

# One essential mineral for life.

## INDUSTRY

Iron  
Steel  
Aluminium  
Cobalt  
Copper  
Gold  
Lead  
Lithium  
Nickel  
Titanium  
Uranium  
Zinc  
Float glass  
Container glass  
Glass fibre filaments  
Fibreglass insulation  
Computer glass  
Lamps and bulbs glass  
Laboratory glass

containers and  
equipment  
Optical glass  
High temperature  
cookware  
Oven glass  
Paper  
Paper coatings  
Plastics  
Rubbers  
Sulphonates  
Phenates  
Salicylates  
Fire extinguisher foam  
Soap  
Detergents  
Engine lubricants  
Leather hide processing  
Chrome chemicals  
Modelling clay  
Cat litter component

Glue  
Gelatin  
Capsules  
Cosmetics  
Ointments

## CONSTRUCTION & ENGINEERING

Refractory lining bricks  
Mortars  
Granular repair products  
Renders  
Plasters  
Insulating building  
blocks  
Sand-lime bricks  
Lime concrete  
High alumina cements  
Limewash  
Soil stabilisation

Soil treatment  
Hydraulic road binders  
Tunnelling  
Aggregate improvement  
Asphalt enhancement  
Hemp lime binder  
Paints  
Adhesives  
Caulking agents  
Sealant  
Pumped tunnel grouts  
additive  
Road tunnel safety  
lighting improvement  
Heat island effect  
coolant  
Pest inhibitor  
Calcium silicate fire  
protection boards and  
castings

## **ENVIRONMENT & FOOD**

Treatment of effluent  
Water filtration  
Salt brines purification  
Soda lime  
Removal of acidic to air  
Removal of pollutants of  
emissions to air  
Flue gas treatment  
Liquid acidity  
neutralisation  
Effluent treatment  
Sewage sludge modifier  
Contaminated land  
treatment  
Shipping emissions  
Battery making  
Battery recycling  
Lake liming

Drinking water  
Sugar  
Fertilisers  
Animal feed  
Fish farming  
Fruit farming  
Milk  
Cream  
Butter  
Corn tortillas  
Fungicide  
Dietary supplements  
Antacids  
Toothpaste  
Baking powder  
Inorganic salt

SOURCE: <https://ec.europa.eu/>

**...need lime to be  
produced.**

Welcome to the 2023

# Annual Report

**SigmaRoc** is a lime and industrial limestone group targeting quarried materials assets in the UK and Northern Europe. It seeks to create value by purchasing assets in fragmented materials markets and extracting efficiencies through active management and by forming the assets into larger groups. It seeks to de-risk its investments via strong asset backing at its projects.

Visit our corporate website

[www.sigmaroc.com](http://www.sigmaroc.com)

Liming in Reku,  
Finland



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# Financial highlights

## Statutory results

### REVENUE

**£580.3m**

31 December 2022: £538.0m

**+8%**

### EBITDA

**£87.3m**

31 December 2022: £95.0m

**-8%**

### EBITDA MARGIN

**15.0%**

31 December 2022: 17.7%

**-270bps**

### PROFIT BEFORE TAX

**£28.3m**

31 December 2022: £42.7m

**-42%**

### EPS

**1.95p**

31 December 2022: 4.89p

**-60%**

## Underlying<sup>1</sup> results

### REVENUE

**£580.3m**

31 December 2022: £538.0m

**+8%**

### EBITDA

**£116.7m**

31 December 2022: £101.7m

**+15%**

### EBITDA MARGIN

**20.1%**

31 December 2022: 18.9%

**+120bps**

### PROFIT BEFORE TAX

**£71.2m**

31 December 2022: £62.7m

**+14%**

### EPS

**8.12p**

31 December 2022: 8.0p

**+1%**

1. Underlying results are stated before acquisition related expenses, certain finance costs, redundancy and reorganisation costs, impairments, amortisation of acquisition intangibles and share option expense. References to an Underlying profit measure throughout this Annual Report are defined on this basis. Non-underlying items are described further in the Chief Financial Officer's report. These measures are not defined by UK IAS and therefore may not be directly comparable to similar measures adopted by other companies.

2. Net debt including IFRS 16 lease liabilities.

3. Free Cash Flow takes net cash flows from operating activities and adjusts for CapEx, net interest paid, and for the underlying result further adjusts for net non-underlying expenses paid and working capital payments relating to pre-acquisition accruals or purchase price adjustments.

4. Free Cash Flow conversion is FCF relative to underlying EBITDA.



**NET DEBT<sup>2</sup>****£182.4**

31 December 2022: £193.8m

**-6%****CONVENANT LEVERAGE****1.57x**

31 December 2022: 1.93x

**-19%****ROIC****10.8%**

31 December 2022: 10.3%

**+50bps****FCF<sup>3</sup>****£47.0m**

31 December 2022: £54.3m

**-12.7%****FCF CONVERSION<sup>4</sup>****40.3%**

31 December 2022: 53.4%

**-12.7ppt****Strategic execution driving strong performance, against a challenging market backdrop**

- Trading resilience, efficiency gains and value-accretive acquisitions combined to deliver record earnings performance, ahead of original expectations<sup>5</sup>
- LFL revenue grew by 2% and underlying EBITDA by 10%, despite a 4% volume decline, reflecting the Group's strong market position, pricing power and differentiated operational model with diversified end markets
- Continued emphasis on operational efficiency, with £4m of annualised profitability gains delivered across the Group, enabled further underlying EBITDA margin improvement to over 20%, demonstrating the Group's pricing power
- Underlying EPS increased by 1% despite significant increase in finance costs and impact of dilution from the £30m equity fundraise in February 2023 with the proceeds fully invested in the months following the fundraise

**Strong financial position and improved returns**

- Covenant Leverage reduced to 1.57x further demonstrates ability of Group to de-gear while continuing to invest in growth
- ROIC increased by 50bps to 10.8%<sup>6</sup>, with clear path to medium term target of 15%
- Underlying EBIT ROI of 14% for acquired businesses (including FY23 acquisitions)
- Solid FCF at £47m reduced 13% YoY due to higher net interest payments and working capital absorption to support growth

5. Company compiled analyst consensus estimates as of 18 December 2023: revenue of £596.9m, underlying EBITDA of £110.2m and underlying EPS of 7.5p.

6. ROIC calculation revised to include total equity in invested capital rather than just share capital.



### Seabased liming in Rymattyla, Finland



## Operational and strategic highlights

### Growth

- Benefited from broad diversification across end markets and regions
- Subdued demand in residential construction markets was partially offset by a stronger backdrop for infrastructure projects and industrial markets
- Leadership in local markets and continued focus on service excellence supported a dynamic pricing approach, which largely offset the impact of inflation through the year

### Investment

- Entered into agreements, in November 2023, to acquire CRH's European lime and industrial limestone assets, transforming the Group into a leading European producer
- Deployed £32m to acquire six businesses generating £8m EBITDA across the UK, Belgium, France and the Nordics, which have all been successfully integrated and generating proforma 2023 EBITDA of £10m
- CapEx of £33m includes £5m of quarry development, contributing towards c.175 years of mine life at CDH and Ronez
- Successfully developed new asphalt plant in Llandarcy with first commercial sales commencing in March 2024
- Successful commissioning of Aqualung carbon capture technology in Sweden, ongoing deployment of biofuels across network, and partnership formed with Materials Evolution to further decarbonise concrete product offerings in line with the Group's ESG strategy

### Execution

- Continued safety improvement across the Group, with Total Incident Frequency Rate (TIFR) and Serious Harm Injury Frequency Rate (SHIFR) improved by 6% and 31% respectively including both employees and contractors

- Successful launch of Aqualung carbon capture facility in Sweden with development now focused on purification, compression and liquefaction for utilisation
- Launch of Puccini Blue, a revolutionary, highly sustainable re-interpretation of Belgium Blue Stone, revealing unique features not seen in other natural stone
- Progress on Materials Evolution partnership to produce low-carbon concrete products with the first plant on CCP's site near Wrexham expected to be operational mid-2024
- Delivering continued YoY sustainability improvements:
  - 29% reduction in CO<sub>2</sub>e intensity since 2021 baseline
  - 12% YoY reduction in electrical energy intensity
  - 71% fossil free electricity across the Group supported by 100% fossil free electricity in Nordics and Belgium
  - POC to show kilns can run on between 50%-100% biofuel depending on kiln type
  - 35% of total energy consumption from alternative and renewable means

### Outlook

- Trends from 2023 expected to persist into 2024, with strong infrastructure and industrial markets and subdued residential construction
- Trading for the first two months of the year in-line with expectations, hence the Board's outlook for FY24 remains unchanged
- Integration of CRH European lime and industrial limestone assets is progressing well and the Board is confident that once integrated, the Group will begin delivering previously outlined synergies, enhancing cash flows, and reducing leverage



# ESG highlights

## Building a better business

### EMISSIONS INTENSITY REDUCTION

**29%**

Reduction since 2021 baseline

### ALTERNATIVE FUELS

**100%**

Biofuel success in kiln

### ENERGY INTENSITY REDUCTION

**12%**

Year-on-year reduction

### ALTERNATIVE POWER

**71%**

Use across the Group

### INJURY FREQUENCY REDUCTION

**31%**

Year-on-year reduction in Serious Harm

### SAFETY AUDITS

**172**

Site audits conducted



Solar panels at CDH  
in Soignies, Belgium

# Group at a glance

Founded by an industry team from a blank sheet of paper, **SigmaRoc** is a lime and industrial limestone group targeting quarried materials assets in the UK and Northern Europe. It seeks to create value by purchasing assets in fragmented materials markets and extracting efficiencies through active management and by forming the assets into larger groups. It seeks to de-risk its investments via strong asset backing at its projects.

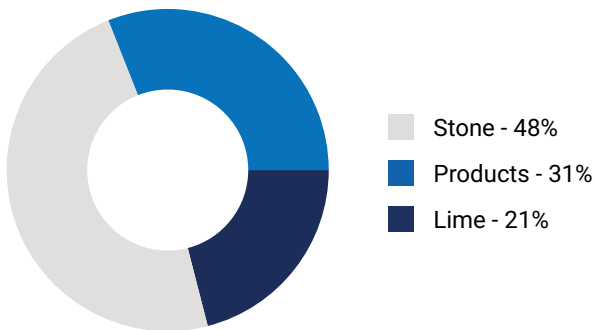
## Our vision

**Lime for Life** | To be Northern Europe's leading supplier of this essential mineral critical for life across the industrial and construction sectors.

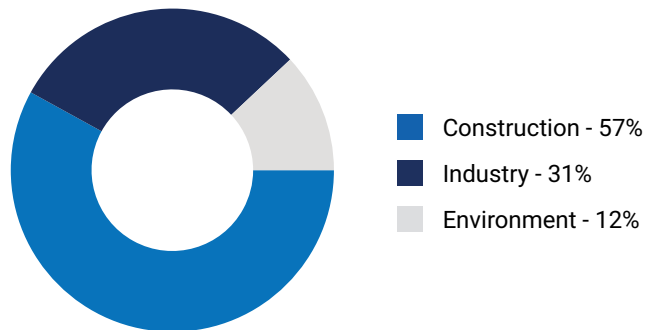
## Transitioning into a sector leading industrial mineral business

### FY23 revenue breakdown

BY PRODUCTS




BY SEGMENTS



### Three core products

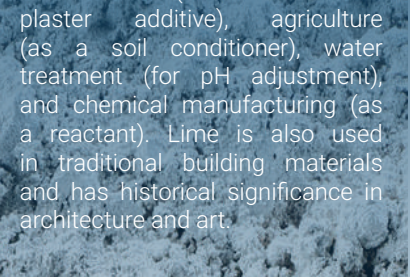
#### STONE

Materials extracted from natural stone quarries. This category includes various types of stone such as granite, limestone, and others. Stone products can be used for construction purposes in civil engineering, road works, sea defences.



#### LIME

A calcium-containing inorganic material, often in the form of quicklime (calcium oxide) or hydrated lime (calcium hydroxide). It is essential in various industrial processes, including construction (as a mortar or plaster additive), agriculture (as a soil conditioner), water treatment (for pH adjustment), and chemical manufacturing (as a reactant). Lime is also used in traditional building materials and has historical significance in architecture and art.

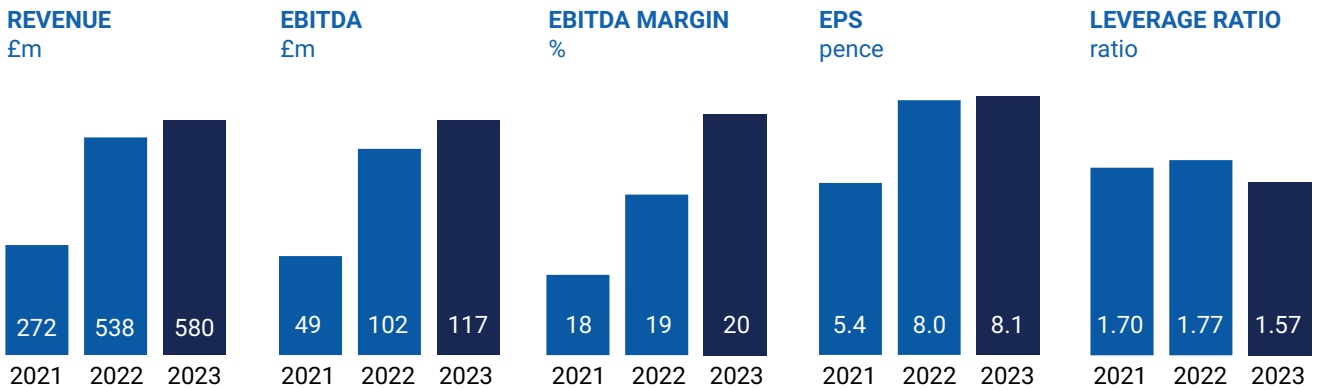


#### PRODUCTS

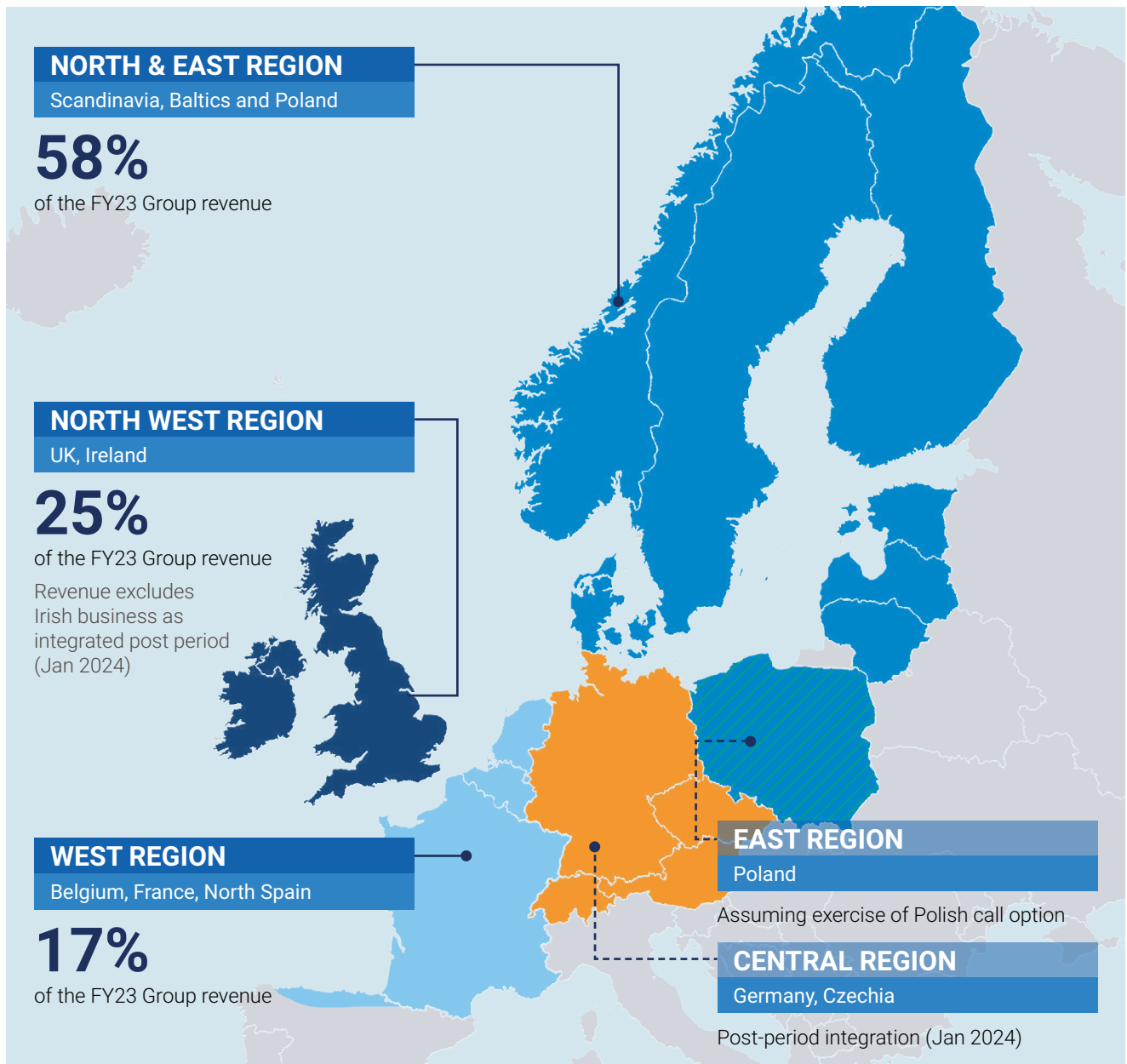
Products generally refer to manufactured materials such as concrete blocks and concrete products and asphalt. They are essential components in the construction industry and are used in residential, commercial, industrial and infrastructure projects.



# Underlying results<sup>1</sup>



## Three regions become five



1. Underlying results are stated before acquisition related expenses, certain finance costs, redundancy and reorganisation costs, impairments, amortisation of acquisition intangibles and share option expense. References to an Underlying profit measure throughout this Annual Report are defined on this basis.

# Investment case

## 1|

### Building a leading lime and limestone group

By targeting assets across North Europe

Leadership position:

**#1 in 5 countries<sup>1</sup>**

Countries: UK, Ireland, Norway, Sweden, and Finland.

## 2|

### Sustainable growth market

Across all target markets from 2017 - 2031

Predicted average value growth in lime and limestone in our target markets:

**+4% p.a.**

Target markets: Steel, construction, pulp & paper, environment, chemical, food.

## 3|

### Track record of improving businesses

Disciplined capital allocation with a track record of value-enhancing acquisitions.

EBITDA improvement:

**+29%**

Average improvement for all acquired businesses

## 4|

### Strong asset backing

Reserves and resources

**2.7 Billion tonnes<sup>2</sup>**

Balance sheet underpinned by extensive access to mineral

## 5|

### Strong acquisition strategy

Proven track record of delivering attractively priced deals

Deals:

**18 deals at 6.7x**

Average multiple

## 6|

### Consistent per share growth

Improving every year since IPO

EPS:

**EPS >8x**

EPS growth since 2016

<sup>1</sup> Assuming exercise of call options

<sup>2</sup> Includes Fels and Ireland



Fels kilns in  
Rübeland, Germany

Waage 9

Verladung  
Kalksteinmehl

Verladung  
Eisenkalk



# Chairman's statement



Nordkalk site in  
Wolica, Poland

# Chairman's statement

Dear Shareholders,

At the end of 2023, we achieved a key milestone in the development of our Group, with the proposed acquisition of CRH's European lime assets. The first and largest of three phases of this transaction completed post period end, in January 2024, and we are now positioned to become a leading operator in these markets across Europe. This strategic move, a long-held ambition cultivated through careful assembly of the right assets in Northern Europe, brings transformational scale, market position and product offering as we evolve into a leading lime entity.

This strategic advancement was realised amidst challenging market conditions both in equity markets and across various sectors and regions, yet we maintained our core business's record of continuous improvement, with another year of strong performance. This report offers deeper insights and context as we gear up for yet another year of substantial progress.

## OVERVIEW

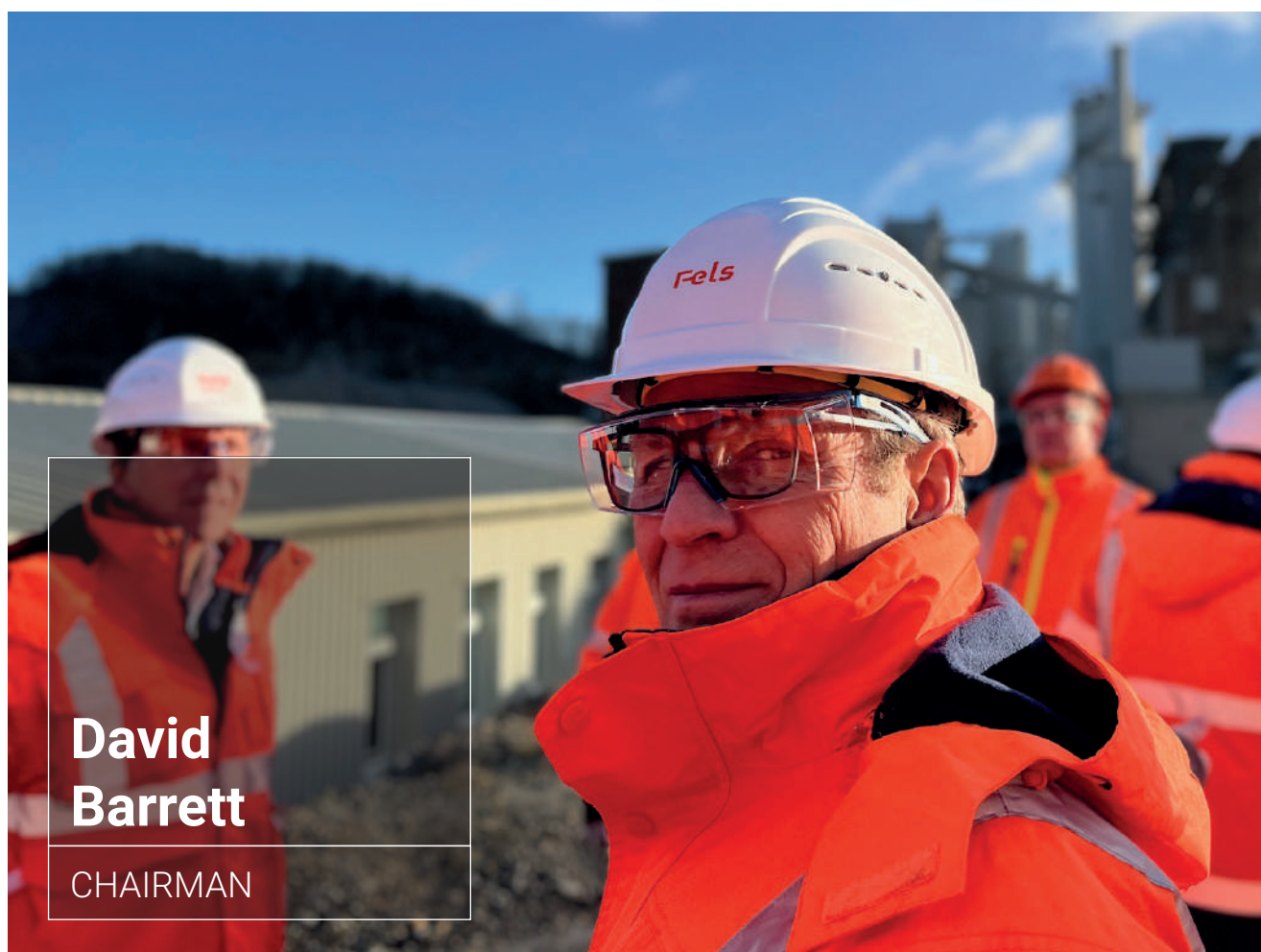
I am very pleased to report another solid financial performance for the year. Despite a challenging market, we achieved a 2% LFL increase in revenues to £580m, while managing a 4% LFL decrease in volumes. This performance underscores the robust and diverse nature of our Group, adept at sustaining earnings growth even in subdued markets.

We also enhanced our underlying profitability, with a 10% LFL increase in underlying EBITDA, and a modest yet positive improvement in underlying EPS to 8.12p. This was achieved amidst a significant YoY increase in financing costs and the effective absorption of the dilutive impact from the February 2023 fundraising.

**"Our teams have demonstrated exceptional focus and efficiency, leading to operational improvements across the board and a return to historical margin trends."**

**David Barrett**  
Executive Chairman

These efficiency improvements have been primarily operational and have led to significant net cost reductions across the Group. Commercial initiatives, selling product in new markets, or new products in old markets have also helped deliver these results.



**David  
Barrett**

CHAIRMAN

Our year was not just about financial gains. We made significant strides in our environmental, social, and governance (ESG) initiatives. Our safety standards have improved further due to a new group-wide safety management approach. Environmentally, we have made a significant leap by operating one of Europe's largest carbon capture systems in Sweden. In respect of Governance, we are actively pursuing the addition of two independent board members and the refinement of our policies and procedures strengthens our corporate structure.

## LIME AND LIMESTONE

The CRH Lime Acquisitions, announced in November 2023, stand as a transformative milestone for the Group. These acquisitions not only elevate our operations in the sector, but also align with our ambition for compounding growth and market leadership. Lime and limestone, being essential to modern life and industry, place us at the forefront of a market critical to the ongoing economic transition towards sustainability.

Lime and limestone are less well understood as critical minerals for modern life. They are however, both key, and will continue to be. Lime is sometimes described as by far the cheapest alkali available, and alkali are a group of chemical compounds without which a whole host of industrial processes simply cannot run. This is what makes these minerals so exciting to us as a Group.

## OUTLOOK

As we enter FY24, we have several important areas of focus including the completion of the remaining transactions from CRH and seamlessly integrating these assets. Once integrated we will turn our attention to delivering the previously outlined synergies, enhancing cash flows, and reducing leverage, thereby setting a strong foundation for further growth, with a strategic focus on lime and limestone.

The trading backdrop in the early months of 2024 remains similar to 2023, characterised by variability and challenges, conditions which our diversified market exposure is well set up to effectively address. The European construction sector continues to face challenges, in the residential segments, whilst ongoing infrastructure investment is expected to support ongoing project activity. Industrial demand will vary by sector, influenced by both local and global trends. In particular paper and pulp is having a better year, while steel production benefits from disruptions in other regions.

Overall, however, we remain optimistic on the outlook for the year with respect to potentially improving demand for newbuild housing as expected interest rate cuts improve the wider construction climate. The likely reversal should have further spill-over effects in other areas of the economy benefitting our end markets in general.

In closing, the past year has been a testament to our resilience and strategic foresight. As we move forward, we remain committed to facing challenges head-on and capitalising on opportunities for growth and development.

Thank you for your continued trust and support.

**David Barrett**  
**Executive Chairman**  
17 March 2024







Nordkalk site in Tytyri, Finland

# CEO's strategic report



Nordkalk limestone

# CEO's strategic report

Dear Shareholders,

In 2016, we launched SigmaRoc with the ambition to operate a portfolio of high-quality assets across Northern Europe which would give us an advantageous competitive position thanks to their market position, barriers to entry, margin and improvement potential and potential links to larger economic players. All of these features are clearly evident in what we now very simply describe as a leading European lime and limestone business.

Lime and limestone are a unique group of products, critical to modern life and essential to a more sustainable world. Building a leading position in this sector is not easy and has been the long-term ambition of our group, initially through our acquisitions of CDH in 2019 and Nordkalk in 2021. Whilst market and operating conditions in both 2022 and 2023 became increasingly challenging, leading many competitors to pause their strategic growth ambition, we continued to integrate, grow and optimise our businesses with the same agility and focus that has been the hallmark of the Group. By retaining focus on our goals, we were able to execute the transformational strategic step in our evolution this year, through the acquisition of CRH's asset base and successfully position ourselves as a leader in limestone and lime across Northern Europe. This pivotal evolution has not only brought strategic alignment across our operations but also paved the way for sustainable growth and enhanced shareholder value.

The journey to this point has been intricate and required a series of calculated assumptions and strategic steps, executed with precision and timeliness. The support from our shareholders and the relentless commitment of our team were instrumental in this journey. Their contributions have been the cornerstone in establishing SigmaRoc as a key player in the European lime industry, a sector vital to both construction and industrial applications.

**"Throughout the year, we successfully repositioned ourselves as a leader in limestone and lime across Northern Europe. This pivotal transformation has not only brought strategic alignment to our operations but also paved the way for sustainable growth and enhanced shareholder value."**

**Max Vermorken**  
Chief Executive Officer



**Max  
Vermorken**

CEO

# CEO's strategic report

This statement aims to provide additional context on the year that just closed, the steps taken, and how these steps now set the Group up for chapter two of its journey. We are now poised to focus on integrating our diverse operations into a synergistic whole, a compounding value creator, a driver of innovation, a leader in the sector, and hopefully the envy of the industrial minerals space.

## FINANCIAL PERFORMANCE

The Group again delivered a strong performance against very challenging market conditions in 2023, a testament to the diversification and quality of the business, as well as the skill in execution of our team. Group revenue increased to £580m, a 2% LFL increase. Underlying EBITDA increased to £117m, an increase of 10% LFL.

Underlying profit after tax increased to £58.8m, translating into underlying EPS of 8.12p, representing a 1% increase YoY. This evolution is very pleasing as the senior debt finance costs more than doubled between 2022 and 2023, reflecting rising interest rates. Tax expense increased also, from 15% to 17% of profit before tax, as some carry forward losses were used up in prior periods. The ability of the Group to deliver another year of underlying EPS growth is an enormous testament to the hard work of so many, in particular those seldomly mentioned in our annual report, our machine and plant operators, quarry staff and sales representatives who all look for ideas to improve the performance of the Group.

Considering this performance on a more granular level, the Group performed particularly well given some of the local trading conditions. Overall volumes were down, as was to be expected, but by only 4% LFL, a modest drop when considering an average European construction output slowdown of 1.7% with 1.6% in the UK.<sup>1</sup> The largest impact on volumes was therefore within the construction segment, particularly newbuild housing, where much action was taken early in the year.

Industrial performance was overall in line with our expectations, for a year without volume growth on the back of overstocking in the paper segment, and a reduction in demand for some chemical applications. These lower volumes were compensated for by robust continued demand in steel, environmental and infrastructure projects.

Considering these trends on a regional basis, our North West Region, comprising mostly construction materials businesses including more commodity-like products, had several challenging months to endure as they actively shifted focus from residential to infrastructure projects. Much progress was made to upscale the precast products. The integrated businesses in Wales and the Channel Islands delivered a strong year, despite several contractor bankruptcies in Jersey created disruption in this market. As a result, the North West Region recorded a LFL decrease in revenues of 1%, against a LFL decline in volumes of 8% and LFL underlying EBITDA improvement of 1%.

The West Region also delivered a solid performance across its two platforms, Dimension Stone and Benelux. Initiatives taken in 2022, commercially and within production, helped

Dimension Stone trade successfully through a challenging market, assisted by additional infrastructure work and overseas sales. The aggregates and concrete businesses both had good years, despite increased monthly volume volatility. West Region volumes decreased by 8% LFL, delivering overall revenues of €114m, a LFL decrease of 7%. In spite of the difficult trading conditions, the West Region was able effectively to manage its cost base and increase underlying EBITDA by 15% LFL, achieving a 473bps improvement in underlying EBITDA margin in the process. The new businesses in the Limburg Region and on the southern border of Belgium performed well, delivering more than expected in their first partial year of ownership.

Our North East Region had a great year delivering on all strategic and financial priorities. The restructure announced at the end of 2022 helped deliver a more agile organisation, able to capture more value via commercial and operational initiatives. Revenues increased to €390m, a 3% LFL increase, on volumes down 3% LFL, driven mainly by weaker residential construction demand in the Nordics which has relatively low impact on profitability. The Lime, Poland and the Baltic businesses performed strongly, translating into a 12% LFL increase in underlying EBITDA and a 179bps improvement in underlying EBITDA margin.

## STRATEGIC DEVELOPMENT

2023 marked an exceptionally dynamic year in our Group's history. At the end of 2022 we had identified several acquisition and investment opportunities that were available at depressed valuations, due to macro-economic uncertainty. This pipeline of bolt-on acquisitions consolidated our positions in Sweden, Finland, the Baltic states, Benelux and the UK, expanding our Group in terms of geography and product range in a year where volume growth was likely to be extremely challenging.

As we embarked on integrating these bolt-on acquisitions, our focus shifted to an opportunity that has been a long-held ambition of the Group – the acquisition of CRH's lime and industrial limestone assets. These very significant assets, known for their operational efficiency and value, presented a complex acquisition proposition, especially in a transaction climate that appeared less favourable.

Notwithstanding the backdrop, our evaluation of the transaction was very clear and came from two perspectives: firstly, its financial viability, considering immediate and long-term earnings growth and our ability to achieve and maintain target ROIC levels; and secondly, the strategic value in elevating our status, not merely as a participant in the lime and limestone sector, but as a principal producer of these essential materials in Northern Europe.

What followed were months of work by a small but dedicated team to deliver a transaction which if completed in full, would see our Group double in size and establish itself as Europe's second largest producer by volume of a critical industrial and construction mineral. The project was ambitious and extremely challenging given its scale and structure.

It required a significant scale up in debt facilities which our

two main banks, Santander and BNPP, fully underwrote. We further relied on equity investment from existing and new shareholders to fund the acquisitions. Despite the complexities, with the critical support from our shareholders we were able to finalise the transformative transaction by the end of November 2023.

The acquisitions do more than just amplify our size in the lime sector. First, they clarify and accelerate our strategic direction, affirming our central commitment to the lime and limestone sector. Secondly, they bring us to a scale where concurrent objectives of compounding growth, share buybacks, dividend distributions, and debt reduction become achievable. Lastly, through geographic footprint and product offering, it transforms SigmaRoc into a unique asset backed industrial minerals group with much further potential.

## **SAFETY**

The Group has made significant progress in safety throughout 2023, with our drive for continuous improvement prompting a fresh perspective on safety practices. Although reporting via our HighVizz application was already commendable, the implementation of learnings across the Group needed improvement.

In response, our board safety committee introduced two fundamental changes. First, we launched a Group-wide supervisor training programme to ensure that supervisors are effectively fulfilling their roles. This training highlighted that, in many cases, individuals designated as supervisors were not fully performing their duties, leaving critical supervisory roles effectively unmanned. As a result, unsafe behaviours or key learnings at Group level were not consistently reaching operators.

The second major change was the initiation of a safety audit programme. Similar in concept to a financial audit, the safety team of the Group, with a Group-wide mandate, now conducts audits at all sites to assess both the accuracy of safety documentation and the actual safety practices on the ground.

These audits are designed to drive continuous improvement in our operations. 172 audits were conducted this year by Clint White, our HSE&P Director. An incredible feat reflecting our unwavering commitment to ensuring the highest standards of safety across all operations. A comprehensive review of the progress we have made can be found in the ESG section of this report on page 92.

## **ENVIRONMENTAL AND SOCIAL**

Alongside safety we made good progress in a number of other facets of our ESG strategy in 2023. To document progress clearly, we have now included a dedicated ESG section in this report, starting on page 92. Of the many initiatives detailed in the ESG report, there are four projects of which we are especially proud.

First, we believe we are the first kiln operation in Europe with a fully functioning carbon capture facility, capable of capturing CO<sub>2</sub> at scale. The installation has been fully commissioned and is now capturing CO<sub>2</sub> to calibrate the second stage of the CCUS process – either utilisation (U),

or sequestration (S). Progress is being made in both areas, with the help of additional testing facilities to ensure the quality and consistency of the captured CO<sub>2</sub> for effective use in either U or S scenarios.

The second project is the launch of a full-scale aggregates recycling installation in North Wales, which now treats and recycles 350kt tonnes of waste aggregates per year. This initiative will eventually liberate c.5m tonnes of virgin aggregate previously trapped beneath waste piles deemed of insufficient quality for recycling. This complements our recycling activities in Finland, Sweden, Belgium and the Channel Islands, where we are processing returned concrete, demolition waste and waste aggregates.

The third project focuses on utilising 100% of the material extracted from our dimension stone quarries. Previously, stone not suitable for high-quality slabs or tiles was used for security bunds or construction aggregate – neither high in value nor value-add. Throughout the year, our teams in Belgium have explored various high-value applications for this stone, significantly enhancing its potential.

Lastly, we have continued our efforts to clean our energy sources, both in terms of combustibles and electricity. Significant progress detailed in the ESG section on page 131 includes applications for wind turbines to supplement our solar arrays and increase clean energy usage at various production sites. Additionally, we are transitioning to biofuels for running our kilns, having already achieved a full week of operation solely on biofuels – a first in the industry.

