



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 943 513 716
Organisasjonsform: Ansvarlig selskap, delt ansvar
Foretaksnavn: SCANCEM INTERNATIONAL DA
Forretningsadresse: c/o Heidelberg Materials Norway AS
Lilleakerveien 2A
0283 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Anne Teräväinen Reideborn
Dato for fastsettelse av årsregnskapet: 07.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 16.08.2024



Resultatregnskap

Beløp i: USD	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2,3	0	45 000
Sum inntekter		0	45 000
Kostnader			
Lønnskostnad	4,5	-225 000	3 663 000
Annen driftskostnad	6,3	3 687 000	1 083 000
Sum kostnader		3 462 000	4 746 000
Driftsresultat		-3 462 000	-4 701 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	7	85 998 000	129 858 000
Renteinntekt fra foretak i samme konsern	8,3	1 394 000	598 000
Annen finansinntekt	8	335 000	9 059 000
Sum finansinntekter		87 727 000	139 515 000
Annen rentekostnad		0	18 000
Annen finanskostnad	8	325 000	351 000
Sum finanskostnader		325 000	369 000
Netto finans		87 402 000	139 146 000
Ordinært resultat før skattekostnad		83 940 000	134 445 000
Skattekostnad på ordinært resultat	9	7 411 000	10 039 000
Ordinært resultat etter skattekostnad		76 529 000	124 406 000
Årsresultat		76 529 000	124 406 000
Overføringer og disponeringer			
Overføring til/fra fond	10	76 529 000	124 406 000
Sum overføringer og disponeringer		76 529 000	124 406 000



Balanse

Beløp i: USD	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	7	71 898 000	71 866 000
Investeringer i tilknyttet selskap	11	11 646 000	11 646 000
Sum finansielle anleggsmidler		83 544 000	83 512 000
Sum anleggsmidler		83 544 000	83 512 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	12	7 849 000	8 266 000
Andre fordringer	12	4 644 000	8 000
Sum fordringer		12 493 000	8 274 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	12	96 251 000	24 991 000
Sum bankinnskudd, kontanter og lignende		96 251 000	24 991 000
Sum omløpsmidler		108 744 000	33 265 000
SUM EIENDELER		192 288 000	116 777 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Annen innskutt egenkapital	10	40 558 000	40 558 000
Sum innskutt egenkapital		40 558 000	40 558 000
Opptjent egenkapital			



Balanse

Beløp i: USD	Note	2022	2021
Annen egenkapital	10	148 251 000	69 977 000
Sum opptjent egenkapital		148 251 000	69 977 000
Sum egenkapital		188 809 000	110 535 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	13	1 813 000	4 004 000
Andre avsetninger for forpliktelser		600 000	772 000
Sum avsetninger for forpliktelser		2 413 000	4 776 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		2 413 000	4 776 000
Kortsiktig gjeld			
Leverandørgjeld	12	728 000	809 000
Skyldige offentlige avgifter		10 000	10 000
Annen kortsiktig gjeld		328 000	647 000
Sum kortsiktig gjeld		1 066 000	1 466 000
Sum gjeld		3 479 000	6 242 000
SUM EGENKAPITAL OG GJELD		192 288 000	116 777 000



Scancem International DA

Annual Report 2022

Scancem International DA

Address: c/o Heidelberg Materials Norway AS,
P.O. Box 143 Lilleaker, NO-0216 Oslo, Norway
BRN: 943513716 MVA



Scancem International DA

Report from the Board of Directors 2022

Nature of the business

Scancem International DA is as of 1st October 2017 a holding company with ownership in cement companies in Africa. Until end of September 2017 the company was also responsible for supplying these plants with raw materials, spare parts/equipment and services from the head office in Oslo.

True and fair view

Although the operations were discontinued during 2017, Scancem continues as the holding company of the African units. The Board believes that the annual financial statements provide a true and fair view of Scancem International DA's assets and liabilities, financial position and performance.

The company posted an operating loss of KUSD 3,462, compared with a loss of KUSD 4,701 the year before. Net cash flow from operating activities are KUSD 71,260, mainly due to received dividends from investments.

Through its subsidiaries and associates Scancem is one of the major cement producers in the countries south of the Sahara and the market leader in some of these countries. The countries with the greatest sales volumes are Ghana, Tanzania, Togo and Burkina Faso.

Dividends from subsidiaries amounted to KUSD 85,998, compared with KUSD 129,858 in 2021. We experienced a negative deployment in operating performances and dividend payment especially in Ghana, Togo and Burkina Faso. Ghana downturn was mainly related to the decrease in local currency while in Togo the higher variable cost could not be passed on to the customer due to fierce competition. The two coup d'état in Burkina Faso in 2022 were leading to a reduced demand and sales price. A positive development was especially achieved in Tanzania with increased volumes and prices.

Scancem International DA posted a net profit for the year of KUSD 76,529, compared with KUSD 124,406 in 2021.

The company's financial risk is mainly related to changes in foreign exchange rates. The company has investments abroad and receives dividends from these companies mainly in another currency. There is no foreign exchange hedging.

Operating assets and liabilities have been considerably reduced since the termination of the activities as of 1st October 2017. During 2023 further reductions are expected. The net profit for the year of KUSD 76,529 is added to the equity.

Outlook

The difficult market environment continued also in the first months of 2023. Increased competition will have a negative influence on our ability to increase prices in order to compensate for the decreasing local currencies, while major input prices (e.g. fuel, clinker) are payable in foreign currencies. Governmental spending is expected to remain low in most of the countries because of the rising debt levels. In addition, high inflation rates will put pressure on private demand for housebuilding. There is also a considerable uncertainty linked to assessments of future conditions. On a positive note, a reduction of import prices for raw materials and shipping cost, is forecasted towards the end of the year.



Scancem International DA

Going concern

In accordance with Section 3-3 of the Norwegian Accounting Act, it is hereby confirmed that the company fulfils all the prerequisites to continue as a going concern.

Scancem International DA is 100% controlled by the Heidelberg Materials Group.

Directors & Office Liability Insurance

The parent company in the Heidelberg Materials Group, Heidelberg Materials AG, has taken out a Directors & Officers Liability Insurance (D&O) with XL Insurance Company SE for Scancem International DA's Board members and the Managing Director for their possible liability to the company and third parties. The sum insured is up to EUR 15,000,000 for each and every loss and in the aggregate. The insurance coverage is subject to terms in the insurance agreement with the insurance company.

Working environment

There are no employees in the company.

External environment

The business does not pollute the surrounding environment.

Ukraine

Management has assessed the impact of the invasion of Ukraine on the entity. In this assessment, management considered the following topics: economic sanctions, financial reporting, cyber security and going concern. The outcome of this assessment is that there is no direct impact on the entity. Company could indirectly be affected by macroeconomic effects such as increased commodity prices, increased unemployment, inflation and challenges in the supply chain

The account of the due diligence assessments will be published on [heidelbergmaterials-northerneurope.com](https://www.heidelbergmaterials-northerneurope.com) under Sustainability before June 30th 2023

Oslo, 7th June 2023

The Board of Directors of Scancem International DA

 Hakan Gürdal Chairman	 Arne-Jørg Selen Director	 Dominik Michel Director Managing Director
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Scancem International DA

Income statement

Amounts in KUSD	Note	2022	2021
Operating revenues			
Sales revenues	2,3	<u>0</u>	<u>45</u>
Operating expenses			
Salaries, pensions and other staff costs	4,5	-225	3,663
Other operating expenses	6,3	<u>3,687</u>	<u>1,083</u>
Total operating expenses		<u>3,462</u>	<u>4,746</u>
Operating profit		<u>-3,462</u>	<u>-4,701</u>
Financial income and financial expenses			
Income from investments in subsidiaries and associates			
	7	85,998	129,858
Interest income	8,3	1,394	85
Interest income from Group companies	3	0	513
Other financial income	8	335	9,059
Interest expenses		0	18
Other financial expenses	8	<u>325</u>	<u>351</u>
Net financial items		<u>87,402</u>	<u>139,146</u>
Profit before tax on ordinary activities		<u>83,940</u>	<u>134,445</u>
Tax expense	9	7,411	10,039
Net profit for the year		<u>76,529</u>	<u>124,406</u>
Transfers and appropriations			
Transfers, other equity	10	<u>76,529</u>	<u>124,406</u>
Total appropriations		<u>76,529</u>	<u>124,406</u>



Scancem International DA

Balance sheet as of 31 December

Amounts in KUSD	Note	2022	2021
Non-current assets			
<i>Non-current financial assets</i>			
Investments in subsidiaries	7	71,898	71,866
Investments in associates	11	11,646	11,646
Total non-current financial assets		<u>83,544</u>	<u>83,512</u>
Total non-current assets		<u>83,544</u>	<u>83,512</u>
Current assets			
<i>Receivables</i>			
Trade receivables	12	7,849	8,266
Other receivables	12	4,644	8
Total receivables		<u>12,493</u>	<u>8,274</u>
Cash and cash equivalents	12	<u>96,251</u>	<u>24,991</u>
Total current assets		<u>108,744</u>	<u>33,265</u>
Total assets		<u>192,288</u>	<u>116,777</u>




Scancem International DA

Balance sheet as of 31 December

Amounts in KUSD	Note	2022	2021
Equity			
<i>Paid-in equity</i>			
Other paid-in equity	10	40,558	40,558
Total paid-in equity		40,558	40,558
<i>Retained earnings</i>			
Other equity	10	148,251	69,977
Total retained earnings		148,251	69,977
Total equity		188,809	110,535
Liabilities			
<i>Non-current liabilities</i>			
Net pension liabilities	13	1,813	4,004
Other long-term provisions		600	772
Total non-current liabilities		2,413	4,776
<i>Current liabilities</i>			
Trade payables	12	728	809
Public charges payable		10	10
Other current liabilities		328	647
Total current liabilities		1,066	1,466
Total liabilities		3,479	6,242
Total equity and liabilities		192,288	116,777


Hakan Gürdal
Chairman

Oslo, 7th June 2023

Arne-Jørg Selen
Director


Domínik Michel
Director
Managing Director



Scancem International DA

Statement of cash flow

Amounts in KUSD

Cash flow from operating activities:	2022	2021
Profit before tax	83,940	134,445
Withholding tax	-7,411	-10,039
Change in inventories, trade receivables and trade payables and other accruals and prepayments	-4,971	2,130
Non-cash changes	- 298	2,999
Net cash flow from operating activities	71,260	129,535
Cash flow from investing activities:		
Disposal of property, plant and equipment	0	0
Impairment financial assets	0	0
Disposal of shares	0	1,036
Net cash flow from investing activities		1,036
Cash flow from financing activities:		
Distribution of funds to partners	0	-170,000
Net cash flow from financing activities		-170,000
Net change in cash and cash equivalents during the year	71,260	-39,429
Cash and cash equivalents¹ as of 1 Jan	24,991	64,420
Cash and cash equivalents¹ as of 31 Dec	96,251	24,991

¹Cash and cash equivalents include deposits in the Group's cash pool scheme, ref. note 12.



Scancem International DA

Notes to the 2022 financial statements

Amounts in KUSD

Note 1 – Accounting policies

The annual financial statements have been prepared in accordance with the provisions of the Norwegian Accounting Act and generally accepted accounting practice in Norway (NGAAP).

Subsidiaries/associates

Subsidiaries and associates are valued in accordance with the cost method in the single-entity financial statements. Investments are recognised at the cost of acquisition of the shares and are adjusted for any impairments where necessary. Shares are written down to fair value where any impairment in value is attributable to causes that are not deemed to be temporary in nature and this is deemed necessary in accordance with generally accepted accounting practice. Impairments are reversed when the basis for the impairment no longer exists.

Dividends and other distributions are recognised in income the same year they are proposed in the subsidiary. If dividends exceed retained earnings after acquisition, the excess amount represents reimbursement of invested capital, and the distributions will be subtracted from the value of the acquisition in the balance sheet.

Sales revenues

The sale of goods is recognised in income at the time of delivery. Services are recognised in income when they are performed. The share of sales revenues relating to future service performances is recognised in the balance sheet as unearned income on the sale, and thereafter recognised in income in line with the delivery of the services.

Classification and valuation of balance sheet items

Current assets and current liabilities are items that fall due for payment within one year of the balance sheet date, and items connected to the goods circulation. Other items are classified as non-current assets/liabilities.

Current assets are valued at the lower of cost and fair value. Current liabilities are recorded in the balance sheet at their nominal amount at the time the liability was incurred.

