CONSOLIDATED HALF-YEAR FINANCIAL REPORT

30 JUNE 2023

cementir holding

GRUPPO CALTAGIRONE

Contents

CORPORATE BODIES

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

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

DIRECTORS' REPORT AT 30 JUNE 2023

INTRODUCTION

This Directors' Report refers to the Cementir Group's condensed interim consolidated financial statements as at 30 June 2023, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code.

As of April 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29-Financial Reporting in Hyperinflationary Economies".

For the purpose of preparing these Condensed interim consolidated financial statements 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 investee companies.

This report should be read in conjunction with the 2023 condensed interim consolidated financial statements and has been prepared on a going concern basis.

Please note that the half-year financial report has not been audited.

GROUP PROFILE

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

As of April 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in "IAS 29-Financial Reporting in Hyperinflationary Economies".

The accounting effects of this adjustment, in addition to already being reflected in the opening balance sheet as of 1 January 2023, 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 the first half of 2023 was recognised in a separate income statement item under financial income and expenses. The related tax effect of non-cash assets was recognised in taxes for the period.

To take into account the impact of hyperinflation also on the local currency exchange rate, profit and loss account balances expressed in hyperinflationary currencies have been converted into euro, 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 2022: 891%
- From January 2023 to 30 June 2023: 20%

In the first half of 2023, the application of IAS 29 resulted in the recognition of a net financial expense (pre-tax) of EUR 3.5 million.

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

(EUR'000)	Effect IAS 29	Effect IAS 21	Total Effect
REVENUE FROM SALES AND SERVICES	**7,836**	**(35,399)**	**(27,563)**
Change in inventories	(1,925)	(1,417)	(3,342)
Increase for internal work and other income	(1,791)	(5,537)	(7,328)
TOTAL OPERATING REVENUE	**4,120**	**(42,353)**	**(38,233)**
Raw materials costs	(8,081)	20,344	12,263
Personnel costs	(634)	2,701	2,067
Other operating costs	(1,403)	5,824	4,421
TOTAL OPERATING COSTS	**(10,118)**	**28,869**	**18,751**
EBITDA	**(5,998)**	**(13,484)**	**(19,482)**
Amortisation, depreciation, impairment losses and provisions	(4,153)	964	(3,189)
EBIT	**(10,151)**	**(12,520)**	**(22,671)**
Net financial income (expense)	(3,748)	202	(3,546)
NET FINANCIAL INCOME (EXPENSE)	**(3,748)**	**202**	**(3,546)**
PROFIT BEFORE TAXES	**(13,899)**	**(12,318)**	**(26,217)**
Income taxes	(10,512)	2,768	(7,744)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(24,411)**	**(9,550)**	**(33,961)**
PROFIT (LOSS) FOR THE PERIOD	**(24,411)**	**(9,550)**	**(33,961)**
Attributable to: Non-controlling interests	730	(2,027)	(1,297)
Owners of the Parent	**(25,141)**	**(7,523)**	**(32,664)**

Financial highlights

(EUR'000)	Jan-Jun 2023 Unaudited	Jan-Jun 2022 Unaudited	Change %	2nd Quarter 2023	2nd Quarter 2022	Change %
REVENUE FROM SALES AND SERVICES	**840,681**	**831,602**	**1.1%**	**425,877**	**460,824**	**-7.6%**
Change in inventories	6,153	18,187	-66.2%	(4,041)	1,968	n.m.
Increase for internal work and other income	23,489	22,712	3.4%	20,648	15,907	29.8%
TOTAL OPERATING REVENUE	**870,323**	**872,501**	**-0.2%**	**442,484**	**478,699**	**-7.6%**
Raw materials costs	(376,355)	(409,997)	-8.2%	(179,613)	(227,195)	-20.9%
Personnel costs	(103,065)	(101,654)	1.4%	(51,386)	(52,852)	-2.8%
Other operating costs	(190,360)	(217,074)	-12.3%	(92,094)	(115,547)	-20.3%
TOTAL OPERATING COSTS	**(669,780)**	**(728,725)**	**-8.1%**	**(323,093)**	**(395,594)**	**-18.3%**
EBITDA	**200,543**	**143,777**	**39.5%**	**119,391**	**83,105**	**43.7%**
EBITDA MARGIN %	*23.85%*	*17.29%*		*28.03%*	*18.03%*	
Amortisation, depreciation, impairment losses and provisions	(62,000)	(61,514)	0.8%	(30,054)	(33,363)	-9.9%
EBIT	**138,543**	**82,263**	**68.4%**	**89,337**	**49,742**	**79.6%**
EBIT Margin %	*16.48%*	*9.89%*		*20.98%*	*10.79%*	
Share of net profits of equity-accounted investees	(52)	105	n.m.	144	129	11.6%
Net financial income (expense)	8,731	17,555	-50.3%	(6,175)	8,036	n.m.
NET FINANCIAL INCOME (EXPENSE)	**8,679**	**17,660**	**-50.9%**	**(6,030)**	**8,165**	**n.m.**
PROFIT BEFORE TAXES	**147,222**	**99,923**	**47.3%**	**83,307**	**57,907**	**43.9%**
PROFIT BEFORE TAXES/REVENUE %	*17.51%*	*12.02%*		*19.56%*	*12.57%*	
Income taxes	(49,744)	(25,276)	96.8%			
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**97,478**	**74,647**	**30.6%**			
PROFIT (LOSS) FOR THE PERIOD	**97,478**	**74,647**	**30.6%**			
Attributable to: Non-controlling interests	7,205	8,059	-10.6%			
Owners of the Parent	**90,273**	**66,588**	**35.6%**			

The consolidated income statement for the first six months of 2023 is reported below, with comparative figures provided for the same period of 2022.

These results do not include the impacts of the application of IAS 29 - Financial Reporting for Hyperinflationary Economies for Türkiye, the overall effects of which are reported in the previous section, and do not include the valuation of non-industrial properties in Türkiye for about EUR 17.7 million (for this purpose, the comparative figure for 2022 was also modified by EUR 11.1 million). This representation allows a better comparison of the Group's performance with respect to the same period of the previous year. The figures below are considered "non-GAAP" measures.

Financial highlights Non-GAAP

(EUR'000)	1st Half 2023 (Non-GAAP) Unaudited	1st Half 2022 (Non-GAAP) Unaudited	Change %
REVENUE FROM SALES AND SERVICES	**868,244**	**825,752**	**5.1%**
Change in inventories	9,495	20,321	-53.3%
Increase for internal work and other income	13,166	12,575	4.7%
TOTAL OPERATING REVENUE	**890,905**	**858,648**	**3.8%**
Raw materials costs	(388,618)	(398,061)	-2.4%
Personnel costs	(105,132)	(101,045)	4.0%
Other operating costs	(194,781)	(215,957)	-9.8%
TOTAL OPERATING COSTS	**(688,531)**	**(715,063)**	**-3.7%**
EBITDA	**202,374**	**143,585**	**40.9%**
EBITDA Margin %	*23.3%*	*17.4%*	
Amortisation, depreciation, impairment losses and provisions	(58,811)	(56,765)	3.6%
EBIT	**143,563**	**86,820**	**65.4%**
EBIT Margin %	*16.5%*	*10.5%*	
Share of net profits of equity-accounted investees	(52)	105	n.m.
Net financial income (expense)	12,277	2,007	n.m.
NET FINANCIAL INCOME (EXPENSE)	**12,225**	**2,112**	**n.m.**
PROFIT BEFORE TAXES	**155,788**	**88,932**	**75.2%**
PROFIT BEFORE TAXES/REVENUE %	*17.9%*	*10.8%*	
Income taxes	(38,690)	(20,296)	90.6%
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**117,098**	**68,636**	**70.6%**
PROFIT FOR THE PERIOD	**117,098**	**68,636**	**70.6%**
Attributable to:			
Non-controlling interests	7,274	7,257	0.2%
Owners of the Parent	**109,824**	**61,379**	**78.9%**

Sales volumes

('000)	1st Half 2023	1st Half 2022	Change %
Grey, White cement and Clinker (metric tons)	5,113	5,411	-5.5%
Ready-mixed concrete (m3)	2,119	2,388	-11.3%
Aggregates (metric tons)	4,646	5,483	-15.3%

During the first six months of 2023, the **volumes of cement and clinker sold**, equal to 5.1 million tonnes, decreased by 5.5% compared to the same period of 2022. The decline is attributable to the slowdown in the market mainly in Denmark, Belgium, the United States and Malaysia, while an increase was recorded in China, Egypt and Türkiye.

Sales volumes of ready-mixed concrete, equal to 2.1 million cubic metres, have fallen by 11.3% due to the negative trend in all areas with the exception of Türkiye.

Sales volumes of aggregates, equal to 4.6 million tons, fell by 15.3%.

The Group's **revenues from sales and services**, at EUR 868.2 million, increased by 5.1% compared to EUR 825.8 million in the first half of 2022. The increase in revenues is mainly due to the increase in average sales prices. It should be noted that at constant 2022 exchange rates, revenues would have amounted to EUR 945.2 million, 14.5% higher than in the same period last year.

At EUR 688.5 million, **operating costs** fell by 3.7% compared to EUR 715.1 million in the first half of 2022.

The **cost of raw materials** was EUR 388.6 million (EUR 398.1 million in the first half of 2022), down mainly due to lower production.

At EUR 105.1 million, **personnel costs** increased by 4.0% compared to EUR 101.0 million for the same period in 2022.

Other operating costs, equal to EUR 194.8 million, decreased by 9.8% compared to EUR 216.0 million in the first half of 2022, mainly due to lower transport costs.

EBITDA amounted to 202.4 million, an increase of 40.9% compared to EUR 143.6 million in the first half of 2022, following the improved results achieved in all geographical areas with the exception of the United States. It should be noted that the 2023 EBITDA includes non-recurring income for capital gains on land and equipment disposals of about EUR 7.5 million. Excluding non-recurring income, EBITDA increased by 35.7% over the first half of 2022.

The EBITDA margin was 23.3%, compared to 17.4%in the first half of 2022.

At constant 2022 exchange rates, EBITDA would have amounted to EUR 232.3 million, up 61.8%year-on-year.

EBIT, taking into account depreciation, amortisation, write-downs and provisions totalling EUR 58.8 million (EUR 56.8 million in the first half of 2022), amounted to EUR 143.6 million, up 65.4% from EUR 86.8 million in the same period of the previous year. Depreciation and amortisation due to the application of IFRS 16 amounted to EUR 15.8 million compared to EUR 14.2 million in the same period of 2022.

At constant 2022 exchange rates, the EBIT would have amounted to EUR 170.7 million.

The **share of net profits of equity-accounted investees** is marginally negative by EUR 0.1 million (positive by EUR 0.1 million in the first half of 2022).

Net financial income of EUR 12.3 million (income of EUR 2.0 million in the same period of the previous year), includes net financial expenses of EUR 3.7 million (EUR 4.2 million in 2022), net foreign exchange income of EUR 13.8 million (net foreign exchange income of EUR 10.0 million in 2022) and the effect of the valuation of derivatives.

Profit before taxes was EUR 155.8 million, an increase of 75.2% on EUR 88.9million in the first half of 2022.

Profit for the period amounted to EUR 117.1 million (EUR 68.6 million in the first half of 2022), after taxes of EUR 38.7 million (EUR 20.3 million in the same period of 2022).

Group net profit, once non-controlling interests were accounted for, amounted to EUR 109.8 million (EUR 61.4 million in the first half of 2022).

GROUP PERFORMANCE IN THE SECOND QUARTER OF 2023

Profit (loss) for the period Non-GAAP

(EUR'000)	2nd Quarter 2023 (Non-GAAP)	2nd Quarter 2022 (Non-GAAP)	Change %
REVENUE FROM SALES AND SERVICES	**454,464**	**454,974**	**-0.1%**
Change in inventories	(1,645)	4,103	n.m.
Increase for internal work and other income	9,938	5,769	72.3%
TOTAL OPERATING REVENUE	**462,756**	**464,846**	**-0.5%**
Raw materials costs	(195,755)	(215,259)	-9.1%
Personnel costs	(53,517)	(52,243)	2.4%
Other operating costs	(96,731)	(114,431)	-15.5%
TOTAL OPERATING COSTS	**(346,003)**	**(381,933)**	**-9.4%**
EBITDA	**116,754**	**82,913**	**40.8%**
EBITDA MARGIN %	*25.69%*	*18.22%*	
Amortisation, depreciation, impairment losses and provisions	(29,356)	(28,615)	2.6%
EBIT	**87,398**	**54,298**	**61.0%**
EBIT Margin %	*19.23%*	*11.93%*	
Share of net profits of equity-accounted investees	144	129	11.9%
Net financial income (expense)	(79)	(7,512)	-98.9%
NET FINANCIAL INCOME (EXPENSE)	**65**	**(7,383)**	**n.m.**
PROFIT BEFORE TAXES FOR THE PERIOD	**87,463**	**46,916**	**86.4%**
PROFIT BEFORE TAXES/REVENUE %	*19.25%*	*10.31%*	

Sales volumes

('000)	2nd Quarter 2023	2nd Quarter 2022	Change %
Grey, White cement and Clinker (metric tons)	2,776	2,977	-6.8%
Ready-mixed concrete (m^3)	1,101	1,260	-12.7%
Aggregates (metric tons)	2,451	2,804	-12.6%

In the second quarter of 2023, **volumes** of cement and clinker sold, equal to 2.8 million tons, fell by 6.8% compared to the same period of 2022 due to the slowdown in sales in Denmark, Türkiye, Belgium and the United States, despite the increase recorded in China, Egypt and Malaysia.

Sales volumes of ready-mixed concrete, equal to about 1.1 million cubic metres, have fallen by 12.7% due to the negative trend in all the geographical areas of presence.

In the aggregates segment, sales volumes amounted to 2.5 million tons, down by 12.6%.

Revenues from sales and services amounted to EUR 454.5 million, broadly stable from EUR 455.0 million in the second quarter of 2022. The decrease in revenues mainly affected the Nordic & Baltic area, Belgium and the United States, only partially offset by growth in Türkiye, Asia-Pacific and Egypt.

Operating costs amounted to EUR 346.0 million (EUR 381.9 million in the second quarter of 2022), a decrease of 9.4%. This reduction is partly due to the decrease in production and transport costs and to the overall containment of other operating costs.

EBITDA, amounting to EUR 116.8 million, increased by 40.8% compared to the second quarter of 2022 (EUR 82.9 million). It should be noted that the EBITDA for 2023 includes non-recurring income from capital gains on the sale of land and machinery in the amount of approximately EUR 7.5 million. Excluding this income, EBITDA increased by 31.7% over the same period in 2022.

EBIT amounted to EUR 87.4 million (EUR 54.3 million in the second quarter of 2022).

The **share of net profits of equity-accounted investees** was EUR 0.1 million (EUR 0.1 million in the second quarter of 2022).

Net financial income (expense) was marginally negative by EUR 0.1 million (expense of EUR 7.5 million in the second quarter of 2022).

Profit before taxes was EUR 87.5 million, an increase of 86.4% compared to the second quarter of 2022 (EUR 46.9 million).

Investments in the second quarter of 2023 amounted to EUR 25.5 million (EUR 29.5 million in the second quarter of 2022), of which EUR 4.2 million in application of accounting standard IFRS 16 (EUR 7.6 million in the second quarter of 2022).

Financial highlights

(EUR'000)	30-06-2023 Unaudited	31-12-2022 Audited	30-06-2022 Unaudited
Net capital employed	1,481,335	1,427,272	1,521,505
Total equity	1,492,286	1,522,773	1,470,961
Net financial debt (Net cash)	-10,951	-95,501	79,523

Net cash at 30 June 2023 was EUR 11.0 million, an improvement of EUR 90.5 million compared to the net financial debt of EUR 79.5 million as of 30 June 2022, and includes the distribution of dividends of EUR 34.2 million in May 2023. This amount includes EUR 77.0 million as a result of the application of the accounting standard IFRS 16 (EUR 75.7 million as of 30 June 2022).

Total equity at 30 June 2023 amounted to EUR 1,492.3 million (EUR 1,522.8 million at 31 December 2022 and EUR 1,471.0 million at 30 June 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	30-06-2023	2022	30-06-2022	COMPOSITION
Return on Equity	13.70%	11.92%	9.87%	Profit from continuing operations/Equity
Return on Capital Employed	17.60%	14.32%	12.96%	EBIT/(Equity + Net financial debt)

FINANCIAL INDICATORS	30-06-2023	2022	30-06-2022	COMPOSITION
Equity Ratio	61.83%	60.29%	60.02%	Adjusted Equity/Total Assets
Net Gearing Ratio	-0.74%	-6.35%	5.44%	Net financial debt/ Adjusted Equity
Liquidity Ratio	0.98	1.01	0.87	Cash + Receivables / Current Liabilities
Cash Flow	1.22	1.11	0.70	Operating Cash Flow / Total Financial Debt
Finance Needs (Net cash)	-11.0	-95.5	79.5	Net Financial Position

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

The financial indicators show a further strengthening of the Group's capital and financial structure, which closed the half year with a net cash position of EUR 11.0 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 - first half of 2023 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 the first half of 2023, emissions per ton of grey cement were 661 kg, down 8% compared to 2020, while emissions per ton of white cement were 865 kg, down 5% compared to 2020.

The Group is increasingly focused on the development of new technologies for carbon capture and storage (CCS), which is why 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, 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 climate change targets 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	2022	1st Half 2023	Target 2025	Target 2030
Traditional fuel use in %	72%	70%	68%	69%	61%	50%
Alternative fuel use in %	28%	30%	32%	31%	39%	50%
Clinker ratio	82%	81%	80%	79%	76%	64%
CO_2 emissions (kg CO_2 /ton cement)	718	684	672	661	621	460
Reduction compared to 2020	0%	-5%	-6%	-8%	-13%	-36%

White Cement

Year	2020	2021	2022	1st Half 2023	Target 2025	Target 2030
Traditional fuel use in %	85%	85%	85%	82%	79%	59%
Use of natural gas %	12%	12%	13%	16%	17%	28%
Alternative fuel use in %	3%	3%	2%	2%	4%	13%
Clinker ratio	82%	83%	82%	80%	80%	78%
CO_2 emissions (kg CO_2 /ton cement)	915	919	887	865	841	738
Reduction compared to 2020	0%	0%	-3%	-5%	-6%	-19%

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

Alternative fuel produced by the Group	2020	2021	2022	1st Half 2023	Description
Alternative fuel (metric tons)	79,106	72,408	39,112	5,853	Fuel produced from municipal solid waste, industrial waste or commercial waste.