With respect to social targets we have made a leap forward as well, delivering over 22,000 hours of learning and development, as well as promoting diversity across the group with 42% of non-operational positions being held by women. At a local level our business continues to work closely with our communities, donating time and materials to community projects as well as land and water for community use.

Overall, the progress in 2023 has been significant, paralleled by our active engagement in financial and growth objectives. More developments are expected in the future.

## **NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT**

The Company recognises the need to report on the on the principal risks associated with climate change and sustainability under the Companies Act. The Group has fulfilled their requirements to report under the act throughout the ESG section on pages 92-131.

## **GOVERNANCE**

We have continued to make significant strides in governance, with the rollout of additional policies across the Group, further strengthening our commitment to robust and effective management practices, and establishing new board committees focusing on ESG and Innovation. These committees are instrumental in guiding our strategic direction in these critical areas, ensuring that we stay at the forefront of industry developments and maintain our commitment to sustainable and innovative practices.

# CEO's strategic report

## INNOVATION

The fourth pillar of our 4i operational model, innovation, has seen notable advancement, extending beyond our ESG-related programmes. This year we have made significant progress in our product range and innovation investment, with three projects particularly standing out.

First, we have made considerable further progress with our Greenbloc range. This product line is now incorporated in almost all of our concrete products, available in three distinct performance levels. These levels provide a range of embodied CO<sub>2</sub> reductions from 50% to 90%. Looking ahead, we aim to surpass the 100% mark, positioning ourselves as pioneers in producing large-scale negative carbon concrete products.

In our quest for innovation, we have initiated a scheme to fund external technologies that can make our products more competitive, advanced and/or sustainable. HighVizz was an early success within this initiative and building on this, we have now formed a partnership with Mevo.

Mevo is a revolutionary new technology for the grinding and blending of non-cementitious minerals, imparting certain binding properties to the materials. We have supported Mevo in raising £15m in venture funding and have assisted in the construction of its first large-scale plant. Once operational, we anticipate that Mevo's technology will be at the forefront of decarbonising all our concrete products.

## POST PERIOD ANNOUNCEMENTS

On 4 January 2024 the Group successfully completed the first of three proposed CRH Lime acquisitions, and in conjunction with CRH Deal 1 completed admission of the Group's enlarged share capital with a £200m gross equity fundraising and new €875m senior finance facility.

On 1 March 2024 the Group issued notice of exercise of the call option to acquire CRH's UK lime operations for a total consideration of €155m, with the transaction expected to complete by the end of March 2024.

## OUTLOOK

SigmaRoc's impressive performance in 2023, reflected in our robust financial results, underscores the inherent strength and quality of our assets and operations. Since January 2024, we have welcomed several new businesses into our Group, and this expansion is set to continue as we acquire the remainder of CRH's European lime businesses in a planned phased approach. Each of these acquisitions represents high-quality assets with strong market positions, reinforcing our confidence in the sustained performance of not only our existing operations but also those of the recently integrated businesses.

This report was approved by the Board on 17 March 2024.

**Max Vermorken**  
Chief Executive Officer





CEO Max Vermorken taking Harvard students around the bluestone quarry at CDH in Soignies in February 2024

# 2023 timeline of key events

## JANUARY

Acquired Juuan Dolomitik for an effective multiple of 2.6 times recurring EBITDA. JD is a specialist supplier of high-quality dolomitic limestone used in the agricultural and environmental sectors to improve regulation of soil pH and water retention. JD's operations are located close to the Group's existing Finnish business and represent a valuable extension into dolomitic limestone.

## MARCH

Publication of annual results for 2022 and notification of AGM to be held in April 2023. Notification that the Group had been successful in its claim to seek compensation from the Swedish state in respect of land use restrictions.

## MAY

Court hearing held in relation to the Company's capital reduction which was approved by Shareholders at the AGM in April 2023.



## FEBRUARY

Acquired Goijens, a leading supplier of ready-mixed concrete and recycling solutions in Belgium, at an effective multiple of 5 times recurring EBITDA. The Group raised £30m to accelerate execution on a pipeline of acquisitions, disposals and investment projects across the Group, which had been assembled over the previous 12 months.

## APRIL

Acquired Retaining, a leading manufacturer of specialty retaining wall systems, for an effective multiple of 2.9 times recurring average EBITDA. Retaining fits well with the PPG Platform, expanding its range of walling solutions, which already includes the patented Alfabloc, as well as extending PPG's reach into the north of the UK.

AGM held and all resolutions passed. Publication of 2023 ESG report. Notification that the Swedish state appealed the March 2023 verdict relating to the Group's successful claim and subsequently the Group also appealed.

## JUNE

Successful launch of the Group's first carbon capture facility at Nordkalk's Köping site in Sweden. The fully scalable carbon capture system, utilising Aqualung's innovative membrane technology, is the first-ever implementation of its kind in the industry.



**JULY**

Strategic partnership with Material Evolution to develop new range of low carbon concrete products, with trials commenced at CCP. The innovative manufacturing process enables the production of cement at ambient temperatures by using various waste materials and feedstocks, eliminating reliance on fossil fuels. Acquisition of ST Investicija which operates three quarries in Lithuania.



**SEPTEMBER**

Publication of interim results and update on sustainability initiatives, including Aqualung carbon capture project, and partnership with Materials Evolution for low carbon cement. Completion of the acquisition of four concrete plants within Northern France, close to the Belgian border, in conjunction with the establishment of acquiring and operating entity Betons.

**NOVEMBER**

Conditional agreements to acquire certain European lime businesses from CRH, alongside an equity placing for £200m and updated bank facilities as part of the financing. Publication of AIM Admission Document and general meeting agenda in relation to the acquisitions. Update on sustainability issues, including cement-free carbon negative concrete blocks in partnership with Carbon8. Nordkalk collaborates with OX2 on the development of e-fuel production. Nordkalk celebrates 125 years of excellence and unveils innovative new products.

**AUGUST**

Completed the acquisition of Björka Mineral, a leading supplier of high-grade limestone and dolomite powders in Sweden.

**OCTOBER**

Publication of Q3 trading update and the integration of businesses acquired in the course of 2023 progressing well and delivering expected synergies. The Aqualung carbon capture unit completed trials to capture CO<sub>2</sub>. Launch of Puccini Blue, a revolutionary, highly sustainable re-interpretation of Belgium Blue Stone.

**DECEMBER**

General meeting held with all resolutions passed in respect of the proposed acquisitions from CRH to create one of Northern Europe's leading lime and limestone producers.

# Key developments



Fels kilns in  
Rübeland, Germany

## Bolt-on acquisitions during 2023

In February 2023, the Group raised £30m of equity to accelerate execution on a pipeline of acquisitions across the Group, which had been assembled over the previous 12 months. The acquisitions were made on an average EV/EBITDA multiple of 3.9 times and are expected to contribute an additional c. £8m of annualised EBITDA. A summary of each of the acquisitions is as follows:

### GOIJENS, BELGIUM

The acquisition of Goijens, a leading supplier of ready-mixed concrete and recycling solutions, was closed at an effective multiple of 5 times recurring average EBITDA for the years 2020 to 2022. As with other acquisitions the Group has made, we expect synergies and operational improvements to reduce the effective multiple paid and Goijens traded ahead of the acquired EBITDA in its first months of ownership within the Group.

### JUUAN DOLOMITIK, FINLAND

The Group completed the acquisition of Juuan Dolomitik for an effective multiple of 2.6 times recurring average EBITDA for the years 2020 to 2022, pre-synergies and operational improvements. JD is a specialist supplier of high-quality dolomitic limestone, used in the agricultural and environmental sectors to improve regulation of soil pH and water retention. JD's operations are located close to the Group's existing Finnish business and represent a valuable extension into dolomitic limestone. JD adds approximately 1.5m tonnes of reserves, equating to roughly 30 years of operating life, and €1.5m of revenues to the Group.

### RETAINING, UK

In April 2023 the Group closed the acquisition of Retaining, a leading manufacturer of specialty retaining wall systems, for an effective multiple of 2.9 times recurring average EBITDA for the years 2020 to 2022, before expected synergies and operational improvements. This business fits well with the PPG precast platform, both expanding its range of walling solutions, which already includes the patented Alfabloc, as well as extending PPG's reach into the north of the UK.

### ST INVESTICIJA, LITHUANIA

In July 2023 the Group acquired aggregates supplier ST Investicija and its subsidiaries, which operate three quarries in Lithuania. The acquisition materially strengthens the aggregates business of our Baltics platform, bolstering the mineral position and quarrying assets of the Group in this region.

### BJÖRKA MINERAL, SWEDEN

In August 2023 the Group acquired Björka Mineral, a subsidiary of Swiss industrials materials group Omya, for an undisclosed sum. Björka Mineral is a leading supplier of high-grade limestone and dolomite powders. It operates three quarries that are synergistic to the Group's existing operations in Sweden.

### BETONS, BELGIUM/FRANCE BORDER

In September 2023 the Group formed Betons and acquired four concrete plants located in Northern France from leading limestone producer Groupe CB. The concrete plants were acquired for an initial consideration of 3.5 times recurring EBITDA for the year 2022.



Goijens production site, Belgium

# CRH Lime Acquisitions

On 22 November 2023, the Company announced the conditional and transformational acquisition of a comprehensive portfolio of European lime and industrial limestone assets from CRH, alongside a £200m equity fundraising and new €875m debt facility.

The acquisitions are independent of each other, but on a combined basis represent a total consideration of €1bn, with €825m initial and €175 million deferred consideration. The acquisitions are structured as follows (with Deal 1, Deal 2 and Deal 3 collectively representing the 'Acquisitions'):

- **CRH Deal 1**

Comprises German, Czech and Irish lime and industrial limestone businesses for a total consideration of €745m, subject to customary purchase price adjustments. The consideration satisfied by a combination of €230m from gross equity proceeds, €350m drawdown from the new debt facility and €75m deferred consideration.

Due to its size, Deal 1 comprised a reverse takeover of the Company under the AIM Rules for Companies and was therefore conditional on Shareholder approval, which was obtained at a general meeting held on 11 December 2023. Deal 1 has been completed on 4 January 2024, bringing to the Group 1 billion tonnes of reserves, over 850 employees, and annualised revenues of over €350m. The addition of these assets transforms the scale of the Group's industrial minerals business and is expected to unlock significant financial, operational and strategic benefits.

- **CRH Deal 2**

Consists of the UK lime operations of CRH for a total consideration of €155m, to be satisfied entirely by drawdown from the new debt facility. Deal 2 is subject to a call option, whereby SigmaRoc has been granted the right (but not the obligation) to acquire the UK lime operations of CRH.

The UK lime operations were integrated within other CRH businesses and have been required to be carved out into a standalone entity before they can be acquired. Deal 2 is expected to complete at the end of March 2024, with the Group having exercised its call option on 1 March 2024.

- **CRH Deal 3**

Consists of the Polish lime operations of CRH for a total consideration of €100m, to be funded from deferred consideration. Deal 3 is subject to a call option, whereby SigmaRoc has been granted the right (but not the obligation) to acquire the Polish lime operations of CRH.

The Polish lime operations are also integrated within other CRH businesses and similarly need to be carved out into a standalone entity before they can be acquired. Deal 3 is anticipated to complete toward the end of 3Q24 and is subject to anti-trust filings.

On an FY22 pro-forma basis the enlarged group, being SigmaRoc plus the Acquisitions, would have reported the following key metrics:

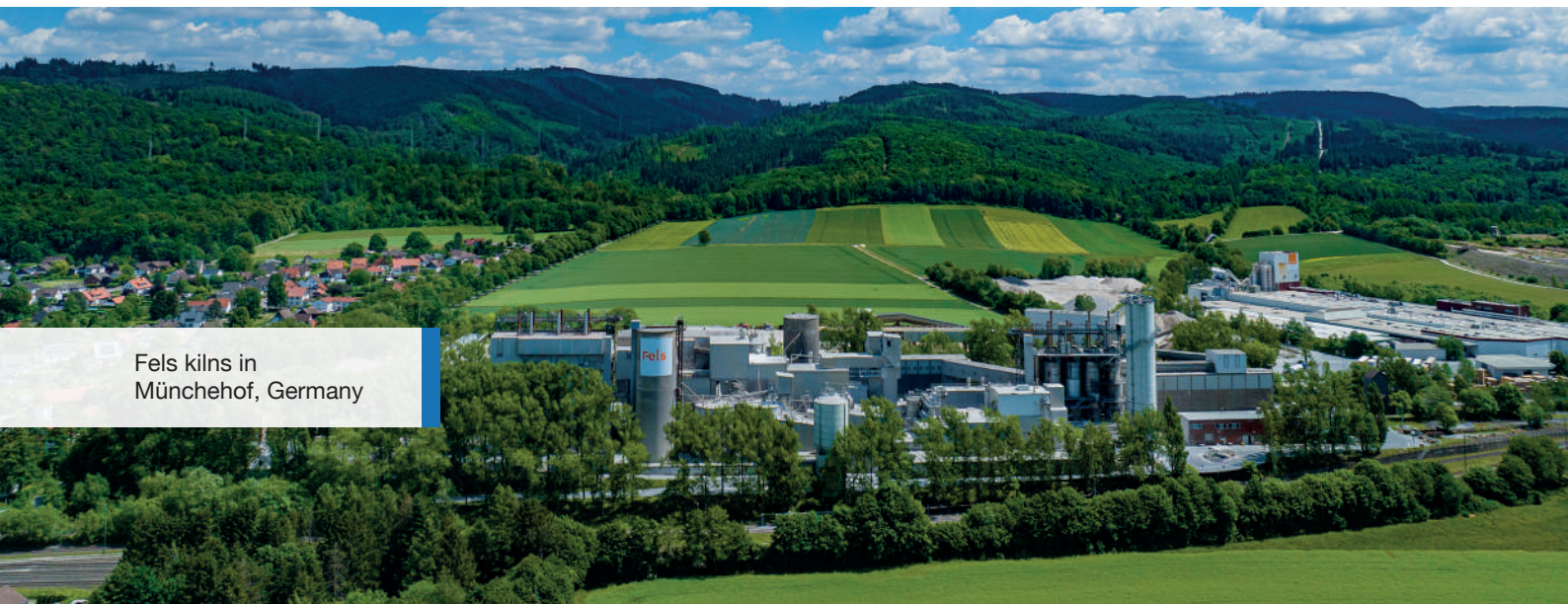
- underlying revenue in excess of £1b
- underlying EBITDA of £211m
- mineral reserves of c. 2.7b tonnes
- operations in 14 countries
- over 3k employees

Strategically the Acquisitions represent an opportunity to become one of Europe's leaders in lime, combining high quality businesses and complementary footprints, positioning the Group as either the number one or number two participant in all its key lime markets.

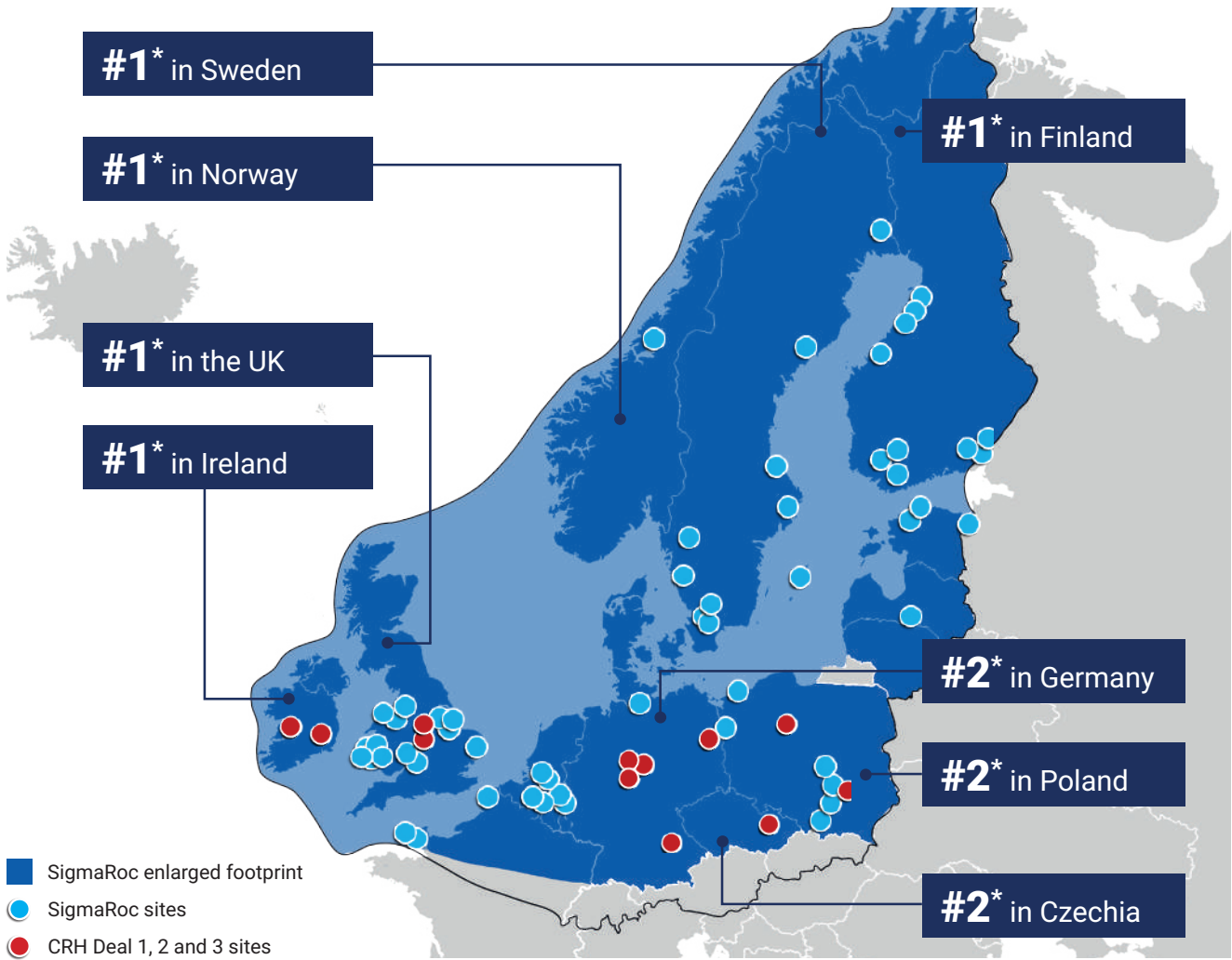
Lime and limestone are key resources in the transition to a more sustainable economy and lime products are natural carbon absorbers. New applications for lime and limestone products as part of a drive for sustainability include the production and recycling of lithium batteries as part of increasing electrification, the decarbonisation of construction including through substitution of cementitious material, and new building materials, and environmental applications including lake liming, air pollution control and direct air capture.

Furthermore, the Acquisitions are aligned with the Group's ESG and net-zero ambitions, positioning the Group to be part of CCUS hubs, and giving the Group a strategic role in the decarbonisation of key industries such as steel and chemicals.

Fels kilns in Münchhof, Germany



# Building a sector leading industrial mineral business



\* Pro-forma FY22 figures for the enlarged Group assuming exercise of call options

# Aqualung



In 2023, SigmaRoc successfully installed and commissioned its first carbon capture unit at Nordkalk's site in Köping, Sweden. The fully scalable carbon capture system, utilising Aqualung's innovative membrane technology, is the first-ever implementation of its kind in the industry.

The carbon capture system has been developed by Aqualung, a leading provider of membrane-based carbon capture and separation technology, based in Norway.

Over the course of the preceding year, SigmaRoc reviewed an array of technologies including amine absorption, solid absorption, membrane and cryogenic. The Aqualung membrane technology was considered best suited for the Group's operations based on the following factors: small footprint, low CapEx and operating costs, and a relatively low complexity and efficient solution. The system is modular and fully scalable, allowing SigmaRoc significant flexibility in the roll out of the solution.

The Aqualung module installed in Köping can capture up to 25% of the process emissions emitted from a standard kiln and was initially designed as a 'catch and release' system to demonstrate the durability and efficiency of the membranes. The unit is able to capture CO<sub>2</sub> with a purity of 96% through just 2 stages and has since been connected to a pilot purification module to simulate settings required to produce higher purities of CO<sub>2</sub> for different end use applications

that go beyond sequestration requirements. We believe review of alternative application is required whilst European Governments and third parties develops legislation, policies and sequestration infrastructure including pipeline, storage facilities and portside facilities to allow for commercially available sequestration.

SigmaRoc is working with various businesses and solution providers with regards to the end use of CO<sub>2</sub>, including being involved with the NICE (Norvik Infrastructure CCS East Sweden) project to explore all CO<sub>2</sub> utilisation and sequestration options.

Nordkalk also secured part-funding from the Swedish Energy Agency for the implementation and scaling of the Köping carbon system with the intention to capitalise on the learning from the engineering, commissioning and operation phase of the initial module.

SigmaRoc will continue to update on the progress as well as roll-out plans to implement the technology in all of Nordkalk's operating kilns by 2030.



"As a Group we are always on the lookout for interesting technologies that can help us advance our business and our operations. Aqualung is clearly that type of technology. Partnering with them to potentially decarbonise our operations well ahead of not just our timeline but probably the entire industry, is very exciting and the result of intense work across the Group, in particular at Nordkalk."

**CHARLES TRIGG**  
CTO



CCP production site  
in Llay, UK

## Materials Evolution (Mevo)

During the year, SigmaRoc entered a strategic partnership with Material Evolution, an advanced materials company producing low carbon cement from industrial waste streams, to develop a range of low carbon concrete products.

Mevo has developed a process that produces an emission-free substitute for ready-mix and precast concrete. With the cement industry currently accounting for 8% of global CO<sub>2</sub> emissions, there is growing demand for reducing its carbon footprint. Mevo's innovative manufacturing process effectively addresses the problem of high CO<sub>2</sub> emissions

from conventional cement production by producing cement at ambient temperatures using various waste materials and feedstocks, thereby eliminating the reliance on fossil fuels.

Trials for product development have commenced at CCP, SigmaRoc's largest precast concrete manufacturer.



"Our partnership with Mevo marks a significant step towards an emissions-free solution for ready-mix and precast concrete. Through our trials at CCP, we are confident that these innovative products will not only meet market demand but also pave the way to transforming the cement industry and driving sustainable innovation."

**FONS VERMORKEN**  
CIO

# Greenbloc and environmental sustainability

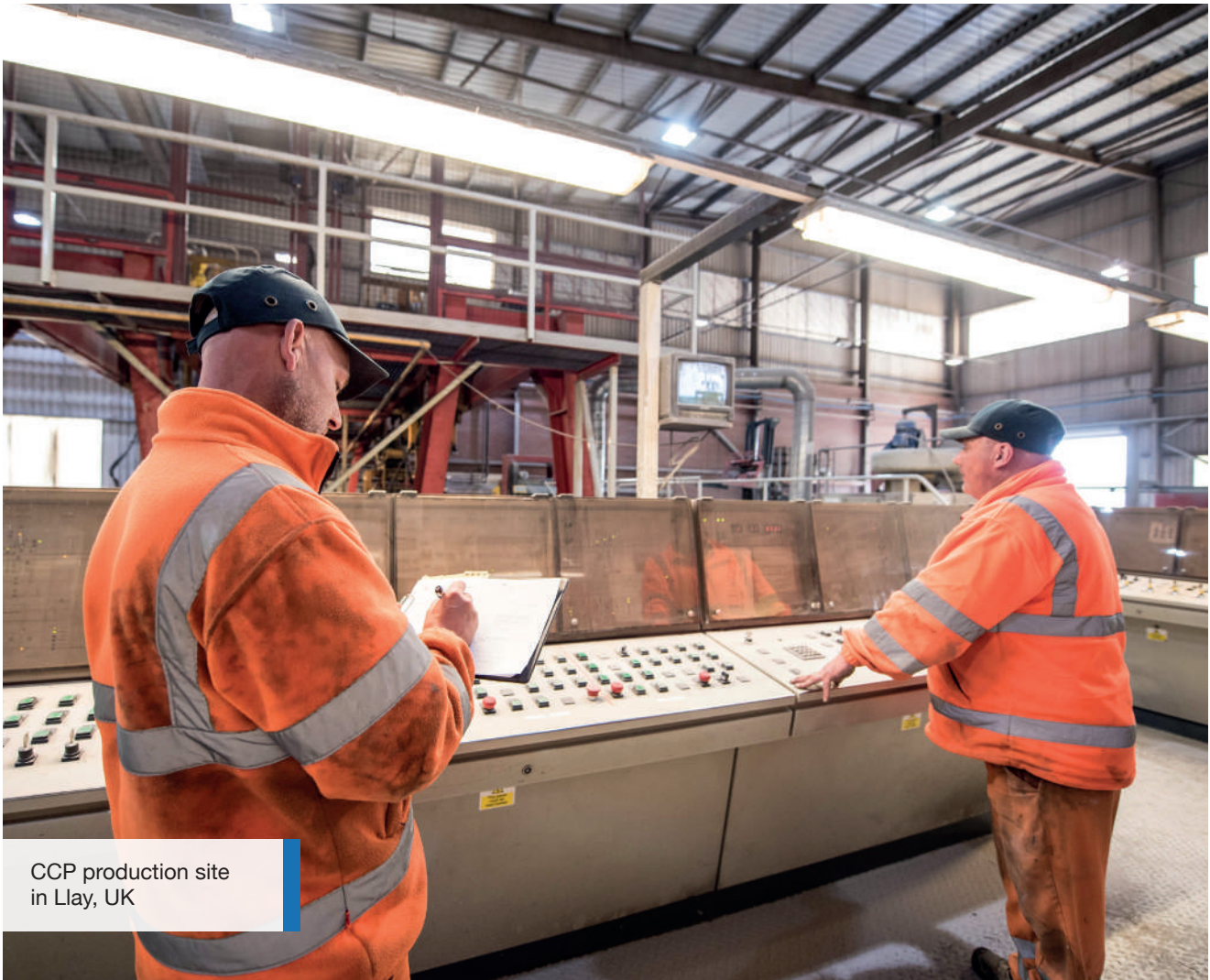
**CCP Greenbloc as standard;** Through 2023 Greenbloc technology has made significant strides in sustainable development across the business, offering up to 50% carbon reduction on all standard blocks produced at CCP Building Products. This has saved over 6,000 tonnes of CO<sub>2</sub> since its introduction and has been offered at no additional cost to the customer. CCP completed its expanded new ranges by introducing an additional premium range product, which sits between its standard 50% reduction product and ultra cement-free, and provides up to a 70% carbon reduction at a competitive price.

**Poundfield Cement-free;** Further Greenbloc cement-free development at Poundfield introduced a necessary flexible solution, enabling daily production and the ability to turn cement-free concrete on-and-off for environmentally significant bespoke projects. These include the UK Environmental Agency's Canvey Island Sea Defence and Jimmy's Farm Polar Bear Relocation projects, both of which achieved over 80% reduction in the carbon embodiment of the concrete products. As a result of these initiatives, Poundfield has become one of the leading UK producers of cement-free pre-cast concrete, producing more wet-

cast cement-free concrete per day than any other precast company, and underscoring the industry's shift towards more sustainable practices. The resulting media focus has brought more cement-free projects to the business for 2024.

**Greenbloc carbon-negative;** A leap in innovation was gained through the production of a carbon-negative-cement-free concrete block, which boasted a 115% carbon reduction and was created using Greenbloc cement-free technology, combined with carbon-negative aggregate produced from waste materials and captured carbon. The block showed all the same characteristics and performance as standard equivalent cement-based blocks and is expected to become part of an extended future range with the introduction of Mevo at CCP in 2024.

**Marshalls collaborative Greenbloc – MTech;** SigmaRoc has produced an in-house cement-free-carbon-negative concrete with patentable opportunities, in collaboration with Marshalls. The concrete combines carbon-negative materials with an in-house developed cement-free binder which incorporates upcycled waste lime kiln dust from Nordkalk. The patent application will be submitted in 2024 with expected opportunities for use in 2025.



CCP production site  
in Llay, UK





Greenbloc products

# About us



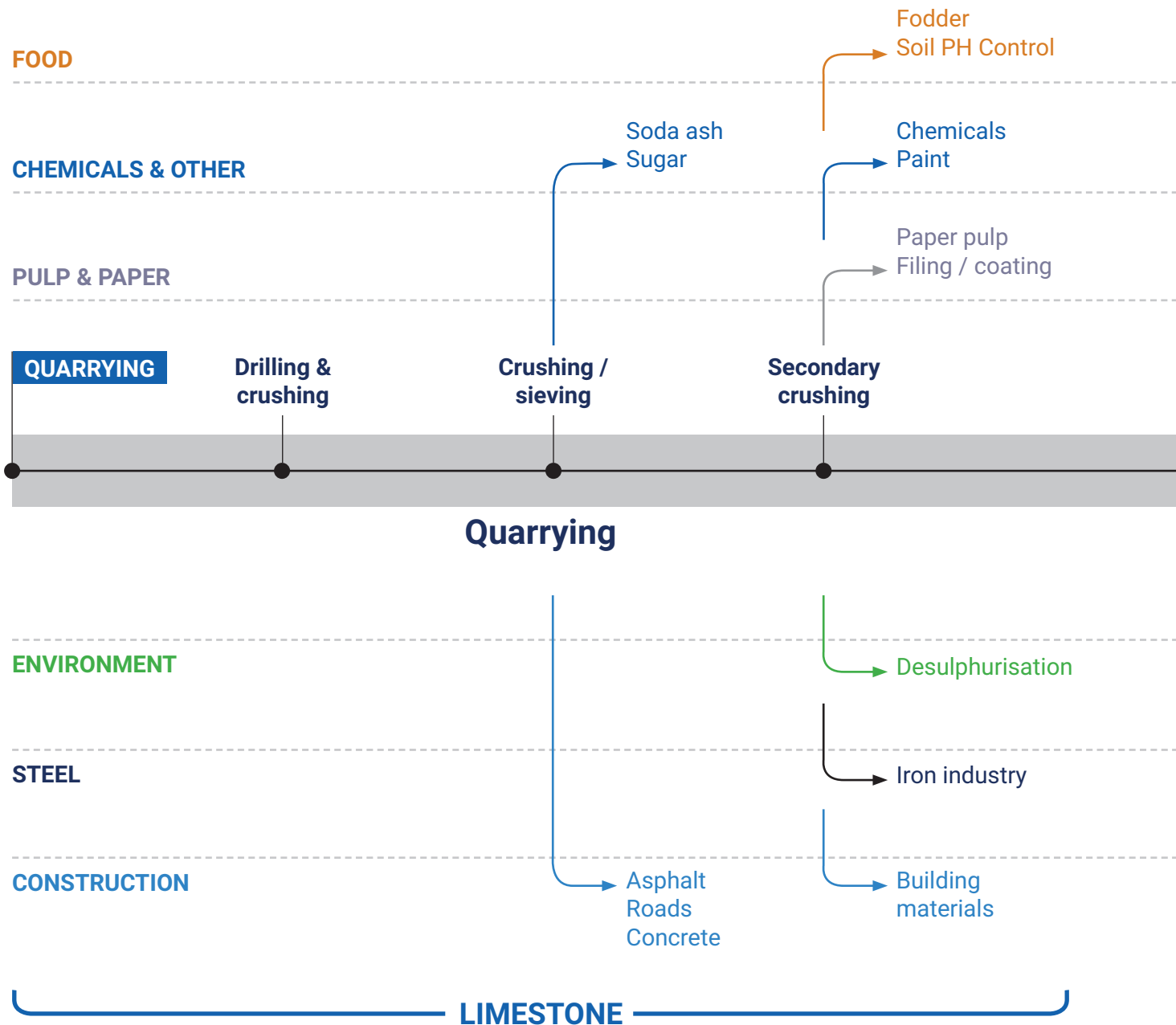
Field in Reku,  
Finland

# Lime for Life

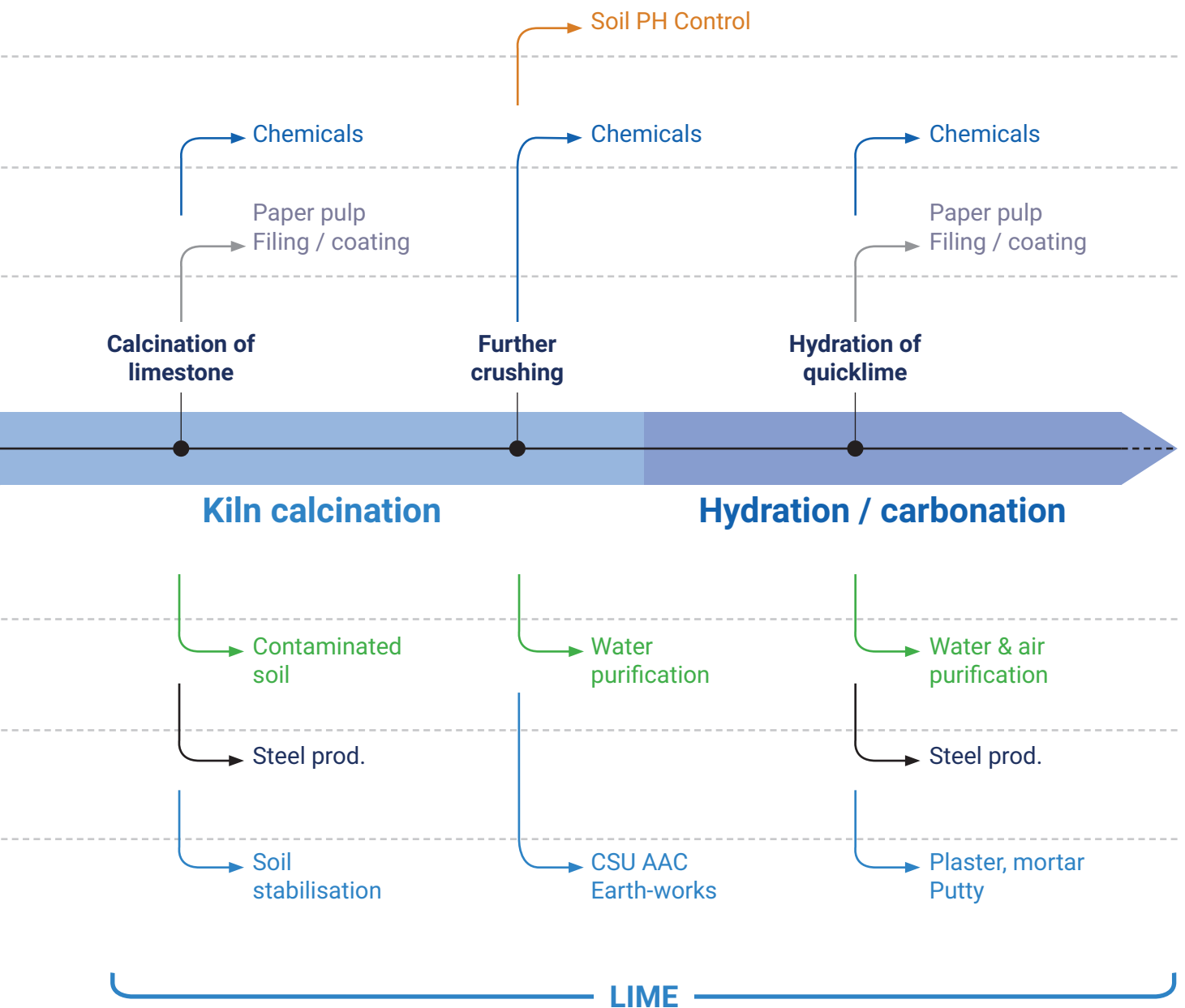


# Why lime and limestone?

## From limestone to lime...



# ...one essential mineral for life

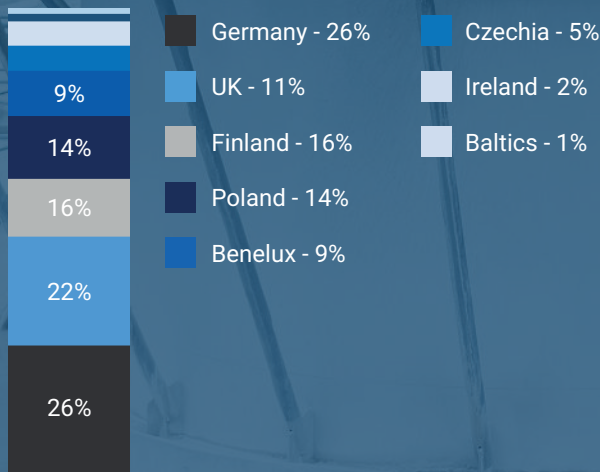


# Our vision

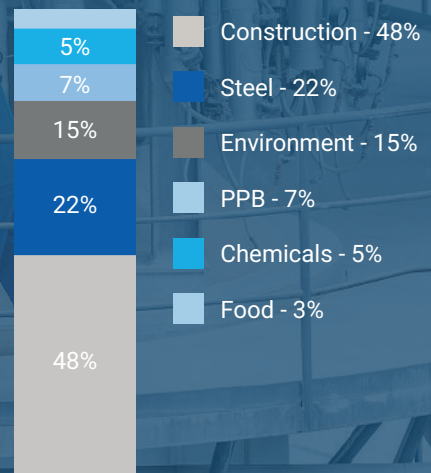
To be Northern Europe's leading supplier of this essential mineral critical for life across the industrial and construction sectors.