Non-current assets are recorded at cost and are written down to fair value when any impairment in value is not considered to be of a temporary nature. Non-current assets with a limited useful economic life are depreciated. Long-term liabilities are recognised in the balance sheet at their nominal amount at the time liabilities are incurred.

Receivables

Trade and other receivables are recognised in the balance sheet at nominal value less provisions for bad debts. Provisions for bad debts are recognised on the basis of an individual assessment of the receivables concerned. A general provision to cover potential losses on receivables not identified at the time of valuation is also recognised.

Foreign currency

As of 1st January 2016, Scancem International DA changed its functional currency from Norwegian krone to US dollar, thus reflecting the currency in which most transactions are made. Also the presentation currency of the financial statements is US dollar.

Monetary items denoted in other currencies than US dollar are valued at the closing rate prevailing at the balance sheet date. Exchange gains or losses from the measurement of monetary items at the closing rate are recognised in the Income Statement. Non-monetary items are recorded at historical exchange rates.



Scancem International DA

Notes to the 2022 financial statements

Amounts in KUSD

Note 2 – Sales revenues

Amounts in KUSD

<i>Sales revenues by product category:</i>	2022	2021
Sundry	0	45
Total	0	45

The income for 2021 is recharging of services to third parties.

Note 3 – Related party transactions

Total operating expenses include KUSD 72 for the purchase of services from various companies in the Heidelberg Materials Group.

Financial income relates to transactions with companies in the Heidelberg Materials Group.

Note 4 – Salaries, pensions and other staff costs

Amounts in KUSD

<i>Salaries and payroll costs</i>	2022	2021
Employers' national insurance contributions	15	17
Long term incentive plan	-313	98
Pension costs	37	3,537
Other benefits	36	11
Total	-225	3,663

The company had no employees at the end of the year.

Benefits received by executive management

The Managing Director is employed by Heidelberg Materials AG, and his services to Scancem International DA are invoiced as part of the Group Overhead costs (included in Other operating expenses).

No loans/security have been extended to the Managing Director, members of the Board or other related parties.

No fees have been paid to the Board.



Scancem International DA

Notes to the 2022 financial statements

Amounts in KUSD

Note 5 – Pension costs

Amounts in KUSD

	2022	2021
Current service cost	181	-15
Interest expense	-517	
Interest income	186	4
Past service cost recognised	0	3,351
Interest income on reimbursement cost	-4	0
Total expense recognised in Income Statement	<u>-154</u>	<u>3,340</u>

Note 6 – Other operating expenses

Amounts in KUSD

	2022	2021
Consultancy and external services	221	992
Internal services	106	91
Other expenses	3,360	0
Total	<u>3,687</u>	<u>1,083</u>

The remuneration to the auditor is specified as follow:

Audit:	8
Tax advice:	4
Other services:	23

Note 7 – Subsidiaries Book value of shares, equity and net profit/loss 2022

Amounts in KUSD

Company	Shareholding	Book value of shares	Equity 31 Dec 2022	Net profit/loss for the year 2022
Ciments du Togo, S.A., Togo Liberia Cement Corporation Inc., Liberia	99.63%	3,634	45,962	2,966
Calcim SA, Benin	81.70%	5,813	34,228	13,570
Cimbenin SA, Benin	100.00%	15	1,442	54
TPCC, Tanzania	87.95%	12,320	16,364	795
Scantogo Mines S.A., Togo	69.25%	19,063	126,339	41,437
CimBurkina SA, Burkina Faso	90.00%	15	43,472	7,761
Granutogo S.A., Togo	80.00%	7,024	39,175	3,981
Ghacem Limited, Ghana	100.00%	3,160	3,206	717
Granubenin SA, Benin	93.10%	20,808	25,284	25,390
Granuburkina SA	100.00%	14	-766	0
Total		<u>71,898</u>	<u>334,706</u>	<u>96,671</u>

In 2022 the company recognised dividends from subsidiaries at the amount of KUSD 85,998. The corresponding amount in 2021 was KUSD 129,858 (amounts are stated gross before withholding tax).



Scancem International DA

Notes to the 2022 financial statements

Amounts in KUSD

Note 8 – Financial items

Amounts in KUSD

Breakdown of financial items:

	2022	2021
<i>Interest income</i>		
Interest received from deposits in the Group's cash pool scheme	1,394	85
<i>Other financial income</i>		
Gains from sales of shares in subsidiary	0	8,746
		0
Other financial income	335	313
Total	335	9,059
<i>Other financial expenses</i>		
Other financial expenses	4	8
Net exchange losses on transactions in foreign currency	321	343
Total	325	351

Note 9 – Tax expense

The tax expenses are for withholding tax on dividends and sales transactions. Scancem International DA is a partnership; tax expenses and tax positions are therefore only recognised in the financial statements of the partners.

Note 10 – Equity

Amounts in KUSD

	Other paid-in equity	Other retained earnings	Total
Equity 31 Dec 2021	40,558	69,977	110,535
Equity 1 Jan 2022	40,558	69,977	110,535
Net profit for the year	0	76,529	76,529
Distribution of funds to partners	0	0	
Pension estimate deviations	0	1,746	1,746
Equity 31 Dec 2022	40,558	148,252	188,809

At the reporting date, Heidelberg Materials Norway AS held a 99.00% partnership share in the company and Scancem Holding AS 1.00 %.

Scancem International DA is a wholly owned subsidiary of Heidelberg Materials Group. For inquiries regarding the consolidated financial statements involving the company, please contact the parent company: Heidelberg Materials AG, Berliner Strasse 6, D-69120 Heidelberg, Germany.



Scancem International DA

Notes to the 2022 financial statements

Amounts in KUSD

Note 11 – Investments in associates

Amounts in KUSD	2022	2021
Fortia Cement S.A, Togo, 50%	3,866	3,866
Cemza (Pty) Ltd., Republic of South Africa, 40%	7,780	7,780
	<u>11,646</u>	<u>11,646</u>

There are no recent financial statements for associated companies and there is no known market value.

Note 12 – Intragroup balances and intercompany balances with associates

Amounts in KUSD

<i>Receivables</i>	2022	2021
Trade receivables to Group companies	7,849	8,216
Deposits in HC Group cash pool	95,901	24,906
Total	<u>103,750</u>	<u>33,122</u>
<i>Liabilities</i>	2022	2021
Trade payables to Group companies	<u>683</u>	<u>807</u>

Note 13 – Net pension liabilities

Amounts in KUSD

Scancem International DA operated occupational pension schemes for all its employees through DNB Life Insurance. The main terms were 30 years' service and 60 per cent of the pension base. The company was obliged to operate an occupational pension scheme in accordance with the Norwegian Act on Mandatory Occupational Schemes, and the company's scheme satisfied this requirement. All pension benefits were coordinated with expected benefits under the Norwegian National Insurance Scheme. The pension scheme was entirely financed by employers and satisfied the requirements of the Norwegian Act on Mandatory Occupational Schemes.

Scancem's defined benefit pension scheme was terminated effective from 1st January 2019. The insurance premium fund amounted to NOK 2,983,016 as of 1st January 2019. The entire amount has been used for revaluation of paid-up policies for the members, who were terminated from the pension scheme as per 1st December 2017 as a result of the discontinuation of the operations of the company during 2017.

	2022	2021
Discount rate	2.10%	1.70%
Expected salary adjustment/pension increase	2.25%	1.75%
Expected inflation	0.00%	0.00%



Scancem International DA

Notes to the 2022 financial statements

Amounts in KUSD

	2022	2021
Estimated pension liabilities 31 Dec	3,323	7,097
Pension assets/liabilities at market value 31 Dec	-1,218	-2,574
Effect of Asset Ceiling according to IAS 19.64	160	23
Total amount recognized in Balance Sheet	<u>2,265</u>	<u>4,546</u>

The actuarial assumptions are based on normal assumptions applied within insurance with regard to demographic factors and exits.



Skattedirektoratet

Saksbehandler Rune Tystad	Deres dato 19.01.2017	Vår dato 10.02.2017
Telefon 977 59 464	Deres referanse Arne-Jørg Selen Ola Søsveen	Vår referanse 2017/69472

SCANCEM INTERNATIONAL DA
Postboks 17
0216 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Scancem International DA, org.nr. 943 513 716

- Vi viser til deres brev av 19. januar 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Scancem International DA.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Scancem International DA dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Scancem international DA (Scancem) eies indirekte 94 % av HeidelbergCement AG (HC) notert på Frankfurt-børsen. Den andre partneren i Scancem er Shakleton Ltd. & Compagnie, et selskap kontrollert av International Finance Corporation (IFC). Etter krav fra IFC utarbeides Scancems konsoliderte regnskap siden 2010 kun på engelsk. Scancem driver gjennom datterselskaper eller HC kontrollerte selskaper i Afrika virksomhet innenfor området; produksjon, distribusjon, salg og formidling av sement, herunder management av virksomheter innenfor nevnte områder. Det formelle arbeidsspråket i både Scancem og datterselskaper er engelsk. All korrespondanse og rapportering foregår på engelsk, og fra 2016 føres regnskapet i USD. All kommunikasjon med Scancems primære kunder og kreditorer foregår også på engelsk.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *”informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er indirekte eid 94 % av et tysk børsnotert selskap. Videre er det vektlagt at selskapet opererer innen en internasjonal bransje og at det formelle arbeidsspråket i selskapet er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



To the General Meeting of Scancem International DA

Independent Auditor's Report

Opinion

We have audited the financial statements of Scancem International DA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 7 June 2023

PricewaterhouseCoopers AS

Gorm F. Nymark
State Authorised Public Accountant
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Nymark, Gorm Frode	BANKID_MOBILE	2023-07-05 11:12

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of the document.



Heidelberg Materials



Report of HeidelbergCement AG on the
**Annual Financial
Statements 2022**



HeidelbergCement AG in figures

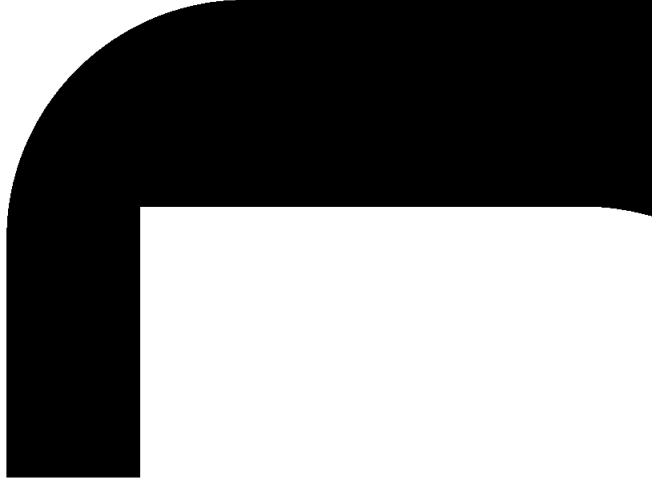
Figures in €m	2021	2022
Number of employees as at 31 December	2,166	2,209
Revenue		
Cement	720	773
Services	217	251
Total revenue	937	1,025
Operating result	13	43
Profit of the financial year	392	257
Dividend per share in €	2.40	2.60¹⁾
Investments in intangible assets and property, plant and equipment	91	74
Amortisation and depreciation	50	49
Intangible assets and property, plant, and equipment	741	766
Financial assets	22,419	22,418
Current assets	4,254	2,582
Prepaid expenses	22	18
Equity	11,785	11,237
Provisions	855	938
Liabilities	14,796	13,608
Deferred income	0	0
Balance sheet total	27,436	25,784

1) The Managing Board and Supervisory Board will propose to the Annual General Meeting on 11 May 2023 the distribution of a cash dividend of €2.40.



Annual financial statements 2022

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Annual financial statements

In accordance with section 315 (5) of the German Commercial Code (HGB), the management report of HeidelbergCement AG has been combined with the Group's management report, as the business trend, economic position, and future opportunities and risks of the parent company are closely linked with the Group on account of their common activity in the building materials business.

The combined management report includes the management reports of the annual and consolidated financial statements of HeidelbergCement AG and can be found in the Group's Annual and Sustainability Report 2022.

The list of shareholdings in accordance with section 285 no. 11 of the German Commercial Code (HGB) can also be found in the notes of the Group's Annual and Sustainability Report 2022.

The annual financial statements and the combined management report of HeidelbergCement AG and the Group for the 2022 financial year will be published in the Federal Gazette.

Due to rounding, numbers presented in the annual financial statements may not add up precisely to the totals provided.



