Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - 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:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Ja
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:	Arne-Jørg Selen
Dato for fastsettelse av årsregnskapet:	31.05.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 12.08.2025

Resultatregnskap

Beløp i: USD	Note	2023	2022
RESULTATREGNSKAP			
Kostnader			
Lønnskostnad	2,3	118 000	-225 000
Annen driftskostnad	4,5	1 830 000	3 687 000
Sum kostnader		**1 948 000**	**3 462 000**
Driftsresultat		**-1 948 000**	**-3 462 000**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	6	52 217 000	85 998 000
Renteinntekt fra foretak i samme konsern	7,3	1 620 000	1 394 000
Annen finansinntekt	7	309 000	335 000
Sum finansinntekter		**54 146 000**	**87 727 000**
Annen finanskostnad	7	155 000	325 000
Sum finanskostnader		**155 000**	**325 000**
Netto finans		**53 991 000**	**87 402 000**
Ordinært resultat før skattekostnad		**52 043 000**	**83 940 000**
Skattekostnad på ordinært resultat	8	3 271 000	7 411 000
Ordinært resultat etter skattekostnad		**48 772 000**	**76 529 000**
Årsresultat		**48 772 000**	**76 529 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	9	48 772 000	76 529 000
Sum overføringer og disponeringer		**48 772 000**	**76 529 000**

Balanse

Beløp i: USD	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	6	114 391 000	71 898 000
Investeringer i tilknyttet selskap	10	15 548 000	11 646 000
Sum finansielle anleggsmidler		**129 939 000**	**83 544 000**
Sum anleggsmidler		**129 939 000**	**83 544 000**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	11	7 994 000	7 849 000
Andre fordringer		8 060 000	4 644 000
Sum fordringer		**16 054 000**	**12 493 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	11	3 139 000	96 251 000
Sum bankinnskudd, kontanter og lignende		**3 139 000**	**96 251 000**
Sum omløpsmidler		**19 193 000**	**108 744 000**
SUM EIENDELER		**149 132 000**	**192 288 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Annen innskutt egenkapital	9	40 558 000	40 558 000
Sum innskutt egenkapital		**40 558 000**	**40 558 000**
Opptjent egenkapital			

Balanse

Beløp i: USD	Note	2023	2022
Annen egenkapital	9	105 994 000	148 251 000
Sum opptjent egenkapital		**105 994 000**	**148 251 000**
Sum egenkapital		**146 552 000**	**188 809 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	12	637 000	1 813 000
Andre avsetninger for forpliktelser		600 000	600 000
Sum avsetninger for forpliktelser		**1 237 000**	**2 413 000**
Annen langsiktig gjeld			
Sum langsiktig gjeld		**1 237 000**	**2 413 000**
Kortsiktig gjeld			
Leverandørgjeld	11	946 000	728 000
Skyldige offentlige avgifter		7 000	10 000
Annen kortsiktig gjeld		390 000	328 000
Sum kortsiktig gjeld		**1 343 000**	**1 066 000**
Sum gjeld		**2 580 000**	**3 479 000**
SUM EGENKAPITAL OG GJELD		**149 132 000**	**192 288 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 636516

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Brønnøysundregistrene, 13.08.2024

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 943 513 716
SCANCEM INTERNATIONAL DA

RESULTATREGNSKAP

Beløp i: USD	Note	2023	2022
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Organisasjonsnr: 943 513 716
SCANCEM INTERNATIONAL DA

BALANSE

Beløp i: USD	Note	2023	2022
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Finansielle anleggsmidler			
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SUM EGENKAPITAL OG GJELD		**149 132 000**	**192 288 000**

Organisasjonsnr: 943 513 716
SCANCEM INTERNATIONAL DA

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall årsverk i regnskapsåret
0.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Heidelberg Materials

Report of Heidelberg Materials AG on the

Annual Financial Statements 2023

Annual financial statements 2023

In accordance with section 315 (5) of the German Commercial Code (HGB), the management report of Heidelberg Materials 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 of Heidelberg Materials Group and Heidelberg Materials AG can be found in the Group's Annual and Sustainability Report 2023.

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 2023.

The annual financial statements and the combined management report of Heidelberg Materials AG and the Group for the 2023 financial year will be published in the Company Register.

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

Assets

€m	Notes	31 Dec. 2022	**31 Dec. 2023**
Fixed assets			
Acquired concessions, industrial property rights, similar rights and assets, and licences thereunder		23.6	27.6
Goodwill		0.9	0.7
Prepayments		6.1	5.5
Intangible assets	1	**30.6**	**33.8**
Land and buildings		316.6	324.3
Plant and machinery		300.6	306.5
Other operating equipment		51.8	49.7
Prepayments and assets under construction		66.2	88.9
Property, plant and equipment	2	**735.2**	**769.4**
Investments in subsidiaries	3	21,090.0	22,292.4
Loans to subsidiaries	4	1,116.4	1,388.6
Investments in other participations	5	211.7	359.5
Other loans		0.0	0.0
Financial assets		**22,418.1**	**24,040.5**
		23,183.9	**24,843.7**
Current assets			
Raw materials and consumables		41.0	42.9
Work in progress		36.2	40.6
Finished goods and goods for resale		18.3	24.3
Prepayments		0.1	0.1
Emission rights		62.6	73.9
Inventories	6	**158.3**	**181.9**
Trade receivables		10.1	8.3
Receivables from subsidiaries		2,053.5	646.1
Receivables from other participations		3.6	3.1
Other assets		112.1	71.6
Receivables and other assets	7	**2,179.4**	**729.1**
Cash at bank and in hand		**243.9**	**2,052.5**
		2,581.5	**2,963.4**
Prepaid expenses	8	**18.1**	**27.5**
Balance sheet total		**25,783.5**	**27,834.6**

Equity and liabilities

€m	Notes	31 Dec. 2022	**31 Dec. 2023**
Equity			
Subscribed share capital	9	579.3	558.6
Treasury shares	9	−20.7	−12.4
Share premium	10	6,159.9	6,180.6
Other revenue reserves	11	4,024.6	3,968.6
Balance sheet profit	12	494.3	566.4
		11,237.3	**11,261.8**
Provisions			
Provisions for pensions	13	394.2	400.1
Tax provisions	14	323.2	286.8
Other provisions	15	220.7	176.8
		938.1	**863.7**
Liabilities	16		
Bonds payable		1,750.0	2,500.0
Bank loans		279.5	95.2
Trade payables		132.1	113.7
Liabilities to subsidiaries		11,386.3	12,888.4
Liabilities to other participations		1.2	0.7
Other liabilities		58.8	110.7
		13,608.0	**15,708.7**
Deferred income		**0.1**	**0.4**
Balance sheet total		**25,783.5**	**27,834.6**

Profit and Loss Account

€m	Notes	2022	**2023**
Revenue	17	**1,024.5**	**1,044.0**
Change in finished goods and work in progress		13.0	10.3
Own work capitalised		1.2	2.3
Operating revenue		**1,038.8**	**1,056.7**
Other operating income	18	30.7	16.7
Material costs	19	–440.8	–385.8
Personnel costs	20	–287.1	–305.1
Amortisation and depreciation of intangible assets and poperty, plant, and equipment		–48.7	–47.6
Other operating expenses	21	–250.4	–291.2
Operating result		**42.5**	**43.7**
Income from profit transfer agreements	22	13.5	922.5
Income from investments	23	129.7	11.9
Income from long-term loans	24	37.9	64.9
Other interest and similar income	24	347.7	282.0
Income from currency translation	25	1,645.7	923.8
Write-ups on financial assets	26	0.0	142.7
Impairment on financial assets	26	0.0	–15.1
Interest and similar expenses	24	–252.4	–601.6
Expenses from currency translation	25	–1,613.6	–922.2
Taxes on income	27	–92.9	–45.4
Profit after tax		**258.1**	**807.3**
Other taxes		–1.1	–1.1
Profit for the financial year		**257.0**	**806.2**
Profit brought forward		37.3	10.2
Withdrawals from other revenue reserves		216.0	20.7
Increase of other revenue reserves		0.0	–250.0
Income from reduction of capital		16.0	20.7
Increase of share premium		–16.0	–20.7
Expense from cancellation of treasury shares		–16.0	–20.7
Balance sheet profit		**494.3**	**566.4**