## NEW GROUP REVENUE SPLIT<sup>1</sup>

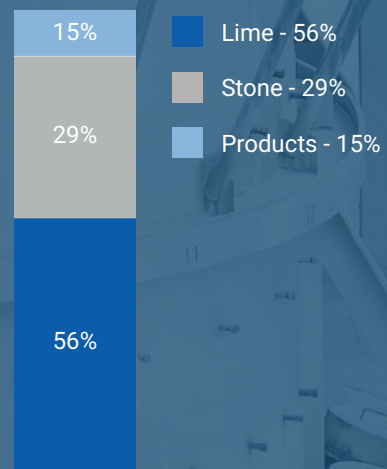
### BY GEOGRAPHY



### BY INDUSTRY



### BY PRODUCT



<sup>1</sup> Pro-forma FY22 figures for the enlarged Group assuming exercise of call options

# The Group<sup>2</sup>

REVENUE

**£1B**

EBITDA

**£211m**

MINERALS

**C. 2.7Bt**

COUNTRIES

**14**

POSITION IN 5 COUNTRIES

**#1**

POSITION IN 3 COUNTRIES

**#2**

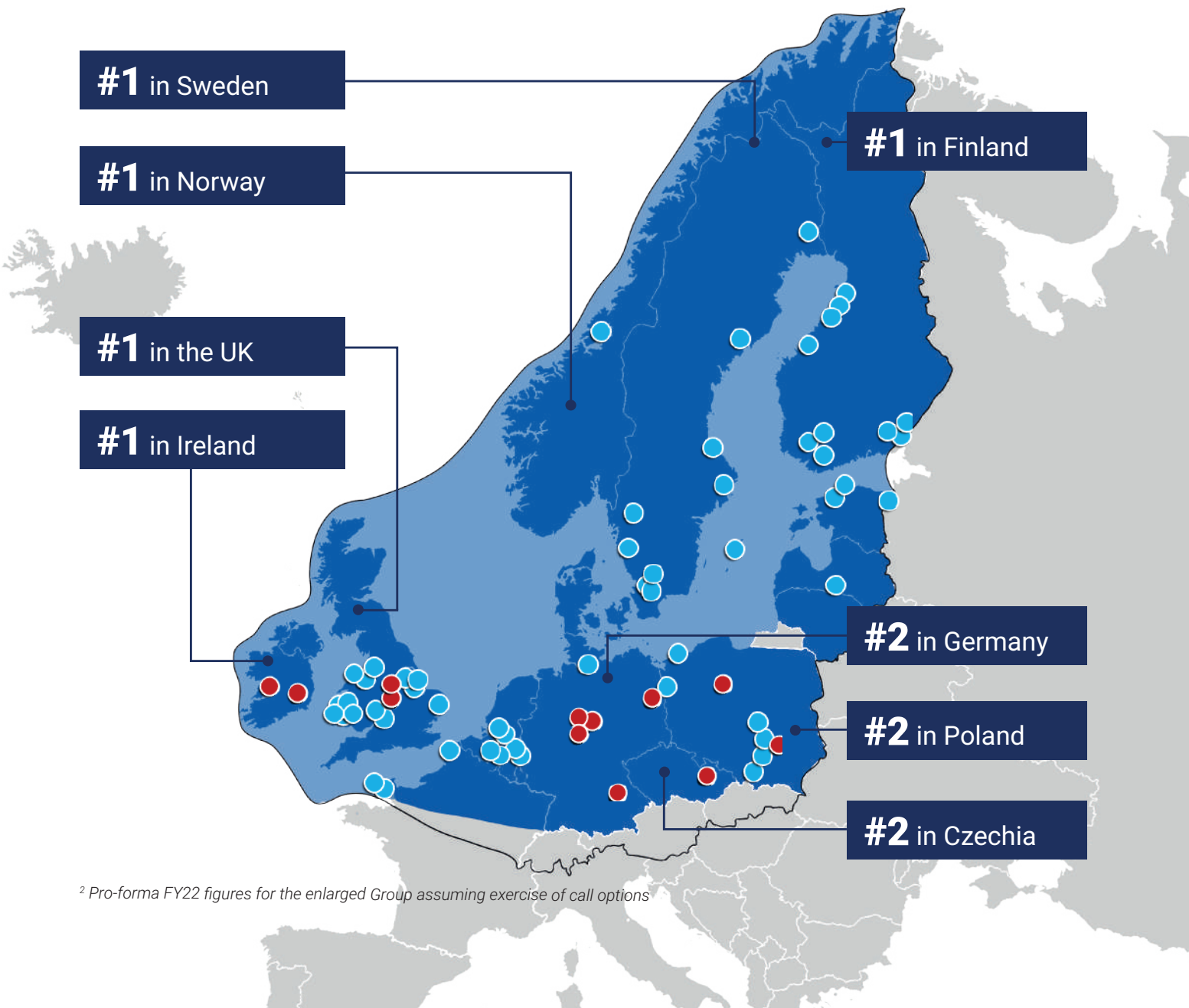
CORE SECTORS

**6**

■ SigmaRoc enlarged footprint

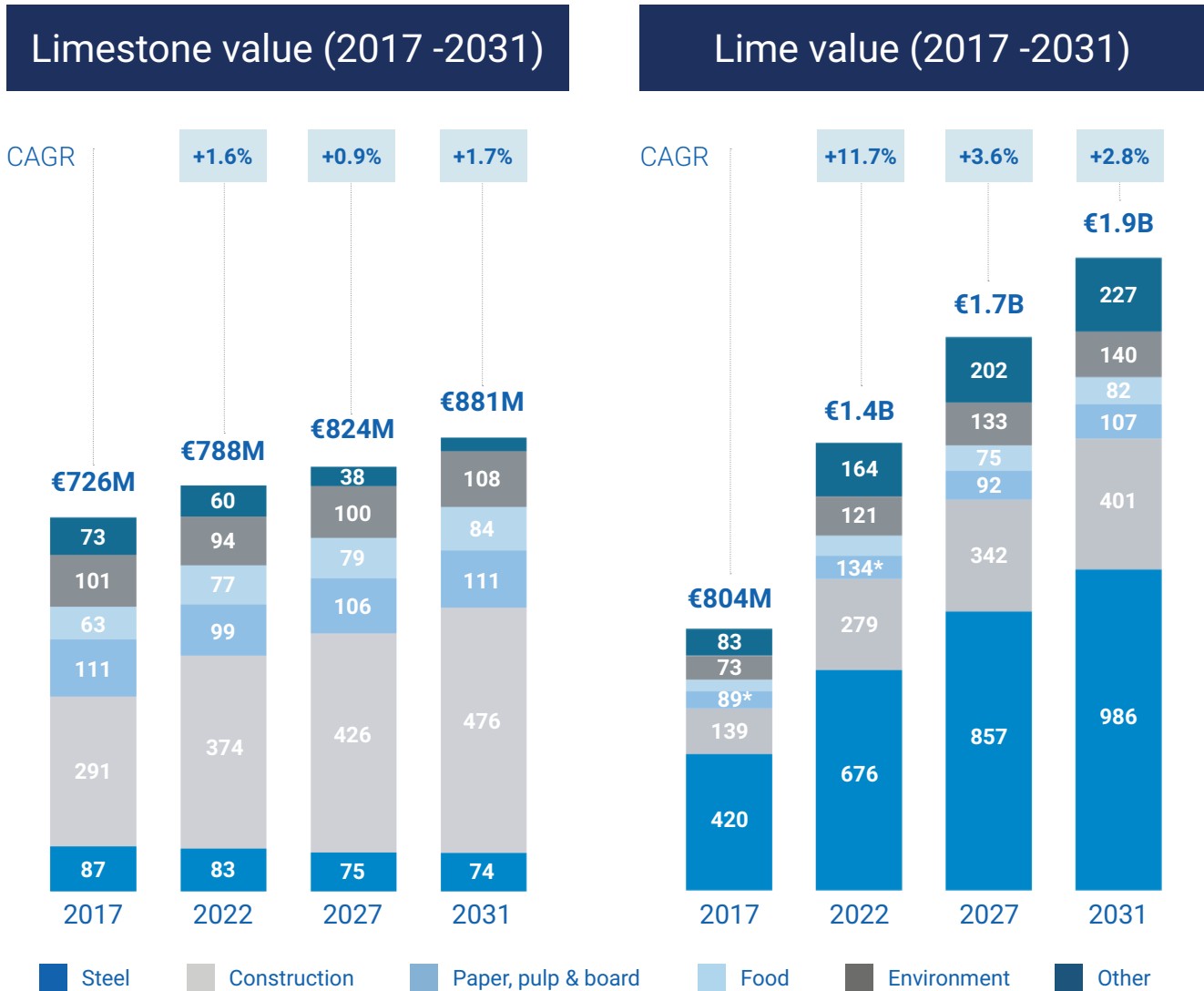
● SigmaRoc sites

● CRH Deal 1, 2 and 3 sites



<sup>2</sup> Pro-forma FY22 figures for the enlarged Group assuming exercise of call options

# Growing in markets with positive outlooks...



Note: The above graphs only refer to the following countries: Sweden, Finland, UK, Ireland, Germany, Czechia, Poland. The value of limestone in the construction industry excludes captive use for cement or captive use for lime production and excludes Aggregates with Low Calcium Carbonate content (<95%).

SOURCE: Global consulting firm

## DID YOU KNOW?

Lime products are natural carbon sinks

Application	Carbon. rates	Timeframe
Drinking water	100%	Instantly
Pulp & paper	93%	Instantly
Mortar	80-92%	>4X faster recarbonation than other binders
Flue gas	59-64%	Instantly
Steel	39-56%	3-6 months



# ...with huge long-term growth opportunities through new applications

## Mega trend: Decarbonisation (of construction)

### DECARBONISATION OF CONSTRUCTION

Many countries across Europe have embraced ambitious goals and comprehensive strategies to transition towards low-carbon and sustainable pathways. Spearheading this movement, the European Commission launched the EU Green Deal in 2019, committing the bloc to achieving climate neutrality by 2050. This initiative sets out a roadmap for reducing greenhouse gas emissions, enhancing energy efficiency and fostering green innovation across all sectors of the economy.

The transition to a net-zero economy in Europe is projected to require substantial investment, with estimates suggesting that approximately €350 trillion will be needed in cumulative spending on physical assets globally over the next three decades, with a significant portion allocated within the next 10-15 years. This translates to an annual spending of €11.7 trillion, indicating a surge in demand for sustainable solutions across various industries as part of Europe's ambitious decarbonisation efforts.

### HOW WE ARE RESPONDING

The decarbonisation of the construction industry in Europe stands as a pivotal mega trend in the global sustainability transition, with lime and limestone emerging as crucial resources. These versatile materials play an important role in various eco-friendly applications, notably as **substitute cementitious materials**, where they significantly reduce carbon emissions associated with traditional cement production. Moreover, innovations such as **hemp lime for building materials** showcase the potential of integrating sustainable practices into construction, offering both insulation properties and reduced environmental impact. Additionally, the incorporation of **hydrated lime into asphalt mixes** not only enhances durability and performance but also contributes to reducing the carbon footprint of transportation infrastructure. As the industry continues to embrace new building materials and techniques, lime and limestone stand at the forefront of facilitating a greener, more sustainable future for construction in Europe and beyond.

### KEY STATISTICS

# 2X

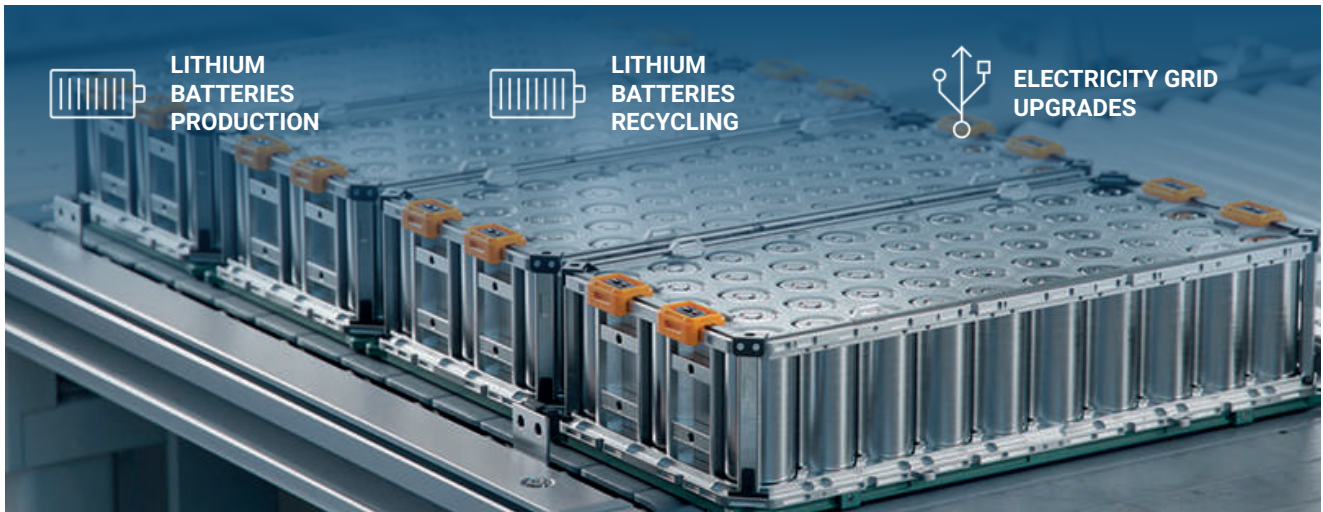
The European Union's Renovation Wave Strategy aims to double the annual renovation rate of buildings by 2030, with a focus on improving energy efficiency and reducing carbon emissions.

SOURCE: <https://ec.europa.eu/>



# ...with huge long-term growth opportunities through new applications

## Mega trend: Electrification



### ELECTRIFICATION

Electrification in Europe is not only essential for achieving net-zero emissions but also for driving efficiency and productivity across various sectors. By 2030, nearly two-thirds of emissions reduction in the European Union is projected to be accomplished through energy efficiency and electrification initiatives. The trend of electrification in Europe goes beyond personal vehicles, encompassing crucial sectors like lithium battery production and the electric grid. Lithium battery production is vital for powering electric vehicles and storing renewable energy. Upgrading the electric grid is essential for optimising energy distribution and improving reliability.

SOURCE: <https://about.bnef.com/>

### HOW WE ARE RESPONDING

Lime plays a crucial role in the **production and recycling of lithium-ion batteries**, essential for powering electric vehicles and storing renewable energy. Limestone-derived products are integral in infrastructure projects related to **electric grid upgrades**, enabling the efficient distribution and utilisation of electricity.

### KEY STATISTICS

# 12m

According to a report by Bloomberg NEF, electric vehicle sales in Europe are expected to reach 5.4 million units in 2025 and 12 million units in 2030, representing a significant increase from current levels.

# €7.5b

The European Investment Bank (EIB) has announced plans to invest €7.5 billion in electricity network upgrades and smart grid projects across the EU as part of the European Commission's Clean Energy for All Europeans package.

## Mega trend: Environmental protection

### ENVIRONMENTAL PROTECTION

The mega trend of environmental protection in Europe is gaining momentum, with innovative applications emerging to safeguard crucial ecosystems and combat pollution. Efforts such as ocean and lake liming are being explored to restore acidity balance and promote marine biodiversity. Additionally, initiatives like Air Pollution Control Residues cleaning tackle industrial waste, ensuring cleaner air and waterways. Shipping emissions, a significant contributor to pollution, are being addressed through regulations and advancements in green technology. Moreover, the concept of direct air capture is gaining traction, offering a promising solution to remove carbon dioxide from the atmosphere. As Europe prioritises environmental stewardship, these diverse approaches underscore the region's commitment to preserving natural resources and mitigating the impacts of climate change.

### HOW WE ARE RESPONDING

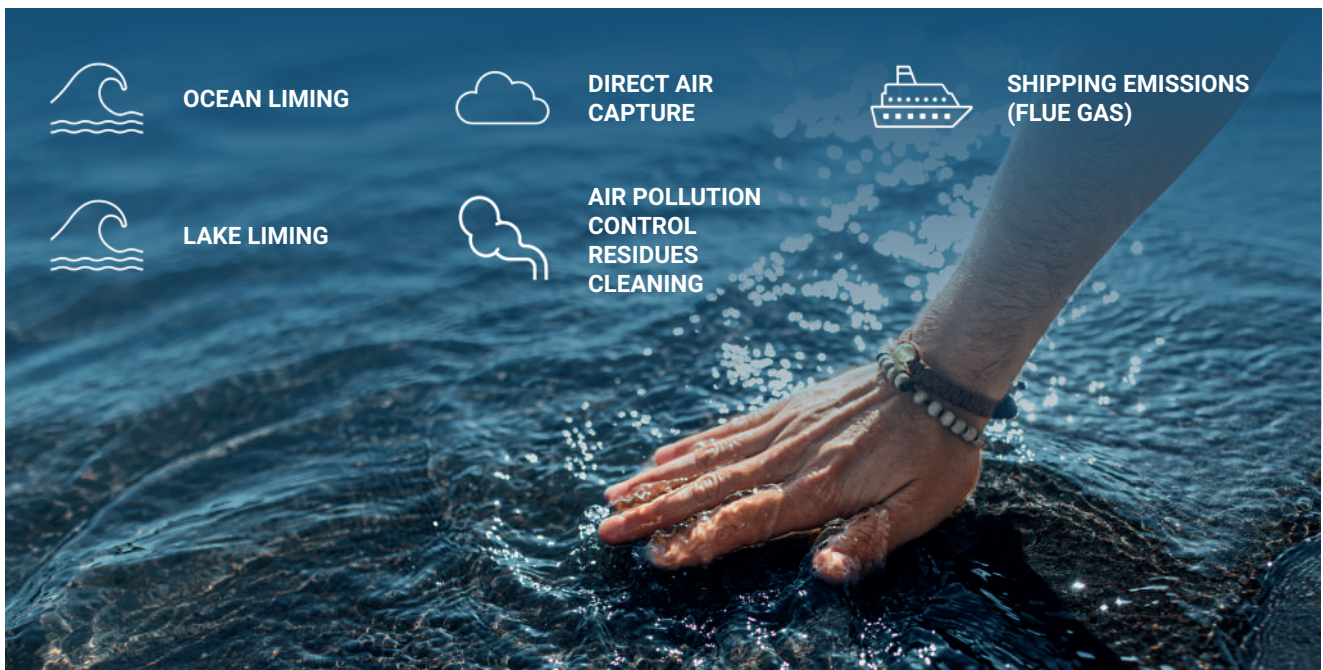
In ocean and lake liming, limestone is used to **neutralise acidity** and **restore pH balance**, thereby enhancing water quality and fostering the growth of aquatic life. Air Pollution Control Residues cleaning often involves the use of lime to **treat industrial waste, neutralising harmful pollutants** and **reducing environmental impact**. Lime is also employed in shipping emissions control, where it serves as an absorbent for sulphur dioxide emissions, mitigating air pollution from maritime activities. Furthermore, in the emerging field of direct air capture, lime-based sorbents are being explored as a means of capturing carbon dioxide from the atmosphere, aiding in climate change mitigation efforts.

### KEY STATISTICS

**€130b**

General government expenditure in the EU on environmental protection amounted to €130 billion in 2022.

SOURCE: <https://ec.europa.eu/>

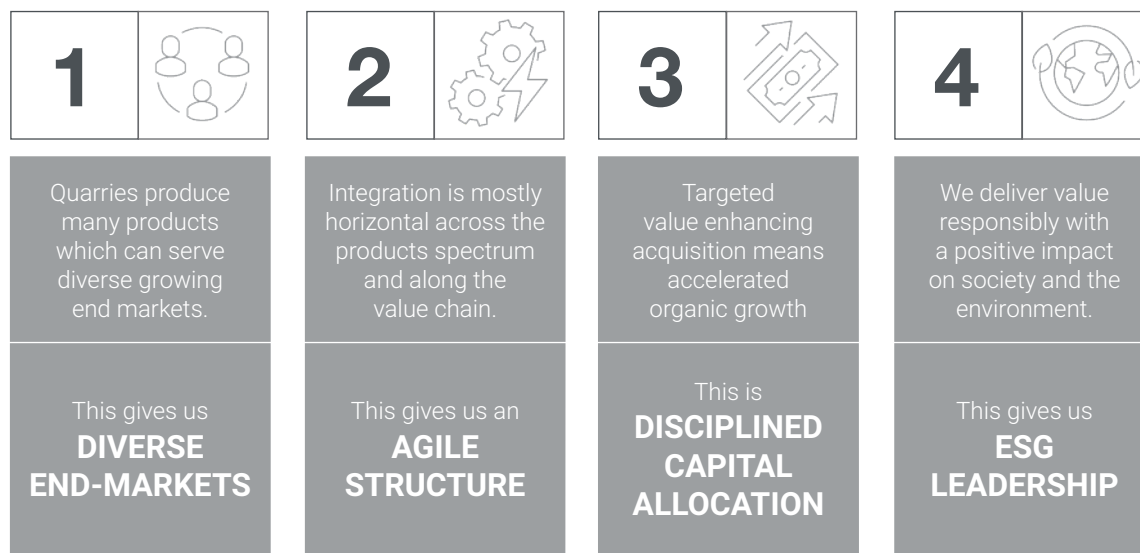


# Our core operating principles

## Core operating principles



## Key deductions





## Applying the Strategy in 2023

In February 2023, the Group raised £30m to accelerate execution on a pipeline of acquisitions, disposals and **INVESTMENT** projects across the Group, which had been assembled over the previous 12 months.

The Group completed six acquisitions in 2023:

1. Goijens Concrete Group, Belgium
2. Juuan Dolomitik, Finland
3. Retaining Holding Limited, UK
4. Björka Mineral, Sweden
5. Betons, Belgium
6. ST Investicija, Lithuania

Our businesses continued to focus on **IMPROVING**, allowing us to enhance our existing facilities, as demonstrated by several strategic initiatives including the development of an asphalt plant. The Group commenced construction, installation and commissioning of a new asphalt plant that will be able to supply up to 150 tonnes per hour of both hot and cold asphalt, as well as the production of sustainable asphalt using proven nappy-cycle and recycled asphalt. The site will allow the Group to expand its product and service offerings along the M4 corridor to existing and new customers including local communities, SWTRA and large infrastructure projects.

The recently acquired businesses were **INTEGRATED** into the wider Group network. As we have done consistently to date, we will look to integrate our newly acquired businesses and continue to unlock synergies where appropriate.

We continue to **INNOVATE** through various new and ongoing initiatives:

### 1. Development of Biofuels

The Group continues to develop the use of its alternative fuels program, including biofuels, across its kiln network. The project has achieved success in continual timed operation of 100% substitution of biofuels whilst achieving up to 50% biofuels in other kilns as the Group continues its development program.

### 2. Installation of Aqualung, first phase

As already announced, the Group successfully installed and commissioned its first carbon capture unit at Nordkalk's site in Köping, Sweden. The fully scalable carbon capture system, utilising Aqualung's innovative membrane technology, is

the first-ever implementation of its kind in the industry. For further information see our announcement of 22 June 2023.

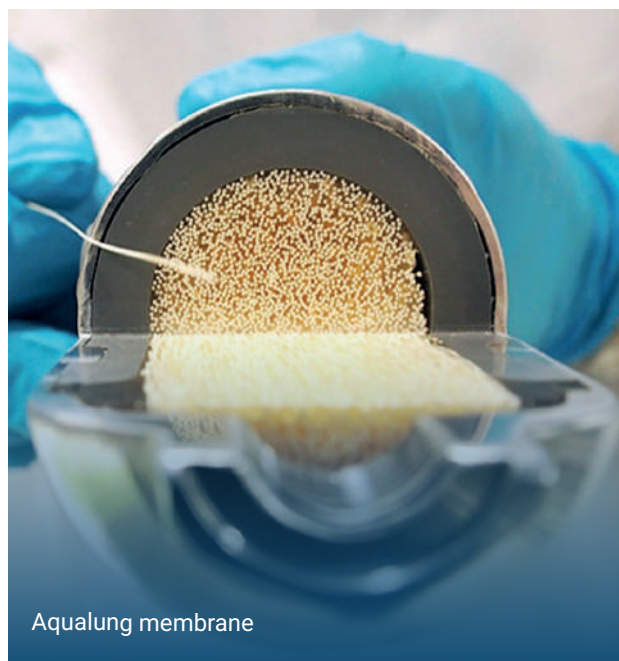
Following initial commissioning at Köping in June 2023, the Aqualung CO<sub>2</sub> capture module started the second phase of its programme in October, consisting of the preparation of captured CO<sub>2</sub> for industrial use. A dedicated purification, compression and liquefaction unit was installed to transform captured CO<sub>2</sub> into an industrial gas capable of being used in industrial processes or sequestered in CCS facilities.

### 3. Strategic partnership with Materials Evolution

Earlier in July SigmaRoc announced that it had entered a strategic partnership with Material Evolution, an advanced materials company producing low carbon cement from industrial waste streams, to develop a range of low carbon concrete products. Trials for product development have already commenced at CCP.

Further information is available on pages [26-31](#).

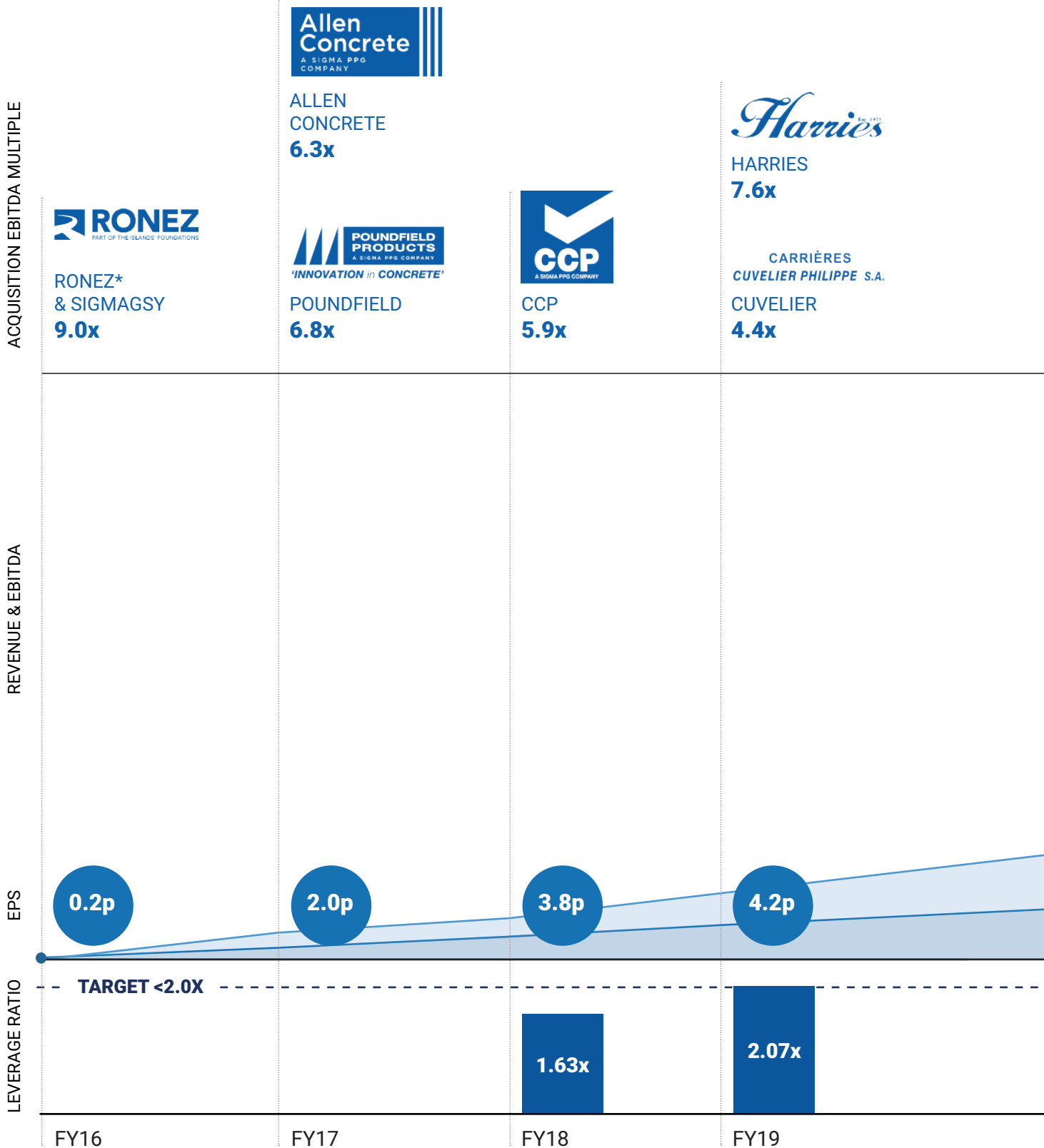
Based on our strategy, since inception and during 2023, we have been able to continue to grow through acquisition and organic growth. With each business, by adhering to our investment principles and applying our Improvement and Integration programs, we have ensured both improved performance and value.