In 2022 and the first half of 2023, following the changed commercial and technical conditions, plants made greater use of alternative fuels with a high biomass content produced by third parties, thus leading to lower production by the Group.

Fossil fuel replacement index	2020	2021	2022	1st Half 2023	Description
% of fossil fuel replacement	19%	20%	21%	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	1st Half 2023	2030	Composition
Specific water consumption (litres / ton cement)	480	445	413	402	**390**	**384**	Water consumed / cement produced by the Group
Reduction compared to 2019		-7%	-14%	-16%	**-19%**	**-20%**	

Water consumption in high water stress areas	2019	2020	2021	2022	1st Half 2023	2030	Composition
Specific water consumption (litres / ton cement)	280	287	276	257	**250**	**210**	Water consumed in high water stress areas / cement produced by the Group in high water stress areas
Reduction compared to 2019		0%	-2%	**-8%**	**-11%**	**-25%**	

Water reused in cement production	2020	2021	2022	1st Half 2023	Composition
% of water reuse	31%	33%	30%	34%	Reused water / Water withdrawn

Health and Safety	2020	2021	2022	1st Half 2023	Composition
No. of fatal injuries	0	0	0	0	Deaths as a result of accidents at work
Fatality Rate	0.00	0.00	0.00	0.00	(No. of fatal injuries / worked hours) x 1,000,000
Lost Time Injuries (LTI)	60	56	25	9	No. of injuries with absence days
LTI Frequency Rate	11.0	9.9	4.2	3.1	(No. of injuries with absence days/ worked hours) x 1,000,000
LTI Severity Rate	0.16	0.14	0.10	0.08	(No. of days off work/ worked hours) x 1,000

In the first half of 2023, no fatal or serious accidents occurred among employees and contractors. The accident trend, which is constantly improving, confirms the effectiveness of the path taken to strengthen the Group's safety culture. In 2023, the frequency and severity rates of accidents for employees fell significantly by 63% and 38% compared to the average of the previous three years.

Training	2020	2021	2022	1st Half 2023	Composition
Training hours per capita	11.7	12.2	22.0	10.1	Training hours / number of employees

In the first half of 2023, more than 31,000 hours of training were provided, around 10.1 hours for each employee. The activities carried out involved the entire Group's workforce in a cross-cutting way.

Employees with periodic performance assessment	2020	2021	2022	1st Half 2023	Description
Executives	93%	98%	100%	n.a.	Executives receiving performance assessment / total Executives
Managers	61%	99%	100%	n.a.	Managers receiving performance assessment / total Managers
White-collars	77%	98%	96%	n.a.	White-collars receiving performance assessment / total White-collars
Blue-collars	44%	44%	38%	n.a.	Blue-collars receiving performance assessment / total Blue-collars

The Group Performance Management programme is currently ongoing and will be completed by the end of the year.

PERFORMANCE BY GEOGRAPHICAL SEGMENT

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

Nordic and Baltic

(EUR'000)	1st Half 2023	1st Half 2022	Change %
Revenue from sales	337,727	358,165	-5.7%
Denmark	*254,612*	*243,149*	*4.7%*
Norway / Sweden	*82,491*	*105,950*	*-22.1%*
Other (1)	*38,677*	*40,299*	*-4.0%*
Eliminations	*(38,053)*	*(31,233)*	
EBITDA	88,307	63,663	38.7%
Denmark	*83,263*	*54,161*	*53.7%*
Norway / Sweden	*3,137*	*8,870*	*-64.6%*
Other (1)	*1,907*	*632*	*201.7%*
EBITDA Margin %	*26.1%*	*17.8%*	
Investments	32,371	20,384	

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

Denmark

In the first half of 2023, sales revenues reached EUR 254.6 million, an increase of 4.7% compared to EUR 243.1 million in the first half of 2022.

Cement volumes on the domestic market, both grey and white, were lower than in 2022, influenced by a generalised slowdown in demand and by unfavourable weather conditions. High inflation and the increase in interest rates adversely affected the residential sector. The contraction in volumes was partially offset by the cement supply for the underwater tunnel that will connect Denmark with Germany (Fehmarn Belt), a multi-year contract signed during the first half.

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

In Denmark, both ready-mixed concrete and aggregates volumes fell by 19% and 27% respectively compared to the first half of 2022 due to weak demand in all the main areas of the country, a harsher winter, market competition and, in relation to aggregates, the temporary closure of a quarry reopened only in March 2023 and unscheduled maintenance in the second quarter.

Thanks to careful management of energy and distribution costs, EBITDA in the first half of 2023 amounted to EUR 83.3 million (EUR 54.2 million in 2022), up 53.7%, with profitability returning to pre-Covid average levels.

Total investments in the half year amounted to EUR 28.9 million, of which approximately EUR 27.5 million in the cement sector, focused on unscheduled maintenance on the grey cement kiln, sustainability projects and production streamlining. Investments in ready-mixed concrete amounted to EUR 1.2 million and included the renewal of some plant functionalities, ready-mixed concrete distribution vehicles and leasing contracts of transport vehicles. The region's investments include EUR 8.6 million recorded according to the IFRS 16 accounting standard, essentially relating to the lease of ships, transport vehicles and other machinery for loading cement.

Norway and Sweden

In **Norway**, ready-mixed concrete sales volumes fell by 23% compared to the same period of the previous year due to the slowdown in residential and commercial demand, strong competition, adverse weather conditions at the beginning of the year and the delay of some important infrastructure projects due to unfavourable macroeconomic conditions. The month of June, however, registered a less negative trend due to the start of some new projects.

It should be noted that the Norwegian krone depreciated by 13.4% against the average euro exchange rate in the same half of 2022.

In **Sweden**, ready-mixed concrete and aggregates volumes also decreased significantly compared to the previous year, due to the general decline in demand mainly caused by the impact of higher interest rates on the residential market.

The Swedish krona depreciated by 8.1% against the average euro exchange rate in the first half of 2022.

In the first half of 2023, sales revenue in Norway and Sweden decreased by 22.1% to EUR 82.5 million compared to EUR 105.9 million in the first half of 2022, while EBITDA decreased by 64.6% to EUR 3.1 million (EUR 8.9 million in the same period of 2022). The reduction in EBITDA, both in Norway and Sweden, was due to lower sales volumes and the higher purchase costs of raw materials and cement, only partially offset by higher sales prices.

Investments made in the area in the first half of 2023 amounted to EUR 2.7 million, of which EUR 1.2 million in Norway, mainly for the renewal of some plant functionalities, ready-mixed concrete distribution vehicles and leasing contracts of transport vehicles, and EUR 1.5 million in Sweden, for the purchase and lease of aggregate mining and crushing machinery. Investments recognised as a result of IFRS 16 were EUR 1.1 million.

Belgium

(EUR'000)	1st Half 2023	1st Half 2022	Change %
Revenue from sales	190,282	170,613	*11.5%*
EBITDA	43,456	36,858	*17.9%*
EBITDA Margin %	*22.8%*	*21.6%*	
Investments	15,052	12,121	

In the first half of 2023, cement sales volumes fell by around 10% compared to 2022 both in the domestic market and in France and the Netherlands. The reduction in demand is due to both adverse weather conditions and a slowdown in construction activity linked to a more restrictive monetary policy, resulting in reduced demand for mortgages and real estate financing.

For the same reasons, ready-mixed concrete sales volumes in Belgium and France also fell by around 7% compared to the previous year.

On the other hand, the decline in the aggregates sector was more marked, around 14%, both in the domestic market and in exports to France and the Netherlands, also due to the particularly positive performance of the first five months of 2022. There was an improvement in the month of June, in line with June 2022, due to the recovery of the market, especially in road surfacing.

Overall, in the first half of 2023, sales revenue grew by 11.5% to EUR 190.3 million compared to EUR 170.6 million in the same period of 2022, and EBITDA increased by 17.9% to EUR 43.5 million, compared to EUR 36.9 million in the previous half year. EBITDA benefited from careful management of operating costs and sales prices, making it possible to improve profitability compared to the first half of 2022.

Investments made during the half year amounted to EUR 15.1 million and mainly concerned the Gaurain cement plant and in particular the revamping project for kiln 4 with an increase in production capacity and the use of alternative fuels. Investments accounted for under IFRS 16 amounted to EUR 5.8 million, relating to contracts for cement transport vehicles.

North America

(EUR'000)	1st Half 2023	1st Half 2022	Change %
Revenue from sales	95,583	96,665	*-1.1%*
EBITDA	12,972	14,342	*-9.6%*
EBITDA Margin %	*13.6%*	*14.8%*	
Investments	1,601	5,679	

In the United States, sales volumes of white cement recorded a contraction of around 14% in line with the trend of the residential sector, the main reference market. Sales in Texas and Florida contracted more sharply due to import competitive pressures and the decline in market demand. The reduction in sales, on the other hand, was less pronounced in the York and California regions.

The dollar appreciated by 1.1% against the average euro exchange rate in the first half of 2022.

Overall, in the United States, revenues amounted to EUR 95.6 million, down 1.1% compared to EUR 96.7 million in the first half of 2022, while EBITDA fell by 9.6% to EUR 13 million (EUR 14.3 million in 2022), due to lower sales volumes of white cement and higher variable costs, compared to higher sales prices. The company Vianini Pipe, active in the production of cement products, reported an increase in EBITDA compared to the first half of 2022.

Investments in the first half of the year amounted to EUR 1.6 million and related almost entirely to the two cement plants for sustainability works, production rationalisation, packaging systems and unscheduled maintenance. Investments accounted for under IFRS 16 amounted to EUR 0.8 million for cement terminals and transport vehicles.

Türkiye

(EUR'000)	1st Half 2023 (Non-GAAP)	1st Half 2022 (Non-GAAP)	Change %
Revenue from sales	158,876	115,392	*37.7%*
EBITDA	34,050	12,183	*179.5%*
EBITDA Margin %	*21.4%*	*10.6%*	
Investments	10,334	10,871	

Revenues of EUR 158.9 million increased by 37.7% compared to the first six months of 2022 (EUR 115.4 million), despite the devaluation of the Turkish lira by -32.7% compared to the average euro exchange rate for the first half of 2022.

Cement sales volumes in the domestic market increased overall by around 16%. Growth was significant in both the Trakya (Marmara) and Kars (Eastern Anatolia) regions, while it was more moderate in Izmir (Aegean) and Elazig (Eastern Anatolia). The start of numerous projects in the municipality of Istanbul related to seismic measures and investments in tourist facilities should be noted.

In Eastern Anatolia, volumes contraction is instead attributed to the conclusion of infrastructure projects related to the reconstruction following the January 2020 earthquake.

Cement and clinker exports declined by around 50% due to the choice to focus on the domestic market, with greater profitability.

Ready-mixed concrete volumes, slightly up (+2%) compared to the first half of 2022, were in line with the growth of the Aegean region where most of the plants are concentrated. Aggregate sales, on the other hand, fell by 14% due to temporary operational problems.

In the waste sector, the industrial waste treatment subsidiary Sureko recorded 55.5% higher revenues in local currency than in 2022, due to the increase in the sales prices of the various business segments, the collection of materials for the production of fuels (RDF) and the quantities sent to landfill.

The region's EBITDA reached EUR 34.1 million, an increase of more than 179% compared to the previous year thanks to higher sales prices, despite higher operating costs and the devaluation of the Turkish lira. It should be noted that the 2023 result includes non-recurring income for capital gains on land disposals of around EUR 5 million. Net of these non-recurring effects, EBITDA grew by 138% compared to the same period of 2022.

Investments for the half year amounted to EUR 10.3 million; around EUR 3.6 million in cement mainly concentrated in the Izmir plant, in relation to works to rationalise and improve plant efficiency and unscheduled maintenance and, secondly, in the Trakya plant. Ready-mixed concrete investments amounted to EUR 6.1 million and mainly concerned investments recorded according to IFRS 16 relating to transport vehicles (EUR 5.5 million) as well as the purchase of two mobile plants. Investments in the Waste division amounted to approximately EUR 0.5 million.

Egypt

(EUR'000)	1st Half 2023	1st Half 2022	Change %
Revenue from sales	26,188	27,599	*-5.1%*
EBITDA	7,552	5,262	*43.5%*
EBITDA Margin %	*28.8%*	*19.1%*	
Investments	796	349	

Sales revenue decreased by 5.1% to EUR 26.2 million (EUR 27.6 million in the first half of 2022), mainly due to the devaluation of the Egyptian pound (-74%), compared to the average euro exchange rate in the first half of 2022. Revenues in local currency actually increased by 65.2%.

White cement sales volumes increased by 8% thanks to the increase in exports, in particular to the United States, while domestic sales remained stable compared to the first half of 2022 due to the difficulties in the local economy. The market is now recovering after the blocking of various public projects required as a condition for the provision of funding by the IMF.

EBITDA increased by 43.5% to EUR 7.6 million (EUR 5.3 million in the first half of 2022), thanks to careful management of production costs and sales prices, despite the significant devaluation of the Egyptian pound against the euro.

Investments in the first half of 2023 amounted to approximately EUR 0.8 million and mainly concerned new surfacing for the plant's internal roads as well as unscheduled maintenance work on the plant.

Asia Pacific

(EUR'000)	1st Half 2023	1st Half 2022	Change %
Revenue from sales	58,594	58,023	*1.0%*
China	*31,719*	*31,240*	*1.5%*
Malaysia	*27,017*	*26,783*	*0.9%*
Eliminations	*(142)*	-	
EBITDA	12,580	10,396	*21.0%*
China	*8,892*	*7,829*	*13.6%*
Malaysia	*3,688*	*2,567*	*43.7%*
EBITDA Margin %	*21.5%*	*17.9%*	
Investments	5,141	3,517	

China

Sales revenues increased by 1.5% to EUR 31.7 million compared to the first half of 2022, with sales volumes up 16% and sales prices falling. In the first quarter, the market was still partially affected by the restrictive measures to limit the spread of Covid-19 and only since February, after the slowdown recorded on the occasion of the Chinese New Year, sales resumed regularly. In the second quarter, sales volumes increased significantly, even if the recovery is not yet consolidated.

EBITDA increased by 13.6% to EUR 8.9 million (EUR 7.8 million in the same period of 2022), due to higher sales volumes and savings on production costs in the face of the aforementioned decrease in sales prices and the devaluation of the local currency. EBITDA includes non-recurring income on the sale of machinery of approximately EUR 2.5 million. Net of these non-recurring effects, EBITDA fell by 18% compared to the same period of 2022.

The Chinese Renminbi depreciated by 5.7% against the average Euro exchange rate in the first half of 2022.

Investments in the first half of 2023 amounted to approximately EUR 1.3 million and mainly concerned limestone milling, energy saving and emission reduction projects.

Malaysia

Sales revenues remained almost stable at EUR 27 million (EUR 26.8 million in the corresponding period of 2022) with falling sales volumes. Exports were down by 12% due to lower clinker sales, a different scheduling of sea shipments compared to the first half of 2022 and lower cement deliveries in some markets due to strong international competition.

On the other hand, volumes sold on the local market increased significantly as a result of a good recovery in the construction market in the first half of the year after the long period of suspension of activities in the residential sector in 2020 and 2021 due to Covid.

EBITDA reached EUR 3.7 million, up 43.7% from EUR 2.6 million in the corresponding half of 2022.

The Malaysian Ringgit depreciated by 3.2% against the average Euro exchange rate in the first half of 2022.

Investments in the first half of 2023 amounted to approximately EUR 3.8 million and mainly related to a new cement silo and the reopening of a cement mill. Investments recognised as a result of IFRS 16 were EUR 0.3 million.

Holding and Services

(EUR'000)	**1st Half 2023**	**1st Half 2022**	**Change %**
Revenue from sales	118,560	115,098	*3.0%*
EBITDA	3,457	880	*292.8%*
EBITDA Margin %	*2.9%*	*0.8%*	
Investments	3,950	11,376	

This grouping includes the parent company, the trading company Spartan Hive and other minor companies. The improvement in revenues and EBITDA was influenced by the increase in Spartan Hive's trading activity.

INVESTMENTS

During the first half of 2023, the Group made total investments of approximately EUR 67.1 million (EUR 54.4 million in the first half of 2022), of which approximately EUR 23.1 million (EUR 14.6 million in the first half of 2022) in connection with the application of IFRS 16.

Investments included EUR 51.6 million in the cement sector, EUR 10.3 million in ready-mixed concrete, EUR 2.7 million in aggregates and EUR 2.5 million for other business sectors.

The breakdown by asset class shows that EUR 65 million (EUR 50.5 million in the first half of 2022) relates to property, plant and equipment and EUR 2.1 million (EUR 3.8 million in the first half of 2022) to intangible assets.

KEY EVENTS DURING THE HALF YEAR

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

The new Group Industrial Plan envisages the achievement of the following targets in 2025, which exclude the impact of IAS 29 and non-recurring items:

- **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.
- **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%.

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

HEALTH, SAFETY AND ENVIRONMENT

Health and safety

In the first half of 2023, the action plans of each plant/business were on track. We continued to monitor the leading indicators in order to understand the effectiveness of the management course initiated to strengthen our safety culture. The accident trend, which is constantly improving, confirms the effectiveness of the path taken.

We completed the Certification Plan, according to the ISO 45001 standard, for cement production plants. In the ready-mixed concrete sector, we will reach 100% production by 2027.

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

Environment

Our environmental performance improvement plan is based, in its guidelines in relation to climate change, on minimising and controlling energy consumption, maximising the use of alternative fuels in production processes (e.g. biomass), and using raw materials and cement components with a lower environmental impact (e.g. FUTURECEM®).

As part of the commitments to combat climate change, the policy on water resource management includes maximising its reuse/recycling, minimising withdrawals and consumption, including leakage, and applying efficient operational practices. Targets for improving specific water consumption for cement production envisage an overall reduction of 20% (compared to 2019) by 2030. In the most water-stressed areas, where the level of specific consumption is already below the Group average, the target for improvement is 25%. The results for the first half of 2023 are in line with the planned path towards these targets.

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

During the first half of 2023, we initiated a series of improvement actions at the plants regarding our WASH - (Water, Sanitation and Hygiene) commitment. The specific three-year plan aims to improve access to drinking water and sanitation for all employees at workplaces whose operational control is our responsibility. Furthermore, we intend to address and support access to WASH along the value chain, as well as in the communities where we operate.