Statement of changes in fixed assets/ Notes for the 2023 financial year

	Acquisition and production cost					Accumulated drepreciation and impairment					Carrying amount	
€m	1 Jan. 2023	Additions	Disposals	Transfer	31 Dec. 2023	1 Jan. 2023	Additions	Disposals	Transfer	31 Dec. 2023	31 Dec. 2023	31 Dec. 2022
Intangible assets												
Acquired concessions, industrial property rights, similar rights and assets, and licences thereunder	117.3	7.6	13.9	7.5	118.5	93.6	10.3	13.0		90.9	27.6	23.6
Goodwill	70.3				70.3	69.3	0.1			69.4	0.7	0.9
Prepayments	6.0	4.9		–5.5	5.5	0.0				0.0	5.5	6.1
	193.6	**12.5**	**13.9**	**2.0**	**194.2**	**162.9**	**10.4**	**13.0**		**160.3**	**33.8**	**30.6**
Property, plant and equipment												
Land and buildings	827.1	9.2	3.8	10.9	843.4	510.6	12.2	3.7		519.1	324.3	316.6
Plant and machinery	891.8	6.6	26.0	15.6	888.0	591.2	16.0	25.7		581.5	306.5	300.6
Other operating equipment	135.3	4.5	3.2	2.3	138.9	83.6	8.9	3.2		89.3	49.7	51.8
Prepayments and assets under construction	66.2	53.4		–30.7	88.9	0.0				0.0	88.9	66.2
	1,920.4	**73.7**	**33.0**	**–2.0**	**1,959.1**	**1,185.4**	**37.1**	**32.6**		**1,189.9**	**769.4**	**735.2**
Financial assets												
Investments in subsidiaries	21,091.5	1,231.0	28.5		22,294.0	1.5				1.5	22,292.4	21,090.0
Loans to subsidiaries	1,120.4	371.1	83.8		1,407.7	4.0	15.1			19.0	1,388.6	1,116.4
Investments in other participations	354.8	5.1			359.9	143.1		142,7 [1]		0.4	359.5	211.7
Other loans	3.4				3.4	3.4				3.4	0.0	0.0
	22,570.1	**1,607.2**	**112.3**	**0.0**	**24,065.0**	**152.0**	**15.1**	**142.7**	**0.0**	**24.3**	**24,040.5**	**22,418.1**
Fixed Assets	**24,684.1**	**1,693.3**	**159.2**	**0.0**	**26,218.3**	**1,500.3**	**62.6**	**188.3**	**0.0**	**1,374.5**	**24,843.7**	**23,183.9**

1) Write-up €m 142.7

Notes for the 2023 financial year

General information

Heidelberg Materials 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. Heidelberg Materials AG is a large corporation within the meaning of section 267 of the German Commercial Code (Handelsgesetzbuch, HGB).

The 2023 financial statements of Heidelberg Materials 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.

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 7.

Inventories are stated at the lower of cost or market.

Raw materials, consumables, as well as spare parts were generally measured using the periodic LIFO method. This approach did not lead to any major differences compared with the last known market price.

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 CO_2 emissions up to the reporting date are not covered by emission rights granted free of charge. The amount of the 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 **prepaid 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 imparity 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 fixed 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 was 29.7% (previous year: 29.7%) for Heidelberg Materials 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.

In Germany, the rules on global minimum taxation (Pillar Two) have been transposed into local law as a minimum tax law. For Heidelberg Materials AG, this will result in initial application for the 2024 financial year.

We carried out an impact analysis in order to estimate the future effects of the new regulations. This analysis is based on the currently available tax returns, the country-by-country report, and the financial statements of the business units to be included. Based on the impact analysis, we assume that we are represented in only a few jurisdictions where the transitional safe harbour regulations do not apply and where the simplified effective tax rate is simultaneously less than 15%.

On the basis of the information available at this point in time and notwithstanding any possible changes to local tax laws in the various jurisdictions, Heidelberg Materials AG anticipates an increase in the current tax expense of a low single-digit million euro amount in the 2024 financial year due to the global minimum tax.

Pursuant to section 274(3) of the German Commercial Code (HGB), Heidelberg Materials AG does not recognise any deferred taxes resulting from differences in connection with global minimum taxation (Pillar Two).

Notes to the balance sheet

1 Intangible assets

Additions to intangible assets mainly relate to software acquired for consideration. Depreciation and amortisation amounted to €10.4 million (previous year: 11.2).

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 €37.1 million (previous year: 37.5). Write-ups on property, plant and equipment amounted to €0 million (previous year: 1.3).

3 Investments in subsidiaries

In the 2023 financial year, a capital reduction of €28.5 million was effected at HCT Holding Malta Limited, Malta, and PT Indocement Tunggal Prakarsa Tbk., Indonesia, was acquired within the Group at an acquisition cost of €1,231.0 million.

4 Loans to subsidiaries

Of the loans, in the reporting year, €200.0 million were granted to Heidelberg Materials France S.A.S., France, €56.3 million to Heidelberg Materials- Suez Cement S.A.E., Egypt, €46.5 million to Hanson Quarry Products (Israel) Ltd, Israel, and €4.3 million to Scantogo Mines SA, Togo. A loan of €63.9 million was obtained for Tanga Cement PLC, Tanzania, as reported under loans to related companies. Of the disposals, €2.0 million were attributable to the repayment of the loan from Cimenterie de Lukala S.A., DR Congo, and €3.3 million to the repayment of the loan from Cimbenin S.A., Benin. €15.1 million of the write-down on loans pertains to Heidelberg Materials- Suez Cement S.A.E., Egypt, as the loan is no longer expected to be fully recoverable.

5 Investments in other participations

The main investments in other participations are held in Akçansa Çimento Sanayi ve Ticaret A.S., Turkey; Süd-bayerisches Portland-Zementwerk Gebr. Wiesböck & Co. GmbH, Rohrdorf, Germany; and Kronimus AG, Iffezheim, Germany. The participation in Akçansa Çimento Sanayi ve Ticaret A.S., Turkey, was written up by €143 million due to the increase in fair value.

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 €541.5 million (previous year: 1,950.0) and trade receivables of €104.5 million (previous year: 103.5). Financial receivables decreased due to the intra-Group acquisition of PT Indocement Tunggal Prakarsa Tbk, Indonesia. Receivables from other participations consist of financial receivables of €0.1 million (previous year: 1.0) and trade receivables of €3.0 million (previous year: 2.6).

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. 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 €27.5 million (previous year: 18.1), of which €17.4 million (previous year: 11.1) relates to debt discounts.