Aqualung membrane

# Sustainable long-term growth track record

\*Ronez was acquired in January 2017





CARRIERES DU HAINAUT  
**6.8x**



B-MIX  
**3.9x**

CASTERS  
**3.9x**

GRANULATS  
DU HAINAUT  
GDH  
**1.0x**

**Nordkalk**  
NORDKALK  
**6.9x**

JOHNSTON  
QUARRY GROUP  
JOHNSTON  
**7.6x**

**RightCast**  
A PPG COMPANY  
RIGHTCAST  
**5.0x**

**la belonga s.a.**  
LA BELONGA  
**7.0x**

JUJUAN DOLO.  
**6.4x**



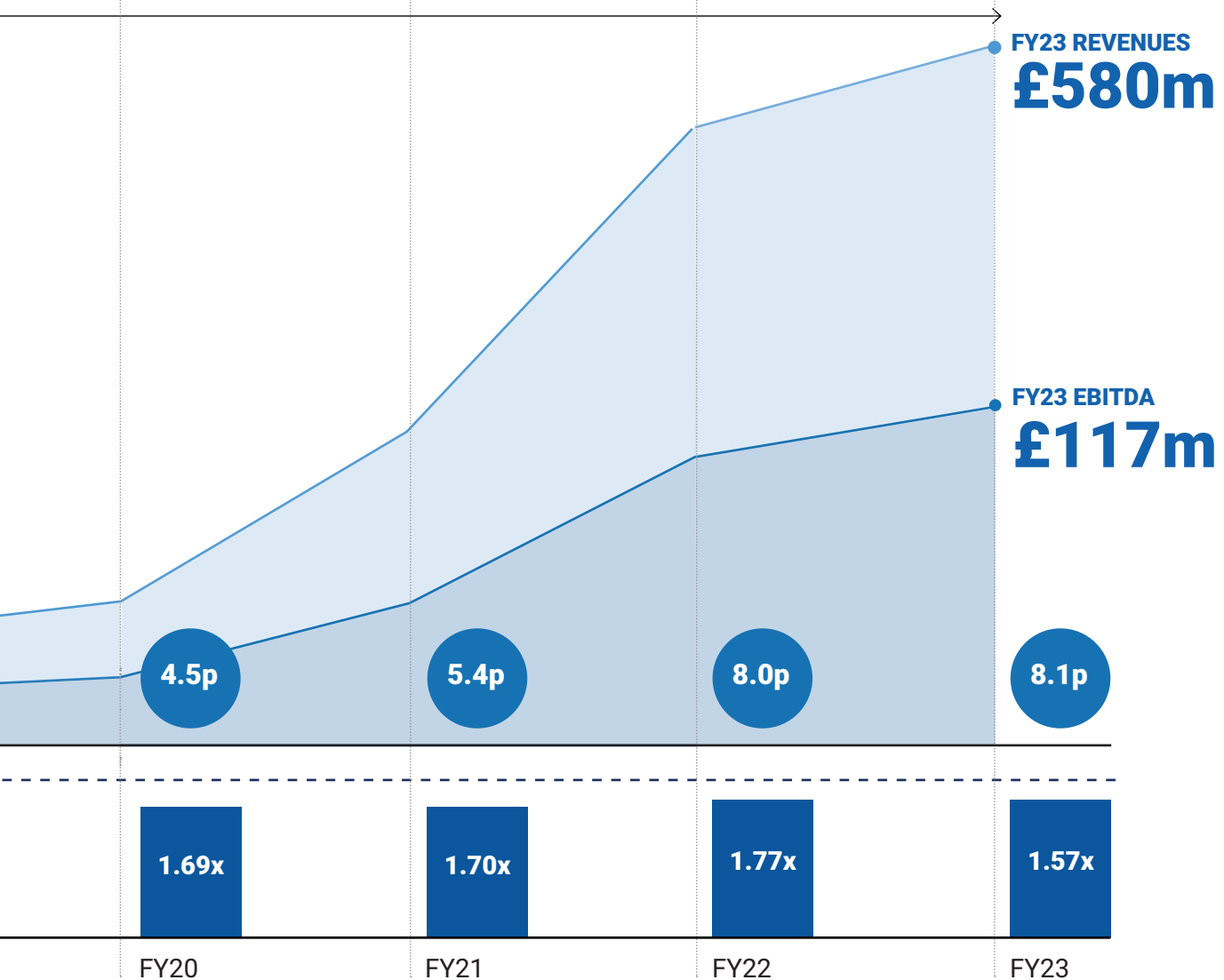
GOIJENS  
**5.3x**

RETAINING  
**6.4x**

BJÖRKA MINERAL  
**3.2x**

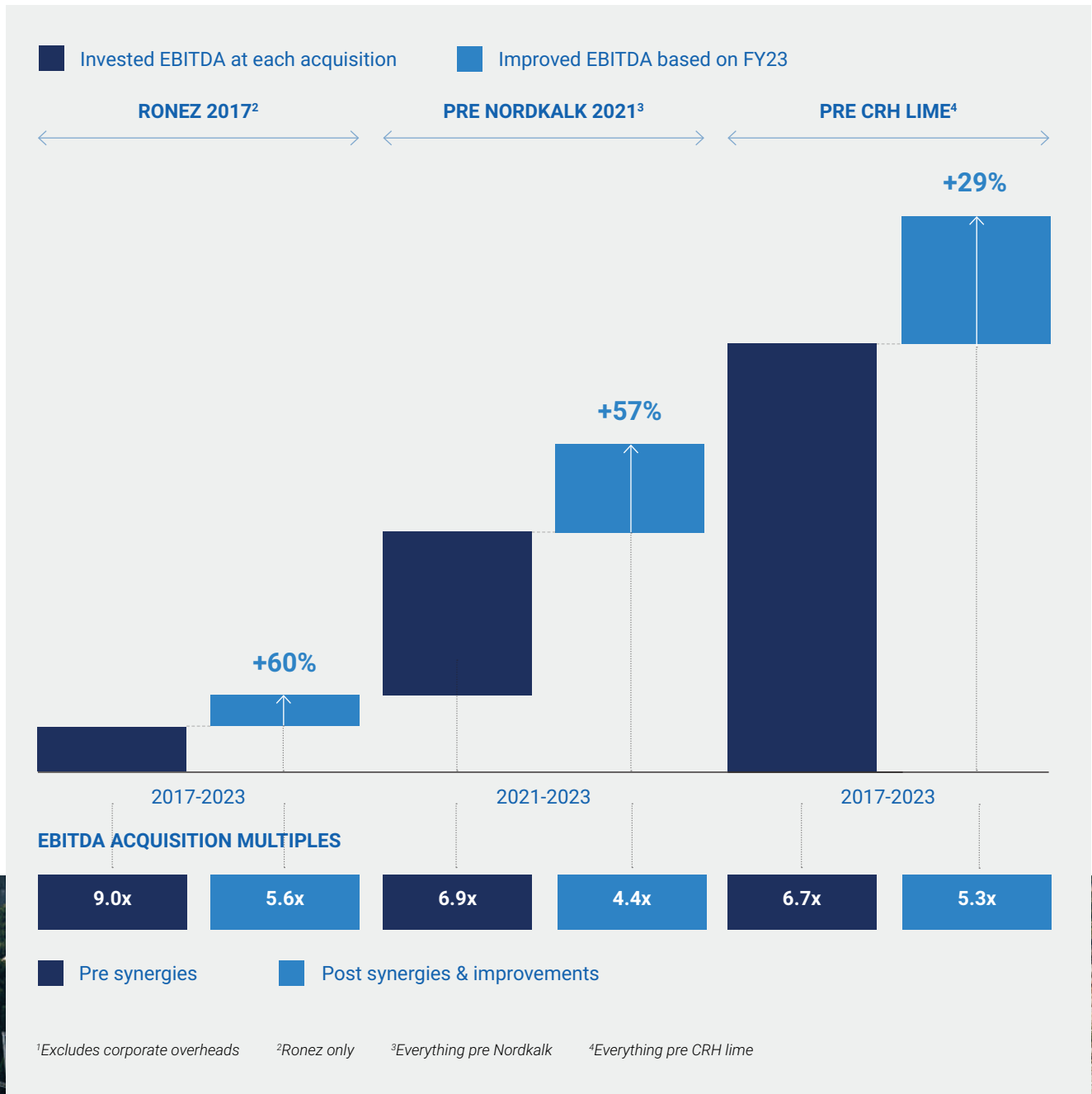
BALTIC AGG.  
**3.7x**

BETONS  
**3.4x**

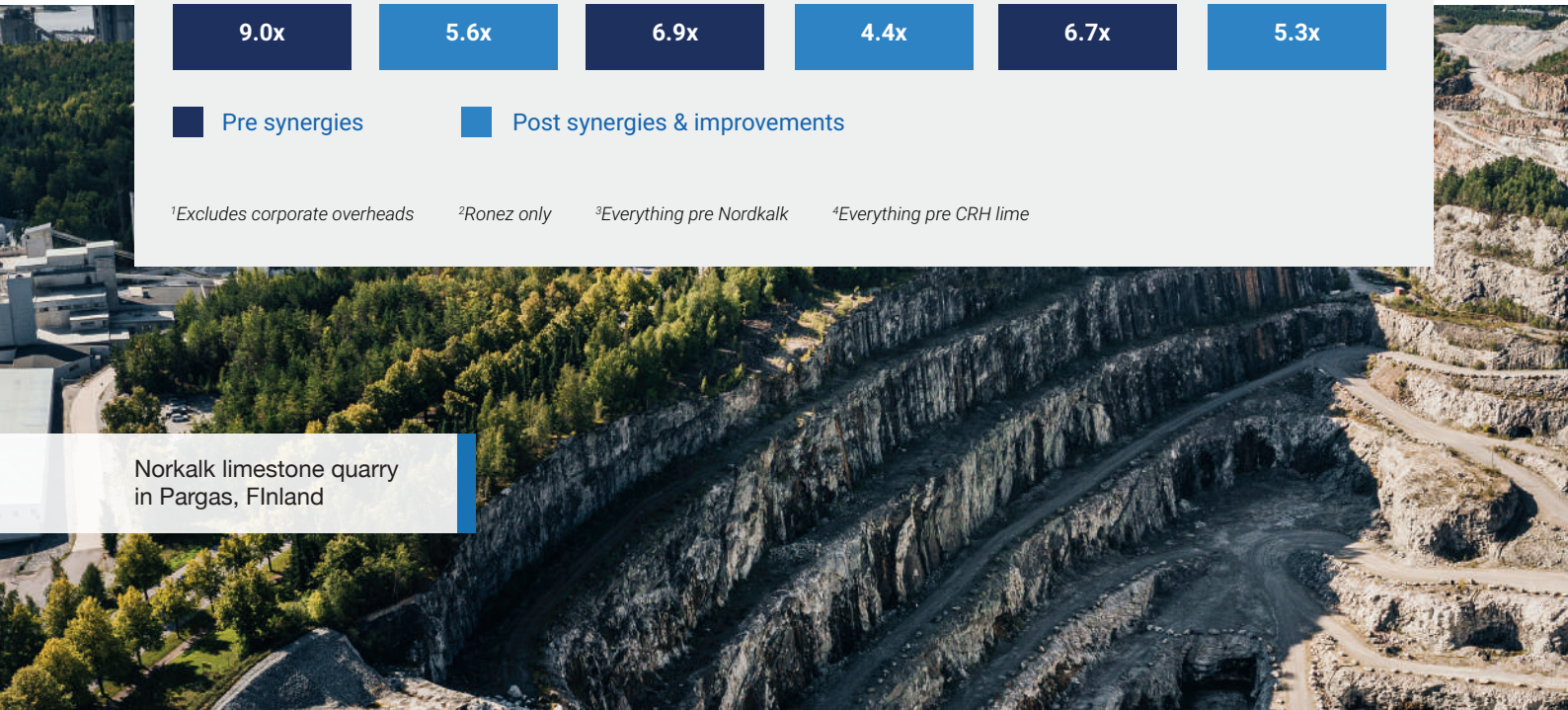


# Cumulative growth and returns...

## EBITDA improvement<sup>1</sup>



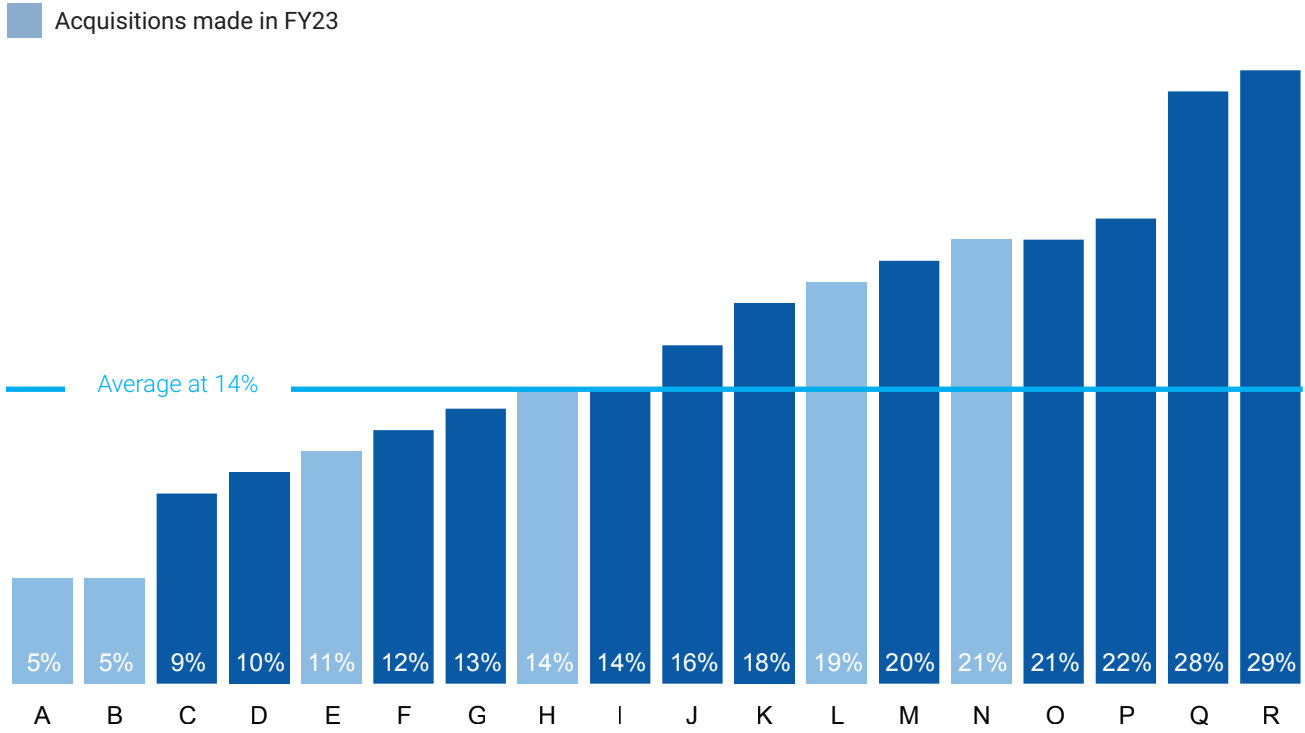
Norkalk limestone quarry in Pargas, Finland





# ...with a consistent track record of improving acquired businesses

## FY23 EBIT ROI for acquisitions (EBIT / acquisition EV)



### ACQUISITIONS PERFORMING WELL

Good track record of acquisitions since IPO

- £680m invested in 18 acquisitions
- £400m new equity
- Strong track record of improving acquired businesses with 29% average uplift in EBITDA post-acquisition

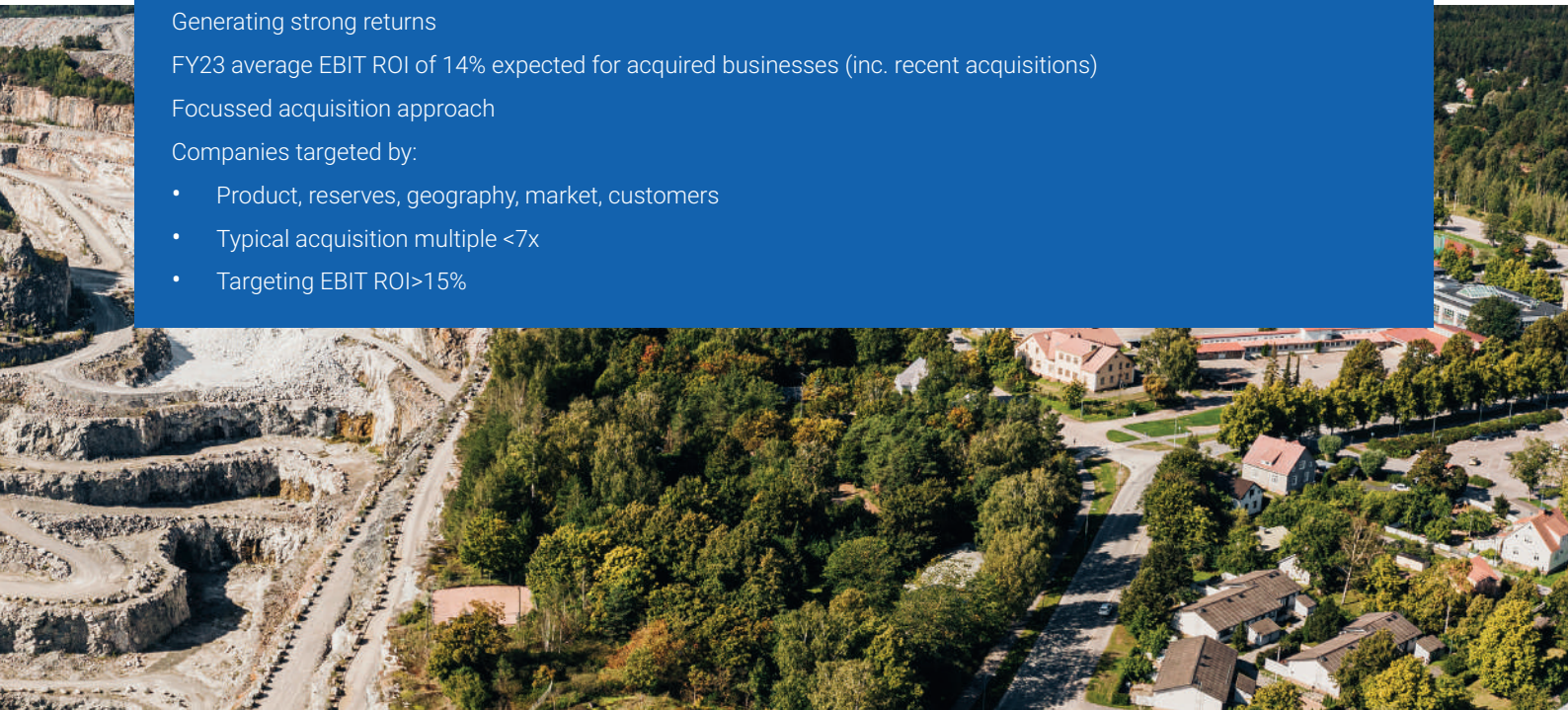
Generating strong returns

FY23 average EBIT ROI of 14% expected for acquired businesses (inc. recent acquisitions)

Focussed acquisition approach

Companies targeted by:

- Product, reserves, geography, market, customers
- Typical acquisition multiple <7x
- Targeting EBIT ROI>15%



## Strategy, development, M&A

During 2022 the Group embarked on an ambitious plan to increase its footprint and market presence via bolt-on M&A, strategic development projects and potential major transactions. In order to facilitate and coordinate this activity a new unit was created, managed by Emmanuel Maes as Chief Acquisition and Development Director.

### Emmanuel Maes

#### CHIEF DEVELOPMENT AND ACQUISITIONS DIRECTOR

Emmanuel joined SigmaRoc in 2019 and has been instrumental in developing the Group in Europe. Until December 2023, Emmanuel was in charge of the Group's West region, developing its two platforms from acquisition to full integration. His work included the restructuring of the Aggregates and Dimension stone businesses and the delivery of significant performance uplifts in both. Additionally a concrete focussed platform was established containing 7 operational sites.

Previously Emmanuel served as CEO of Group De Cloedt (2004-2018), a Belgian company specialising in dredging, production and commercialisation of sand, gravel and hardstone, building the business from €40 million to €240 million annual turnover, through organic growth and acquisitions.



The mandate of this unit is threefold. Firstly, coordination of all acquisition and divestment activities; secondly the origination and execution on strategic partnerships and initiatives; thirdly, the preparation of certain businesses for further integration into the Group's key regions.

The activities of this new unit have been numerous. In the early parts of 2023, it coordinated an ambitious plan to acquire up to 8 bolt-on companies across Europe, 6 of which have since been acquired. It coordinated the disposal of four non-core assets and prepared the ground for further organic expansion and partnership initiatives. Looking ahead the unit will play a pivotal role in the Group's strategy.

Where a lot of the growth came from pure M&A work in the past, the Group's new structure and scale will favour further organic investment and development work. Several projects currently undertaken are listed below.

In order to achieve its goals the unit calls upon two further teams - finance and technical teams – within the Group to supplement its capabilities at times when the activities are most intense. In years to come we anticipate the workload of this team will increase and its delivery will be a key driver of the Group's progress.



**Malte König**  
Development Director

In 2023, the Group completed several acquisitions and divestments.

**The acquisitions:**

1. Goijens Concrete Group, Belgium
2. Juuan Dolomitik, Finland
3. Retaining Holding Limited, UK
4. Björka Mineral, Sweden
5. Betons, Belgium
6. ST Investicija, Lithuania

**The divestments:**

1. Disposal of industrial land and a disused quarry, Belgium
2. Disposal of grinding plant, Poland
3. Disposal of road maintenance business, Belgium

Further information is available in the Key Developments section of the report.

In addition to these transactional activities the Group made progress on a number of other fronts.

**RECENT DEVELOPMENTS**

**1. Ameli Green Lime Solutions**

Significant progress has been made with the incorporation of the company and the formal securing of a land plot in Dunkirk harbor. The ongoing permitting process is a crucial step towards operational readiness, aligning with the Group's strategic expansion plans.

**2. New Crushing and Screening Plant in Soignies, Belgium**

Investments in this facility underline the Group's commitment to enhancing aggregate production capabilities. As preparations to assume commercialisation responsibilities by January 2025 continue, the Group is on track to further bolster its operational efficiency.

**3. Baltic Aggregates Finland and Lithuania**

Our operations in Finland have shown strong performance, particularly in the local market, with promising beginnings in export to Baltic countries. In Lithuania, rapid integration efforts and a focus on safety and efficiency have yielded excellent financial results, setting the stage for further improvements and expansion.

**4. Nordkalk Turkey**

Operating a limestone quarry in Eskibalikli, our joint venture in Turkey has demonstrated robust performance, affirming our ability to succeed in diverse markets.

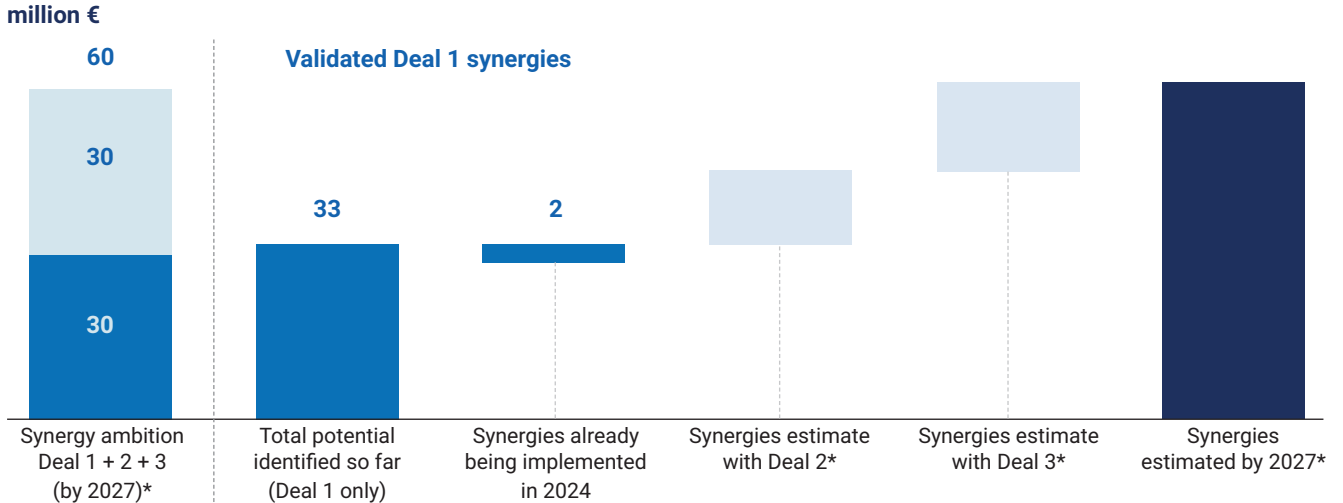
**5. Canteras La Belonga, Oviedo**

Acquired in partnership with Carrières du Boulonnais, our limestone quarry in Oviedo has shown commendable results, with significant improvements across various operational aspects. Our focus remains on enhancing financial performance and expanding market reach, particularly in the local and export markets.



# Progress on integration of CRH Deal 1

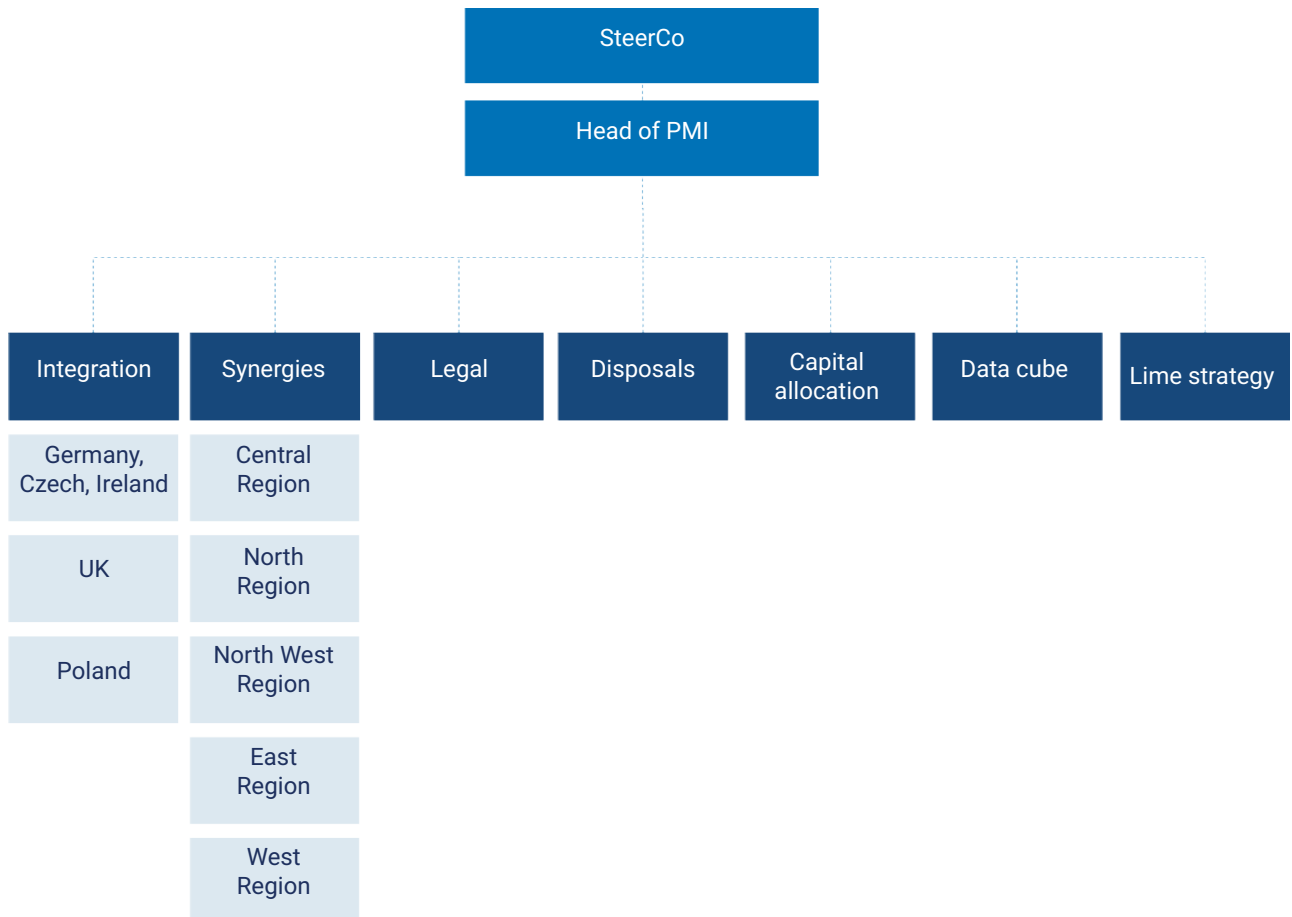
**Synergies: €33m incremental EBITDA identified to date**



**Ambition for synergies with Deal 2 and 3\*  
Implementation work already started with synergies worth €2m (Deal 1 only)**

\*Assuming exercise of call options

## PMI structure





**Guy Edwards**

GROUP HEAD OF  
INTEGRATION



**Elisa Frenay**

GROUP MARKETING  
LEAD



**Ludovic Emsens**

GROUP VENTURES  
LEAD

# Regions and Platforms



Nordkalk limestone

## Group structure

Following the transformational acquisition of Nordkalk in August 2021, the Group's geographical footprint, product offering and end-user markets changed substantially. Whilst wishing to retain the established platform model, which has proven effective in ensuring the businesses remain locally focused and agile, we saw the potential to enhance this through additional Group level structure to support further growth and expansion.

In 2022 we augmented our platforms with an overarching regional structure. Each region has a Managing Director and Financial Director who are responsible and accountable for overseeing performance, steering development and driving growth.

The regional structure aligns the Group as follows:

Region	MD	FD	Countries	Platforms
North West	Michael Roddy	Michael Crump	UK	PPG
			Channel Islands	England
				Wales
				Channel Islands
West	Eric Dothée	Dean Masefield	Belgium	Dimension Stone
			Netherlands	Benelux
			Luxembourg	
			Northern France	
North East	Marcel Gestranius	Marcel Gestranius	Finland	Quicklime
			Sweden	Nordics
			Norway	Poland
			Poland	Baltics
			Baltics	
			Spain <sup>1</sup>	

<sup>1</sup> La Belonga was acquired by Nordkalk and in 2023 reported into the North East Region; this will be reviewed as the Group develops.

As part of the CRH Lime Acquisitions, the Group is expanding this structure to include a new Central Region, which consists of Germany and Czechia, as well as separating the North East Region into two, with the North Region comprising Finland, Sweden, Norway and the Baltics, and the East Region comprising Poland and Ukraine.

At a product level, the Group was structured around three core product categories which it used to assess performance, being industrial minerals, construction minerals and dimension stone.

**Industrial minerals** are higher-grade limestone products produced from quarried limestone material which is processed into an ore and then ground into powders and granulates or burnt into quicklime, which can then be further processed through re-carbonation. Industrial minerals also include other high-grade specialised minerals such as dolomite and wollastonite. Industrial mineral customers are typically large national or multinational corporates under fixed annual supply agreements over long-term contracts. In most cases, these contracts include dynamic pricing mechanisms to adjust for changes in the price of key input costs such as energy and logistics.

**Construction minerals** are quarried lower-grade limestone or granite products, crushed to various size specifications, and sold as aggregate or processed into value-added products such as concrete blocks, pre-cast concrete, ready-mix concrete, and asphalt. Construction mineral customers range from:

- Government Agencies for construction and maintenance of vertical and horizontal infrastructure such as roads and sea defences.
- Large corporates for vertical and horizontal construction including commercial and residential.
- Independent house builders and contractors.
- Merchants and resellers including shipping agencies and wholesalers.
- Individuals and small businesses undertaking small projects and home improvements.

**Dimension stone** is natural limestone with unique characteristics (colour, texture and pattern) which is quarried as large blocks, processed into slabs, and then cut and finished to various specifications. Dimension

## Group structure

stone is used in the construction market for infrastructure and residential projects as tiles, skirtings, paving, cladding and bespoke applications such as kitchen benches and swimming pools. Dimension stone customers include stone transformers and cutters, wholesalers, building merchants and contractors. Customer contracts range from multi-year development projects, structured supply arrangements and periodic or one-off orders.

In terms of end-markets, the Group broadly fits into two primary categories, being construction materials and industrial minerals.

Lime and high-grade limestone materials have many industrial applications, ranging from fillers in the production of cardboard to reactive agents in the treatment of flue gas, soil and water. The Group's industrial mineral markets comprise:

- **Pulp, paper & board:** Quicklime is required in the closed chemical circulation of modern pulp mills, helping decrease environmental impact of the production process. Approximately 250 kg of quicklime is required to produce a tonne of pulp. Quicklime and limestone are also used as filler in the production of paper and cardboard and more broadly in effluent treatment.
- **Metals & mining:** Quicklime and limestone are used in various metal production applications, including steel and copper production and metal recycling. Quicklime is also an important chemical for regulating various processes in the mining industry.
- **Environmental:** Quicklime, slaked lime and limestone powders are used to remove acidic compounds such as sulphur, chlorine and fluorine from flue gas before the chimney. Quicklime and slaked lime are also used to treat water, raising the pH level of drinking water and reducing toxicity of wastewater.
- **Agriculture:** Quicklime is critical in achieving sustainable and more productive agriculture, both in terms of livestock and farming. Limestone is also used to increase soil pH and in animal feed.
- **Chemical:** Finely ground limestone powders are used as fillers in paint and adhesives. Wollastonite is also used to enhance properties of paint, plastics and other unique applications.

Quarried limestone and granite minerals are used in the construction of roads, concrete and other building materials. Construction materials markets are broadly categorised as either infrastructure or residential:

- **Infrastructure:** Uses quarried limestone or granite minerals in the construction of large infrastructure projects such as roads, railways, bridges, ports, airports and commercial buildings. Primary products include aggregates, asphalt and contract services, ready-mix concrete, pre-cast concrete and dimension stone.
- **Residential:** Uses quarried limestone or granite minerals in the construction of various forms of housing. Customers include large national housebuilders, developers, contractors and individuals. Primary products include aggregates, pre-cast concrete and concrete products, ready-mix concrete and dimension stone.







Nordkalk's locomotive in Miedzianka, Poland

# North West

The North West Region is led by Michael Roddy and geographically covers England, Wales and the Channel Islands. It comprises four platforms which are detailed below. The North West is primarily focused on the construction industry, which accounts for 99% of revenue, and the core product group is therefore construction minerals, including pre-cast concrete and concrete products, ready-mix concrete, asphalt and surfacing, dimension stone and aggregates.




## MICHAEL RODDY

MD OF NORTH WEST AND MD OF PPG

Michael joined the company in 2017 with the remit to assist in the growth of the Precast Products Group (PPG) platform. Since then, Michael's role has expanded in line with the Group's growth and today he oversees the North West Region as Regional Manager Director.

As MD of the North West, Michael is responsible for overseeing the growth and development of the region in line with our core principles of "Invest, Improve, Integrate, and Innovate" across all platforms. Michael has over 20 years of experience in different leadership positions across the construction and industrial supply chain.

Michael holds an MBA from Robert Gordon University and a bachelor's degree in business from Dublin Institute of Technology.



Wash plant in  
Aberdo, UK

Key metrics for the North West Region during the year were as follows:

Financial metrics	Statutory Results			Underlying Results		
	2023	2022	Change	2023	2022	Change
Revenue	£142.3m	£139.5m	+2%	£142.3m	£139.5m	+2%
EBITDA	£28.5m	£28.3m	+1%	£31.6m	£30.0m	+5%
EBITDA margin	20.0%	20.3%	-30bps	22.2%	21.5%	+70bps
Sales volume metrics		2023	2022	Change		
Construction mineral (tonnes)		3.1m	3.3m	-6%		
Dimension stone (m <sup>3</sup> )		3.0k	3.2k	-6%		
Operational metrics		2023	2022	Change		
People		676	669	+1%		
Reserves and Resources (tonnes)		185.5m	188.5m	-2%		
Sites		37	35	+6%		

Reported revenue and underlying EBITDA were both up YoY in 2023, reflecting the impact of the acquisitions of Rightcast and Retaining, together with organic improvement in the underlying businesses.

Construction mineral volumes were down as a result of JQG, CCP and Allen. JQG endured delays in infrastructure project work, which impacted quarry performance, while CCP and Allen have relatively large exposure to UK residential construction.

It is testament to the quality of the management teams in the North West that they were able once again to increase earnings while experiencing softening volumes.



#### MICHAEL CRUMP

MD OF NORTH WEST AND FD OF PPG

Michael joined SigmaRoc in 2019 and is currently Finance Director for the North West Region and the PPG Platform. In these roles Michael is responsible for transforming the financial processes from legacy systems to an integrated group structure. Furthermore, Michael has led the development of financial analysis and reporting to support the investment and growth of the businesses.

Michael began his career in audit, initially in Australia and later in the UK with BDO. After qualifying he spent a number of years in various finance roles within Jaguar Land Rover. Michael holds a Bachelor of Commerce from Griffith University, Australia and is a member of The Institute of Chartered Accountants in England & Wales.

# PPG

PPG is a group of companies specialising in manufacturing precast concrete products and blocks. The platform includes Allen Concrete, Poundfield Precast, CCP Building Products, Rightcast and more recently Retaining. With a triangulation of bases in London, on the East Coast and in the North West, PPG supply a wide and diverse range of industries ranging from house builders and farmers to national sea defence projects and international contractors, both directly and through merchants.

The PPG companies are some of the most experienced and innovative in their industry with some operating for over 70 years and collectively owning a significant number of patents and licences.

## PLATFORM HIGHLIGHTS

2023 has been a very successful year for the PPG platform, with further growth across the businesses and another acquisition.

The health and well-being of our staff remained our most important objective. To aid this, in 2023 we launched "Peptalk", an app-based platform designed to promote employee engagement and wellbeing. Continued focus on behavioural safety techniques has led to a further reduction in incident severity and frequency. Safety pitstops were completed across the platform with focus on core risks, further enhancing the proactive safety culture.

In terms of business performance, Poundfield achieved further growth in 2023, increasing revenue by 6% over the previous year. The bespoke division continued to see advancement in the size, scale and complexity of projects,

undertaking significant jobs for HS2 and Mace along with a landmark cement free concrete project for the UK Environment Agency. Capital investment at the Creting operation included the replacement of diesel forklift trucks with electric to reduce carbon emissions, and the continued increase in storage capacity, enabling the business for further growth.

Due to the slowdown in the residential construction market CCP executed proactive cost control, enabling the business to deliver a strong result in a difficult market. As part of this process the business reduced its cost base by during the year, also placing itself in a strong position entering 2024. Development in technology further enhanced our ultra-low carbon concrete (ULCC) with all products offering carbon savings as standard (vs 100% cement alternative). The installation and commissioning of a new wash plant at Aberdo quarry was completed in the second half of the year, offering premium washed aggregates previously designated as waste, in turn releasing approximately 5 million tonnes of limestone reserve.

Allen had another successful year, maintaining continued high service levels, which coupled with close relationships to our loyal customer base, resulted in a strong customer retention rate within a competitive market. Further investment at our Wellingborough plant resulted in the automation of a greater range of products reducing lead times, strengthening our product offering and reducing operating costs. A review, focus and site improvements in respect of the businesses' core health and Safety risks, resulted in an LTI free year.

Rightcast maintained its strong financial performance since its acquisition the previous year, maintaining LFL sales revenue and margin. Capital investment was focussed on improving the standard of employee welfare facilities.

In April 2023 Retaining joined the platform and has gone from strength to strength since, exceeding expectations and the original forecast model.



## PLATFORM METRICS

Key metrics for the PPG Platform during the year were as follows:

	2023	2022	Change
<b>People</b>	262	249	+5%
<b>Reserves and Resources (tonnes)</b>	13.2m	13.8m	-4%
<b>Sites</b>	10	8	+25%

The PPG Platform welcomed 28 new people when the Group acquired Retaining, offset by efficiency reductions in staffing in CCP and Allen.



Poundfield production site in Ipswich, UK

# England

Following the acquisition of the Johnston Quarry Group in January 2022, the Group established its England Platform focusing on quarried and mined limestone for the construction market.

Johnston is a specialist quarried materials supplier producing construction aggregates and premium quality building stone, as well as agricultural lime for soil improvement. Its aggregate products are typically used in infrastructure projects, with its unique Cotswolds Ironstone

and Bath Stone used in specified high end housing applications. The business currently consists of four quarries, three mines and two separate stone processing sites located across the Southwest, Oxfordshire and Lincolnshire.



Apex City of Bath Hotel in  
Bath made out of Bath stone

## PLATFORM HIGHLIGHTS

In 2023, our core focus remained on enhancing the health, safety and well-being of our staff across all our businesses. We have continued to refine our behavioural safety techniques, leading to a decrease in incident severity and frequency. Specifically, we are conducting a comprehensive health & safety review of competence and training to further bolster our safety culture.

Financially, Johnston's performance was bolstered by a thorough review of operating costs and integration into the SigmaRoc supply chain, resulting in substantial savings. Our commitment to high levels of customer service, strong customer relationships, and top-quality products has resulted in exceptional customer retention throughout the year.

Moving forward, our Bath Stone Group's focus is on developing the mine to produce high-value dimensional stone products, positioning the company for future growth and increased market share. Plans are underway to initiate secondary processing of historic and new waste streams to generate additional income and create valuable void space, supporting continued expansion in the coming year.

Our strategic review of operations within Building Stone has identified key areas of operational efficiencies. We anticipate realising these efficiencies in 2024, contributing to our ongoing growth and success.

In our quarries division, we observed strong production levels, an improved health and safety culture, and strategic investment across all sites, fostering further growth in the year and positioning the business for sustained, profitable expansion in the years ahead.

Notably, the most encouraging aspect of the year within Johnston was the continued integration of the business, its people, supply chain and loyal customers into the wider SigmaRoc Group.

As we look to the future, numerous opportunities exist across all sectors of the business to enhance efficiencies and output. With a new leadership structure in place bringing significant industry experience, we are poised to further elevate our operations. Furthermore, a full cost base review has us well positioned for 2024, providing significant headroom for growth when market conditions improve.

## PLATFORM METRICS

Key operational metrics for the England Platform during the year were as follows:

	2023	2022	Change
<b>People</b>	80	74	+8%
<b>Reserves and Resources (tonnes)</b>	90.1m	90.8m	-1%
<b>Sites</b>	7	7	-

Johnston saw an increase in staff due to the internalisation of some quarry processes that were previously outsourced.



## Wales

Harries is the cornerstone for SigmaRoc's Welsh platform. Following the Group taking 100% ownership in September 2020, we have a significant footprint in the region with opportunities to expand the businesses organically and acquisitively.

Harries is one of Wales' largest independent suppliers of aggregates. Based in West Wales, it operates out of six granite and limestone quarries incorporating three asphalt plants, eight concrete plants and a wharf operation, as well as a civil engineering division delivering significant infrastructure projects.

Following the award of the SWTRA contract and in preparation for tendering of the NMWTRA contract, the business has been restructured into two divisions:

1. **Construction Materials**, which focuses on aggregates and ready-mix concrete.
2. **Construction Services**, which focuses on civil engineering, road surfacing, road construction and asphalt.



Harries quarry at Bolton Hill, Wales





Harries primary crusher at Bolton Hill, Wales

**PLATFORM HIGHLIGHTS**

The Wales Platform achieved steady organic growth during 2023, which is attributed to strong price improvements and better operational efficiency.

The £1.5M primary crusher CapEx project at Bolton Hill was completed and delivered operational improvements throughout the second half of the year. Work commenced on the new asphalt plant in Llandarcy (£3.6m Growth Investment) and has progressed well with commissioning and first commercial sales commencing in March 2024.

