1 January 2024
— 31 December 2024

Aalborg Portland A/S
Rørdalsvej 44
9220 Aalborg Øst
Denmark
CVR No 36428112

Annual Report 2024

aalborgportland
CEMENTIR HOLDING

Part of the Solution

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In 2024 the geopolitical tensions and uncertainty continued with the war continuing in Ukraine and the regional conflict in the Middle East. The general macroeconomic situation has been dominated by uncertainty and has also been affected by the lowering of interest rates and industrial inflation on par with previous years. This mix of signals has led to a stable, but relatively slow pace in the building and construction sector in Denmark and across our export markets in Europe.

The Danish concrete market maintained the relatively low activity level but showed an overall positive trend at the end of the year. The negative trend continued in export markets across Europe, resulting in a general decline in cement sales of 6.4% compared to 2023. Despite these challenging conditions, Aalborg Portland managed to deliver strong financial performance.

Strong financial performance

As a result of the general decline in activity levels across all export markets, we secured net sales of EUR 355.7m (-3,5%). Earnings before depreciation and amortisation (EBITDA) were EUR 137.1m (+0,9%) which had a slightly negative impact on cash flow from operating activities (CFFO) ending at EUR 116.0m (+8.6%) despite being negatively impacted by capital development. The free cash flow after investing activities (FCF) was EUR 92.7m (+18.4%), and net interest-bearing debt (NIBD) amounted to EUR -112.4(-0.4%). In the beginning of the year, we saw a decline in energy prices, and the volatility on energy markets continues to have a huge impact on our business. We will continuously monitor and maintain focus on this transition in the years to come.

Revenue generated in 2024 is in line with expectations. Earnings (EBIT) were stronger than expectations, mainly due to cost optimisations. We consider the result for the year satisfactory.

CO2 reductions

In 2024, Aalborg Portland's scope 1 CO_2 emissions decreased by 261,000 tonnes (-15%), and as a result, emissions have dropped by a total of 804,000 tonnes of CO_2 (-36%) since 2021 (issuance of our climate plan), surpassing our expectations. These reductions demonstrate our commitment to achieving a 73% reduction of our CO_2 footprint by 2030.

Continued phase-out of fossil fuels

The first track of our climate plan is to phase out traditional fossil fuels such as coal, oil and petcoke, and throughout 2024, our fuel portfolio was further optimised to increase the share of alternative fuels which are non-recyclable waste materials from other industries such as refuse-derived fuels (RDF) and biogenic byproducts. In 2024, we increased the share of alternative fuels in our grey production from 60% to 76% surpassing our ambitions for the year.

A stronger and more sustainable product portfolio
The second track of our climate plan is to develop and market new and more sustainable cement products. During 2024, we released a new white cement product named D-Carb® with a 15% lower CO_2 footprint compared to our existing white cement products. Market has received the release well, and already in 2024, sales of D-Carb® contributed 13% of white sales and are expected to grow further in 2025.

On our grey product line the low-carbon cement type, FUTURECEM®, now makes up more than 16% of the ready-mixed concrete market in Denmark, which is a remarkable result.

Another historic day in the name of carbon capture
The third track of our climate plan is to launch a large-scale carbon capture and storage (CCS) facility. In late 2024, we could announce that we and our partner Air Liquide had been granted support from the EU Innovation Fund for the establishment of our joint decarbonisation project called ACCSION. ACCSION will be one of the first complete onshore CO_2 capture and storage (CCS) value chains in Europe. The project aims to significantly reduce CO_2 emissions from Aalborg Portland's cement plant, and when completed, it will be possible to reduce 1.5 million tonnes of CO_2 emissions per year. Aalborg Portland and Air Liquide's project ACCSION has been selected by the European Commission to receive EUR 220 million in project support under the EU Innovation Fund.

Cement is one of the most difficult industries to transition, as the production of the main component clinker requires the heating of chalk, which itself generates CO_2. Thanks to its own innovative technology Cryocap™, Air Liquide will capture, purify and liquefy approximately 95% of the CO_2 emitted by the cement kilns. The captured CO_2 will be integrated into a new pipeline infrastructure for onshore CO_2 storage facilities.

ACCSION will be developed jointly by Aalborg Portland and Air Liquide at the cement plant in Aalborg to reduce emissions from cement production. ACCSION is scheduled to be operational by the end of 2029 and will reduce 1.5 million tonnes of CO_2 per year.

The European Innovation Fund is one of the world's largest programmes to promote innovative low-carbon technologies. With this award, Aalborg Portland and Air Liquide will contribute to the EU's objectives in the Industrial Carbon Management Strategy and the ambition to achieve climate neutrality by 2050. Receiving this funding is one of the most important milestones in making a final investment decision and starting the execution of this project.

Our progress on ESG
In addition to our progress on decarbonising our operations, we have continued with our initiatives across the entire ESG agenda.

These include graduate, talent and leadership development programmes, leadership conventions, engagement surveys, and various social events. It also includes new initiatives on health and safety, as well as activities to reinforce our bond to local communities. We hope you will take a closer look at our ESG Report 2024 to learn more about our many initiatives.

Subsequent events after the reporting date
No events have occurred subsequent to the balance sheet date through to this date which may have an impact on the assessment of this annual report.

Expectations to 2025
Overall, sales volumes are expected to increase marginally in Denmark. Our export markets are even further impacted by the global economic situation, and sales on export markets are expected to be in line with 2024.

The macroeconomic scenario continues to be characterised by strong uncertainty with a risk of economic downturn linked to geopolitical tensions and continued restrictive financial conditions.

For the year 2025, the company expects to achieve revenue of approximately EUR 387m and earnings (EBIT) in the range of EUR 95m-100m.

These expectations are based on known and generally expected global economic growth conditions and do not consider any intensified geopolitical tensions, deterioration in the structural conditions of competition, or new increases in energy and logistical costs.

As the expectations described above are based on a number of preconditions and assumptions that are beyond management's control, the actual earnings may deviate significantly from the expectations expressed in this annual report.

Søren Holm Christensen, CEO
Henrik Jeppesen, CFO
Peter Birkegaard, Managing Director

Aalborg Portland in brief

Aalborg Portland was founded in 1889 and is the only cement manufacturer in Denmark, with its cement plant situated in Rørdal at the east end of Aalborg. Currently, Aalborg Portland stands as one of the largest industrial enterprises in Denmark. The company owns an extensive 1,200 hectares of land in the Rørdal area. Besides the cement plant and its accompanying harbour, this land encompasses farmland, a chalk quarry, and various uncultivated areas.

AT A GLANCE

1889

FOUNDED

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

358

PEOPLE

Aalborg Portland directly employs 358 people in addition to which a substantial number of employees of external contractors and subcontractors work at Aalborg Portland

3.0

MILLION TONNES CEMENT

Aalborg Portland has an annual production capacity around 3 million tonnes of cement

18

COUNTRIES

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

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

Aalborg Portland directly employs 358 people in addition to which a substantial number of employees of external contractors and subcontractors work at Aalborg Portland. Aalborg Portland is therefore one of the largest contributors to the industrial workforce of the North Denmark Region.

WHAT WE DO AND HOW WE CREATE VALUE

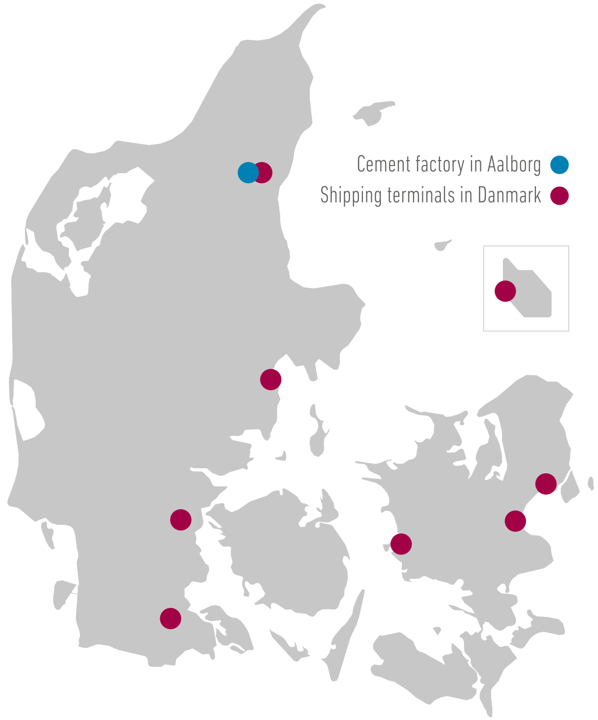
We have supplied cement to people all over the world for 135 years, predominantly in Denmark and the Nordic and Baltic countries. Besides being the most used cement in the Danish construction sector for private homes, commercial buildings, public schools and hospitals, our cement was also used for many iconic national and international projects.