9 Subscribed share capital and shares

Subscribed share capital and shares

€'000s	Subscribed share capital	Number of shares
1 January 2023	579,275	193,091,900
Cancellation of treasury shares	-20,719	-6,906,281
31 December 2023	**558,556**	**186,185,619**

As at the reporting date of 31 December 2023, the subscribed share capital amounts to €558,556,857.00. It is divided into 186,185,619 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 2023, 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 below existed as at 31 December 2023. The Annual General Meeting of 11 May 2023 decided to conditionally increase the subscribed share capital by a further amount of up to €115,800,000, divided into up to 38,600,000 new no-par value bearer shares (Conditional Share Capital 2023). The conditional capital increase serves to back the issuance of option or conversion rights, or option or conversion obligations on Heidelberg Materials AG shares. The conditional capital increase is only carried out insofar as the Managing Board issues warrant or convertible bonds under the authorisation until 10 May 2028 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 2023, the authorisation to issue warrant or convertible bonds forming the basis of the Conditional Share Capital 2023 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 2023 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 2023. On 11 May 2023, the Annual General Meeting authorised the company to acquire treasury shares up to 10 May 2028, 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, or – if this amount is lower – of the share capital at the time this authorisation is exercised, 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 own 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 sell shares to the shareholders. 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 with the consent of the Supervisory Board 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 of 6 May 2021, replaced by the current authorisation, to launch a share buyback 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. Following the cancellation of the shares and the capital reduction, the subscribed share capital of Heidelberg Materials 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.

On 13 January 2022, the company announced 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 by 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 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.

On 27 July 2023, the company announced that it would continue its share buyback programme. With the consent of the Supervisory Board, the Managing Board extended the originally announced term ending 30 September 2023 until 28 November 2023. The total volume of the programme of up to €1 billion remained unchanged. The third tranche with a planned volume of up to €300 million started on 28 July 2023 and was completed on 30 October 2023. A total of 4,117,499 shares were acquired. This corresponds to a nominal amount of €12,352,497 or 2.21% of the company's subscribed share capital. The average purchase price per share paid on the stock exchange was €72.28. The total price (excluding incidental acquisition costs) of the repurchased shares amounted to around €298 million. The share buyback was effected in the above-mentioned period on 60 trading days by an independent investment company commissioned by the company exclusively via the Xetra trading of the Frankfurt Stock Exchange.

On 8 September 2023, the Managing Board resolved to cancel all 6,906,281 treasury shares purchased under the second tranche of the share buyback programme in the period from 7 March to 13 July 2022, with a reduction of €20,718,843 in the subscribed share capital. This corresponds to 3.58% of the company's subscribed share capital before cancellation and capital reduction. The Supervisory Board approved the cancellation on 11 September 2023. Following the cancellation of the shares and the capital reduction, the subscribed share capital of Heidelberg Materials AG amounts to €558,556,857 and is divided into 186,185,619 no-par value shares, each representing a notional amount of €3.00 of the subscribed share capital.

The number of treasury shares as at 31 December 2023 is shown in the following overview:

Treasury shares

	Number of shares
1 January 2023	6,906,281
Cancellation of treasury shares	–6,906,281
Share buyback 3rd tranche	4,117,499
31 December 2023	**4,117,499**

As at 31 December 2023, the company holds 4,117,499 treasury shares, corresponding to a nominal amount of €12,352,497 or 2.21% of the company's subscribed share capital.

10 Share premium

The share premium consists mainly of premiums received for capital increases. In the 2023 financial year, €20,718,843 was allocated to the share premium pursuant to section 237(5) of the German Stock Corporation Act (Aktiengesetz, AktG). This amount corresponds to the subscribed share capital allocated to the cancelled shares.

Share premium

€m	2022	**2023**
1 January	6,143.9	6,159.9
Cancellation of treasury shares	16.0	20.7
31 December	**6,159.9**	**6,180.6**

11 Other revenue reserves

Other revenue reserves

€m	2022	2023
1 January	4,566.3	4,024.6
Withdrawals	–216.0	–20.7
Increase	0.0	250.0
Share buyback	–325.7	–285.2
31 December	**4,024.6**	**3,968.6**

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 €250.0 million was transferred from other revenue reserves from the profit for the financial year. In the previous year, €200.0 million was withdrawn for the distribution of dividends. Furthermore, the cancellation of the treasury shares and capital reduction reduced the item by €20,718,843, 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 11 May 2023, a dividend of €484,082,609.40 was paid to the shareholders entitled to dividends from the balance sheet profit of €494,271,192.70 carried forward from the previous year as at 1 January 2023, resulting in a profit carried forward of €10,188,583.30.

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 €5.4 million less deferred tax liabilities thereon of €1.6 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 €5.2 million.

These amounts excluded from payout are offset by freely available revenue reserves of €3,968.6 million. A payout block concerning the balance sheet profit of € 566.4 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: 2.8% p.a.) and a pension increase rate of 2.4% p.a. (previous year: 2.25% p.a.) were applied.

The discount rate as at 31 December 2023 was 1.83% p.a. (previous year: 1.79% 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 €3.9 million therefore still exists at the reporting date of 31 December 2023.

The plan assets from the Group contractual trust arrangement (CTA) to be offset against the gross provisions for pensions of €483.8 million (previous year: 467.1) show a fair value of €84.0 million (previous year: 73.2) and costs of €78.2 million (previous year: 75.6) as at 31 December 2023.

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 €18.7 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 €103.2 million (previous year: 84.9), recultivation obligations amounting to €28.1 million (previous year: 29.1), impending losses from derivative financial instruments amounting to €6.5 million (previous year: 82.4), and other risks and contingent liabilities amounting to €39.1 million (previous year: 24.2).

16 Liabilities

Maturities of liabilities 31 December

	within 1 year		1 to 5 years		more than 5 years	
€m	2022	**2023**	2022	**2023**	2022	**2023**
Bonds payable	0.0	750.0	1,750.0	1,000.0	0.0	750.0
Bank loans	224.5	51.0	43.0	44.2	12.0	0.0
Trade payables	132.1	113.7	0.0	0.0	0.0	0.0
Liabilities to subsidiaries	11,136.3	12,538.4	0.0	250.0	250.0	100.0
Liabilities to other participations	1.2	0.7	0.0	0.0	0.0	0.0
Other liabilities	30.6	72.0	23.4	0.2	4.8	38.6
	11,524.7	**13,525.8**	**1,816.4**	**1,294.4**	**266.8**	**888.6**

Of the liabilities to subsidiaries, €12.9 billion relates to intra-Group financial transactions. There were no significant trade payables during the financial year (previous year: €0.1 billion). The liabilities to other participations primarily include trade payables.

Since 27 September 2007, a €10 billion EMTN programme has been in place for Heidelberg Materials AG and Heidelberg Materials 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 2023, bonds totalling €6,900 million were drawn under the EMTN programme. Of this amount, €2,500 million was attributable to Heidelberg Materials AG and €4,400 million to Heidelberg Materials Finance Luxembourg S.A.

The sustainability-linked syndicated credit line of €2 billion, signed on 13 May 2022, had only been drawn upon by Heidelberg Materials AG as a guarantee line in the amount of €171.4 million (previous year: 147.2) as at 31 December 2023.

Additional notes on other liabilities

€m	31 Dec. 2022	**31 Dec. 2023**
Tax liabilities	3.2	3.2
Liabilities relating to social security	3.3	3.4

Notes to the income statement

17 Revenue

Revenue development by business line

€m	2022	**2023**
Cement	773	777
Services	251	267
Total	**1,025**	**1,044**

Revenue development by market

€m	2022	**2023**
Domestic	716	727
International	309	317
Total	**1,025**	**1,044**

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 €158.8 million (previous year: 156.4), is attributable to the countries of the European Union and Norway.