HUMAN RESOURCES

Changes in the workforce

As at 30 June 2023, the Group had a workforce of 3,108 employees, increase of 4 units compared to 30 June 2022, mainly due to the reduction in Nordic & Baltic in the concrete sector, offset by the expansion of cement and concrete production in Türkiye.

Organisation

As at 30 June 2023, the Group's organisational model comprises several 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 which regulates the aforementioned regions and operating companies, while the Rome office remains the secondary and operational headquarters.

Holding governs 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 first half of the year, the organisational structures defined in previous years were confirmed to secure certain key processes and to improve the overall efficiency of organisational structures through the application of standard organisational models. The implementation of standard operating models (processes, organisation and systems) focused on the technical structure continues with the “Maintenance 4.0” and “Warehouse 4.0” programmes. The first phase of the implementation of business process re-engineering activities on passive cycle processes was also completed.

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:

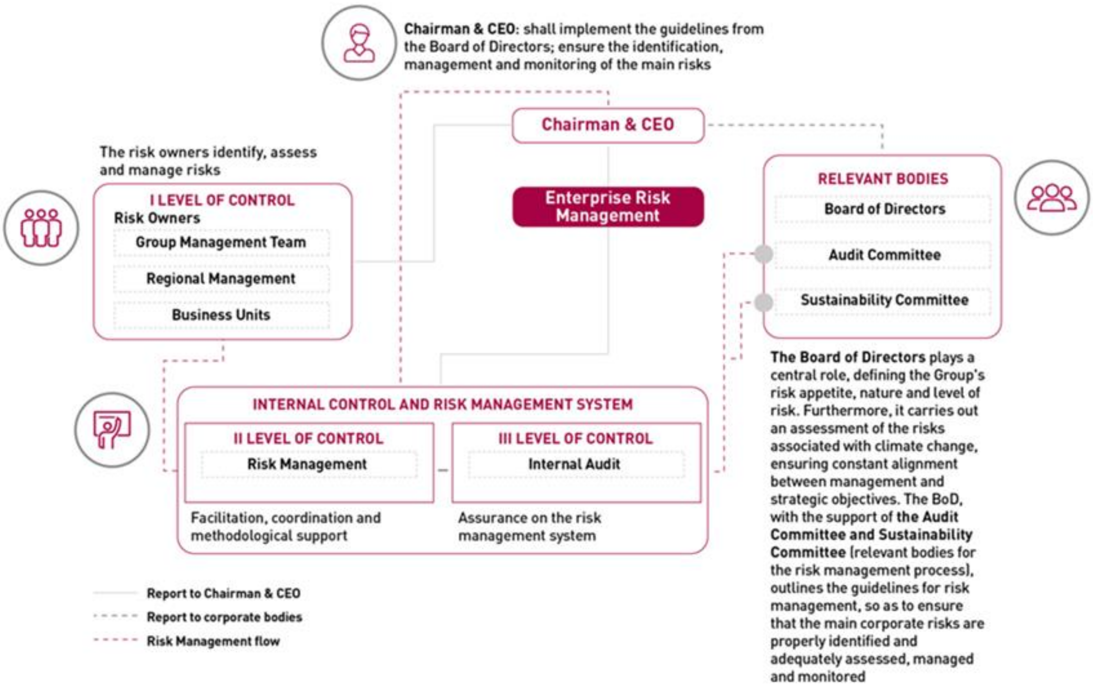
- compliance with laws and regulations;
- safeguarding of corporate assets;
- operating activity effectiveness and efficiency;
- reporting accuracy and completeness.

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;
- **The 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 (in particular L. 262) include a preliminary assessment of the ability of the internal control system to prevent potential fraud. Following the results of the audit, all actions and control measures agreed upon with management have the primary purpose of protecting the process from potential fraud and making 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. Eurozone economies have stagnated in recent months and economic growth is likely to remain weak in the short term. - 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 around 38% (compared to 2003 data) and the PPI (Producer Price Index) which was 40% up at the end of June (compared to 2003 data). The Turkish central bank started to raise interest rates, marking a change of course after two years of monetary easing in which the interest rate had been reduced to 8.5% from 19% in 2021. The Turkish lira continued to depreciate after the elections, despite new increases.	**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 had 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 significant increase in gas and oil prices, which has increased costs for the company. To date, we are seeing a decrease in these prices, but macroeconomic events leave uncertainty about the future trend. 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.	**Increased operating costs**	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.

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.

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 used the moderate scenario for its assessments and all results from the analysis are described on the following pages. For more details, please see the description in the 2022 Non-Financial Statement.

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

COUNTRY	WILDFIRE	COLDWAVE	HEATWAVE	WATER STRESS	RIVERINE FLOOD	SEA LEVEL RISE	HURRICANE	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.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 6 CLEAN WATER AND SANITATION

TRANSITION RISKS AND RELATED OPPORTUNITIES

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

		TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
TRANSITION RISK	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.	
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.	
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.	
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)	

	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).	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
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.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
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.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
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.	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

	TIME HORIZON	DESCRIPTION	IMPACT	MITIGATION ACTIONS	SDGs
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).	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
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 2022, Aalborg Portland delivered approximately 1.3 million GJ of energy to the municipality of Aalborg. According to the engineering project developed by the Group, the Aalborg plant could improve energy supply by a further one million GJ reaching 50,000 households.	Negotiations are ongoing with the municipality of Aalborg to define the size and increase of the capacity of the heating supply.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 7 AFFORDABLE AND CLEAN ENERGY

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 developing products with reduced CO_2 emissions.

The Group is developing a plan to reduce its emissions consistent with the actions required to keep global warming within 1.5°C. The Group's goal is to eliminate its Scope 1, 2 and 3 emissions or reduce them to achieve net zero emissions globally, as required by the 1.5°C scenarios, and to offset any remaining emissions.

In 2020, as a first step, Cementir defined a Roadmap until 2030 to reduce scope 1 and 2 emissions in a manner consistent with the actions necessary to keep global warming well below 2°C, compared to pre-industrial levels. This commitment, which does not include any breakthrough technology, has been certified by SBTi.

The Group is focusing part of its research activities on pilot projects of new technologies for carbon capture and storage (CCS). 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 commissioning of a CCS system in Aalborg, scheduled for 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 part of the clinker with mineral additives, such as limestone.

Cementir's daily commitment to sustainable development is evidenced by its participation in the UN Global Compact. The signing of this commitment in 2022 will enable the group to better pursue the achievement of the Sustainable Development Goals (SDGs) by 2030.

At the end of 2022, Cementir received an "A-" rating for climate change management from CDP, thus confirming the rating obtained in 2021 and placing Cementir above the cement and ready-mixed concrete industry average (B) and the European average (B). For the first time, Cementir also obtained an "A-" rating for water management ('Water Security'). Again, the rating obtained places the Group above the average for the cement and ready-mixed concrete sector (B) and the European average (B).

EU Taxonomy

The European Taxonomy was introduced by Regulation EU/2020/852[1] (also known as the European Taxonomy Regulation) as part of the European Commission's action plan to steer capital flows towards a more sustainable economic system. The Taxonomy is a classification system for determining which economic activities can be considered environmentally sustainable. The purpose of this regulation is to protect private investors from *greenwashing* while helping companies understand what kind of investments are needed to make their activities environmentally sustainable.

For non-financial *disclosures* for 2021, the Taxonomy required companies to identify the percentage of *eligible* business activities. This meant that organisations had to report what percentage of their economic activities could potentially be considered sustainable as stipulated in Commission Delegated Regulation (EU)

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

2021/2139[2] (also known as the Climate Delegated Act), which lists economic activities that can contribute to climate-related environmental objectives.

The European Taxonomy states that economic activities can be considered environmentally sustainable ('aligned') if they possess specific characteristics that enable them to contribute substantially to at least one of the following environmental objectives:

1) Climate change mitigation
2) Adaptation to climate change
3) Sustainable use of water and marine resources
4) Transition to a circular economy
5) Pollution prevention and control
6) Protection and restoration of biodiversity and ecosystems.

Starting with the consolidated financial statements for 2022, non-financial companies are required to expand the analysis by also reporting the level of alignment of their economic activities with the Taxonomy. To be classified as taxonomy-aligned and, consequently, as environmentally sustainable, eligible activities must:

- contribute substantially to the achievement of at least one of the six environmental objectives mentioned above;
- do no significant harm (DNSH) to any of the other environmental objectives;
- comply with minimum safeguards concerning human and labour rights, corruption, taxation and fair competition.

To assess the compliance of eligible activities with these requirements, the European Commission has defined a set of specific technical screening criteria for each economic activity mentioned in the climate delegated act.

At the beginning of 2023, the technical screening criteria were only published with reference to the environmental objectives of climate change mitigation and climate change adaptation. Over the next few years, the European Commission will supplement the Regulation with delegated acts on the four remaining environmental objectives. Consequently, Cementir's 2022 disclosure for the purposes of EU Regulation 2020/852 only takes into account the requirements defined for the two climate-related environmental objectives.

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

In continuity with the activities carried out for the disclosure of Taxonomy-eligible activities for 2021, Cementir conducted the assessment of eligibility for disclosure 2022 by associating the Group's economic activities with the activity descriptions listed in the Delegated Climate 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 the economic activities listed in the delegated acts was assessed, regardless of whether these activities were eligible to meet any of the technical screening criteria set out in the regulation itself.

As a result of this analysis, Cementir identified the economic activities shown in the table on the next page as eligible for both climate-related environmental objectives defined by the European Taxonomy Regulation:

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

Table 1: Eligible Activities[3]

Activities	Description	Climate change mitigation	Adaptation to climate change
3.7. Cement production	Production of clinker, cement or alternative binder. Economic activities in this category can be associated with NACE code C23.51 according to the statistical classification of economic activities as defined by Regulation (EC) No. 1893/2006.	☒	☒
4.25. Heat/cooling production using waste heat	Construction and operation of plants producing heating/cooling 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 mixed fractions for preparation for re-use or recycling. Economic activities in this category can be associated with NACE code E38.11 according to the statistical classification of economic activities as defined by Regulation (EC) No. 1893/2006.	☒	☒
5.9. Recovery of materials from non-hazardous waste	Construction and operation of plants for the sorting and processing of sorted non-hazardous waste streams into secondary raw materials by mechanical reprocessing, except when these materials are used for filling operations. The economic activities in this category can be associated with different NACE codes, namely E38.32 and F42.99, according to the statistical classification of economic activities as defined by Regulation (EC) No. 1893/2006.	☒	☒

The addition of activity 4.25. Generation of heat/cooling using waste heat and Activity 5.9. Material recovery from non-hazardous waste compared to the disclosure made in 2021, should be understood as a natural progression in the application of the Regulation in these early stages of implementation. Similarly, it should be emphasised that economic activities that have not been identified as eligible have not been included, at this stage, in the macro-areas under analysis by the European regulator and, consequently, do not constitute any form of non-compliance with this or other EU Commission directives. This is the case, for example, with the production of white cement, ready-mixed concrete, aggregates and ready-mixed concrete products, which are not mentioned among the activities listed in the climate act. These activities represent 68.71% of the Cementir Group's total 2022 turnover.

[3] The descriptions of the activities are given according to the Italian translation provided by the European Union, available here Commission Delegated Regulation (EU) 2021/ of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by laying down the criteria for technical screening to determine under which conditions an economic activity can be considered to contribute substantially to climate change mitigation or adaptation and if it does not cause significant damage to any other environmental objective (europa.eu)

In light of the above considerations, the economic activities carried out by the following entities can be identified as fully or partially eligible**.**

Table 2: Legal Entities of the Group - Eligibility
Activity 3.7. Cement Production

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

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

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

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

Sureko SA	Collection and transport of hazardous and non-hazardous waste.
Neales Waste Management LTD	Collection and transport of hazardous and non-hazardous waste.
Quercia Ltd	Collection and transport of hazardous and non-hazardous waste.

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

Sureko SA	Recycling of produced materials (ferrous materials, aluminium, etc.) and fuels from waste.
Neales Waste Management LTD	Recycling of materials produced (ferrous materials, aluminium, etc.).
Quercia Ltd	Recycling of produced materials (ferrous materials, aluminium, etc.) and fuels from waste.

EU Taxonomy - Alignment Assessment

As noted, starting with the 2022 non-financial disclosure, Cementir is required to extend the analysis to assess the alignment of its eligible economic activities. Cementir conducted this analysis by assessing compliance with the technical screening criteria set out in the Climate Act for each of the legal entities carrying out eligible activities, as described in the previous section.

In particular, the Cementir Group has identified economic activities aligned with the Taxonomy for three legal entities that fall within the eligibility criteria:

- Compagnie des Ciments Belges S.A. for activity *3.7*: *Cement production.*
- Cimentas A.S. limited to operations at the Trakya plant for Activity *3.7*: *Cement production.*
- Aalborg Portland A/S limited to activity *4.25*. *Production of heating/cooling using waste heat.*

For these activities, Cementir was able to meet all respective technical screening criteria required to be considered aligned with the European Taxonomy for at least one of the two climate objectives covered by Delegated Regulation EU/2021/2139. Regarding activity *3.7* in particular: *Cement production,* the Group's core business*,* alignment was identified limited to two legal entities due to the ambitious emission thresholds in the Climate Act for meeting the criteria of 'substantial contribution' and 'do no significant harm' (DNSH) related to the climate change mitigation target. As detailed in the following section, in 2022 only the CCB and Trakya plants comply with these emission limitations; however, the Group has developed an investment plan that will reduce greenhouse gas emissions at all plants in the coming years.

Although it is a residual part of the Cementir Group's business activities, the production of heating using waste heat from the Aalborg furnaces has been assessed as being in line with all DNSH (do no significant harm) criteria related to the other environmental objectives.

The activities *5.5 Collection and transport of non-hazardous waste in source-separated fractions* and *5.9 Material recovery from non-hazardous waste* cannot be considered aligned for the purposes of the 2022 disclosure, as the physical and climatic risk assessment, conducted for cement production plants, has not been extended to legal entities performing waste management activities for the time being.

The following section provides an overview of the criteria assessed to determine the activities aligned with the Taxonomy.

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

In assessing compliance with the 'substantial contribution' and 'do no significant harm' (DNSH) criteria, all identified eligible economic activities were examined. The analysis distinguished between non-aligned but eligible activities and eligible and aligned activities. We report the eligible and aligned activities and their assessment results.

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

Requirements	**Compliance elements**
Substantial contribution to climate change adaptation	Cementir Holding N.V. conducted a physical climate risk assessment for all its cement production plants, in line with the provisions of the Taxonomy Regulation. Accordingly, appropriate adaptation solutions for the identified risks were assessed and implemented.
Do no significant harm to climate change mitigation	For both plants, greenhouse gas emissions from grey cement clinker production processes are less than 0.816 t CO_2 eq. per tonne of clinker produced.
Do no significant harm to the use and protection of water and marine resources	Environmental degradation risks related to the preservation of water quality and the need to avoid water stress were identified and addressed, and a management plan for water use and protection was 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 local legislation and standards equivalent to European legislation.
Do no significant harm to pollution prevention and control	Neither activity involves the production, placing on the market or use of substances included in Appendix C of Annex I of the Climate Act. In addition, the emissions of both plants are in line with the Best Available Techniques - Associated Emission Level (BAT-AEL) ranges and there are no significant[4] cross effects. Consequently, measures are in place to ensure safe waste management in cement production using hazardous waste as alternative fuels.
Do no significant harm to the 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 local legislation and standards equivalent to European legislation. Neither plant is located in or near sensitive biodiversity areas.

[4] For information on cross effects, please see ecm_bref_0706.pdf (europa.eu)

4.25 Heat/cold production using waste heat (Aalborg Portland A/S)

Requirements	Compliance elements
Substantial contribution to climate change mitigation	The activity produces heating from waste heat.
Do no significant harm to climate change adaptation	Cementir Holding N.V. conducted a physical climate risk assessment for all its cement production plants, in line with the provisions of the Taxonomy Regulation. Accordingly, appropriate adaptation solutions for the identified risks were assessed and implemented. Since the activity under consideration is carried out within the Aalborg Portland plant, the assessment was deemed sufficient.
Do no significant harm to the transition to a circular economy	The business uses highly durable and recyclable equipment and components that are easy to dismantle and remanufacture.
Do no significant harm to pollution prevention and control	The pumps and equipment at the Aalborg Portland A/S plant comply with the strictest energy labelling requirements.
Do no significant harm to the protection and restoration of biodiversity	The environmental impact assessment for the Aalborg A/S plant was carried out in accordance with Directive 2011/92/EU. The plant is not located in or near sensitive biodiversity areas.

It is worth noting that compliance with the criteria for both 'substantial contribution' and 'do no significant harm' for the goal of climate change adaptation in all identified economic activities aligned to the Taxonomy is the result of the physical climate risk assessment conducted by the Group. The risks associated with the seven hazards related to climate change (i.e. water stress, floods, heat waves, cold waves, hurricanes, fires and sea level rise) were studied on the basis of a medium- and long-term scenario analysis of the geographical areas where the Cementir Group has cement production plants. This analysis enabled the Group to determine which of these risks should be considered relevant and which initiatives should be implemented to prevent negative effects in sensitive geographical areas. In particular, the assessment was based on 3 different climate scenarios (High Climate Change Scenario RCP8.5, Moderate Climate Change Scenario RCP4.5, Low Climate Change Scenario RCP2.6), using 2020 as a baseline and projecting the respective effects to 2030 and 2050. For further information on the analysis, please see the Cementir Group 2022 Sustainability Report, 'Risk Management Framework' Chapter, 'Climate Risks' section.

With regard to the 'Do no significant harm' criteria for the climate change mitigation objective, for activity 3.7 Cement production, the Delegated Climate Act defines thresholds of greenhouse gas emissions per unit of grey cement and clinker produced that production facilities must not exceed in order to meet the alignment criteria. According to the Climate Delegated Act, the amount of greenhouse gas emissions taken into account for the assessment of the criteria is to be calculated by adopting the methodologies detailed in Regulation EU/2019/331, which are used to determine the allocation of emission allowances in the context of the European Emission Trading Scheme (EU ETS). Therefore, Cementir assessed the emissions of all its grey cement production plants against the emission thresholds defined by the European Taxonomy regulations for both grey cement and clinker production. While the amount of emissions per tonne of grey cement produced currently exceeds the threshold for all existing plants, the emissions per tonne of clinker produced are below the threshold for the Trakya (Cimentas A.S.) and Compagnie des Ciments Belges S.A. plants.