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

PART OF CEMENTIR GROUP

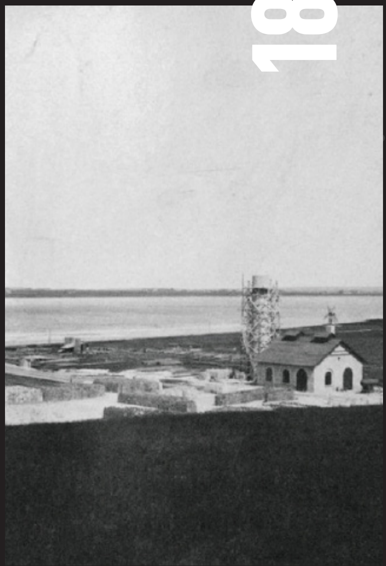
Aalborg Portland is part of Aalborg Portland Holding, which Cementir Group acquired in 2004. Cementir is a multinational group operating in 18 countries across the building materials sector, employing around 3,000 people globally. The Group's annual production capacity amounts to more than 13 million tonnes of grey and white cement, around 10 million tonnes of aggregates and 5 million cubic metres of ready-mixed concrete. Cementir has been listed on the Milan Stock Exchange since 1955 and is one of the leading companies of the Euronext STAR Milan segment.

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



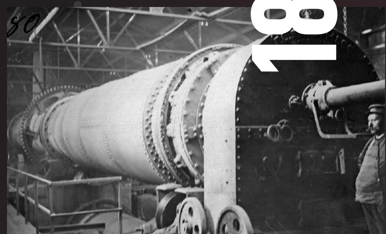
Aalborg Portland history

1889



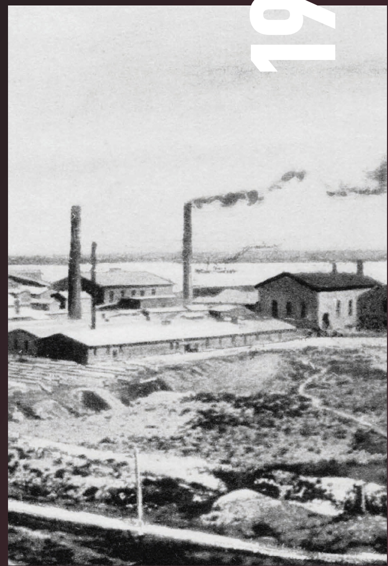
Aalborg Portland founded in 1889 by Consul Hans Holm and Engineer Frederik Læssøe Smidth.

1899



The American rotary kiln, invented by Aalborg Portland's Poul Larsen, built for the first time in Europe, as two new rotary kilns are installed at the Rørdal factory. The production capacity is significantly upgraded.

1930

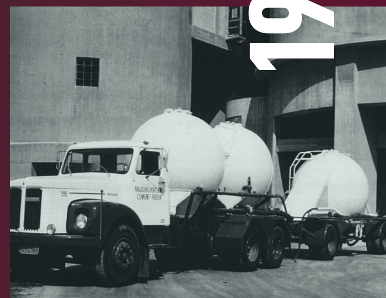


Aalborg Portland starts burning white cement clinker for white cement.

1936

Engineer and director Gunnar Larsen builds a civil airport to quickly get back and forth to his home in Gl. Rye. Larsen offers Aalborg Municipality to start flights to Copenhagen, which would later become the basis for Denmark's first domestic flight route.

1975



Aalborg Portland was prepared to stop the production of white cement due to the energy crisis. However, orders suddenly began to pour in because all other cement factories had decided not to produce white cement. This contributed to the company becoming world-renowned for its white cement.

1990

Aalborg Portland builds a heat recovery plant to deliver district heating to Aalborg Municipality. Today, up to a third of all homes in Aalborg get their heating from Aalborg Portland.

2004

Aalborg Portland is acquired by the Italian cement group, Cementir Group.

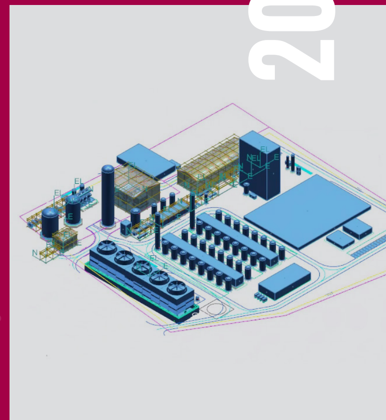
2019

Aalborg Portland celebrates its 130th anniversary and presents its first 2030 roadmap for decarbonisation towards 2030.

2023

His Majesty the King of Denmark inaugurates Aalborg Portland's new pilot plant for carbon capture.

2024



Aalborg Portland and Air Liquide jointly launch the decarbonisation initiative, ACCSION, and the project is selected by the European Commission to receive 220 million euros in support from the EU Innovation Fund.

Reporting in accordance with Danish accounting legislation

Regarding the mandatory corporate social responsibility statement, cf. section 99(a) of the Danish Financial Statements Act, reference is made to Sustainability Report 2024 published by the Group's owners Cementir Holding N.V., Netherlands. The statement is available here*.

The Group continues to apply its policy on gender equality in recruitment and promotions ensuring that the key consideration when filling any position in the organisation remains to identify the best qualified person for that position.

The sector in which the Group operates is historically characterised by a predominantly male workforce. In order to achieve a balanced gender composition of management, the Group wishes to increase the proportion of female managers, and the work to attract female candidates for senior positions will continue to comply with our policy on gender equality and achieve our gender diversity targets in the Danish subsidiaries.

*www.cementirholding.com/en/sustainability/sustainability-report-and-documents

The company has a talent management training programme to support and increase the awareness of potential future managers within the organisation.

In Aalborg Portland, diversity is not limited to geography but is approached broadly based on a wide range of qualification and competence requirements. Diversity is also important in terms of seniority, educational background, age, gender, ethnicity, religion, sexual orientation, and disability. The company acknowledges that diversity depends on inclusion but also that both diversity and inclusion challenges are unique for each of the Group's teams and locations. Therefore, efforts are made at all locations to increase diversity, and locally in Denmark, work continues in relation to e.g. conscious/unconscious bias in connection with employment and recruitments.

In accordance with the Danish rules for large companies with operations relating to i.a. the extraction of mineral deposits, cf. section 99(c) of the Danish Financial Statements Act, the Group explains its payments to authorities in a note to its consolidated financial statements. The payments relate in particular to direct and indirect taxes.

In accordance with the Danish rules for large companies, cf. section 99(d) of the Danish Financial Statements Act, the parent company of Aalborg Portland, Aalborg Portland Holding, has issued a policy on data ethics. The policy addresses the data ethics principles applied by the Aalborg Portland Holding Group and describes the approach to data processing covering all data types. This includes the use of new technologies and responsible use of data, including personal data protection (GDPR). Data ethics is an integral part of the compliance programme of the Aalborg Portland Holding Group, and Group Management has overall responsibility for compliance with the Policy on Data Ethics. Implementation of the data ethics policy at the operational level is anchored in Group IT. In 2024, the Aalborg Portland Holding Group continued the work on data ethics issues in accordance with the policy. The policy is reviewed on a yearly basis, and no changes were made in 2024. The policy is available at https://aalborgportlandholding.com/en/data-ethics.


FAM

Financial Highlights

Net Revenue
EURm

355.7

↘ 4% Decrease from last year

2024	
2023	368.6
2022	374.0
2021	287.1
2020	268.8

Free Cash Flow
EURm

92.7

↗ 18% Increase from last year

2024	
2023	78.3
2022	74.2
2021	57.3
2020	82.2

Return on Capital Employed (ROCE)
EURm

23%

↗ 1% Increase from last year

2024	
2023	22%
2022	19%
2021	17%
2020	27%

EBITDA
EURm

137.1

↗ 1% Increase from last year

2024	
2023	135.9
2022	112.7
2021	92.3
2020	106.4

Net Interest-Bearing Debt
EURm

-112.4

↘ 1% Decrease from last year

2024	
2023	-112.8
2022	-86.8
2021	-80.8
2020	-87.8

Equity Ratio
%

39%

↘ 3% Decrease from last year

2024	
2023	42%
2022	37%
2021	43%
2020	43%

Five-year overview

EURm	2020	2021	2022	2023	2024
INCOME STATEMENT					
Revenue	268.8	287.1	374.0	368.6	355.7
Earnings before depreciation/amortisation. impairment losses. provisions. interest and tax (EBITDA)	**106.4**	**92.3**	**112.7**	**135.9**	**137.1**
EBITDA ratio	*39.6%*	*32.1%*	*30.1%*	*36.9%*	*38.5%*
Earnings before interest and tax (EBIT)	**80.3**	**65.6**	**85.5**	**108.0**	**105.3**
EBIT ratio	*29.9%*	*22.9%*	*22.9%*	*29.3%*	*29.6%*
Financial result	-1,7	-2,0	-3,0	+0,9	-3,7
Earnings before tax (EBT)	**78.6**	**63.6**	**82.5**	**108.9**	**101.6**
Profit for the year	**61.6**	**46.4**	**65.7**	**85.1**	**79.5**
CASH FLOWS					
Cash flows from operating activities (CFFO)	100.2	78.8	110.3	106.9	116.0
Cash flows from investing activities (CFFI) *	-18.0	-21.5	-36.1	-28.6	-23.3
Free cash flow (FCF)	**82.2**	**57.3**	**74.2**	**78.3**	**92.7**
Hereof investments in intangible assets and property. plant and equipment (excl. assets acquired in acquisitions)	-18.1	-22.5	36.1	30.9	25.9
BALANCE SHEET					
Total assets	495.0	467.5	538.0	571.0	614.8
Shareholders' equity	212.8	198.6	199.2	240.0	237.2
Net interest-bearing debt (NIBD)	**-87.8**	**-80.8**	**-86.8**	**-112.8**	**-112.4**
Working capital (WC)	**-7.1**	**-15.6**	**-27.0**	**-9.9**	**-22.5**
FINANCIAL RATIOS					
Including non-controlling interests' share					
Return on equity	34%	23%	33%	39%	33%
Equity ratio	43%	43%	37%	42%	39%
Return on capital employed (ROCE)	27%	17%	19%	22%	23%
NIBD/EBITDA factor	-0.8	-0.8	-0.8	-0.8	-0.8
Number of employees at 31 December	**333**	**350**	**352**	**360**	**358**

For definitions of financial ratios, see

Financial review

PROFIT AND LOSS ACCOUNT

Revenue in 2024 amounted to EUR 355.7m (2023: EUR 368.6m).