	Notes	31 Dec. 2021	31 Dec. 2022
Assets			
€m			
Fixed assets			
Acquired concessions, industrial property rights, similar rights and assets, and licences thereunder		28.5	23.6
Goodwill		1.0	0.9
Prepayments		3.3	6.1
Intangible assets	1	32.8	30.6
Land and buildings		312.1	316.6
Plant and machinery		300.7	300.6
Other operating equipment		35.3	51.8
Prepayments and assets under construction		59.5	66.2
Property, plant and equipment	2	707.7	735.2
Investments in subsidiaries	3	21,081.6	21,090.0
Loans to subsidiaries	4	1,128.5	1,116.4
Investments in other participations	5	207.8	211.7
Loans to other participations		1.3	0.0
Other loans		0.0	0.0
Financial assets		22,419.1	22,418.1
Current assets		23,159.6	23,183.9
Raw materials and consumables		35.9	41.0
Work in progress		25.5	36.2
Finished goods and goods for resale		16.1	18.3
Prepayments		0.1	0.1
Emission rights		94.6	62.6
Inventories	6	172.1	158.3
Trade receivables		8.7	10.1
Receivables from subsidiaries		2,468.3	2,053.5
Receivables from other participations		2.1	3.6
Other assets		76.1	112.1
Receivables and other assets	7	2,555.2	2,179.4
Cash at bank and in hand		1,526.8	243.9
Prepaid expenses	8	4,254.1	2,581.5
Balance sheet total		27,455.6	25,783.5



Equity and liabilities

€m	Notes	31 Dec. 2021	31 Dec. 2022
Equity			
Subscribed share capital	9	595.2	579.3
Treasury shares	9	-16.0	-20.7
Share premium	10	6,143.9	6,159.9
Other revenue reserves	11	4,566.3	4,024.6
Balance sheet profit	12	495.5	494.3
		11,785.0	11,237.5
Provisions			
Provisions for pensions	13	344.3	394.2
Tax provisions	14	288.1	323.2
Other provisions	15	222.3	220.7
		854.6	938.1
Liabilities			
Bonds payable	16	1,750.0	1,750.0
Bank loans		682.6	279.5
Trade payables		103.9	132.1
Liabilities to subsidiaries		12,199.6	11,386.3
Liabilities to other participations		1.1	1.2
Other liabilities		58.4	58.8
		14,795.5	13,608.0
Deferred income			
		0.4	0.1
Balance sheet total		27,455.6	25,783.5

**Income Statement**

€m	Notes	2021	2022
Revenue	17	936.9	1,024.5
Change in finished goods and work in progress		7.6	13.0
Own work capitalised		2.1	1.2
Operating revenue		946.6	1,038.8
Other operating income	18	18.5	30.7
Material costs	19	-387.3	-440.8
Personnel costs	20	-276.7	-287.1
Amortisation and depreciation of intangible assets and property, plant and equipment		-49.7	-48.7
Other operating expenses	21	-238.6	-250.4
Operating result		12.8	42.5
Income from profit transfer agreements	22	607.1	13.5
Income from investments	23	50.1	129.7
Income from long-term loans	24	31.6	37.9
Other interest and similar income	24	97.6	347.7
Income from currency translation	25	698.4	1,645.7
Write-ups on financial assets		4.1	0.0
Impairment on financial assets	26	-144.1	0.0
Interest and similar expenses	24	-206.1	-252.4
Expenses from currency translation	25	-722.8	-1,613.6
Taxes on income	27	-36.0	-92.9
Profit after tax		392.8	258.1
Other taxes		-1.1	-1.1
Profit for the financial year		391.7	257.0
Profit brought forward		3.8	37.3
Withdrawals from other revenue reserves		100.0	216.0
Income from reduction of capital		0.0	16.0
Increase of share premium		0.0	-16.0
Expense from cancellation of treasury shares		0.0	-16.0
Balance sheet profit		495.5	494.3



Statement of changes in fixed assets/Notes for the 2022 financial year

€m	Acquisition and production cost				Accumulated depreciation and impairment				Carrying amount			
	1 Jan. 2022	Additions	Disposals	Transfer	31 Dec. 2022	1 Jan. 2022	Additions	Disposals	Transfer	31 Dec. 2022	31 Dec. 2021	
Intangible assets												
	Acquired concessions, industrial property rights, similar rights and assets, and licences thereunder											
	121.6	3.2	10.6	3.1	117.3	93.1	11.1	10.6	0.0	93.6	23.6	28.5
	70.3	0.0	0.0	0.0	70.3	69.2	0.1	0.0	0.0	69.3	0.9	1.0
	3.3	5.8	0.0	-3.1	6.0	0.0	0.0	0.0	0.0	0.0	6.1	3.3
	195.2	9.0	10.6	0.0	193.6	162.3	11.2	10.6	0.0	162.9	30.6	32.8
Property, plant and equipment												
	812.6	4.7	2.8	12.6	827.1	500.5	12.9	3.1 ¹⁾	0.3	510.6	316.6	312.1
	883.0	5.9	6.9	9.8	891.8	582.3	15.8	6.6	-0.3	591.2	300.6	300.7
	128.7	16.5	18.7	8.8	135.3	93.4	8.8	18.6	0.0	83.6	51.8	35.3
	59.5	38.0	0.0	-31.3	66.2	0.0	0.0	0.0	0.0	0.0	66.2	59.5
	1,883.8	65.1	28.4	0.0	1,920.4	1,176.1	37.5	28.3	0.0	1,185.4	735.2	707.7
Financial assets												
	21,083.1	8.4	0.0	0.0	21,091.5	1.5	0.0	0.0	0.0	1.5	21,090.0	21,081.6
	1,132.4	21.5	33.5	0.0	1,120.4	4.0	0.0	0.0	0.0	4.0	1,116.4	1,128.5
	350.9	3.9	0.0	0.0	354.8	143.1	0.0	0.0	0.0	143.1	211.7	207.8
	1.3	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3
	3.4	0.0	0.0	0.0	3.4	3.4	0.0	0.0	0.0	3.4	0.0	0.0
	22,571.1	33.8	34.8	0.0	22,570.1	152.0	0.0	0.0	0.0	152.0	22,418.1	22,419.1
	24,650.1	107.9	73.8	0.0	24,684.1	1,490.4	48.7	38.9	0.0	1,500.3	23,183.9	23,159.6

¹⁾ Write-up €m 1.3

Notes for the 2022 financial year

General information

HeidelbergCement AG has its registered office in Heidelberg, Germany. The company is listed in the register of the Mannheim Local Court (Amtsgericht) under HRB number 330082. HeidelbergCement AG is a large corporation within the meaning of section 267 of the German Commercial Code (Handelsgesetzbuch, HGB).

The 2022 financial statements of HeidelbergCement AG are presented in compliance with the HGB, the German Stock Corporation Act (Aktiengesetz, AktG), and the Articles of Association.

In the interest of better clarity and transparency, the remarks to be made in accordance with the statutory provisions for the items of the balance sheet and income statement on their face as well as the remarks to be made either in the balance sheet or income statement or in the Notes are listed in the Notes. The income statement classifies expenses according to their nature. The financial year is the calendar year.

For improved presentation, the figures are shown in millions of euros.

The balance sheet structure defined by the HGB has been extended on the assets side under inventories to

include the item "5. Emission rights". The "income from currency translation", "write-ups on financial assets", and "expenses from currency translation" are shown as separate items in the income statement. The structure of the income statement is extended to include the voluntary subtotals "operating revenue" and "operating result" for improved clarity. In addition, the sub-items of material costs and personnel costs are summarised in the income statement and shown separately in the Notes. The structure of the income statement has been expanded to include the item "Income from profit transfer agreements" pursuant to Section 277(3)(2) of the HGB.

The accounting and valuation methods used in the preparation of the annual financial statements remained unchanged in comparison with the previous year.

The financial statements are prepared on the assumption that the company will continue to operate for the foreseeable future. Therefore, the going concern assumption was used for the valuation.

Accounting and valuation methods

Acquired **intangible assets** are capitalised at cost and amortised on a straight-line basis over the expected useful life of five to ten years. Where impairment is expected to be permanent, extraordinary write-downs are made.

The option to capitalise development costs is not used for internally generated intangible assets. Expenses incurred in this respect are recognised in profit or loss in the year in which they are incurred.

The **goodwill** recognised as a result of accretions and mergers is mainly due to the acquisition of customer bases, which are amortised over the average customer retention period of between 10 and 15 years.

Prepayments are accounted for at their nominal amount.

Property, plant and equipment are valued at acquisition or production cost less amortisation and depreciation and any extraordinary write-downs. Production cost includes direct cost of materials, direct labour, and an appropriate portion of necessary materials and production overheads including production-related depreciation.

Depreciation is applied on the basis of the following useful lives:

Useful lives

	Years
Buildings	10 to 30
Plant and machinery	25
Other operating and office equipment	5 to 15
IT hardware	5

Since 1 January 2008, additions have been depreciated on a straight-line basis. Wherever possible, the declining balance depreciation method is used for assets purchased prior to 1 January 2008. The transition to straight-line depreciation takes place in the year in which the straight-line method leads to higher annual depreciation for the first time. The amortisation of exploitation rights is measured according to the reduction in substance.

Annual financial statements

HeidelbergCement AG 2022 10

Low-value assets with an acquisition cost of less than €800.00 are written off in the year of addition.

Prepayments are reported at their nominal amount. Assets under construction are recognised at acquisition or production cost.

Of the **financial assets**, investments in subsidiaries and investments in other participations are recognised at cost. Impairment that is expected to be permanent is provided for by extraordinary write-downs. Loans are valued at their nominal amount less valuation allowances. Impairment losses are reversed up to a maximum of the acquisition cost if the reasons for impairment no longer apply.

The Statement of changes in fixed assets is shown on page 8.

Inventories are stated at the lower of cost or market. Raw materials and consumables were generally measured using the periodic LIFO method. This approach did not lead to any major differences compared with the last known market price. Spare parts are valued using the weighted average cost method.

Finished goods and work in progress are valued at cost on the basis of individual product costing derived from the current cost accounting. In addition to the direct cost of materials, direct labour, and other special direct costs, the cost includes an adequate share of production and material overheads, depreciation, and general administration costs. Borrowing costs are not included in the cost. Goods purchased for resale are recognised at the lower of cost or market.

Prepayments are accounted for at their nominal amount.

Adequate allowances provide for all identifiable inventory valuation risks resulting from slow-moving goods, reduced usability, and lower replacement costs.

Emission rights are shown as inventories. Emission rights granted free of charge are initially measured at a nominal value of zero. Emission rights acquired for consideration are accounted for at cost using the moving average method and are subject to write-down in the event of impairment. Provisions for the obligation to return emission rights are recognised if the actual CO₂ emissions up to the reporting date are not covered by emission rights granted free of charge. The amount of provision for emission rights already acquired for consideration is measured at the carrying amount and, for emission rights yet to be acquired in order to fulfil the obligation, at the market value as at the reporting date.

Receivables and other assets are accounted for at their nominal value. Valuation allowances provide for identifiable individual risks. A general loss allowance of 6% of all receivables is recognised for general credit risks.

Cash at bank and in hand is reported at nominal amount.

Expenses prior to the reporting date are shown as **pre-paid expenses** if they represent expenses for a certain time after this date.

Provisions for pensions are determined using actuarial principles based on biometric assumptions (Heubeck 2018 G mortality tables) according to the projected unit credit method. Future expected salary and pension increases are taken into account when calculating the obligations. The standard retirement age in the statutory pension insurance is used. For the calculation, an average market interest rate of the past ten years is used, which is forecast on the reporting date and applies to an assumed remaining term of 15 years. The additional amount due to the new German Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz, BilMoG) regulations for the measurement of provisions for pensions will be distributed at a rate of at least 1/15 in each financial year until 31 December 2024 pursuant to the transitional provisions of the BilMoG.

The impact of the discounting and the change to the discount rate recognised in profit or loss is shown in the financial result. When calculating the expense from discounting, it is presumed that changes to discount rate, defined benefit obligation, and remaining term occur at the end of the financial year.

There is a group contractual trust agreement (CTA) to protect pension entitlements from insolvency. They are measured at fair value. These plan assets are offset against the underlying defined benefit obligations.

Securities-linked pension commitments with a capital maintenance or minimum interest guarantee are recognised at the fair value of the assets as soon as this exceeds the guaranteed minimum amount in the individual case.

The **tax provisions** are reported at the necessary settlement amount according to reasonable commercial assessment.