Within the framework of the Group's Roadmap to 2030 described in the 'Cementir's Roadmap to 2030' chapter of the 2022 Sustainability Report, Cementir has identified a series of investments aimed at progressively reducing the amount of emissions associated with cement production activities, both through incremental efficiency-oriented interventions and innovative technologies that could considerably improve the environmental performance of the Group's cement plants. According to this investment plan, most of the

Group's grey cement and clinker plants will reduce their emissions to below the thresholds defined in the Taxonomy Regulation by 2030, thus enabling the other Cementir grey cement plants to achieve alignment status (if all other screening criteria are met). The following table shows the share of CapEx invested in 2022 within the Roadmap to 2030:

2022 CapEx for Alignment Roadmap	Euros
Aalborg Grey Cement	5,297,294
CCB Grey Cement	14,645,000

EU Taxonomy - Minimum Safeguards

Compliance with the criteria for minimum safeguards was assessed according to Art. 18 of Regulation 852/2020 and the 'Final Report on Minimum Safeguards' published in October 2022 by the Platform on Sustainable Finance (PSF), the advisory body established by the European Commission to coordinate the development and implementation of the European Taxonomy Regulation. The analysis focused on how the Cementir Group complies with the OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines) and the United Nations Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight core conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

In particular, the Cementir Group's compliance assessment was based on the following four areas of analysis.

- Human rights: the Cementir Group regularly conducts due diligence on human rights and works to promote them and ensure they are respected in all its activities and those of its suppliers. Cementir has also defined its own Human Rights Policy, which can be downloaded from the corporate website in the Governance/Ethics and Compliance section. More information can be found in the 2022 Sustainability Report, under 'Governance', in the section 'Commitment to Human Rights'.
- Bribery and corruption: the Group has 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-Corruption Policy, the Code of Conduct for Suppliers, the Code of Ethics. More information is available in the 2022 Sustainability Report under 'Governance', in the section 'The Commitment Against Corruption' and 'The Code of Ethics'.
- Taxation: the Group conducts its business in compliance with the tax regulations in force in all the countries in which it operates and establishes internal control procedures to ensure compliance with these regulations. More information on Cementir's approach to taxation can be found in the 2022 Sustainability Report, under 'GRI 207 Taxes: approach to taxation' and specifically in 'Economic value generated and distributed'.
- Fair competition: Cementir Holding N.V. conducts its business activities in a manner that complies with all applicable competition laws and requires its employees to complete specific training to prevent the risk of non-compliant actions occurring.

EU Taxonomy - Indicators and Accounting Policies

The KPIs required by Art. 8 of the European Taxonomy Regulation and specified by the respective[5] supplementary delegated act (also known as 'Art. 8 of the delegated act') to report the percentage of economic activities aligned with the Taxonomy are reported. The Regulation requires non-financial companies to report this information by specifying the percentage of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with the performance of economic activities aligned with all respective technical screening criteria. In accordance with the instructions provided by the European Taxonomy Regulation to avoid double counting (section 1.2.2.2, letter c of Annex I of Art. 8 of the Delegated Act), the activities identified as aligned have been attributed to a single environmental objective.

Based on the above considerations, the following table shows the proportion of taxonomy-eligible and taxonomy-aligned activities for 2022 in terms of turnover, capital expenditure (CapEx) and operating expenditure (OpEx).

Proportion of economic activities Taxonomy-eligible and Taxonomy-aligned in terms of turnover, capital expenditure (CapEx) and operating expenditure (OpEx).				
Year 2022	Total EUR	Proportion of taxonomy-eligible economic activities (%)	Proportion of taxonomy-aligned economic activities (%) Substantial contribution to **climate change mitigation** (Obj 1)	Proportion of taxonomy-aligned economic activities (%) Substantial contribution to **climate change adaptation** (Obj 2)
Turnover	1,723,102,998	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-aligned and eligible economic activities in terms of total turnover was calculated as the percentage of net turnover generated by products and services associated with taxonomy-aligned and eligible economic activities (numerator) divided by consolidated net turnover (denominator).

For further details on accounting policies for consolidated net sales, see the chapter on accounting policies in the 2022 Annual Report. The accounting items for this indicator were taken from the Cementir Group's 2022 Consolidated Income Statement.

For the legal entities considered to be within the scope of eligibility, only the revenues related to the identified eligible economic activities were taken into account. Consequently, all sales associated with activities other than those described in Table 1 were excluded from the calculation of the numerator for the turnover KPI.

EU Taxonomy - CapEx

The proportion of eligible, taxonomy-aligned economic activities in terms of industrial investments 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 year, gross of depreciation, amortisation and revaluations, including those arising from revaluations and impairment losses, and excluding changes in fair value. It includes acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38),

[5] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2178 Commission Delegated Regulation (EU) 2021/2178 of 6 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council.

right-of-use assets (IFRS 16) and investment properties (IAS 40). Increases resulting from business combinations are also included. Goodwill is not included in CapEx, as it is not defined as an intangible asset under IAS 38. For further details on the accounting policies relating to CapEx, see the chapter on accounting policies in the 2022 Annual Report.

The investments are extrapolated from Cementir's 2022 Statutory Book. The accounting items selected by the Statutory Book are tangible investments and intangible investments. The numerator consists of 'CapEx relating to activities or processes associated with eligible economic activities' (category A, section 1.2.1, letter (a) of Annex I to Art. 8 of the Delegated Act) and investments that are part of Cementir's Roadmap to 2030 to enable eligible cement production activities to become aligned with the taxonomy Category B, section 1.2.1, letter (a) of Annex I to Art. 8 of the Delegated Act).

Since Aalborg Portland A/S produces both grey and white cement, a factor had to be used to select only the eligible proportion of CapEx. This factor is calculated based on the proportion of tonnes of grey cement produced out of the total tonnes produced by the entity (76.24%).

EU Taxonomy - OpEx

The proportion of eligible, taxonomy-aligned economic activities in terms of operating expenditure is defined as eligible, 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, maintenance-related personnel costs, industrial repair and cleaning costs, building renovation measures and short-term leasing.

Operating expenses are selected from the Group's 2022 management accounts. The numerator includes the part of the above-mentioned accounting items related to eligible economic activities.

With regard to the OpEx KPI, since Aalborg Portland A/S produces both grey and white cement, account factors had to be used to select only the percentage of eligible costs. These cost factors were identified for non-capitalised research and development costs and for plant cleaning and maintenance. The cost factor is calculated based on the percentage of tonnes of grey cement produced in relation to the total tonnes produced by the entity (76.24%).

Template For the purposes of presentation in a table, the following codes apply: (1) Climate change mitigation (2) Climate change adaptation (3) Sustainable use of water and marine resources (4) Transition to a circular economy (5) Pollution prevention and control (6) Protection and restoration of biodiversity and ecosystems MS - Minimum Safeguards

Table 6 - Percentage of turnover derived from products or services associated with economic activities aligned with the Taxonomy - 2022 disclosure

				Substantive Contribution Criteria						DNSH Criteria								
Economic activities	**Code**	**Absolute turnover**	**Share of turnover**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Share of 2022 turnover aligned with Taxonomy**	**Category (enabling/transitory activity)**
		€	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E/T*
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																		
A.1 Environmentally sustainable activities (aligned with Taxonomy)																		
Cement production	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	-
Heat/cool production 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 (aligned to taxonomy) (A.1)		**210,363,965**	**12.20**	**0.49**	**11.71**	**0**	**0**	**0**	**0**								**12.20**	
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy)																		
Cement production	3.7	325,839,359	18.91	0	18.91	0	0	0	0									
Heat/cool production using waste heat	4.25	0	0.00	0	0	0	0	0	0									
Collection and transport of non-hazardous waste in source-separated 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 from activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy) (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. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																		
Turnover from activities not eligible for taxonomy (B)		**1,183,985,074**	**68.71**															
Total (A + B)		**1,723,102,998**	**100**															

Table 7 - Percentage of CapEx derived from products or services associated with economic activities aligned with the Taxonomy - 2022 disclosure

				Substantive Contribution Criteria						DNSH Criteria								
Economic activities	**Code**	**Absolute CapEx**	**Perc. of CapEx**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Percentage of 2022 CapEx aligned with taxonomy**	**Category (enabling/transitory activity)**
		€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E/T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																		
A.1 Environmentally sustainable activities (aligned with Taxonomy)																		
Cement production	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	-
Heat/cool production 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 (aligned to Taxonomy) (A.1)		**30,866,154**	**23.31**	**0.10**	**23.21**	0	**0**	**0**	**0**								**23.31**	
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy)																		
Cement production	3.7	24,270,110	18.33	0	18.33	0	0	0	0									
Heat/cool production using waste heat	4.25	-	0	0	0	0	0	0	0									
Collection and transport of non-hazardous waste in source-separated 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 activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy) (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. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																		
CapEx of activities not eligible for Taxonomy (B)		**76,588,882**	**57.85**															
Total (A + B)		**132,400,955**	**100**															

Table 8 - Percentage of OpEx derived from products or services associated with economic activities aligned with the Taxonomy - 2022 disclosure

				Substantive Contribution Criteria						DNSH Criteria								
Economic activities	**Code**	**Absolute OpEx**	**Perc. of OpEx**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**MS**	**Percentage of 2022 OpEx aligned with taxonomy**	**Category (enabling/transitory activity)**
		€	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E/T*
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																		
A.1 Environmentally sustainable activities (aligned with Taxonomy)																		
Cement production	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	-
Heat/cool production 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 (aligned to Taxonomy) (A.1)		**15,682,839**	**13.55**	**0.81**	**12.74**	**0**	**0**	**0**	**0**								**13.55**	
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy)																		
Cement production	3.7	21,191,218	17.45	0	17.45	0	0	0	0									
Heat/cool production using waste heat	4.25	0	0	0	0	0	0	0	0									
Collection and transport of non-hazardous waste in source-separated 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 activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy) (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. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																		
OpEx of activities not eligible for Taxonomy (B)		**79,284,713**	**68.52**															
Total (A + B)		**115,714,660**	**100**															

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. Note 34 to the consolidated financial statements provides an analysis of transactions with related parties.

TREASURY SHARES

The number of treasury shares held following the completion of the share buy-back programme in October 2021 did not change.

It should be noted that under the Programme, between 15 October 2020 and 12 October 2021 (ends included), 3,600,000 treasury shares, equal to 2.2624% of the share capital, were purchased on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. at a weighted average price of EUR 8.1432 per share and for a total outlay of EUR 29,315 thousand.

MANAGEMENT AND COORDINATION

Cementir Holding NV sets its general and operational strategies independently. In particular, the Board of Directors of Cementir Holding NV has sole responsibility for reviewing and approving strategic, commercial and financial plans, and for overseeing the adequacy of organisational, administrative and accounting structures.

PERSONAL DATA PROTECTION

Also due to the entry into force of the relevant legislation (EU Regulation 679 /2016) as well as following Legislative Decree 101 of 10 August 2018, the Parent Company has equipped itself with operational tools and internal regulations to ensure the protection of personal data according to the expected regulatory standards.

Subsequently, it implemented and completed a project to update its policy on the subject and is currently engaged in strengthening its safeguards, including IT, for the protection of personal data.

Litigation

The Company is responsible for leading the defence in proceedings, of which it is not a party in accordance with the terms and conditions set out in a settlement agreement with Italcementi S.p.A., relating to the sale of the shares of Cementir Italia S.p.A. (today Cemitaly S.p.A.), Cementir Sacci S.p.A. (today Italsacci S.p.A.) and Betontir S.p.A., finalised on 2 January 2018.

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. On 9 January 2020, the Company paid Cemitaly the sum of EUR 5,118,076 as compensation, to extinguish the fine and the interest accrued.

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 10 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. Proceedings before the Supreme Court are still ongoing.

SUBSEQUENT EVENTS AFTER THE REPORTING DATE

No other significant facts occurred after the half year ended.

MANAGEMENT OPERATING OUTLOOK

The first six months of the year recorded solid results, in terms of EBITDA growth and increased profitability. At the same time, the macroeconomic scenario continues to be characterized by strong uncertainty, with downside risks weighing on growth linked in particular to the evolution of the Ukrainian conflict, high inflation and tight financing conditions.

In light of the results for the first half of the year, the Group expects to achieve consolidated revenues of around 1.8 billion euros (1.7 billion euros in 2022), an increased EBITDA from 2022 to around EUR 365 million and significant cash flow generation, which would lead to a net cash position of over EUR 200 million at the end of the period, after EUR 34.2 million of dividend distributed.

Planned investments are about EUR 113 million (EUR 97 million in 2022), of which about EUR 28 million are in sustainability projects. Research and development expenditure is expected to remain stable compared to 2022, as is the average number of employees. The Group does not expect the need for new external financing, given the cash generation and net cash position expected by the end of the year.

These forward-looking statements do not include: i) the impacts of the application of IAS 29; ii) any non-recurring items; iii) the possible worsening of the geopolitical or macroeconomic situation in the coming months.

The foregoing solely reflects the views of the company's management, and does not constitute a guarantee, promise, operational suggestion or even investment advice. Therefore, it should not be taken as a forecast on future market trends and of any financial instruments concerned.

RESPONSIBILITIES IN RESPECT TO THE HALF-YEARLY FINANCIAL REPORT

The Board of Directors is responsible for preparing the half-yearly financial report, including the condensed interim consolidated financial statements and the Directors' report, pursuant to Dutch Financial Supervision Act and in accordance with the applicable International Financial Reporting Standards (IFRS) for IAS34-Interim Financial Statements.

Pursuant to Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors declares that, to the best of its knowledge, the condensed interim consolidated financial statements prepared in accordance with the accounting standards applied, give a true and fair view of the assets, liabilities, financial position and profit and loss account for the period of Cementir Holding and its subsidiaries, and of the companies included in the consolidation as a whole, and that the Directors' report gives a true and fair view of the information required under Section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

Rome, 27 July 2023

Chairman of the Board of Directors

Signed: /s/ Francesco Caltagirone Jr.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

(Before profit appropriation)

(EUR'000)	Note	30 June 2023 Unaudited	31 December 2022 Audited
ASSETS			
Intangible assets with a finite useful life	1	192,302	204,541
Intangible assets with an indefinite useful life (goodwill)	2	379,650	406,835
Property, plant and equipment	3	871,614	898,080
Investment property	4	83,216	86,226
Equity-accounted investments	5	5,386	5,559
Other equity investments	6	333	351
Non-current financial assets		353	592
Deferred tax assets	20	47,995	43,071
Other non-current assets	11	1,936	2,826
TOTAL NON-CURRENT ASSETS		**1,582,785**	**1,648,081**
Inventories	7	238,330	218,618
Trade receivables	8	242,932	194,549
Current financial assets	9	53,521	50,867
Current tax assets	10	11,688	8,018
Other current assets	11	27,119	18,084
Cash and cash equivalents	12	245,507	355,759
TOTAL CURRENT ASSETS		**819,097**	**845,895**
TOTAL ASSETS		**2,401,882**	**2,493,976**
EQUITY AND LIABILITIES			
Share capital		159,120	159,120
Share premium reserve		27,702	27,702
Other reserves		1,065,971	1,019,075
Profit (loss) attributable to the owners of the parent		90,273	162,286
Equity attributable to owners of the Parent	13	**1,343,066**	**1,368,183**
Reserves attributable to non-controlling interests		142,015	135,319
Profit (loss) attributable to non-controlling interests		7,205	19,271
Equity attributable to non-controlling interests	13	**149,220**	**154,590**
TOTAL EQUITY		**1,492,286**	**1,522,773**
LIABILITIES			
NON-CURRENT LIABILITIES			
Employee benefits	14	23,755	26,340
Non-current provisions	15	32,596	32,752
Non-current financial liabilities	17	172,816	205,556
Deferred tax liabilities	20	179,431	161,896
Other non-current liabilities	19	660	1,107
TOTAL NON-CURRENT LIABILITIES		**409,258**	**427,651**
Current provisions	15	3,076	4,054
Trade payables	16	262,628	358,535
Current financial liabilities	17	115,261	105,569
Current tax liabilities	18	28,627	12,253
Other current liabilities	19	90,746	63,141
TOTAL CURRENT LIABILITIES		**500,338**	**543,552**
TOTAL LIABILITIES		**909,596**	**971,203**
TOTAL EQUITY AND LIABILITIES		**2,401,882**	**2,493,976**

Consolidated income statement

(EUR'000)	Note	1st Half 2023 Unaudited	1st Half 2022 Unaudited
REVENUE	21	**840,681**	**831,602**
Change in work in progress and finished goods	7	6,153	18,187
Increase for internal work	22	729	6,557
Other income	22	22,760	16,155
TOTAL OPERATING REVENUE		**870,323**	**872,501**
Raw materials costs	23	(376,355)	(409,997)
Personnel costs	24	(103,065)	(101,654)
Other operating costs	25	(190,360)	(217,073)
EBITDA		**200,543**	**143,777**
Amortisation and depreciation	26	(61,813)	(60,555)
Additions to provision	26	(187)	(568)
Impairment losses	26	-	(391)
Total amortisation, depreciation, impairment losses and provisions		(62,000)	(61,514)
EBIT		**138,543**	**82,263**
Share of net profits of equity-accounted investees	27	(52)	105
Financial income	27	6,178	4,974
Financial expense	27	(7,686)	(13,165)
Exchange rate profits / (losses)	27	13,923	10,078
Net income/(expense) from hyperinflation	27	(3,684)	15,668
Net financial income (expense)	**27**	**8,731**	**17,555**
NET FINANCIAL INCOME (EXPENSE) AND SHARE OF NET PROFITS OF EQUITY-ACCOUNTED INVESTEES		**8,679**	**17,660**
PROFIT (LOSS) BEFORE TAXES		**147,222**	**99,923**
Income taxes	28	(49,744)	(25,276)
PROFIT FROM CONTINUING OPERATIONS		**97,478**	**74,647**
PROFIT (LOSS) FOR THE PERIOD		**97,478**	**74,647**
Attributable to:			
Non-controlling interests		7,205	8,059
Owners of the Parent		**90,273**	**66,588**

(EUR)			
Earnings per ordinary share			
Basic earnings per share	29	0.580	0.428
Diluted earnings per share	29	0.580	0.428

(EUR)			
Earnings per ordinary share from continuing operations			
Basic earnings per share	29	0.580	0.428
Diluted earnings per share	29	0.580	0.428