Sales in Denmark decreased by 3.7%, while the European export markets declined by 2.7% compared to 2023.

Operating profit before depreciation (EBITDA ratio) reached 38.5% (2023: 36.9%). This is a satisfactory improvement of the financial result in line with our long-term strategic ambitions to strengthen our financial position and robustness to be able to finance the large investments necessary to meet our commitment to achieve a 73% reduction of our CO_2 footprint by 2030.

Earnings before interest and tax (EBIT) amounted to EUR 103.5m (2023: EUR 108.0m).

Tax on profit for the year amounted to EUR 22.0m (2023: EUR 23.9m), net profit for the year being EUR 79.5m (2023: EUR 85.1m).

CASH FLOWS

Cash flow from operating activities (CFFO) was EUR 116.0m for 2024 (2023: EUR 106.9m).

Cash flow from investment activities (CFFI) amounted to EUR -23.3m (2023: EUR -28.6m).

DEBT AND FINANCIAL RESOURCES

Aalborg Portland is part of the cash pool held by the parent company, Aalborg Portland Holding A/S. Aalborg Portland has access to funding through the parent company financing facility in addition to having long-term mortgage loans of EUR 106.4m (2023: EUR 120.2m) with an average life of 7 years.

The company's interest rate exposure is partly hedged through derivative financial instruments.

The company's exposure to price risk in raw materials, fuels and electricity is partly mitigated by fixed price contracts.

BALANCE SHEET

Non-current assets amounted to EUR 205.5m at 31 December 2024 (2023: EUR 203.1m), of which EUR 160,4m (2023: EUR 158.3m) was related to property, plant and equipment and EUR 22.9m (2023: EUR 19.5m) to right-of-use assets.

Current assets amounted to EUR 409.3m (2023: EUR 367.9m) and were mainly related to inventories and receivables.

SHAREHOLDERS' EQUITY

Shareholders' equity amounted to EUR 237.2m at the end of 2024 against EUR 240.0m the year before. The decrease in shareholders' equity was due to the profit for the year less the dividend paid to Aalborg Portland Holding A/S.

Equity ratio was 38.6% at the end of 2024 (42.0% in 2023).

WORKING CAPITAL

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

Working capital at the end of 2024 amounted to EUR -22.5m (EUR -9.9m in 2023).

SUBSIDIARIES

Poland

The Polish market stabilised in 2024 due to a slight improvement in the macroeconomic situation and our improvement of market share. Sales volume declined by 3%, however EBITDA increased by 4% as a result of price management and optimisation of operational costs, mainly within logistics.

Iceland

The Icelandic market developed positively during 2024. Even though competition from other importers remained strong during 2024, we managed to increase the sales volume by 8% compared to 2023. The increase in sales volume had a positive impact on EBITDA which improved by 76% compared to 2023, which is a very satisfactory result for the company.

France

For 2024, France was expected to continue to see challenging market conditions and a minor negative development from the previous year due to the macroeconomic situation, causing competition to intensify. Performance during 2024 was even more challenged than expected with sales volumes declining by 15% compared to 2023. Profitability was directly impacted by the decline in sales volumes and strong price competition which resulted in a decline in EBITDA of 44%.

Belgium

Benelux was expected to continue to see a declining level of activity and increasing competition in 2024 due to the macroeconomic situation. Sales volumes declined by 9% compared to 2023, however profitability improved due to logistics cost optimisation and price management, resulting in a 70% increase in EBITDA compared to 2023.

Group chart

Cementir Holding N.V.

↓

Aalborg Portland Holding A/S
100%

↓

Aalborg Portland A/S
100%

- **Aalborg Portland islandi ehf.**
  100%
- **Aalborg Portland Polska Sp. Z.o.o.**
  100%
- **Aalborg Portland France S.A.S.**
  100%
- **Aalborg Portland Belgium S.A.**
  100%*

*One share owned by Aalborg Portland Holding A/S

Risks and uncertainties

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Aalborg Portland is integrated with the Cementir Group's Internal Control and Risk Management System which is defined as the set of tools, organisational structure, procedures and company rules to guarantee, through an adequate process of identification, measurement, management and monitoring of the main risks, correct and consistent business management with objectives set in terms of:

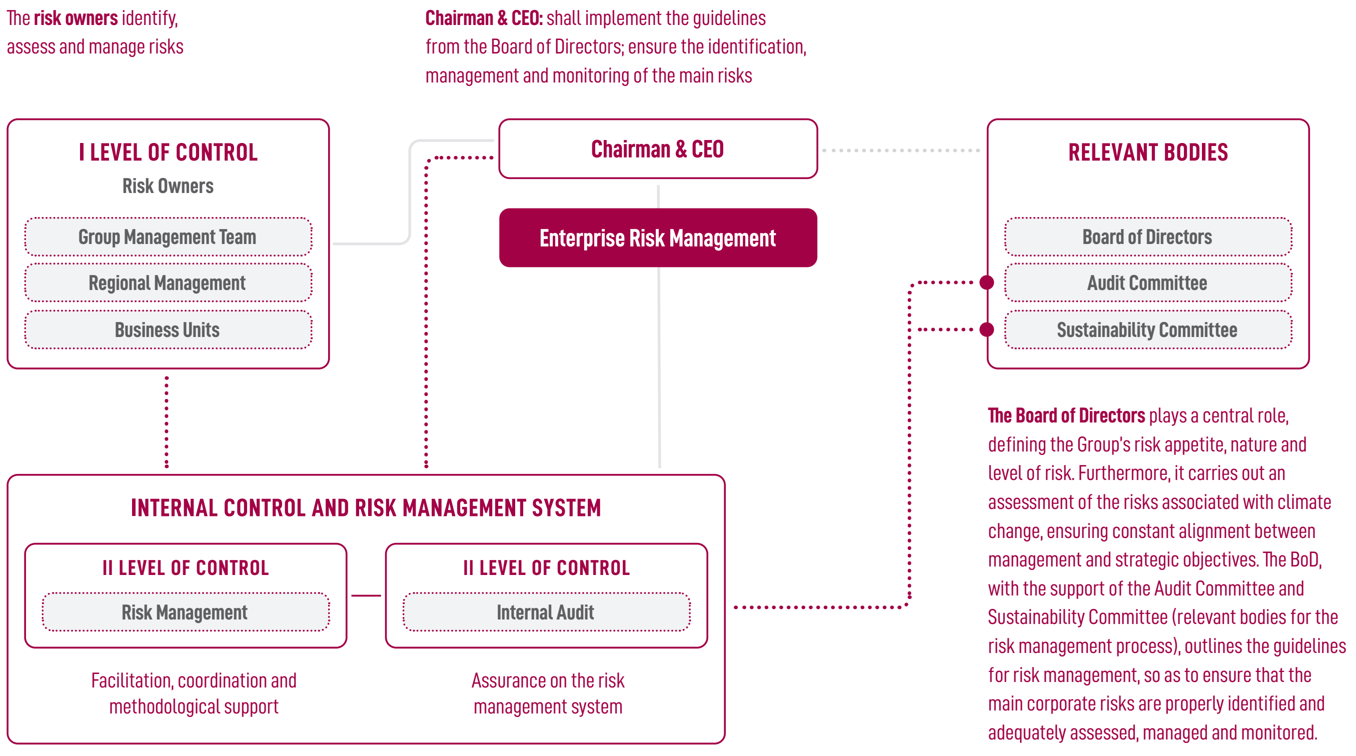
- compliance with laws and regulations;
- safeguarding of corporate assets;
- operating activity effectiveness and efficiency;
- reporting accuracy and completeness.

The Internal Control and Risk Management System adopts a "top-down" and "risk-based" approach that starts from the definition of the Cementir Group's Business Plan. It ensures that the main risks are identified, assessed and monitored taking into account each business unit, to create a fully integrated risk management process. Risks are assessed with quantitative and qualitative tools considering both the probability of occurrence and the impacts that would be generated in a given time horizon if the risk were to occur. It also ensures that all necessary measures are taken to control risks that could threaten the Group's assets, its ability to generate profits or achieve its objectives.