Other provisions are reported at the necessary settlement amount which, according to reasonable commercial assessment, is necessary to cover all impending losses and contingent liabilities as at the reporting date. Their valuation takes into consideration future price and cost increases. Provisions with a remaining term of more than one year are discounted using the average market interest rate of the last seven years, which is calculated by the German Central Bank and appropriate to the term.

The impact of the discounting and the change to the discount rate recognised in profit or loss is shown in the financial result. When calculating the expense from discounting, it is presumed that changes to discount rate, defined benefit obligation, and remaining term occur at the end of the financial year.

Liabilities are recognised at the settlement amount.

Deferred income contains proceeds prior to the reporting date if they represent income for a certain time after this date.

Transactions in **foreign currency** are recognised at the average spot exchange rate effective at the time they occur. Financial assets, receivables, and liabilities, as well as contingent liabilities in foreign currency, are valued for currency translation purposes at the average spot exchange rate effective as at the reporting date – unless included in valuation units. The realisation and impairment principle is applied where the remaining term exceeds one year.

Derivative financial instruments are used to cover Group-wide currency, interest rate, and price risks as part of the central financial management function. In the event of a direct hedging relationship between derivative financial instruments and the hedged item, valuation units are formed and accounted for using the net hedge presentation method. If no adequate hedging relationship exists, anticipated losses are recognised in profit or loss.

Deferred taxes are determined for timing differences between the statutory and tax valuation of assets, liabilities, and prepaid expenses. Where applicable, tax losses carried forward are also taken into account. The calculation of deferred taxes is based on the combined income tax rate, which is 29.71% (previous year: 29.70%) for HeidelbergCement AG in the reporting year. This rate is composed of corporation tax, solidarity surcharge, and trade tax.

Deferred tax liabilities are predominantly due to different valuations of fixed assets. Deferred tax assets arise from higher obligations for defined benefit obligations and provisions for partial retirement and anniversary benefits in the financial statements prepared under the HGB. In addition, deferred tax assets result from non-tax-deductible provisions for anticipated losses and from higher valuations of inventories in the tax accounts. A total resulting tax burden is recognised on the balance sheet as a deferred tax liability. In the event of an overall tax reduction, the excess deferred tax assets are not recognised on the balance sheet pursuant to the option under section 274(1)(2) of the HGB.

Notes to the balance sheet

1 Intangible assets

Additions to intangible assets mainly relate to software acquired for consideration. Depreciation and amortisation amounted to €11.2 million (previous year: 13.4).

2 Property, plant and equipment

Additions to property, plant and equipment include investments in production sites and administrative activities. Depreciation of property, plant and equipment amounted to €37.5 million (previous year: 36.3). Write-ups on property, plant and equipment amounted to €1.3 million (previous year: 0.0) and were reported as disposals in the Statement of changes in fixed assets on page 8 under depreciation and impairment.

Annual financial statements

HeidelbergCement AG 2022 12

3 Investments in subsidiaries

In the 2022 financial year, a cash contribution of €8.4 million was made to Heidelberg Sand und Kies GmbH, Heidelberg.

4 Loans to subsidiaries

Of the loans, in the reporting year, €10.9 million were granted to Suez Cement Company S.A.E., Egypt. The disposals mainly comprise repayment of the loan from Zuari Cement Ltd., India, in amount of €29.7 million.

5 Investments in other participations

The main investments in other participations are held in Akçansa Çimento Sanayi ve Ticaret A.Ş., Turkey; Südbayerisches Portland-Zementwerk Gebr. Wiesböck & Co. GmbH, Rohrdorf, Germany; and Kronimus AG, Iffezheim, Germany.

6 Inventories

Work in progress and finished goods and goods for resale predominantly comprise clinker and cement stocks.

7 Receivables and other assets

Receivables from subsidiaries mainly concern current financial receivables of €1,950.0 million (previous year: 2,293.5) and trade receivables of €103.5 million (previous year: 174.8). Receivables from other participations consist of financial receivables of €1.0 million (previous year: 0.3) and trade receivables of €2.6 million (previous year: 1.8).

As in the previous year, trade receivables, receivables from subsidiaries, and receivables from other participations have a remaining term of less than one year.

Other assets essentially include interest receivables, a reserve account for the non-payment of pre-financed receivables, and receivables from tax refund claims; of these, €20.5 million was legally incurred after the reporting date. Other assets with a term of more than one year amount to €0.1 million (previous year: 0.1).

8 Prepaid expenses

The prepaid expenses item mainly contains expenses from the drawing of credit lines and debts, which are amortised through profit or loss over the term. The balance as at the year end totalled €18.1 million (previous year: 21.8), of which €11.1 million (previous year: 14.9) relates to debt discounts.

9 Subscribed share capital and shares

Subscribed share capital and shares

€'000s	Subscribed share capital	Number of shares
1 January 2022	595,249	198,416,477
Cancellation of treasury shares	-15,974	-5,324,577
31 December 2022	579,275	193,091,900

As at the reporting date of 31 December 2022, the subscribed share capital amounts to €579,275,700. It is divided into 193,091,900 shares; the shares are no-par value bearer shares. The pro rata amount of each share is €3.00, which corresponds to a proportionate amount of the subscribed share capital.

Authorised capital

The annual general meeting held on 4 June 2020 authorised the Managing Board, with the consent of the Supervisory Board, to increase the company's subscribed share capital by a total amount of up to €178,500,000 by issuing new no-par value bearer shares in return for cash contributions and/or contributions in kind on one or more occasions in partial amounts until 3 June 2025 (Authorised Capital 2020). The shareholders must be granted subscription rights. However, the Managing Board is authorised by the Articles of Association, in certain cases described in more detail in the authorisation, to exclude the subscription rights of shareholders – i.e. in the event of a capital increase for cash in order to realise residual amounts, to service option or conversion rights, or to issue shares totalling up to 10% of the share capital at a near-market price; or in the event of a capital increase in return for contributions in kind, for the purpose of acquiring companies or within the scope of implementing a dividend in kind/dividend option. As at 31 December 2022, the authorisation to issue new shares in return for cash contributions and/or contributions in kind forming the basis of the Authorised Capital 2020 had not been used.

Conditional share capital

In addition, the conditional share capital described in the following existed as at 31 December 2022. The annual general meeting of 9 May 2018 decided to conditionally increase the subscribed share capital by a fur-

ther amount of up to €118,800,000, divided into up to 39,600,000 new no-par value bearer shares (Conditional Share Capital 2018). The conditional capital increase serves to back the issuance of option or conversion rights, or option or conversion obligations on HeidelbergCement AG shares. The conditional capital increase is only carried out insofar as the Managing Board issues warrant or convertible bonds under the authorisation until 8 May 2023 and the bearers of option or conversion rights make use of their rights. Warrant or convertible bonds may also be issued with option or conversion obligations. The shareholders generally have a subscription right to newly issued warrant or convertible bonds. The authorisation governs specific cases in which the Managing Board may exclude the subscription right of shareholders to warrant or convertible bonds. As at 31 December 2022, the authorisation to issue warrant or convertible bonds forming the basis of the Conditional Share Capital 2018 had not been used.

A corresponding volume limit as well as the deduction clauses ensure that the sum of all exclusions of subscription rights in the Authorised Capital 2020 and the Conditional Share Capital 2018 will not exceed a limit of 10% of the share capital existing at the time the authorisation to exclude the subscription right comes into force.

Authorisation to acquire treasury shares

Furthermore, the authorisation to acquire treasury shares described below existed as at 31 December 2022. On 6 May 2021, the annual general meeting authorised the company to acquire treasury shares up to 5 May 2026 once or several times, in whole or partial amounts, up to a total of 10% of the share capital at the time of the annual general meeting's resolution for any permissible purpose within the scope of the legal restrictions. The authorisation may not be used for the

purpose of trading in treasury shares. At no time may more than 10% of the respective share capital be attributable to the acquired treasury shares combined with other shares which the company has already acquired and still possesses. The shares may be acquired via the stock exchange or by way of a public purchase offer or by means of a public call for the submission of offers to sell or by issuing rights to the shareholders to sell shares. The treasury shares acquired on the basis of the authorisation will be used by selling them via the stock exchange or in another suitable manner while ensuring the equal treatment of the shareholders, or for any other purposes permitted by law. The Managing Board is authorised to cancel the acquired treasury shares without further resolution of the annual general meeting. The cancellation may also be effected without a capital decrease by adjusting the proportional amount of the remaining no-par value shares in the company's subscribed share capital. In both cases, the Managing Board is authorised to adjust the number of no-par value shares in the Articles of Association. Shareholders' subscription rights can be excluded in certain cases.

On 28 July 2021, the company announced that it would make use of this authorisation to launch a share buy-back programme in August 2021 with a total volume of up to €1 billion (excluding incidental acquisition costs) and a maturity date of 30 September 2023. The share buyback will be carried out in various tranches via the stock exchange. The aim of the share buyback programme is to strengthen shareholder return. The company started the share buyback on 10 August 2021 with a first tranche in a planned volume of €300 to €350 million. A total of 5,324,577 shares were acquired by the completion of the first tranche on 2 December 2021. This corresponds to a nominal amount of €15,973,731 or 2.68% of the company's subscribed share capital.

The average purchase price per share paid on the stock exchange was €65.68. The total price (excluding incidental acquisition costs) of the repurchased shares amounted to around €349.7 million. The share buyback was effected in the above-mentioned period on 83 trading days by a bank commissioned by the company exclusively via the Xetra trading of the Frankfurt Stock Exchange.

On 13 January 2022, the Managing Board resolved to cancel all 5,324,577 treasury shares purchased under the first tranche of the share buyback programme in the period from 10 August to 2 December 2021, with a reduction of €15,973,731 in the subscribed share capital. This corresponds to 2.68% of the company's subscribed share capital before cancellation and capital reduction. In doing so, the Managing Board has made use of the authorisation of the annual general meeting of 6 May 2021 to cancel acquired treasury shares without further resolution of the annual general meeting. Following the cancellation of the shares and the capital reduction, the subscribed share capital of HeidelbergCement AG amounts to €579,275,700 and is divided into 193,091,900 no-par value shares, each representing a notional amount of €3.00 of the subscribed share capital.

In addition, the company announced on 13 January 2022 that it would continue its share buyback programme earlier than originally planned. The second tranche with a planned volume of €300 to €350 million started on 7 March 2022 and was completed on 13 July 2022. A total of 6,906,281 shares were acquired. This corresponds to a nominal amount of €20,718,843 or 3.58% of the company's subscribed share capital. The average purchase price per share paid on the stock exchange was €50.16. The total price (excluding incidental acquisition costs) of the repurchased shares

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amounted to around €346.4 million. The share buyback was effected in the above-mentioned period on 83 trading days by an independent investment firm commissioned by the company exclusively via the Xetra trading of the Frankfurt Stock Exchange.

The number of treasury shares as at 31 December 2022 is shown in the following overview:

Treasury shares	In €	Number of shares
01.01.2022		5,324,577
Cancellation of treasury shares		-5,324,577
Share buyback 2 nd tranche		6,906,281
31.12.2022		6,906,281

As at 31 December 2022, the company holds 6,906,281 treasury shares, corresponding to a nominal amount of €20,718,843 or 3.58% of the company's subscribed share capital.

10 Share premium

The share premium consists mainly of premiums received for capital increases. In the 2022 financial year, €15,973,731 was allocated to the share premium pursuant to section 237(5) of the AktG. This amount corresponds to the subscribed share capital allocated to the cancelled shares.

Share premium

€m	2021	2022
1 January	6,143.9	6,143.9
Cancellation of treasury shares	0.0	16.0
31 December	6,143.9	6,159.9

11 Other revenue reserves

Other revenue reserves

€m	2021	2022
1 January	5,000.0	4,566.3
Withdrawals	-100.0	-216.0
Share buyback	-333.7	-325.7
31 December	4,566.3	4,024.6

As in the previous year, the other revenue reserves include the reserves for the Ehrhart Schott-Kurt Schmaltz Foundation in the amount of €0.5 million as well as for environmentally friendly structural preservation in the amount of €150.5 million.

An amount of €200 million (previous year: 100) was withdrawn from the other revenue reserves and added to the balance sheet profit. Furthermore, the cancellation of the treasury shares and capital reduction reduced the item by €15,973,731, which corresponds to the subscribed share capital allocated to the cancelled shares.

12 Balance sheet profit

Pursuant to the resolution of the annual general meeting of 12 May 2022, a dividend of €458,294,623.20 was paid to the shareholders entitled to dividends from the balance sheet profit of €495,521,123.44 carried forward from the previous year as at 1 January 2022, resulting in a profit carried forward of €37,226,500.24.