Harries delivered several successful major projects through the SWTRA surfacing framework and also secured a position on the Southwest Wales Regional Civil Engineering Contractors framework, which is worth an estimated £9m in net sales over three years.

Innovation continued to be a key focus during 2023, with Harries developing several innovative concrete mixes to support specific project requirements. Harries progressed the development of low carbon concrete mixes and introduced liquid screed to our Cardigan ready-mix plant, to open up new territory for this market.

With regard to sustainability, Harries supported and delivered several renewable projects at the Celtic Freeport in Pembroke and continued to develop internal renewable projects at three key sites, securing grid connections for the projects in the year. Harries also developed a partnership to investigate the feasibility of replacing fossil fuels with Green Hydrogen with Trafigura and H2Energy.

Harries also completed a carbon baseline assessment and a net-zero reduction plan, which will be supported by internalising renewable energy sources.

**PLATFORM METRICS**

Key operational metrics for the Wales Platform during the year were as follows:

	2023	2022	Change
<b>People</b>	202	209	-3%
<b>Reserves and Resources (tonnes)</b>	72.0m	73.5m	-2%
<b>Sites</b>	14	14	-

Operational efficiency improvements in the Wales Platform led to a slight reduction in headcount during 2023.

# Channel Islands

Ronez's operations supply the Channel Islands with aggregates, ready-mixed concrete, asphalt and precast concrete products and services. Operating out of multiple sites across Jersey and Guernsey with satellite offerings on other islands, Ronez offers a full range of high-quality construction products and services. The creation of a shipping division, SigmaGsy, by SigmaRoc upon acquisition of Ronez has helped with transporting dry-bulk materials to and from our own sites as well as third party sites in the UK and Europe, resulting in higher profits and operational efficiency.

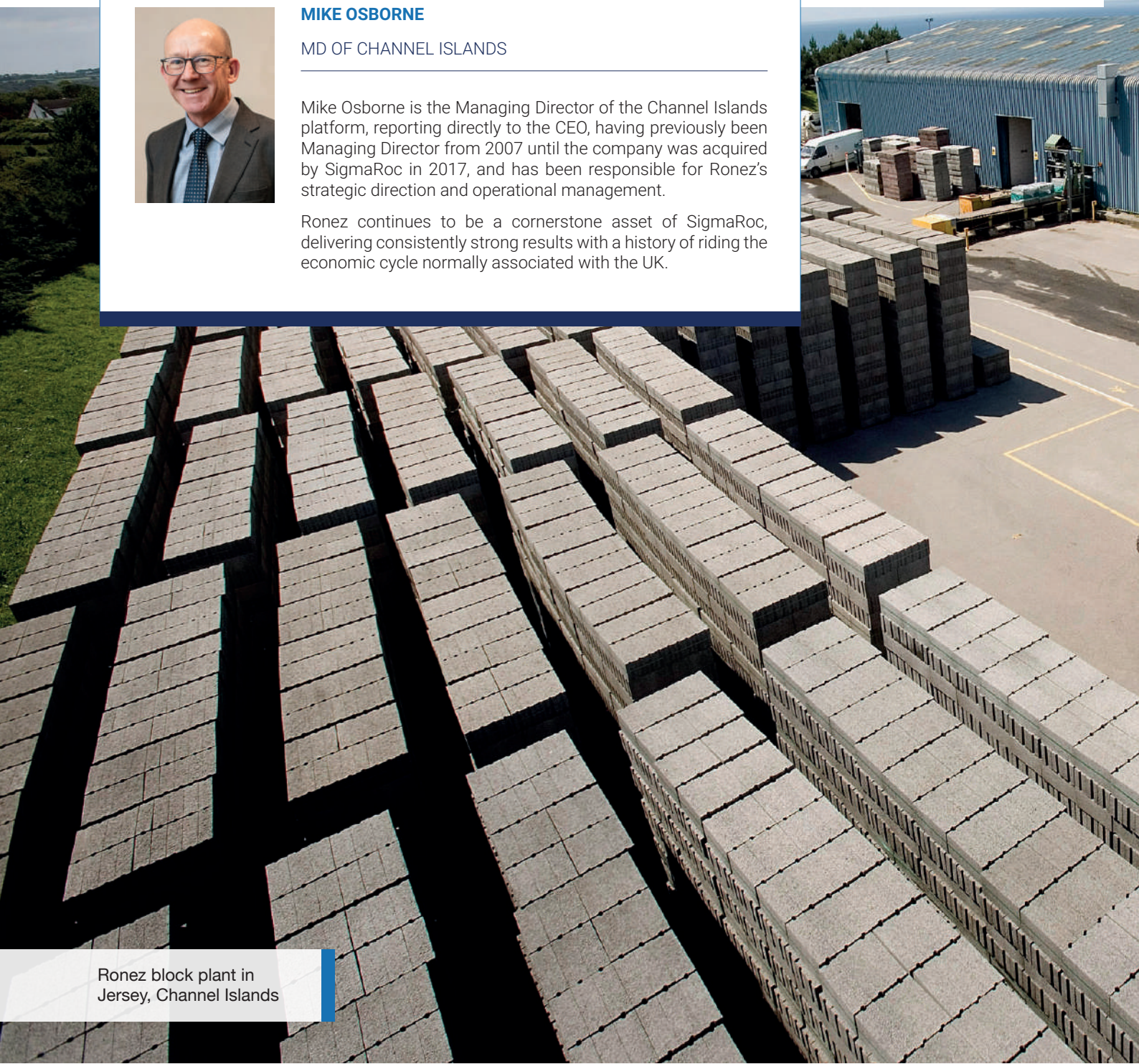


**MIKE OSBORNE**

MD OF CHANNEL ISLANDS

Mike Osborne is the Managing Director of the Channel Islands platform, reporting directly to the CEO, having previously been Managing Director from 2007 until the company was acquired by SigmaRoc in 2017, and has been responsible for Ronez's strategic direction and operational management.

Ronez continues to be a cornerstone asset of SigmaRoc, delivering consistently strong results with a history of riding the economic cycle normally associated with the UK.

An aerial photograph showing a large industrial facility with a blue corrugated metal roof. In the foreground, there are numerous long, neat stacks of grey precast concrete blocks, arranged in rows. The ground is paved, and there are some yellow markings. In the background, there are green trees and a clear sky.

Ronez block plant in  
Jersey, Channel Islands



## PLATFORM HIGHLIGHTS

The headwinds that developed during 2022 intensified for the Channel Islands Platform during 2023, with exceptionally high inflation and rising interest rates impacting the commercial viability of many developments. These factors also contributed to high profile insolvencies in the construction sector which precipitated a loss of confidence in parts of the market.

Whilst housing and commercial development remained subdued, asphalt and our contracting business saw improved volumes and increased market share.

Aggregate volumes were also very strong in Guernsey, with significant contracts being supplied in power infrastructure and the sports sector. This, combined with the strong asphalt performance, whilst also benefitting from ongoing productivity and efficiency gains, resulted in a platform EBITDA that was broadly in line with the prior year.

Development work for the quarry extension in Jersey and for the new quarry at Chouet in Guernsey progressed to plan, with both sites to be operational in 2024, providing reserves that will underpin the business through the next two decades and beyond.

The underlying housing demand in the islands, together with considerable investment that is planned in ports, health and educational infrastructure, is anticipated to create a considerable increase in demand across all product streams in the mid-term.

## PLATFORM METRICS

Key operational metrics for the Channel Islands Platform during the year were as follows:

	2023	2022	Change
<b>People</b>	139	140	-1%
<b>Reserves and Resources (tonnes)</b>	10.1m	10.3m	-2%
<b>Sites</b>	6	6	-

Some streamlining of processes led to a minimal reduction in staff in the Channel Islands during 2023.

# West

The West Region is led by Eric Dothée and geographically covers Belgium, the Netherlands, Luxembourg and Northern France. It comprises the Dimension Stone and Benelux platforms, which are detailed below. Currently, the West Region is solely focused on the construction industry and the core product groups are dimension stone and construction minerals.

Key metrics for the West Region during the year were as follows:

Financial metrics	Statutory Results			Underlying Results		
	2023	2022	Change	2023	2022	Change
<b>Revenue</b>	€113.8m	€102.5m	+11%	€113.8m	€102.5m	+11%
<b>EBITDA</b>	€26.5m	€20.9m	+27%	€27.8m	€21.7m	+28%
<b>EBITDA margin</b>	23.3%	20.4%	+290bps	24.4%	21.2%	+320bps

Sales volume metrics	2023	2022	Change
<b>Construction mineral (tonnes)</b>	2.4m	2.4m	0%
<b>Dimension stone (m<sup>2</sup>)</b>	0.8m	0.9m	-11%

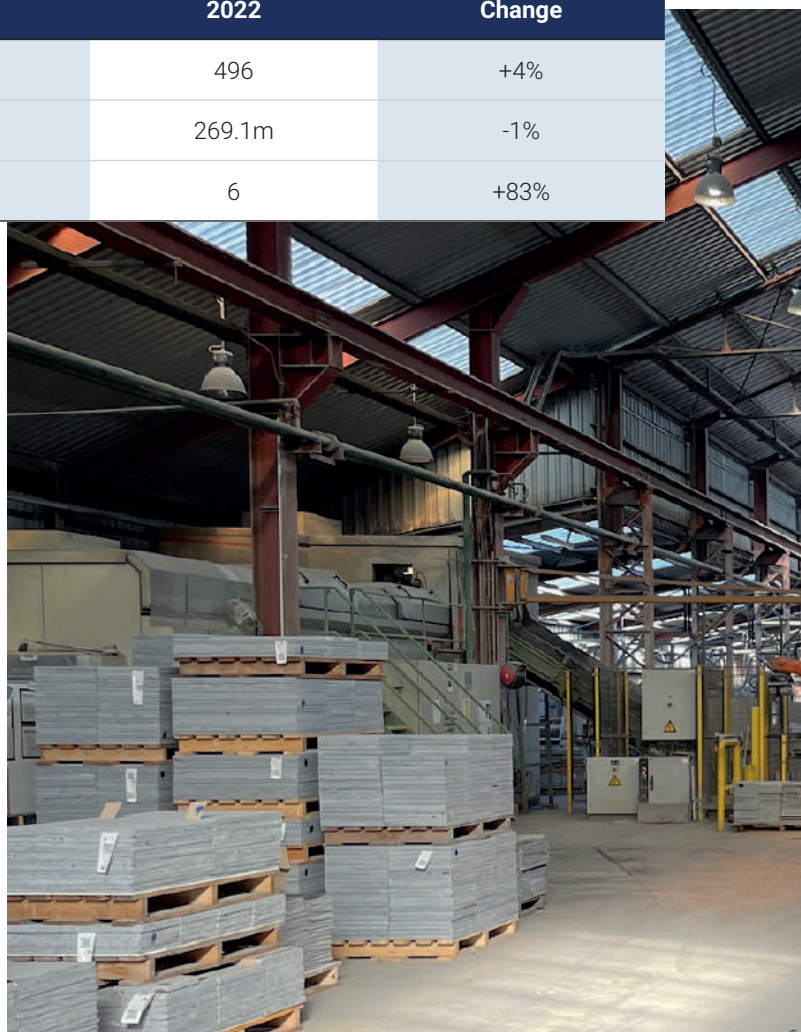
Operational metrics	2023	2022	Change
<b>People</b>	518	496	+4%
<b>Reserves and Resources (tonnes)</b>	266.0m	269.1m	-1%
<b>Sites</b>	11	6	+83%

Revenue and underlying EBITDA are up YoY through a combination of the acquisitions of Goijens and Betons during the year, organic improvement in the underlying businesses, and effects of dynamic pricing arrangements improving margin.

The primary drivers of the organic improvement in the West Region were proactive cost management in CDH, mitigating the impact of softer volumes, and then across the Benelux platform, in particular Goijens, which increased underlying EBITDA by over 50% LFL.

Construction mineral volumes were steady YoY, however dimension stone experienced some softness due to weakening residential demand and this carried through into revenue.

The acquisition of Goijens and the creation of Betons saw an increase in staff and sites in the West Region.





### ERIC DOTHÉE

MD OF WEST

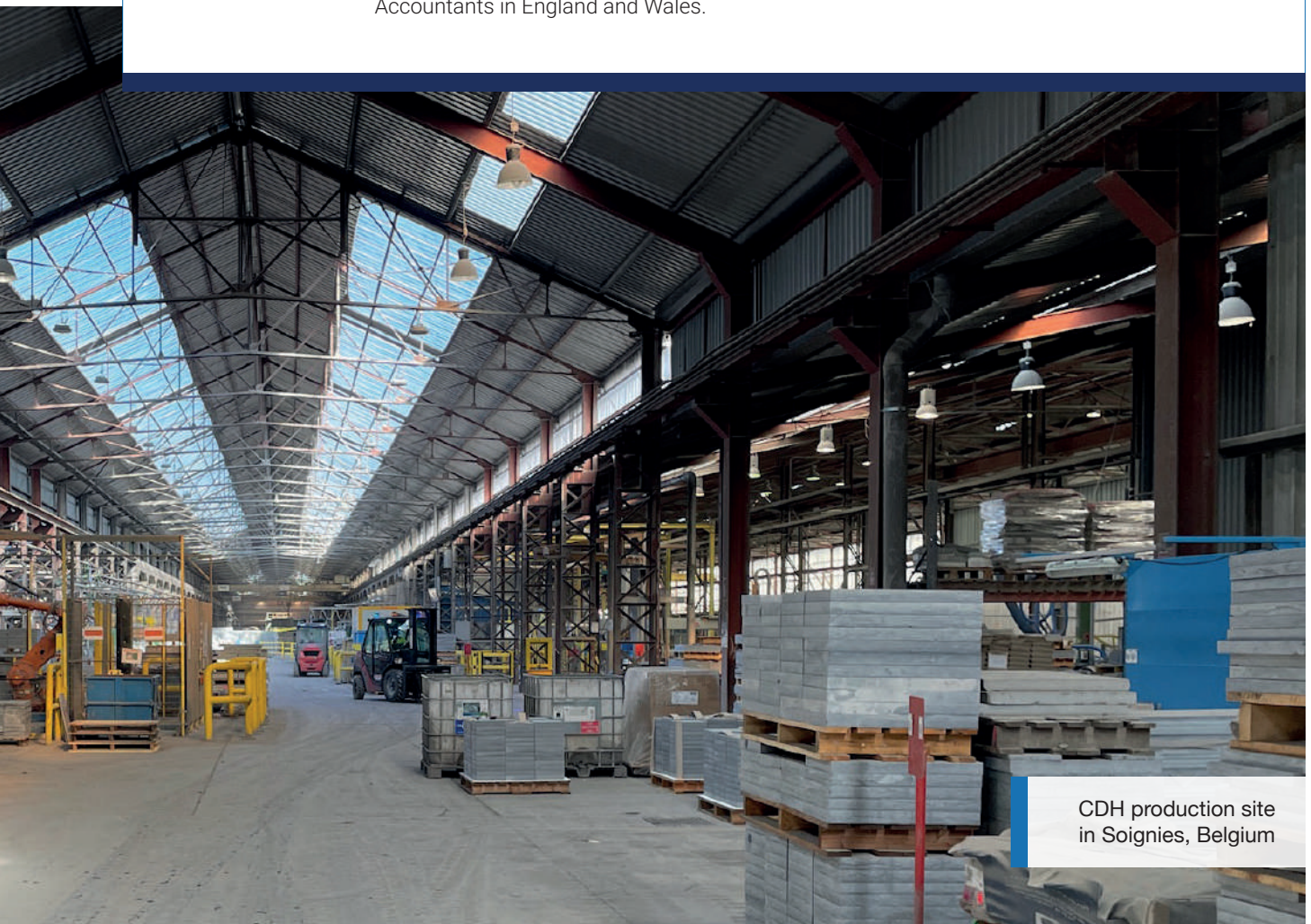
Eric joined SigmaRoc in January 2024 as MD of West. Before joining SigmaRoc Eric was CEO of Eaglestone Luxembourg and a member of the ComEx of Eaglestone Group, a pan-european real estate developer. Prior to Eaglestone Luxembourg Eric was Head of Business Development and Asset Management at IKO Real Estate, where he ran the department of Marketing & Communication from 2010 to 2020. He was also a Director at IKO AM, an asset and investment company focused on Asian investors. Eric holds a M.Sc. in Management from the Solvay Brussels School Economics & Management in Brussels, where he majored in Finance. He is certified as a real estate professional in Luxembourg and was a Board Member of LuxReal.



### DEAN MASEFIELD

FD OF WEST, DEPUTY GROUP CFO

Dean has occupied numerous roles within the SigmaRoc Group, initially as Finance Director of the Channel Islands Platform, then as Finance Director of SigmaRoc, and more recently as Deputy CFO and Director of Investor Relations. Prior to joining SigmaRoc, Dean held several roles within the finance industry in Jersey, predominantly in trust companies and banks, including a Head of Finance role at BNP Paribas. Dean started his career providing audit, accountancy and tax services and qualified with BDO in Jersey. Dean is a fellow of the Institute of Chartered Accountants in England and Wales.



CDH production site  
in Soignies, Belgium

## Dimension Stone

CDH is the world's largest producer of Belgian blue limestone. CDH presently produces around 115,000 cubic metres of blocks, together with around 800,000 square metres of sawn blocks, of high quality Belgian Bluestone per year, a high-grade dimension stone produced exclusively in Belgium under European protected status. Belgian bluestone can be found in infrastructure and residential projects across the globe.

Our Dimension Stone platform is well positioned with reserves and resources of over 150 million tonnes of construction aggregates and over 28 million cubic metres of high quality Belgian Bluestone. The business employs over 420 people and has a proud history dating back 130 years.

Due to its high quality and distinctive characteristics, Bluestone is a Global Heritage Resource and a sought-after product that travels worldwide (unlike most aggregate products). Bluestone can be used in residential, commercial and infrastructure projects, as well as for architectural and cosmetic applications.



CDH bluestone tiles



Kitchen island in  
Puccini Blue

## PLATFORM HIGHLIGHTS

**Safety:** Reorganisation of production department in order to develop higher agility and ensure management and supervision is present, active and visible on the work floor. It allowed us further to increase safety awareness and behaviour which resulted in significantly improved frequency and severity rates.

**Environment:** Implementation of conditions linked to permit for expansion of the quarry. First phase of the new public road is completed. Previous overburden area has been handed over to the city of Soignies and transformed into a recreation area. Construction of noise walls ongoing. Additional permit demand for increased solar energy is launched. Partnership to be finalised for development of 2 windmills. Continuous efforts to develop biodiversity on

the site resulted in the visit of their majesties The King and Queen of Belgium on the 9th of March 2023.

**Performance:** Significant decrease in sales volumes (due to downturn in residential construction in our main markets) was compensated by improved margins and productivity improvements. Main projects included the city centre of Charleroi, Adolphe Max Boulevard in Brussels, the area around the previous stock exchange of Brussels and the restoration of Notre Dame de Paris. Development of Pucchini line which combines innovation, product development and raw material performance.

**Operations:** Start up of new stone cutting line DE25 which increased productivity in finished products department. Further focus on raw materials yield (Puches) with proven results.

## PLATFORM METRICS

Key operational metrics for the Dimension Stone Platform during the year were as follows:

	2023	2022	2023
<b>People</b>	387	405	-4%
<b>Reserves and Resources (tonnes)</b>	73.2m	73.5m	-
<b>Sites</b>	1	1	-

Efficiency improvements in operational processes led to a slight reduction in staff in the Dimension Stone platform during 2023.

# Benelux

Following the Group taking-over of all LafargeHolcim's production installations located at CDH in April 2021, shortly followed by the acquisitions of the B-Mix and Casters businesses in Belgium, SigmaRoc created the Granulats du Hainaut aggregates brand and separated its European heavy-side materials operations into two separate platforms.

CDH continued as a Europe wide dimension stone platform and a new, integrated, concrete and construction aggregates Benelux platform was created, including the GduH, Cuvelier, B-Mix and Casters businesses. There are >190Mt of aggregate reserves and resources attributable to the Benelux platform, in addition to the CDH bluestone reserves and resources.

The Benelux platform produces over 2 million tonnes of aggregates and over 350,000 m<sup>3</sup> of concrete, servicing the Hainaut, Liege and Limburg markets. Our aggregate products supply a range of partners and construction companies with products for concrete, sea defence work and riverbank fortification.

The aggregates business is led by Christophe Huyghebaert and concrete by Dirk De Leus.

## PLATFORM HIGHLIGHTS

The Belgian ready-mix concrete plants had a very strong year, with dynamic pricing and active cost control translating into improved profitability. Cuvelier also reported a good year, bolstered by strong market demand that led to increased production volumes and solid profit margins.

Our quarry in Soignies, Granulats du Hainaut, also performed commendably. The volumes produced were in line with our projections, primarily driven by our contract with Holcim, resulting in the quarry's EBITDA being in-line with budget. Looking ahead to 2024, Granulats du Hainaut is gearing up for a busy year. This includes the establishment of a new sales and logistics department, a strategic move in anticipation of the conclusion of the Holcim contract at the end of 2024. Additionally, the quarry is set to commence investments in a new crushing and screening plant.

Toward the end of 2023 the Benelux platform expanded into the North of France with the acquisition of four ready-mix concrete plants from CdB. The plants are strategically located near the Soignies quarry and operated under newly incorporated Betons.

## PLATFORM METRICS

Key operational metrics for the Benelux Platform during the year were as follows:

	2023	2022	Change
<b>People</b>	131	91	+44%
<b>Reserves and Resources (tonnes)</b>	192.8m	195.6m	-1%
<b>Sites</b>	10	5	+100%

The Benelux platform welcomed 44 new people with the acquisition of Goijens in Belgium in January 2023 and the creation of Betons in the north of France in September 2023. With this, the Group added 5 new sites to the platform.



**CHRISTOPHE HUYGHEBAERT**

MD OF BENELUX

Christophe Huyghebaert, who joined SigmaRoc in 2021 to manage the Group's dimension stone platform. Prior to joining SigmaRoc, Christophe worked for Heidelbergcement Benelux. He has held different management positions in cement, aggregates and concrete operations.

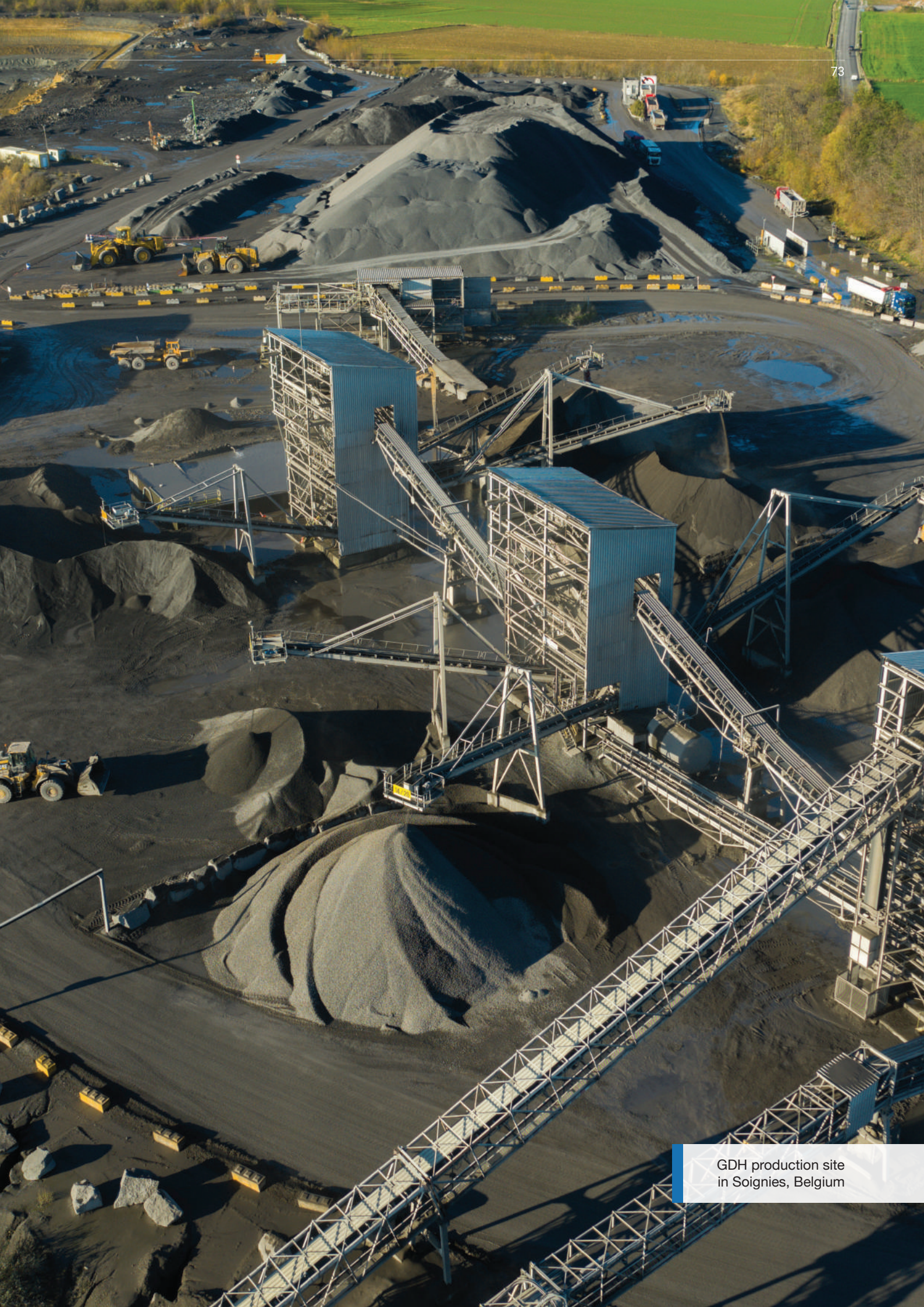


**DIRK DE LEUS**

MD OF BENELUX

Dirk has over 30 years of experience in the construction industry in the aggregates, ready-mix concrete (General Manager Inter-Beton) and cement markets in Belgium (General manager of Cemminerals). Dirk joined SigmaRoc in April 2022 as general manager of the Benelux platform. He oversees, integrates, and streamlines all the ready-mix and aggregate businesses in Benelux. His main priorities are to grow the business, to professionalise and to make our Benelux business more sustainable. Dirk holds a degree of commercial engineer from the University of Leuven.





GDH production site in Soignies, Belgium

# North East

The North East Region is anchored by Nordkalk, a leader in limestone-based products and solutions in Northern Europe. Nordkalk stands at the forefront of delivering vital raw materials to a multitude of industries, with a strong emphasis on sustainable and environmentally friendly solutions.

Its offerings play a pivotal role in enhancing air and water quality, as well as improving the productivity of agricultural land. Spanning over a century in operation, the region boasts over 800 employees and encompasses more than 40 sites across 10 countries.

Limestone, a cornerstone material for Nordkalk, is integral to a wide array of products and industries, including construction, agriculture, environmental protection, chemicals, metals & mining and pulp & paper. Constantly innovating, Nordkalk has expanded beyond its traditional

market segments, exploring new applications and ventures. A significant focus is placed on the circular economy, with such products currently accounting for 12% of Nordkalk's sales volumes – a figure the Company is committed to increasing. Moreover, Nordkalk has a longstanding tradition of utilising by-products efficiently, achieving over 90% material efficiency, a number that continues to grow.

Key metrics for the North East Region during the year were as follows:

Statutory Results				Underlying Results		
Financial metrics	2023	2022	Change	2023	2022	Change
Revenue	€390.4m	€365.3m	+7%	€390.4m	€365.3m	+7%
EBITDA	€81.7m	€72.1m	+13%	€83.8m	€72.5m	+16%
EBITDA margin	21.3%	19.7%	+160bps	21.5%	19.8%	+170bps

Sales volume metrics	2023	2022	Change
Industrial mineral (tonnes)	2.9m	3.2m	-9%
Construction mineral (tonnes)	11.1m	11.0m	-1%

Operational metrics	2023	2022	Change
People	880	827	+6%
Reserves and Resources (tonnes)	1,150.4m	1,142.0m	+1%
Sites	51	43	+19%

The acquisitions of Juan Dolomitik in Finland, Björka Minerals in Sweden and ST Investicija in Lithuania contributed to an increase in people during 2023. These acquisitions also led an increase in the reserves and resources held by the Group, as well as an increase in the number of operating sites.



## MARCEL GESTRANIUS

NORTH EAST MD AND  
CEO OF NORDKALK

Marcel joined Nordkalk in January 1998 and has over 20 years of experience in various leadership positions. Marcel began as an ICT coordinator and has held the position of division controller, financial director, group controller, acting now as CEO and CFO. Marcel holds a master's degree in Information Processing.



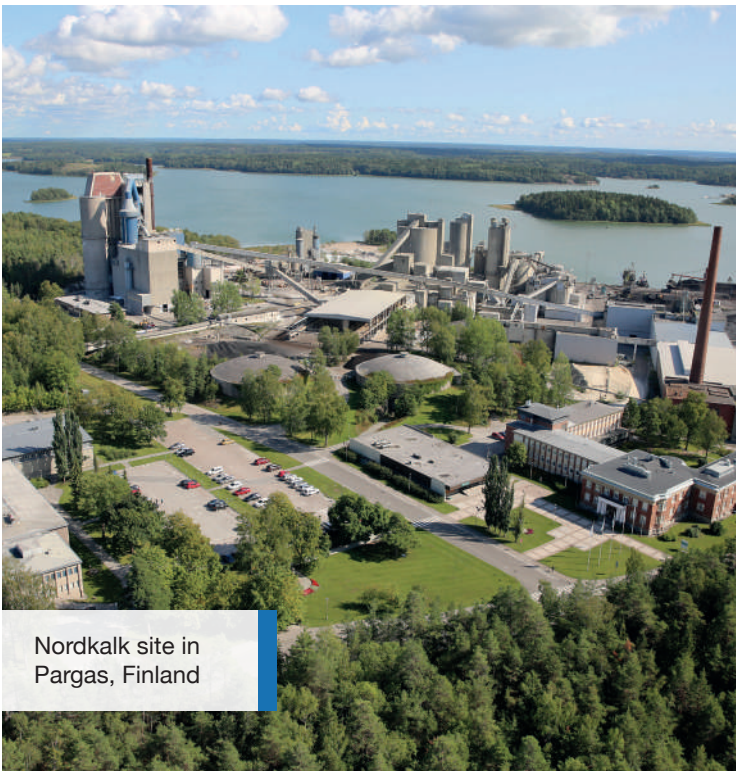
# Quicklime

Nordkalk established a dedicated quicklime platform to provide industrial focus on its production and customers. The Quicklime platform will manage the energy transformation from fossil to renewable fuels and upgrade its kiln network to meet sustainability requirements. The platform consists of Nordkalk’s own kilns in Finland, Sweden and Estonia, kilns operated by JV companies in Sweden and Norway, and customer owned kilns in Finland and Germany that are operated by Nordkalk.

## PLATFORM HIGHLIGHTS

Nordkalk’s Quicklime platform had a very strong 2023, benefiting from growth in metals & mining and PP&B volumes, plus margin improvement from dynamic pricing and effective management actions to improve operational efficiencies, including supply chain optimisation.

The Quicklime platform also oversaw the successful launch of the Group’s first carbon capture facility at Köping in Sweden. The fully scalable carbon capture system, utilising Aqualung’s innovative membrane technology, is the first-ever implementation of its kind in the industry.



Nordkalk site in Pargas, Finland



### MIKAEL FURU

MD OF NORDICS QUICKLIME

Mikael has been working at Nordkalk in different managerial positions since 2009. In October 2022, he was appointed as MD for Nordkalk’s new Quicklime platform. Before that he held the position of EVP responsible for Nordkalk’s Northern Europe Region. Prior to joining Nordkalk, Mikael worked at sales in Metso Paper. He holds a degree in Master of Science in Engineering, Process Technology from Åbo Akademi University in Turku, Finland.

## PLATFORM METRICS

Key operational metrics for the Quicklime Platform during the year were as follows:

	2023	2022	Change
<b>People</b>	129	128	-
<b>Kilns</b>	10	10	-
<b>Sites</b>	13	13	-

The Quicklime platform metrics remain stable, with the strong year for the platform, including margin improvement, being achieved without the need to reduce head count.

# Nordics

Nordkalk's Nordics platform consists of limestone, carbonate and specialty products businesses in Finland and Sweden. The main sites include limestone quarries and grinding operations in Pargas and Lappeenranta in Finland and on the island of Gotland in Sweden.

## PLATFORM HIGHLIGHTS

Nordkalk's Nordics platform navigated a difficult market in 2023, with soft residential construction and PP&B markets. In spite of these headwinds, the platform delivered strategically through its acquisitions, sustainability initiatives, and investments aimed at expanding reserves and enhancing product offerings, setting a solid foundation for future growth and sustainability.

The acquisitions of Juuan Dolomitik in Finland and Björka Mineral in Sweden represented strategic moves to enhance the Group's portfolio of high-quality limestone and dolomite reserves. The launch of Nordkalk's first fossil-free carbonate production site in Ignaberga, Sweden, marked a significant milestone towards sustainability and innovation within the industry. The introduction of the new sustainable product portfolio, 'Next & Complete,' further emphasised the Group's focus on environmental stewardship and meeting the growing demand for sustainable construction materials.



### ANSSI KOIKKALAINEN

MD OF NORDICS FINLAND

Anssi Koikkalainen has been working at Nordkalk for almost 20 years in several sales, purchasing and business development roles. In his current role as MD of Nordics Finland, Anssi is responsible for Nordkalk's Finnish limestone, carbonate and specialty products businesses. Anssi's responsibility area includes various mining and production operations in the region, sales and marketing, and business development. Anssi holds a master's degree in industrial engineering & management from LUT, Lappeenranta University of Technology in Lappeenranta, Finland.



### ANNICA LINDFORS

MD OF NORDICS SWEDEN

Annica Lindfors first started at Nordkalk as a summer trainee in the 90s and returned to Nordkalk taking on the role of Project Manager R&D in 2012. From there she has held commercial roles as well as becoming Business Development Director and Director of Circular Solutions before taking on her current role as MD of Nordics Sweden. Annica's area of responsibility includes various mining and production operations in the region, sales and marketing, and business development. Annica holds a master's degree in chemical engineering from Abo Akademi University, Turku, Finland.



Nordkalk limestone

## PLATFORM METRICS

Key operational metrics for the Nordics Platform during the year were as follows:

	2023	2022	Change
<b>People</b>	321	308	+4%
<b>Reserves and Resources (tonnes)</b>	795.8m	779.5m	+2%
<b>Sites</b>	21	16	+31%

The acquisitions of Björka Minerals and Juan Dolomitik led to an increase in people, as well as operational sites and reserves and resources.



Nordkalk agriculture lime

# Poland

Nordkalk's Poland platform consists of Nordkalk's limestone and carbonate operations in Poland and comprises quarries and grinding operations across four locations including Miedzianka, in the middle of Poland, which is Nordkalk's largest quarry. The Poland platform also includes relatively small operations in Turkey and prospective mineral permits in Ukraine.



**PIOTR MACIAK**

MD OF POLAND

Piotr Maciak has been working for Nordkalk since 2009 in sales and business managerial positions. Before joining Nordkalk, he held several commercial managerial positions, mainly in industrial companies in Poland. In his current position, Piotr has full responsibility for Nordkalk's business operations in Poland. He holds a master's degree in Power Engineering from Warsaw Technological University in Warsaw, Poland.

## PLATFORM HIGHLIGHTS

Nordkalk's Poland platform had a very strong year, benefiting from robust demand within infrastructure, chemical and environmental markets. Dynamic pricing mitigated high input costs, and operational improvement programmes improved margins and profitability.

In addition to strong financial performance, Poland also marked a milestone with its first full year of mining operations at the new Ołowińska quarry, adding 1.2m tonnes per annum of limestone capacity and permitting for a further 3.2m tonnes of reserves secured.



## PLATFORM METRICS

Key operational metrics for the Poland Platform during the year were as follows:

	2023	2022	Change
<b>People</b>	245	254	-4%
<b>Reserves and Resources (tonnes)</b>	307.6m	314.8m	-2%
<b>Sites</b>	4	5	-20%

In December 2023 Poland concluded the divestment of a grinding plant which was deemed non-core to the Group's operations and was located at a significant distance from any of the Group's mineral resources. This accounted for the movement in people and sites during the year.



Nordkalk limestone quarry  
in Miedzianka, Poland

# Baltics

Nordkalk’s Baltics platform consists of the Baltic Aggregates business and the newly acquired ST Investicija in Lithuania and is focused on developing Nordkalk’s limestone and dolomite operations in the Baltic countries, including exports from Finland. Nordkalk also has three active quarrying sites in Estonia and a grinding plant next to the Rakke lime kiln.