Roles and responsibilities in risk management have been defined starting from the Company's Board of Directors, which defines strategy, policy and risk appetite, supported by the Audit Committee and the Sustainability Committee. In addition, management teams from the Group companies are involved, with responsibility for risk management within their area of expertise.

Below is a summary of the people and bodies involved and their responsibilities:

- **The Board of Directors** plays the central role, defining the Group's risk appetite, the nature and level of risk. In addition, it carries out an assessment of the risks related to climate change ensuring the constant compatibility of management and strategic objectives.
- **The Cementir Group's Audit Committee and the Sustainability Committee** (corporate bodies relevant in the risk definition process) support the Board of Directors, subject to a favourable opinion, in the definition and management of risks;
- **CEO & Chairman**: implements the general guidelines of the Board of Directors, ensuring the identification, management and monitoring of the main risks;
- **Risk owners**, or the first level of control, are primarily responsible for internal control and risk management activities;
- Finally, **Risk Management and Internal Audit** are the main responsible for the internal control and risk management system (second and third level of control). They are responsible for verifying that the Internal Control and Risk Management System is functioning and adequate with respect to the size and operations of the Group, verifying, in particular, that the Management has identified the main risks, that they have been evaluated in a consistent manner and that the appropriate mitigation actions have been defined and implemented.



The Cementir Group's Internal Control and Risk Management System is integrated into the Group's organisational, administrative, accounting and governance structure and has been prepared on the basis of the principles laid down by the Enterprise Risk Management - Integrated Framework, an international standard developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report), also ensuring greater detail in the identification of the risks of the companies and Group and integration with the results of the Audit activities. The methodology followed involves an iterative process consisting of the following steps:

- Risk identification: the process starts with the definition of the Industrial Plan and focuses on the main risks that could compromise the achievement of the Group's objectives;
- Risk assessment: for each identified risk, management gives an inherent risk assessment (in the absence of controls/mitigation actions), in terms of probability and impact during the horizon of the Industrial Plan, using a 5-level assessment system (scoring):
  - Impact: scale from 1 (Negligible) to 5 (Extreme);
  - Probability: scale from 1 (Rare) to 5 (More than Likely)
- With regard to impact, three parameters are considered: economic (quantitative), operational (qualitative), reputational (qualitative). Management at Region and Group level assesses the potential impacts and likelihood of major risks that could have a material adverse effect on the company's current or future operations. For sustainability and climate-related risks, the time horizon was extended to a long-term view for the analysis of various threats that could jeopardise the implementation of the Group's climate transition plan;
- Identification and assessment of the adequacy of the existing principals: for each identified risk, all the controls/actions currently in place for risk mitigation are identified with the management;
- Residual Risk Assessment: taking into account the individual controls for each risk and the relative adequacy, the residual risk is calculated by applying a uniform calculation methodology to all Group companies;
- Identification of further actions: in the event that the residual risk is higher than the predefined level of risk appetite, further actions are agreed with management to mitigate the risk and contain it within acceptable levels. The initiatives are taken promptly and within budget limits, to effectively contribute to risk mitigation;
- Risk mitigation: Mitigation strategies are defined with specific action plans for key risks;
- Reporting: reports are prepared at the company and Group level, showing the main risks and initiatives taken by management to reduce the risks to acceptable levels;
- Monitoring: the following are reviewed periodically: existing risk assessments, assessment parameters, and new risks can be identified if necessary.

The model, as described, subject to further and future updates, aims to provide support for the decision-making and operational processes of the company management, so as to reduce the possibility that specific events could compromise the Group's ordinary operations or the achievement of its strategic objectives.

To this end, the risk appetite level adopted in relation to strategic risks is consistent with the vision of creating value, while always respecting the environment and promoting integration with local communities. In relation to operational risks, the risk appetite level is defined on the basis of the effectiveness and efficiency targets set by the management.

Provisions for compliance and financial reporting are different. The Group does not accept an assumption of non-compliance risk for laws and regulations (including those relating to safety), and of possible alterations to the integrity of financial reporting.

The Cementir Group's Internal Control and Risk Management System is integrated with the Group's Sustainability Strategy. Starting from 2021 the Cementir Group has launched a project to implement the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosure) committing to be transparent on risks and opportunities related to climate change. The identification, assessment and effective management of risks and opportunities related to climate change are fully integrated into the Group's risk management process. To promote and improve its climate change disclosure, in 2022, the Group engaged Standard & Poor's (S&P) to assess physical and transitional climate risks and develop scenario analyses to support the implementation of the TCFD guidelines. The analysis carried out by S&P showed that the Cementir Group scored 100% on the overall assessment of the eleven recommendations of the TCFD, which represents a complete and transparent level of disclosure achieved. Furthermore, the Group is integrating the guidelines published by the European Union "EU Taxonomy Regulation", which together with the TCFD constitute the reference frameworks. For more details, see the paragraph "Main risks to which the group is exposed".

In relation to accounting and financial reporting, the existing Internal Control System ensures its accuracy and completeness through constantly updated administrative and accounting procedures.

Furthermore, as part of the compliance activities with the COSO structure, during the year, the Internal Audit function carries out audit activities on the aforementioned procedures to ascertain that the provided key controls are being correctly applied by the involved company structures. The assessment of the internal control system on financial reporting provided for by Cementir Group procedures was carried out based on this activity.

On the basis of the activity carried out by the Internal Audit department and the related results, the Audit Committee assessed the Internal Control and Risk Management System as adequate, effective and appropriate for dealing with business, operational, environmental, financial and compliance risks.

As of October 2023, the Group has launched the strategic initiative for the digitalisation of Risk Management, aimed at improving the resilience of the organisation by leveraging advanced technological solutions, simplifying data-driven risk assessments and implementing real-time monitoring capabilities, promoting a proactive and agile approach to risk mitigation across all business functions. The digitisation process was completed during 2024, and the Group Risk Management was updated using the new platform.

RISK CATEGORIES

The Group is subject to various risks and uncertainties. The risk library is the basis for the company's risk assessment process. The most important risks and their categorisation (strategic, operational, compliance, financial and sustainability) have been listed to facilitate the identification of the main risk categories that may have an impact on the Group. The following table provides a non-exhaustive example of key business risks.

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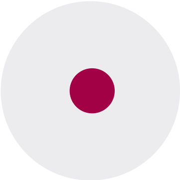

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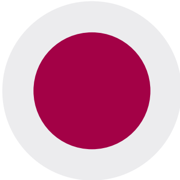

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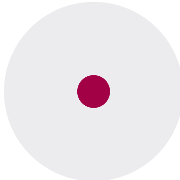

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Strategic

Risk
Uncertain outlook Risk linked to uncertainties in economic, political, technological, or market-related factor
Geopolitical risk Risk coming from the complex interplay of geopolitical events, government actions, international relations and global developments
Price pressure Risk to reduce profit margins, financial strain and other adverse effects for businesses in case of a strong pressure on prices due to unfair competition
Market landscape Risk of inadequate monitoring of market trends, industry conditions making it difficult to navigate the complexity of its market
Strategic planning Risk of adopting strategic choices that could adversely affect the company's performance to a considerable degree
Talent and retention management Risk to potential challenges and negative impacts that may arise from issues related to attracting, developing, and retaining key employees within an organisation

Operational

Risk
Health and safety Risk of incidents, injuries, illnesses due to unsafe behaviors, conditions or without preventive measures
Cybersecurity Risk of cyber attacks or sensitive data stealing
Lack of raw materials/fuels/aggregates Risk to not source the resource necessary for business operations
Asset management Risk of loosing the value or returns of investments on company's assets
Supply chain disruption Risk that the occurrence of supply chain disruption may lead to increased costs or shortages of products or resources
Customer management Risk of failure to meet customer's expectations, needs or orders making difficult to acquire or retain customers
Freight and logistic cost Risk associated to volatile or increased freight/logistic costs

Compliance

Risk
Accounting compliance Risk of non-compliance with international or national accounting regulations and laws
Antitrust compliance Risk of non-compliance with international or national antitrust regulations and laws
Tax compliance Risk of non-compliance with international or national fiscal regulations and laws
Business ethics and compliance Risk of non-compliance with international or national business ethics regulations and laws, with company's Code of Ethics
Compliance with law and regulations Risk related to non-compliance with all applicable regulations

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Financial

Risk
Currency exchange risk Risk of potential financial loss that can occur as a result of fluctuations in the exchange rates
Credit risk Risk of potential financial loss that the company may incur if a counterparty fails to fulfill their contractual obligations
Inadequate management of the financial planning and budget process Risk of failure to effectively plan, budget and manage company's financial resources

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Sustainability

Risk
Physical risk Risk linked to unpredictable extreme weather events or scarcity of natural resources (e.g., water) in the regions where the company operates.
CO2 emissions laws and regulations Risk of cost increase and non-compliance to international and local regulations with the introduction of new laws
Environmental regulation and claims from the community Risk related to (i) environmental incidents, (ii) non-compliance with environmental regulation and (iii) claims from the community
Product innovation Risk of not innovating adequately, without introducing or updating products on the market that contributes to the reduction and mitigation of carbon emissions
Innovation technology Risk to not implement new and advanced technologies within the organisation, key to company's reduction targets achievement
Availabilities of alternative fuels Risk of absence or partial availability of alternative fuels, strategic for the achievement of our targets

INTERNAL CONTROL SYSTEM FOR FRAUD RISK MANAGEMENT

This risk relates to intentional acts perpetrated by deception by one or more members of management, those responsible for governance activities, employees or third parties, in order to obtain unlawful advantages. Fraud, whether false financial reporting or misappropriation of company assets, implies the existence of incentives or pressure to commit it and the perception of an opportunity to do so.