Consolidated statement of comprehensive income

(EUR'000)	Note	1st Half 2023 Unaudited	1st Half 2022 Unaudited
PROFIT (LOSS) FOR THE PERIOD		**97,478**	**74,647**
Other components of comprehensive income:			
Items that will never be reclassified to profit or loss for the period		-	-
Net actuarial gains (losses) on post-employment benefits	30	(206)	-
Taxes recognised in equity	30	51	-
Total items that will never be reclassified to profit or loss		**(155)**	-
Items that may be reclassified to profit or loss for the period:			
Foreign currency translation differences - foreign operations	30	(123,547)	(7,302)
Profit (losses) on derivatives	30	(1,839)	28,356
Taxes recognised in equity	30	235	(5,698)
Total items that may be reclassified to profit or loss		**(125,151)**	**15,356**
Total other comprehensive expense, net of tax		**(125,306)**	**15,356**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		**(27,828)**	**90,003**
Attributable to:			
Non-controlling interests		(4,279)	12,170
Owners of the Parent		**(23,549)**	**77,833**

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 2023 (IAS29)	**13**	**159,120**	**27,701**	**-**	**(743,235)**	**10,200**	**1,752,111**	**162,286**	**1,368,183**	**19,271**	**135,319**	**154,590**	**1,522,773**
Allocation of 2022 profit (loss)		-	-	-	-	-	162,286	(162,286)	**-**	(19,271)	19,271	**-**	-
Distribution of 2022 dividends		-	-	-	-	-	(34,214)	-	**(34,214)**	-	(1,276)	**(1,276)**	**(35,490)**
Treasury share purchase		-	-	-	-	-	-	-	**-**	-	-	**-**	**-**
Total transactions with investors		**-**	**-**	**-**	**-**	**-**	**128,072**	**(162,286)**	**(34,214)**	**(19,271)**	**17,995**	**(1,276)**	**(35,490)**
Profit (loss) for the year		-	-	-	-	-	-	90,273	**90,273**	7,205	-	**7,205**	**97,478**
Change in translation reserve	30	-	-	-	(112,046)	-	-	-	**(112,046)**	-	(11,501)	**(11,501)**	**(123,547)**
Net actuarial gains	30	-	-	-	-	-	(155)	-	**(155)**	-	-	**-**	**(155)**
Gain on derivatives	30	-	-	-	-	(1,587)	-	-	**(1,587)**	-	(17)	**(17)**	**(1,604)**
Other comprehensive income (expense)		-	-	-	(112,046)	(1,587)	(155)	-	**(113,788)**	-	(11,518)	**(11,518)**	**(125,306)**
Total comprehensive income (expense)	30	-	-	-	**(112,046)**	**(1,587)**	**(155)**	**90,273**	**(23,515)**	**7,205**	**(11,518)**	**(4,313)**	**(27,828)**
Adjustment for Hyperinflation in Türkiye		-	-	**-**	-	-	31,979	**-**	**31,979**	-	1,017	**1,017**	**32,996**
Change in other reserves		-	-	**-**	-	-	633	**-**	**633**	-	(798)	**(798)**	**(165)**
Total other transactions		-	-	-	-	-	**32,612**	-	**32,612**	-	**219**	**219**	**32,831**
Equity at 30 June 2023 (Unaudited)	**13**	**159,120**	**27,701**	**-**	**(855,281)**	**8,613**	**1,912,640**	**90,273**	**1,343,066**	**7,205**	**142,015**	**149,220**	**1,492,286**

(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 2018 profit		-	-	-	-	-	113,316	(113,316)	**-**	(9,679)	9,679	-	-
Distribution of 2018 dividends		-	(8,009)	-	-	-	(19,985)	-	**(27,994)**	-	(2,807)	**(2,807)**	**(30,801)**
Treasury share purchase		-	-	-	-	-	-	-	**-**	-	-	-	**-**
Total transactions with investors		**-**	**(8,009)**	**-**	**-**	**-**	**93,331**	**(113,316)**	**(27,994)**	**(9,679)**	**6,872**	**(2,807)**	**(30,801)**
Profit (loss) for the year		-	-	-	-	-	-	162,286	**162,286**	19,271	-	**19,271**	**181,557**
Change in translation reserve	30	-	-	-	(55,914)	-	-	-	**(55,914)**	-	(8,273)	**(8,273)**	**(64,187)**
Net actuarial gains	30	-	-	-	-	-	3,010	-	**3,010**	-	1,170	**1,170**	**4,180**
Gain on derivatives	30	-	-	-	-	7,937	-	-	**7,937**	-	2	**2**	**7,939**
Other comprehensive income (expense)		-	-	-	(55,914)	7,937	3,010	-	**(44,967)**	-	(7,101)	**(7,101)**	**(52,068)**
Total comprehensive income (expense)	**30**	**-**	**-**	**-**	**(55,914)**	**7,937**	**3,010**	**162,286**	**117,319**	**19,271**	**(7,101)**	**12,170**	**129,489**
Adjustment for Hyperinflation in Türkiye		-	-	-	-	-	77,968	-	**77,968**	-	2,701	**2,701**	**80,669**
Change in other reserves		-	-	-	-	-	(117)	-	**(117)**	-	(68)	**(68)**	**(185)**
Total other transactions		**-**	**-**	**-**	**-**	**-**	**77,851**	**-**	**77,851**	**-**	**2,633**	**2,633**	**80,484**
Equity at 31 December 2022 (Audited)	**13**	**159,120**	**27,701**	**-**	**(743,235)**	**10,200**	**1,752,111**	**162,286**	**1,368,183**	**19,271**	**135,319**	**154,590**	**1,522,773**

Consolidated statement of cash flows

(EUR'000)	Note	1st Half 2023 Unaudited	1st Half 2022 Unaudited
Profit/(loss) for the period		**97.478**	**74,647**
Amortisation and depreciation	26	61.813	60,555
(Revaluation)/ Impairment losses		2.072	(5,610)
Share of net profits of equity-accounted investees	27	52	(105)
Net financial income (expense)	27	(12.415)	(17,549)
Gains on disposals		(4.544)	(928)
Income taxes	28	39.236	25,276
Change in employee benefits		(1.262)	429
Change in provisions (current and non-current)		612	1,214
Operating cash flows before changes in working capital		**183.042**	**137,929**
(Increase) decrease in inventories		(35.024)	(54,866)
(Increase) decrease in trade receivables		(64.744)	(75,985)
Increase (decrease) in trade payables		(74.699)	21,252
Change in other non-current and current assets and liabilities		21.885	6,809
Change in current and deferred taxes		6.625	6,985
Operating cash flows		**37.085**	**42,124**
Dividends collected		-	-
Interest collected		3.807	678
Interest paid		(5.781)	(4,055)
Other net income (expense) collected (paid)		(982)	(5,707)
Income taxes paid		(18.796)	(18,404)
CASH FLOWS FROM OPERATING ACTIVITIES (A)		**15.333**	**14,636**
Investments in intangible assets		(4.076)	(13,194)
Investments in property, plant and equipment		(40.918)	(36,700)
Investments in equity investments and non-current securities		-	-
Proceeds from the sale of intangible assets		-	6
Proceeds from the sale of property, plant and equipment		9.590	3,338
Proceeds from the sale of equity investments and non-current securities		-	-
Proceeds from assets sold net of cash		-	-
Change in non-current financial assets		239	123
Change in current financial assets		(5.415)	1,366
Other changes in investing activities		-	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)		**(40.580)**	**(45,061)**
Change in non-current financial liabilities	17	(8.749)	(28,187)
Change in current financial liabilities	17	(29.098)	27,389
Dividends distributed		(35.490)	(28,396)
Other changes in equity	13	-	
CASH FLOWS USED IN FINANCING ACTIVITIES (C)		**(73.337)**	**(29,194)**
NET EXCHANGE RATE LOSSES ON CASH AND CASH EQUIVALENTS (D)		**(11.668)**	**7,376**
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(110.252)**	**(52,243)**
Opening cash and cash equivalents	**12**	**355.759**	**282,539**
Closing cash and cash equivalents	**12**	**245.507**	**230,296**

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 (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 30 June 2023 shareholders holding shares exceeding 3% of share capital, as indicated in the book of shareholders, from communications received pursuant to Art.5:28 of Financial Supervision Act and other information available, are:

1) Francesco Gaetano Caltagirone – 106,217,754 shares (66.753%). The shareholding is held as follows:
    - Direct ownership of 1,327,560 shares (0.834%)
    - Indirect ownership through the companies:
        - Calt 2004 Srl – 49,168,424 shares (30.900%)
        - Caltagirone SpA – 22,800,000 shares (14.329%)
        - FGC SpA – 17,600,000 shares (11.061%)
        - Pantheon 2000 SpA – 4,500,000 shares (2.828%)
        - Ical 2 Spa - 1,000,000 shares (0.628%)
        - Capitolium Srl – 2,600,000 shares (1.634%)
        - Vianini Lavori SpA – 1,700 shares (0.001%)
        - Azufin Spa – 5,600,000 shares (3.519%)
        - Intermedia Srl - 270,000 shares (0.170%)
        - Compagnia Gestioni Immobiliari Srl – 500,000 shares (0.314%)
        - Porto Torre Spa - 350,000 shares (0.220%)
        - SO.CO.GE.IM Spa - 500,000 shares (0.314%)
2) Francesco Caltagirone – 8,720,299 shares (5.480%). The above investment is held indirectly through the company Chupas 2007 Srl for 8,720,299 shares (5.480%).

This half-year financial report at 30 June 2023 was approved on 27 July 2023 by the Board of Directors. This half-year financial report was authorised for publication by the Board of Directors on 3 August 2023.

Cementir Holding NV is fully consolidated in the consolidated half-year financial statements of the Caltagirone group. At the date of preparation of this report, the ultimate Parent is FGC SpA due to the shares held via its subsidiaries.

The condensed interim consolidated financial statements as at 30 June 2023 include the abbreviated half-yearly financial statements of the Parent Company and its subsidiaries. The financial statements of the individual companies at the same date prepared by their directors were used for the consolidation.

Going Concern

The condensed interim consolidated financial statements of the Group have been prepared on the basis of the going concern assumption.

Statement of compliance with the IFRS

These condensed interim consolidated financial statements to 30 June 2023, which have been prepared on the going concern basis for the Parent Company and its subsidiaries, have been prepared in accordance with International Financial Reporting Standards (IFRS), endorsed by the European Commission and in force at the financial statements date, and Section 2:362(9) of the Dutch Civil Code.

In particular, these condensed interim consolidated financial statements prepared in accordance with IAS 34, do not include all the information required by the annual financial statements and must be read together with the consolidated financial statements for the year ended 31 December 2022 filed at the registered office of Cementir Holding NV in Amsterdam (36, Zuidplein, 1077 XV) and available on the website www.cementirholding.com.

The accounting principles adopted for the preparation of these condensed interim consolidated financial statements are the same as those adopted for the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, with the exception of the new principles applicable as of 1 January 2023, the effects of which on these condensed interim consolidated financial statements are described below.

Some parts of the condensed interim consolidated financial statements contain alternative indicators that are not indicators of financial performance or liquidity 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 condensed interim consolidated financial statements at 30 June 2023 are presented in Euros, the Parent's functional currency. All amounts are expressed in thousands of Euros, unless indicated otherwise. The consolidated financial statements consist of a statement of financial position, an income statement, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and these notes. The Group has opted to present these statements as follows:

- the statement of financial position presents current and non-current assets and liabilities separately;
- the income statement classifies costs by nature;
- the statement of comprehensive income presents the effect of gains and losses recognised directly in equity, starting from the profit or loss for the year;
- the statement of cash flows is presented using the indirect method.

The general criterion adopted is the historical cost method, except for items recognised and measured at fair value based on specific IFRS, as described below in the section on accounting policies.

The IFRS have been applied consistently with the guidance provided in the “Framework for the preparation and presentation of financial statements”. The Group was not required to make any departures as per IAS 1.19.

In the financial statements, in addition to those specifically requested by IAS 1 and the other standards, when material, so as to show transactions with related parties separately or, in the case of the income statement, profits and losses on non-recurring or unusual transactions.

It should be noted that, in continuity with that presented in the consolidated financial statements for the year ended 31 December 2022, the component of revenues due to the reversal of the cost of CO2 to customers, registered in the first half of 2022 under the item “Other Revenues”, has been re-posted under the item “Revenues”.

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

As of April 2022, the Turkish economy is considered hyperinflationary according to the criteria set out in “IAS 29-Financial Reporting in Hyperinflationary Economies”.

For the purpose of preparing these Condensed Interim Consolidated Financial Statements and in accordance with IAS 29, certain non-monetary items 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.

Bearing in mind that the Cementir Group acquired control of the Turkish companies in September 2001, and that they applied hyperinflation until 31/12/2004, 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 accounting effects of this adjustment, in addition to already being reflected in the opening balance sheet as of 1 January 2023, 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 the first half of 2023 was recognised in a separate income statement item under financial income and expenses. The related tax effect of non-cash assets was recognised in taxes for the period.

To take into account the impact of hyperinflation also on the local currency exchange rate, profit and loss account balances expressed in hyperinflationary currencies have been converted into Euro, 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 1 January 2005 to 31 December 2022: 891%
- From 1 January 2022 to 30 June 2023: 20%

In the first half of 2023, the application of IAS 29 resulted in the recognition of a net financial burden (pre-tax) of EUR 3.6 million.

Below are the effects of IAS 29 on the Balance Sheet as at 30 June 2023 and the impact of hyperinflation on the main items of the Income Statement for the first half of 2023, 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:

EUR'000	Cumulative hyperinflation effect at 01/01/2023	Hyperinflation effect of the period	Exchange rate effect	Cumulative hyperinflation effect at 30/06/2023
Total assets	**203,897**	41,451	(60,151)	**245,348**
Total liabilities	**19,181**	19,468	(5,659)	**38,649**
Equity	**184,716**	21,983	(54,492)	**206,699**

(EUR'000)	IAS 29 Effect	IAS 21 Effect	Total Effect
REVENUE FROM SALES AND SERVICES	**7,836**	**(35,399)**	**(27,563)**
Change in work in progress and finished goods	(1,925)	(1,417)	(3,342)
Increase for internal work and other income	(1,791)	(5,537)	(7,328)
TOTAL OPERATING REVENUE	**4,120**	**(42,353)**	**(38,233)**
Raw materials costs	(8,081)	20,344	12,263
Personnel costs	(634)	2,701	2,067
Other operating costs	(1,403)	5,824	4,421
TOTAL OPERATING COSTS	**(10,118)**	**28,869**	**18,751**
EBITDA	**(5,998)**	**(13,484)**	**(19,482)**
Amortisation, depreciation, impairment losses and provisions	(4,153)	964	(3,189)
EBIT	**(10,151)**	**(12,520)**	**(22,671)**
Net financial income (expense)	(3,748)	202	(3,546)
NET FINANCIAL INCOME (EXPENSE)	**(3,748)**	**202**	**(3,546)**
PROFIT BEFORE TAXES	**(13,899)**	**(12,318)**	**(26,217)**
Income taxes	(10,512)	2,768	(7,744)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(24,411)**	**(9,550)**	**(33,961)**
PROFIT (LOSS) FOR THE PERIOD	**(24,411)**	**(9,550)**	**(33,961)**
Attributable to: Non-controlling interests	730	(2,027)	(1,297)
Owners of the Parent	**(25,141)**	**(7,523)**	**(32,664)**

Standards and amendments to standards adopted by the Group

a) Accounting standards in force as of 1 January 2023:

The following list illustrates the standards and interpretations approved by the IASB, approved by the European Union and in force as of 1 January 2023:

- 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 the document "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 adoption of the new standards applicable from 1 January 2023 has not had significant effects for the Group.

b) Accounting principles and interpretations of effective standards for the financial years after 2023 and not adopted in advance by the Group: nothing to report.

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

At the date of approval of these condensed interim consolidated financial statements, the following accounting standards, interpretations and amendments were issued by the IASB but not yet approved by the European Union:

- 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.

- On 23 May 2023, the IASB published the document “International Tax Reform-Pillar two model rules”. The amendment is effective for financial years starting 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

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.

A list of the companies included in the scope of consolidation at 30 June 2023 is provided in annex 1.

Translation of financial statements of foreign operations

The financial statements of subsidiaries, associates and joint ventures are prepared using the currency of the primary economic environment in which they operate (the functional currency).

The financial statements of group companies operating outside the eurozone are translated into Euros using the closing rate for the statement of financial position items and the average annual rate for the income statement items if no major fluctuations are detected in the reference period, in which case the exchange rate on the date of the transaction applies. For Turkish subsidiaries, please refer to that explained in the paragraph “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:

	1st Half 2023		31 December 2022	1st Half 2022
	Final	Average	Finale	Average
Turkish lira – TRY *	28.32	21.57	19.96	16.26
US dollar – USD	1.09	1.08	1.07	1.09
British pound – GBP	0.86	0.88	0.89	0.84
Egyptian pound – EGP	33.61	32.66	26.20	18.76
Danish krone – DKK	7.45	7.45	7.44	7.44
Icelandic krona – ISK	148.70	151.09	151.50	141.38
Norwegian krone – NOK	11.70	11.32	10.51	9.98
Swedish krona – SEK	11.81	11.33	11.12	10.48
Malaysian ringgit – MYR	5.07	4.82	4.70	4.67
Chinese renminbi yuan – CNY	7.90	7.49	7.36	7.08

(*) For Turkish subsidiaries, please see the section “Türkiye- Hyperinflated Economy: impacts of the application of IAS 29”.

Use of estimates

The preparation of condensed interim 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, 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, 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 and uses financial instruments to hedge the related risks.

The Group monitors the financial risks to which it is exposed regularly so as to assess in advance any potential impacts and take the most suitable action to mitigate them; derivative financial instruments are also used for this purpose.

Currency risk

Group companies operate internationally; as such they are structurally exposed to currency risk for cash flows from operating activities and financing operations in currencies other than the functional currency.

The Group's operating activities are exposed differently to changes in exchange rates: in particular the cement sector is exposed to currency risk on both revenues, for exports, and costs to purchase solid fuels in USD; whereas the ready-mixed concrete sector is less exposed as both revenue and costs are in local currency. The Group assesses the natural hedging of cash flows and financing for these risks and purchases currency forwards and currency put and call options for hedging purposes. Transactions involving derivatives are performed for hedging purposes.

