Financial assets refer to the interest-bearing loans to White Cement Company (EUR 14,860 thousand), Aalborg Cement Company (EUR 7,032 thousand), Svim 15 Srl (EUR 1,255 thousand) and Basi 15 Srl (EUR 400 thousand). In addition, the item includes financial receivables arising from the cash pooling relationship with Aalborg Portland Digital Srl (EUR 2,513 thousand) and from the sublease of part of the building at 200 Corso di 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 38,587,000).

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 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%**	

Year 2021 (EUR'000)	Operating revenue and other income	Financial income	Operating costs	Financial expense	Balance
Caltagirone SpA	-	-	(450)	-	**(450)**
Cimentas AS	1,950	-	-	-	**1,950**
Alfacem Srl	5	1,171	-	-	**1,176**
Basi 15 Srl	9	1	-	-	**10**
Svim 15 Srl	6	5	-	-	**11**
Cementir Espana	-	19,001	-	-	**19,001**
Aalborg Portland Holding A/S	7,846	372	-	-	**8,218**
Aalborg Portland A/S	-	-	-	(75)	**(75)**
Aalborg Cement Company	-	9	-	-	**9**
White Cement Company	-	15	-	-	**15**
Quercia Ltd	-	1	-	-	**1**
Sinai White Portland Cement Co.S.A.E.	-	-	-	-	**-**
Aalborg Portland Digital S.r.l.	406	20	(115)	-	**311**
Vianini Lavori SpA	-	-	(42)	-	**(42)**
Piemme SpA	72	20	-	-	**92**
Spartan Hive SpA	91	33	(96)	-	**28**
Compagnie des Ciments Belges SA	-	3	-	(75)	**(72)**
Compagnie des Ciments Belges France SA	-	3	-	-	**3**
Aalborg Portland Malaysia Sdn. BHD.	-	-	-	-	**-**
ICAL SpA	-	-	-	(41)	**(41)**
Total related parties	**10,385**	**20,654**	**(703)**	**(191)**	**30,145**
Total financial statements	**10,434**	**25,145**	**(13,441)**	**(11,470)**	
% of item	**99.53%**	**82.14%**	**5.23%**	**1.67%**	

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 regarding centralized activities as regulated by the Cementir Group Intercompany Service Agreement.

Financial income from Cementir Espana includes dividends (EUR 52,000,000); Financial income from Alfacem Srl, 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.

32) Independent auditors' fees

Fees paid in 2022 to the independent auditors totalled approximately EUR 440 thousand, including EUR 328 thousand for audit services and EUR 112 thousand for other services (EUR 204 thousand in 2021 of which EUR 182 thousand for audit services and EUR 22 thousand for other services).

33) Director's remuneration

Compensation paid in financial year 2022 totalled EUR 6.064 thousand (EUR 5,690 thousand in 2021) as shown below:

(EUR'000)	**2022**	**2021**
Fixed Remuneration	1,974	1,968
Compensation for participation in Committees	145	140
Variable Compensation	3,667	3,315
Non monetary benefits	18	7
Other fees	260	260
Total	**6,064**	**5,690**

The key management personnel compensation is mainly relating to short-term employee benefits. The portion of variable remuneration as 31 December 2022 has not been paid.

The following table shows the remuneration paid in the financial year 2022

Cementir Holding N.V. - Year 2022

COMPENSATION PAID TO THE BOARD OF DIRECTORS AND TO THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

(in thousands of Euros)

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***	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 Indipendent 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 Indipendent 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**

The table below shows the compensation paid in Financial Year 2021:

Cementir Holding N.V. - Year 2021

COMPENSATION PAID TO THE BOARD OF DIRECTORS AND TO THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

(in thousands of Euros)