Information on amounts excluded from payout

The measurement at fair value of the plan assets to be offset against defined benefit obligations gave rise to a difference between cost and fair value as an amount not available for payout of €4.2 million less deferred tax liabilities thereon of €1.2 million.

The provisions for defined benefit obligations (before deduction of corresponding plan assets) were calculated on the basis of the corresponding average market interest rate from the past ten financial years. Averaging on the basis of seven financial years would have resulted in an increase in obligations of €25.7 million.

These amounts excluded from payout are offset by freely available revenue reserves of €4,024.6 million. A payout block concerning the balance sheet profit of €494.3 million therefore does not exist.

13 Provisions for pensions

Provisions for pensions are calculated on the basis of biometric accounting principles pursuant to the 2018 G mortality tables from Professor Dr Klaus Heubeck. A salary trend assumption of 2.8% p.a. (previous year: 2.6% p.a.) and a pension increase rate of 2.25% p.a. (previous year: 1.75% p.a.) were applied.

The discount rate as at 31 December 2022 was 1.79% p.a. (previous year: 1.87% p.a.). This is the average market interest rate of the past ten years, which is forecast on the reporting date and applies to an assumed remaining term of 15 years.

The additional amount totalling €58.3 million due to the new BilMoG regulations for the measurement of provisions for pensions will be distributed at a rate of at least 1/15 in each financial year until 31 December 2024 pursuant to the transitional provisions of the BilMoG. The proportionately added amount in the reporting year is €3.9 million. A deficit of €7.8 million therefore still exists at the reporting date of 31 December 2022.

The plan assets from the group contractual trust arrangement (CTA) to be offset against the gross provisions for pensions of €467.1 million (previous year: 432.2) show a fair value of €73.2 million (previous year: 88.0) and costs of €75.6 million (previous year: 74.1) as at 31 December 2022.

The pension provision for securities-linked commitments with a capital maintenance or minimum interest rate guarantee is calculated from the defined benefit obligations in the amount of €18.8 million after deduction of the fair value of the plan assets of €18.4 million. Since in individual cases the settlement amount from

the minimum guarantee exceeds the fair value of the plan assets, there is an overall liability.

14 Tax provisions

The tax provisions contain provisions for income taxes for the current year and for previous years that were created for corporation tax, solidarity surcharge, and trade tax, as well as interest for additional tax payments.

15 Other provisions

Other provisions include amounts for obligations to employees amounting to €84.9 million (previous year: 93.4), CO₂ emissions amounting to €0.0 million (previous year: 52.4), recultivation obligations amounting to €29.1 million (previous year: 32.2), impending losses from derivative financial instruments amounting to €82.4 million (previous year: 15.3), and other risks and contingent liabilities amounting to €24.2 million (previous year: 29.1).

16 Liabilities

Maturities of liabilities 31 December

€m	within 1 year		1 to 5 years		more than 5 years	
	2021	2022	2021	2022	2021	2022
Bonds payable	0.0	0.0	1,750.0	1,750.0	0.0	0.0
Bank loans	427.3	224.5	232.6	43.0	22.7	12.0
Trade payables	103.9	132.1	0.0	0.0	0.0	0.0
Liabilities to subsidiaries	11,949.6	11,136.3	0.0	0.0	250.0	250.0
Liabilities to other participations	1.1	1.2	0.0	0.0	0.0	0.0
Other liabilities	19.4	30.6	0.1	23.4	38.8	4.8
	12,501.3	11,524.7	1,982.7	1,816.4	311.5	266.8

Of the liabilities to subsidiaries, €11.3 billion relates to intra-Group financial transactions and €0.1 billion to trade payables. The liabilities to other participations primarily include trade payables.

Since 27 September 2007, a €10 billion EMTN programme has been in place for HeidelbergCement AG and HeidelbergCement Finance Luxembourg S.A., Luxembourg. In May 2022, the existing EMTN programme was supplemented with sustainability-oriented debenture bonds, so that sustainability-linked bonds can be

issued in the future. As at 31 December 2022, debenture bonds totalling €5,400 million were drawn under the EMTN programme. Of this amount, €1,750 million was attributable to HeidelbergCement AG and €3,650 million to HeidelbergCement Finance Luxembourg S.A.

The sustainability-linked syndicated credit line of €2 billion, signed on 13 May 2022, had only been drawn upon by HeidelbergCement AG as a guarantee line in the amount of €147.2 million as at 31 December 2022.

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Additional notes on other liabilities

€m	31 Dec. 2021	31 Dec. 2022
Tax liabilities	3.2	3.2
Liabilities relating to social security	3.2	3.3

Notes to the income statement

17 Revenue

€m	2021	2022
Cement	720	773
Services	217	251
Total	937	1,025

Revenue development by market

€m	2021	2022
Domestic	666	716
International	271	309
Total	937	1,025

The revenue of the cement business line is mainly accounted for by the sale of cement, but also includes proceeds from the sale of clinker and special binders, as well as proceeds from production-related fringe benefits.

The revenue of the services business line includes, in particular, proceeds from intra-Group charges for IT, administrative, and other services, as well as intra-

Group licence fees and, to a lesser extent, proceeds from leasing.

The foreign revenue mainly relates to intra-Group services and, at €156.4 million (previous year: 147.8), is attributable to the countries of the European Union and Norway.

18 Other operating income

Other operating income amounts to €30.7 million (previous year: 18.5). The non-period other operating income of €20.9 million (previous year: 6.2) includes, among other things, income from disposals of property, plant and equipment, from service charges, and from the reversal of provisions and accruals posted in the previous year.

19 Material costs

Material costs

€m	2021	2022
Cost of raw materials and consumables	277.4	324.3
Cost of goods for resale	32.3	36.7
Cost of logistics	77.6	79.8
Total	387.3	440.8

The cost of raw materials and consumables includes, among other things, fuel and electricity costs as well as expenses for the use of emission allowances.

20 Employees and personnel costs

Average number of employees

	2021	2022
Based on full-time equivalents		
White-collar employees	1,309	1,353
Blue-collar employees	762	762
Subtotal	2,071	2,115
Apprentices	95	94
Total	2,166	2,209

Personnel costs

€m	2021	2022
Wages, salaries	229.8	220.8
Social security costs	27.1	28.7
Expenses for retirement benefits	19.6	37.2
Expenses for aid and support	0.2	0.4
Total	276.7	287.1

The change in expenditure on wages, salaries, and social security costs is mainly determined by the rise in the number of employees, regular annual increases in wages and salaries, and lower performance-related benefits and restructuring expenses compared with the previous year.

Expenses for retirement benefits primarily include the service costs associated with the valuation of the pension provisions. The increase is mainly due to the recognition of the higher "salary trend assumption" (2022: 2.8% p.a.; 2021: 2.6% p.a.) and "pension increase rate" (2022: 2.25% p.a.; 2021: 1.75% p.a.) valuation parameters.

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21 Other operating expenses

Other operating expenses amount to €250.4 million (previous year: 238.6) and primarily relate to third-party repairs and maintenance of €21.9 million (previous year: 22.4), external IT services of €49.2 million (previous year: 47.7), audit and consulting expenses of €22.1 million (previous year: 13.5), and intra-Group service charges of €76.3 million (previous year: 74.4). Other operating expenses include non-period expenses of €1.8 million (previous year: 6.1). These are mainly attributable to additional charges from previous years. Furthermore, the addition of 1/15 of the transitional balance from the BilMoG adjustment in 2010 to the pension provisions, totalling €3.9 million (previous year: 3.9), is shown in other operating expenses.

22 Income from profit transfer agreements

In the financial year, a profit of €13.5 million (previous year: 607.1) was absorbed from the HeidelbergCement International Holding GmbH, Heidelberg.

23 Income from investments

Income from investments

€m	2021	2022
Income from investments	50.1	129.7
thereof income from subsidiaries	43.2	124.9
thereof income from participations	6.9	4.8

Most of the income from subsidiaries concerns distributions of HeidelbergBeton GmbH, Heidelberg; HCT Holding Malta Limited, Malta; and HeidelbergCement Netherlands Holding B.V., Netherlands. The income from participations relates in particular to distributions from Südbayerisches Portland-Zementwerk Gebr. Wiesböck & Co. GmbH, Rohrdorf, Germany, and Akçansa Çimento Sanayi ve Ticaret A.Ş., Turkey.

24 Interest result

€m	2021	2022
Income from long-term loans	31.6	37.9
thereof income from subsidiaries	31.6	37.9
Other interest and similar income	97.6	347.7
thereof income from subsidiaries	47.7	51.1
Interest and similar expenses	-206.1	-252.4
thereof income from subsidiaries	-27.0	-140.7
Total	-76.9	133.2

The rise in other interest and similar income is due in particular to higher income from interest rate and currency swaps.

Higher interest and similar expenses result especially from the higher interest rate on financial liabilities to subsidiaries. Conversely, there were lower interest expenses from issued bonds and long-term bank loans, which were reduced to a considerable extent by repayments in the previous year or at the start of the reporting year.

The interest expenses from the discounting of pension and other non-current provisions included in interest and similar expenses can be broken down as follows:

Interest result from discounting

€m	2021	2022
Expense/income from plan assets	5.5	-18.2
Expenses on interest component from discounting of pension provisions and other non-current provisions	-9.5	-8.8
Expenses on changes in discounting rate	-27.4	-5.7
Total	-31.4	-32.7

25 Foreign exchange gains and losses

Foreign exchange gains and losses

€m	2021	2022
Foreign exchange gains	698.4	1,645.7
Foreign exchange losses	-722.8	-1,613.6
Total	-24.4	32.1

Foreign exchange gains and losses relate almost exclusively to intra-Group financing measures and liquidity management and are therefore shown in the financial result.

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26 Impairment on financial assets

The valuation allowances for financial assets in the previous year were mainly attributable to the extraordinary impairment of €142.7 million of investment in Akçansa Çimento Sanayi ve Ticaret A.Ş., Turkey.

27 Taxes on income

€2.9 million (previous year: 27.3) of the income tax expense amounting to €92.9 million (previous year: 36.0) is attributable to expenditure from previous years.

Other information

28 Contingent liabilities and other financial obligations

Contingent liabilities and other financial obligations

€m	31 Dec. 2021	31 Dec. 2022
Liabilities from guarantees	692.1	707.3
thereof in favour of subsidiaries	691.6	706.8
Guarantees for capital market loans taken out	4,150.0	3,400.0
thereof in favour of subsidiaries	4,150.0	3,400.0
Other liabilities	219.9	205.5
thereof in favour of subsidiaries	205.7	189.0
Total	5,062.0	4,312.8

Furthermore, letters of comfort were issued to subsidiaries.

On the basis of knowledge gained within the framework of the Group-wide internal control system at the time

this report was prepared, it is expected that the liabilities of the relevant companies underlying the contingent liabilities can be fulfilled and that the contingent liabilities and other financial obligations will therefore not be used.

29 Other financial commitments

The other financial commitments mainly concern expenditure under lease and rental liabilities to third parties, in which the economic ownership is not attributable to HeidelbergCement AG and was therefore not capitalised. Leased or rented property primarily includes real estate and other fixed assets, thereby stabilising the liquidity planning. There is no risk of fluctuation of lease and rental liabilities. As at 31 December 2022, there were no payment obligations to subsidiaries.

The following overview shows the due dates of the financial commitments from lease and rental liabilities as at 31 December 2022:

€m	Maturities of financial commitments from lease and rental liabilities		
	within 1 year	1 to 5 years	more than 5 years
Lease and rental liabilities	3.2	2.0	1.8

30 Derivative financial instruments

The operating activities and financing of an international group are subject to risks arising from changes in exchange rates, interest rates, and raw material prices. The risk areas are continuously monitored by the Group Treasury department and managed within the framework of our internal Group guidelines. To minimise these risks, derivative financial instruments are used as hedging transactions. As parent company of the Group, HeidelbergCement AG concludes these transactions for other Group companies as well.

Currency risks arising in connection with transactions with third parties in foreign currencies (transaction risks) are hedged through the use of derivative financial instruments. Foreign exchange swaps and currency forwards are used. Potential changes in the market interest rate give rise to interest rate risks. These risks are maintained within the parameters set by the Group's Chief Financial Officer and are hedged by the use of financial instruments, primarily interest rate swaps. In individual cases, price risks are hedged through the use of commodity derivatives.

New contracts on derivative financial instruments with third parties are generally taken out in the name of HeidelbergCement AG as the Group-wide in-house bank. These third parties are, without exception, banks. If required, derivatives concluded by HeidelbergCement AG with third parties are transferred internally to subsidiaries.