## PLATFORM HIGHLIGHTS

The Baltics platform had a busy year of growth and expansion, with the acquisition of ST Investicija significantly expanding its capacity in Lithuania and focus on improving logistics through sales optimisation.

## PLATFORM METRICS

Key operational metrics for the Baltics Platform during the year were as follows:

	2023	2022	Change
<b>People</b>	72	62	+16%
<b>Reserves and Resources (tonnes)</b>	47.0m	47.7m	-1%
<b>Sites</b>	8	3	+167%

The acquisition of ST Investicija led to an increase in the number of people in the Baltics platform, as well as an increase in the number of operating sites.



### GEDIMINAS SKVERNYS

MD OF BALTICS

Gediminas Skvernys started as MD of Nordkalk’s Baltics platform and Baltic Aggregates in 2022. Prior to joining Nordkalk, he worked as CEO of Dolomitas, a company specialising in dolomite construction aggregates in Lithuania and granite importation from Scandinavia. Gediminas holds a business & commercial master’s degree from Kaunas University of Technology in Kaunas, Lithuania.



Farming in Reku, Finland





Nordkalk team members on site

# Our Markets



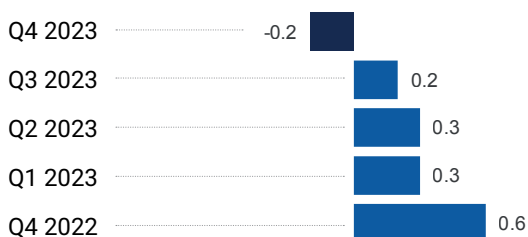
Nordkalk quarry in  
Pargas, Finland

# Macro conditions in the market

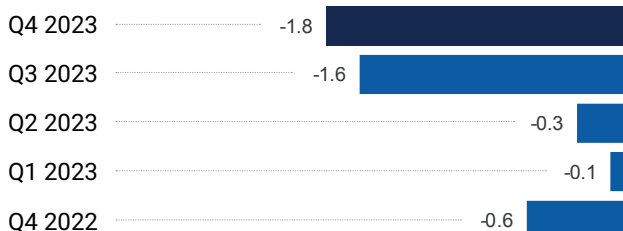
## GDP growth rate

(%, YoY)

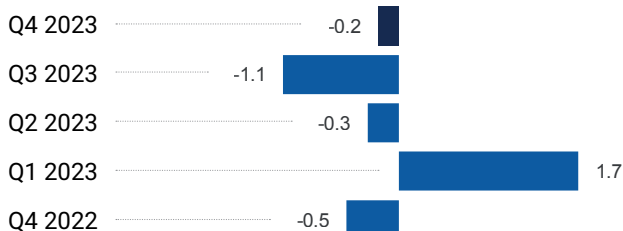
### UK



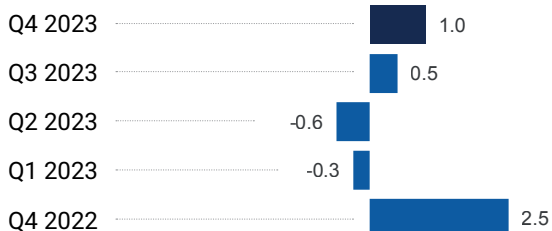
### FINLAND



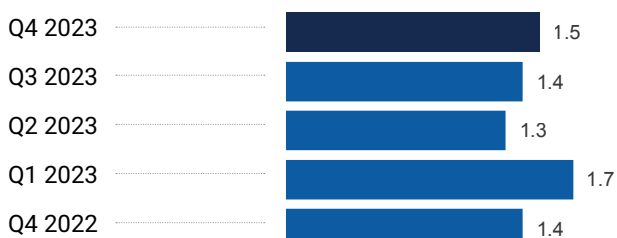
### SWEDEN



### POLAND

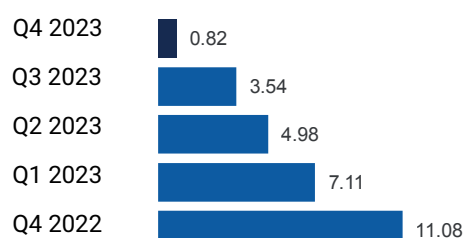
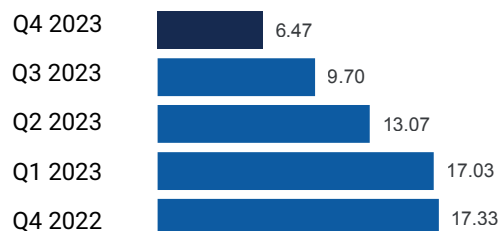
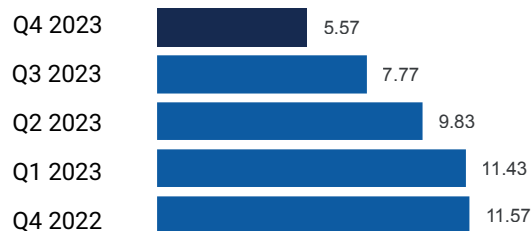
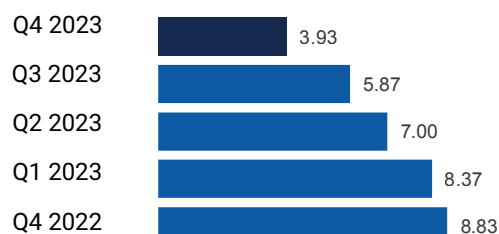
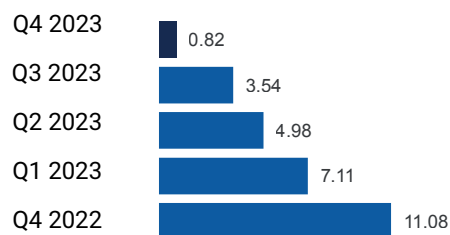


### BELGIUM



## CPI inflation rate

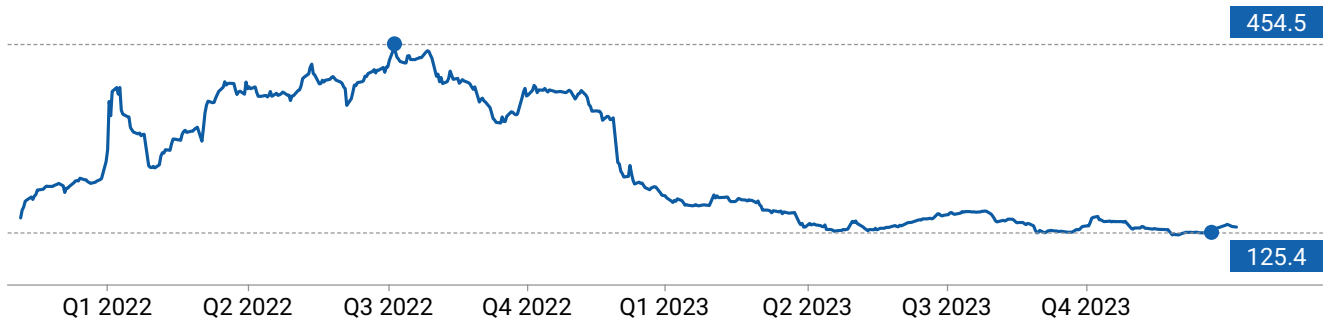
(%, YoY)



# Macro conditions in the market

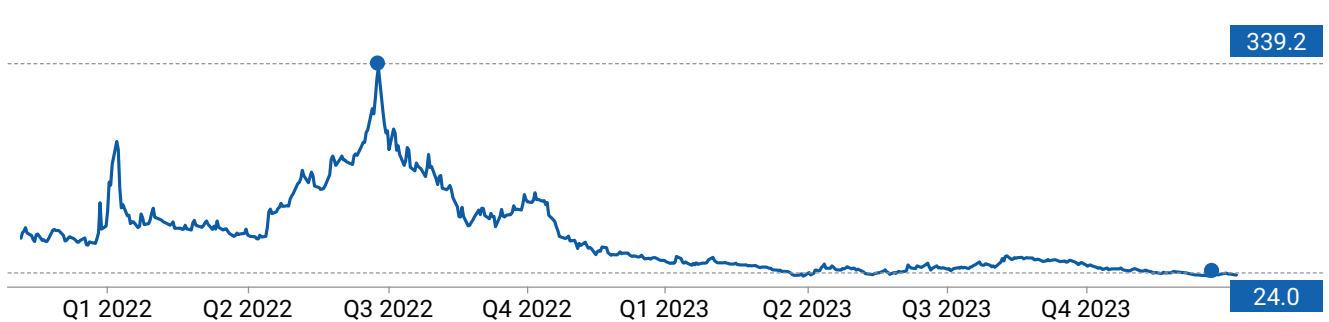
## COAL

(Eur/T)



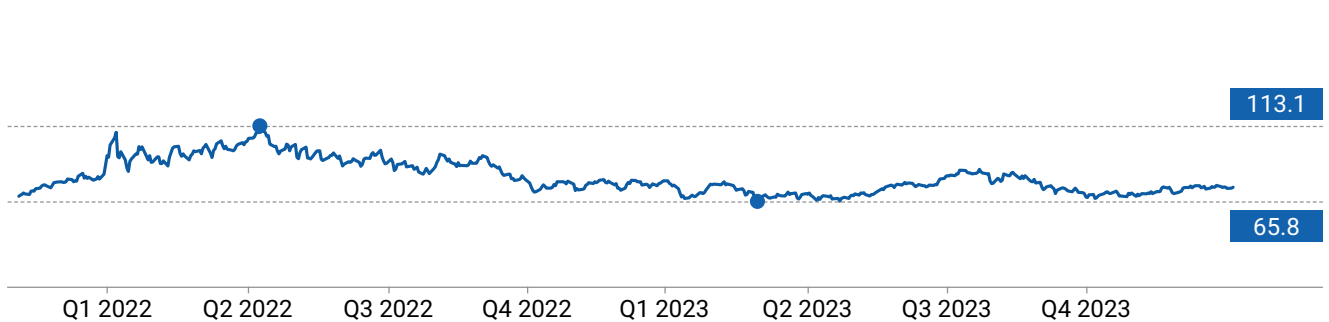
## GAS

(Eur/MWh)



## BRENT CRUDE OIL

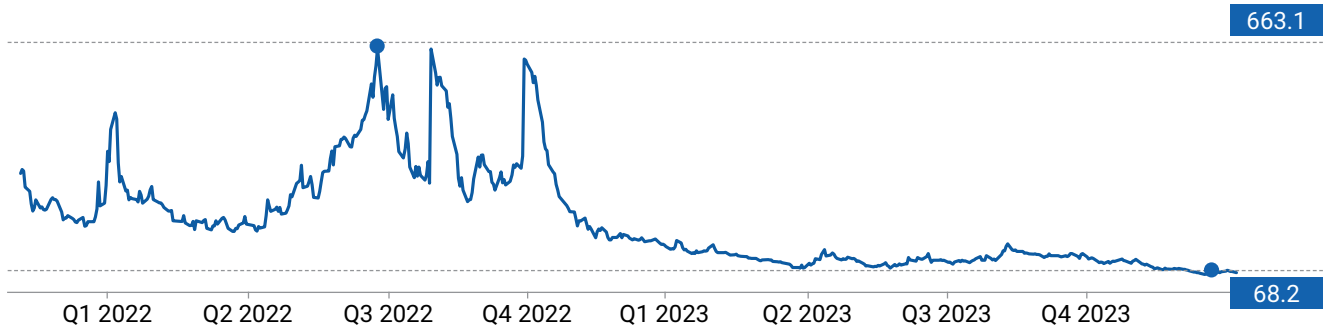
(Eur/barrel)



SOURCE FOR ABOVE GRAPHS: <https://tradingeconomics.com/commodity>

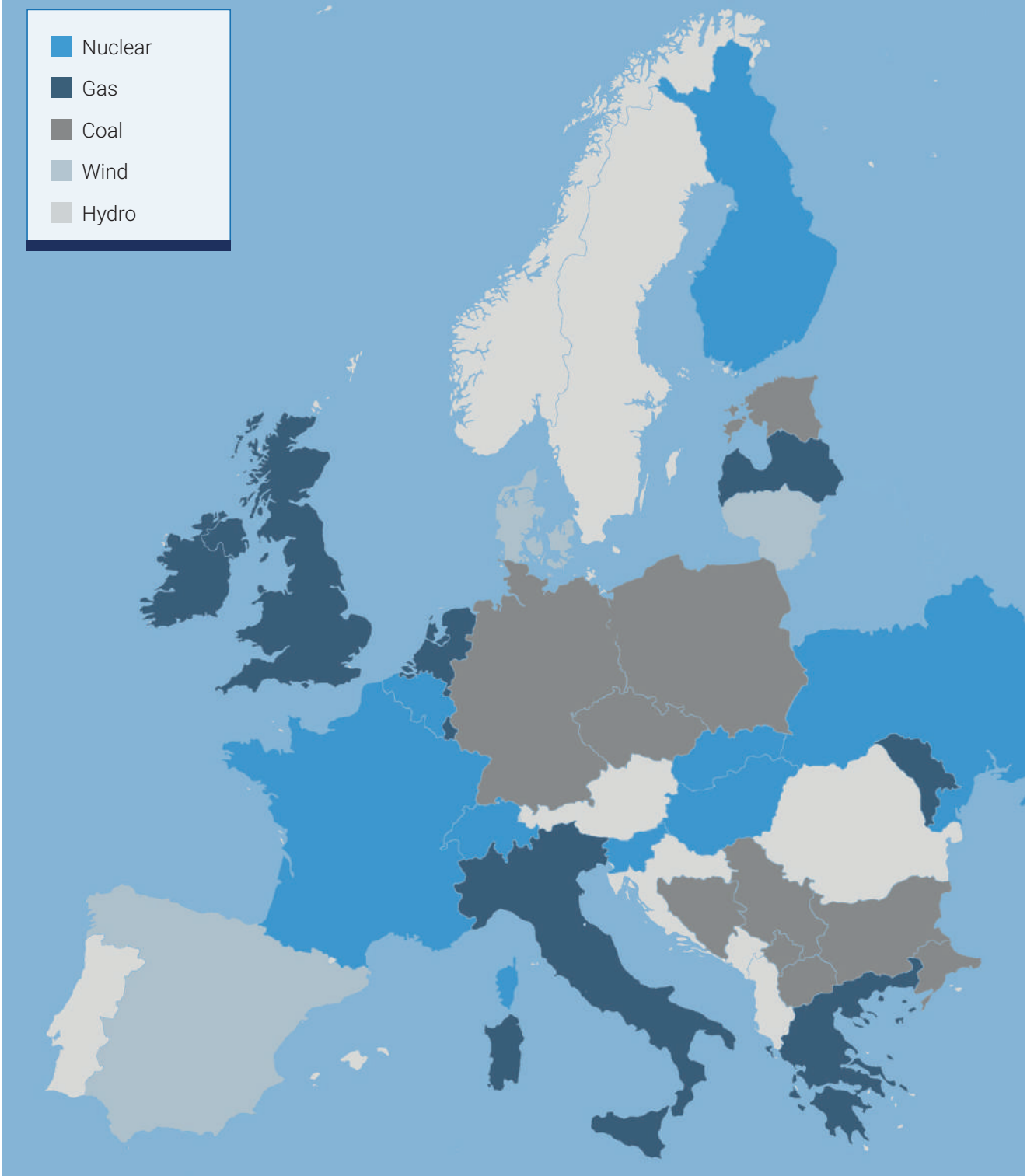
## ELECTRICITY UK

(Eur/MWh)

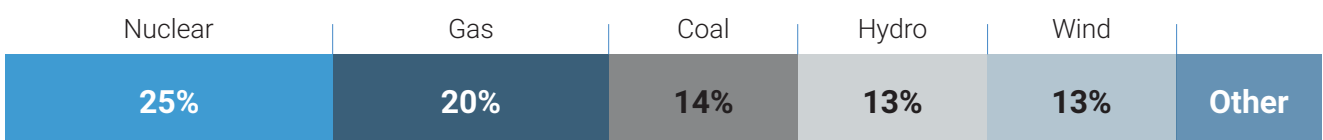


SOURCE: <https://tradingeconomics.com/united-kingdom>

## Biggest sources of electricity by country

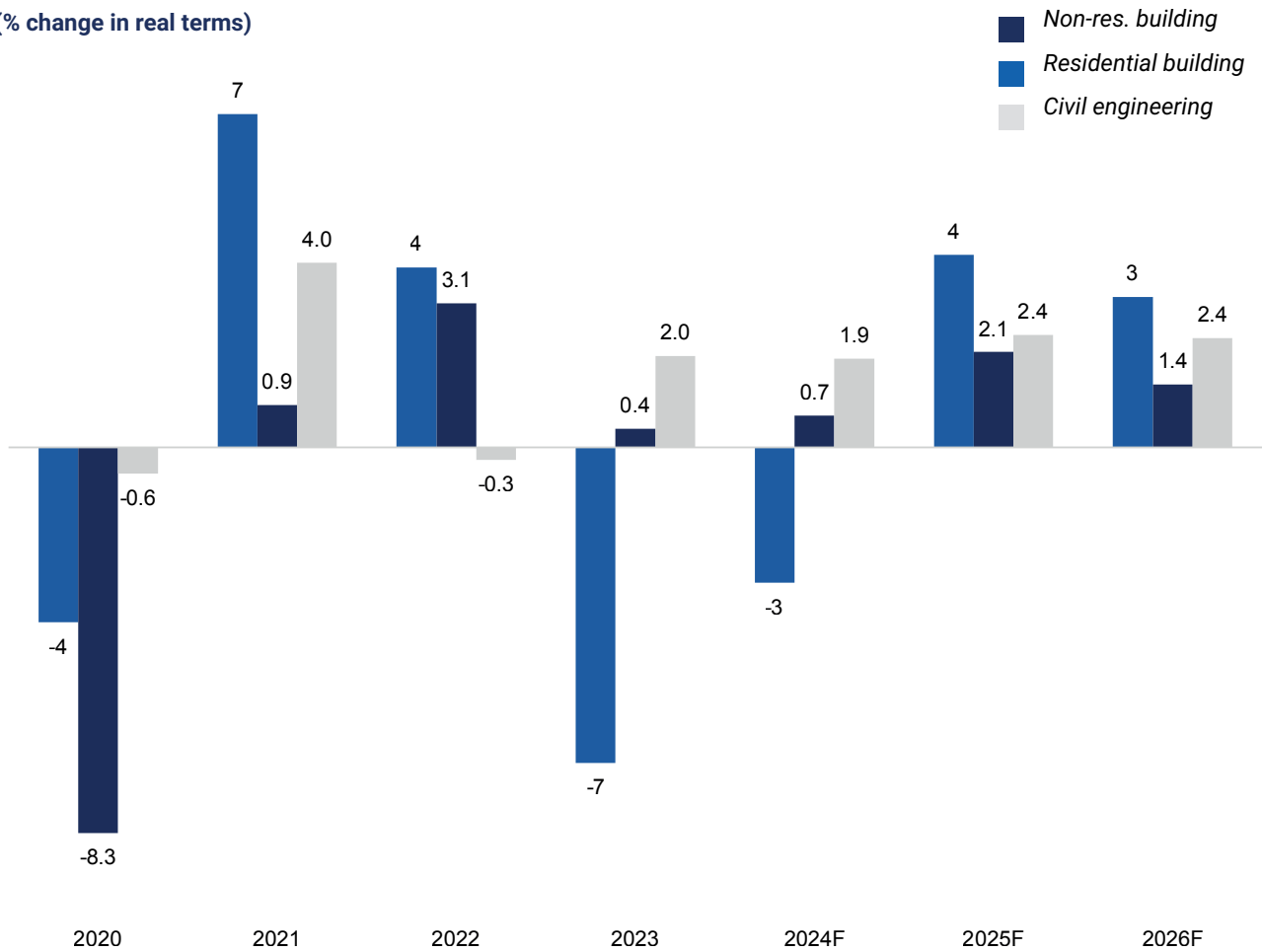


## EU electricity generation by source



# EU construction forecast<sup>1</sup>

(% change in real terms)



1. In Belgium, France, Germany, Ireland, Norway, Sweden, Finland, UK, Czechia, Poland, Spain

SOURCE: Consulting firm

- Construction market softened in 2023, particularly in residential
- Outlook for 2024 improved but residential remains soft
- Interest rate drops should improve situation in H2 and beyond
- Return to growth in all areas expected from 2025
- Long term drivers underpin both residential and infrastructure construction



CDH quarry covered in by snow and fog in Soignies, Belgium



Euralille in Bluestone  
cladding in Lille, France  
Photographer: Julien Lanoo

# Key measures and statistics



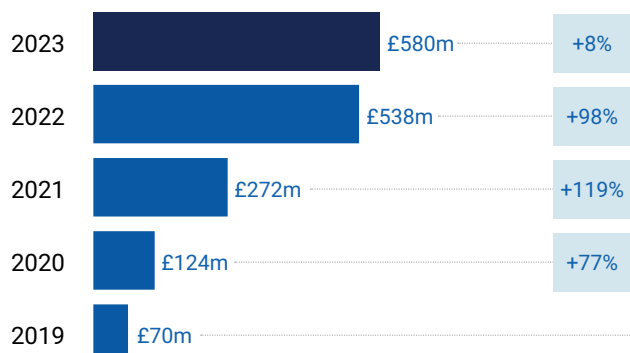
CDH production site  
in Soignies, Belgium



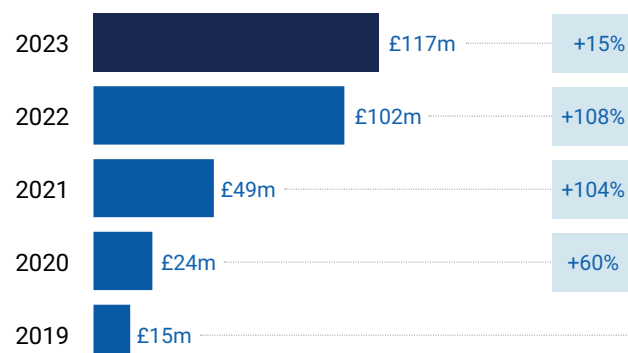
# Key measures and statistics

## FY23 financials

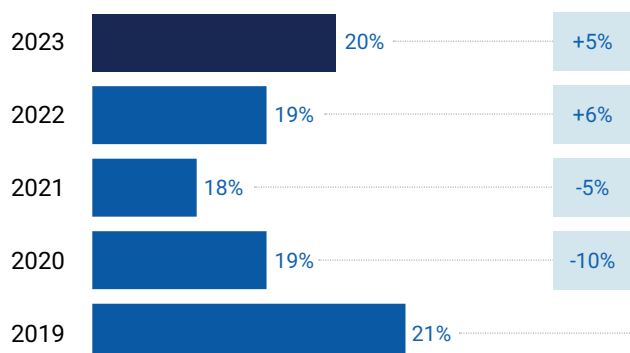
### Revenue £m



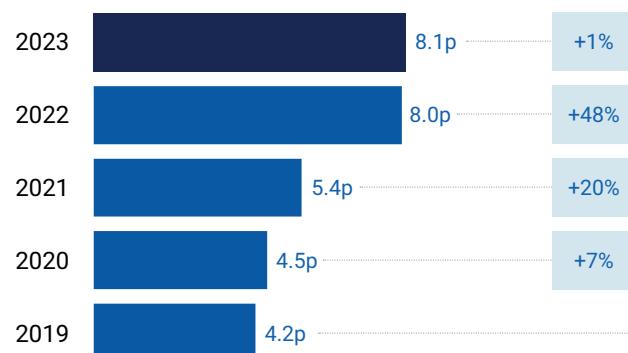
### EBITDA £m



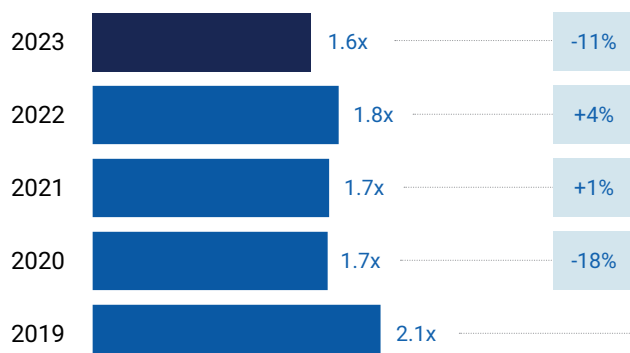
### Underlying EBITDA margin %



### Underlying EPS pence



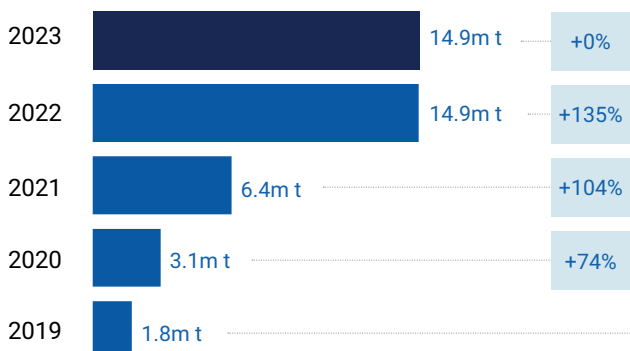
### Leverage ratio ratio



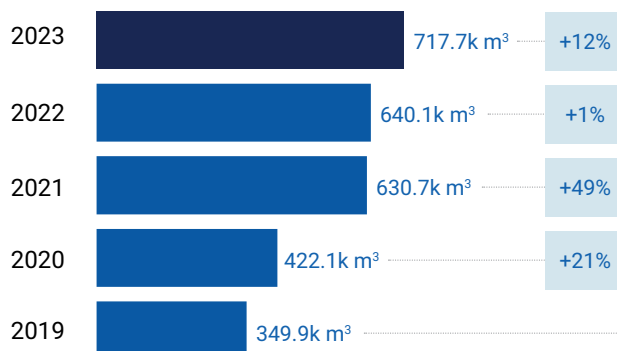
# Key measures and statistics

## FY23 volumes

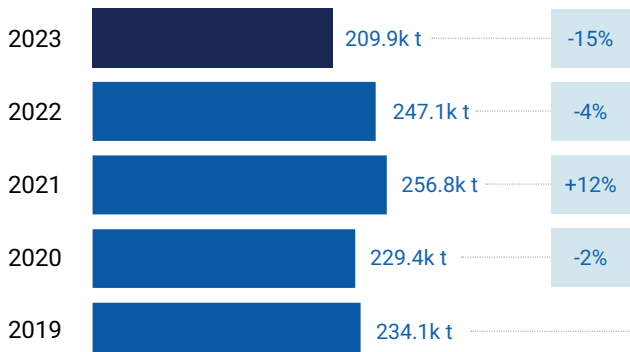
### Aggregates million tonnes



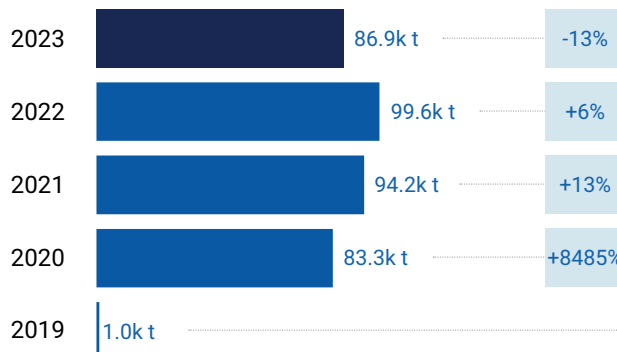
### Concrete & concrete products thousand cubic metres



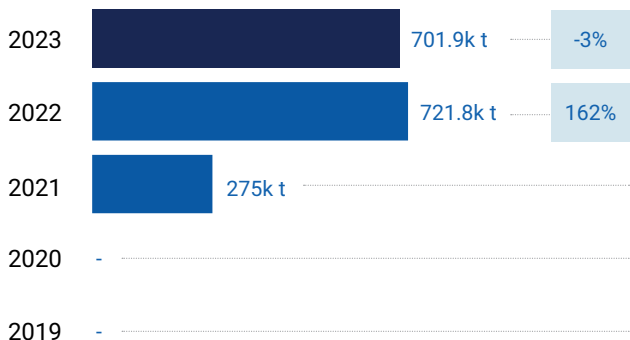
### Asphalt and asphalt laid thousand tonnes



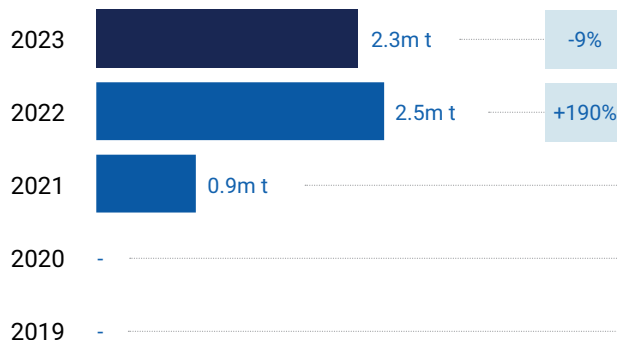
### Dimension stone thousand tonnes



### Quicklime thousand tonnes



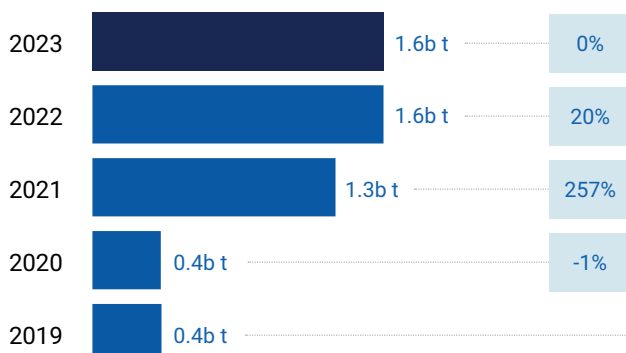
### High grade limestone million tonnes



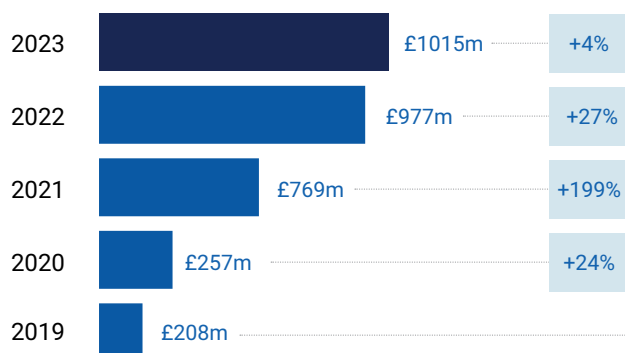
# Key measures and statistics

## FY23 assets

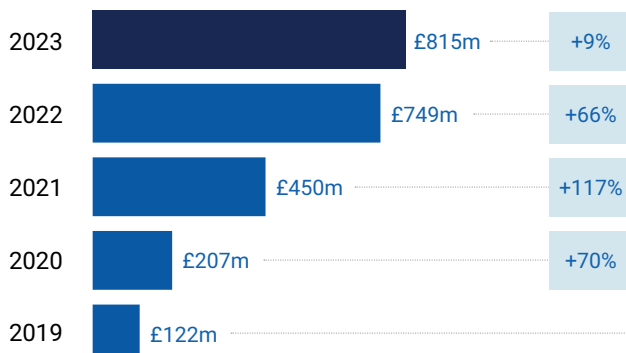
### Reserves and resources billion tonnes



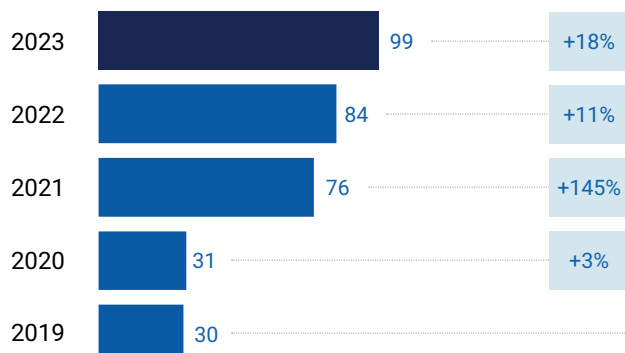
### Total assets<sup>1</sup> £m



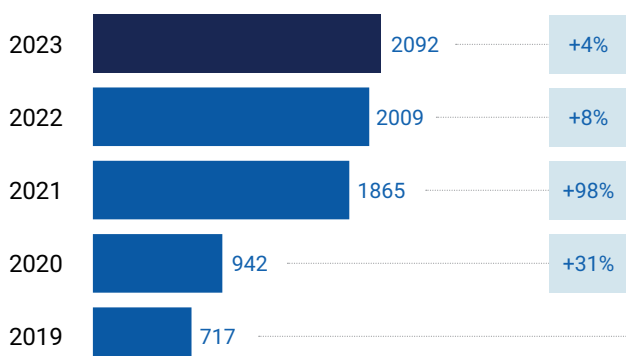
### Tangible assets £m



### Number of sites



### People



<sup>1</sup> Total assets excluding intangible assets, deferred tax, investments, available for sale assets and derivatives

# Our ESG Journey



Liming in Reku,  
Finland



# Our ESG Journey



**Charles  
Trigg**

CHIEF TECHNICAL  
OFFICER

As a business our overall aim is to ensure sustainable returns to our shareholders. As a Group we are committed to ensuring this can be done in a manner where we minimise risks and seize opportunities so that our business continues to be strong in the years to come.

This year has seen some substantial achievements in terms of ESG:

- **71% fossil free electricity across the Group with 100% fossil free electricity in Nordics and Belgium**
- **35% alternative energy that including alternative / renewable electricity and biofuels / alternative fuels**
- **29% GHG emissions intensity reduction from 2021 baseline**
- **12% YoY energy consumption reduction**
- **36% and 87% YoY reduction in NOx and SOx respectively**
- **79% of all our businesses are IOS certified in either ISO9001, ISO14001, ISO45001**
- **172 site audits conducted for health and safety**
- **0 fatalities and cases of silicosis**
- **6% reduction in total injury frequency rates for employees and contractors on our sites**
- **>25% reduction in lost time and serious harm frequency rates for employees and contractors on our sites**
- **>2.5 billion litres of water supplied to local communities**
- **AA MSCI rating**
- **Launch of multiple sustainable products**

Following on from our 2023 annual report and standalone annual 2023 ESG Report, we continue to commit to reporting and disclosure of both mandatory and voluntary ESG and sustainability matters.

**SECR** – We continue to report our energy consumption and Scope 1-3 greenhouse gas emissions according to the SECR regulations, including non-mandatory aspects to ensure full transparency of our emissions and intensity ratio.

**TCFD** – This is the first year we have fully reported against the recommendations and recommended disclosures of the Taskforce on Climate-Related financial disclosures (TCFD), under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. The report was developed in conjunction with external consultants. The report has been reviewed by both the Audit Committee as well as the Company Auditors. The report can be found on page 124 of this report.

**SASB** – We continue to use SASB as a guiding principle for disclosure of metrics that are material to our industry as per the SASB materiality matrix.

**SBTi** – In line with our stated ambition, this year we have submitted our Scope 1-3 carbon footprint alongside our emissions reduction targets data to SBTi. We have committed to reducing our Scope 1&2 emissions, and to reducing our Scope 3 emissions, aligned with the ambition and emissions reduction trajectory required to curb global temperature rise to 1.5°C.

**European Energy Directive** – UK ESOS report has been compiled and will be submitted in line with UK submission requirements.

