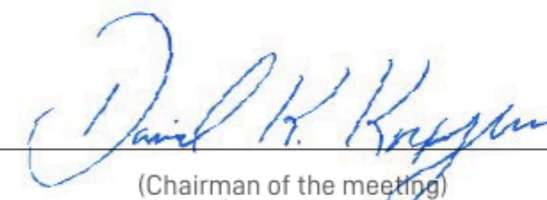


Our world is
built on cement

ANNUAL REPORT 2022

The present Annual Report is presented and approved
at the Annual General Meeting

Date: 20 / 4 - 2023


(Chairman of the meeting)

1 January 2022 - 31 December 2022



ABOUT THIS REPORT

This is the Annual Report of Aalborg Portland A/S for the financial reporting year from 1 January 2022 to 31 December 2022. The Annual Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements.

Aalborg Portland's statutory report on Corporate Social Responsibility, cf. Section 99a of the Danish Financial Statements Act, can be found in the Sustainability Report 2022 published by Cementir Holding N.V. (hereinafter referred to as "the Group"), the owner of Aalborg Portland Holding A/S. The report is

available on www.cementirholding.com. In extension hereof, Aalborg Portland has also published an Environmental, Social and Governance (ESG) report which can be found on www.aalborgportland.dk.

In accordance with section 99b of the Danish Financial Statements Act and section 139a of the Danish Companies Act, the Group has enacted a policy on diversity, equity and inclusion, promoting a culture of respect for diversity, work equality, non-discrimination, and the inclusion of all labour groups. The policy and related targets for underrepresented genders

in management are described in the Annual Report 2022 published by Aalborg Portland Holding A/S (CVR No 14244441). The report is available on www.aalborgportlandholding.com.

Likewise, reference is made to the Annual Report 2022 published by Aalborg Portland Holding A/S in relation to Aalborg Portland's payments to authorities, cf. Section 99c of the Danish Financial Statements Act, and to www.aalborgportlandholding.com/en/data-ethics for the Group's policy on data ethics, cf. Section 99d of the Danish Financial Statements act.

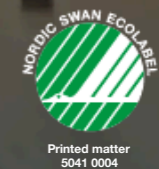


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Management's review

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Letter from our CEO

Strong financial performance

The increase in earnings had a positive effect on cash flow from operating activities (CFFO) which was EUR 110.3m (+40.0%). The free cash flow after investments (FCF) was EUR 74.2m (+29.4%), and the net interest bearing debt (NIBD) amounted to EUR -86.8m (-7.4%).

2022 was a satisfactory year for Aalborg Portland, and we have made good progress on our long-term strategic ambitions while improving financial results. Our net sales for the year amounted to EUR 374.0m (+30,3%), and earnings before depreciation and amortisation (EBITDA) was EUR 112.7m (+22.1%).

Transforming a cement company requires significant investments which, in turn, demand strong financial results. We believe previous years' work to strengthen our financial position and robustness will be paramount in an economic downturn, where big investments will continue to ensure our sustainable transition.

Continued customer focus in volatile markets

In 2022, we grew the top line by +30.3% compared to 2021 which was driven by prices in a year with record-high inflation. During the year, we

continued working closely with our customers and did our best to protect the market. Price increases have been implemented beginning of 2022 while input costs already increased during 2021 which had a negative impact on 2021 earnings. Navigating market volatility while keeping focus and control with our net working capital and cost structure will also be a key priority in the years to come.

New commitments on CO₂ reductions by 2030

In June 2022, Aalborg Portland took leadership by confirming its goal to achieve net zero emissions by 2050 while at the same time committing to a cap on Scope 1 emissions of maximum 600,000 tonnes by 2030. This commitment is a massive step for us. It entails delivering a 73% reduction of Scope 1 emissions by 2030 compared to 2021 levels. Our plan lays out a clear path on how to decarbonise a so-called hard-to-abate sector like cement, and we already accelerated our actions and delivered double-digit emission reductions within the first year. In 2022, our Scope 1 emissions fell by 11.9% compared to 2021, lowering emissions to below 2.0m tonnes.

FUTURECEM® sales growth

In 2021, we launched FUTURECEM®, which has a lower CO₂ footprint of up to 30% compared to

traditional grey cements. One major contribution was the ability to grow our new carbon-reduced cement type FUTURECEM® within the ready-mixed concrete segment in 2022, obtaining a conversion rate of almost 20% of the total market. By 2030, we expect FUTURECEM® to be the main cement in the Danish construction sector.

Two additional product launches

In 2022, we also went to market with two additional carbon-reduced products: Aalborg SOLID and a new Aalborg WHITE® variant. We target Aalborg SOLID at large infrastructure projects. It has a lower carbon footprint of up to 20% compared to its Low-Alkali Sulphate-Resistant Cement predecessor (from 925 kg to 737 kg per tonnes of cement). The new cement is approved for use in more "aggressive" environments, where concrete structures can be exposed to high levels of moisture, salt, and other chemical influences. Our second product launch was a new variant of Aalborg WHITE®. This new product variant bears the same name as its predecessor but carries a carbon footprint which is 5% lower (from 1,110 kg to 1,040 kg per tonnes of cement).

Pilot facility for carbon capture

In 2022, we reached another important milestone in our 2030 plan as we inaugurated the first pilot facility for carbon capture on 5 December as a part of our cement production. Carbon capture will play an important role in decarbonising the global cement industry, and we are proud to be part of multiple mission-driven and ground-breaking projects. Our ambition is to have a large-scale carbon capture and storage (CCS) facility operational by 2030 at the latest, capturing at least 400,000 tonnes of carbon dioxide (CO₂) per year.

Stronger people, stronger business

Our success hinges on the dedication, competencies and health and safety of our people. Throughout 2022, we launched three new programs together with Cementir Group for improved talent and leadership development: a global graduate program for talented engineers, a networking and training program for emerging talents and a leadership development program for all managers across all levels and functions. The new challenges of tomorrow require new skills and solutions. Therefore, we will continue working with all our employees to build better competencies and stronger teams at all levels of the organisation.

Improved safety performance

Following unsatisfactory safety results in 2021, we focused intensely on improving our health and safety performance and general awareness in 2022. A strong commitment from our plant personnel, supervisors and a new safety organisation lowered our lost-time injury rate (LTIR) significantly compared to previous years. Safety is always first, and our dedication to improving health, safety and general awareness will continue in the years to come.

Expectations to 2023

Overall, grey sales volumes in 2023 are expected to decline in Denmark and nearby markets as a consequence of the global financial situation. The outlook for white export sales is similar to grey sales showing a decrease, mainly driven by the global financial situation.

Earnings (EBIT) are expected to be in the range of EUR 95m-100m based on cost optimisation programmes and a commenced introduc-

tion of higher sales prices. These increases are intended to counteract both sharply increased raw material, energy and logistical costs which negatively impacted earnings in 2022, and significant price increases on CO₂ quotas and an increased need for quota acquisition in connection with cement production.

These expectations are based on the known and generally expected economic conditions for global growth and do not take into account any intensified geopolitical tensions, any deterioration in the structural conditions of competition, any increased prevalence or strength of the Covid-19 pandemic or any new increases in energy and logistical costs.

As the expectations described here are based on a number of preconditions and assumptions that are beyond management's control, the actual earnings may deviate significantly from the expectations.

Søren Holm Christensen

CEO of Aalborg Portland A/S

Aalborg Portland in brief

Aalborg Portland was founded in 1889 and is the only cement manufacturer in Denmark, with its cement plant situated in Rørdal, east of Aalborg City. Today, Aalborg Portland is one of Denmark's largest industrial companies, owning 1,200 hectares of land in the Rørdal region, which consists of farmland, a chalk quarry, and various uncultivated areas.

AT A GLANCE



1889

FOUNDED

Aalborg Portland was founded in 1889 and is the only cement manufacturer in Denmark



850

PEOPLE

Aalborg Portland directly employs 350 people in addition to which around 500 people are employed elsewhere as contractors and subcontractors



18

COUNTRIES

Aalborg Portland has been part of Cementir Group since 2004. Cementir is a multinational Group operating in 18 countries



3.0

M TONNES CEMENT

Aalborg Portland is boasting an annual production capacity around 3m tonnes of cement



73%

REDUCTION IN CO₂ BY 2030

Aalborg Portland will reach net zero by 2050 and reduce Scope 1 emissions by 73% by 2030 compared to 2021 levels

The cement plant consists of six cement kilns: one grey and five white. It is one of Europe's largest cement plants, boasting an annual production capacity around 3 million tonnes of cement: approx. 2 million tonnes grey and approx. 1 million tonnes white. Along with the cement plant, Aalborg Portland owns terminals in Denmark and abroad, making national and global transport of the finished cement products possible.

Aalborg Portland employs around 350 people, with an additional 500 contractors and subcontractors working on-site daily or nearby to support the plant's many activities. Aalborg Portland is, therefore, one of the largest contributors to the Northern Region of Denmark's industrial workforce.

WHAT WE DO AND HOW WE CREATE VALUE

We have supplied cement to people all over the world for more than 130 years, predominantly in Denmark and the Nordic and Baltic countries. Besides being the most used cement in the Danish construction sector for private homes, commercial buildings, public schools and hospitals, our cement is also used in many iconic national and international projects.

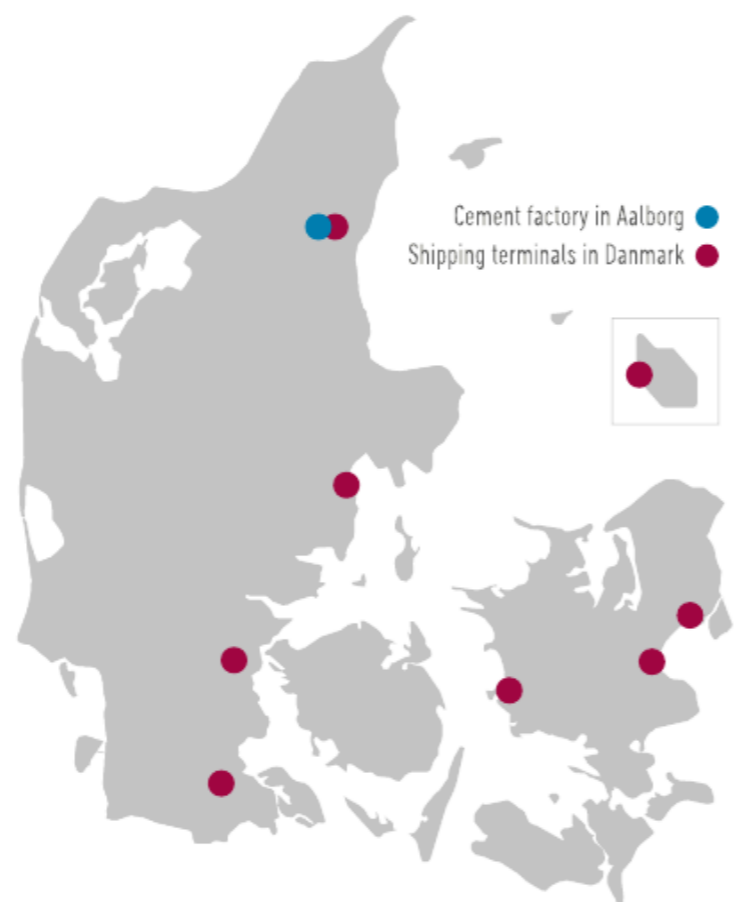
These iconic projects include Denmark's 18-kilometre-long Great Belt Bridge, London's Olympic City and New York's famous Manhattan 432 Park Avenue skyscraper. For more information on Aalborg Portland, see www.aalborgportland.dk.