The intrinsic nature of the Group's business introduces potential vulnerabilities to fraud and corruption, which can be summarised as follows: (i) fraudulent activities in financial transactions, such as misappropriation of funds or fraudulent invoicing; (ii) the risks of collusion or conflicts of interest extend to relationships with suppliers, customers and employees, amplifying the potential for fraudulent activities; (iii) non-compliance with anti-corruption laws and regulations; (iv) the theft or mismanagement of stock leading to financial loss. The potential impact of fraud risks, if realised, can result in financial loss, reputational damage, and regulatory consequences.

MITIGATION ACTIONS

To mitigate the risk of fraud, the Group has implemented a combination of preventive, investigative and corrective measures to minimise exposure to fraudulent activities, below is an illustration of the main ones.

Internal Audit conducts a thorough analysis of potential fraud risks during the risk assessment phase, when formulating the audit plan. Priority is given to areas considered at risk, with a focus on the assessment of identified fraud risks, including the probability of occurrence and possible impacts. All operational and compliance audits (in particular L. 262) include a preliminary assessment of the ability of the internal control system to prevent potential fraud.

Following the results of the audit, all actions and control measures agreed with the Management have the primary objective of securing the process from exposure to fraud and thus making it more effective. In the assessments, all reports emerging from whistleblowing channels and cases of fraud detected in the last 12 months are also taken into account.

In 2023, the Group adopted a whistleblowing system that can be used on a platform managed by a third party, to encourage employees and all stakeholders to report suspicious activity without fear of retaliation. Full information on this system, including details on the channels to be used, can be found on the Group's official website: https://www.cementirholding.com/en/governance/ethics-and-compliance. The mitigation of the risk of fraud is also guaranteed by the activities conducted by the Ethics Committee (a committee appointed by the Board of Directors), which on a quarterly basis, analyses the results of the investigative activities carried out by the Internal Audit and verifies the implementation of disciplinary, organisational and operational actions for each individual case of violation. The Ethics Committee reports on its work to the Audit Committee and the Board of Directors. Another important mitigation measure is the adoption and use of a data mining tool called Celonis. This tool proves to be crucial for spotting unusual patterns or trends in financial transactions. The Group, in fact, implements segregation of duties as an operational practice, making it difficult for an individual to carry out and conceal fraudulent activities.

The measures implemented aim to significantly reduce vulnerability to fraud and corruption within operations.

In this chapter

Financial Statements

Income statement

Euro '000	NOTE	2024	2023
Revenue	1	355,716	368,557
Cost of sales	2+3+4+9	-190,495	-193,900
Gross profit		**165,221**	**174,657**
Sales and distribution costs	4+9+15	-46,451	-47,555
Administrative expenses	4+5+9	-15,345	-16,483
Other operating income	6	1,148	313
Other operating costs	6	-1,039	-2,968
Earnings before interest and tax (EBIT)		**103,534**	**107,964**
Financial income	7	12,203	10,241
Financial expenses	7	-14,181	-9,277
Earnings before tax (EBT)		**101,556**	**108,928**
Tax on profit for the year	8	-22,032	-23,853
Profit for the year		**79,524**	**85,075**
Attributable to:			
Shareholders in Aalborg Portland A/S		79,524	85,075
To be distributed as follows:			
Proposed dividends		75,000	80,000
Retained earnings		4,524	5,075

Statement of comprehensive income

Euro '000	NOTE	2024	2023
Profit for the year		79,524	85,075
Items that can be reclassified to the income statement:			
Exchange rate adjustments on translation of foreign currency		-60	-406
Changes in fair value of financial instruments		-2,222	1,063
Other comprehensive income after tax		**-2,282**	**657**
Total comprehensive income		**77,242**	**85,732**

Balance sheet

Euro '000	NOTE	2024	2023
ASSETS			
Goodwill		2,330	2,332
Other intangible assets		11,353	14,199
Intangible assets in development		1,081	1,067
Intangible assets	10	**14,764**	**17,598**
Land and buildings		17,513	18,851
Plant and machinery		110,442	100,553
Property, plant and equipment in development		32,473	38,866
Right-of-use assets		22,929	19,522
Property, plant and equipment	11	**183,357**	**177,792**
Investments in subsidiaries		7,232	7,614
Other non-current assets		140	140
Other non-current assets	12	**7,372**	**7,754**
Total non-current assets		**205,493**	**203,144**
Inventories	14	**66,150**	**74,451**
Trade receivables		1,816	653
Amounts owed by Group enterprises		316,841	288,037
Amounts owed by related parties		0	13
Other receivables		20,393	3,677
Prepayments		418	270
Receivables		**339,468**	**292,650**
Cash and cash equivalents		**3,686**	**827**
Total current assets		**409,304**	**367,928**
TOTAL ASSETS		**614,797**	**571,072**

Euro '000	NOTE	2024	2023
EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital		13,404	13,404
Hedge reserve		-2,224	-2
Retained earnings		151,050	146,586
Proposed dividends		75,000	80,000
Total shareholders' equity		**237,230**	**239,988**
Liabilities			
Deferred tax liabilities	13	26,369	24,900
Provisions	15	3,694	3,629
Credit institutions, etc.	16+18	108,093	119,590
Non-current liabilities		**138,156**	**148,119**
Credit institutions, etc.	16+18	21,868	20,993
Trade payables		87,286	81,284
Amounts owed to Group enterprises		96,227	39,137
Derivative financial instruments (negative fair value)		2,103	0
Provisions	15	543	47
Joint taxation contribution payables		22,033	25,694
Other payables	17	9,351	15,810
Current liabilities		**239,411**	**182,965**
Total liabilities		**377,567**	**331,084**
TOTAL EQUITY AND LIABILITIES		**614,797**	**571,072**

Statement of shareholders' equity

Euro '000	NOTE	Share capital	Hedge reserve	Retained earnings	Proposed dividends	Total equity
Shareholders' equity at 1 January 2024		**13,404**	**-2**	**146,586**	**80,000**	**239,988**
Effect of translation to presentation currency		0	0	-60	0	-60
Changes in fair value of financial instruments		0	-2,222		0	-2,222
Profit for the year (total comprehensive income)		0	0	4,524	75,000	79,524
Extraordinary paid dividend		0	0	0	-80,000	-80,000
Shareholders' equity at 31 December 2024		**13,404**	**-2,224**	**151,050**	**75,000**	**237,230**

Euro '000	NOTE	Share capital	Hedge reserve	Retained earnings	Proposed dividends	Total equity
Shareholders' equity at 1 January 2023		**13,404**	**-1,065**	**141,917**	**45,000**	**199,256**
Effect of translation to presentation currency		0	0	-406	0	-406
Changes in fair value of financial instruments		0	1,063		0	1,063
Profit for the year (total comprehensive income)		0	0	5,075	80,000	85,075
Extraordinary paid dividend		0	0	0	-45,000	-45,000
Shareholders' equity at 31 December 2023		**13,404**	**-2**	**146,586**	**80,000**	**239,988**

The share capital in 2024 and 2023 consists of:
100.000 shares at DKK 1.000

All shares are fully issued and paid up. One share of DKK 1.000 holds one vote.

Cash flow statement

Euro '000	NOTE	2024	2023
Profit for the period		**79,524**	**85,075**
Reversal of amortisation and depreciation		31,114	27,781
Net financial income / expense		1,623	-963
Gains/losses on disposals		60	0
Income taxes		22,032	23,853
Change in provisions (current and non-current)		560	23
Operating cash flows before changes in working capital		**134,913**	**135,769**
Increase / decrease inventories		8,301	-14,641
Increase / decrease trade receivables		-936	26,632
Increase / decrease trade payables		5,133	-29,091
Change in non-current/current other assets/liabilities		-6,307	3,246
Change in current and deferred taxes		-33	-102
Operating cash flows		**141,071**	**121,813**
Dividends received		706	1,012
Interests received		9,841	6,906
Interests paid		-10,667	-7,513
Other income collected/expenses paid		-747	-477
Income taxes paid		-24,191	-14,880
Cash flow from operating activities		**116,013**	**106,861**
Investments in intangible assets	10	-413	-1,067
Investments in property, plant and equipment and investment property	11	-25,461	-29,831
Proceeds from sale of property, plant and equipment	6	295	107
Proceeds from sale of equity investments and other non-current securities		22	0
Other variances investment assets		2,244	2,180
Cash from investing activities		**-23,313**	**-28,611**

Euro '000	NOTE	2024	2023
Repayment of borrowings		-15,204	-12,371
Payment of lease liabilities		-7,393	-7,208
Change in current financial liabilities		-15,709	1,281
Movement in cashpool		28,392	-16,014
Dividend distributed		-80,000	-45,030
Other variances of equity		80	55
Cash flow from financing activities		**-89,834**	**-79,287**
Net change in cash and cash equivalent		2,866	-1,037
Cash and cash equivalent exchange rate effect		-7	-4
Cash and cash equivalent opening balance		827	1,868
Cash and cash equivalent closing		**3,686**	**827**

Notes

1. Revenue

Euro '000	NOTE	2024	2023
Split by product			
Sale of grey cement		245,279	257,254
Sale of white cement		90,286	89,933
Other sales*		20,151	21,370
		355,716	**368,557**
Split by geography			
Denmark		243,759	253,436
Other Europe		110,080	113,232
Other		1,877	1,889
		355,716	**368,557**

All revenue derives from contracts.
*Other sales mainly include sale of heat etc.