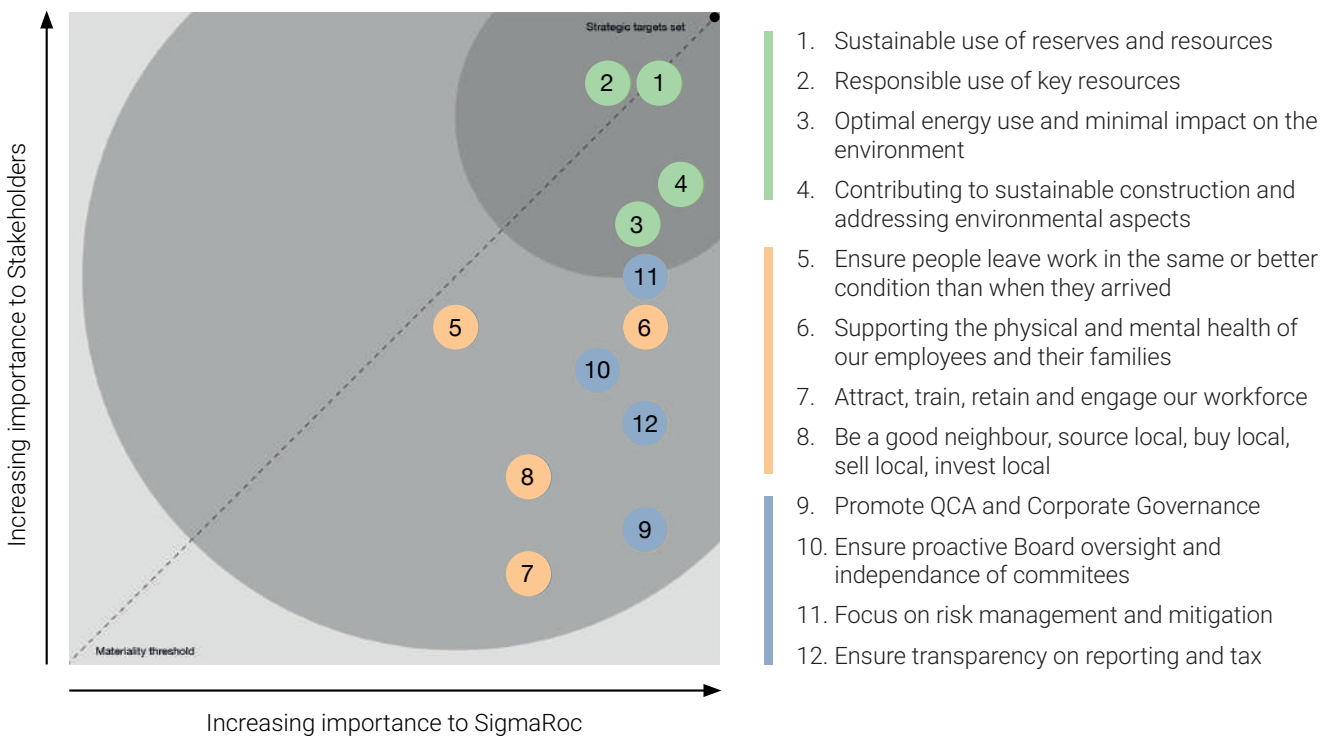
**Sustainability Recognition and Commitment** – Currently holding a AA rating, we are recognised as a “Leader” in our sector by MSCI. This year we registered with CDP and submitted our first Climate Change questionnaire, and await validation of our emissions reduction targets from the SBTi.

**STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT**

We continually engage with a wide array of internal and external stakeholders to identify the key sustainability issues that matter most to the Group and to our core stakeholders. Our findings have guided our ESG journey, through setting strategic sustainability performance targets against each material issue. We report on our progress against the strategic targets set and further information on our Materiality Assessment, including our Materiality Matrix.

**MATERIALITY ASSESSMENT**

Increasing importance to Stakeholder vs. increasing importance to SigmaRoc



1. Sustainable use of reserves and resources
2. Responsible use of key resources
3. Optimal energy use and minimal impact on the environment
4. Contributing to sustainable construction and addressing environmental aspects
5. Ensure people leave work in the same or better condition than when they arrived
6. Supporting the physical and mental health of our employees and their families
7. Attract, train, retain and engage our workforce
8. Be a good neighbour, source local, buy local, sell local, invest local
9. Promote QCA and Corporate Governance
10. Ensure proactive Board oversight and independence of committees
11. Focus on risk management and mitigation
12. Ensure transparency on reporting and tax

# Our ESG Journey

Stakeholders (in alphabetical order)	Description	How we engage
<b>Colleagues</b>	We have a dedicated workforce of c. 2,000 across the Group. We recognise our dedicated workforce as a key driver of the value derived from the business. Our colleagues are experienced and continuously developed to fulfil their potential. All employees are offered a fair benefits and compensation package relative to their role and level in the organisation. We encourage share ownership where it is available and, where possible, are working to setup where it is not currently in place.	Site presence and visual felt leadership. Employee groups and committees and unions. Focus on development training and succession planning. Decentralised approach with flat management allowing easy access to all staff. Employee benefit offerings that can also extend to family members.
<b>Customers and Suppliers</b>	All our businesses are decentralised and locally focused so that we know the customers' and suppliers' areas like they do. We work alongside our customers to provide "right first time" service and to seek proactive and innovative solutions to support requirements. "Right first time" is key to success and ensuring customer loyalty as part of our long-term success. We recognise the huge role our suppliers play in our long-term success. We strive to ensure timely payments and maximise value to support the delivery of our customers' needs. We balance economic requirements with sustainability considerations over the whole supply chain.	Prioritise a local focus on both customers and suppliers. Engage directly from our sites so that the customer and supplier deal directly with the site they are supplying or buying from. Ensure timely payments are made to suppliers. Functional and intuitive websites and digital solutions focused on the customer. Ensure adequate checks and due diligence are done on customers and suppliers.
<b>Communities</b>	By being decentralised and local we are at the heart of the communities in which we operate allowing us to be good, knowledgeable, supportive and engaging neighbours.	Proactive approach and active participation in community and industry working groups, forums and committees.
<b>Investors</b>	All our Shareholders play an important role in the continued success of our business. We maintain purposeful and close relationships with them either directly or via wider mediums such as Q&A webinars and conferences. We seek to be transparent and give clear and consistent messages across all communication channels.	Dedicated forums such as AGM, annual and interim webinar Q&As and/or interactive investor presentations. Annual and interim reports, trading statements and RNS. Regular phone calls and dialogues. Broker and NED contacts. Site visits, investor roadshows, investor conferences.
<b>Regulators / local Government</b>	We look to develop and sustain good relationships with many regulators who govern our businesses to ensure the success of our business and maintaining our license to operate. We are committed to adherence of legal and regulatory requirements. We are committed to have independent review / oversight be it internally or externally. We are committed to a sustainability framework following review of international standards.	Regular dialogue with Governments, Government agencies, regulators and industry groups. Active membership of the industry bodies such as Mineral Products Association, Federation Industries Extractives and European Lime Association. Effective and clear policies to ensure governance. Education and training of staff to reinforce compliance with regulations.



## CO<sub>2</sub> AND THE LIME INDUSTRY AND HOW IT VARIES FROM CEMENT AND OTHER INDUSTRIES

To deal with CO<sub>2</sub>, it is crucial to understand how CO<sub>2</sub> is governed and how it is produced.

### European Union Emissions Trading System (EUETS)

The EUETS regulates greenhouse gas emissions of energy and energy-intensive industries as well as inner-European aviation. The EUETS puts a cap on the carbon dioxide (CO<sub>2</sub>) emitted by business and creates a market and price for carbon allowances. It covers 45% of EU emissions, including energy intensive sectors and approximately 12,000 installations.

The EUETS works on the 'cap and trade' principle. A 'cap', or limit, is set on the total amount of certain greenhouse gases that can be emitted by factories, power plants and other installations in the system within the cap, and companies receive or buy emission allowances which they can consume or trade as needed.

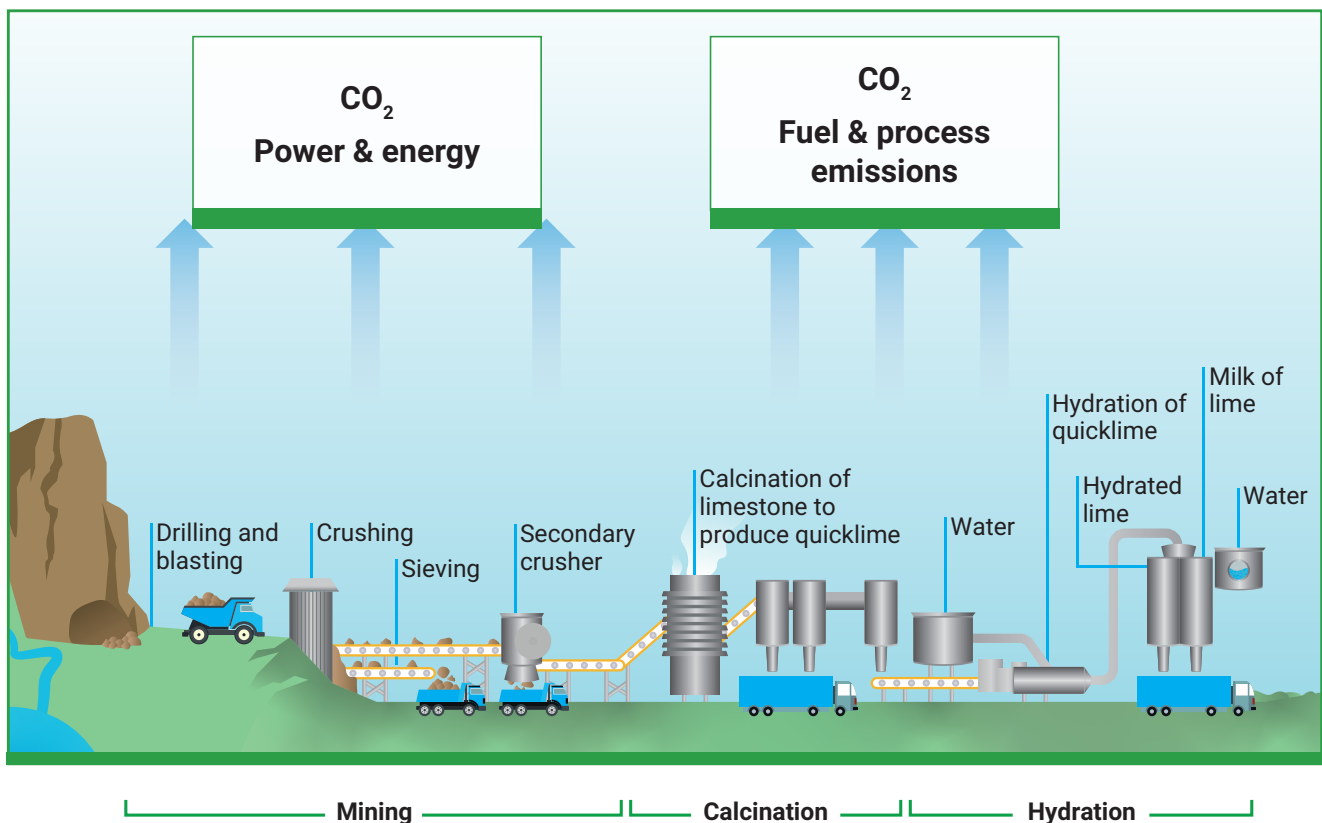
An allowance gives the right to emit a tonne of CO<sub>2</sub>, and any allowance surplus to requirement can be accumulated and used to offset future emissions or traded.

The directive concerning Phase IV (2021-2030) of the ETS entered into force on 8 April 2018. Secondary legislation and guidance documents defining the revised ETS scheme were published in 2023 to align it with the target of a 55% reduction of EU Green House Gas emissions. The new benchmark values (the value at which the free allowance is set) are below the actual emissions of the covered industries, and this deficit, along with market measures such as a stability reserve held by the EU and the faster reduction in year-on-year allowances drove traded prices in 2023 up to values of €80-€100/tonne, though at the time of publishing they have dropped.

Recently the Cross Border Adjustment Mechanism (CBAM) was brought in for many industries, including cement. Lime however is not part of CBAM. CBAM is a mechanism whereby importers of materials such as steel and cement into Europe will have to pay a duty / tax to ensure that European business and importers are equally priced with regards to carbon costs. In order for those industries to protect their boundaries, the consequence was to relinquish all free allocation by 2034 compared to allowing allowance to run until the 2050 timeline associated with the current legislation. As previously mentioned, lime is excluded from this and will continue its gradual reduction of free allocation under the existing rules.

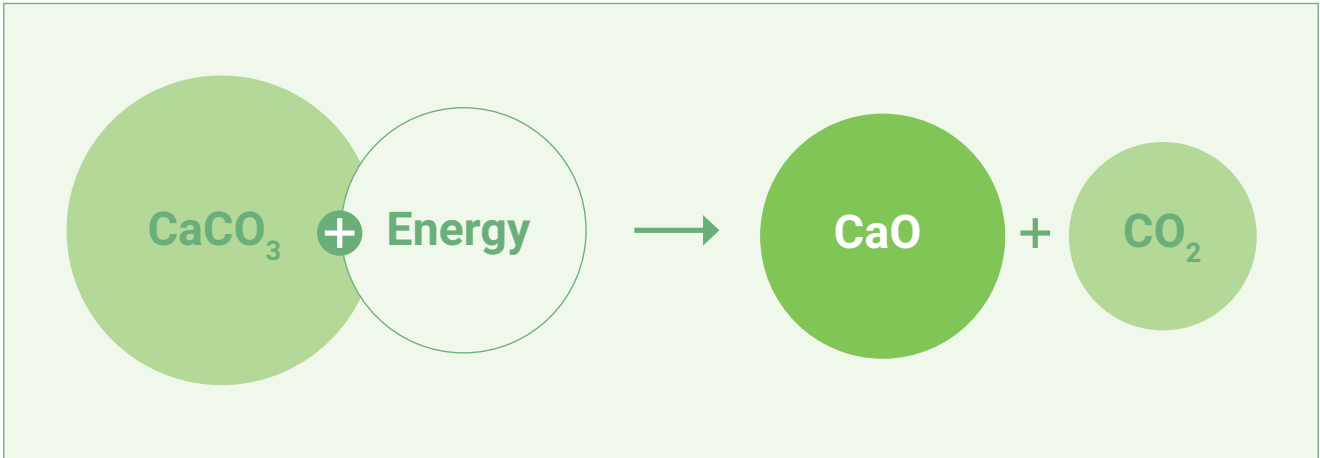
### Lime Industry and CO<sub>2</sub>

For lime there are sources of CO<sub>2</sub> emissions throughout the production process, however there are two primary sources that make up the majority of CO<sub>2</sub> emissions: fuel and process emissions from the calcination part of the process.



# Our ESG Journey

The calcination process is simply the formula of deriving CaO from CaCO<sub>3</sub> using heat.



The two main sources of CO<sub>2</sub> from the calcination part of the process are as follows: Combustion CO<sub>2</sub> (~25% to 35%) is produced from the burning of fossil fuels, while process CO<sub>2</sub> (~65% to 75%) results from the actual calcination of limestone.

**Power and energy CO<sub>2</sub>** can be reduced through energy efficiency, renewable electricity, fuel efficiency and renewable / alternative fuels. We are actively working on renewable energy solutions and Power Purchase Agreements.

**Combustion CO<sub>2</sub>** can be reduced by energy efficiency and fuel selection, as well as by carbon capture utilisation or sequestration (CCUS). We have achieved success with fossil free lime calcination, achieving 100% substitution by biomass at one site. Our first Carbon Capture unit has also been successfully installed and commissioned.

**Process CO<sub>2</sub>** can only be addressed by CCUS, with our first Carbon Capture unit having been successfully installed and commissioned.

## Carbon capture utilisation or sequestration

The emissions from lime kilns are well suited to technologies such as CCUS as they have a higher CO<sub>2</sub> content than most post-combustion gases and contain fewer contaminants due to using only limestone as feedstock and, due to product requirements, more stringent fuel quality requirements and typically lower gas filtration temperatures.

Post-combustion capture (PCC) systems constitute a technically and economically viable solution to reduce emissions in a variety of sectors. Retrofitting existing plants with post-combustion capture units may be the only effective and economically viable way to reduce emissions at the stack, without affecting the process upstream. The availability of a range of commercially ready technologies suitable for different types of CO<sub>2</sub> point sources is crucial for the wide deployment of CCUS systems. Given the wide ranges of plant sizes and flue gas specifications relevant to different emitting sources, it is unlikely that a single technology could fit best in all cases. Therefore, for effective

process design, it is convenient to consider multiple technologies and select the most efficient and economically viable option to serve the purpose.

In addition to the membrane technology currently in use by SigmaRoc, there are a few other options, some of which are more traditional and geared towards large emitters with each solution having their own opportunities and risks:

- Amine scrubbing is acknowledged as the most mature CCUS solution. Absorption-based processes for the separation of CO<sub>2</sub> from flue gases have been widely researched, and their effectiveness has been proven through testing on a variety of scales, from laboratory to commercial. For lime, this solution is both costly and requires a substantial footprint with significant energy consumption and issues with disposal of waste residues.
- Cryogenic capture and separation is a more recent development offered by industrial gas companies as an extension of their in-house process. For lime, this solution is both costly and requires a substantial footprint with significant energy consumption.

SigmaRoc believes that membrane technology is optimally suited to our single kilns / small cluster of kilns due to the proven technology, small footprint, low capital and operating costs and high efficiencies. For our sites that have multiple kilns with larger emission volumes, carbon capture can be done via membrane, but also by other technologies, allowing a flexible approach to carbon capture based on the site, infrastructure and country policies and legislation.

Other technologies, that may be more suited to the SigmaRoc kiln network, are being trialed and investigated including Ocean GeoLoop which employs an all-electric pressure swing process for CO<sub>2</sub> capture where a trial plant designed to capture 10,000 tonnes of CO<sub>2</sub> is to be established with Nordkalk's joint venture partner in Norway.

This allows the Company to constantly select the best option for both its operations and its operating jurisdictions.



Fels site in Rübeland, Germany

# Road Map to Net Zero

2025

All concrete products available in low carbon and ultra-low carbon

Carbon Capture Storage and utilisation trial plant operational

100% of all manufactured products can utilise waste / recycled materials\*

2027

100% utilisation of all production materials

CO<sub>2</sub>

2030

Alternative fuels used in mobile equipment

2.5% reduction in energy intensity

100% third party energy sourced from renewable means

CO<sub>2</sub>

CO<sub>2</sub>

CARBON

ENERGY INTENSITY AND EFFICIENCY

RESOURCE UTILISATION AND CIRCULAR ECONOMY

As a business, our overall aim is to ensure sustainable returns to our shareholders. As a Group we are committed to ensuring this can be done in a manner where we minimise risks, seize opportunities and so that our business continues to be strong in the years to come.

Our focus on returns to shareholders is through our 4i principles, all of which are underpinned by ESG.

Shareholder returns are an output of our inputs, which are our business model and ESG principles.

2032

Alternative fuels used in fixed equipment (e.g lime and asphalt)

CO<sub>2</sub>

2038

All kilns are carbon neutral

2040

NET  
ZERO

\*where industry specifications allow for it

# Our ESG Journey

## OVERALL PERFORMANCE

### Road Map to Net Zero

ESG	Subject	Target	Date	Progress to date	Status
Environment	Carbon	All concrete products available in low carbon and ultra-low carbon.	2025	100% of concrete products available in low carbon and ultra-low carbon.	Achieved 2023
		Carbon capture storage and utilisation trial plant operational.	2025	First module commissioned and operational.	Achieved 2023
		Alternative fuels used in mobile equipment.	2030	One site is running 100% fossil free.	On Track
		Alternative fuels used in fixed equipment (e.g. lime and asphalt).	2032	100% fossil fuel substitution achieved on vertical lime kiln using biofuel >50% fossil fuel substitution achieved on rotary lime kiln using biofuel with potential to go to 100% upon completion of remaining biofuel project.	On Track
		All kilns are carbon neutral.	2038	CCUS system commissioned and capture taking place at initial kiln. Corporation with JV partner on all-electric pressure swing process CCUS at the Norwegian site.	On Track
		Net-zero.	2040		On Track
	Energy intensity and efficiency	2.5% reduction in energy intensity.	2030	12% YoY energy intensity reduction in 2023. 29% reduction in energy intensity from 2021 baseline.	Achieved 2023
		100% third party energy sourced from renewable means.	2030	100% of electrical energy sourced from fossil free means in Nordics and Belgium 71% of Group electrical energy sourced from fossil free means	On Track
	Resource utilisation and circular economy	100% of all manufactured products can utilise waste / recycled materials. <sup>1</sup>	2025	100% of our manufactured products (where specification allows) can use recycled products This includes products such as asphalt, concrete, and concrete products which are already using, where specification allows, waste / recycled materials such as nappies, RAP, PFA, GGBS and recycled aggregates.	Achieved 2023
		100% utilisation of all production materials.	2027	Nordkalk Next, Nordkalk Complete, Puccini Blue, Mevo, Greenbloc, Aggregates reprocessing, and Concrete Product mix designs are key examples of where we are driving towards 100% utilisation of all our production materials.	On Track

<sup>1</sup> Where industry specifications allow for it

## Environment

Pillar	Key Focus Area	Link to UN SDG	Targets	How did we do	Focus for 2024
Environment	Sustainable use of reserves and resources.	Goal 12: Responsible consumption & production Goal 13: Climate Action	Achieve Carbon net-zero road map targets. Reduction in energy intensity and increase in energy efficiency. Maximisation of resource utilisation and circular economy.	First Carbon Capture plant installed and commissioned. Installation and commissioning of a new wash plant offering premium washed aggregates previously designated as waste, in turn releasing approximately 5 million tonnes of limestone. Creation of Puccini Blue to allow utilisation of up to 100% of the material extracted from our dimension stone quarries. 100% fossil fuel substitution in lime kiln at an operating site. First fossil free site created.	Incorporation of new business into our ESG Road map. Continue to focus and accelerate where possible our net-zero road map targets. Continue energy and fuel optimisation to reduce the reliance on fossil fuels.
	Responsible use key resources including raw material, mineral and water.	Goal 12: Responsible consumption & production Goal 13: Climate Action			
	Optimise energy use and minimise impact of our operations on the environment.	Goal 12: Responsible consumption & production Goal 13: Climate Action			
	Contribute to sustainable construction and address environmental aspects either through product production or use.	Goal 9: Industry, innovation & infrastructure Goal 12: Responsible consumption & production		UK ESOS completed, ready for submission to authorities. Energy surveys completed across platforms that have found multiple opportunities and savings. Further solar installations and tendering for installation of wind energy. Partnership with Mevo. Achieve low and ultra low carbon offering across all our Concrete Products. Nordkalk Next, Nordkalk Complete and Puccini Blue offerings in drive to sustainable products across our other businesses. Submission of SBTi. Use of OneClick for creation of LCAs and EPADs.	

# Our ESG Journey

## Social

Pillar	Key Focus Area	Link to UN SDG	Targets	How did we do	Focus for 2024
Social	Ensure people leave work in the same or better condition than when they arrived.	Goal 3: Good health & wellbeing  Goal 8: Decent work & economic growth	Total injury frequency rate and harm injury frequency rate reduction year on year.	Improved safety performance with a notable 31% and 25% reduction in SHIFR and LTIFR respectively. This data is not just limited to employees, but included all those that work on our sites including contractors.	Increase Group audit team across the platform.  Continual roll out of supervisor alignment programme for Health & Safety.  Continued focus on 3 core Health & Safety areas: Structure & Compliance; Proactive Prevention; and Learn & Improve.
	Support the physical and mental health of our employees and their families.	Goal 3: Good health & wellbeing	Increase workforce engagement and retention.  Increase board diversity.	172 site safety audits conducted by Group Health & Safety Director.  Initiation and roll out of PEPTalk across UK business.  Completion of initial Front Line Supervision initiative to ensure Supervisors spend optimal time managing safety, quality and productivity.	Continue to work with government agencies, education establishments and communities to offer long term employment opportunities.
	Attract, train, retain and engage our workforce.	Goal 4: Quality education  Goal 8: Decent work & economic growth		Supervisor training to at least IOSH Managing Safely level.	
	Be a good neighbour; source local, buy local, sell local, invest local.	Goal 11: Sustainable cities & communities			

## Governance

Pillar	Key Focus Area	Link to UN SDG	Targets	How did we do	Focus for 2024
Governance	Promote QCA and Corporate Governance Codes.	Goal 16: Peace, justice & strong institutions	Continue to implement, and transparently disclose, compliance and matters relating to ESG.	Appointment of Tom Jenkins as Head of Investor Relations.  Formalisation of Formity across the Group to ensure governance training and compliance.	100% compliance target on Formity training and acknowledgement for Group polices across the Group.
	Ensure proactive Board oversight and independence of committees.	Goal 16: Peace, justice & strong institutions	Maintain ongoing compliance in a dynamic environment across multiple jurisdictions.	Engagement of CEN-ESG to conduct gap analysis and peer review report that identified opportunities to improve our policies and governance.  Completion of first TCFD report.	Creation of dedicated ESG Board Committee.  Quarterly ESG reporting to Board and ESG Committee.
	Focus on Risk Management and mitigation, including cyber.	Goal 16: Peace, justice & strong institutions			Continued interaction with institutional investors' ESG & Stewardship analysts to ensure compliance with reporting requirements.
	Ensure transparency on reporting and Tax.	Goal 16: Peace, justice & strong institutions			



## SASB

SASB provides industry-specific standards for disclosing performance on sustainability topics including, but not limited to, climate in a comparable manner that are reasonably likely to have a material effect on financial performance of companies in each industry.

SASB Topic	Accounting Metric	Category	Unit of Measure	Code	2023 Result
<b>Greenhouse Gas Emissions</b>	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e, Percentage (%)	EM-CM-110a.1	662,135 tCO <sub>2</sub> e Further detail can be seen in the independent SECR data on page 122
<b>Greenhouse Gas Emissions</b>	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	EM-CM-110a.2	The road to net-zero is detailed on pages 100-101 Our decarbonisation program of our kilns is detailed on pages 100-101
<b>Air Quality</b>	Air emissions such as:	Quantitative	Metric tonnes (t)	EM-CM-120a.1	
	(1) NOx,				447
	(2) SOx,				196.3
<b>Energy Management</b>	(1) Total energy consumed,	Quantitative	Gigajoules (GJ) Percentage (%)	EM-CM-130a.1	4.3m GJ of energy.
	(2) percentage grid electricity,				15% from grid electricity.
	(3) percentage alternative,				35% alternative energy that includes alternative / renewable electricity and biofuels / alternative fuels.
	(4) percentage renewable				5% renewable energy that includes renewable electricity and biofuel.
<b>Water Management</b>	Total fresh water withdrawn,	Quantitative	Thousand cubic meters (m.) Percentage (%)	EM-CM-140a.1	34,000k m <sup>3</sup> of water is managed that includes dewatering processes from seasonal snow melt water, rain water collection etc. Of the water managed 2%, 748k m <sup>3</sup> , is used for operational purposes which is a mix of fresh water, recycled and collected. Of the water managed 8%, >2,5m m <sup>3</sup> , is allocated to local communities for drinking water purposes.

## Our ESG Journey

SASB Topic	Accounting Metric	Category	Unit of Measure	Code	2023 Result
<b>Waste Management</b>	Amount of waste generated	Quantitative	Metric tonnes (t)	EM-CM-150a.1	2,787,498t generated of which 88% is recycled.  This is predominantly related to overburden removal at quarries. These materials are often stored or used for restoration purposes including the recultivation of indigenous soils for remediation. The creation of new business is also looking to use surplus material into other business streams and therefore reprocess historical and future material once deemed waste.
<b>Biodiversity Impacts</b>	Description of environmental management policies and practices for active sites	Discussion and Analysis	n/a	EM-CM-160a.1	Full detail is on pages 113, 114, 131
<b>Biodiversity Impacts</b>	Terrestrial acreage disturbed; percentage of impacted area restored	Quantitative	Acres (ac) Percentage (%)	EM-CM-160a.2	5,287 acres of land is disturbed which accounts for about 48% of our land holdings.  17% of disturbed land was restored or is under restoration program.
<b>Workforce Health &amp; Safety</b>	Total recordable incident rate (TRIR)	Quantitative	Rate	EM-CM-320a.1	Data has historically been collected as an amalgamation for Direct Employee, Contract employee and external contractors as it is believed that we are responsible for all those on our site regardless of employment status.  The performance of health and safety can be found on page 114
<b>Workforce Health &amp; Safety</b>	Number of reported cases of silicosis	Quantitative	Number	EM-CM-320a.2	None
<b>Product Innovation</b>	Total addressable market and share of market for products that reduce energy, water and/or material impacts during usage and/or production	Quantitative	Reporting currency Percentage (%)	EM-CM-410a.2	Market share is not a straightforward number to capture given all the industries and end markets we operate in, however in the Greenbloc and Sustainability section on pages 32, 110 we clearly show how construction material product innovation is being driven.
<b>Pricing Integrity and Transparency</b>	Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	Quantitative	Reporting currency	EM-CM-520a.1	£0 Zero



MD of Nordics Sweden,  
Annica Lindfors on site

# Our ESG Journey

## CASE STUDIES

### Aqualung update and NoFraKalk

In 2023, SigmaRoc successfully installed and commissioned its first carbon capture unit at Nordkalk's site in Köping, Sweden. The fully scalable carbon capture system, utilising Aqualung's innovative membrane technology, is the first-ever implementation of its kind in the industry.

The carbon capture system has been developed by Aqualung, a leading provider of membrane-based carbon capture and separation technology, based in Norway.

Over the course of the preceding year, SigmaRoc reviewed an array of technologies including amine absorption, solid absorption, membrane and cryogenic. The Aqualung membrane technology was considered best suited for the Group's operations based on the following factors: small footprint, low CapEx and operating costs, and a relatively low complexity and efficient solution. The system is modular and fully scalable, allowing SigmaRoc significant flexibility in the roll out of the solution.

The Aqualung module installed in Köping can capture up to 25% of the process emissions emitted from a standard kiln and was initially designed as a 'catch and release' system to demonstrate the durability and efficiency of the membranes.

The unit is able to capture CO<sub>2</sub> with a purity of 96% through just 2 stages.

The unit has been connected to a pilot purification module to simulate settings required to produce higher purities of CO<sub>2</sub> for different end use applications that go beyond sequestration requirements. We believe review of alternative application is required whilst European Governments and third parties develops legislation, policies and sequestration infrastructure including pipeline, storage facilities and portside facilities to allow for commercially available sequestration.

SigmaRoc is working with various businesses and solution providers with regards to the end use of CO<sub>2</sub>, including being involved with the NICE (Norvik Infrastructure CCS East Sweden) project to explore all CO<sub>2</sub> utilisation and sequestration options.

Nordkalk also secured part-funding from the Swedish Energy Agency for the implementation and scaling of the Köping carbon system with the intention to capitalise on the learning from the engineering, commissioning and operation phase of the initial module.

As part of the Groups JV, Norfrakalk in conjunction with Ocean GeoLoop are initiating an industrial trial plant designed to capture 10,000 tonnes of CO<sub>2</sub> in Norway using an all-electric pressure swing process.



Launch of Aqualung with CTO Charles Trigg and Industrial Director Martin Bains in Koping, Sweden



## Biodiversity

The concept of dynamic biodiversity management combines integrated management of the operation of an active quarry with dynamic preservation, management and restoration measures for species and habitats. This principle makes it possible to integrate the populations of species present in the quarry into a network of habitats ensuring constant availability of environments conducive to their development.

We have integrated the dynamic management of biodiversity into its extraction activity as part of the Life in Quarries project and have conducted annual monitoring to assess the structure and functionality of the habitats created. Since 2020, in Belgium we have ensured compliance with a management plan in response to local biological issues using the tools and skills acquired as part of the Life in Quarries project. A summary of activities in 2023 is set out below:

ACTION UNIT	Commitment	Current	Active
Pioneer ponds (nb)	15	18	18
Mineral pioneer lawns (ha)	1.5	1.72	1.72
Swallow cliffs (nb)	1	2	2
Solitary bee slope (nb)	1	1	1
Various shelters (nb)	10	14	14
Permanent ponds (nb)	10	15	15
Gentle sloping banks (m)	50	52.53	52.53
Gull platforms (nb)	2	5	5
Artificial bat galleries (nb)	1	1	1
Historic bat galleries (nb)	1	1	1

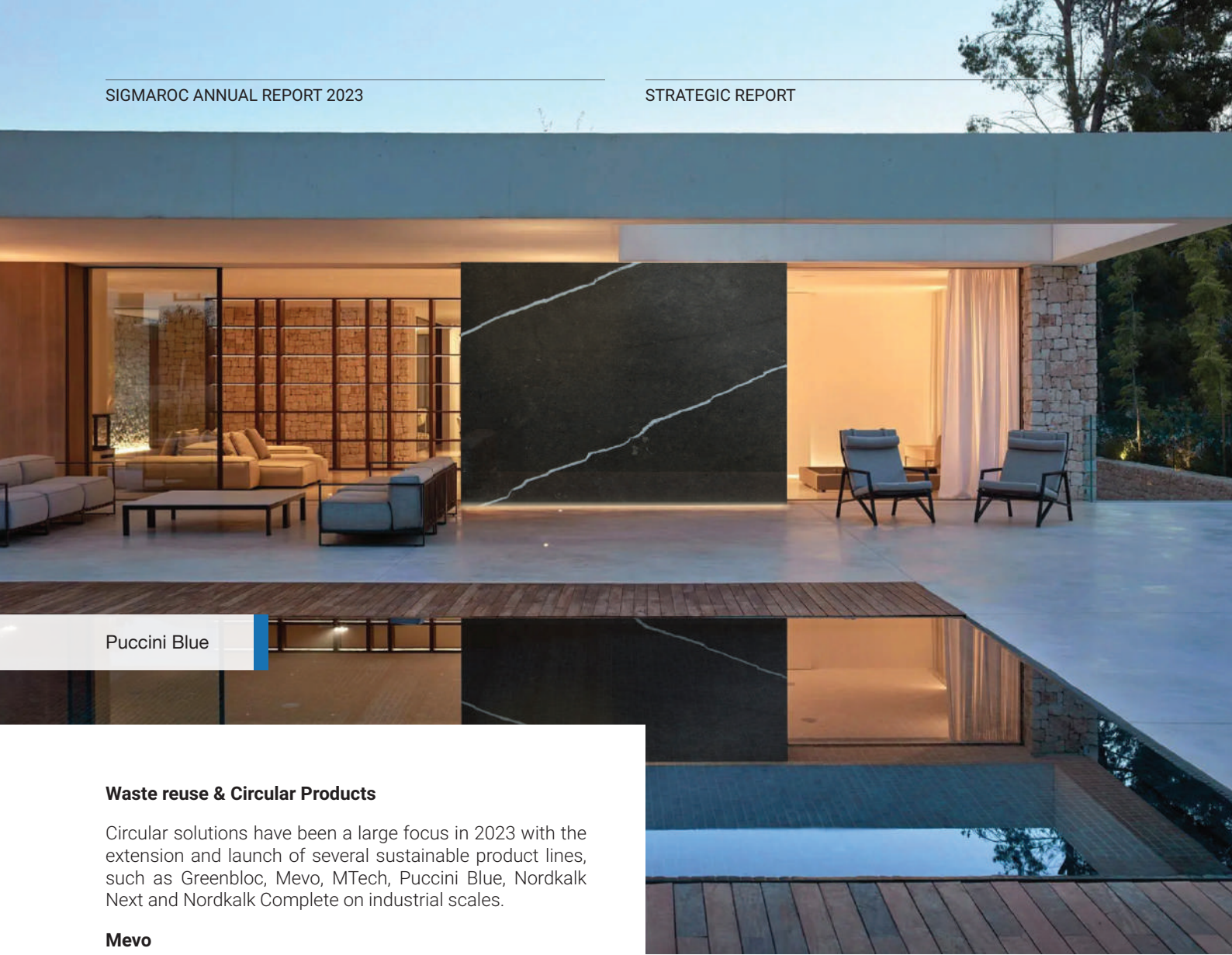
During 2023, specific training was given by the University of Gembloux on two areas:

### Pollinators

Career pollinators and the awareness about the disappearance of wild bees which are essential for biodiversity and a large part of the crops intended for our food. Pollinators need quality food resources at each stage of their life, winter nesting sites, construction materials for nesting and shelter to protect themselves from the wind and predators all whilst considering light pollution.

### Planting hedges in Quarries

With their gradual disappearance throughout the country, hedges have taken away the multiple roles they fulfilled. They have local and regional ecological importance by diversifying the landscape and providing habitat and food resources for many species. They fulfil other roles of ecological connectivity and provide a range of ecosystem services, shading, fight against runoff, improvement of soil quality. They also support the quarry in other services: fight against erosion, protective barrier, sound insulation. They can constitute an additional opportunity to contribute to the conservation of Biodiversity in the quarry.



## Puccini Blue

### Waste reuse & Circular Products

Circular solutions have been a large focus in 2023 with the extension and launch of several sustainable product lines, such as Greenbloc, Mevo, MTech, Puccini Blue, Nordkalk Next and Nordkalk Complete on industrial scales.

#### Mevo

Mevo is a revolutionary new technology for the grinding and blending of non-cementitious minerals, imparting certain binding properties to the materials. The Company has supported Mevo in raising £15m in venture funding and has assisted in the construction of its first large-scale plant. Once operational, we anticipate that Mevo's technology will be at the forefront of decarbonising all our concrete products.

#### Greenbloc

Through 2023 Greenbloc technology has made significant strides in sustainable development across the business, offering up to 50% carbon reduction on all standard blocks produced at CCP Building Products. This has saved over 6,000 tonnes of CO<sub>2</sub> since its introduction and has been offered at no additional cost to the customer. CCP completed its expanded new ranges by introducing an additional premium range product, which sits between its standard 50% reduction product and ultra cement-free and provides up to a 70% carbon reduction at a competitive price.