PART OF CEMENTIR GROUP

Aalborg Portland is part of Aalborg Portland Holding, which Cementir Group acquired in 2004. Cementir is a multinational Group operating in 18 countries across the building materials sector, employing around

3,000 people globally. The Group's annual production capacity amounts to more than 13 million tonnes of grey and white cement, around 10 million tonnes of aggregates and 5 million cubic metres of ready-mixed concrete. Cementir has been listed on the Milan Stock Exchange since 1955 and is one of the leading companies in the Euronext STAR Milan segment.

For more information on Cementir Group, see www.cementirholding.com, and for Aalborg Portland Holding, see www.aalborgportlandholding.com.

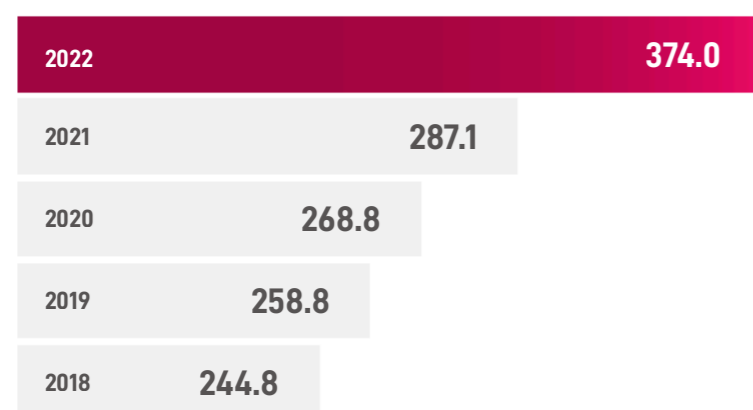


Financial highlights

Net revenue

EURm

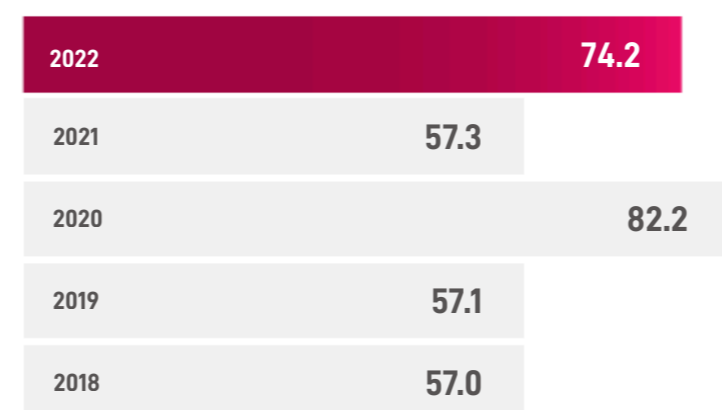
374.0



Free cash flow

EURm

74.2



Return on equity

%

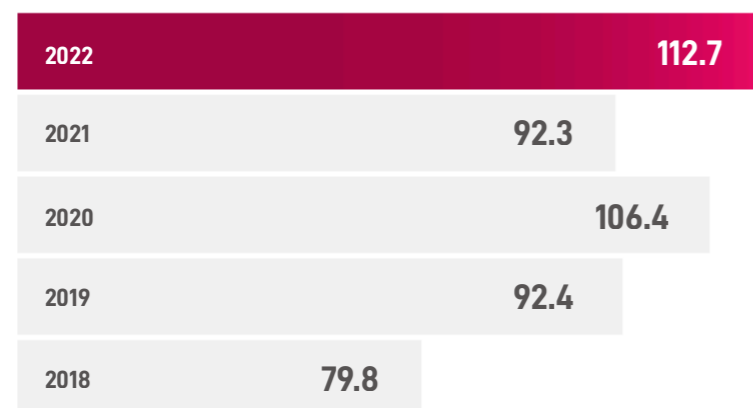
15%



EBITDA

EURm

112.7



Net interest-bearing debt

EURm

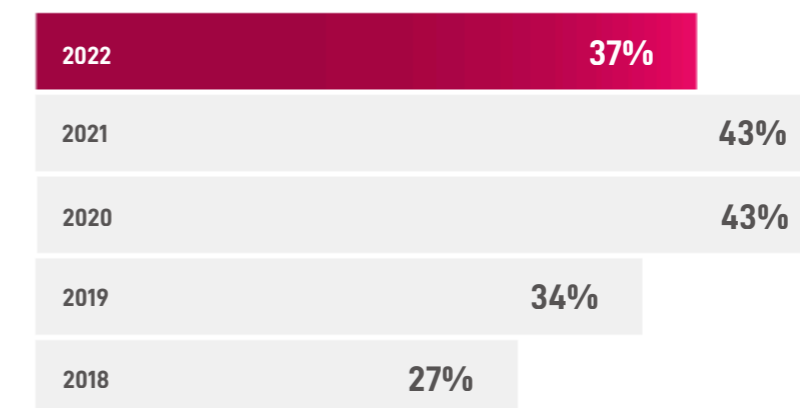
-86.8



Equity ratio

%

37%



Five-year overview

Euro '000	2018	2019	2020	2021	2022
INCOME STATEMENT					
Revenue	244.8	258.8	268.8	287.1	374.0
Earnings before depreciation/amortisation, impairment losses, provisions, interest and tax (EBITDA)	79.8	92.4	106.4	92.3	112.7
EBITDA ratio	32.6%	35.7%	39.6%	32.1%	30.1%
Earnings before interest and tax (EBIT)	60.3	67.0	80.3	65.6	85.5
EBIT ratio	24.6%	25.9%	29.9%	22.9%	22.9%
Earnings before tax (EBT)	59.3	66.4	78.6	63.6	82.5
Profit for the year	46.5	52.6	61.6	46.4	65.7
CASH FLOWS					
Cash flows from operating activities (CFFO)	75.4	72.9	100.2	78.8	110.3
Cash flows from investing activities (CFFI) *	-18.4	-15.7	-18.0	-21.5	-36.1
Free cash flow (FCF)	57.0	57.1	82.2	57.3	74.2
Hereof investments in intangible assets and property, plant and equipment (excl. assets acquired at acquisition of enterprises)	-18.4	-16.3	-18.1	-22.5	0.0
BALANCE SHEET					
Total assets	367.3	440.9	495.0	467.5	538.0
Shareholders' equity	97.6	150.2	212.8	198.6	199.2
Net interest-bearing debt (NIBD)	17.4	-8.9	-87.8	-80.8	-86.8
Working capital (WC)	-12.8	-3.1	-7.1	-15.6	-27.0
FINANCIAL RATIOS					
Including non-controlling interests' share					
Return on equity	13%	15%	13%	17%	15%
Equity ratio	27%	34%	43%	43%	37%
NIBD/EBITDA factor	0.2	-0.1	-0.8	-0.8	-0.8
Number of employees at 31 December	328	341	333	350	352

For definition of financial ratios, see page 37.

IFRS 16, Leases, was adopted 1 January 2019. No figures prior to 1 January 2019, throughout the report, have been restated.

Financial review

PROFIT AND LOSS ACCOUNT

Revenue in 2022 amounted to EUR 374.0m (2021: EUR 287.1m).

Sales in Denmark increased while the European export markets were on par with 2021.

Operating profit before depreciation (EBITDA ratio) reached 30.1% (2021: 32.1%). Raw material, energy and fuel cost increases were partly offset by increased customer prices, continued focus on Operational Excellence and cost optimisation programmes.

Earnings before interest and tax (EBIT) amounted to EUR 85.5m (2021: EUR 65.6m).

Tax on profit for the year amounted to EUR 16.7m (2021: EUR 17.2m), net profit for the year being EUR 65.7m (2021: EUR 46.4m).

CASH FLOWS

Cash flow from operating activities (CFFO) was EUR 110.3m for 2022 (2021: EUR 78.8m).

Cash flow from investment activities (CFFI) amounted to EUR -36.1m (2021: EUR -21.5m).

DEBT AND FINANCIAL RESOURCES

Aalborg Portland is part of the cash pool held by the parent company, Aalborg Portland Holding A/S. Aalborg Portland has access to funding through the parent company financing facility, and added to this long-term mortgage loans of EUR 134m with an average life of 9 years.

BALANCE SHEET

Non-current assets amounted to EUR 193.5m at 31 December 2022 (2021: EUR 181.6m), whereof EUR 148.7m (2021: EUR 140.7m) is related to property, plant and equipment and EUR 17.1m (2021: EUR 20,8m) is related to right-of-use assets.

Current assets amounted to EUR 344.6m (2021: EUR 285.9m), which is mainly related to inventories and receivables.

SHAREHOLDERS' EQUITY

Shareholders' equity amounted to EUR 199.3m at the end of 2022 against EUR 198.6m the year before. The increase in shareholders' equity is due to profit for the year reduced by dividend payment to Aalborg Portland Holding A/S.

Equity ratio was 37% at the end of 2022 (42% in 2021).

WORKING CAPITAL

Working capital, i.e. the capital tied up in debtors and inventories less creditors, was at a low level through focused control and reporting in relation to agreed goals. Keeping down working capital saves on interest expenses and frees up resources for investment etc. Furthermore, as stated, low working capital contributes to an improved return on capital employed (ROCE).

Working capital at end 2022 amounted to EUR -27.0m (EUR -15.6m in 2021).

SUBSIDIARIES

Poland

The Polish market experienced a decline during 2022 with a drop in cement sales of 7% compared to 2021. Furthermore, export sale realised a decline of 26%. Earnings in 2022 was significantly impacted by the negative development in volume and net profit declined with 45% compared to 2021.

Iceland

The Icelandic market showed a positive development during 2022 resulting in an increase in cement sales of 7% compared to 2021. Earnings followed the increase in sales and revenues.