The Group's presentation currency is the Euro. As a result, it is exposed to currency risk in relation to the translation of the financial statements of consolidated companies based in countries outside the Economic Monetary Area (except for Denmark whose currency is historically tied to the Euro). The income statements of these companies are translated into Euros using the average annual rate in the event that changes in value are not significant, and changes in exchange rates may affect the value in Euros, even when the revenue and profits in local currency remain unchanged. Pursuant to the IFRS, translation differences on assets and liabilities are recognised directly in equity in the translation reserve (note 13).

For information on the accounting effects of hyperinflation applied to investee companies in Türkiye, please see the section "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.

In addition, in order to limit exposure to the risk of fluctuating market prices, the Group uses derivative contracts.

Also refer to note 32 for quantitative information on risks.

Group's value

The Stock Exchange capitalisation of Cementir shares as of 30 June 2023 was EUR 1,180.7 million (EUR 977.0 million as of 31 December 2022) against Group Shareholders' Equity of EUR 1,343.1 million (EUR 1,368.2 million as of 31 December 2022); 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 expected 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. "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 30 June 2023:

(EUR'000)	**Nordic & Baltic**	**Belgium**	**North America**	**Türkiye**	**Egypt**	**Asia Pacific**	**Holding and Services**	Unallocated items and adjustments	**CEMENTIR HOLDING GROUP**
Operating revenue	**391,271**	**189,033**	**93,798**	**147,615**	**25,477**	**62,350**	**123,858**	(163,079)	**870,323**
Intra-segment operating revenue	(45,766)	(3)	(619)	(6,991)	(4,151)	-	(105,549)	163,079	
Contributed operating revenue	345,505	189,030	93,179	140,624	21,326	62,350	18,309	-	870,323
Segment result (EBITDA)	**88,306**	**43,456**	**12,972**	**33,114**	**7,552**	**12,580**	**2,563**	-	**200,543**
Amortisation, depreciation, impairment losses and provisions	(24,496)	(14,353)	(8,286)	(7,680)	(1,020)	(4,405)	(1,760)	-	(62,000)
EBIT	**63,810**	**29,103**	**4,686**	**25,434**	**6,532**	**8,175**	**803**	-	**138,543**
Net profit (loss) of equity-accounted investees	(52)	-	-	-	-	-	-	-	(52)
Net financial income (expense)	-	-	-	-	-	-	-	8,731	8,731
Profit (loss) before taxes	-	-	-	-	-	-	-	-	**147,222**
Income taxes	-	-	-	-	-	-	-	(49,744)	(49,744)
Profit (loss) for the year	-	-	-	-	-	-	-	-	**97,478**

The following table shows the performance of each operating segment at 30 June 2022:

(EUR'000)	**Nordic & Baltic**	**Belgium**	**North America**	**Türkiye**	**Egypt**	**Asia Pacific**	**Holding and Services**	Unallocated items and adjustments	**CEMENTIR HOLDING GROUP**
Operating revenue	**415,450**	**169,737**	**95,621**	**136,615**	**29,233**	**64,492**	**119,851**	**(158,498)**	**872,501**
Intrasegment operating revenue	(40,580)	-	(561)	(16,107)	(3,125)	**-**	(98,125)	158,498	
Contributed operating revenue	374,870	169,737	95,060	120,508	26,108	64,492	21,726	-	872,501
Segment result (EBITDA)	**63,663**	**36,858**	**14,343**	**11,491**	**5,262**	**10,396**	**1,764**	-	**143,777**
Amortisation, depreciation, impairment losses and provisions	(23,257)	(14,171)	(7,959)	(8,470)	(1,668)	(4,395)	(1,594)	-	(61,514)
EBIT	**40,406**	**22,687**	**6,384**	**3,021**	**3,594**	**6,001**	**170**	-	**82,263**
Net profit (loss) of equity-accounted investees	105	-	-	-	-	-	-	-	105
Net financial income (expense)	-	-	-	-	-	-	-	17,555	17,555
Profit (loss) before taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**99,923**
Income taxes	-	-	-	-	-	-	-	(25,276)	(25,276)
Profit (loss) for the year	-	-	-	-	-	-	-	-	**74,647**

The following table shows other data for each geographical segment at 30 June 2023:

(EUR'000)	Segment total assets	Non current segment assets	Segment total liabilities	Equity-accounted investments	Investments in property, plant and equipment and intangible asset*
Nordic & Baltic	789,215	546,114	388,707	5,243	32,371
Belgium	513,135	394,396	191,522	143	15,052
North America	348,722	209,966	62,333	-	1,601
Türkiye	420,245	313,500	115,616	-	7,854
Egypt	108,672	17,701	20,547	-	796
Asia Pacific	154,405	69,805	28,009	-	5,141
Holding and Services	67,488	31,303	102,862	-	3,950
Total	**2,401,882**	**1,582,785**	**909,596**	**5,386**	**66,765**

*Investments made during the period.

The following table shows other data for each segment at 31 December 2022 and at 30 June 2022:

	31.12.2022				30.06.2022
(EUR'000)	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	20,384
Belgium	490,935	394,135	182,936	143	12,121
North America	356,505	220,106	65,231	-	5,679
Türkiye	408,084	313,914	111,259	-	10,209
Egypt	117,385	22,986	22,099	-	349
Asia Pacific	161,092	74,216	30,606	-	3,517
Holding and Services	147,451	70,237	122,356	-	1,440
Total	**2,493,976**	**1,648,081**	**971,204**	**5,559**	**53,699**

**Investments made in the first half of 2022.

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 30 June 2023, intangible assets with a finite useful life amounted to EUR 192,302 thousand (EUR 204,541 thousand at 31 December 2022). Concession rights and licences mainly consisted of concessions to use quarries and software licences for the IT system (SAP R/3). The increase in the period is attributable to projects related to improvements in IT processes, technology, infrastructure and IT security measures and also includes investments made in accordance with the regulation on the emissions trading system.

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 2023	**1,786**	**65,203**	**267,186**	**1,004**	**335,179**
Hyperinflation adjustment in respect of Türkiye	-	858	593	-	1,451
Additions	-	47	2,259	1,902	4,208
Disposals	-	-	(6,370)	-	(6,370)
Impairment losses	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	(2,117)	(2,558)	(4)	(4,679)
Reclassifications	-	277	44	(277)	44
Gross amount at 30 June 2023	**1,786**	**64,268**	**261,154**	**2,625**	**329,833**
Amortisation at 1 January 2023	**1,786**	**28,042**	**100,810**	**-**	**130,638**
Hyperinflation adjustment in respect of Türkiye	-	127	555	-	682
Amortisation *	-	1,270	6,770	-	8,040
Decrease	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Exchange differences	-	(714)	(1,115)	-	(1,829)
Reclassifications	-	-	-	-	-
Depreciation at 30 June 2023	**1,786**	**28,725**	**107,020**	**-**	**137,531**
Net amount at 30 June 2023	**-**	**35,543**	**154,134**	**2,625**	**192,302**

*Please note that the amortisation for the period was equal to EUR 8.2 million (note 26) and that the monetary revaluation component amounts to approximately EUR 0.2 million.

(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**

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 30 June 2023, the item amounted to EUR 379,650 thousand (EUR 406,835 thousand at 31 December 2022). The following table shows CGUs by macro geographical segment:

30.06.2023 (EUR'000)	Nordic & Baltic	North America	Türkiye	Egypt	Asia Pacific	Total
Opening balance	**255,403**	**28,845**	**117,957**	**1,453**	**3,177**	**406,835**
Hyperinflation adjustment in respect of Türkiye	-	-	10,778	-	-	10,778
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-
Exchange differences	(2,076)	(531)	(34,798)	(321)	(237)	(37,963)
Reclassifications	-	-	-	-	-	-
Closing balance	**253,327**	**28,314**	**93,937**	**1,132**	**2,940**	**379,650**

31.12.2022 (EUR'000)	Nordic & Baltic	North America	Türkiye	Egypt	Asia Pacific	Total
Opening balance	**256,757**	**27,164**	**27,874**	**2,147**	**3,169**	**317,111**
Hyperinflation adjustment in respect of Türkiye	-	-	99,133	-	-	99,133
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment losses	-	-	(3,148)	-	-	(3,148)
Change in consolidation scope	-	-	-	-	-	-
Exchange differences	(1,354)	1,681	(5,902)	(694)	8	(6,261)
Reclassifications	-	-	-	-	-	-
Closing balance	**255,403**	**28,845**	**117,957**	**1,453**	**3,177**	**406,835**

Intangible assets with an indefinite life are periodically tested for impairment. For the purposes of these condensed consolidated interim financial statements, the presence of possible indicators of impairment of the assets in question was assessed. On the basis of the information available, taking into account foreseeable future results and the absence of significant trigger events, it was deemed unnecessary to perform impairment tests, which will in any event be performed when preparing the annual consolidated financial statements.

In the light of global geopolitical events, the devaluation of the Turkish Lira and the application of the IAS 29, analyses were carried out to assess the presence of impairment indicators. They did not show the presence of possible losses in value, also taking into account the results significantly higher than the Budget.

At the date of this financial report, there were no changes in the strategic guidelines reported in the press releases issued following the approval of the 2023-2025 Business Plan on 8 February 2023.

3) Property, plant and equipment

At 30 June 2023, property, plant and equipment reached EUR 871,614 thousand (EUR 898,080 thousand at 31 December 2022) and included EUR 74.3 million (EUR 72.5 million at 31 December 2022) in *Right of Use assets*.

Additional disclosures for each category of property, plant and equipment are set out below:

(EUR'000)	Land and buildings	Quarries	Plant and equipment	Other	Assets under development and advances	Total
Gross amount at 1 January 2023	**520,533**	**198,859**	**1,491,283**	**177,871**	**56,235**	**2,444,781**
Hyperinflation adjustment in respect of Türkiye	19,654	278	56,625	2,596	119	79,272
Additions	936	246	3,815	19,904	37,656	62,557
Disposals	(101)	(119)	(891)	(4,501)	-	(5,612)
Impairment losses	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-
Exchange differences	(50,895)	423	(145,045)	(11,539)	(1,525)	(208,581)
Reclassifications and similar changes	2,368	(176)	8,023	323	(10,570)	(32)
Gross amount at 30 June 2023	**492,495**	**199,511**	**1,413,810**	**184,654**	**81,915**	**2,372,385**
Depreciation at 1 January 2023	**301,886**	**29,361**	**1,100,248**	**115,206**	**-**	**1,546,701**
Hyperinflation adjustment in respect of Türkiye	11,038	257	53,688	3,866	-	68,849
Depreciation*	6,874	1,993	27,621	13,132	-	49,620
Decrease	-	-	(912)	(3,911)	-	(4,823)
Change in consolidation scope	-	-	-	-	-	**-**
Exchange differences	(26,632)	250	(124,070)	(9,136)	-	(159,588)
Reclassifications and similar changes	5	-	7	-	-	12
Depreciation at 30 June 2023	**293,171**	**31,861**	**1,056,582**	**119,157**		**1,500,771**
Net amount at 30 June 2023	**199,324**	**167,650**	**357,228**	**65,497**	**81,915**	**871,614**

*Please note that the depreciation for the period was equal to EUR 53.7 million (note 26) and that the monetary revaluation component amounts to approximately EUR 4.1 million.

Note 31 IFRS 16 – "Leases" gives a breakdown of Right of use assets categorised according to their nature.

(EUR'000)	Land and buildings	Quarries	Plant and equipment	Other	Assets under development and advances	Total
Gross amount at 1 January 2022	**397,861**	**193,954**	**1,129,996**	**150,628**	**50,423**	**1,922,862**
Hyperinflation adjustment in respect of Türkiye	121,759	1,621	346,274	23,415	207	**493,276**
Additions	8,352	3,236	27,394	21,722	55,689	**116,393**
Disposals	(7,413)	(85)	(19,077)	(16,917)	-	**(43,492)**
Impairment losses	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-
Exchange differences	(10,048)	(98)	(32,958)	(2,630)	(1,244)	**(46,978)**
Reclassifications and similar changes	10,022	231	39,654	1,653	(48,840)	**2,720**
Gross amount at 31 December 2022	**520,533**	**198,859**	**1,491,283**	**177,871**	**56,235**	**2,444,781**
Depreciation at 1 January 2022	**233,643**	**23,165**	**765,609**	**86,215**	-	**1,108,632**
Hyperinflation adjustment in respect of Türkiye	65,696	1,496	321,223	21,287		**409,702**
Depreciation	13,882	4,117	54,831	24,950	-	**97,780**
Decrease	(7,030)	(57)	(18,826)	(15,737)	-	**(41,650)**
Change in consolidation scope	-	-	-	-	-	-
Exchange differences	(4,885)	(252)	(22,625)	(1,776)	-	**(29,538)**
Reclassifications and similar changes	580	892	36	267	-	**1,775**
Depreciation at 31 December 2022	**301,886**	**29,361**	**1,100,248**	**115,206**		**1,546,701**
Net amount at 31 December 2022	**218,647**	**169,498**	**391,035**	**62,665**	**56,235**	**898,080**

4) Investment property

Investment property of EUR 83,216 thousand (EUR 86,226 thousand at 31 December 2022) is recognised at fair value, calculated based on independent expert opinions. In light of the economic situation inTürkiye, the value of real estate in that country was updated on the basis of special appraisals.

(EUR'000)	30.06.2023			31.12.2022		
	Land	Buildings	Total	Land	Buildings	Total
Opening balance	**65,506**	**20,720**	**86,226**	**42,815**	**20,779**	**63,594**
Hyperinflation adjustment in respect of Türkiye	8,406	260	**8,666**	19,921	727	20,648
Increase	-	-	**-**	-	-	**-**
Decrease	(3,928)	(847)	**(4,775)**	(1,963)	(661)	**(2,624)**
Fair value gains (losses)	13,172	270	**13,442**	14,970	385	**15,355**
Exchange differences	(19,437)	(906)	**(20,343)**	(10,237)	(510)	**(10,747)**
Reclassifications	-	-	**-**	-	-	**-**
Closing balance	**63,719**	**19,497**	**83,216**	**65,506**	**20,720**	**86,226**

At 30 June 2023, 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 1.6 million at the reporting date.

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:

(EUR'000)

Companies	Business	Registered office	% owned	**Carrying amount 30.06.2023**	**Share of profit or loss 30.06.2023**
ECOL Unicon Spzoo	Ready-mixed concrete	Gdańsk (Poland)	49%	3,337	(112)
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	1,906	60
Recybel	Other	Liège-Flémalle (Belgium)	25.5%	143	-
Total				**5,386**	**(52)**

(EUR'000)

Companies	Business	Registered office	% owned	**Carrying amount 31.12.2022**	**Share of profit or loss 30.06.2022**
ECOL Unicon Spzoo	Ready-mixed concrete	Gdańsk (Poland)	49%	3,455	(19)
ÅGAB Syd Aktiebolag	Aggregates	Svedala (Sweden)	40%	1,962	124
Recybel	Other	Liège-Flémalle (Belgium)	25.5%	142	-
Total				**5,559**	**105**

No indicators of impairment were identified for these investments.

6) Other investments

(EUR'000)	**30.06.2023**	**31.12.2022**
Available-for-sale equity investments Opening balance	**351**	**257**
Hyperinflation adjustment in respect of Türkiye	16	97
Increase (decrease)	-	27
Fair value gains (losses)	-	-
Change in consolidation scope	-	-
Reclassifications to assets held for sale	-	-
Exchange differences	(34)	(30)
Reclassifications - Recybel	-	-
Available-for-sale equity investments Closing balance	**333**	**351**

No indicators of impairment were identified.

7) Inventories

Inventories, whose carrying value approximates their fair value, are detailed as follows:

(EUR'000)	**30.06.2023**	**31.12.2022**
Raw materials, consumables and supplies	133,858	116,758
Work in progress	55,793	52,017
Finished goods	46,730	48,427
Advances	1,949	1,416
Inventories	**238,330**	**218,618**

Changes were recorded over the period in the different inventory categories as a result of manufacturing processes and sales, the costs of factors of 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 23,981 thousand (negative for EUR 32,123 thousand at 30 June 2022) 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 6,153 thousand (30 June 2022: positive for EUR 18,187 thousand).

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

8) Trade receivables

Trade receivables, net of related loss allowance, totalled EUR 242,932 (EUR 194,549 thousand at 31 December 2022) and break down as follows:

(EUR'000)		**30.06.2023**	**31.12.2022**
Trade receivables		241,880	196,387
Loss allowance		(3,410)	(3,996)
Net trade receivables		**238,470**	**192,391**
Advances to suppliers		4,425	2,005
Trade receivables - related parties	(note 34)	37	153
Trade receivables		**242,932**	**194,549**

The carrying amount of trade receivables equals their fair value. They arise on commercial transactions for the sale of goods and services and do not present any significant concentration risks.

The increase in trade receivables compared to 31 December 2022 is attributable to the cyclical nature of working capital and the positive trend in revenues. During the period under review, there were no situations of difficulty in the collection of receivables generated by problems with access to credit or the encumbrance of credit from customers.

The breakdown by due date is shown below:

(EUR'000)	30.06.2023	31.12.2022
Not yet due	225,428	173,192
Overdue:	16,452	23,195
0-30 days	*11,866*	*16,196*
30-60 days	*2,124*	*3,872*
60-90 days	*645*	*852*
More than 90 days	*1,817*	*2,275*
Total trade receivables	241,880	196,387
Loss allowance	(3,410)	(3,996)
Net trade receivables	**238,470**	**192,391**

9) Current financial assets

Current financial assets totalled EUR 53,521 thousand (EUR 50,867 thousand as of 31 December 2022), are break down as follows:

(EUR'000)		30.06.2023	31.12.2022
Fair value of derivatives		12,320	12,593
Accrued income/ Prepayments		644	118
Loan assets - related parties	(note 34)	440	453
Other loan assets		40,117	37,703
Current financial assets		**53,521**	**50,867**

10) Current tax assets

Current tax assets, totalling EUR 11,688 thousand (EUR 8,018 thousand at 31 December 2022), mainly refer to payments on account to tax authorities, approximately EUR 5.1 million, and withholdings tax for EUR 3.1 million.

11) Other current and non-current assets

Other non-current assets totalled EUR 1,936 thousand (EUR 2,826 thousand at 31 December 2022) and mainly consisted of VAT assets and deposits.