Name of Director, position	Fixed Remuneration			Compensation for participation in committees	Variable Compensation (non equity)	Non-monetary benefits	Other fees *	Total	Proportion of fixed and variable remuneration
	Token of presence	Compensation approved by the Shareholders' Meeting or by the BoDs	Compensation for employee work		Bonuses and other incentives				
BOARD OF DIRECTORS									
Francesco Caltagirone, Chairman of the Board of Directors and CEO	5	1.805	81		3.315	7		5.213	64% variable remuneration 36% 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	3	5						8	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 Indipendent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	4	5		40				49	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				60	100% fixed remuneration
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	5	5		50				60	100% fixed remuneration
MANAGEMENT WITH STRATEGIC RESPONSIBILITIES									
Executives with strategic responsibilities:**			3.169		1.666	556		5.391	31% variable remuneration 69% fixed remuneration
TOTAL:	**42**	**1.845**	**3.250**	**140**	**4.981**	**563**	**260**	**11.081**	

*** Consulting agreement**
**** Includes Group COO, Group CFO, Heads of Region and Business Unit Managing Directors**

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.

OTHER INFORMATION

PROPOSED ALLOCATION OF THE LOSS FOR THE YEAR 2022 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 2022 - 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 37,448,704;
- to allocate to the Shareholders, by way of dividend, an amount equal to EUR 34,214,400, net of treasury shares, in the amount of EUR 0.22 for each ordinary share, gross of any withholding taxes, using:
    - profit for the year for EUR 34,214,400;
    - to carry forward the remaining part of the profit for the year for EUR 3,234,304.

Rome, 9 March 2023

Chairman of the Board of Directors

/f/ Francesco Caltagirone Jr.

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 financial statements 2022

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 2022, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by 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 2022 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 2022;
- the following statements for 2022: the consolidated and company income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of the significant accounting policies 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 a separate opinion or conclusion 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 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. Furthermore, we identified the accounting for hyperinflation in Türkiye as a key audit matter because of the initial application of the standard, which require judgement made by management, and the support of management's experts.

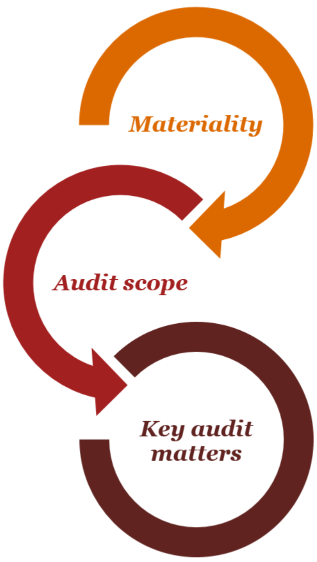
Other areas of focus that were not considered as key audit matters were climate change and valuation of investment property.

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. 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 competencies that 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: €15,500,000 for the consolidated financial statements, €3,800,000 for the company financial statements.

Audit scope
- We conducted audit work in eleven locations organised in four sub-group components: Italy, Denmark, Türkiye and Belgium.
- Virtual site visits were conducted to two countries and a physical site visit to one country – which involved all of the sub-group components in scope.
- Audit coverage: 89% of consolidated revenue, 93% of consolidated total assets and 72% of consolidated profit before tax.

Key audit matters
- Recoverability of goodwill
- Accounting for hyperinflation in Türkiye

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	€15,500,000 (2021: €12,000,000) for the consolidated financial statements, €3,800,000 (2021: €4,500,000) 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 appear to be 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 €3.8 million and €13 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 €775,000 (2021: €600,000) for the consolidated financial statements and €380,000 (2021: €450,000) 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, provide sufficient coverage of the financial statements for us to be able to give 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	89%
Total assets	93%
Profit before tax	72%

We have set component materiality levels, which ranged from €3.8 million to €13 million, based on the mix of size and financial statement risk profile of the components within the Group to reduce the overall aggregation risk to an acceptable level.

None of the remaining components represented more than 2.5% 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 calls or physical meetings with each of the audit teams of the components in scope 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 Aalborg Portland sub-group (Denmark) component given the importance of the component for the overall group, as well as held conference calls and video conference meetings with the teams of the other two significant components 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.