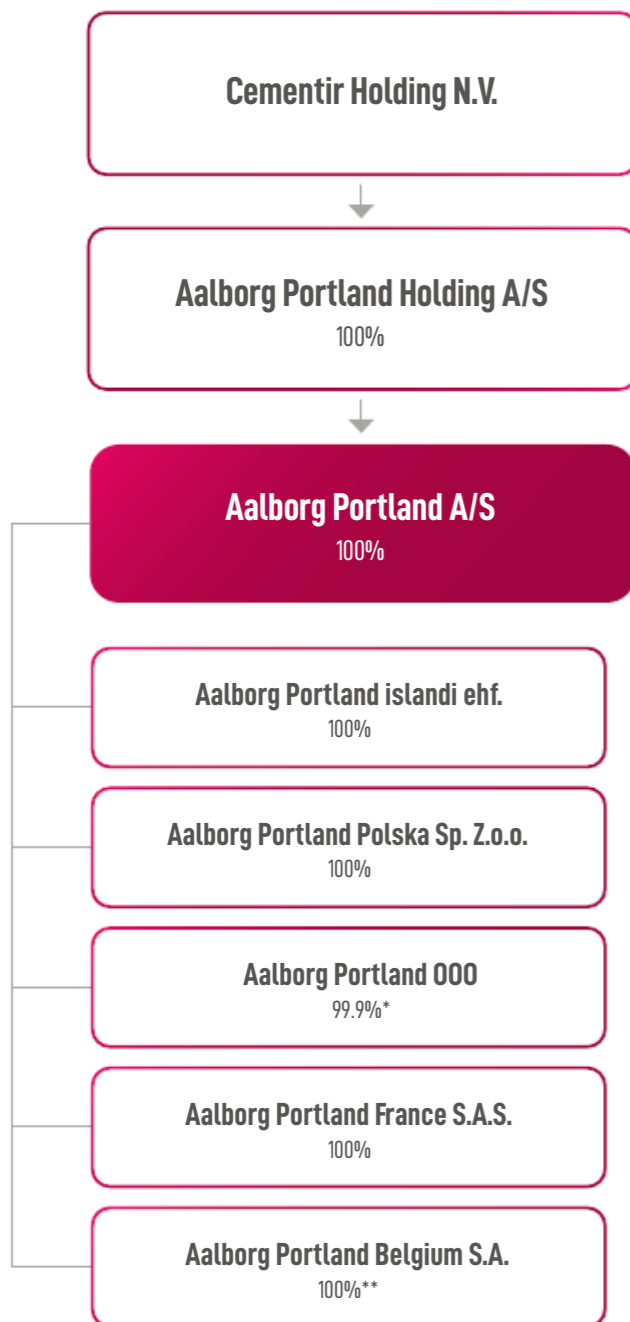
France

The French market was significantly impacted by the decline in global economy and cement sales realised a decline of 16% compared to 2021. The decline in sale had a corresponding negative impact on earnings for 2022.

Belgium

The Benelux markets were significantly impacted by the decline in global economy and cement sales realised a decline of 21% compared to 2021. The decline in sale had a corresponding negative impact on earnings for 2022.

GROUP CHART



*Aalborg Portland OOO has not had any sales since 2017. The company is dormant, and the management has decided to wind up the company.

**One share owned by Aalborg Portland Holding A/S



Risk management

Like any other company, Aalborg Portland A/S (the Company) is affected by risks and uncertainties relating to its business activities and works continuously on strengthening risk management. Aalborg Portland is part of the Aalborg Portland Holding Group (the Group). The Group employs a holistic risk management process in which the most critical risks are:

- Market conditions
- Framework conditions
- Environmental impacts
- Organisation
- Financial risks

The Group continuously monitors and addresses both risks and opportunities in its market areas with a view to achieving its strategic objectives.

MONITORING AND CONTROL

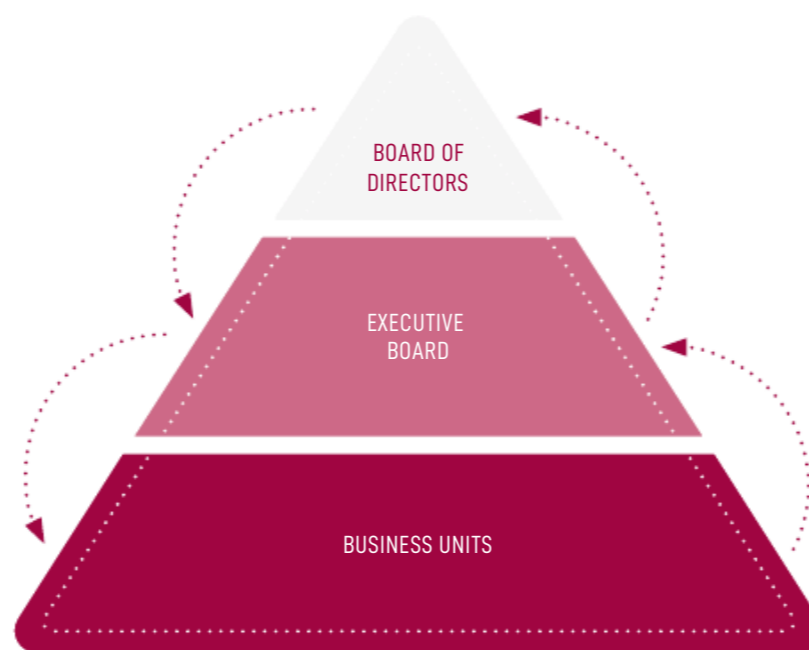
The Group's risk management is based on a standardised risk process. The assessment of the individual risk factors is based on the likelihood of the risks occurring and their potential impact on earnings, operations and reputation in this event.

The risk management process is embedded in the management of the business units. The business units together with the corporate and service functions are responsible for identifying, analysing and managing risks and for reporting on progress and initiating control measures. Risk owners are appointed specifically for the most significant risks. The individual unit managements are responsible for integration of risk assessments in all major decisions.

The individual risk reports received from the business units are consolidated at Group level. The combined risk report is included in Group management's monitoring and risk management processes. Group management is responsible for ensuring that the overall risk for the Group as a whole is of an acceptable level and that risk management procedures are implemented.

Group management reports periodically or as needed to the Board of Directors, which determines the overall policies and framework for the day-to-day management.

Risk reporting



MARKET CONDITIONS

Competition

Loss of major customers and projects may pose a significant risk in relation to the achievement of the Company's objectives. The Group continuously monitors its markets and takes ongoing actions to adapt to and meet the competitive environment and market changes.

Raw materials and energy prices

The Company uses large quantities of energy in cement manufacturing and is therefore sensitive to long-lasting price changes. In order to mitigate this risk, the purchase of energy can partly be hedged by establishing contracts for terms up to 24 months.

Access to essential raw materials is ensured through ownership of deposits, extraction licences, long-term contracts and diversity in terms of suppliers. Furthermore, the market for the raw materials which are considered production-critical is carefully monitored. A small number of raw materials are subject to particular uncertainty as regards long-term security of supply, and the Company is working proactively to find appropriate solutions to this issue.

FRAMEWORK CONDITIONS

Legislation and other regulations

The Company is subject to regulatory changes by the authorities and organisations in a variety of areas. Non-compliance with recommendations and regulations is often subject to substantial fines and constitutes a potential risk to overall earnings. The Company is committed to conforming with all aspects of competitive legislation, environmental legislation and internal rules regarding fraud. The Group trains relevant personnel in compliance with current requirements on an ongoing basis.

Political risks

The Group operates globally, including in emerging and growth markets with special political risks. This can have material consequences both for production conditions and sales. The Group pursues active dialogue at all levels with politicians, authorities and interest groups to create a good basis for continued operation and to enable the Group's operations to be adjusted when appropriate.

Taxes and levies

The Company's production is subject to substantial taxation, particularly in Denmark. Tax represents a material area of risk for the Company as it impacts directly on competitiveness and sales potential. It is particularly difficult to compete on price with cement producers from neighbouring countries that do not have high tax levels like Denmark.

CO₂ quotas

The future granting of CO₂ quotas to the Group's production units may have substantial financial impact. Ongoing focus is therefore placed by the Group on complying with all requirements relating to the granting of such quotas. The Group also closely monitors EU and national political issues concerning CO₂ quotas in relation to the Group's expected development in the EU area.

Environmental impacts

The Group's business units and management are very conscious of their environmental role and strive to recognise, manage and counteract relevant risks in this regard. The manufacturing of the Group's products consumes raw materials and energy, but the environmental and climate characteristics of these products are very favourable.

It is the stated policy of the Group to contribute constructively and significantly to achieving society's climate goals, and through the development of its products and production the Group therefore constantly strives to ensure a more environment-friendly and sustainable cement manufacture.

ORGANISATION

Employees and management

The Company's continued success is dependent on the retention of experienced employees and managers and on the recruitment of new skilled employees and managers to the Group's business units and support functions. Accordingly, the Group attaches importance to providing attractive jobs with good development opportunities for employees and managers.

IT systems

IT systems are used in all parts of the Company's activities, including production, sales and finance. Operational disruption and loss of data and communications would impact the Group negatively. Consequently, IT security and business continuity are accorded high priority, especially in connection with implementation of new systems.