18 Other operating income

Other operating income amounts to €16.7 million (previous year: 30.7). The non-period other operating income of €7.8 million (previous year: 20.9) 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	2022	**2023**
Cost of raw materials and consumables	324.3	282.0
Cost of goods for resale	36.7	32.6
Cost of logistics	79.8	71.3
Total	**440.8**	**385.8**

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. The decrease in material costs is largely due to the decrease in volumes.

20 Employees and personnel costs

Average number of employees

	2022	**2023**
Based on full-time equivalents		
White-collar employees	1,353	1,376
Blue-collar employees	762	705
Subtotal	**2,115**	**2,081**
Apprentices	94	94
Total	**2,209**	**2,175**

Personnel costs

€m	2022	**2023**
Wages, salaries	220.8	246.8
Social security costs	28.7	30.0
Expenses for retirement benefits	37.2	27.8
Expenses for aid and support	0.4	0.4
Total	**287.1**	**305.1**

The change in expenditure on wages, salaries, and social security costs is mainly determined by the regular annual increases in wages and salaries and the increase in performance-related benefits.

Expenses for retirement benefits primarily include the service costs associated with the valuation of the pension provisions. The salary trend remained at the previous year's level of 2.8% p.a. The pension increase rate rose to 2.4% p.a. (previous year: 2.25% p.a.). This decrease in expenses is due to the smaller number of people involved.

21 Other operating expenses

Other operating expenses amount to €291.2 million (previous year: 250.4) and primarily relate to third-party repairs and maintenance of €25.0 million (previous year: 21.9), external IT services of €61.7 million (previous year: 49.2), audit and consulting expenses of €20.7 million (previous year: 22.1), and intra-Group service charges of €87.0 million (previous year: 76.3). Other operating expenses include non-period expenses of €5.4 million (previous year: 1.8). 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 €922.5 million (previous year: 13.5) was absorbed from the Heidelberg Materials International Holding GmbH, Heidelberg.

23 Income from investments

Income from investments

€m	2022	**2023**
Income from investments	129.7	11.9
thereof income from subsidiaries	124.9	4.6
thereof income from participations	4.8	7.3

Most of the income from subsidiaries relates primarily to distributions from Heidelberg Materials Grundstücksgesellschaft DE mbH & Co.KG, Heidelberg. 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.S., Turkey.

24 Interest result

Interest result

€m	2022	2023
Income from long-term loans	37.9	64.9
thereof income from subsidiaries	37.9	64.9
Other interest and similar income	347.7	282.0
thereof income from subsidiaries	51.1	107.0
Interest and similar expenses	–252.4	–601.6
thereof income from subsidiaries	–140.7	–487.4
Total	**133.2**	**–254.7**

The rise in interest on loans is mainly due to the issuance of new loans.

Lower interest and similar income have been significantly affected by lower income from interest rate swaps.

This was offset by higher interest expenses due to the higher interest rate level for bonds and loans from intra-Group financing activities and the proceeds from new loans.

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	2022	2023
Expense/income from plan assets	–18.2	9.7
Expenses on interest component from discounting of pension provisions and other non-current provisions	–8.8	–9.1
Expenses/income on changes in discounting rate	–5.7	3.0
Total	**–32.7**	**3.5**

25 Foreign exchange gains and losses

Foreign exchange gains and losses

€m	2022	2023
Foreign exchange gains	1,645.7	923.8
Foreign exchange losses	–1,613.6	–922.2
Total	**32.1**	**1.6**

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

26 Impairment on financial assets

€142.7 million of the write-up on financial assets was attributable to the participation in Akçansa Çimento Sanayi ve Ticaret A.S., Turkey.

The write-down was on a loan of €15.1 million granted to Heidelberg Materials- Suez Cement S.A.E., Egypt.

27 Taxes on income

€1.0 million (previous year: 2.9) of the income tax expense amounting to €45.4 million (previous year: 92.9) 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. 2022	31 Dec. 2023
Liabilities from guarantees	707.3	697.3
thereof in favour of subsidiaries	706.8	696.8
Guarantees for capital market loans taken out	3,400.0	4,066.8
thereof in favour of subsidiaries	3,400.0	4,066.8
Other liabilities	205.5	204.1
thereof in favour of subsidiaries	189.0	187.7
Total	**4,312.8**	**4,968.2**

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 Heidelberg Materials 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 2023, 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 2023:

Maturities of financial commitments from lease and rental liabilities

€m	within 1 year	1 to 5 years	more than 5 years
Lease and rental liabilities	1,477.1	1,993.8	1,767.8

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, Heidelberg Materials 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. New contracts on derivative financial instruments with third parties are generally taken out in the name of Heidelberg Materials AG as the Group-wide in-house bank. These third parties are, without exception, banks.

If required, derivatives concluded by Heidelberg Materials AG with third parties are transferred internally to subsidiaries. These third parties are, without exception, banks. If required, derivatives concluded by Heidelberg Materials AG with third parties are transferred internally to subsidiaries.

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 €1.6 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.

Valuation units

Amount of underlying transaction/ secured risk	Underlying transaction/ Hedge accounting	Losses not recognised in €m	Secured risk	Maturity
18 Mio USD	CommodityDerivatives/Derivatives	1.6	Price	2024
1.426 Mio NOK	Assets/Liabilities/Derivatives	8.0	Currency	2024
1.000 Mio AUD	Assets/Liabilities/Derivatives	28.1	Currency	2024
2.369 Mio USD	Assets/Liabilities/Derivatives	23.0	Currency	2024
1.405 Mio GBP	Assets/Liabilities/Derivatives	9.9	Currency	2024
869 Mio USD	Swaps/Derivatives	63.9	Currency	2024
190 Mio ILS	Assets/Liabilities/Derivatives	0.0	Currency	2026
853 Mio USD	Swaps/Derivatives	0.0	Currency	2027
750 Mio EUR	Swaps/Derivatives	69.4	Interest	2027
1000 Mio USD	Swaps/Derivatives	34.1	Currency	2030

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.

A provision for potential losses of €4.9 million was recognised for open positions with a negative fair value. Open positions with a positive fair value of €14.4 million are not recognised as pending transactions.

Derivative financial instruments

€m	Nominal value	Fair value	Valuation method
Currency forwards 3rd party	43.9	1.0	Discounted cash flow method
Foreign exchange swaps 3rd party	2,482.4	8.6	Discounted cash flow method
Currency forwards consolidated	35.6	–0.2	Discounted cash flow method
Foreign exchange swaps consolidated	54.0	–0.1	Discounted cash flow method
Total	**2,615.9**	**9.2**	

31 Related parties disclosures

In accordance with section 285(1)(21)(2) of the HGB, no details are provided concerning transactions with companies that are indirectly or directly owned by Heidelberg Materials AG with a 100% shareholding and included in the consolidated financial statements of Heidelberg Materials AG.