2. Cost of sales

Cost of sales amounts to EUR 190.5m (2023: EUR 193.9m). Hereof direct staff costs amount to EUR 21.1m (2023: EUR 21.9m) and use of raw materials amounts to EUR 31.3m (2023: EUR 27.9m).

3. Research and development costs

Euro '000	NOTE	2024	2023
Research and development costs paid		2,173	2,211
		2,173	**2,211**

4. Staff costs

Euro '000	NOTE	2024	2023
Wages and salaries and other remuneration		31,215	30,228
Pension costs, defined contribution scheme		3,101	2,678
Social security costs		432	421
		34,748	**33,327**
Number of employees at 31 December		358	360
Average number of full-time employees		358	357
Remuneration of the Board of Directors, the Management and other senior executives			
Salaries and remunerations		1,749	1,540
Pension contributions		120	115
		1,869	**1,655**
Hereof Board of Directors and Management		856	781

Remuneration of the Board of Directors represents EUR 65k in 2024 (2023: EUR 64k).

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

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

Euro '000	NOTE	2024	2023
Total fees to PwC are specified as follows:			
Statutory audit		129	127
Other services		5	0
		134	**127**

6. Other operating income and other operating costs

Euro '000	NOTE	2024	2023
Other operating income			
Rent income		806	303
Profit on sale of property, plant and equipment		295	0
Other income		47	10
		1,148	**313**
Other operating costs			
Other costs		1,039	2,968
		1,039	**2,968**

7. Financial income and expenses

Euro '000	NOTE	2024	2023
Financial income			
Interest, cash funds etc.		149	14
Interest, Group enterprises		9,702	6,955
Dividends received from subsidiaries		706	1,012
Exchange rate adjustments		1,646	2,260
		12,203	**10,241**
Interest on financial assets measured at amortised cost		9,851	6,969
Financial expenses			
Interest, credit institutions etc.		7,074	6,604
Interest, Group enterprises		4,547	1,521
Exchange rate adjustments		2,205	1,152
Other financial costs		355	0
		14,181	**9,277**
Interest on financial obligations measured at amortised cost		11,621	8,125

8. Income tax

Euro '000	NOTE	2024	2023
Income tax			
Current tax on the profit for the year/joint taxation contribution		22,322	25,932
Deferred tax adjustment		-428	-1,825
Other adjustments, including previous years		138	-254
		22,032	**23,853**
Taxes paid		**24,191**	**14,880**

Euro '000	NOTE	2024	2023
Reconciliation of tax rate			
Tax according to Danish tax rate 22,0%		22,522	24,144
Dividends received from subsidiaries and profits from sales		-155	-223
Non-taxable income and non-deductible expenses		-474	185
Other, including adjustments previous years		139	-253
		22,032	**23,853**
Applicable tax rate for the year		**21.7%**	**21.9%**
Income tax recognised directly as other comprehensive income		**0**	**0**
Total income tax		**22,032**	**23,853**

9. Environmental taxes

Euro '000	NOTE	2024	2023
The Company has paid the following direct environmental taxes:			
Sulphur		233	447
NOx		1,816	1,720
Electricity		143	150
Waste		2,075	149
Energy		79	83
Raw materials		804	944
Diesel and fuel oil		0	1
		5,150	**3,494**

10. Intangible assets

Euro '000	Goodwill	Other intangible assets	Intangible assets in development	Total
Cost at 1 January 2024	2,329	35,201	1,067	38,597
Exchange rate adjustments	0	-23	-1	-24
Additions	0	0	413	413
Other adjustments/reclassifications	0	-1,846	-398	-2,244
Cost at 31 December 2024	**2,329**	**33,332**	**1,081**	**36,742**
Amortisation and impairment at 1 January 2024	-3	21,002	0	20,999
Exchange rate adjustments	2	-13	0	-11
Amortisation for the year	0	988	0	988
Other adjustments/reclassifications	0	2	0	2
Amortisation and impairment at 31 December 2024	**-1**	**21,979**	**0**	**21,978**
Carrying amount at 31 December 2024	**2,330**	**11,353**	**1,081**	**14,764**

10. Intangible assets (continued)

Euro '000	Goodwill	Other intangible assets	Intangible assets in development	Total
Cost at 1 January 2023	2,337	37,186	277	39,800
Exchange rate adjustments	-8	-81	-1	-90
Additions	0	0	1,067	1,067
Other adjustments/reclassifications	0	-1,904	-276	-2,180
Cost at 31 December 2023	**2,329**	**35,201**	**1,067**	**38,597**
Amortisation and impairment at 1 January 2023	0	19,908	0	19,908
Exchange rate adjustments	-3	-44	0	-47
Amortisation for the year	0	1,136	0	1,136
Other adjustments/reclassifications	0	2	0	2
Amortisation and impairment at 31 December 2023	**-3**	**21,002**	**0**	**20,999**
Carrying amount at 31 December 2023	**2,332**	**14,199**	**1,067**	**17,598**
Amortisation during the year is included in the following items:				
Cost of sales			42	42
Sales and distribution costs			498	506
Administrative expenses			448	588
			988	**1,136**

Other intangible assets include software licenses (SAP R/3), quarry rights, CO_2 quotas, customers and development projects. Except goodwill, all intangible assets have definite useful lives. The Management has not identified factors indicating a need for carrying through impairment test of other intangible assets.

The carrying amount of development projects is EUR 0.0m (2023: EUR 0.0m). Internally generated intangible assets, mainly regarding SAP implementation, amount to EUR 0.0m (2023: EUR 0.1m). Goodwill is related to cement activity. Due to strong cash flow there is no indication of impairment.

11. Property, plant and equipment

Euro '000	Land and buildings	Plant and machinery	Property, plant and equipment in development	Right-of-use assets	Total
Cost at 1 January 2024	112,394	522,831	38,866	48,752	722,843
Exchange rate adjustments	-73	-337	-27	-28	-465
Additions	0	6,706	18,755	10,395	35,856
Disposals	0	0	0	-908	-908
Reclassifications	0	25,121	-25,121	0	0
Cost at 31 December 2024	**112,321**	**554,321**	**32,473**	**58,211**	**757,326**
Depreciation and impairment at 1 January 2024	93,543	422,278	0	29,230	545,051
Exchange rate adjustments	-61	-271	0	-15	-347
Reversed depreciation on disposals	0	0	0	-857	-857
Depreciation for the year	1,326	21,872	0	6,924	30,122
Depreciation and impairment at 31 December 2024	**94,808**	**443,879**	**0**	**35,282**	**573,969**
Carrying amount at 31 December 2024	**17,513**	**110,442**	**32,473**	**22,929**	**183,357**

11. Property, plant and equipment (continued)

Euro '000	Land and buildings	Plant and machinery	Property, plant and equipment in development	Right-of-use assets	Total
Cost at 1 January 2023	112,748	514,413	18,659	39,876	685,696
Exchange rate adjustments	-247	-1,133	-46	-87	-1,513
Additions	0	5,710	24,121	9,307	39,138
Disposals	-107	-27	0	-344	-478
Reclassifications	0	3,868	-3,868	0	0
Cost at 31 December 2023	**112,394**	**522,831**	**38,866**	**48,752**	**722,843**
Depreciation and impairment at 1 January 2023	92,350	404,765	0	22,788	519,903
Exchange rate adjustments	-202	-894	0	-51	-1,147
Reversed depreciation on disposals	0	-27	0	-321	-348
Depreciation for the year	1,395	18,434	0	6,814	26,643
Depreciation and impairment at 31 December 2023	**93,543**	**422,278**	**0**	**29,230**	**545,051**
Carrying amount at 31 December 2023	**18,851**	**100,553**	**38,866**	**19,522**	**177,792**

11. Property, plant and equipment (continued)

Euro '000	NOTE	2024	2023
Depreciation during the year is included in the following items:			
Cost of sales		23,499	20,091
Sales and distribution costs		6,195	6,133
Administrative expenses		428	419
		30,122	**26,643**
Amounts recognised in the income statement regarding leases:			
Depreciation, plant and machinery		6,924	6,814
Interest on lease liabilities		520	477
Short-term leases		168	83
		7,612	**7,374**

Residual value guarantees that are expected to be paid are included in the initial measurement of the lease liability. Reference is made to note 16.

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

The Company has not signed essential contracts regarding purchase of property, plant and equipment.