FINANCIAL RISKS

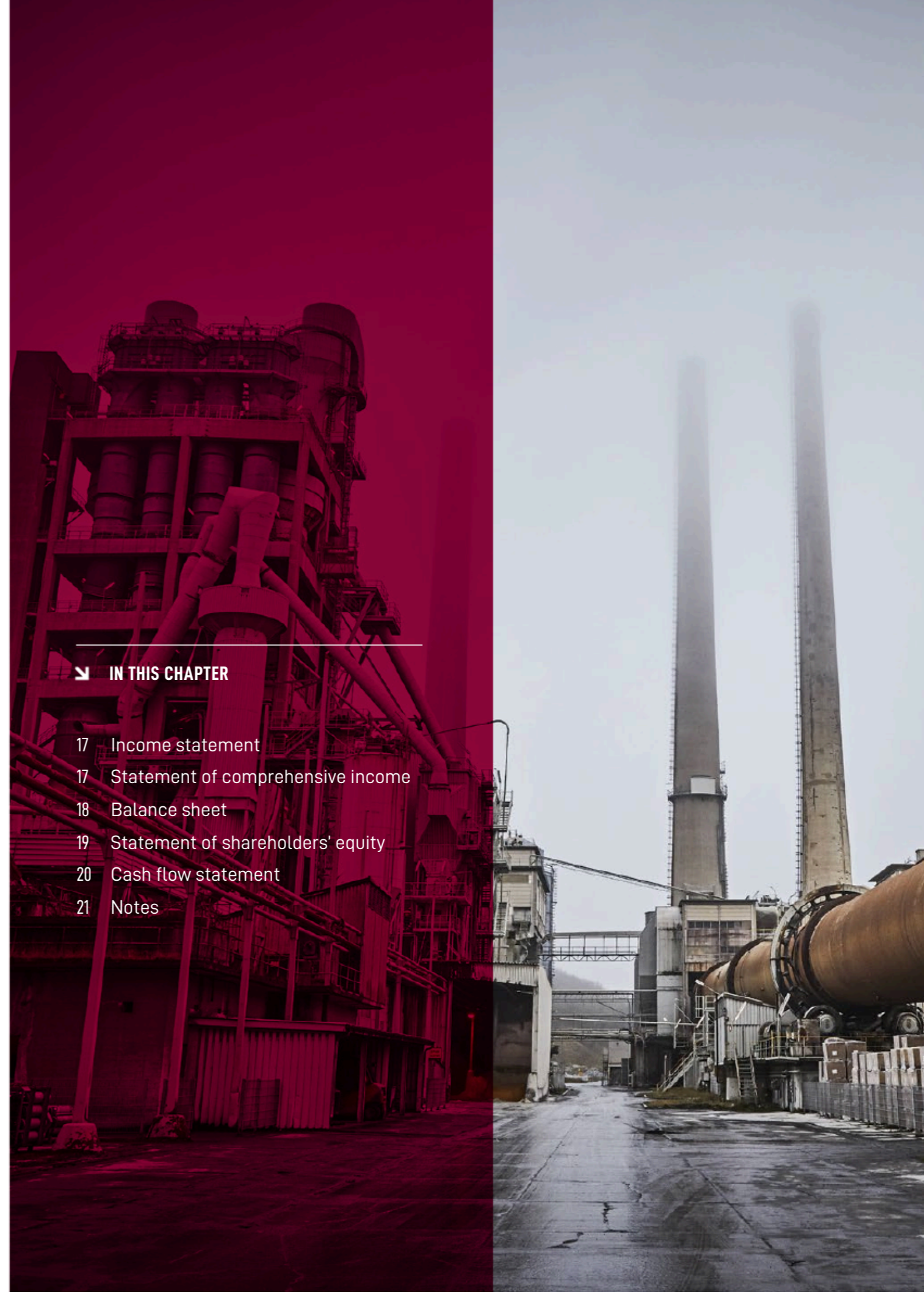
Financial risks, including currency risks, which are of material significance for the Company are described in the notes to the financial statements.



Financial statements

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Income statement

Euro '000	NOTE	2022	2021
Revenue	1	374,005	287,049
Cost of sales	2+3+4+9	216,091	158,658
Gross profit		157,914	128,391
Sales and distribution costs	4+15	59,196	52,665
Administrative expenses	4+5	13,966	11,969
Other operating income	6	698	1,858
Earnings before interest and tax (EBIT)		85,450	65,615
Financial income	7	4,475	2,889
Financial expenses	7	7,473	4,926
Earnings before tax (EBT)		82,452	63,578
Tax on profit for the year	8	16,709	17,175
Profit for the year		65,743	46,403
Attributable to:			
Non-controlling interests		0	0
Shareholders in Aalborg Portland A/S		65,743	46,403
To be distributed as follows:			
Proposed dividends		45,000	64,000
Retained earnings		20,743	-17,597

Statement of comprehensive income

Euro '000	NOTE	2022	2021
Profit for the year		65,743	46,403
Items that can be reclassified to the income statement:			
Exchange rate adjustments on translation of foreign currency		3	99
Changes in fair value of financial instruments		-1,074	-286
Tax		2	63
Other comprehensive income after tax		-1,069	-124
Total comprehensive income		64,674	46,279

Balance sheet

Euro '000	NOTE	2022	2021
ASSETS			
Goodwill		2,337	2,337
Other intangible assets		17,278	9,785
Intangible assets in development		277	190
Intangible assets	10	19,892	12,312
Land and buildings		20,398	21,923
Plant and machinery		109,648	97,441
Property, plant and equipment in development		18,659	21,325
Right-of-use assets		17,088	20,836
Property, plant and equipment	11	165,793	161,525
Investments in subsidiaries		7,631	7,631
Other non-current assets		141	141
Other non-current assets	12	7,772	7,772
Total non-current assets		193,457	181,609
Inventories	14	59,810	45,592
Trade receivables	15	19,275	16,011
Amounts owed by Group enterprises		257,473	216,819
Other receivables	15	5,629	4,912
Prepayments	15	522	468
Receivables		282,899	238,210
Cash and cash equivalents		1,868	2,080
Total current assets		344,577	285,882
TOTAL ASSETS		538,034	467,491

Euro '000	NOTE	2022	2021
EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital		13,404	13,404
Hedge reserve		-1,065	7
Retained earnings		141,917	121,171
Proposed dividends		45,000	64,000
Total shareholders' equity		199,256	198,582
Liabilities			
Deferred tax liabilities	13	24,824	24,070
Provisions	16	3,570	3,502
Credit institutions, etc.	17+19	129,416	100,853
Non-current liabilities		157,810	128,425
Credit institutions, etc.	17+19	22,660	19,029
Trade payables		109,388	69,616
Amounts owed to Group enterprises		18,648	25,634
Derivative financial instruments (negative fair value)		0	171
Provisions	16	84	167
Joint taxation contribution payables		16,892	17,510
Other payables	18	13,296	8,357
Current liabilities		180,968	140,484
Total liabilities		338,778	268,909
TOTAL EQUITY AND LIABILITIES		538,034	467,491

Statement of shareholders' equity

Euro '000	NOTE	Share capital	Hedge reserve	Retained earnings	Proposed dividends	Total equity
Shareholders' equity at 1 January 2022		13,404	7	121,171	64,000	198,582
Effect of translation to presentation currency		0	0	3	0	3
Changes in fair value of financial instruments		0	-1,072	0	0	-1,072
Profit for the year (total comprehensive income)		0	0	20,743	45,000	65,743
Ordinary paid dividend		0	0	0	-64,000	-64,000
Shareholders' equity at 31 December 2022		13,404	-1,065	141,917	45,000	199,256

Euro '000	NOTE	Share capital	Hedge reserve	Retained earnings	Proposed dividends	Total equity
Shareholders' equity at 1 January 2021		13,404	230	138,669	60,477	212,780
Effect of translation to presentation currency		0	0	99	0	99
Changes in fair value of financial instruments		0	-223	0	0	-223
Profit for the year (total comprehensive income)		0	0	-17,597	64,000	46,403
Extraordinary paid dividend		0	0	0	-60,477	-60,477
Shareholders' equity at 31 December 2021		13,404	7	121,171	64,000	198,582

The share capital in 2022 and 2021 consists of:
100,000 shares at DKK 1,000

All shares are fully issued and paid up. One share of DKK 1,000 holds one vote.

Cash flow statement

Euro '000	NOTE	2022	2021
Profit for the period		65,743	46,403
Reversal of amortisation and depreciation		27,043	26,414
Reversal of revaluation / impairment losses		0	5
Net financial income / expense		2,999	2,037
Gains/losses on disposals		42	-1,004
Income taxes		16,709	17,175
Change in provisions (current and non-current)		-17	237
Operating cash flows before changes in working capital		112,519	91,267
Increase / decrease inventories		-14,218	-8,284
Increase / decrease trade receivables		-12,027	266
Increase / decrease trade payables		37,706	16,510
Change in non-current/current other assets/liabilities		5,608	-1,626
Change in current and deferred taxes		9	25
Operating cash flows		129,597	98,158
Dividends received		1,281	1,299
Interests received		787	18
Interests paid		-3,026	-2,896
Other income collected/expenses paid		-1,729	-150
Income taxes paid		-16,572	-17,611
Cash flow from operating activities		110,338	78,818
Investments in intangible assets		-8,884	-555
Investments in property, plant and equipment and investment property		-27,167	-21,966
Proceeds from sale of property, plant and equipment		-42	1,004
Other variances investment assets		-24	10
Cash from investing activities		-36,117	-21,507

Euro '000	NOTE	2022	2021
Proceeds from loans and borrowings		50,240	0
Repayment of borrowings		-17,351	-12,432
Payment of lease liabilities		-6,920	-6,651
Change in current financial liabilities		-1,389	-10,786
Movement in cashpool		-35,012	34,526
Dividend distributed		-64,018	-60,369
Other variances of equity		16	-124
Cash flow from financing activities		-74,434	-55,836
Net change in cash and cash equivalent		-213	1,475
Cash and cash equivalent exchange rate effect		1	1
Cash and cash equivalent opening balance		2,080	604
Cash and cash equivalent closing		1,868	2,080

Notes

1. Revenue

Euro '000	NOTE	2022	2021
Split by product			
Sale of cement		362,145	276,161
Other sales*		11,860	10,888
		374,005	287,049
Split by geography			
Denmark		239,554	181,294
Other Europe		132,481	87,691
USA		0	16,315
Other		1,970	1,749
		374,005	287,049

All revenue derives from contracts.

*Other sales mainly include sale of heat etc.

2. Cost of sales

Cost of sales amounts to EUR 216.1m (2021: EUR 158.7m). Hereof direct staff costs amount to EUR 20.6m (2021: EUR 20.5m) and use of raw materials amounts to EUR 34.9m (2021: EUR 25.6m).

3. Research and development costs

Euro '000	NOTE	2022	2021
Research and development costs paid		2,106	2,474
		2,106	2,474

4. Staff costs

Euro '000	NOTE	2022	2021
Wages and salaries and other remuneration		29,182	27,215
Pension costs, defined contribution scheme		2,228	2,282
Social security costs		479	460
		31,889	29,957
Number of employees at 31 December		352	350
Average number of full-time employees		354	335
Remuneration of the Board of Directors, the Management and other senior executives			
Salaries and remunerations		1,703	1,692
Pension contributions		118	104
		1,821	1,796
Hereof Board of Directors and Management		1,102	1,211

Remuneration of the Board of Directors represents EUR 99k in 2022 (2021: EUR 99k).

Pension schemes

Pension schemes in Aalborg Portland A/S are defined contribution schemes, which do not entail any obligations beyond payment of contributions.