Related parties disclosures

	Relationship		
€m	Subsidiaries	Joint Ventures	Associates
Transaction			
Disposal	46.8	21.0	12.3
Acquisition	6.5	0.0	12.1
Procured services	9.6	0.1	0.1
Provided services	51.2	5.2	5.3
Granted funding (including cashpooling)			
– Valuta	537.4	3.9	0.0
– Interest income current year	55.2	0.1	0.0
Received funding (including cashpooling)			
– Valuta	146.0	10.9	0.0
– Interest expenses current year	3.8	0.7	0.0
Granted guarantees			
– Nominal	23.3	0.5	0.0
– Utilisation	17.6	0.5	0.0

32 Supervisory Board and Managing Board remuneration

Supervisory Board and Managing Board remuneration

€m	2022	**2023**
Supervisory Board remuneration		
Attendance fees	0.2	0.2
Remuneration for committee work	0.4	0.5
Fixed remuneration	1.1	1.1
	1.7	**1.9**
Managing Board remuneration		
Non-performance-related remuneration	6.2	6.2
Performance-related remuneration	7.4	8.5
Remuneration with long-term incentive	8.6	11.4
	22.2	**26.0**
Benefits to former members of the Managing Board and their surviving dependents	4.5	4.3
Pension provision for former members of the Managing Board and their surviving dependents as at 31 December	79.8	81.8

In addition to the remuneration for their activities on the Supervisory Board, employee representatives on the Supervisory Board who are employees of Heidelberg Materials 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 Heidelberg Materials 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, Heidelberg Materials AG prepares the consolidated financial statements for the largest scope of consolidation pursuant to section 315e(1) of the HGB, which are published in the company register.

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 Heidelberg Materials AG. The auditor's services mainly comprised services for the audit of the financial statements and, to a lesser extent, other assurance services. The other assurance services mainly relate to the audit to obtain limited assurance on the non-financial statement and selected ESG indicators, the issuance of a comfort letter in connection with the €10 billion Euro Medium Term Note (EMTN) programme, and the audit of the remuneration report.

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

On 21 February 2024, Heidelberg Materials 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 182.068.120. The background to this notification is the Managing Board's decision of 19 February 2024 to cancel all 4,117,499 treasury shares purchased under the third tranche of the share buyback programme launched in 2021 from 28 July to 30 October 2023, with a reduction in the subscribed share capital. The Supervisory Board approved the cancellation on 21 February 2024.

On 11 September 2023, Heidelberg Materials AG announced, pursuant to section 41(1) of the WpHG, that the new total number of voting rights with immediate effect amounts to 186,185,619. The background to this notification is the Managing Board's decision of 8 September 2023 to cancel all 6,906,281 treasury shares purchased under the second tranche of the share buyback programme launched in 2021 from 7 March to 13 July 2022, with a reduction in the subscribed share capital. The Supervisory Board approved the cancellation on 11 September 2023.

Furthermore, Heidelberg Materials AG announced, pursuant to section 40(1)(2) of the WpHG, that its shareholding of treasury shares fell below the threshold of 3% on 11 September 2023 and amounted to 1.0292% on that day. The background to this notification is the cancellation of all 6,906,281 treasury shares purchased under the second tranche of the share buyback programme launched in 2021 from 7 March to 13 July 2022.

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

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 WpHG that his voting rights in Heidelberg Materials AG amounted to 28.88% on 29 February 2024. 25.64% of the voting rights are attributed to Mr Merckle pursuant to section 34 of the WpHG and 3.24% pursuant to section 38(1), no. 1 of the WpHG (Instruments). In each case, these voting rights are attributable to Mr Merckle via four 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 25.64% of the voting rights; including the instruments held directly by it within the meaning of section 38(1), no. 1 of the WpHG, its share of the voting rights is 28.88%.

Artisan Partners Asset Management Inc., Wilmington, Delaware, USA, informed us pursuant to sections 33 and 34 of the WpHG that its voting right in Heidelberg-Cement AG (today Heidelberg Materials 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 (today Heidelberg Materials 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.

In a correction notification dated 12 June 2023, The Capital Group Companies, Inc., Los Angeles, USA, informed us pursuant to sections 33 and 34 of the WpHG that its voting rights in HeidelbergCement AG (today Heidelberg Materials 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 WpHG 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 WpHG that its voting rights in HeidelbergCement AG (today Heidelberg Materials 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 Heidelberg Materials AG: in addition to the Chairman of the Managing Board and the Chief Financial Officer, there are four members of the Managing Board with regional responsibilities and three further members with responsibility for sustainability, digitalisation and technology.

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. KG[2)], Lahnstein, and Saarpor Klaus Eckhardt GmbH Neunkirchen Kunststoffe KG[2)], 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 2029

Area of responsibility:
Corporate Finance, Data Governance, Procurement, Reporting Controlling & Consolidation & Data Hub, Shared Service Center, Tax, Treasury, Insurance & Risk, Australia (since January 2024)

Group mandates:
- Heidelberg Materials Asia Pte. Ltd.[2)] , Singapore (since 20 October 2023)
- Heidelberg Materials Canada Holding Limited[2)], UK
- Heidelberg Materials Holding S.à.r.l.[2)], Luxembourg
- Heidelberg Materials Italia Cementi S.p.A.[2)], Italy (Deputy Chairman)
- Heidelberg Materials UK Holding Limited[2)], UK
- Heidelberg Materials UK Holding II Limited[2)], UK
- PT Indocement Tunggal Prakarsa Tbk.[2), 3)], Indonesia
- S.A. Heidelberg Materials Benelux N.V.[2)], Belgium

Roberto Callieri

Member of the Managing Board since 1 January 2024; appointed until December 2026

Area of responsibility:
Asia within the Asia-Pacific Group area

Group mandates:
- Asia Cement Public Company Limited[2)], Thailand
- Heidelberg Materials Italia Cementi S.p.A.[2)], Italy
- Jalaprathan Cement Public Company Limited[2)], Thailand

Axel Conrads

Chief Technical Officer since 1 February 2024
Member of the Managing Board since 1 February 2024; appointed until January 2027

Area of responsibility:
Global technical Competence Centers: Cement (CCC), Aggregates & Asphalt (CCA), and Readymix (CCR)

Group mandates:
- Heidelberg Materials Midwest Agg, Inc.[2)], USA
- Italmed Cement Company Ltd.[2)], Cyprus

Kevin Gluskie

Member of the Managing Board from 2016 until January 2024

Area of responsibility:
Asia-Pacific, Competence Center Readymix

External mandates:
- Alliance Construction Materials Limited[2)], Hong Kong S.A.R.
- Cement Australia Holdings Pty Ltd[2)], Australia (Chairman until 8 March 2023)
- Cement Australia Pty Limited[2)], Australia (Chairman until 8 March 2023)
- Cement Australia Partnership[2)], Australia (Chairman until 8 March 2023)
- 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 Limited[2)], China
- Jidong Heidelberg (Jingyang) Cement Company Limited[2)], China
- Squareal Cement Ltd[2)], Hong Kong S.A.R.

Group mandates:
- Asia Cement Public Company Limited[2)], Thailand
- Butra HeidelbergCement Sdn. Bhd.[2)], Brunei Darussalam (Chairman)
- Gulbarga Cement Limited[2)], India
- Hanson Pacific (S) Pte Limited[2)], Singapore (until 6 April 2023)
- Heidelberg Materials Asia Pte. Ltd.[2)], Singapore (Chairman)
- HeidelbergCement Bangladesh Limited[2), 3)], Bangladesh (Chairman)
- HeidelbergCement Holding HK Limited[2)], Hong Kong S.A.R.
- HeidelbergCement India Limited[2), 3)], India (until 13 March 2024)
- HeidelbergCement Myanmar Company Limited[2)], Myanmar
- Jalaprathan Cement Public Company Limited[2)], Thailand
- PT Indocement Tunggal Prakarsa Tbk.[2), 3)], Indonesia (Chairman)
- Zuari Cement Limited[2)], India (Chairman)

Hakan Gurdal

Member of the Managing Board since 2016; appointed until January 2029

Area of responsibility:
Africa-Eastern Mediterranean Basin (until December 2023), Africa-Mediterranean-Western Asia (since January 2024), Heidelberg Materials Trading