No changes are made in significant accounting estimates regarding property, plant and equipment.

12. Other non-current assets

Euro '000	Investments in subsidiaries	Other non-current assets	Total
Cost at 1 January 2024	7,614	140	7,754
Exchange rate adjustments	-5	0	-5
Disposals	-377	0	-377
Cost at 31 December 2024	7,232	140	7,372
Carrying amount at 31 December 2024	**7,232**	**140**	**7,372**
Cost at 1 January 2023	7,631	141	7,772
Exchange rate adjustments	-17	-1	-18
Cost at 31 December 2023	7,614	140	7,754
Carrying amount at 31 December 2023	**7,614**	**140**	**7,754**

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

13. Deferred tax assets and deferred tax liabilities

Euro '000	NOTE	2024	2023
Change in deferred tax in the year			
Deferred tax at 1 January		24,900	24,824
Exchange rate adjustments		-16	-55
Adjustments, previous years via income statement		1,914	1,956
Movements via income statement		-429	-1,825
Deferred tax liabilities at 31 December, net		**26,369**	**24,900**
Deferred tax is presented in the balance sheet as follows:			
Deferred tax liabilities		26,369	24,900
Deferred tax liabilities at 31 December, net		**26,369**	**24,900**

14. Inventories

Euro '000	NOTE	2024	2023
Raw materials and consumables		30,771	39,731
Work in progress		20,306	20,660
Finished goods		15,073	14,060
Inventories at 31 December		**66,150**	**74,451**

As was the case last year, there are no significant inventories of cement and aggregates carried at net realisable value.

Write-down of inventories of spare parts amounts to EUR 1.9m (2023: EUR 1.5m). Write-down recognised in the income statement is EUR 0.1 (2023: EUR 0.1m).

15. Provisions

Euro '000	NOTE	2024	2023
Provisions at 1 January		3,676	3,654
Exchange rate adjustment		-3	-9
Additions in the year		611	115
Used in the year		0	-74
Reversal		-47	-10
Provisions at 31 December		**4,237**	**3,676**
Recognised in the balance sheet as follows:			
Stated as non-current liabilities		3,694	3,629
Stated as current liabilities		543	47
		4,237	**3,676**
Maturities for other provisions are expected to be:			
Falling due within one year		543	47
Falling due between one and five years		0	537
Falling due after more than five years		3,694	3,092
		4,237	**3,676**

Provisions mainly include re-establishment of chalk, gravel and clay pits at EUR 1.9m (2023: EUR 1.9m), demolition liabilities for buildings and terminal on rented land at EUR 1.8m (2023: EUR 1.8m) while other provisions amount to EUR 0.1m (2023: EUR 0.0m).

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

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

Costs for re-establishment of chalk, gravel and clay pits are mainly paid when finishing an excavation or when moving out from leases. No considerable payments are expected in 2025.

16. Credit institutions and other borrowings

Bank borrowings and credits in the Company at 31 December:

Euro '000	Year of maturity	Fixed/ variable	Carrying amount 2024	Carrying amount 2023
Mortgage loan	2037	Variable	106,417	120,241
Lease liability	2024-2036	Variable	23,544	20,342
			129,961	**140,583**

Fair value of the mortgage loan amounts to EUR 106.1m (2023: EUR 120.2m). Other fair values do not significally deviate from the carrying amount.

The fair value corresponds to the nominal outstanding debt.

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

16. Credit institutions and other borrowings (continued)

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

Euro '000	Non-current borrowings (>1 year)	Current borrowings (0-1 year)	Total	Maturity >5 years
31 December 2024:				
Mortgage loan	91,301	15,116	106,417	39,992
Lease liability	16,792	6,752	23,544	1,652
	108,093	**21,868**	**129,961**	**41,644**
Specification of contractual cash flows incl. interest:				
Mortgage loan	100,981	18,853	119,834	41,071
Lease liability	17,100	6,752	23,852	1,732
	118,081	**25,605**	**143,686**	**42,803**
31 December 2023:				
Mortgage loan	106,147	14,094	120,241	44,772
Lease liability	13,443	6,899	20,342	1,732
	119,590	**20,993**	**140,583**	**46,504**
Specification of contractual cash flows incl. interest:				
Mortgage loan	130,894	19,694	150,588	56,088
Lease liability	13,851	7,145	20,996	1,835
	144,745	**26,839**	**171,584**	**57,923**

The maturity analysis is based on all undiscounted cash flows including estimated payment of interest.
Payment of interest is estimated and based on the present market conditions.
Maturity of derivatives is disclosed in note 21.
Other financial liabilities are due within 1 year.

17. Other payables

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

18. Charges and securities

Euro '000	2024 Carrying amount of mortgaged assets	2024 Debt regarding mortgaged assets	2023 Carrying amount of mortgaged assets	2023 Debt regarding mortgaged assets
Property, plant and machinery	105,347	106,417	101,132	120,241
	105,347	**106,417**	**101,132**	**120,241**

19. Contingent liabilities, contractual obligations and contingent assets

Contingent liabilities

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

In 2024, contractual liabilities are EUR 0.0m (2023: EUR 0.0m).

The Company is taxed jointly with other Danish companies in the Aalborg Portland Holding Group. The Company is jointly and unlimited liable with the other companies in the joint taxation of Danish taxes at source and income taxes within the joint taxation group. Receivable income taxes in the joint taxation group amounted to EUR 0.6m at 31 December 2024 (2023: payable EUR 4.1m payable). Any subsequent corrections of the taxable income subject to joint taxation could cause a higher liability of the Company.

Contractual obligations

Euro '000	NOTE	2024	2023
Guarantees			
Performance guarantees		5,105	7,054
		5,105	**7,054**

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

20. Related party transactions

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

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

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

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

Euro '000	NOTE	2024	2023
Transactions with Aalborg Portland Holding A/S.:			
Intra-group management and administration agreements and royalties		2,921	574
Financial items, net		5,060	5,350
Trade and financial receivables		311,713	281,864
Trade and financial payables		88,667	34,834
Transactions with other related parties:			
Sale of cement and micro silica		121,455	121,260
Intercompany purchase of cement and other variable costs, net		38,943	53,344
Intercompany management, administration agreements and shared service		1,006	2,724
Financial items, net		96	83
Trade and financial receivables		5,127	6,186
Trade and financial payables		7,560	4,303

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

No losses on loans to or receivables from related parties were recognised, nor provisions made for such in 2024 or 2023.

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

21. Financial risks and financial instruments

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

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

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

Market risks

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

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

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

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

The Company's most predominant currency exposure regarding the operating results arises from sales and purchases in EUR, USD, GBP, NOK, SEK and PLN. A 10% drop in these currencies (apart from EUR) would, viewed separately, decrease the result by:

Euro '000		10% change
EUR equivalent	USD	-1,495
EUR equivalent	GBP	1,752
EUR equivalent	NOK	2,430
EUR equivalent	PLN	1,928
EUR equivalent	DKK	5,172
EUR equivalent	EUR	-2,345
Total	**EUR**	**7,442**

Risks relating to net financing
The Company's most important net positions at 31 December 2024 relate to USD, SEK and NOK. If these currencies had been 10% down at 31 December 2024, the Company's equity would have been affected negative by an exchange rate adjustment of EUR -0.1m (2023: negative impact of EUR -0.3m). Rising exchange rates would have had a similar negative impact on equity.

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

With regard to investments in foreign enterprises, equity at 31 December 2024 would have been reduced by EUR 1.7m (2023: EUR 1.5m), if the PLN, ISK, EUR and RUB exchange rates had been 10% down on the actual exchange rates.

Assumptions of sensitivity analysis
The sensitivities are stated on the assumption of unchanged sales and price levels and interest levels, and on the assumption of recognised assets and liabilities at 31 December 2024.

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

There are no forward contracts at 31 December 2024 or 31 December 2023.

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

The Company's preferred financing is floating rate loans. The Company's net interest-bearing debt (NIBD) at 31 December 2024 is EUR -106.4 m (deposit), 100% thereof financed by floating rate loans. NIBD at 31 December 2023 represented EUR -120.2.m (deposit).

With regard to the Company's floating rate loans and cash equivalents, an annual 1% increase in the interest level in proportion to the actual interest rates would, other things being equal, have had an adverse hypothetical negative impact on the profit before tax of EUR 1.1m (2023: EUR 1.2m) and on equity of EUR 0.8m (2023: EUR 0.9m). A declining interest level would have had a corresponding positive impact on result and equity.

Raw material price risks
The Company uses a number of raw materials in the manufacture of products, which expose the Company to a price risk, i.a. especially different fuels and electricity. The Company enters into annual fixed price contracts for some raw materials. A material part of the price risk on the Company's fuel oil is hedged through swap agreements.

Open swap contracts at 31 December, net:

Euro '000	2024	2023
Market value - swap contracts	0.0	0.0

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

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

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

Neither in 2024 nor in 2023 the Company has defaulted or breached any loan agreements (covenants).

Regarding maturities of the Company's debt, reference is made to note 16. Based on the expectations for the future operation and the present cash funds, no other significant liquidity risks have been identified.