5. Fees to the auditors appointed by the Annual General Meeting

Euro '000	NOTE	2022	2021
Total fees to PwC are specified as follows:			
Statutory audit		100	97
Other services		0	-38
		100	59

6. Other operating income and other operating costs

Euro '000	NOTE	2022	2021
Other operating income			
Rent income		740	708
Profit on sale of property, plant and equipment		-42	1,004
Other income		0	146
		698	1,858

7. Financial income and expenses

Euro '000	NOTE	2022	2021
Financial income			
Interest, cash funds etc.		12	1
Interest, Group enterprises		887	92
Dividends received from subsidiaries		1,281	1,299
Exchange rate adjustments		2,295	1,497
		4,475	2,889
Interest on financial assets measured at amortised cost		899	93
Financial expenses			
Interest, credit institutions etc.		2,229	1,615
Interest, Group enterprises		1,162	1,709
Exchange rate adjustments		4,082	1,602
		7,473	4,926
Interest on financial obligations measured at amortised cost		3,391	3,324

8. Income tax

Euro '000	NOTE	2022	2021
Income tax			
Current tax on the profit for the year/joint taxation contribution		17,148	14,211
Deferred tax adjustment		785	-471
Other adjustments, including previous years		-1,224	3,435
		16,709	17,175
Taxes paid			
		16,572	17,611

Euro '000	NOTE	2022	2021
Reconciliation of tax rate			
Tax according to Danish tax rate 22.0%		18,319	14,167
Dividends received from subsidiaries and profits from sales		-282	-286
Non-taxable income and non-deductible expenses		-104	-271
Other, including adjustments previous years		-1,224	3,565
		16,709	17,175
Applicable tax rate for the year			
		20.3%	27.0%
Total income tax			
		16,709	17,175

9. Environmental taxes

Euro '000	NOTE	2022	2021
The Company has paid the following direct environmental taxes:			
Sulphur		595	1,102
NOx		1,928	1,904
Electricity		178	187
Waste		156	2,035
Energy		89	164
Raw materials		1,008	893
Diesel and fuel oil		1	2
PSO		0	25
		3,955	6,312

10. Intangible assets

Euro '000	Goodwill	Other intangible assets	Intangible assets in development	Total
Cost at 1 January 2022	2,337	28,386	190	30,913
Exchange rate adjustments	0	4	0	4
Additions	0	365	274	639
Other adjustments/reclassifications	0	8,431	-187	8,244
Cost at 31 December 2022	2,337	37,186	277	39,800
Amortisation and impairment at 1 January 2022	0	18,601	0	18,601
Amortisation for the year	0	1,307	0	1,307
Amortisation and impairment at 31 December 2022	0	19,908	0	19,908
Carrying amount at 31 December 2022	2,337	17,278	277	19,892

10. Intangible assets (continued)

Euro '000	Goodwill	Other intangible assets	Intangible assets in development	Total
Cost at 1 January 2021	2,335	27,630	373	30,338
Exchange rate adjustments	2	16	0	18
Additions	0	475	81	556
Other adjustments/reclassifications	0	265	-264	1
Cost at 31 December 2021	2,337	28,386	190	30,913
Amortisation and impairment at 1 January 2021	0	16,428	0	16,428
Exchange rate adjustments	0	10	0	10
Amortisation for the year	0	2,163	0	2,163
Amortisation and impairment at 31 December 2021	0	18,601	0	18,601
Carrying amount at 31 December 2021	2,337	9,785	190	12,312

Amortisation during the year is included in the following items:

Cost of sales	40	23
Sales and distribution costs	522	522
Administrative expenses	745	1,618
	1,307	2,163

Other intangible assets include software licenses (SAP R/3), quarry rights, CO₂ quotas, customers and development projects.

Except goodwill, all intangible assets have definite useful lives. The Management has not identified factors indicating a need for carrying through impairment test of other intangible assets.

The carrying amount of development projects is EUR 0.0m (2021: EUR 0.0m).

Internally generated intangible assets, mainly regarding SAP implementation, amount to EUR 0.3m (2021: EUR 0.5 m). Goodwill is related to cement activity. Due to strong cash flow there is no indication of impairment.

11. Property, plant and equipment

Euro '000	Land and buildings	Plant and machinery	Property, plant and equipment in development	Right-of-use assets	Total
Cost at 1 January 2022	112,749	484,575	21,325	37,169	655,818
Exchange rate adjustments	-1	6	-1	0	4
Change in accounting policy, leases	0	0	0	36	36
Additions	0	12,747	14,420	2,847	30,014
Disposals	0	0	0	-176	-176
Reclassifications	0	17,085	-17,085	0	0
Cost at 31 December 2022	112,748	514,413	18,659	39,876	685,696
Depreciation and impairment at 1 January 2022	90,826	387,134	0	16,333	494,293
Exchange rate adjustments	-1	2	0	3	4
Reversed depreciation on disposals	0	0	0	-143	-143
Depreciation for the year	1,525	17,629	0	6,582	25,736
Other adjustments/reclassifications	0	0	0	13	13
Depreciation and impairment at 31 December 2022	92,350	404,765	0	22,788	519,903
Carrying amount at 31 December 2022	20,398	109,648	18,659	17,088	165,793

11. Property, plant and equipment (continued)

Euro '000	Land and buildings	Plant and machinery	Property, plant and equipment in development	Right-of-use assets	Total
Cost at 1 January 2021	112,681	466,035	17,604	34,113	630,433
Exchange rate adjustments	68	284	11	11	374
Additions	0	10,082	11,884	3,265	25,231
Disposals	0	0	0	-220	-220
Reclassifications	0	8,174	-8,174	0	0
Cost at 31 December 2021	112,749	484,575	21,325	37,169	655,818
Depreciation and impairment at 1 January 2021	88,969	370,818	0	10,158	469,945
Exchange rate adjustments	55	225	0	6	286
Reversed depreciation on disposals	0	0	0	-190	-190
Depreciation for the year	1,802	16,091	0	6,359	24,252
Depreciation and impairment at 31 December 2021	90,826	387,134	0	16,333	494,293
Carrying amount at 31 December 2021	21,923	97,441	21,325	20,836	161,525

11. Property, plant and equipment (continued)

Euro '000	NOTE	2022	2021
Depreciation during the year is included in the following items:			
Cost of sales		19,351	17,906
Sales and distribution costs		5,983	5,951
Administrative expenses		402	395
		25,736	24,252
Amounts recognised in the income statement regarding leases:			
Depreciation, plant and machinery		6,582	6,359
Interest on lease liabilities		365	428
Short-term leases		131	70
Lease of low value assets		0	2
		7,078	6,859

Residual value guarantees that are expected to be paid are included in the initial measurement of the lease liability. Reference is made to note 17.

Variable lease payments may depend on an index, a rate or other elements. Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index/rate at the lease commencement date. Variable lease payments not based on an index or a rate are recognised as an expense in the income statement as incurred.

The Company has not signed essential contracts regarding purchase of property, plant and equipment. No changes are made in significant accounting estimates regarding property, plant and equipment.

12. Other non-current assets

Euro '000	Investments in subsidiaries	Other non-current assets	Total
Cost at 1 January 2022	7,631	141	7,772
Cost at 31 December 2022	7,631	141	7,772
Carrying amount at 31 December 2022	7,631	141	7,772
Cost at 1 January 2021	7,626	141	7,767
Exchange rate adjustments	5	0	5
Cost at 31 December 2021	7,631	141	7,772
Carrying amount at 31 December 2021	7,631	141	7,772

Other non-current assets mainly relate to deposits and loans in both years.

13. Deferred tax assets and deferred tax liabilities

Euro '000	NOTE	2022	2021
Change in deferred tax in the year			
Deferred tax at 1 January		24,070	24,331
Exchange rate adjustments		0	15
Adjustments, previous years via income statement		-30	259
Adjustment on hedge accounting		-2	-63
Movements via income statement		786	-472
Deferred tax liabilities at 31 December, net		24,824	24,070

Deferred tax is presented in the balance sheet as follows:

Deferred tax liabilities		24,824	24,070
Deferred tax liabilities at 31 December, net		24,824	24,070

The Mutual Agreed Procedures ("MAP") covering 2008-2012 between the Danish and the Italian tax authorities regarding a transfer pricing case on royalty payments involving the Aalborg Portland Holding Group was settled in 2021. The tax authorities in Denmark and Italy reached a split decision, where the Italian tax authorities gave an adjustment of 64%, which means that royalties were reduced to approx. 1/3 of the original amount. With regards to the transfer case for the following years 2013-2021 a mutual agreement has been made with the Danish and the Italian tax authorities to apply a sales-based calculation of 0.25% of the net sales only, which is at the level accepted between the Danish and Italian tax authorities for FYs 2008-2012. For Aalborg Portland A/S, being part of the joint taxation, this has resulted in a tax adjustment of EUR 3.6m included in the Financial Statement 2021.

14. Inventories

Euro '000	NOTE	2022	2021
Raw materials and consumables		39,889	29,693
Work in progress		11,034	7,900
Finished goods		8,887	7,999
Inventories at 31 December		59,810	45,592

As was the case last year, there are no significant inventories of cement and aggregates carried at net realisable value. Write-down of inventories of spare parts amounts to EUR 2.0m (2021: EUR 1.9m). Write-down recognised in the income statement is EUR 0.1m (2021: EUR 0.1m).

15. Trade receivables, other receivables and prepayments

Euro '000	NOTE	2022	2021
Development in provisions for impairment on trade receivables:			
Provision for impairment losses at 1 January		5	0
Provision for impairment in the year		0	5
Realised in the year		-5	0
Provision for impairment at 31 December		0	5

Other receivables mainly include levies.

Prepayments mainly comprise of ship freight.

Impairment and write-offs included in the income statement amount to EUR 0.0m.

16. Provisions

Euro '000	NOTE	2022	2021
Provisions at 1 January		3,669	3,433
Exchange rate adjustment		0	2
Additions in the year		151	234
Additions from acquisition of shares in CCB		1	0
Used in the year		-167	0
Provisions at 31 December		3,654	3,669
Recognised in the balance sheet as follows:			
Stated as non-current liabilities		3,570	3,502
Stated as current liabilities		84	167
		3,654	3,669
Maturities for other provisions are expected to be:			
Falling due within one year		85	166
Falling due between one and five years		336	740
Falling due after more than five years		3,233	2,763
		3,654	3,669

Provisions mainly include re-establishment of chalk, gravel and clay pits at EUR 1.8m (2021: EUR 1.7m), demolition liabilities for buildings and terminal on rented land at EUR 1.8m (2021: EUR 1.8m) while other provisions amount to EUR 0.1m (2021: EUR 0.2m).

Movements in the year include adjustment of liabilities regarding re-establishment of chalk and clay pits, demolition liabilities for buildings and terminals on rented land and other provisions.

Provisions for liabilities due after more than five years include liabilities regarding re-establishment of chalk, gravel and clay pits and demolition liabilities for buildings and terminals with no decision made regarding closure.

Costs for re-establishment of chalk, gravel and clay pits are mainly paid when finishing an excavation or when moving out from leases. No considerable payments are expected in 2023.

17. Credit institutions and other borrowings

Bank borrowings and credits in the Parent Company at 31 December:

Euro '000	Year of maturity	Fixed/variable	Carrying amount 2022	Carrying amount 2021
Mortgage loan	2037	Variable	134,352	98,192
Lease liability	2023-2035	Variable	17,724	21,690
			152,076	119,882

Fair value of the mortgage loan amounts to EUR 134m (2021: EUR 98m). Other fair values do not significantly deviate from the carrying amount. The fair value corresponds to the nominal outstanding debt.