We 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 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 included 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 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, the 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;	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.

Identified fraud risks	*Our audit work and observations*
• significant transactions, if any, outside the normal course of business for the entity.	We paid specific attention to consolidation and elimination entries, which included reconciliation with and inspection of underlying information.
We pay particular attention to tendencies due to possible interests of management.	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. 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	We assessed the design and implementation of the internal control controls and their effectiveness in the processes for recording revenues.
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 assertion existence/occurrence.	We performed substantive procedures such as reconciliation with and inspection of revenue to underlying documentation. We performed specific audit procedures at the end of the year related to cut-off procedures to identify potential shifts in revenue in the next financial year to the revenue reported in the current financial year. 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 and cut-off of the revenue reporting.

We incorporated elements of unpredictability in our audit. We reviewed lawyer's letters. During the audit we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of 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 directors' going-concern assessment included, amongst others:

- Considering whether the board of directors identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- Considering whether the board of directors' going-concern assessment includes all relevant information of which we are aware as a result of our audit, inquiry of 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 as at 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 ratios 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 directors' current operating plan for 2023 to 2025 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.
- Performing inquiries of the board of directors as to their knowledge of going-concern risks beyond the period of the board of directors' assessment.

Our procedures did not result in outcomes contrary to the board of directors' 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 addressed the key audit matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comment or observation we made on the results of our procedures should be read in this context. 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 2022 is € 406.8 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 CGUs 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 2022, 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 help 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) used for the impairment test and we performed an independent recalculation using the parameters applicable to the Group. • We then examined the sensitivity analyses performed by management in respect of the impact from possible changes in estimated cash flows, in the long-term growth rate and in the discount rate 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, sensitivities and headroom in the explanatory notes.

Key audit matter	*Our audit work and observations*
Accounting for hyperinflation in Türkiye *Refer to section 'Türkiye – hyperinflated economy: impact of the application of IAS 29'.* Starting from April 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in IAS 29 – 'Financial Reporting in Hyperinflationary Economies'. The Company applied IAS 29 to re-measure non-monetary assets, liabilities and equity in the opening balance sheet (1 January 2022) at a cumulative price index. Non-monetary assets, liabilities, equity and income statement items for the current year have been re-measured at the price index for 2022. The effect related to the current year restatement is recognised in a separate line of the consolidated income statement within the 'Net financial income (expense)' grouping. The application of the hyperinflation accounting standard results in an increase of (i) total assets equal to €203.9 million, (ii) total liabilities equal to €19.2 million, and (iii) equity equal to €184.7 million. In 2022, the application of IAS 29 resulted in the recognition of a net charge in the income statement of €13.6 million. We identified the accounting for hyperinflation in Türkiye as a key audit matter because of the initial application of the standard which require judgement made by management and the support of management's experts.	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 29 – 'Financial Reporting in Hyperinflationary Economies'. • We verified the reasonableness of managements' assumptions and considerations used for the identification of the monetary and non-monetary assets and liabilities, as well as the selection of an appropriate general price index. • For a sample of assets, liabilities, comprehensive income statement items and equity, we tested the mathematical accuracy of the restatement calculation and the accuracy of the price index used. • We verified the consistency of the restatement impacts presentation in the consolidated financial statements with the IAS 29 requirements and the adequacy and completeness of the disclosures 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 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. following the passing of a resolution by the shareholders at the annual general meeting held on 20 April 2020. Our appointment has been renewed by shareholders and now represents a total period of uninterrupted engagement of two 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 (partially) 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.

As part of the preparation of 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 consolidated and company 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, which makes it possible that we may not detect all material misstatements. 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 consolidated and company 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, 9 March 2023
PricewaterhouseCoopers Accountants N.V.

A.G.J. Gerritsen RA

Appendix to our auditor's report on the financial statements 2022 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, not communicating the matter is in the public interest.