External mandates:
- Akçansa Çimento Sanayi ve Ticaret A.S.[2,3], Turkey (Deputy Chairman)
- Asment de Temara S.A.[2], Morocco
- CEMZA (PTY) LTD[2], South Africa
- Continental Blue Investment SA[2], Switzerland
- Vassiliko Cement Works Ltd[2], Cyprus

Group mandates:
- Austral Cimentos Sofala SA[2], Mozambique
- Calcim SA[2], Benin (Chairman)
- Cimbenin SA[2], Benin (Chairman)
- CimBurkina S.A.[2], Burkina Faso
- Cimenterie de Lukala S.A.[2], Democratic Republic of the Congo
- Ciments du Maroc S.A.[2,3], Morocco
- Ciments du Togo SA[2], Togo
- Ghacem Ltd.[2], Ghana (Chairman)
- Granuburkina SA[2], Burkina Faso (Chairman)
- Hanson Israel Limited[2], Israel
- Heidelberg Materials - Helwan Cement S.A.E.[2], Egypt (Chairman)
- Heidelberg Materials - Suez Cement S.A.E.[2], Egypt
- Heidelberg Materials - Tourah Cement S.A.E.[2], Egypt
- La Societe GRANUTOGO SA[2], Togo (Chairman)
- Scancem Holding AS[2], Norway (Chairman)
- Scancem International DA[2], Norway (Chairman)
- Scantogo Mines SA[2], Togo (Chairman)
- Tanga Cement PLC[2], Tanzania (Chairman) (since 1 December 2023)
- Tanzania Portland Cement Public Limited Company[2,3], Tanzania (Chairman)

Ernest Jelito

Member of the Managing Board from 2019 until December 2023

Area of responsibility:
Northern and Eastern Europe-Central Asia, Competence Center Cement

External mandates:
- CaucasusCement Holding B.V.[2], Netherlands (Chairman) (until 20 April 2023)
- Duna-Dráva Cement Kft.[2], Hungary
- Optima Medycyna S.A.[2], Poland (Chairman)
- Tvornica Cementa Kakanj d.d.[2], Bosnia-Herzegovina

Group mandates:
- Górazdze Cement S.A.[2], Poland (Chairman)
- Heidelberg Materials Central Europe B.V.[2], Netherlands (Chairman)
- Heidelberg Materials CZ, a.s.[2], Czechia (Chairman)
- Heidelberg Materials Devnya JSC[2], Bulgaria (Chairman)
- Heidelberg Materials Hellas S.A.[2], Greece (Chairman)
- Heidelberg Materials Northern Europe AB[2], Sweden (Chairman)
- Heidelberg Materials Romania SA[2], Romania
- Heidelberg Materials Vulkan JSC[2], Bulgaria (Chairman)
- JSC “Cesla”[2], Russia

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:
- EQT AB[2),3)], Sweden (until 29 May 2023)

Dennis Lentz

Chief Digital Officer
Member of the Managing Board since 2021; appointed until August 2029

Area of responsibility:
Digitalisation, Information Technology

External mandates:
- Giatec Scientific Inc.[2)], Canada
- Project Potter Parent GP, LLC[2)], Cayman Islands

Group mandates:
- Volt RMC Solutions Canada Ltd.[2)], Canada

Jon Morrish

Member of the Managing Board since 2016; appointed until January 2029

Area of responsibility:
Western and Southern Europe (until December 2023), Europe (since January 2024), International Associations (e.g. GCCA, CEMBUREAU)

Group mandates:
- Castle Cement Limited[2)], UK
- Hanson Quarry Products Europe Limited[2)], UK
- Heidelberg Materials Holding S.à.r.l.[2)], Luxembourg
- Heidelberg Materials Iberia Holding, S.L.[2)], Spain
- Heidelberg Materials Italia Cementi S.p.A.[2)], Italy (Deputy Chairman)
- Heidelberg Materials Nederland N.V.[2)], Netherlands
- S.A. Heidelberg Materials Benelux N.V.[2)], Belgium

Chris Ward

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

Area of responsibility:
North America, Competence Center Aggregates & Asphalt (until January 2024)

External mandates:
– Project Potter Parent GP, LLC[2], Cayman Islands

Group mandates:
– Commercial Aggregates Transportation and Sales LLC[2], USA (Chairman)
– Constar LLC[2], USA
– Essroc Holdings LLC[2], USA
– Greyrock, LLC[2], USA (until 30 May 2023)
– Hanson Aggregates WRP, Inc.[2], USA (Chairman)
– Hanson Building Materials America LLC[2], USA
– Hanson Micronesia Cement, Inc.[2], USA (Chairman)
– Hanson Permanente Cement of Guam, Inc.[2], USA (Chairman)
– HBMA Holdings LLC[2], USA
– Heidelberg Materials Canada Holding Limited[2], UK
– Heidelberg Materials Canada Limited[2], Kanada (Chairman)
– Heidelberg Materials Midwest Agg, Inc.[2], USA (Chairman)
– Heidelberg Materials Northeast LLC[2], USA (Chairman)
– Heidelberg Materials Northeast-NY LLC[2], USA (Chairman)
– Heidelberg Materials Southeast Agg LLC[2], USA (Chairman)
– Heidelberg Materials Southwest Agg LLC[2], USA (Chairman)
– Heidelberg Materials UK Holding II Limited[2], UK
– Heidelberg Materials US, Inc.[2], USA
– Heidelberg Materials US Cement LLC[2], USA
– HM Northwest Cement Company[2], USA
– HM Northwest Marine, LLC[2], USA (Chairman)
– HM Pacific Northwest, Inc.[2], USA (Chairman)
– HM Southeast Cement LLC[2], USA (Chairman)
– HM South Texas Concrete LLC[2], USA (Chairman)
– HM South Texas Concrete Transport LLC[2], USA (Chairman)
– HM South Texas Stabilized Sand LLC[2], USA (Chairman)
– HM US Receivables LLC[2], USA
– HM US Services LLC[2], USA
– HNA Investments[2], USA
– KH 1 Inc.[2], USA
– Lehigh Southwest Cement Company[2], USA (Chairman)
– LHI Duomo Holdings LLC[2], USA
– Seacoast Products, Inc.[2], USA
– SEFA Transportation, LLC[2], USA (Chairman) (since 1 May 2023)
– Southeast Concrete LLC[2], USA (Chairman)
– Standard Concrete Products, Inc.[2], USA (Chairman) (dissolved on 1 July 2023)
– The SEFA Group, LLC[2], USA (Chairman) (since 1 May 2023)

The above-mentioned indications 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 Heidelberg Materials 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 Co-determination Act. 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 on 16 May 2024.

Dr Bernd Scheifele

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

External mandates:
- PHOENIX Pharma SE[1)] (Chairman) and PHOENIX Pharmahandel GmbH & Co KG[2)] (Chairman), Mannheim (jointly meeting supervisory board and advisory board, respectively)
- Verlagsgruppe Georg von Holtzbrinck GmbH[1)], Stuttgart (Chairman) (Dr Scheifele will step down from the Supervisory Board at the end of 24 April 2024.)
- Springer Nature AG & Co. KGaA[1)], Berlin (Dr Scheifele will step down from the Supervisory Board at the end of 23 April 2024.)