17. Credit institutions and other borrowings (continued)

The Company's debt to credit institutions has been recognised and falls due as follows:

Euro '000	Non-current borrowings (>1 year)	Current borrowings (0-1 year)	Total	Maturity >5 years
31 December 2022:				
Mortgage loan	118,516	15,836	134,352	59,148
Lease liability	10,900	6,824	17,724	2,726
	129,416	22,660	152,076	61,874
Specification of contractual cash flows incl. interest:				
Mortgage loan	134,315	18,815	153,130	60,155
Lease liability	11,109	7,059	18,168	2,726
	145,424	25,874	171,298	62,881
31 December 2021:				
Mortgage loan	85,602	12,590	98,192	49,001
Lease liability	15,251	6,439	21,690	4,076
	100,853	19,029	119,882	53,077
Specification of contractual cash flows incl. interest:				
Mortgage loan	89,841	13,277	103,118	36,314
Lease liability	15,586	6,788	22,374	4,076
	105,427	20,065	125,492	40,390

The maturity analysis is based on all undiscounted cash flows including estimated payment of interest.

Payment of interest is estimated and based on the present market conditions.

Maturity of derivatives is disclosed in note 22.

Other financial liabilities are due within 1 year.

18. Other payables

Other current payables include holiday pay liabilities, taxes and public indirect taxes, interest payable and dividends payable to non-controlling interests.

19. Charges and securities

Euro '000	2022		2021	
	Carrying amount of mortgaged assets	Debt regarding mortgaged assets	Carrying amount of mortgaged assets	Debt regarding mortgaged assets
Property, plant and machinery	120,057	134,870	108,786	98,067
	120,057	134,870	108,786	98,067

20. Contingent liabilities, contractual obligations and contingent assets

Contingent liabilities

The Company is involved in a few disputes, lawsuits, etc. of various scopes, including a few tax disputes in some countries. No significant liabilities are considered to be incumbent on the Company in that respect, and the outcome of the disputes is not expected to have significant impact on the Company's financial position beyond what has been recognised in the balance sheet.

In 2022, contractual liabilities are EUR 0.0m (2021: EUR 0.0m).

The Company is taxed jointly with other Danish companies in the Aalborg Portland Holding Group. The Company is jointly and unlimited liable with the other companies in the joint taxation of Danish taxes at source and income taxes within the joint taxation group. Payable income taxes in the joint taxation group amounted to EUR 6.9m at 31 December 2022 (2021: EUR 6.0m). Any subsequent corrections of the taxable income subject to joint taxation could cause a higher liability of the Company.

Contractual obligations

Euro '000	NOTE	2022	2021
Guarantees			
Performance guarantees		555	1,252
		555	1,252

Lease expenses recognised in the income statement are in accordance with IFRS 16, reference is made to note 11.

21. Related party transactions

Related parties with significant influence in the Aalborg Portland A/S:

- Cementir España S.L., Calle General Yagüe, Num. 13, 28020 Madrid, Spain
- Cementir Holding N.V., Zuidplein 36, 1077 XV Amsterdam, Netherlands
- Caltagirone S.p.A., Via Barberini, 28, 00187 Rome, Italy
- Aalborg Portland Holding A/S, Rørdalsvej 44, 9220 Aalborg Øst

Related parties within Aalborg Portland A/S comprise the enterprises' Board of Directors and Management together with family related to these persons.

Furthermore, related parties comprise enterprises in which the above-mentioned persons have significant interests.

Euro '000	NOTE	2022	2021
Transactions with Aalborg Portland Holding A/S.:			
Intra-group management and administration agreements and royalties		1,635	3,404
Financial items, net		403	1,707
Trade and financial receivables		245,202	211,563
Trade and financial payables		8,460	16,176
Transactions with other related parties:			
Sale of cement and micro silica		117,126	107,141
Intercompany purchase of cement and other variable costs, net		73,218	54,798
Intercompany management, administration agreements and shared service		3,013	5,529
Financial items, net		129	90
Trade and financial receivables		12,271	5,256
Trade and financial payables		10,188	9,457

Remunerations to the Board of Directors and the Management are presented in note 4.

No losses on loans to or receivables from related parties were recognised, nor provisions made for such in 2022 or 2021.

All transactions were made on terms equivalent to arm's length principles.

22. Financial risks and financial instruments

Risk management policy

As a result of its international operations, investments and financing, the Company is exposed to a number of financial risks, including market risks, liquidity and credit risks.

Market risks	Liquidity risks	Credit risks
Risks that the fair value of or future cash flows from a financial instrument will fluctuate due to changes in market prices.	Risks that the Company will encounter difficulties in meeting obligations associated with financial liabilities.	Risks that a counterparty of a financial instrument is unable to fulfil its obligations and thereby inflict a loss to the Company.

The Group's Finance & Treasury is in charge of the overall risk management in accordance with the principles adopted by the Board of Directors and the Company follows the Group policy. The policy is not to engage in any active speculation in financial risks. The Group's financial management is thereby solely directed towards the management and reduction of financial risks arising directly from the commercial operations, investments and financing.

Market risks

Currency risks	Interest rate risks	Raw material price risks
Arise due to purchase and sale transactions as well as financial assets and liabilities in currencies other than the functional currency of the individual Company business.	Refer to the influence of changes in market interest rates on future cash flow relating to the Company's interest-bearing assets and liabilities and the fair value of these.	Refer to the influence of changes in raw material prices, which are not related to currency risks or interest rate risks.

Currency risks

Hedging is assessed and taken out in close co-operation with the parent company. For the hedging of currency risks, the Company analyses realised and expected cash flows broken down by currencies. The Company does not hedge the currency risk between EUR/DKK due to the Danish fixed-exchange-rate policy aimed at the EUR.

Risks relating to purchases and sales

Revenue from the Company's activities and the purchases by this segment are denominated in several currencies. Accordingly, these activities are also exposed to changes in exchange rates.

The Company's currency risks are primarily hedged by the settlement of income and costs in the same currency and by use of derivative financial instruments. Investments in Group enterprises are not hedged.

The Company's most predominant currency exposure regarding the operating results arises from sales and purchases in EUR, USD, GBP, NOK, SEK and PLN. A 10% drop in these currencies (apart from EUR) would, viewed separately, decrease the result by EUR 1.0m (NOK amounts to EUR 0.1m, GBP amounts to EUR 1.1m, PLN amounts to EUR 2.4m, USD amounts to EUR -4.6m and SEK amounts to 0.0m), (2021: NOK amounted to EUR 0.0m, GBP amounted to EUR 1.0m, PLN amounted to EUR 1.5m, USD amounted to EUR -1.4m and SEK amounted to 0.0m).

Risks relating to net financing

The Company's most important net positions at 31 December 2022 relate to USD, SEK and NOK. If these currencies had been 10% down at 31 December 2022, the Company's equity would have been affected negative by an exchange rate adjustment of EUR -0.4m (2021: positive impact of EUR 0.5m). Rising exchange rates would have had a similar negative impact on equity.

Translation risks relating to net investments in subsidiaries

Hedging of currency risk is not performed for net assets (equity) in foreign subsidiaries. Gains and losses relating to net assets in foreign subsidiaries are accounted directly in equity.

With regard to investments in foreign enterprises, equity at 31 December 2022 would have been reduced by EUR 1.3m (2021: EUR 1.2m), if the PLN, ISK, EUR and RUB exchange rates had been 10% down on the actual exchange rates.

Assumptions of sensitivity analysis

The sensitivities are stated on the assumption of unchanged sales and price levels and interest levels, and on the assumption of recognised assets and liabilities at 31 December 2022.

Forward contracts regarding future transactions

The Company does not comply with the conditions for taking out hedge accounting of future cash flows from the sale of goods. In terms of the hedging of future investments, the Company assesses in each case whether these comply with the conditions for hedge accounting.

There are no forward contracts at 31 December 2022 or 31 December 2021.

Interest rate risk

The Company has exposure to interest rate changes in Denmark. The primary interest rate exposure is related to fluctuations in CIBOR.

The Company's preferred financing is floating rate loans. The Company's net interest-bearing debt (NIBD) at 31 December 2022 is EUR -134.9m (deposit), 100% thereof financed by floating rate loans. NIBD at 31 December 2021 represented EUR 98.2m (deposit).

With regard to the Company's floating rate loans and cash equivalents, an annual 1% increase in the interest level in proportion to the actual interest rates would, other things being equal, have had an adverse hypothetical negative impact on the profit before tax of EUR 1.2m (2021: EUR 1.0m) and on equity of EUR 0.8m (2021: EUR 0.8m). A declining interest level would have had a corresponding positive impact on result and equity.

Raw material price risks

The Company uses a number of raw materials in the manufacture of products, which expose the Company to a price risk, i.a. especially different

fuels and electricity. The Company enters into annual fixed price contracts for some raw materials. A material part of the price risk on the Company's fuel oil is hedged through swap agreements.

Liquidity risks

Aalborg Portland A/S is included in the Cementir Group's overall management of financial risks.

Aalborg Portland A/S has access to funding through the Cementir Holding facility and also through Aalborg Portland Holding's uncommitted facility in Danske Bank.

The Company is part of the Group's cash pool scheme. The purpose of the cash pool scheme is to optimise cash management and the use of liquidity in the participating companies.

Neither in 2022 nor in 2021 the Company has defaulted or breached any loan agreements (covenants).

Regarding maturities of the Company's debt, reference is made to note 17.

Based on the expectations for the future operation and the present cash funds, no other significant liquidity risks have been identified.

Credit risks

The credit risks arise primarily from receivables related to customers, other receivables and cash.

As a consequence of the credit risk policy, credit rating of all major customers and other trading partners is performed before contract formation and hereafter continuously. An efficient credit control is important in the present market. Management of the credit risk is based on internal credit limits, which are based on the customer's and the counterparties' credit-worthiness, based on both internal and external credit ratings as well as the 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.

The Company takes out credit insurances on a large part of export customers.

Due to the market situation, the Company has in recent years increased the resources used on follow-up on customers, which contributes to early warnings of possible risks. As part of the overall risk management, the credit exposure of customers and counterparties is monitored daily, weekly or monthly based on individual assessments. Historically the Company has had relatively small losses due to customers' or counterparties' inability to pay.

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 Company.

Receivables from the Company's activities are attributable to Danish customers and export customers characterised as medium-sized and major customers. The Company is familiar with the Danish customers, who have not been granted long credit lines. Experience shows that export customers pose a low credit risk.

Receivables overdue at 31 December are specified as follows:

Euro '000	2022	2021
Payment:		
Up to 30 days	1.5	0.8
Between 30 and 90 days	0.7	0.2
More than 90 days	0.0	0.0
	2.2	1.0

The historical loss percentage in the income statement is 0.0%. The Company's trade receivables at 31 December 2022 and 31 December 2021 include no write-downs.