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

As a consequence of the credit risk policy, credit rating of all major customers and other trading partners is performed before contract formation and hereafter continuously. An efficient credit control is important in the present market. Management of the credit risk is based on internal credit limits, which are based on the customer's and the counterparties' creditworthiness, based on both internal and external credit ratings as well as the experience with the counterparty. If no satisfactory guarantee is obtained when credit rating the customer/counterparty, payment in advance or separate guarantee for the sale, e.g. a bank guarantee, will be required.

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

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

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

No individual customer or cooperator poses any material risk to the Company.

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

Receivables overdue at 31 December are specified as follows:

Euro '000	2024	2023
Payment:		
Up to 30 days	1.7	0.6
Between 30 and 90 days	0.1	0.0
More than 90 days	0.0	0.0
	1.8	**0.6**

The historical loss percentage in the income statement is 0.0%. The Company's trade receivables on 31 December 2024 and 31 December 2023 include no write-downs.

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

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

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

The financial gearing between net interest-bearing debt and EBITDA is -0.8 at 31 December 2024.

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

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

Securities and investments measured at fair value through profit/loss are either measured at quoted prices in an active market for the same type of instrument (level 1) or at fair value based on available data (level 3).
Hedging instruments are not traded on an active market based on quoted prices. Measured instead of using a valu-ation technique, where all significant inputs are based on observable market data; such as exchange rates, interest rates, credit risk and volatilities (level 2).

There have been no transfers between the levels in 2024 or 2023.

Specification of financial assets and obligations

Euro '000	Carrying value 2024	Fair value 2024	Carrying value 2023	Fair value 2023
Loans and receivables	339,608	339,608	292,791	292,791
Financial obligations measured at amortised cost	322,825	323,096	276,831	277,102

Methods and assumptions on determination of fair values
In general, fair value corresponds to the carrying value, except for mortgage loans.

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

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

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

23. Estimation on uncertainties and judgements

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

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

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

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

Non-current assets
Non-current assets are measured at cost less accumulated depreciation and impairment. Depreciation is provided on a straight-line basis over the expected useful lives of the assets considering the residual value of the assets. The anticipa-ted useful life and residual value are determined on the basis of past experience and the anticipated future use of the as-set in question. The anticipated future use and scrap values may prove impossible to realise, prompting a need for write-down or a loss on the disposal of the assets. The depreciation periods are stated in the section "Accounting policies" in note 24, and non-current assets are stated in notes 11 and 12.

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

Provisions and contingent liabilities
Assessment of provisions and contingent liabilities are largely based on estimates and judgements. Description of provisions and contingent assets and contingent liabilities is given in note 15 and 19.

24. Accounting policies

The Annual Report 2024 of Aalborg Portland A/S is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements according to large class C.

Aalborg Portland A/S official statutory annual report is presented in EUR.

The accounting policies set out below have been used consistently in respect of the financial year. For standards implemented prospectively, comparative information is not restated. In 2024, there has been a change in comparative figures on staff costs. The cumulative effect of the change at the beginning of the financial year amounts to 0, therefore no amount has been adjusted directly on equity.

On 11 March 2025, the Board of Directors and the Management approved the annual report for 2024 for the Aalborg Portland A/S. The annual report is submitted to the shareholders of Aalborg Portland A/S for approval at the Annual General Meeting on 23 April 2025.

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

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

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

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

On recognition in the consolidated financial statements of foreign enterprises and associates as well as foreign joint ventures with a functional currency different from the Group's presentation currency, the income statements are translated at the average exchange rates and the balance sheet items are translated at the exchange rates at the balance sheet date. The calculation differences arising from the translation of the income statements of companies abroad at average exchange rates and of their balance sheet items at the rate of exchange on the balance sheet date are taken directly to other comprehensive income.

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

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

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

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

Income statement

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

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

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

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

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

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

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

Other operating income and costs
Other operating income and costs comprise items of a secondary nature in relation to the activities of the Group, including certain grants, rentals, fees, etc. Gains and losses from the disposal of property, plant and equipment which cannot be considered part of the disposal of a complete activity are included in other operating income and costs.

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

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

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

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

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

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

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

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

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

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

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

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

Balance sheet

Intangible assets

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

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

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

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

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

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

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

The expected useful lives are:
- Software applications, up to 10 years.
- Customer list up to 25 years.
- Patents, licences and other intangible assets, up to 20 years.
- Leasehold improvements, up to 5 years.

CO_2 quotas
On initial recognition, granted and acquired CO_2 quotas are measured at cost.

The basis for amortisation of CO_2 quotas is stated as cost less scrap value. The scrap value depends on whether the company expects to utilise the quotas or sell them. Amortisation is based on a portfolio view on a straight-line basis.

If the actual emission exceeds the granted and acquired CO_2 quotas, a liability corresponding to the fair value of the CO_2 quotas, which the company has to settle, is recognised.

On disposal of CO_2 quotas, the difference between carrying amount and the selling price of excess CO_2 quotas is recognised in the income statement at the date of disposal.

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

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

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

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

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

Estimated useful lives are as follows:
- Buildings and improvements of land, 5-50 years
- Main machinery, 25 years
- Other plant and machinery, 3-20 years

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

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

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

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

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

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

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

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

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

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

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

The right-of-use asset is initially measured at cost comprising the amount of initial measurement of the lease liability plus any initial direct costs and any estimated costs of dismantling and removal of the asset at the end of the lease term which the Company is under an obligation to incur and any prepaid lease payments and less any lease incentives received.

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

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

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

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

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

Impairment of non-current assets
Goodwill is subject to annual impairment tests, initially before the end of the acquisition year.

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

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

An impairment loss is recognised if the carrying amount of an asset or a CGU, respectively, exceeds the recoverable amount of the asset or the CGU.

Amortisation and depreciation of intangible assets and property, plant and equipment are recognised in the same item as the related amortisation and depreciation. However, impairment losses on goodwill are recognised in a separate line item in the income statement.

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

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

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

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

Receivables
Receivables are measured at amortised cost.

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

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

Equity
Dividends are recognised as debt at the time of approval at the annual general meeting (time of declaration). Dividends which are proposed for distribution are therefore stated separately in the shareholders' equity.

Reserves relating to foreign exchange adjustments in the consolidated financial statements comprise currency translation differences arising from the translation of the financial statements of foreign entities from their functional currencies to the presentation currency of the Company (EUR) and foreign exchange adjustments of assets and liabilities considered to be part of the Group's net investment in foreign operations.

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

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

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

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

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

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

Other financial liabilities are measured at amortised cost.

Cash flow statement

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

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

Cash funds consist of cash in hand and bank deposits.

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

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

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

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

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

Omission of consolidated financial statements

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

Segment reporting

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

Forthcoming requirements

A number of new financial reporting standards, which are not compulsory for the Company in 2024, have been released. The adopted, non-effective standards and interpretations are implemented as they become mandatory for the Company.

Financial ratios

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

EBIT ratio
Earnings before interest and tax (EBIT).
Revenue

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

Capital employed
Intangible assets + tangible assets + working capital

Equity ratio
Shareholders' equity
Total assets

Return on equity
Profit
Average shareholders' equity

Net interest-bearing debt (NIBD)
Interest-bearing liabilities less interest-bearing assets

Working capital
Inventories, trade receivables and trade payables.

In this chapter

Signatures

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Aalborg Portland A/S for the financial year 1 January – 31 December 2024.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2024.

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

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

Aalborg, 11 March 2025

BOARD OF DIRECTORS

Bjarne Moltke Hansen
Chairman

Marco Maria Bianconi
Vice Chairman

Søren Holm Christensen
Chief Executive Officer

Ernst Aage Jensen
Employee Representative

Kim Eli Madsen
Employee Representative

EXECUTIVE BOARD

Søren Holm Christensen
Chief Executive Officer

Henrik Jeppesen
Chief Financial Officer

Independent auditor's report

To the Shareholder of Aalborg Portland A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. We have audited the Financial Statements of Aalborg Portland A/S for the financial year 1 January - 31 December 2024, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including material accounting policy information ("financial statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

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

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act. Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

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

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

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

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Aarhus, 11 March 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Trangeled Kristensen
State Authorised
Public Accountant
mne23333

Thyge Belter
State Authorised
Public Accountant
mne30222

In this chapter

Company Information

Companies in the Group

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

BOARD OF DIRECTORS
Bjarne Moltke Hansen
Chairman
Marco Maria Bianconi,
Vice Chairman
Søren Holm Christensen
Ernst Aage Jensen*
Kim Eli Madsen*
*Elected by the employees

EXECUTIVE BOARD
Søren Holm Christensen
CEO, Aalborg Portland
Henrik Jeppesen,
CFO, Aalborg Portland Holding

OWNERS
Aalborg Portland A/S is 100% owned by Aalborg Portland Holding A/S.

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

ANNUAL GENERAL MEETING
23 April 2025 at Rørdalsvej 44, 9220 Aalborg Øst

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

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Magnús Eyjólfsson, *Managing Director*

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Jean-Fabien Criquioche, *Managing Director*

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Maurizio Romeo, *Director*
Jean-Fabien Criquioche, *Managing Director*

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CEMENTIR HOLDING