Heinz Schmitt

Deputy Chairman
Heidelberg; Controller; member of the Works Council at the headquarters of Heidelberg Materials 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; Mainz plant, Heidelberg Materials AG
Member since 9 May 2019; member of the Personnel Committee

Ludwig Merckle

Ulm; Managing Director of Merckle Service GmbH[4)]
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[1), 4)], Laupheim (Chairman)
- PHOENIX Pharma SE[1), 4)] (Deputy Chairman) and PHOENIX Pharmahandel GmbH & Co KG[2), 4)], Mannheim (jointly meeting supervisory board and advisory board, respectively)

Luka Mucic

London; Chief Financial Officer of Vodafone Group Plc
Member since 9 May 2019; Chairman of the Audit Committee and member of the Personnel Committee

Dr Ines Ploss

Heidelberg; Director Group Procurement of Heidelberg Materials 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 Heidelberg Materials AG, Chairman of the Works Council at the Ennigerloh plant of Heidelberg Materials 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 Industrie[2], Heidelberg
- Volksbank eG[2], 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[1),3)], Bonn
- DWS Group GmbH & Co. KGaA[1),3)], Frankfurt
- Greiner AG[2)], Austria (since 14 June 2023)
- Infineon Technologies AG[1),3)], 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:
- ExxonMobil Central Europe Holding GmbH[2)], Hamburg (since 23 June 2023)
- MTU Aero Engines AG[1),3)], Munich
- Semperit Aktiengesellschaft Holding[2),3)], Austria (since 25 April 2023)

The above-mentioned indications 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)
- Birgit Jochens
- Luka Mucic
- Dr Ines Ploss
- Dr Bernd Scheifele
- Heinz Schmitt
- Werner Schraeder
- Margret Suckale

Audit Committee

- Luka Mucic (Chairman)
- Ludwig Merckle (Deputy Chairman)
- Barbara Breuninger
- Peter Riedel
- Dr Bernd Scheifele
- Heinz Schmitt
- Werner Schraeder
- Margret Suckale

Sustainability and Innovation Committee

- 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(3) of the German Co-determination Act

- Professor Dr Marion Weissenberger-Eibl (Chairwoman)
- Dr Ines Ploss
- Dr Bernd Scheifele
- Heinz Schmitt

38 Supplementary statement

On 19 February 2024, the Managing Board of Heidelberg Materials AG resolved to cancel all 4,117,499 treasury shares purchased under the third tranche of the share buyback programme in the period from 28 July to 30 October 2023, with a reduction of €12,352,497 in the subscribed share capital. This corresponds to approximately 2.21% of the company's subscribed share capital before cancellation and capital reduction. The Supervisory Board approved the cancellation on 21 February 2024. Following the cancellation of the shares and the capital reduction, the subscribed share capital of Heidelberg Materials AG amounts to €546,204,360 and is divided into 182,068,120 no-par value shares, each representing a notional amount of €3.00 of the subscribed share capital.

On 21 February 2024, the Managing Board, with the consent of the Supervisory Board, resolved to launch a new share buyback programme with a total volume of up to €1.2 billion (excluding incidental acquisition costs) and a term no later than the end of 2026. It is envisaged that the share buyback will be carried out in three tranches. The first tranche is scheduled to start in the second quarter following the Heidelberg Materials AG 2024 Annual General Meeting. The share buyback will be carried out via the stock exchange. In taking this step, the Managing Board makes use of the authorisation granted by the Annual General Meeting on 11 May 2023, according to which own shares of up to 10% of the share capital existing on 11 May 2023 or – if this amount is lower – of the share capital existing at the time of exercising this authorisation may be acquired until the end of 10 May 2028.

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 Company Register and in the Group's Annual Report 2023.

Proposal for the appropriation of the balance sheet profit

The Managing Board and Supervisory Board propose that €546,204,360.00 of the balance sheet profit disclosed in the annual financial statements of €566,372,706.58 be used to pay a dividend of €3.00 on each of the participating 182,068,120 no-par value shares for the 2023 financial year. The remaining amount of €20,168,346.58 is to be carried forward. As at the reporting date of 31 December 2023, the number of no-par value shares entitled to dividends is calculated from 186,185,619 shares issued less the 4,117,499 treasury shares acquired in the 2023 financial year.

Heidelberg, 20 March 2024

Heidelberg Materials AG

The Managing Board

Independent auditor's report

To Heidelberg Materials 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 Heidelberg Materials AG (formerly: HeidelbergCement AG), Heidelberg, which comprise the balance sheet as at 31 December 2023, and the statement of profit and loss for the financial year from 1 January to 31 December 2023 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Heidelberg Materials AG, which is combined with the group management report, for the financial year from 1 January to 31 December 2023. 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 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 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 1 January to 31 December 2023. 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.

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 €22,292 million (80.1% 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 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 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 entity 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, Heidelberg Materials 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 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 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.

- 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 Heidelberg_Materials_AG_JA_ZLB_ESEF-2023-12-31.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 2023 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: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

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 rendering 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 11 May 2023. We were engaged by the supervisory board on 19 June 2023. We have been the auditor of the Heidelberg Materials 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 20, 2024

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 Heidelberg Materials 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, 20 March 2024

Heidelberg Materials AG

The Managing Board

Dr Dominik von Achten	René Aldach	Roberto Callieri
Axel Conrads	Hakan Gurdal	Dr Nicola Kimm
Dennis Lentz	Jon Morrish	Chris Ward

Financial calendar 2024

7 May **Quarterly Statement January to March 2024**

16 May **Annual General Meeting 2024**

30 Jul **Half-Year Financial Report 2024**

7 Nov **Quarterly Statement January to September 2024**

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www.heidelbergmaterials.com

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 2023. The German version is binding. The report on the annual financial statements 2023 was published on 21 March 2024.

Scancem International DA

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

Report from the Board of Directors 2023

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 1,948, compared with a loss of KUSD 3,462 the year before. Net cash flow from operating activities is KUSD -93,112, mainly due to distribution of funds to partners.

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 52,217, compared with KUSD 85,998 in the previous year. We experienced a negative deployment in operating performances and dividend payment especially in Togo and Liberia. The downturn was mainly related to the decrease in sale prices and lower sales volumes due to increased competition in the local markets.
A positive development was achieved in Benin. The subsidiary Cimbenin SA was improving volumes and profits supported by a favourable market development and increased market share.
In November 2023, Scancem International DA acquired 68.33% of the shares in the Tanzanian cement manufacturer Tanga Cement PLC. This will strengthen the market position in Tanzania and create future synergies with the existing subsidiary TPCC.

Scancem International DA posted a net profit for the year of KUSD 48,772 compared with KUSD 76,529 in 2022.

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.

The net profit for the year of KUSD 48,772 is added to the equity.

Outlook
The difficult market environment continued also in the first months of 2024. Increased competition will limit 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.

On a positive note, a possible reduction of import prices for raw materials and shipping cost might have a positive impact on profitability levels in our subsidiaries.

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 under Sustainability.