Other current assets totalled EUR 27,119 thousand (EUR 18,084 thousand at 31 December 2022) and consisted of non-commercial items. The item breaks down as follows:

(EUR'000)	30.06.2023	31.12.2022
VAT assets	4,928	5,542
Personnel	271	163
Accrued income	1,069	491
Prepayments	5,665	3,209
Other receivables	15,186	8,679
Other current assets	**27,119**	**18,084**

12) Cash and cash equivalents

Totalling EUR 245,507 thousand (EUR 355,759 thousand at 31 December 2022), the item consists of liquidity held by the Group, which is usually invested in short-term financial transactions, broken down as follows:

(EUR'000)		30.06.2023	31.12.2022
Bank and postal deposits		245,288	354,705
Bank deposits - related parties	(note 34)	-	-
Cash-in-hand and cash equivalents		219	1,054
Cash and cash equivalents		**245,507**	**355,759**

Cash and cash equivalents decreased compared to 31 December 2022, due to the seasonal cyclical nature of business, the payment of dividends and the repayment of instalments on outstanding loans.

13) Equity

Equity attributable to the owners of the parent

Equity attributable to the owners of the parent amounted to EUR 1,343,066 thousand at 30 June 2023 (EUR 1,368,183 thousand at 31 December 2022). The Group earnings for the first half of 2023 was EUR 90,273 thousand (EUR 66,588 thousand in the first half of 2022).

Share capital

The Parent's share capital consists of 159,120,000 ordinary shares with a par value of EUR 1 each. It is fully paid up and has not changed with respect to the previous year end. There are no pledges or restrictions on the shares.

Other reserves

Treasury shares

The number of treasury shares held following the completion of the share buy-back programme (the "Programme") in October 2021 has not changed.

It should be noted that under the Programme, between 15 October 2020 and 12 October 2021 (ends included), 3,600,000 treasury shares, equal to 2.2624% of the share capital, were purchased on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. at a weighted average price of EUR 8.1432 per share and for a total outlay of EUR 29,315 thousand.

Translation reserve

At 30 June 2023, the translation reserve had a negative balance of EUR 855,281 thousand (negative EUR 743,235 thousand at 31 December 2022), broken down as follows:

(EUR'000)	30.06.2023	31.12.2022	Change
Türkiye (Turkish lira – TRY)	(757,236)	(673,753)	(83,483)
USA (US dollar – USD)	7,748	9,391	(1,643)
Egypt (Egyptian pound – EGP)	(99,281)	(84,772)	(14,509)
Iceland (Icelandic krona – ISK)	(2,875)	(2,953)	78
China (Chinese renminbi yuan – CNY)	5,402	10,522	(5,120)
Norway (Norwegian krone – NOK)	(9,571)	(7,403)	(2,168)
Sweden (Swedish krona – SEK)	(2,592)	(2,096)	(496)
Other countries	3,124	7,829	(4,705)
Total translation reserve - attributable to Group	**(855,281)**	**(743,235)**	**(112,046)**

Dividends

During the year, the 2022 dividend was distributed to shareholders in the amount of EUR 0.22 per ordinary share, for a total amount of EUR 34,214,000, net of treasury shares.

Equity attributable to non-controlling interests

Equity attributable to non-controlling interests amounted to EUR 149,220 thousand at 30 June 2023 (EUR 154,590 thousand at 31 December 2022). Profit for the first half of 2023 attributable to non-controlling interests was EUR 7,205 thousand (EUR 8,059 thousand in the first half of 2022).

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 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.

It is noted that in the meeting of 8 February 2023, the Board of Directors of Cementir Holding NV approved the update of the 2023-2025 Business Plan 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 (EUR'000)	**30.06.2023**	**31.12.2022**
Total Financial Liabilities	288,077	311,125
- Less cash and cash equivalents and current financial assets	(299,028)	(406,626)
Net Financial Debt	**(10,951)**	**(95,501)**
Total Equity	1,492,285	1,522,773
- Hedging reserve	9,379	11,195
Adjusted Equity	1,501,664	1,533,968
Net Gearing Ratio (Net Financial Debt/Adjusted Equity)	**-0.73%**	**-6.23%**
Adjusted Equity	1,501,664	1,533,968
Total Assets	2,401,882	2,493,976
Equity ratio (Adjusted Equity/Total Assets)	**62.52%**	**61.51%**

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 was 13.7% as at 30 June 2023 (9.9% as at 30 June 2022), due to the positive performance.

14) Employee benefits

Employee benefits as at 30 June 2023 amounted to EUR 23,755 thousand (EUR 26,340 thousand as at 31 December 2022), did not change significantly during the period, and mainly comprised liabilities for employee benefits and termination indemnities.

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 2,941 thousand at 30 June 2023 (EUR 2,481 thousand at 31 December 2022).

Liabilities for employee benefits, mainly in Türkiye, Belgium and Norway, are included in the defined benefit plans and are partly funded by insurance plans. In particular, plan assets refer to the pension plans in Belgium and Norway. Liabilities are valued applying actuarial methods and assets have been calculated based on the fair value at the reporting date. Post-employment benefits are an unfunded and fully provisioned liability recognised for benefits attributable to employees upon or after termination of employment. This liability falls under so-called defined benefit plans and is therefore determined by applying the actuarial method.

15) Provisions

Non-current and current provisions amounted to EUR 32,596 thousand (EUR 32,752 thousand at 31 December 2022) and EUR 3,076 thousand (EUR 4,054 thousand at 31 December 2022) respectively.

(EUR'000)	Provision for quarry restoration	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2023	**23,750**	**9,650**	**3,406**	**36,806**
Provisions	374	671	-	**1,045**
Utilisations	(211)	-	(126)	**(337)**
Decrease	(85)	(35)	-	**(120)**
Change in consolidation scope	-	-	-	**-**
Exchange differences	(937)	(802)	17	**(1,722)**
Reclassifications	-	-	-	**-**
Net actuarial gains recognised in the year	-	-	-	**-**
Other changes	-	-	-	**-**
Balance at 30 June 2023	**22,891**	**9,484**	**3,297**	**35,672**
Including:				
Non-current provisions	22,788	7,548	2,260	**32,596**
Current provisions	103	1,936	1,037	**3,076**

(EUR'000)	Provision for quarry restoration	Litigation provision	Other provisions	Total provisions
Balance at 1 January 2022	**21,870**	**7,380**	**4,084**	**33,334**
Provisions	1,606	5,007	237	**6,850**
Utilisations	(55)	(2,428)	(723)	**(3,206)**
Decrease	(127)	(50)	(106)	**(283)**
Change in consolidation scope	-	-	-	**-**
Exchange differences	(666)	(259)	(157)	**(1,082)**
Reclassifications	-	-	-	**-**
Net actuarial gains recognised in the year	-	-	71	**71**
Other changes	1,122	-	-	**1,122**
Balance at 31 December 2022	**23,750**	**9,650**	**3,406**	**36,806**
Including:				
Non-current provisions	23,597	6,939	2,216	**32,752**
Current provisions	153	2,711	1,190	**4,054**

The provision for quarry restructuring is allocated for the cleaning and maintenance of quarries where raw materials are extracted, to be performed before the utilisation concession expires.

The litigation provision includes a registered fund for approximately EUR 6 million, in 2021 and 2022, following a tax audit that took place in 2021 in CCB France referring to the write off made in 2017 tax year soon after the CCB Group acquisition. A case is ongoing with Tax authorities in France.

Other provisions mainly consist of environmental provisions totalling approximately EUR 1.7 million (EUR 1.6 million at 31 December 2022), provision for risks for corporate restructuring costs for around EUR 0.8 million (in line with 31 December 2022).

16) Trade payables

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

(EUR'000)		**30.06.2023**	**31.12.2022**
Suppliers		257,702	350,819
Related parties	(note 34)	261	503
Advances		4,665	7,213
Trade payables		**262,628**	**358,535**

17) Financial liabilities

Non-current and current financial liabilities are shown below:

(EUR'000)		30.06.2023	31.12.2022
Bank loans and borrowings	(note 33)	111,877	144,490
Lease liabilities	(note 31)	48,980	46,065
Lease liabilities - related parties	(note 34)	777	1,545
Fair value of derivatives		11,182	13,456
Financial debt - related parties		-	-
Non-current financial liabilities		**172,816**	**205,556**
Bank loans and borrowings		11,445	147
Current portion of non-current financial liabilities		74,051	78,399
Current loan liabilities - related parties	(note 34)	-	-
Current lease liabilities	(note 31)	26,162	24,333
Current lease liabilities - related parties	(note 34)	1,501	1,545
Other loan liabilities		184	487
Fair value of derivatives		1,918	658
Current financial liabilities		**115,261**	**105,569**
Total financial liabilities		**288,077**	**311,125**

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

At 30 June 2023, the total financial exposure amounted to EUR 288.1 million (EUR 311.1 million at 31 December 2022), the change in debt is related to the payment of the repayment instalments of the outstanding loan and the total fair value of derivative instruments, negative for approx EUR 13.1 million (negative for about EUR 14.1 million as of 31 December 2022), which represents the valuation as of 30 June 2023 of derivatives put in place to hedge interest rate, commodity and exchange rate fluctuations maturing between July 2023 and December 2024.

About 64.5% of these financial liabilities requires compliance with financial covenants which were complied with at 30 June 2023. In particular, the covenant to be complied with is the debt/EBITDA ratio, at consolidated level.

In this regard, it should be noted that there has been no breach of any covenant provided for in the above loans.

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

(EUR'000)	30.06.2023	31.12.2022
Within three months	31,290	20,356
Between three months and one year	83,972	85,213
Between one and two years	48,179	73,881
Between two and five years	69,105	67,483
After five years	55,531	64,192
Total financial liabilities	**288,077**	**311,125**

(EUR'000)	30.06.2023	31.12.2022
Floating rate	276,546	299,034
Fixed rate	11,531	12,091
Financial liabilities	**288,077**	**311,125**

The following table shows the Net Financial Debt as at 30 June 2023, calculated in accordance with paragraph 175 of the recommendations contained in ESMA 32-382-1138 of 4 March 2021:

(EUR'000)	30.06.2023	31.12.2022
A. Cash	219	1,054
B. Cash equivalents	245,288	354,705
C. Other current financial assets	53,521	50,867
D. Liquidity (A+B+C)	**299,028**	**406,626**
E. Current financial debt	(11,445)	(147)
F. Current portion of non-current debt	(103,816)	(105,422)
G. Current financial indebtedness (E+F)	**(115,261)**	**(105,569)**
H. Net current financial Intebtedness (G-D)	**183,767**	**301,057**
I. Non-current financial debt	(172,816)	(205,556)
J. Debt instruments	-	-
K. Non-current trade and other payables	-	-
L. Non-current financial indebtedness (I+J+K)	**(172,816)**	**(205,556)**
M. Total financial indebtedness (H+L)	**10,951**	**95,501**

18) Current tax liabilities

Current tax liabilities amounted to EUR 28,627 thousand (EUR 12,253 thousand at 31 December 2022) and relate to income tax liabilities, net of payments on account.

19) Other non-current and current liabilities

Other non-current liabilities totalled EUR 660 thousand (EUR 1,107 thousand at 31 December 2022) and included around 0.4 million of deferred income (EUR 0.8 million at 31 December 2022) 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 90,746 thousand (EUR 63,141 thousand at 31 December 2022) and break down as follows:

(EUR'000)		30.06.2023	31.12.2022
Personnel		30,537	29,176
Social security institutions		4,169	3,544
Related parties	(note 34)	-	-
Deferred income		1,005	1,335
Accrued expenses		6,015	3,385
Other sundry liabilities		49,020	25,701
Other current liabilities		**90,746**	**63,141**

Deferred income refers to EUR 0.8 million (in line with 31 December 2022) of the future benefits of the above-mentioned business agreement.

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 179,431 thousand (EUR 161,896 thousand as of 31 December 2022), and deferred tax assets, amounting to EUR 47,995 thousand (EUR 43,071 thousand as of 31 December 2022), were determined as follows:

(EUR'000)	Deferred tax liabilities	Deferred tax assets
Balance at 1 January 2023	**161,896**	**43,071**
Hyperinflation adjustment in respect of Türkiye	20,498	7,175
Accrual, net of utilisation in profit or loss	9,999	815
Increase (decrease) in equity	53	180
Change in consolidation scope	-	-
Exchange differences	(11,020)	(994)
Other changes	(1,995)	(2,252)
Balance at 30 June 2023	**179,431**	**47,995**

(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	(122)	(87)
Balance at 31 December 2022	**161,896**	**43,071**

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

21) Revenue

(Euro '000)		1st Half 2023	1st Half 2022
Product sales		784,429	762,520
Product sales to related parties	(note 34)	394	16
Services		55,858	69,066
Revenue		**840,681**	**831,602**

Group revenue reached EUR 840.7 million, up 1.1% compared to EUR 831.6 million in the first half of 2022. The positive trend in revenues in Türkiye and Belgium is noteworthy.

The caption Services is mainly related to transport services which are recognised at the time the service is provided.

The revenues by product are shown below:

1st Half 2023 (Euro '000)	**Nordic & Baltic**	**Belgium**	**North America**	**Türkiye**	**Egypt**	**Asia Pacific**	**Holding and Services**	Unallocated items and adjustments*	**CEMENTIR HOLDING GROUP**
Cement	234,624	105,209	84,741	97,618	26,188	58,551	-	*(29,320)*	**577,611**
Ready-mixed concrete	154,493	53,434	-	35,572	-	-	-	-	**243,499**
Aggregates	13,034	31,640	-	2,270	-	1,606	-	1	**48,551**
Waste	-	-	-	3,113	-	-	-	-	**3,113**
Other	-	-	10,841	6,588	-	-	118,560	*(26,636)*	**109,353**
Unallocated items and adjustments	*(26,464)*	-	-	*(16,037)*	-	*(1,563)*	-	*(97,382)*	**(141,446)**
Revenue	**375,687**	**190,283**	**95,582**	**129,124**	**26,188**	**58,594**	**118,560**	**(153,337)**	**840,681**

1st Half 2022 (Euro '000)	**Nordic & Baltic**	**Belgium**	**North America**	**Türkiye**	**Egypt**	**Asia Pacific**	**Holding and Services**	Unallocated items and adjustments*	**CEMENTIR HOLDING GROUP**
Cement	217,212	90,254	88,060	85,115	27,599	58,023	-	*(29,702)*	**536,561**
Ready-mixed concrete	178,824	46,869	-	31,517	-	-	-	*(1)*	**257,209**
Aggregates	14,117	33,490	-	1,988	-	1,378	-	-	**50,973**
Waste	-	-	-	6,267	-	-	-	-	**6,267**
Other	-	-	8,606	9,697	-	-	115,098	*(24,510)*	**108,891**
Unallocated items and adjustments	*(20,823)*	-	-	*(14,394)*	-	*(1,378)*	-	*(91,704)*	**(128,299)**
Revenue	**389,330**	**170,613**	**96,666**	**120,190**	**27,599**	**58,023**	**115,098**	**(145,917)**	**831,602**

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

22) Increase for internal work and other income

Increase for internal work of EUR 0.7 million (EUR 6.6 million in the first half of 2022) refers to the capitalisation of costs of materials and personnel costs used in the realisation of property, plant and equipment and intangible fixed assets.

Other income

Other revenues of EUR 22.8 million (EUR 16.2 million in the first half of 2022) consisted of the following:

(Euro '000)		1st Half 2023	1st Half 2022
Rent, lease and hires		680	645
Rent, lease and hires - related parties	(note 34)	77	57
Gains		4,548	687
Release of provision for risks		120	0
Insurance refunds		74	60
Revaluation of investment property	(note 4)	13,442	10,464
Other income		3,818	3,924
Other income from related parties	(note 34)	1	318
Other income		**22,760**	**16,155**

23) Raw materials costs

(Euro '000)	1st Half 2023	1st Half 2022
Raw materials and semi-finished products	191,211	217,567
Fuel	108,350	122,904
Electrical energy	63,736	67,179
Other materials	37,039	34,470
Change in raw materials, consumables and goods	(23,981)	(32,123)
Raw materials costs	**376,355**	**409,997**

The cost of raw materials was EUR 376.4 million (EUR 410,0 million in the first half of 2022), down due to lower production.

24) Personnel costs

(Euro '000)	1st Half 2023	1st Half 2022
Wages and salaries	82,330	80,448
Social security charges	14,965	15,054
Other costs	5,770	6,152
Personnel costs	**103,065**	**101,654**

The Group's workforce breaks down as follows:

	30.06.2023	31.12.2022	30.06.2022	average 30.06.2023	average 30.06.2022
Executives	54	55	59	54	62
Middle management, white-collar workers and intermediates	1,204	1,183	1,187	1,192	1,197
Blue-collar workers	1,850	1,847	1,858	1,854	1,835
Total	**3,108**	**3,085**	**3,104**	**3,100**	**3,094**

More specifically, at 30 June 2023, employees in service at the Parent numbered 39 (39 at 31 December 2022); those at the Cimentas Group numbered 784 (774 at 31 December 2022), those at the Aalborg Portland Group numbered 1,150 (1,132 at 31 December 2022), those at the Unicon Group numbered 674 (688 at 31 December 2022), and those at the CCB Group numbered 464 (452 at 31 December 2022). The reported workforce includes apprenticeship contracts. The Group has no employees in the Netherlands.

25) Other operating costs

(Euro '000)		1st Half 2023	1st Half 2022
Transport		88,844	115,871
Services and maintenance		52,851	52,449
Consultancy		6,443	5,050
Insurance		2,537	2,498
Other services - related parties	(note 34)	246	246
Rent, lease and hires		5,302	5,651
Rent, lease and hires - related parties	(note 34)	52	97
Other costs		34,085	35,211
Other operating costs		**190,360**	**217,073**

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

(Euro '000)	1st Half 2023	1st Half 2022
Amortisation	8,163	7,913
Depreciation	53,650	52,642
Provisions	187	568
Impairment losses	0	391
Amortisation, depreciation, impairment losses and provisions	**62,000**	**61,514**

Amortisation, depreciation, impairment losses and provisions include EUR 15.9 million (EUR 14.9 million in the first half of 2022) in amortisation of right of use assets in the application of the IFRS 16.