Management of capital structure

Capital management is assessed and adjusted in close co-operation with the parent company. Aalborg Portland A/S is included in the Cementir Group's overall capital management.

It is the Group's policy that the capital structure and financial gearing shall at all times reflect the Group's activities and risk profile, afford sufficient financial latitude to ensure the Group's creditworthiness, and provide flexibility and room for investments or acquisitions based on the Group strategy.

The distribution of dividends takes place considering the appropriate level of equity and sufficient availability of loan capital to facilitate the Group's ongoing expansion.

The financial gearing between net interest-bearing debt and EBITDA is -0.8 at 31 December 2022.

Fair value measurement

Financial instruments measured at fair value are measured on a recurring basis and categorised into the following levels of the fair value hierarchy:

- Level 1: Observable market prices for identical instruments
- Level 2: Valuation techniques primarily based on observable prices or traded prices for comparable instruments
- Level 3: Valuation techniques primarily based on unobservable prices

Securities and investments measured at fair value through profit/loss are either measured at quoted prices in an active market for the same type of instrument (level 1) or at fair value based on available data (level 3).

Hedging instruments are not traded on an active market based on quoted prices. Measured instead of using a valuation technique, where all significant inputs are based on observable market data; such as exchange rates, interest rates, credit risk and volatilities (level 2).

There have been no transfers between the levels in 2022 or 2021.

Specification of financial assets and obligations

Euro '000	Carrying value 2022	Fair value 2022	Carrying value 2021	Fair value 2021
Loans and receivables	283,040	283,040	238,351	238,351
Financial obligations measured at amortised cost	293,408	293,421	223,489	223,932

Methods and assumptions on determination of fair values

In general, fair value corresponds to the carrying value, except for mortgage loans.

Financial instruments related to sale and procurement of goods etc. with a short credit period are measured at fair value corresponding to the carrying value.

Derivative financial instruments are computed on generally accepted valuation methods based on relevant exchange rates.

23. Post-balance sheet events

There have been no post-balance sheet events material to this Annual Report which have not been recognised or mentioned.

24. Estimation on uncertainties and judgements

Estimation on uncertainties

The accounting policies require that when calculating the carrying value of certain assets and liabilities estimates are made of how future events influence the value of recognised assets and liabilities at the balance sheet date. Estimates that have a material influence on the amounts recognised in the annual report.

The estimates applied are based on assumptions deemed reasonable by the Management, but, given the nature of things, are uncertain. Thus, the Company is exposed to risks and uncertainties that may result in variances between actual and estimated results.

The development in the world economy and in the financial markets in the last three years has resulted in considerable changes compared to previous years in respect of some uncertainty in a number of key assumptions within i.a. credit risk, interest level, sales volumes, volatility, etc.

The Management deems that the accounting policies do not include critical aspects.

Non-current assets

Non-current assets are measured at cost less accumulated depreciation and impairment. Depreciation is provided on a straight-line basis over the expected useful lives of the assets considering the residual value of the assets. The anticipated useful life and residual value are determined on the basis of past experience and the anticipated future use of the asset in question. The anticipated future use and scrap values may prove impossible to realise, prompting a need for write-down or a loss on the disposal of the assets. The depreciation periods are stated in the section "Accounting policies" in note 25, and non-current assets are stated in notes 10 and 11.

Accounting judgements

Accounting judgements are made when applying accounting policies. Accounting judgements are the judgements made, that can have a significant impact on the amounts recognised in the financial statements.

Provisions and contingent liabilities

Assessment of provisions and contingent liabilities are largely based on estimates and judgements. Description of provisions and contingent assets and contingent liabilities is given in note 16 and 20.

25. Accounting policies

The Annual Report 2022 of Aalborg Portland A/S is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements according to large class C.

Aalborg Portland A/S official statutory annual report is presented in EUR. The accounting policies set out below have been used consistently in respect of the financial year. For standards implemented prospectively, comparative information is not restated.

On 9 March 2023, the Board of Directors and the Management approved the annual report for 2022 for the Aalborg Portland Group. The annual report is submitted to the shareholders of Aalborg Portland A/S for approval at the Annual General Meeting on 20 April 2023.

Foreign currency translation

For each of the reporting enterprises in the Group, a functional currency is determined. Transactions denominated in other currencies than the functional currency are considered transactions denominated in foreign currencies.

Transactions in foreign currencies are on initial recognition translated at the functional currency at the exchange rate of the date of transaction.

Financial assets and liabilities in foreign currencies are translated at the exchange rates at the balance sheet date. Any foreign exchange variances between the rates at the transaction date and the payment date or the balance sheet date, respectively, are stated in the income statement as financial items.

Non-financial assets and liabilities in foreign currencies are stated at the rate of exchange at the date of transaction.

On recognition in the consolidated financial statements of foreign enterprises and associates as well as foreign joint ventures with a functional currency different from the Group's presentation currency, the income statements are translated at the average exchange rates and the balance

sheet items are translated at the exchange rates at the balance sheet date. The calculation differences arising from the translation of the income statements of companies abroad at average exchange rates and of their balance sheet items at the rate of exchange on the balance sheet date are taken directly to other comprehensive income.

On full or partial disposal of wholly-owned foreign operations resulting in a loss of control or on repayment of balances which constitute part of the net investment in the foreign operation, the share of the cumulative amount of the exchange differences that is recognised in other comprehensive income relating hereto is reclassified from other comprehensive income to profit for the year together with gain or loss on disposal.

On the disposal of partially owned foreign subsidiaries resulting in a loss of control, the share of the translation reserve in other comprehensive income attributable to non-controlling interests is not transferred to profit or loss.

An average exchange rate is used if it does not significantly deviate from the exchange rate ruling at the transaction date.

The assets and liabilities of a foreign company acquired are translated at the exchange rate at the date of transaction (acquisition date).

Income statement

Revenue

Revenue is recognised in the income statement on delivery and passing of the risk to the buyer and when the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the consideration agreed excl. VAT charged on account of third party. All kinds of discounts are recognised in Revenue.

Trade receivables recognised as services delivered are invoiced to the customer and are not adjusted for any financing components as credit terms are short – typically between 20 to 45 days – and the financing component

therefore insignificant. No special obligations in relation to warranties or return obligations compared to the industry.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year and development costs which do not meet the criteria for capitalisation. This includes raw materials, consumables, CO₂ quotas, direct labour costs and indirect production costs such as maintenance and operation of production plant as well as production plant depreciation, administration and plant management.

Sales and distribution costs

Sales and distribution costs comprise direct distribution and marketing costs, salaries for the sales and marketing functions as well as other indirect costs, including depreciation and amortisation.

Administrative expenses

Administrative expenses comprise the costs of administrative staff and management and other indirect expenses, as well as depreciation and amortisation.

Other operating income and costs

Other operating income and costs comprise items of a secondary nature in relation to the activities of the Group, including certain grants, rentals, fees, etc.

Gains and losses from the disposal of property, plant and equipment which cannot be considered part of the disposal of a complete activity are included in other operating income and costs.

Derivative financial instruments

Derivative financial instruments are recognised at the date a derivative contract is entered into and measured in the statement of financial position at fair value. Positive and negative fair values of derivative financial instruments are included as separate line items in the statement of financial position and set-off of positive and negative values is only made when the Company has the right and the intention to settle several financial instruments net.

The rules for hedge accounting are not applied, and value adjustments of derivative financial instruments are therefore recognised as finance income and finance costs.

Financial items

Interest income and expenses comprise interest, exchange rate gains and losses regarding transactions denominated in foreign currencies and write-down on securities, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Realised and unrealised gains and losses on derivative financial instruments that are not qualified as hedge accounting are also included.

Tax

Tax for the year comprises current tax and changes in deferred tax.

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the applicable tax rates for the financial year and any adjustment of tax for previous years.

Tax related to other comprehensive income is recognised in other comprehensive income.

Deferred tax is recognised and measured according to the balance sheet liability method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for taxation purposes, except differences relating to goodwill not deductible for tax purposes.

Measurement of deferred tax is based on the tax rules and tax rates applicable in the respective countries at the balance sheet date, which is expected to be valid, when the deferred tax will be reversed as current tax. The effect of changes in the tax rates is stated in the income statement unless it relates to items previously entered directly in Shareholders' equity.

Deferred tax assets, including the value of tax loss carry-forwards, are recognised under Financial assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Uncertain tax positions are measured at the amount estimated to be required to settle such potential future obligations. We measure these uncertain tax positions on a yearly basis through dialog with key stakeholders. The measurement addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and IFRIC 23. We will determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty will be followed. Uncertain tax positions are measured at the most likely outcome method.

Aalborg Portland A/S is covered by the Danish rules on compulsory joint taxation of the Group's Danish companies. Enterprises are included in the joint taxation from the date of consolidation into the consolidated financial statements and up to the date when they exit the consolidation.

Aalborg Portland A/S is jointly taxed with the parent company, Aalborg Portland Holding A/S, and all Danish enterprises. The current Danish income tax is allocated by payment of joint taxation contributions between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint tax contributions from companies who have used this loss to reduce their own taxable income.

Balance sheet

Intangible assets

Goodwill

On initial recognition, goodwill is recognised in the balance sheet at cost as described under "Business combinations". Subsequently goodwill is measured at cost less accumulated impairment. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Determination of cash-generating units follows the management structure and internal financial control.

Development projects

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities in the Company is demonstrated, and where the Company intends to complete, market or use the individual project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover production costs, selling and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development projects are measured at cost less accumulated amortisation and impairment. Cost comprises wages and salaries, amortisation and other costs attributable to the Group's development activities.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life from the date when the asset is available for use. The amortisation period is up to 5 years.

Other intangible assets

Other intangible assets, including intangible assets acquired in business combinations, are measured at cost less accumulated amortisation and impairment losses.

Amortisation is made on a straight-line basis over the lower of the useful life and the contract period.

The expected useful lives are:

The expected useful lives are:

- Software applications, up to 10 years.
- Customer list up to 25 years.
- Patents, licences and other intangible assets, up to 20 years.
- Leasehold improvements, up to 5 years.

CO₂ quotas

On initial recognition, granted and acquired CO₂ quotas are measured at cost.

The basis for amortisation of CO₂ quotas is stated as cost less scrap value. The scrap value depends on whether the company expects to utilise the quotas or sell them. Amortisation is based on a portfolio view on a straight-line basis.

If the actual emission exceeds the granted and acquired CO₂ quotas, a liability corresponding to the fair value of the CO₂ quotas, which the company has to settle, is recognised.

On disposal of CO₂ quotas, the difference between carrying amount and the selling price of CO₂ quotas is recognised in the income statement at the date of disposal.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment.