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The following table provides an overview of the financial instruments that are grouped into one valuation unit as part of a micro hedge. As the conditions of the underlying and hedging instrument match, future fluctuations in value and changes in cash flows are, as a general rule, offset until and beyond the reporting date (volume matching and maturity matching). In the reporting year, three valuation units resulted in an excess loss totalling €3.2 million, which was taken into account in a provision for contingent losses. The prospective effectiveness is determined using the critical terms match method, and the retrospective effectiveness by the change in fair value method. The valuation unit is recognised in the balance sheet using the net hedge presentation method.

The remaining derivative financial instruments essentially act to hedge foreign currency loans and deposits as well as interest rate risks, for which a valuation unit is not explicitly recognised.

Valuation units

Amount of underlying transaction/ secured risk	Underlying transaction / Hedge accounting	Underlying transaction / Hedge accounting	Losses not recognised in €m	Secured risk	Maturity
15 Mio USD	Commodity Derivatives / Derivatives	Commodity Derivatives / Derivatives	1.6	Price	2023
1,426 Mio NOK	Assets / Liabilities / Derivatives	Assets / Liabilities / Derivatives	6.4	Currency	2023
1,000 Mio AUD	Assets / Liabilities / Derivatives	Assets / Liabilities / Derivatives	37.5	Currency	2023
869 Mio USD	Swaps / Derivatives	Swaps / Derivatives	104.9	Currency	2024
853 Mio USD	Swaps / Derivatives	Swaps / Derivatives		Currency	2027
750 Mio EUR	Swaps / Derivatives	Swaps / Derivatives		Interest	2027
1,000 Mio USD	Swaps / Derivatives	Swaps / Derivatives		Currency	2030

A provision for potential losses of €79.2 million was recognised for open positions with a negative fair value. Open positions with a positive fair value amounting to €12.4 million are not recognised as pending transactions.

The remaining derivative financial instruments essentially act to hedge foreign currency loans and deposits as well as interest rate risks, for which a valuation unit is not explicitly recognised.

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Derivative financial instruments

€'000s	Nominal value	Fair value	Valuation method
Currency forwards 3rd party	43,356	-1,679	Discounted cash flow method
Foreign exchange swaps 3rd party	5,980,458	-67,996	Discounted cash flow method
Currency forwards consolidated	37,057	1,703	Discounted cash flow method
Foreign exchange swaps consolidated	117,468	1,168	Discounted cash flow method
Total	6,178,339	-66,804	

31 Related parties disclosures

transactions with companies that are indirectly or directly owned by HeidelbergCement AG with a 100% shareholding and included in the consolidated financial statements of HeidelbergCement AG.

The following significant transactions were carried out with related parties. In accordance with section 285(1) (21)(2) of the HGB, no details are provided concerning

Related parties disclosures

Transaction	Relationship		
	Subsidiaries	Joint Ventures	Associates
Disposal	40.7	16.2	9.7
Acquisition	6.4	0.0	15.2
Procured services	20.3	0.2	0.0
Provided services	49.6	5.0	3.7
Granted funding (including cashpooling)			
- Valuta	428.1	0.4	0.2
- Interest income current year	59.9	0.0	0.0
Received funding (including cashpooling)			
- Valuta	85.8	12.8	0.0
- Interest expenses current year	0.1	0.1	0.0
Granted guarantees			
- Nominal	42.1	0.5	0.0
- Utilisation	22.6	0.5	0.0

32 Supervisory Board and Managing Board remuneration

	2021	2022
Supervisory Board remuneration		
Attendance fees	0.3	0.2
Remuneration for committee work	0.4	0.4
Fixed remuneration	1.1	1.1
	1.8	1.7
Managing Board remuneration		
Non-performance-related remuneration	5.9	6.2
Performance-related remuneration	8.4	7.4
Remuneration with long-term incentive	9.3	8.6
	23.6	22.2
Benefits to former members of the Managing Board and their surviving dependents	7.9	4.5
Pension provision for former members of the Managing Board and their surviving dependents as at 31 December	24.9	31.4

In addition to the remuneration for their activities on the Supervisory Board, employee representatives on the Supervisory Board who are employees of HeidelbergCement AG or one of its subsidiaries received remuneration in accordance with their contracts of employment, the level of which corresponded to an appropriate remuneration for their relevant functions and tasks within the Group.

33 Declaration in accordance with section 161 of the German Stock Corporation Act concerning the German Corporate Governance Code

The declaration of compliance with the German Corporate Governance Code as required by section 161 of the German Stock Corporation Act (Aktiengesetz, AktG) was submitted by the Managing Board and the Supervisory Board of HeidelbergCement AG and made available on the internet (see www.heidelbergmaterials.com, under Company/Corporate Governance/Declaration of compliance pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz)).

34 Group relationships

As the controlling company of the Group, HeidelbergCement AG prepares consolidated financial statements pursuant to section 315e(1) of the HGB, which are published in the Federal Gazette.

35 Auditor's fees

Pursuant to section 285(1)(17) of the HGB, the fees of the independent auditor calculated for the reporting year are not stated here as this information is included in the consolidated financial statements of HeidelbergCement AG. The auditor's services mainly comprise services for the audit of the financial statements and, to a lesser extent, other assurance services. The fee for the other assurance services essentially includes the fee for the audit to obtain limited assurance of the non-financial statement as well as the submission of a letter of comfort in connection with the €10 billion Euro Medium Term Note (EMTN) programme.

36 Notifications of voting rights pursuant to the German Securities Trading Act

On 13 January 2022, HeidelbergCement AG announced, pursuant to section 41(1) of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), that the new total number of voting rights with immediate effect amounts to 193,091,900. The background to this notification is the Managing Board's decision of 13 January 2022 to cancel all 5,324,577 treasury shares purchased under the first tranche of the share buyback programme launched in 2021 from 10 August to 2 December 2021, with a reduction in the subscribed share capital.

Furthermore, HeidelbergCement AG announced, pursuant to Article 40(1)(2) of the WpHG, that its shareholding of treasury shares exceeded the threshold of 3% on 5 July 2022 and amounted to 3.0166% on that day. The background to this notification is the purchase on 7 March 2022 of 5,824,865 treasury shares under the second tranche of the share buyback programme launched in 2021. By the completion of the second tranche on 13 July 2022, a total of 6,906,281 shares were acquired, representing a share of 3.5767%.

In accordance with the German Securities Trading Act, the company was given the following notifications of voting rights prior to the preparation of the annual financial statements:

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Mr Ludwig Merckle informed us in a voluntary group notification due to crossing a threshold on subsidiary level pursuant to sections 33 and 34 of the German Securities Trading Act that his voting rights in HeidelbergCement AG amounted to 27.46% on 24 January 2022. 25.0001% of the voting rights are attributed to Mr Merckle pursuant to section 34 of the German Securities Trading Act and 2.46% pursuant to section 38(1), no. 1 of the German Securities Trading Act (Instruments). These voting rights are attributable to Mr Merckle via the following chain of companies under his control: PH Vermögensverwaltung GmbH, UBH Holding GmbH, Mertec Holding GmbH, UBH Spohn Fila GmbH iGr., UBH Spohn GmbH, and Spohn Cement Beteiligung GmbH. Spohn Cement Beteiligungen GmbH directly holds 25.00% of the voting rights; including the instruments held directly by it within the meaning of section 38(1), no. 1 of the German Securities Trading Act, its share of the voting rights is 27.46%.

Mr Ludwig Merckle informed us in two further voluntary group notification due to crossing a threshold on subsidiary level pursuant to sections 33 and 34 of the German Securities Trading Act that his voting rights in HeidelbergCement AG amounted to 27.67% on 22 September 2022. 25.08% of the voting rights are attributed to Mr Merckle pursuant to section 34 of the German Securities Trading Act and 2.59% pursuant to section 38(1), no. 1 of the German Securities Trading Act (Instruments). In each case, these voting rights are attributable to Mr Merckle via six chains of companies under his control, in each case beginning with PH Vermögensverwaltung GmbH and ending with Spohn Cement Beteiligungen GmbH. Spohn Cement Beteiligungen GmbH directly holds 25.08% of the voting rights; including the instruments held directly by it within the meaning of section 38(1), no. 1 of the German Securities Trading Act, its share of the voting rights is 27.67%.

Artisan Partners Asset Management Inc., Wilmington, Delaware, USA, informed us pursuant to sections 33 and 34 of the WpHG that its voting right in HeidelbergCement AG on 28 September 2021 exceeded the threshold of 5% and amounted to 5.02% on that date. These voting rights are attributed to Artisan Partners Asset Management Inc. pursuant to section 34 of the WpHG via the following companies under its control: Artisan Partners Holding LP, Artisan Investments GP LLC, and Artisan Partners Limited Partnership. Artisan Partners Limited Partnership is attributed 5.02% of the voting rights.

BlackRock, Inc., Wilmington, Delaware, USA, informed us in a voluntary group notification due to crossing a threshold at subsidiary level that its voting right in HeidelbergCement AG on 9 August 2019 amounted to 4.92%. 4.47% of the voting rights were attributed to BlackRock, Inc. pursuant to section 34 of the WpHG. 0.14% of the voting rights were attributed to the company pursuant to section 38(1), no. 1 of the WpHG, and 0.31% of the voting rights pursuant to section 38(1), no. 2 of the WpHG.

The Capital Group Companies, Inc., Los Angeles, USA, informed us pursuant to sections 33 and 34 of the German Securities Trading Act that its voting rights in HeidelbergCement AG on 16 April 2021 exceeded the threshold of 3% and amounted to 3.07% on this date. These voting rights are attributed to The Capital Group Companies, Inc. pursuant to section 34 of the German Securities Trading Act via its subsidiary Capital Research and Management Company.

Black Creek Investment Management, Inc., Toronto, Canada, informed us pursuant to sections 33 and 34 of the German Securities Trading Act that its voting

rights in HeidelbergCement AG amounted to 4.01% on 17 March 2022.

In a further notification, Black Creek Investment Management, Inc., Toronto, Canada, informed us pursuant to sections 33 and 34 of the German Securities Trading Act that its voting rights in HeidelbergCement AG on 6 March 2023 fell below the threshold of 3% and amounted to 2.98% on this date.

Société Générale S.A., Paris, France, informed us pursuant to section 25a(1) of the WpHG that its voting right in our company on 13 August 2015 fell below the threshold of 5% of the voting rights and amounted to 3.84% on that date. Of these voting rights, 3.77% was accounted for by voting rights through (financial/other) instruments according to section 25a of the WpHG, of which 2.77% were held indirectly, and 0.07% was accounted for by voting rights through (financial/other) instruments according to section 25 of the WpHG, of which 0.04% were held indirectly. Voting rights pursuant to sections 21 and 22 of the WpHG accounted for 0%.

The respective shareholder structure can be found on our website www.heidelbergmaterials.com under Investor Relations/Share/Shareholder Structure.



37 Boards

Managing Board

At present, there are nine members on the Managing Board of HeidelbergCement AG; in addition to the Chairman of the Managing Board and the Chief Financial Officer, there are five members of the Managing Board with regional responsibilities, one member responsible for sustainability and one for digitalisation.

The Managing Board organisation is characterised by dual management responsibility: the operating units in the Group areas fall under the line responsibility of individual members of the Managing Board. In addition, they have each cross-area responsibility for one corporate function with great strategic importance for the Group.

Dr Dominik von Achten

Chairman of the Managing Board

Member of the Managing Board since 2007; Chairman of the Managing Board since 2020; appointed until January 2025

Area of responsibility:

Communication & Investor Relations, Strategy & Development / M&A, Human Resources incl. Health & Safety, Internal Audit, Legal, Compliance

External mandates:

- Kunststoffwerk Philippine GmbH & Co. KG²⁾, Lahnstein, and Saarpor Klaus Eckhardt GmbH Neunkirchen Kunststoffe KG²⁾, Neunkirchen (jointly meeting advisory board of Philippine Saarpor group)
- Verlag Lensing-Wolff GmbH & Co. KG ("Lensing Media")²⁾, Dortmund

René Aldach

Chief Financial Officer

Member of the Managing Board since 2021; appointed until August 2024

Area of responsibility:

Corporate Finance, Data Governance, Procurement, Reporting Controlling & Consolidation & Data Hub, Shared Service Center, Tax, Treasury, Insurance & Risk

Group mandates:

- HeidelbergCement Canada Holding Limited²⁾, UK
- HeidelbergCement Holding S.à.r.l.²⁾, Luxembourg
- HeidelbergCement UK Holding Limited²⁾, UK
- HeidelbergCement UK Holding II Limited²⁾, UK
- Italcementi S.p.A.²⁾, Italy (Deputy Chairman)
- PT Indocement Tunggul Prakarsa Tbk.^{2,3)}, Indonesia

Kevin Gluskie

Member of the Managing Board since 2016; appointed until January 2024

Area of responsibility:

Asia-Pacific, Competence Center Readymix

External mandates:

- Alliance Construction Materials Limited²⁾, Hong Kong S.A.R.
- Cement Australia Holdings Pty Ltd²⁾, Australia (Chairman)
- Cement Australia Pty Limited²⁾, Australia (Chairman)
- Cement Australia Partnership²⁾, Australia
- China Century Cement Ltd.²⁾, Bermuda
- Easy Point Industrial Ltd.²⁾, Hong Kong S.A.R.
- Guangzhou Heidelberg Yuexiu Enterprise Management Consulting Company Ltd.²⁾, China
- Jidong Heidelberg (Fufeng) Cement Company Limited²⁾, China
- Jidong Heidelberg (Jingyang) Cement Company Limited²⁾, China
- Squaredal Cement Ltd²⁾, Hong Kong S.A.R.