Oslo, 2024, May 31st.
The Board of Directors of Scancem International DA

Hakan Gürdal	Arne-Jørg Selen	Dominik Michel
Chairman	Director	Director
		Managing Director

Scancem International DA

Income statement

Amounts in KUSD	Note	2023	2022
Operating expenses			
Salaries, pensions and other staff costs	2,3	118	-225
Other operating expenses	4,5	1,830	3,687
Total operating expenses		1,948	3,462
Operating profit		-1,948	-3,462
Financial income and financial expenses			
Income from investments in subsidiaries and associates	6	52 217	85,998
Interest income	7,3	1,620	1,394
Other financial income	7	309	335
Other financial expenses	7	155	325
Net financial items		53,991	87,402
Profit before tax on ordinary activities		52,043	83,940
Tax expense	8	3,271	7,411
Net profit for the year		**48,772**	**76,529**
Transfers and appropriations			
Transfers, other equity	9	48,772	76,529
Total appropriations		48,772	76,529

Scancem International DA

Balance sheet as of 31 December

Amounts in KUSD	Note	2023	2022
Non-current assets			
Non-current financial assets			
Investments in subsidiaries	6	114,391	71,898
Investments in associates	10	15,548	11,646
Total non-current financial assets		129,939	83,544
Total non-current assets		129,939	83,544
Current assets			
Receivables			
Trade receivables	11	7,994	7,849
Other receivables		8,060	4,644
Total receivables		16,054	12,493
Cash and cash equivalents	11	3,139	96,251
Total current assets		19,193	108,744
Total assets		149,132	192,288

Scancem International DA

Balance sheet as of 31 December

Amounts in KUSD	Note	2023	2022
Equity			
Paid-in equity			
Other paid-in equity	9	40,558	40,558
Total paid-in equity		40,558	40,558
Retained earnings			
Other equity	9	105,994	148,251
Total retained earnings		105,994	148,251
Total equity		146,552	188,809
Liabilities			
Non-current liabilities			
Net pension liabilities	12	637	1,813
Other long-term provisions		600	600
Total non-current liabilities		1,237	2,413
Current liabilities			
Trade payables	11	946	728
Public charges payable		7	10
Other current liabilities		390	328
Total current liabilities		1,343	1,066
Total liabilities		2,580	3,479
Total equity and liabilities		149,132	192,288

Oslo, June 2024

Hakan Gürdal
Chairman

Arne-Jørg Selen
Director

Dominik Michel
Director
Managing Director

Scancem International DA

Statement of cash flow

Amounts in KUSD

Cash flow from operating activities:	**2023**	**2022**
Profit before tax	52,043	83,940
Withholding tax	-3,271	-7,411
Change in inventories, trade receivables and trade payables and other accruals and prepayments	-3,284	-4,971
Non-cash changes	-2,206	-298
Net cash flow from operating activities	43,282	71,260
Cash flow from investing activities:		
Disposal of property, plant and equipment	0	0
Impairment financial assets	0	0
Payment of shares	-46,394	0
Net cash flow from investing activities	-46,394	0
Cash flow from financing activities:		
Distribution of funds to partners	-90,000	0
Net cash flow from financing activities	-90,000	0
Net change in cash and cash equivalents during the year	-93,112	71,260
Cash and cash equivalents[1] as of 1 Jan	**96,251**	**24,991**
Cash and cash equivalents[1] as of 31 Dec	**3,139**	**96,251**

[1]Cash and cash equivalents include deposits in the Group's cash pool scheme, ref. note 11.

Scancem International DA

Notes to the 2023 financial statement

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 2023 financial statement
Amounts in KUSD

Note 2 – Salaries, pensions and other staff costs
Amounts in KUSD

Salaries and payroll costs

	2023	2022
Employers' national insurance contributions	15	15
Long term incentive plan	-17	-313
Pension costs	22	37
Other benefits	98	36
Total	118	-225

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.

Note 3 – Pension costs
Amounts in KUSD

	2023	2022
Current service cost	0	181
Interest expense	-91	-517
Interest income	36	186
Interest income on reimbursement cost	-7	-4
Total expense recognised in Income Statement	-62	-154

Note 4 – Other operating expenses
Amounts in KUSD

	2023	2022
Consultancy and external services	126	221
Internal services	0	106
Other expenses	1,704	3,360
Total	1,830	3,687

The renumeration to the auditor is specified as follow:

Audit:	4
Tax advice:	26
Other services:	1

Scancem International DA

Notes to the 2023 financial statement

Amounts in KUSD

Note 5 – Related party transactions

Total operating expenses include a recharge of KUSD 34 for pension expense with a company in the Heidelberg Materials Group.

Note 6 – Subsidiaries Book value of shares, equity and net profit/loss 2023

Amounts in KUSD

Company	Shareholding	Book value of shares	Equity 31 Dec 2023	Net profit/loss for the year 2023
Ciments du Togo, S.A., Togo	99.63%	3,634	41,432	-3,756
Liberia Cement Corporation Inc., Liberia	81.70%	5,813	37,362	6,260
Calcim SA, Benin	100.00%	15	1,564	78
Cimbenin SA, Benin	87.95%	12,320	19,837	2,963
TPCC, Tanzania	69.25%	19,063	128,581	40,970
Scantogo Mines S.A., Togo	90.00%	15	40,250	-4,578
CimBurkina SA, Burkina Faso	80.00%	7,024	42,722	6,495
Granutogo S.A., Togo	100.00%	3,160	3,536	230
Ghacem Limited, Ghana	93.10%	20,808	20,420	29,048
Granubenin SA, Benin	100.00%	14	-790	0
Granburkina SA	100.00%	32	0	0
Tanga Cement	68,33%	42,493	46,680	-4,665
Total		114,391	381,594	73,045

In 2023 the company recognised dividends from subsidiaries at the amount of KUSD 52,217. The corresponding amount in 2022 was KUSD 85,998 (amounts are stated gross before withholding tax).

Note 7 – Financial items

Amounts in KUSD

Breakdown of financial items:

	2023	2022
Interest income		
Interest received from deposits in the Group's cash pool scheme	1,620	1,394
Other financial income		0
Other financial income	62	335
Exchange gains on transactions in foreign currency	247	0
Total	309	335
Other financial expenses		
Other financial expenses	4	4
Exchange losses on transactions in foreign currency	151	321
Total	155	325

Scancem International DA

Notes to the 2023 financial statement

Amounts in KUSD

Note 8 – 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 9 – Equity

Amounts in KUSD

	Other paid-in equity	Other retained earnings	Total
Equity 31 Dec 2022	40,558	148,251	188,809
Equity 1 Jan 2023	40,558	148,251	188,809
Net profit for the year	0	48,772	48,772
Distribution of funds to partners	0	-90,000	-90,000
Pension estimate deviations	0	-1,029	-1,029
Equity 31 Dec 2022	40,558	105,994	146,552

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.

Note 10 – Investments in associates

Amounts in KUSD	2023	2022
Fortia Cement S.A, Togo, 50%	3,866	3,866
Cemza (Pty) Ltd., Republic of South Africa, 40%	11,682	7,780
	15,548	11,646

Capital contribution was made to Cemza July 2023.
There are no recent financial statements for associated companies and there is no known market value.

Note 11 – Intragroup balances and intercompany balances with associates

Amounts in KUSD

Receivables	2023	2022
Trade receivables to Group companies	7,994	7,849
Deposits in HM Group cash pool	-760	95,901
Total	7,234	103,750

Liabilities	2023	2022
Trade payables to Group companies	943	683

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Scancem International DA

Notes to the 2023 financial statement
Amounts in KUSD

Note 12 – 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 % 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

	2023	2022
Discount rate	3.60%	2.10%
Expected salary adjustment/pension increase	3.25%	2.25%
Expected inflation	2.00%	0.00%

	2023	2022
Estimated pension liabilities 31 Dec	1,055	3,323
Pension assets/liabilities at market value 31 Dec	-265	-1,218
Effect of Asset Ceiling according to IAS 19.64	0	160
Total amount recognized in Balance Sheet	790	2,265

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

Skattedirektoratet

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

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 Partnership 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 2023, 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 2023, 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 and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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

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

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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, 18 June 2024
PricewaterhouseCoopers AS

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

Revisjonsberetning

Signers:

Name	***Method***	***Date***
Nymark, Gorm Frode	BANKID_MOBILE	2024-07-08 15:24