The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries as well as borrowing costs from specific or general lending directly relating to the construction of the individual asset.

Deemed costs for dismantling and disposal of the asset and re-establishment are added to cost if the deemed costs are recognised as a provision. The cost of total assets is split into separate components, which are depreciated separately if the useful lives of the individual components differ.

Subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the Group. The carrying amount of the replaced components are derecognised in the balance sheet and recognised as an expense in the income statement. All costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

Depreciation is charged on a straight-line basis during the estimated useful life of the asset concerned until it reaches the estimated scrap value.

Estimated useful lives are as follows:

- Buildings and improvements of land, 5-50 years
- Main machinery, 25 years
- Other plant and machinery, 3-20 years

Newly acquired assets and assets of own construction are depreciated from the time they come into use. Land is not depreciated, unless it is used for raw material extraction after individual assessment.

The basis of depreciation is calculated on the basis of the scrap value less impairment losses. The scrap value is determined at the acquisition date and reassessed annually. If the scrap value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the scrap value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, sales and distribution costs and administrative expenses to the extent that depreciation is not included in the cost of self-constructed assets.

Lease assets and lease liabilities

Aalborg Portland mainly leases land, vehicles and ships. When entering into a contract, it is assessed whether the contract is a lease or contains a lease component. A lease is defined as a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether a contract contains a lease component, it must be considered whether, during the period of use, the lessee has the right to essentially all economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

A right-of-use asset and a lease liability is recognised at the commencement date.

Aalborg Portland leases cars including a service component in the payments to the lessor. This service is separated from the lease payment when measuring the lease liability. If it is not possible to separate lease components and non-lease components, it is considered a single lease component.

Lease liabilities recognised as "Credit institutions and interest-bearing liabilities" are initially measured at the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, we have used the incremental borrowing rate.

The lease payments consist of fixed and variable lease payments that depend on an index or a rate, guaranteed residual values, purchase options and extension options, if the Company finds it reasonably certain to exercise the option and termination penalties, if the lease term reflects our exercising an option to terminate the lease. The lease liability is subsequently adjusted as follows, if:

- The value of the index or rate on which the lease payments are based is changed.
- The exercise of options is changed in order to extend or terminate the lease due to significant events or a significant change in circumstances within the Company's control.
- The lease term is changed if the option is exercised in order to extend or terminate the lease.
- Estimated residual value guarantee is changed.
- The contract is renegotiated or modified.

Any subsequent adjustment of the future lease liability is recognised as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is EUR 0, a negative adjustment to the right-of-use asset is, however, recognised in the income statement.

The right-of-use asset is initially measured at cost comprising amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of

the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the right-of-use asset.

Short-term leases with a maximum lease term of 12 months and leases for low-value assets are not recognised in the balance sheet.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. In case of indication of impairment, impairment test is carried out as described in the accounting policies of the Group. If the carrying value exceeds the recoverable amount, write-down is made to this lower value.

On disposal of investments in subsidiaries, the difference between the sales price and the carrying amount (cost of the shares based on a weighted average) is recognised in the income statement at the date of disposal.

Other non-current assets

Other non-current assets mainly relate to deposits and loans which are measured at amortised cost. Amortisation for the year is stated in the income statement.

Impairment of non-current assets

Goodwill is subject to annual impairment tests, initially before the end of the acquisition year.

The carrying amount of goodwill is tested together with the other non-current assets of the cash-generating unit (CGU) or group of CGUs to which goodwill is allocated. The assets of the CGUs are written down to the recoverable amount in profit or loss if the carrying amount is higher. The recoverable amount of a CGU is generally determined as the present value of the expected future net cash flows from the entity or activity (CGU) to which goodwill is allocated. However, impairment losses on goodwill are recognised as other operating costs in the income statement.

The carrying amount of other non-current assets, except for goodwill, investment properties and financial assets measured at fair value, is tested annually for indications of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or the CGU to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a CGU, respectively, exceeds the recoverable amount of the asset or the CGU. Amortisation and depreciation of intangible assets and property, plant and equipment are recognised in the same item as the related amortisation and depreciation. However, impairment losses on goodwill are recognised in a separate line item in the income statement.

Inventories

Raw materials and consumables are measured at cost. Cost is computed according to the weighted average cost method.

The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery costs.

The cost of work in progress and finished goods comprise direct production costs with addition of indirect production costs. Indirect production costs include operating costs, maintenance and depreciation of production plant and plant management.

If the net realisable value is lower than cost, write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses when there is an objective indication of an impairment loss. In such cases, write-down is made individually for each specific receivable.

Write-down is stated as the difference between the carrying amount and the present value of the expected cash flow, including the net realisable value of any received collaterals. The effective interest rate used at the time of initial recognition is used as the discount rate for the individual receivable or portfolio.

Equity

Dividends are recognised as debt at the time of approval at the annual general meeting (time of declaration). Dividends which are proposed for distribution are therefore stated separately in the shareholders' equity. Reserves relating to foreign exchange adjustments in the consolidated financial statements comprise currency translation differences arising from the translation of the financial statements of foreign entities from their functional currencies to the presentation currency of the Company (EUR) and foreign exchange adjustments of assets and liabilities considered to be part of the Group's net investment in foreign operations.

On full or partial realisation of net investments, exchange differences are recognised in the income statement.

Provisions

Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

When the Group has a legal obligation to dismantle or remove an asset or restore the site on which the asset is located, a provision is recognised corresponding to the present value of expected future costs. The present value of costs is recognised in the income statement for the tangible assets concerned and is amortised together with these assets over the useful lives or according to the production method.

Provisions are measured as the best estimate of the expenses required to settle the obligation at the balance sheet date.

Financial liabilities

Amounts owed to credit institutions are recognised when raising the loan at fair value less transaction costs. Subsequent measurement is made at amortised cost so that the difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

The capitalised remaining lease liability of finance leases is also recognised in financial liabilities, measured at amortised cost.

Other financial liabilities are measured at amortised cost.

Cash flow statement

The cash flow statement is presented according to the indirect method and shows the composition of the cash flow divided into operating, investing and financing activities, respectively, and the cash funds at the beginning and end of the year.

In the statement of working capital/loans a distinction is made between interest-bearing and non-interest-bearing items plus cash funds.

Cash funds consist of cash in hand and bank deposits.

Loans represent total interest-bearing debt items less interest-bearing receivables.

All other non-interest-bearing receivables and debt items are regarded as working capital.

Cash flows from operating activities are stated as Profit for the year (EAT) adjusted for non-cash operating items, changes in working capital, financial items and paid tax.

Cash flows from investing activities comprise payments made in connection with the acquisition and disposal of enterprises and activities and the acquisition and disposal of non-current assets.

Cash flows from financing activities comprise payments to and contributions from owners as well as the raising and repayment of loans.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Aalborg Portland A/S and group entities are included in the consolidated financial statements of Aalborg Portland Holding A/S, Rørdalsvej 44, 9220 Aalborg Øst, Denmark, CVR no. 14 24 44 41.

Segment reporting

Aalborg Portland A/S is not a listed company and therefore no segment reporting is made according to IFRS 8.

Forthcoming requirements

A number of new financial reporting standards, which are not compulsory for the Company in 2022, have been released. The adopted, non-effective standards and interpretations are implemented as they become mandatory for the Company.

Financial ratios

EBITDA ratio

Earnings before depreciation/amortisation, impairment losses, provisions, interest and tax (EBITDA).
Revenue

EBIT ratio

Earnings before interest and tax (EBIT).
Revenue

NOPAT

Net Operating Profit After Tax
Earnings before interest and tax (EBIT) x
(1 – effective tax rate)

Capital employed

Intangible assets + tangible assets + working capital

Equity ratio

Shareholders' equity
Total assets

Return on equity

Profit
Average shareholders' equity

Net interest-bearing debt (NIBD)

Interest-bearing liabilities less interest-bearing assets

Working capital

Inventories, trade receivables and trade payables.

Signatures

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Statement from the Board of Directors and Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Aalborg Portland A/S for the financial year 1 January – 31 December 2022.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Aalborg, 9 March 2023

BOARD OF DIRECTORS



Bjarne Moltke Hansen
Chairman



Marco Maria Bianconi
Vice Chairman



Søren Holm Christensen
Chief Executive Officer



Ernst Aage Jensen
Employee Representative



Kim Eli Madsen
Employee Representative

EXECUTIVE BOARD



Søren Holm Christensen
Chief Executive Officer



Henrik Jeppesen
Chief Financial Officer



Michael Lundgaard Thomsen
Chief Commercial Officer

Independent auditors' report

To the Shareholders of Aalborg Portland A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Aalborg Portland A/S for the financial year 1 January - 31 December 2022, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled

our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 9 March 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31



Henrik Trangeled Kristensen
State Authorised
Public Accountant
mne23333

Thyge Belter
State Authorised
Public Accountant
mne30222

Company information



▾ IN THIS CHAPTER

43 Companies in the Group

Companies in the Group

THE COMPANY

Aalborg Portland A/S
 Rørdalsvej 44
 9220 Aalborg Øst
 Denmark
 Tel. +45 98 16 77 77
 E-mail: cement@aalborgportland.com
 Internet: www.aalborgportland.com
 CVR No 36 42 81 12

BOARD OF DIRECTORS

Bjarne Moltke Hansen
 Chairman of the Board of Directors
 Marco Maria Bianconi,
 Vice Chairman
 Søren Holm Christensen
 Ernst Aage Jensen*
 Kim Eli Madsen*
 *Elected by the employees

EXECUTIVE BOARD

Søren Holm Christensen
 CEO, Aalborg Portland
 Michael Lundgaard Thomsen,
 COO, Aalborg Portland
 Henrik Jeppesen,
 CFO, Aalborg Portland Holding

OWNERS

Aalborg Portland A/S is 100% owned by Aalborg Portland Holding A/S.
 Aalborg Portland Holding A/S is included in the Group financial statements for Cementir Holding N.V., the Netherlands and Caltagirone S.p.A., Italy.

ANNUAL GENERAL MEETING

20 April 2023 at Islands Brygge 43, Copenhagen.

				Nominal share capital (in 000)	Direct holding*
Aalborg Portland A/S	Denmark	DKK		100,000	-
Aalborg Portland Íslandi ehf.	Iceland	ISK		303,000	100.0%
Aalborg Portland Polska Sp. z o.o.	Poland	PLN		100	100.0%
Aalborg Portland OOO*	Russia	RUB		14,700	99.9%
Aalborg Portland France S.A.S.	France	EUR		10	100.0%
Aalborg Portland Belgium S.A.	Belgium	EUR		500	100.0%

*Aalborg Portland OOO has not had any sales since 2017. The company is dormant, and the management has decided to wind up the company.

Aalborg Portland Polska Sp. z o.o.

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 03-733 Warsaw
 Poland
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