Hakan Gurdal

Member of the Managing Board since 2016; appointed until January 2024

Area of responsibility:

Africa-Eastern Mediterranean Basin, Heidelberg Materials Trading

External mandates:

- Akçansa Çimento Sanayi ve Ticaret A.Ş.²⁾, Turkey (Deputy Chairman)
- CEMZA (PTY) LTD²⁾, South Africa
- Continental Blue Investment SA²⁾, Switzerland

Group mandates:

- Asment de Temara²⁾, Morocco
- Austral Cimentos Sofala SA²⁾, Mozambique
- Calcim SA²⁾, Benin
- Cimbenin SA²⁾, Benin
- CimBurkina S.A.²⁾, Burkina Faso
- Ciments du Maroc S.A.²⁾, Morocco

Group mandates:

- Asia Cement Public Company Limited²⁾, Thailand
- Butra HeidelbergCement Sdn. Bhd.²⁾, Brunei Darussalam (Chairman)
- Gulbarga Cement Limited²⁾, India
- Hanson Pacific (S) Pte Limited²⁾, Singapore
- HeidelbergCement Asia Pte Ltd²⁾, Singapore (Chairman)
- HeidelbergCement Bangladesh Limited²⁾, Bangladesh (Chairman)
- HeidelbergCement Holding HK Limited²⁾, Hong Kong S.A.R.
- HeidelbergCement India Limited²⁾, India
- HeidelbergCement Myanmar Company Limited²⁾, Myanmar
- Jalapathan Cement Public Company Limited²⁾, Thailand
- PT Indocement Tunggul Prakarsa Tbk.²⁾, Indonesia (Chairman)
- Zuari Cement Limited²⁾, India (Chairman)

Group mandates:

- Ciments du Togo SA²⁾, Togo
- Ghacem Ltd.²⁾, Ghana (Chairman)
- Granuburkina SA²⁾, Burkina Faso (Chairman)
- Hanson Israel Limited²⁾, Israel
- Helwan Cement Company²⁾, Egypt (Chairman)
- La Cimenterie de Lukala S.A.R.L.²⁾, Democratic Republic of the Congo
- La Societe GRANUTOGO SA²⁾, Togo (Chairman)
- Scancem Holding AS²⁾, Norway (Chairman)
- Scancem International DA²⁾, Norway (Chairman)
- Scantogo Mines SA²⁾, Togo (Chairman)
- Suez Cement Company S.A.E.²⁾, Egypt
- Tourah Portland Cement Company²⁾, Egypt
- TPCPLC Tanzania Portland Cement Public Limited Company²⁾, Tanzania (Chairman)
- Vassiliko Cement Works SA²⁾, Cyprus

Ernest Jelito

Member of the Managing Board since 2019; appointed until December 2023

Area of responsibility:

Northern and Eastern Europe-Central Asia, Competence Center Cement

External mandates:

- CaucasusCement Holding B.V.²⁾, Netherlands (Chairman)
- Duna-Dráva Cement Kft.²⁾, Hungary
- Optima Medycyna S.A.²⁾, Poland (Chairman)

Group mandates:

- Ceskomoravský cement, a.s.²⁾, Czechia (Chairman)
- Devnya Cement AD²⁾, Bulgaria (Chairman)
- Górażdże Cement S.A.²⁾, Poland (Chairman)
- Halyps Building Materials S.A.²⁾, Greece (Chairman)
- HeidelbergCement Central Europe East Holding B.V.²⁾, Netherlands (Chairman)
- HeidelbergCement Romania SA²⁾, Romania
- Heidelberg Materials Northern Europe AB²⁾, Sweden (Chairman)
- JSC "Cesla"²⁾, Russia
- Tvornica Cementa Kakanj d.d.²⁾, Bosnia-Herzegovina
- Vulkan Cement AD²⁾, Bulgaria (Chairman)

Dr Nicola Kimm

Chief Sustainability Officer

Member of the Managing Board since 2021; appointed until August 2024

Area of responsibility:

Environmental Social Governance (ESG), Research & Development

External mandates:

- Dune TopCo BV²⁾, Netherlands (until 31 December 2022)
- EQT AB²⁾, Sweden

Dennis Lentz

Chief Digital Officer

Member of the Managing Board since 2021; appointed until August 2024

Area of responsibility:

Digitalisation, Information Technology

External mandates:

- Giatec Scientific Inc.²⁾, Canada
- Project Potter Parent GP, LLC²⁾, Cayman Islands

Group mandates:

- Volt RMC Solutions Canada Ltd.²⁾, Canada

Jon Morrish

Member of the Managing Board since 2016; appointed until January 2024

Area of responsibility:

Western and Southern Europe, International Associations (e.g. GCCA, CEMBUREAU)

Group mandates:

- Castle Cement Limited²⁾, UK
- Cimenteries CBR S.A.²⁾, Belgium
- ENCI Holding N.V.²⁾, Netherlands
- Hanson Pioneer España, S.L.U.²⁾, Spain
- Hanson Quarry Products Europe Limited²⁾, UK
- HeidelbergCement Holding S.à.r.l.²⁾, Luxembourg
- Italcementi S.p.A.²⁾, Italy (Deputy Chairman)

Chris Ward

Member of the Managing Board since 2019; appointed until August 2028

Area of responsibility:

North America, Competence Center Aggregates & Asphalt

External mandates:

- Project Potter Parent GP, LLC²⁾, Cayman Islands

Group mandates:

- Cadman Materials, Inc.²⁾, USA (Chairman)
- Campbell Concrete & Materials LLC²⁾, USA (Chairman)
- Campbell Transportation Services LLC²⁾, USA (Chairman)
- Commercial Aggregates Transportation and Sales LLC²⁾, USA (Chairman)
- Constar LLC²⁾, USA

- Essroc Holdings LLC²⁾, USA

- Fairburn Ready-Mix, Inc.²⁾, USA (Chairman)

- Górażdze Cement S.A.²⁾, Poland

- Greyrock, LLC²⁾, USA

- Gulf Coast Stabilized Materials LLC²⁾, USA (Chairman)

- Hanson Aggregates Midwest, Inc.²⁾, USA (Chairman)

- Hanson Aggregates New York LLC²⁾, USA (Chairman)

- Hanson Aggregates Pennsylvania LLC²⁾, USA (Chairman)

- Hanson Aggregates Southeast LLC²⁾, USA (Chairman)

- Hanson Aggregates WRP, Inc.²⁾, USA (Chairman)

- Hanson Building Materials America LLC²⁾, USA

- Hanson Micronesia Cement, Inc.²⁾, USA (Chairman)

- Hanson Permanente Cement of Guam, Inc.²⁾, USA (Chairman)

- Harrell Aggregate Hauling, Inc.²⁾, USA (Chairman)

- HBMA Holdings LLC²⁾, USA

- HeidelbergCement Canada Holding Limited²⁾, UK

- HeidelbergCement UK Holding II Limited²⁾, UK

- HNA Investments²⁾, USA

- Jack Cewe Construction Ltd.²⁾, Canada (Chairman)

- KH 1, Inc.²⁾, USA

- Lehigh Cement Company LLC²⁾, USA

- Lehigh Hanson Cement South LLC²⁾, USA (Chairman)

- Lehigh Hanson Materials Limited²⁾, Canada (Chairman)

- Lehigh Hanson Materials South LLC²⁾, USA (Chairman)

- Lehigh Hanson Receivables LLC²⁾, USA

- Lehigh Hanson Services LLC²⁾, USA

- Lehigh Hanson, Inc.²⁾, USA

- Lehigh Northwest Cement Company²⁾, USA

- Lehigh Northwest Marine, LLC²⁾, USA (Chairman)

- Lehigh Southwest Cement Company²⁾, USA (Chairman)

- LHI Duomo Holdings LLC²⁾, USA

- Sherman Industries LLC²⁾, USA (Chairman)

- Standard Concrete Products, Inc.²⁾, USA (Chairman)

The above-mentioned indications refer to 31 December 2022 and have the following meaning:

- 1) Membership in legally required supervisory boards of German companies
- 2) Membership in comparable German and foreign supervisory committees of commercial enterprises
- 3) Publicly listed company

Supervisory Board

According to the Articles of Association, the Supervisory Board of HeidelbergCement AG consists of twelve members. Half of the members shall be elected by the Annual General Meeting according to the provisions of the German Stock Corporation Act and half by the employees according to the provisions of the German Codetermination Law. The term of office for the Supervisory Board started with the conclusion of the Annual General Meeting of 9 May 2019 and ends according to schedule with the conclusion of the ordinary Annual General Meeting in 2024.

Fritz-Jürgen Heckmann

Chairman of the Supervisory Board until 12 May 2022

Stuttgart; Lawyer at the law firm Kees Hehl Heckmann and member of supervisory boards
Member from 8 May 2003 until 12 May 2022; Chairman from 1 February 2005 until 12 May 2022; member of the Personnel, Audit, and Mediation Committees

External mandates:

- HERMA Holding GmbH + Co. KG²⁾, Filderstadt (Chairman)
- Neue Pressegesellschaft mbH & Co. KG²⁾, Ulm
- Paul Hartmann AG^{3),3)}, Heidenheim (Chairman)
- Süddeutscher Verlag GmbH²⁾, Munich (Chairman)
- Südwestdeutsche Medien Holding GmbH²⁾, Stuttgart (Chairman)
- Wieland-Werke AG¹⁾, Ulm (Chairman)

Dr Bernd Scheifele

Chairman of the Supervisory Board since 12 May 2022

Heidelberg; former Chairman of the Managing Board of HeidelbergCement AG; Member of various supervisory bodies
Member since 12 May 2022; member of the Personnel, Audit, and Mediation Committees

External mandates:

- PHOENIX Pharma SE¹⁾ (Chairman) and PHOENIX Pharmahandel GmbH & Co KG²⁾ (Chairman), Mannheim (jointly meeting supervisory board and advisory board, respectively)
- Verlagsgruppe Georg von Holtzbrinck GmbH¹⁾, Stuttgart (Chairman)
- Springer Nature AG & Co. KGaA¹⁾, Berlin

Heinz Schmitt

Deputy Chairman

Heidelberg; Controller; member of the Works Council at the headquarters of HeidelbergCement AG
Member since 6 May 2004; Deputy Chairman since 7 May 2009; member of the Personnel, Audit, and Mediation committees

Barbara Breuninger

Frankfurt; Specialist Strategic Management Personnel Recruiting / Development and Coaching, IG Bauen-Agrar-Umwelt, as well as independent Management Trainer and Consultant
Member since 5 April 2018; member of the Audit Committee

Birgit Jochens

Mainz; Industrial Clerk and State Certified Business Economist; member of the Works Council at the Mainz plant of HeidelbergCement AG
Member since 9 May 2019; member of the Personnel Committee

Ludwig Merckle

Ulm; Managing Director of Merckle Service GmbH⁴⁾
Member since 2 June 1999; Chairman of the Personnel and Nomination committees, Deputy Chairman of the Audit Committee and member of the Sustainability and Innovation Committee

External mandates:

- Kässbohrer Geländefahrzeug AG^{3),4)}, Laupheim (Chairman)
- PHOENIX Pharma SE^{3),4)} (Deputy Chairman) and PHOENIX Pharmahandel GmbH & Co KG^{3),4)}, Mannheim (jointly meeting supervisory board and advisory board, respectively)

Tobias Merckle

Leonberg; Managing Director of Seehaus e.V. Member from 23 May 2006 until 12 May 2022