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

The positive balance for the first half of 2023 of EUR 8,679 thousand (first half of 2022: positive for EUR 17,660 thousand) relates to the share of net profits of equity-accounted investees and net financial income, broken down as follows:

(Euro '000)		1st Half 2023	1st Half 2022
Share of profits of equity-accounted investees		60	124
Share of losses of equity-accounted investees		(112)	(19)
Share of net profits of equity-accounted investees		**(52)**	**105**
Interest and financial income		3,810	2,449
Interest and financial income - related parties	(note 34)	19	7
Financial income on derivatives		2,349	2,518
Total financial income		*6,178*	*4,974*
Interest expense		(5,991)	(4,532)
Other financial expense		(1,470)	(2,358)
Interest and financial expense - related parties	(note 34)	(66)	(13)
Losses on derivatives		(158)	(6,269)
Total financial expense		*(7,685)*	*(13,165)*
Exchange rate gains		24,488	19,334
Exchange rate losses		(10,565)	(9,256)
Net exchange rate losses		*13,923*	*10,078*
Net income/(expense) from hyperinflation		*(3,685)*	*15,668*
Net financial income (expense)		**8,731**	**17,555**
Net financial income (expense) and share of net profits of equity-accounted investees		**8,679**	**17,660**

In the first half of 2023, financial operations were positive by EUR 8.7 million (positive by EUR 17.7 million in the first half of 2022). The result includes net financial expenses of EUR 3.7 million (EUR 4.4 million in 2022), foreign exchange income of EUR 13.9 million (foreign exchange income EUR 10.1 million in 2022) and, the effect of the valuation of derivatives.

Interest expense included EUR 1.2 million (EUR 1.1 million in the first half of 2022) thousand in interest on lease liabilities arising from the application of the IFRS 16 accounting standard.

Financial income and expense on derivatives mainly reflect the mark-to-market accounting of derivatives purchased to hedge currency and interest rate risks. It should be noted that following the recognition of the aforementioned measurements, approximately EUR 2.3 million (approximately EUR 1.7 million in the first half of 2022) are unrealised gains and approximately 0.2 million (approximately EUR 3.5 million in the first half of 2022) are unrealised losses.

Regarding exchange gains (EUR 24.5 million) and losses (EUR 10.6 million), approximately EUR 18.4 million were unrealised gains (EUR 14.3 million in the first half of 2022) and approximately EUR 4.3 million were unrealised losses (EUR 2.7 million in the first half of 2022).

28) Income taxes

(Euro '000)	1st Half 2023	1st Half 2022
Current taxes	30,273	16,756
Deferred taxes	19,471	8,520
Income taxes	**49,744**	**25,276**

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)	1st Half 2023	1st Half 2022
Profit (EUR '000)	90,273	66,588
Weighted average number of outstanding ordinary shares ('000)	155,520	155,520
Basic earnings per ordinary share	**0.580**	**0.428**
Diluted earnings per ordinary share	**0.580**	**0.428**

(Euro)	1st Half 2023	1st Half 2022
Profit (EUR '000)	90,273	66,588
Weighted average number of outstanding ordinary shares ('000)	155,520	155,520
Basic earnings per ordinary share from continuing operations	**0.580**	**0.428**
Diluted earnings per ordinary share from continuing operations	**0.580**	**0.428**

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)	1st Half 2023			1st Half 2022		
	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
Net actuarial gains (losses) on post-employment benefits	(206)	51	**(155)**	-	-	**-**
Foreign currency translation differences - foreign operations	(123,547)	-	**(123,547)**	(7,301)	-	**(7,301)**
Financial instruments	(1,839)	235	**(1,604)**	28,356	(5,698)	**22,658**
Total other comprehensive income (expense)	**(125,592)**	**286**	**(125,306)**	**21,055**	**(5,698)**	**15,357**

31) IFRS 16 Leases

The following table shows the impact of the application of IFRS 16 for the Group at 30 June 2023 and the related disclosures:

(Euro '000)	Land and buildings	Plant and equipment	Other	Total Right-of-use assets
Gross amount at 1° gennaio 2023	**23,182**	**27,193**	**102,336**	**152,711**
Hyperinflation adjustment in respect of Türkiye	(31)	(193)	(944)	(1,168)
Increase	831	1,441	19,367	21,639
Decrease	(101)	(409)	(4,102)	(4,612)
Exchange differences	(1,137)	(534)	(3,047)	(4,718)
Reclassifications	13			13
Gross amount at 30 giugno 2023	**22,757**	**27,498**	**113,610**	**163,865**
Depreciation at 1° gennaio 2023	**8,697**	**13,364**	**58,128**	**80,189**
Hyperinflation adjustment in respect of Türkiye	13	41	547	601
Depreciation *	1,863	2,367	11,046	15,276
Decrease		(433)	(3,513)	(3,946)
Exchange differences	(501)	(345)	(1,723)	(2,569)
Reclassifications	12			12
Depreciation at 30 giugno 2023	**10,084**	**14,994**	**64,485**	**89,563**
Net amount at 30 giugno 2023	**12,673**	**12,504**	**49,125**	**74,302**

*Please note that the depreciation for the period was equal to EUR 15.9 million (note 31) and that the monetary revaluation component amounts to approximately EUR 0.6 million.

(Euro '000)	Land and buildings	Plant and equipment	Other	Total Right-of-use assets
Gross amount at 1° gennaio 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 dicembre 2022	**23,182**	**27,193**	**102,336**	**152,711**
Depreciation at 1° gennaio 2022	**9,328**	**8,854**	**46,651**	**64,833**
Hyperinflation adjustment in respect of Türkiye	47	326	1,808	2,181
Depreciation	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
Depreciation at 31 dicembre 2022	**8,697**	**13,364**	**58,128**	**80,189**
Net amount at 31 dicembre 2022	**14,485**	**13,829**	**44,208**	**72,522**

As at 30 June 2023, right-of-use assets reached EUR 74,302 thousand (EUR 72,522 thousand at 31 December 2022) and the "Other" category equal to EUR 49.1 million (EUR 44.2 million at 31 December 2022) mainly included lease contracts for vehicles and means of transport for EUR 48.4 million (EUR 43.9 million at 31 December 2022).

Current and non-current lease liabilities are shown below:

(Euro '000)		30.06.2023	31.12.2022
Non-current lease liabilities		48,980	46,065
Non-current lease liabilities - related parties	(note 34)	777	1,545
Non-current lease liabilities		**49,757**	**47,610**
Current lease liabilities		26,162	24,333
Current lease liabilities - related parties	(note 34)	1,501	1,545
Current lease liabilities		**27,663**	**25,878**
Total lease liabilities		**77,420**	**73,488**

Amounts recognised in the consolidated income statement

(Euro '000)		1st Half 2023	1st Half 2022
Depreciation	(note 26)	15,876	14,929
Interest expense on lease liabilities		1,230	1,141

Amounts recognised in the cash flow statement

(Euro '000)	1st Half 2023	1st Half 2022
Total cash outflow for leases	16,286	15,352

32) Financial risks

Credit risk

The Group's maximum exposure to credit risk at 30 June 2023 equals the carrying amount of loans and receivables recognised in the statement of financial position.

Management of the credit risks is based on internal credit limits, which are based on the customer's and the counterparties' creditworthiness, based on both internal and external credit ratings as well as the Group's experience with the counterparty. If no satisfactory guarantee is obtained when credit rating the customer/counterparty, payment in advance or separate guarantee for the sale, e.g. a bank guarantee, will be required.

Given the sector's collection times and the Group's procedures for assessing customers' creditworthiness, the percentage of disputed receivables is low. If an individual credit position shows irregular payment trends, the Group blocks further supplies and takes steps to recover the outstanding amount.

Due to the market situation, the Group has in recent years increased the resources used on follow-up on customers, which contributes to early warnings of possible risks. Historically the Group has had relatively small losses due to customers' or counterparties' inability to pay.

Recoverability is assessed considering any collateral pledged that legally can be attached and advice from legal advisors who oversee collection procedures. The Group impairs all receivables for which a loss is probable at the reporting date, based on whether the entire amount or a part thereof will not be recovered.

The credit risk limit of financial assets corresponds to the values recognised on the balance sheet.

No individual customer or co-operator poses any material risk to the Group.

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

Notes 8 and 11 provide information on trade and other receivables.

At 30 June 2023 the break down by Region of Net trade receivables, as follows:

(Eur '000)	**30.06.2023**	**31.12.2022**
Nordic & Baltic	76,642	62,614
Belgium	71,666	48,434
North America	27,299	23,768
Türkiye	52,026	45,143
Egypt	1,421	2,581
Asia Pacific	8,128	8,538
Italy	1,288	1,313
Total	**238,470**	**192,391**

In Nordic and Baltic Region, receivables are attributable to Danish customers and export customers characterised as medium-sized and major customers. The Group is familiar with the Danish customers, who have not been granted long credit lines. Experience shows that export customers pose a low credit risk.

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 security 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.

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 30 June 2023 would have generated a decrease of around EUR 56 million equal to about 3.8% on consolidated equity (reduction of EUR 58 million equal to about 3.8% as at 31 December 2022). The currency with the greatest impact is the Turkish lira (TRY), EUR 12 million. Additional currency risks from the consolidation of the other foreign companies are to be considered insignificant.

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.

30.06.2023	**Notional amount**	**Maturity**			**Strike**	**Fair value liability**	**Change in fair value recognised in hedge reserve**	**Ineffective part recognised in income statement**
EURm		**< 1 year**	**1-5 years**	**> 5 years**				
Swap USD/EUR	75.8	10.6	65.3	-	1,00 EUR/ 1,235 USD	-5.6	-0.8	-0.8

31.12.2022	**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	-	1,00 EUR/ 1,235 USD	-6.6	8.3	0.6

Interest rate risk

The Group is exposed to the risk of fluctuations in interest rates. The consolidated net financial debt as at 30 June 2023 was positive EUR 11.0 million (31 December 2022 it was positive EUR 95.5 million) and is regulated at a variable rate.

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 0.7 million (31 December 2022 of EUR 0.4 million) and on equity of EUR 0.6 million (31 December 2022 of EUR 0.3 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 30 June is as follows:

(EUR million)	**30.06.2023**	**2022**
Market value - swap contract	4.1	2.6

33) Fair value hierarchy

IFRS 13 requires that assets and liabilities carried at fair value be classified using a hierarchy which reflects the sources of the inputs used to measure their fair value. The hierarchy consists of the following levels:

- Level 1: measurement of fair value using quoted prices on active markets for identical assets or liabilities.

- Level 2: measurement of fair value using inputs other than the quoted prices included within Level 1 which are directly observable (such as prices) or indirectly observable (i.e., derived from prices) on the market.

- Level 3: measurement of fair value using inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of assets and liabilities is classified as follows:

30 June 2023	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
(Eur '000)					
Investment property	4	-	62,391	20,825	**83,216**
Current financial assets (derivative instruments)	9	-	12,320	-	**12,320**
Total assets		**-**	**74,711**	**20,825**	**95,536**
Non current financial liabilities (derivative instruments)	17	-	(11,182)	-	**(11,182)**
Current financial liabilities (derivative instruments)	17	-	(1,918)	-	**(1,918)**
Total liabilities		**-**	**(13,100)**	**-**	**(13,100)**

31 December 2022	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
(Eur '000)					
Investment property	4	-	65,401	20,825	**86,226**
Current financial assets (derivative instruments)	9	-	12,594	-	**12,594**
Total assets		**-**	**77,995**	**20,825**	**98,820**
Non current financial liabilities (derivative instruments)	17	-	(13,455)	-	**(13,455)**
Current financial liabilities (derivative instruments)	17	-	(657)	-	**(657)**
Total liabilities		**-**	**(14,112)**	**-**	**(14,112)**

No transfers among the levels took place during the first half of 2023 and no changes in level 3 were made.

Investment property classified in Level 3 of the fair value hierarchy refers to assets held by Italian companies. For this type of asset, the fair value was determined using the following methodologies commonly accepted in the valuation practice:

- Synthetic - comparative method, on the basis of which the fair value of the asset is determined by referring to the unit market value (€/m2) multiplied by the surface of the asset;
- Direct capitalisation method, according to which the fair value of the asset is determined by dividing the annual income by a capitalisation rate.

33.1) Financial instruments - Fair value and risk management

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2023		**Carrying amount**			**Fair value**
(Eur '000)	**Note**	**Fair value – hedging instruments**	**Financial assets/ liabilities**	**Other financial liabilities**	**Level 2**
Commodity swap	9	4,096			4,096
Interest rate swap	9	1,084			1,084
Forwards	9	1,534			1,534
Cross Currency Swap	9	5,606			5,606
Financial assets measured at fair value		**12,320**	**-**	**-**	**12,320**
Trade and other receivables	8-11		270,050		
Cash and cash equivalents	12		245,507		
Financial assets not measured at fair value		**-**	**515,557**	**-**	**-**
Interest rate swap	17	25			25
Cross Currency Swap	17	11,182			11,182
Forwards	17	62			62
Commodity swap		1,831			1,831
Financial liabilities measured at fair value		**13,100**	**-**	**-**	**13,100**
Bank loans and borrowing	17		111,877		
Bank overdrafts	17		11,445		
Current loan liabilities	17		74,051		
Other loan liabilities	17			184	
Financial liabilities not measured at fair value		**-**	**197,373**	**184**	**-**

31 December 2022		Carrying amount			Fair value
(Eur '000)	Note	Fair value – hedging instruments	Financial assets/ liabilities	Other financial liabilities	Level 2
Commodity swap	9	3,148			3,148
Interest rate swap	9	1,820			1,820
Forwards	9	814			814
Cross Currency Swap	9	6,812			6,812
Financial assets measured at fair value		**12,594**	**-**	**-**	**12,594**
Trade and other receivables	8-11		212,633		
Cash and cash equivalents	12		355,759		
Financial assets not measured at fair value		**-**	**568,392**	**-**	**-**
Interest rate swap	17	-			-
Cross Currency Swap	17	13,455			13,455
Forwards	17	153			153
Commodity swap	17	504			504
Financial liabilities measured at fair value		**14,112**	**-**	**-**	**14,112**
Bank loans and borrowing	17		144,490		
Bank overdrafts	17		147		
Current loan liabilities	17		78,399		
Other loan liabilities	17			487	
Financial liabilities not measured at fair value		**-**	**223,036**	**487**	**-**

34) Related party transactions

Transactions performed by group companies with related parties are part of normal business operations and take place at arm's-length conditions. No atypical or unusual transactions took place. The following tables show the value of related party transactions:

30 June 2023 (Eur '000)	**Ultimate Parent**	**Associates**	**Companies under common control**	**Other related parties**	**Total related parties**	**Total financial statements**	**% of item**
Statement of financial position							
Non-current financial assets	-	-	228	-	**228**	**353**	64.6%
Current financial assets	-	-	440	-	**440**	**53,521**	0.8%
Trade receivables	31	-	6	-	**37**	**242,932**	0.0%
Trade payables	225	-	36	-	**261**	**262,628**	0.1%
Other current liabilities	-	-	-	-	**-**	**90,744**	0.0%
Non-current financial liabilities	-	-	777	-	**777**	**172,816**	0.4%
Current financial liabilities	-	-	1,501	-	**1,501**	**115,261**	1.3%
Income statement							
Revenue	-	-	394	-	**394**	**840,681**	0.0%
Other operating revenue	-	-	78	-	**79**	**22,760**	0.3%
Other operating costs	225	-	73	-	**298**	**190,360**	0.2%
Financial income	-	-	19	-	**19**	**6,178**	0.3%
Financial expense	-	-	66	-	**66**	**7,686**	0.9%

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%
30 June 2022							
Income statement							
Revenue	-	-	16	-	**16**	**831,602**	0.0%
Other operating revenue	-	-	375	-	**375**	**16,155**	2.3%
Other operating costs	225	-	135	-	**360**	**217,073**	0.2%
Financial income	-	-	7		**7**	**4,974**	0.1%
Financial expense	-	-	13	-	**13**	**(13,165)**	-0.1%

The main related-party transactions are summarised below.

Business transactions with associates concern the sale of products and semi-finished products (cement and clinkers) at arm's-length conditions. Revenue and costs connected with business transactions with the ultimate Parent and companies under common control include various services, such as leases.

The Group did not grant loans to directors or key management personnel during the reporting period and did not have loan assets due from them at 30 June 2023.

35) Subsequent events after the reporting date

No other significant facts occurred after the half year ended.

ANNEX

Annex 1

List of equity investments at 30 June 2023

Company name	Registered office	Share capital	Currency	Type of % Direct	Type of % Indirect	Investment held by Group companies	Method
Cementir Holding NV	Amsterdam (NL)	159,120,000	EUR			Parent	Line-by-line
Aalborg Cement Company Inc.	West Palm Beach (USA)	1,000	USD		100	Aalborg Portland US Inc,	Line-by-line
Aalborg Portland Holding A/S	Aalborg (DK)	300,000,000	DKK		75 23	Cementir Espana SL Globocem SL	Line-by-line
Aalborg Portland A/S	Aalborg (DK)	100,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Aalborg Portland Belgium SA	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	Cimentas AS	Line-by-line
					58.45	Alfacem Srl	
Kudsk & Dahl A/S	Vojens (DK)	10,000,000	DKK		100	Unicon A/S	Line-by-line
Lehigh White Cement Company LLC	West Palm Beach (USA)	-	USD		24.52	Aalborg Cement Company Inc	Line-by-line
					38.73	White Cement Company LLC	
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		23.72	Cimentas AS	Line-by-line
					76.28	Aalborg Portland Holding	
Sinai White Portland Cement Co. SAE	Cairo (ET)	350,000,000	EGP		71.11	Aalborg Portland Holding A/S	Line-by-line
Skane Grus AB	Ljungbyhed (S)	1,000,000	SEK		60	AB Sydsten	Line-by-line
Société des Carrières du Tournaisis SA	Gaurain (B)	12,297,053	EUR		65	Compagnie des Ciments Belges SA	Proportionate
Spartan Hive SpA	Rome (I)	300,000	EUR		100	Aalborg Portland Holding A/S	Line-by-line
Sureko AS	Izmir (TR)	43,443,679	TRY		100	Recydia AS	Line-by-line
Svim 15 Srl	Rome (I)	400,000	EUR	100		Cementir Holding NV	Line-by-line
Unicon A/S	Copenaghen (DK)	150,000,000	DKK		100	Aalborg Portland Holding A/S	Line-by-line
Unicon AS	Oslo (N)	13,289,100	NOK		100	Unicon A/S	Line-by-line
Vianini Pipe Inc	Branchburg N.J. (USA)	4,483,396	USD		100	Aalborg Portland US Inc	Line-by-line
White Cement Company LLC	West Palm Beach (USA)	-	USD		100	Aalborg Cement Company Inc.	Line-by-line

Rome, 27 July 2023

Chairman of the Board of Directors

/s/ Francesco Caltagirone Jr.