Luka Mucic

Waldorf; Chief Financial Officer of SAP SE (until March 2023) Member since 9 May 2019; Chairman of the Audit Committee and member of the Personnel Committee

Dr Ines Ploss

Heidelberg; Director Group Procurement of HeidelbergCement AG Member since 9 May 2019; member of the Personnel, Sustainability and Innovation, and Mediation Committees

Peter Riedel

Frankfurt; Department Head – building materials industry at the Federal Executive Committee of IG Bauen-Agrar-Umwelt Member since 9 May 2019; member of the Audit Committee and Sustainability and Innovation Committee

External mandates:

– Zusatzversorgungskasse der Steine- und Erden-Industrie und des Betonsteinhandwerks VVaG – Die Bayerische Pensionskasse (ZVK)²⁾, Munich

Werner Schraeder

Ennigerloh; Building Fitter; Chairman of the General Works Council of HeidelbergCement AG, Chairman of the Works Council at the Ennigerloh plant of HeidelbergCement AG and Chairman of the Group Works Council Member since 7 May 2009; member of the Personnel, Audit, and Sustainability and Innovation Committees

External mandates:

– Berufsgenossenschaft Rohstoffe und chemische Industrie²⁾, Heidelberg
– Volksbank eG²⁾, Warendorf

Margret Suckale

Tegernsee; member of supervisory boards Member since 25 August 2017; member of the Personnel, Audit, and Nomination Committees

External mandates:

– Deutsche Telekom AG^{3),2)}, Bonn
– DWS Group GmbH & Co. KGaA^{3),2)}, Frankfurt
– Infineon Technologies AG^{3),2)}, Neubiberg

Dr Sopna Sury

Willich; Chief Operating Officer Hydrogen and member of the Executive Board of RWE Generation SE Member since 12 May 2022; member of the Sustainability and Innovation Committee

Professor Dr Marion Weissenberger-Eibl

Karlsruhe; Head of the Fraunhofer Institute for Systems and Innovation Research ISI in Karlsruhe and holder of the Chair of Innovation and Technology Management (ITM) at the Karlsruhe Institute of Technology (KIT) Member since 3 July 2012; Chairwoman of the Sustainability and Innovation Committee and the Mediation Committee as well as member of the Nomination Committee

External mandates:

– MTU Aero Engines AG^{3),2)}, Munich

The above-mentioned indications refer to 31 December 2022 – or in case of an earlier retirement from the Supervisory Board of HeidelbergCement AG to the date of retirement – and have the following meaning:

- 1) Membership in other legally required supervisory boards of German companies
- 2) Membership in comparable German and foreign supervisory committees of commercial enterprises
- 3) Publicly listed company
- 4) Non-listed companies controlled by Ludwig Merckle



Supervisory Board committees

Personnel Committee

- Ludwig Merckle (Chairman)
- Fritz-Jürgen Heckmann (until 12 May 2022)
- Birgit Jochens
- Luka Mucic
- Dr Ines Ploss
- Dr Bernd Scheifele (since 12 May 2022)
- Heinz Schmitt
- Werner Schraeder
- Margret Suckale

Audit Committee

- Luka Mucic (Chairman)
- Ludwig Merckle (Deputy Chairman)
- Barbara Breuning
- Fritz-Jürgen Heckmann (until 12 May 2022)
- Peter Riedel
- Dr Bernd Scheifele (since 12 May 2022)
- Heinz Schmitt
- Werner Schraeder
- Margret Suckale

Sustainability and Innovation Committee (newly formed on 12 May 2022)

- Professor Dr Marion Weissenberger-Eibl (Chairwoman)
- Ludwig Merckle
- Dr Ines Ploss
- Peter Riedel
- Werner Schraeder
- Dr Sopna Sury

Nomination Committee

- Ludwig Merckle (Chairman)
- Margret Suckale
- Professor Dr Marion Weissenberger-Eibl

Mediation Committee, pursuant to section 27(5) of the German Code-termination Law

- Professor Dr Marion Weissenberger-Eibl (Chairwoman)
- Fritz-Jürgen Heckmann (until 12 May 2022)
- Dr Ines Ploss
- Dr Bernd Scheifele (since 12 May 2022)
- Heinz Schmitt

38 Supplementary statement

On 20 January 2023, HeidelbergCement AG issued the Group's first sustainability-linked bond (ISIN XS2577874782) with an issue volume of €750 million and a term ending in 2032 under the €10 billion EMTN programme. The interest rate on the bond is linked to the development of the specific CO₂ emissions per tonne of cementitious material until 2026 and 2030, which are defined in the Sustainability-linked Financing Framework as key performance indicators (KPIs).

39 List of shareholdings

The list of shareholdings, which forms part of the Notes, is not included here. It is published with the annual financial statements in the Federal Gazette and in the Group's Annual Report 2022.

Proposal for the appropriation of the balance sheet profit

The Managing Board and Supervisory Board propose that €484,082,609.40 of the balance sheet profit disclosed in the annual financial statements of €494,271,192.70 is used to pay a dividend of €2.60 on each of the participating 186,185,619 no-par value shares for the 2022 financial year. The remaining amount of €10,188,583.30 is to be carried forward. As at the reporting date of 31 December 2022, the number of no-par value shares entitled to dividends is calculated from 193,091,900 shares issued less the 6,906,281 treasury shares acquired in the 2022 financial year.

Heidelberg, 22 March 2023

HeidelbergCement AG

The Managing Board

Independent auditor's report

To HeidelbergCement AG, Heidelberg

Report on the audit of the Annual Financial Statements and of the Management Report

Audit Opinions

We have audited the annual financial statements of HeidelbergCement AG, Heidelberg, which comprise the balance sheet as at 31 December 2022, and the statement of profit and loss for the financial year from 1 January to 31 December 2022 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of HeidelbergCement AG, which is combined with the group management report, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in compliance with German Legally Required Accounting Principles and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated

by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

Annual financial statements

HeidelbergCement AG 2022 32

In our view, the matters of most significance in our audit were as follows:

1 Measurement of shares in affiliated companies

2 Obligations arising from tax matters

Our presentation of these key audit matters has been structured in each case as follows:

- a) Matter and issue
- b) Audit approach and findings
- c) Reference to further information

Hereinafter we present the key audit matters:

1 Measurement of shares in affiliated companies

a) In the annual financial statements of the Company shares in affiliated companies amounting to EUR 21,090 million (91.8% of total assets) are reported under the "Financial assets" balance sheet item. Shares in affiliated companies are measured in accordance with German commercial law at the lower of cost and fair value. The fair values are calculated using discounted cash flow models as the present values of the expected future cash flows according to the planning projections prepared by the executive directors. Expectations relating to future market developments and assumptions about the development of macroeconomic factors and the effects of the geopolitical and economic distortions as well as the corporate strategy geared towards carbon neutrality are also taken into account. The discount

rate used is the individually determined cost of capital for the relevant financial investment. On the basis of the values determined and supplementary documentation, no write-downs or reversals of write-downs were required in the financial year. The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future cash flows, and on the respective discount rates and rates of growth used. The valuation is therefore subject to material uncertainties.

Against this background and due to the highly complex nature of the valuation and its material significance for the Company's assets, liabilities and financial performance, this matter was of particular significance in the context of our audit.

b) As part of our audit, we assessed the methodology used for the purposes of the valuation, among other things. In particular, we assessed whether the fair values had been appropriately determined using discounted cash flow models in compliance with the relevant measurement standards. We based our assessment, among other things, on a comparison with general and sector-specific market expectations as well as on the executive directors' detailed explanations regarding the key value drivers underlying the expected cash flows. In addition, we evaluated the assessment of the executive directors regarding the effects of the geopolitical and economic distortions and the corporate strategy geared towards carbon neutrality on the business activities of the affiliated companies and examined how they were taken into account in determining the expected cash flows. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the en-

tity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model.

In our view, taking into consideration the information available, the measurement parameters and underlying assumptions used by the executive directors are appropriate overall for the purpose of appropriately measuring the shares in affiliated companies.

c) The Company's disclosures regarding shares in affiliated companies are contained in section "3 Shares in affiliated companies" of the notes to the financial statements.

2 Obligations arising from tax matters

a) As an international building materials company, HeidelbergCement AG is subject to various local tax regulations due to its extensive portfolio of equity investments and cross-border service relationships with affiliated companies. The recognition and measurement of tax provisions are based to a large extent on estimates and assumptions made by the executive directors. Against this background and due to the amount of this item, these matters were of particular significance in the context of our audit.

b) As part of our audit, we assessed, among other things, the internal processes and controls for recording and assessing tax matters and the presentation of obligations arising from tax matters in the financial statements. In the knowledge that estimated values result in an increased risk of accounting misstatements and that the estimates and assumptions made by the executive directors have a direct and significant impact on net profit/loss for the year, we assessed the appropriateness of the determination of the obligations and the presentation of tax matters in the financial statements. We also involved our internal specialists from the Tax department in the audit team. With regard to the recognition and measurement of obligations, we in particular inspected the Company's correspondence with the respective tax authorities and critically examined the Company's risk assessments of ongoing tax audits and individual tax matters. Furthermore, we also held meetings with the Company's tax department in order to receive updates on current developments with regard to the material tax matters and the reasons for the corresponding estimates. As of the balance sheet date, we also obtained confirmations from external tax advisors that support the executive directors' estimates. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

c) The Company's disclosures relating to tax provisions are contained in section "14 Tax provisions" of the notes to the financial statements as well as in the paragraph on "Tax risks" in the "Risk and opportunity report" section of the management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "corporate governance" of the management report
- the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB included in section "Non-Financial Statement" of the management report

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such

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arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 audit opinions. 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 controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

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- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.
- 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.
- We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file HeidelbergCement_AG_JA_ZLB_ESEF-2022-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW Ass 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 12 May 2022. We were engaged by the supervisory board on 1 July 2022. We have been the auditor of the HeidelbergCement AG, Heidelberg, without interruption since the financial year 2020.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter – use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Thomas Tilgner.

Frankfurt am Main, March 22, 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Thomas Tilgner Dr. Martin Nicklis
Wirtschaftsprüfer Wirtschaftsprüfer
(German Public Auditor) (German Public Auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements of HeidelbergCement AG give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company, and the management report, which has been combined with the Group management report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Heidelberg, 22 March 2023

HeidelbergCement AG

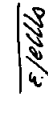
The Managing Board


Dr Dominik von Achten


René Aldach


Kevin Gluskie


Hakan Gurdal


Ernest Jelito


Dr Nicola Kimm

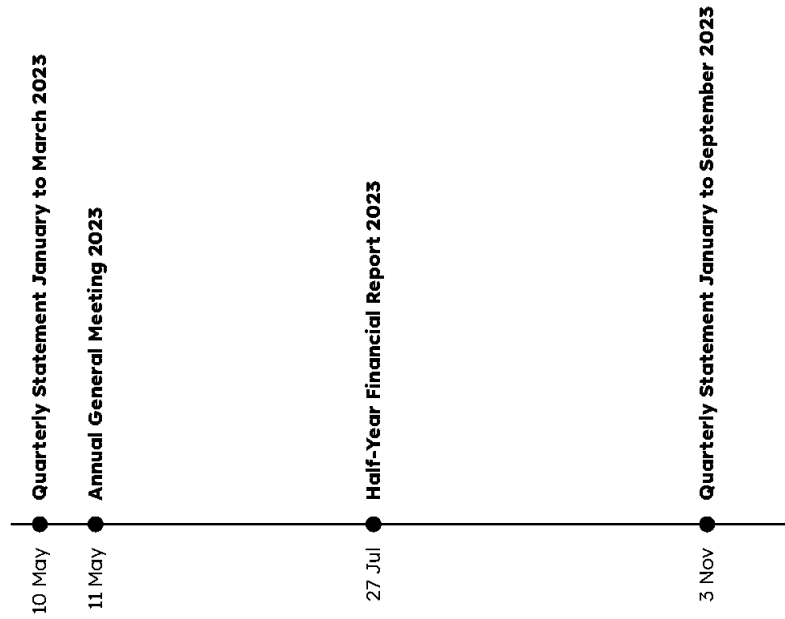

Dennis Lentz


Jon Morrish


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Financial calendar 2023



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The Company has its registered office in Heidelberg, Germany. It is registered with the Commercial Register at the Local Court of Mannheim (Amtsgericht Mannheim) under HRB 330082.

Translation of the report on the annual financial statements 2022. The German version is binding. The report on the annual financial statements 2022 was published on 23 March 2023.