Greenbloc can now be incorporated in almost all of our concrete products, available in three distinct performance levels. These levels provide a range of embodied CO<sub>2</sub> reductions from 50% to 90%. Greenbloc is a flexible solution, enabling daily production and the ability to turn cement-free concrete on-and-off for environmentally significant bespoke projects. These include the UK Environmental Agency's Canvey Island Sea Defence and Jimmy's Farm Polar Bear Relocation projects, both of which achieved over 80% reduction in the carbon embodiment of the concrete

products. As a result of these initiatives, we have become one of the leading UK producers of cement-free pre-cast concrete, producing more wet-cast cement-free concrete per day than any other precast company, and underscoring the industry's shift towards more sustainable practices. The resulting media focus has brought more cement-free projects to the business for 2024. Looking ahead, we aim to surpass the 100% mark, positioning ourselves as pioneers in producing large-scale negative carbon concrete products.

A leap in innovation was gained through the production of a carbon-negative-cement-free concrete block, which boasted a 115% carbon reduction and was created using Greenbloc cement-free technology, combined with carbon-negative aggregate produced from waste materials and captured carbon. The block showed all the same characteristics and performance as standard equivalent cement-based blocks and is expected to become part of an extended future range with the introduction of Mevo at CCP in 2024.

#### MTech

SigmaRoc has produced an in-house cement-free-carbon-negative concrete with patentable opportunities, in collaboration with Marshalls. The concrete combines carbon-negative materials with an in-house developed cement-free binder which incorporates upcycled waste lime kiln dust from Nordkalk. The patent application will be submitted in 2024 with expected opportunities for use in 2025.

## Puccini Blue

Developed by John Vis (Commercial Director of Carrieres du Hainaut) and Chris Vermorken (Legal and Operational Advisor) with the help of Elisa Frenay (Group Marketing Lead), Puccini Blue is a revolutionary new way to maximise quarry yield by making the fault lines of products a distinctive and highly desirable feature through resin technology. Material that once had to be separated due to natural fault lines and therefore producing less yield, can now be processed to ensure structural integrity of the fault lines to maximise not only the yield, but the aesthetic product offering so desirable to our customers.

## Nordkalk Next

A product offering where at least 33% of the material used is reusable material, own or external, that is not used or is considered waste. Further, 33% of energy used in production is fossil free. This is considered as per energy content.

## Nordkalk Complete

A product offering where 100% of the material used is material, own or external, that is not used or is considered waste. CO<sub>2</sub> neutral scope 1 and scope 2.

## Sustainable Products

We are proud to be working in collaboration with a series of partners on the development of products that promote sustainability, such as the EcoTile, that creates spaces within the fabric of our cities and towns in which multiple species can survive and thrive, and where humans can interact and engage safely with nature. Initial trials showed that a multitude of species settled where they were expected to, and in the design features – the multispecies design works.

In 2023, Nordkalk introduced seven innovative, sustainable products and solutions across a diverse range of applications. A brand-new range of fossil-free products was launched in Ignaberga, Sweden, marking a significant step forward in the company's commitment to sustainability. Additionally, more efficient soil improvement products specifically designed for agricultural purposes were developed for the Swedish market. In the construction sector, Nordkalk developed two novel fillers: an ultrafine product aimed at reducing the use of cement and additives in plasters, and another product designed to minimise the bitumen content in roofing materials.

## Our People and PepTalk

The way in which companies measure the “S” in ESG or their social impact has a significant effect on the wellbeing of their employees, the wider community and the organisation's stakeholders. The significance of measuring and reporting social risks and impacts is underscored by the presence of social inequalities and the necessity for a transition to a sustainable economy. Prioritising employee wellbeing and the internal culture of organisations is becoming increasingly important in today's society and are essential metrics for the “S” in the ESG strategy as employee wellbeing is central to an organisation's social performance.

In 2023 SigmaRoc incorporated PepTalk into its UK ESG strategy to enhance employee engagement and wellbeing. PepTalk provides a data-led engagement platform to improve psychological safety, enhance employee morale and reduce attrition. The integration of PepTalk aligns with

their commitment to enhancing employee wellbeing and contributes to a positive corporate culture.

PepTalk supports our Social Responsibility strategy as follows:

- **Employee Wellbeing:** providing a safe, inclusive workplace and offering a tool such as PepTalk's platform and program that can help in delivering regular training and development opportunities to foster professional growth.
- **Employee Satisfaction & Feedback:** measurement of employee satisfaction and the success of wellbeing initiatives.
- **100% reach:** modern technology enables a dispersed team to stay connected through a wide range of content-led program and actions plans that are designed to support team connection and engagement.
- **Expert-led Wellbeing and Culture Calendar:** rolling wellbeing and culture content calendar, designed in partnership with industry experts and thought leaders that enables employees to perform at their best.
- **Team Building Initiatives:** customised competitions across wellness and activity designed to drive employee connection and collaboration.
- **Behavioural Change Programs:** behavioural change programs and interventions for managers and team members to address potential inhibitors to engagement and promote learning and skill building.
- **Leadership Tools:** supporting managers to work on building psychological safety, trust and authenticity with their teams.



# Our ESG Journey

## ENVIRONMENT

### Carbon Emissions

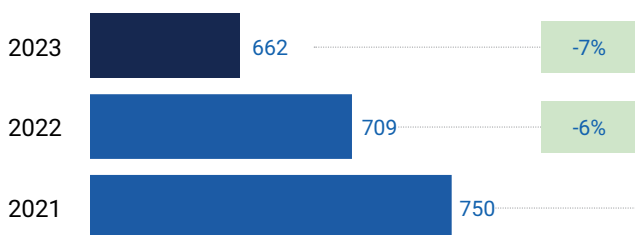
#### Targets & Performance

Baseline Year	Target Year	Target description	Target reduction	Status
2021	2040	Net zero by 2040	100%	<b>On Target</b> 7% YoY emissions reduction in 2023. 12% emissions reduction since the 2021 baseline.
2021	2038	All kilns are carbon neutral by 2038	100%	<b>On Target</b> 100% fossil fuel substitution achieved at site. Carbon capture module installed and commissioned.
2021	2030	2.5% reduction in energy intensity by 2030	2.5%	<b>Achieved</b> 12% YoY achieved in 2023. 29% overall reduction since the 2021 baseline.
2021	2030	100% third party energy sourced from renewable means by 2030		<b>On Target</b> 100% of Belgium, Finland and Sweden use alternative / renewable electrical energy. 71% of Group uses alternative / renewable electrical energy.

As we go through the SBTi verification process, the Group will develop defined targets.

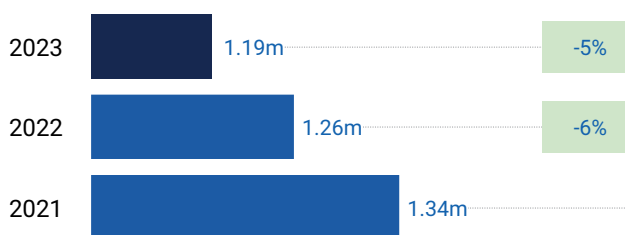
The SECR report is conducted in line with 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and covers all operations where we have operational control. The SECR report also includes both mandatory and voluntary reporting to ensure transparent disclosure.

#### GHG Emissions tCO<sub>2</sub>e



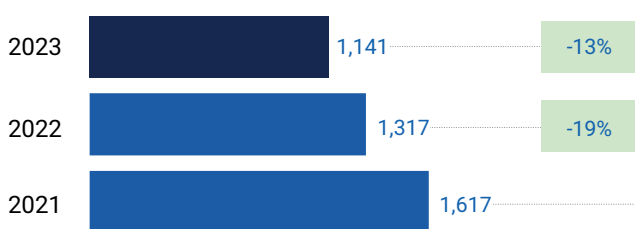
2021 baseline reduction of 12%

#### Energy consumption mWh



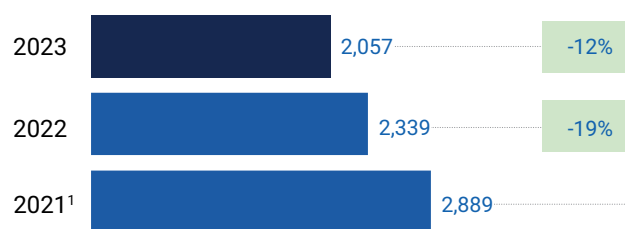
2021 baseline reduction of 11%

#### GHG emission intensity tCo<sub>2</sub>e per £m revenue



2021 baseline reduction of 29%

#### Energy intensity mWh per £m revenue



2021 baseline reduction of 29%

<sup>1</sup> Emissions based on SECR reports including both Mandatory and Voluntary data. To allow like for like comparisons, 2021 data was adjusted for Nordkalk (the North East region) which was reported for a full 12 months in 2021 (despite joining SigmaRoc in September 2021) and 2022 to provide comparable annual emissions for the Group



**Mitigation**

The 3 focuses areas for 2023 were:

- Scope 1 – commissioning of the Company’s first modular Carbon Capture system
- Scope 2 – improvement of energy use and energy intensity and sourcing of alternative energy
- Scope 3 – continual development of sustainable products

The commissioning of the Company’s first modular Carbon Capture system and continual development of sustainable products helping reduce scope 1 and scope 3 emission. The modular plant is now commissioned and able to capture with a purity of 96% through just 2 stages. Subject to finding a commercial outlet for the CO<sub>2</sub>, the Company is in a position to expand the roll out of the system. Whilst Governments and third parties continue to try to develop necessary policies and infrastructure for transport and sequestration of CO<sub>2</sub>, the Company is proactively identifying independent transportation systems that can utilise road and rail as well as internal and external CO<sub>2</sub> uses such as the sequestration of CO<sub>2</sub> into our own concrete products to support Greenbloc and Mevo technology.

The Company has engaged with a series of mandatory and voluntary programmes to focus on the reduction of emissions intensities. These include reporting to CDP as well as submission to SBTi of which we are awaiting the verification process.

Additional initiatives include completion of our ESOS report which is part of the European Energy Directive and the submission of our annual SECR report that looks at both mandatory and voluntary reporting aspects and is a guide to focus areas.

**Toxic Emissions and Waste**

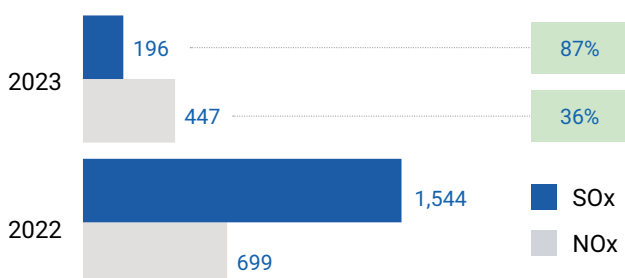
**Governance and Strategy**

Environmental Management Systems (EMS) are key to ensuring management of toxic emissions and waste. Across our businesses, 76% of our businesses (by revenue) have an ISO14001 certified Environmental Management System (EMS) that also include provisions for waste management with no fines being incurred in 2023.

Our EMSs, including our 14001 audited EMS are regularly audited by external auditors as well as additional specialised audits conducted by the likes of MCA and Lloyds Register for aspects such as MARPOL (the International Convention for the Prevention of Pollution from Ships.)

**Targets & Performance**

In terms of air quality, our NOx and SOx performance has seen a significant step change reduction. This has been achieved through a combination of kiln network balancing and the use of Selective Non Catalytic Reduction (SNCR) systems.



**Biodiversity and Land Use**

**Policy**

SigmaRoc operates a series of policies that include:

- Sustainability Policy
- Environment and Water Policy
- Biodiversity Policy
- Energy and Climate Policy

These include provisions and commitments on sustainably managing natural resources and raw materials, minimising disturbance from operations and reclaiming habitat and disturbed land.

The Board has overall responsibility for the Policies and approves the policies which are then cascaded throughout the business with a formal acknowledgement and training program to be rolled out in 2024 to all employees and contractors as required. These will be monitored and audited quarterly by the Board with a target of 100% compliance for employees in terms of acknowledgement and training.

**Program and Structures**

**Restoration and Rehabilitation**

As part of site planning and permits, most government agencies and authorities require restoration plans to be in place. These restoration plans cannot be completed until the operations have come to end of life, however where there is an opportunity, our sites work concurrently to restore areas that are no longer operational.

Despite the Group operating over a large area of approximately 5,287 acres, with 17% having been restored or under restoration restored in line with local authorities and community requirements.

**Protection of natural ecosystems**

Even before a point of final restoration, our sites work closely with local authorities, working groups and communities to ensure we maximise not only the preservation of existing ecosystems, but often the generation of further eco-systems to provide a thriving environment for existing species but also previously extinct species. This includes both fauna and flora with success derived through programs such as flora relocation programmes, wildflower programs, Red Bill chough breeding programs, Peregrine falcon nesting programs and great crested newt habitat establishment.

Some sites are close to Sites of Specific Scientific Interest where our working relationships with local groups and national agencies have helped ensure they thrive. Where there is risk of impact, the valuable species are moved to other suitable or created areas.

**Biodiversity and Community Impact**

The Company works closely with communities and local authorities to ensure that our ongoing operations and future operations minimise environmental and community impact. Our future works are supported by impact assessments prior to the commencement of work.

Operational considerations not only seek to minimise impact, but also actively enhance biodiversity in surrounding areas.

Before commencing operation of a site, the potential environmental, including bio diversity, and social impacts are assessed through an Environmental Impact Assessment

# Our ESG Journey

process, after which an application for an environmental permit is typically made.

During the operating phase of the sites, environmental management is guided by environmental permits, which set regulatory requirements for the operation and closure, and by the environmental management system of the Company including ISO14001.

The Group is committed to minimising its impact on the natural environment where it operates. We integrate biodiversity management into all steps of planning, production and closure of sites whilst maintaining a hierarchy of mitigation (avoid, minimize, restore, and finally offset).

### Water management

Our operations manage over 34,000k m<sup>3</sup> of water per year including fresh water, seasonal snow melt water, rainwater collection and run off.

Of the water managed, 2%, 748k m<sup>3</sup>, is used for operational purposes which is a mix of fresh water, recycled and collected.

Furthermore, 8%, 2.5m m<sup>3</sup>, is allocated to local communities for drinking water purposes.

## SOCIAL

### Community Relations

#### Community Impact and Disturbance

SigmaRoc operates a series of policies that include:

- Sustainability Policy
- Environment and Water Policy
- Biodiversity Policy
- Human Rights and Community policy

These include provisions and commitments to support protected areas, local community engagement approach and impact assessments.

The policies are approved by the Board and cascaded throughout the business with a formal acknowledgement and training program to be rolled out in 2024 to all employees and contractors as required. These will be

monitored and audited quarterly by the Board with a target of 100% compliance for employees in terms of acknowledgement and training.

The Company adopts a precautionary approach with formal channels for local community engagement.

The businesses' environmental aspects are guided by their individual operating policies, ensuring that local requirements, as well as wider requirements, are met.

### Distribution of Benefits

The Company promotes a local approach to both procurement and hiring to support local businesses and communities.

A significant majority of our workforce live local to their place of work and the Company engages in community development projects and philanthropic programs to support local communities, be it donations of labour and materials, allocation of land for public access or creation of community activity areas.

### Conflict and Human rights

SigmaRoc operates a series of policies that include a Human Rights and Community policy.

The policies are approved by the Board and cascaded throughout the business with a formal acknowledgement and training program to be rolled out in 2024 to all employees and contractors as required. These will be monitored and audited quarterly by the Board with a target of 100% compliance for employees in terms of acknowledgement and training.

### Health & Safety

#### Overview

Operating in numerous countries across the UK and Europe, we continue to ensure compliance with local regulation, which is managed at a local level, whilst at the same time integrating these businesses to align with best practice Group H&S standards. We are committed ensuring awareness about H&S issues; reducing the number of severity of accidents; preventing occupational disease; promoting wellbeing and preventing exposure to hazardous substances.



#### STRUCTURED & COMPLIANT

1. All sites audited with identified improvement actions.
2. All corrective actions properly closed out and on time.



#### PROACTIVE PREVENTION

1. Core risks with live action plan.
2. Uncontrolled Risks and Hazards (HIRE) logged and actioned.



#### LEARN & IMPROVE

1. No repeat events.
2. Performance and events promptly communicated throughout the businesses.



**Clint  
White**

HSE&P  
DIRECTOR

### Principles

The Group continues to drive its overarching H&S standards which we believe supported the continual improvement in health and safety in 2024.

### Core Risks

The Company continues to focus on its core risks:

- Contact with moving vehicles / objects
- Entrapment by machinery / moving parts
- Hit by suspended load / falling objects
- Falls from height
- Trapped by significant mass / energy
- Powders and COSHH material handling

Two primary areas of focus that have improved our control of core risks have been:

1. Serious Injury or Fatality (SIF) framework; and
2. Investigations.

SIF is the focus on events that could lead to Serious Injury or Fatality; in simple terms those events that cause or have the potential to cause life threatening / changing injuries. This work has been heavily developed in recent times and is seen to be the next evolution of well-grounded traditional H&S principles; driving the focus to those areas that are of the most serious nature. This has supported and aligns with our core risks and enables us to develop improved reporting to ensure action on those key areas.

The Group also maintains a strong focus on conducting detailed investigations, not only after an event has happened, but also before events happen. For example, through Bow Tie analysis, core risk events can be reviewed before they happen. This allows causes to be proactively identified so safety barriers can be implemented to mitigate routes to an adverse H&S event. On the flip side, the effects and consequences of the event are also proactively identified so safety barriers can be implemented to mitigate the impacts of such an event.

Post event investigation, including investigation on near hits, and externally publicised events both in our industry and beyond, is conducted. The level of investigation is proportional to the severity and seeks to review not just the event, but also organisation factors, task and environmental conditions, individual and team actions and absent or failed defences.

It is by these principles and through core risk management and investigation that the Group can act to continually deliver its year-on-year H&S improvement.

### Front line leadership

We continue focus on front line leadership, with learning and development supported by programs such as NEBOSH and IOSH training for supervisor and front-line management.

Our boots on the ground program has been a significant contributor to our ongoing health and safety success. Front-line leaders are more visible in the business ensuring a continued improvement in the output of not only safety, but also quality and productivity.

# Our ESG Journey

## HighVizz

HighVizz continues to be continually developed and integrated into our newly acquired businesses allowing us dynamically to report and manage safety. HighVizz includes SIF identification, as well as new modules such as pre-start inspections, and enables our teams to have lean processes and systems that ensure risks are managed more effectively and efficiently.

## Occupational Health

Both SASB and the UK Minerals Product Association have a focus on occupational health, especially Silicosis. As a Group we have a hierarchy of controls, based upon best health and safety guidance and an assessment of the risks within our sites and workplaces ensuring compliance with HASWA 1974, MHSWR 1999, COSHH Regulations, L140 – HSE ACOP for HAVS, PUWER 1998, HSG258 – HSE Controlling airborne contaminants at work (use of LEVs) and EH75-4 and INDG 463 Silica and control methods.

These include:

- Use of Risk assessments, safe systems of works and COSHH assessments;
- Minimising dust generated by our operations through engineering controls such as enclosing processing equipment and transfer points, water suppression, use of spray systems for dust encapsulation and local exhaust ventilation;
- Periodic personal and local monitoring by external consultants and subsequent personal assessments against recognised exposure limits;
- Health questionnaires and health surveillance of staff by Occupational Health specialists;
- Where surveys identify potential exposure above recognised exposure limits warning signage is posted and workers are required to wear appropriate respiratory protective equipment including full and half masks, and air fed breathing systems;
- Time limits set for and policy of job rotation to minimise exposure times in addition to the use of specialised PPE in areas of risk;
- Training for new employees and regular refresher training for existing employees to raise awareness of the risks to health that can arise from exposure; and
- Training in the correct use and maintenance of PPE provided to protect their health and other checks such as face fit testing for dust masks.

## Governance and strategy

69% of the Company's operations are certified to ISO18001/45001. Those that are not, leverage the safety management systems.

In addition to safety management systems, the Group operates its own internal audit function with over 172 internal audits conducted in 2023 across our operations. The audits focus on both systems and sites, with interactive

and constructive feedback and actions generated. The audit also monitors the close out of these actions.

## Responsibility

The Board has overall responsibility for Health and Safety with the implementation of the strategy and performance managed by the Group Health & Safety committee that has both Executive Directors, Non-Executive Directors and Executive Committee members as part of the committee. The delivery of the strategy and driving of performance is then the directive of the Group Health & Safety Director.

Once the Health & Safety strategy is set by the Board and Group HS Committee, the Executive Committee and Health & Safety Director implement the strategy and drive the performance. Each month the performance is reviewed by the executive management committee in a dedicated meeting and is cascaded wider to ensure that all employees are engaged. Health and safety form a key part of every Board and Executive meeting.

## HS Policy

The Company operates a Group wide Health & Safety Policy that is cascaded and implemented in every business. The Policy applies to any person operating on our sites, including employees, contractors and visitors.

The policy is approved by the Board and cascaded throughout the business with a formal acknowledgement and training program to be rolled out in 2024 to all employees and contractors as required. These will be monitored and audited quarterly by the Board with a target of 100% compliance for employees in terms of acknowledgement and training.

## H&S Targets and Performance

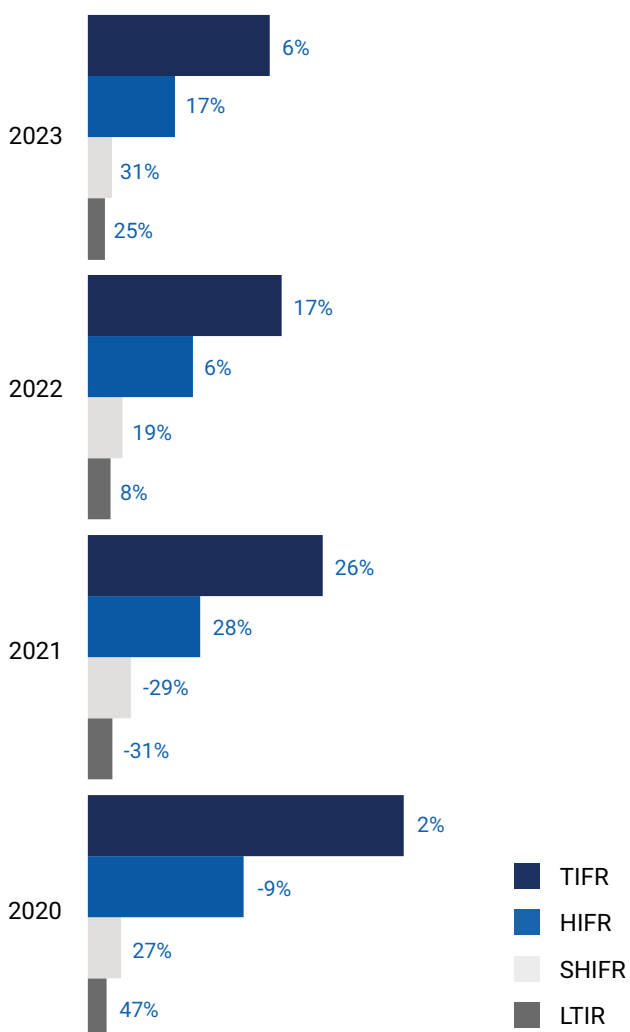
The group is committed to the continuous improvement of health and safety and wellbeing for any person who is on our site, be it an employee, contractor or visitor.

## Health and Safety Frequency rate improvements

	2020	2021	2022	2023
TIFR (contractor and Employees)	2%	26%	17%	6%
HIFR contractor and Employees)	-9%	28%	6%	17%
SHIFR contractor and Employees)	27%	-29%	19%	31%
LTIFR contractor and Employees)	47%	-31%	8%	25%
Fatalities	0	0	0	0

Since the start of all reporting, both employees and contractors have been included in all the statistics. In 2023 contractor and employee statistics were separated to allow greater understanding of where focus should be between contractor and employee.

### Health and Safety Frequency rate improvements



	2020	2021	2022	2023
Silicosis	0	0	0	0

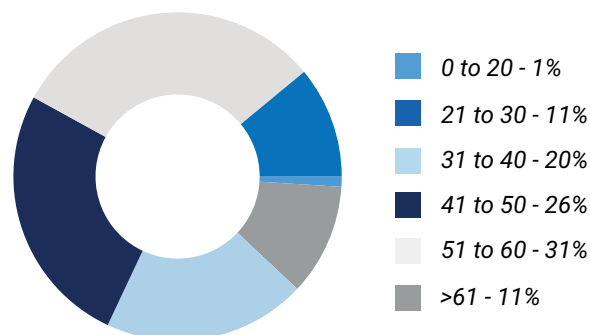
### Labour Management

Within the Group, as per the business owner at 31 December 2023 the Group employed c.2000 people.

Within the heavy materials industry, diversity continues to be a challenge especially at an operational level with 80% of our workforce being at an operational level. Across the Group 12% of our work force is female, however 42% of our shared services and management is female.

We continue to engage with school leavers and apprentices to ensure there is succession planning and that the knowledge of our long serving employees is retained within the business with our overall age profile as follows:

### Age



This development of our teams has been supported by >22,000 hours of learning and development that has been delivered during the course of 2023.

In addition to the recruitment of staff to support our growing businesses, we also review employee retention through aspects such as local satisfaction surveys, training, career management plans and performance reviews.

The Group has not experienced any strikes / lockouts within its businesses in the last three years.

### Strategy

Each OPCO is responsible for the recruitment, management, and retention of its employees with remuneration policies being guided by local legislation. Generally, Supervisors and managers have a variable component to their remuneration which is based on a combination of business performance as well as personal performance and operators have a variable component to their remuneration which is usually based on operation and site performance.

Each business complies with its jurisdictional requirements around aspects such as pensions and where applicable / available offers additional non-compensation employee benefits such as life assurance and medical insurance that can often be extended to employees' families, allowing them access to preferential rates.

## GOVERNANCE

### Corporate Governance

#### Board

In 2023 the Board consisted of Independent Non-Executive Directors (57%) and Executive Directors (43%).

In 2024 the Board is expected to consist of Independent Non-Executive Directors (67%) and Executive Directors (33%) subject to formal appointments.

In 2024 the Board is expected to have representation of experts in Finance, Industry and ESG.

In 2024 the Independent Non-Executive Directors are expected to be 33% female, subject to formal appointment.

## Our ESG Journey

Committee	Fully Independent	Experts on Committee
Audit	Yes	Finance
Remuneration	Yes	Finance
Nominations	Yes	Finance
Safety	Part	Industry
ESG	Part	ESG <sup>1</sup> Finance <sup>2</sup>

<sup>1</sup> (subject to formal appointments)

<sup>2</sup> (subject to formal appointments)

Expertise is based on both knowledge and competence through aspects such as qualifications and career experience. Further information on the Board and the Board Committees can be found in the Governance Report section.

### Ownership and Control

The Group is quoted on the AIM market of the London Stock Exchange with the founding members and other senior management holding shares in the company purchased by themselves in compliance with regulations and governed through approval routes overseen by the CFO.

Further detail on shareholdings can be found on page 178.

### Corporate Behaviour

#### Business Ethics

SigmaRoc operates a series of policies that include:

- Anti Bribery & Corruption
- Criminal Finances Act Policy
- Code of conduct
- Competition Compliance
- Whistleblowing
- Disclosure (Share dealing) policy
- Sustainability (ESG) policy
- Environment and Water
- Biodiversity
- Energy and Climate Change
- Health and Safety
- Human Rights and Community
- Anti-Slavery and Human Trafficking
- IT systems and Data
- Data Protection and Security
- Diversity and Inclusion
- Tax

These policies are designed to facilitate good governance with the intention of running the business in accordance with good business ethics. Furthermore the policies are approved by the Board and cascaded throughout the business. A formal acknowledgement and training program will be rolled out in 2024 to all employees and contractors as required. These will be monitored and audited quarterly by the Board with a target of 100% compliance for employees in terms of acknowledgement and training.

Day to day management of the Policies is overseen by the Group's Executive Committee.

When engaging suppliers and contractors, the operating businesses can conduct review of their policies to ensure they observe the principles set out in our policies.

### MEMBERSHIP

Membership to trade organisations, industry bodies and other agencies is critical to ensure continual improvement in all that we do and to help facilitate the ongoing changes our industry and our customers face. Across our platforms we both support and are supported by National and International bodies such as:

- Mineral Product Association (MPA): UK industry trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar and silica sand industries.
- Federation Industries Extractives (Fediex) of which we have representation on the Board.
- European Lime Association (EuLA) of which we have representation on the Board.
- Industrial Minerals Association Europe (IMA Europe).
- European Calcium Carbonate Association (CCA).
- International Lime Association (ILA).
- FedBeton: Federation for ready-mixed concrete in Belgium.

Further to these bodies, businesses in the Group also have ISO accreditation or equivalent in:

- **ISO 9001 Quality:** 79% of our business by revenue has ISO 9001
- **ISO 14001 Environment:** 76% of our business by revenue has ISO 14001
- **ISO 18001/45001 Health & Safety:** 69% of our business by revenue has ISO 18001/45001

Benelux has local business and product accreditations that are deemed to have greater relevance than the ISO, for both our customers and end-users.



Ronez quarry and production site in Jersey, Channel Islands

# Streamlined Energy and Carbon Report (SECR)



Flue gas



# Streamlined Energy and Carbon Report (SECR)

## UK ENERGY USE AND ASSOCIATED GREENHOUSE GAS EMISSIONS

Current UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

## ORGANISATIONAL BOUNDARY

Energy use and associated GHG emissions are reported across the Group as defined by the operational control approach. This includes operations in the UK, Channel Islands ('North West'), Belgium ('West') and across Estonia, Finland, Poland, Sweden, Turkey & Spain ('North East'). This exceeds the minimum mandatory requirements set out in the 2018 Regulations for 'large unquoted companies', which only require reporting of UK based energy use and emissions.

## REPORTING PERIOD

The annual reporting period is 1st January to 31st December each year and the energy and carbon emissions are aligned to this period.

## QUANTIFICATION AND REPORTING METHODOLOGY

The data was prepared with reference to the 2019 UK Government Environmental Reporting Guidelines and the

GHG Protocol Corporate Accounting and Reporting Standard (revised edition). Emissions calculations were based on emission factors published in the 2023 UK Government GHG Conversion Factors for Company Reporting, Statistics Finland Fuel Classification 2023, Swedish Environmental Protection Agency Emission Factors 2022, and the latest available factors from the Association of Issuing Bodies (2022), Jersey Electricity and Guernsey Electricity. The report has been reviewed independently by Briar Consulting Engineers Limited. Electricity and gas consumption were based on invoice records, consumption data and estimation techniques such as the direct comparison and pro-rata extrapolation to complete missing data. Transport usage was calculated from a combination of mileage and fuel records; however, outside the UK and Channel Islands, transport fuel is included with other site fuel usage associated with stationary assets. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3).



Board members and Ronez MD  
Mike Osborne on site in Jersey

# Streamlined Energy and Carbon Report (SECR)

## BREAKDOWN OF ENERGY CONSUMPTION USED TO CALCULATE EMISSIONS (kWh):

Energy type	2022		2023	
	UK	Group Total <sup>1</sup>	UK	Group Total <sup>1</sup>
<b>Mandatory energy:</b>				
Gas	362,199	208,190,947	313,720	223,279,896
Purchased electricity	7,024,295	192,100,497	6,774,753	178,284,164
Transport fuel & site fuel	55,806,376	434,579,215	51,728,962	468,734,219
<b>Total energy (mandatory)</b>	<b>63,192,870</b>	<b>834,870,659</b>	<b>58,817,435</b>	<b>870,298,279</b>
<b>Voluntary energy:</b>				
Bioenergy	-	32,094,230	-	55,245,659
Coal	-	387,013,242	-	264,308,210
Generated electricity <sup>2</sup>	-	4,499,105	-	4,105,784
<b>Total energy (voluntary)</b>	<b>-</b>	<b>423,606,577</b>	<b>-</b>	<b>323,659,653</b>
<b>Total energy (mandatory &amp; voluntary)</b>	<b>63,192,870</b>	<b>1,258,477,236</b>	<b>58,817,435</b>	<b>1,193,957,932</b>

<sup>1</sup> The Group total includes consumption from the UK, Channel Islands, Belgium, and Nordkalk (Estonia, Finland, Poland, Sweden, and Turkey).

<sup>2</sup> Electricity generated by solar photovoltaic panels. Reported energy includes any exported energy to the grid.

## BREAKDOWN OF EMISSIONS ASSOCIATED WITH THE REPORTED ENERGY USE (tCO<sub>2</sub>e):

Emission source	2022		2023	
	UK	Group Total <sup>3</sup>	UK	Group Total <sup>3</sup>
<b>Mandatory requirements:</b>				
Scope 1				
Gas	66	32,501	57	35,102
Company owned vehicles & site fuel	13,859	113,712	12,747	122,421
Scope 2				
Purchased electricity (location-based)	1,358	42,771	1,403	40,492
Scope 3				
Category 6: Business travel (grey fleet)	88	311	89	324
<b>Total gross emissions (mandatory)</b>	<b>15,371</b>	<b>189,295</b>	<b>14,296</b>	<b>198,339</b>
<b>Voluntary requirements:</b>				
Scope 1				
Bioenergy (CH <sub>4</sub> & N <sub>2</sub> O)	-	2	-	3
Coal	-	131,205	-	85,502
Process related emissions	-	388,517	-	378,290
Scope 2				
Purchased electricity (market-based)	-	-	-	0
<b>Total gross emissions (voluntary)</b>	<b>-</b>	<b>519,724</b>	<b>-</b>	<b>463,795</b>
<b>Total gross emissions (mandatory &amp; voluntary – location-based)</b>	<b>15,371</b>	<b>709,019</b>	<b>14,296</b>	<b>662,134</b>
Outside of Scopes (biofuel tCO <sub>2</sub> )				
Bioenergy	-	11,013	-	19,038
Petrol/Diesel biofuel content	223	239	304	323

<sup>3</sup> The Group total includes emissions from the UK, Channel Islands, Belgium, and Nordkalk (Estonia, Finland, Poland, Sweden, and Turkey, with Spain from August 2022 only).

Intensity ratios	2022			2023
Tonnes CO <sub>2</sub> e per million-pound turnover				
Mandatory emissions only	142.3	351.9	132.4	341.8
Mandatory & voluntary emissions	142.3	1,317.9	132.4	1,141.1

#### BREAKDOWN OF EMISSIONS ACROSS THE GROUP BY REGION FOR 2022 ONLY (tCO<sub>2</sub>e)<sup>4</sup>

Emission source	2022			2023
	North West	West	North East	Total
Scope 1				
Bioenergy (CH <sub>4</sub> & N <sub>2</sub> O)	-	-	3	3
Coal	-	95	85,407	85,502
Gas	57	60	34,985	35,102
Company owned vehicles & site fuel	16,824	11,699	93,897	122,421
Process related emissions	-	-	378,290	378,290
Scope 2				
Purchased electricity (location-based)	1,532	1,808	37,152	40,492
Scope 3				
Category 6: Business travel (grey fleet only)	112	-	212	324
<b>Total gross emissions (location-based)</b>	<b>18,525</b>	<b>13,662</b>	<b>629,946</b>	<b>662,134</b>
Outside of scopes				
Bioenergy (CO <sub>2</sub> )	-	-	19,038	19,038
Petrol/diesel biofuel content	323	-	-	323
Intensity ratios				
tCO <sub>2</sub> e per million-pound turnover	130.7	138.1	1,855.1	1,141.1

<sup>4</sup> The North West includes the UK and Channel Islands; the West Region includes Belgium; the North East Region includes Nordkalk.

#### INTENSITY RATIO

The intensity ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per total million-pound (£m) turnover. This is calculated separately for 'mandatory' emissions and 'mandatory & voluntary' emissions for the UK and regionally for the North West, West and North East SigmaRoc Regions. This financial metric is considered the most relevant to the Company's wide-ranging activities and allows a comparison of performance across other organisations and sectors.

#### ENERGY EFFICIENCY ACTION DURING CURRENT FINANCIAL YEAR

Emissions in the North East have seen a 7.5% (51,005 tCO<sub>2</sub>e) decrease in 2023 compared to 2022. A large share of this decrease is due to the further transition away from coal to alternative fuel sources such as recycled fuel oil and biomass.

In St John, Jersey, a new solar PV array was commissioned in April 2023. This investment by Jersey Electric will benefit Ronez by saving approximately 57 MWh each year. Ronez

has continued to experiment with low temperature asphalt by switching to Nytherm during the reporting period to reduce gas oil usage by approximately 55,500 litres. Furthermore, the addition of 3 EV's to the company fleet (including 2 plug-in hybrids) will reduce diesel and petrol consumption and therefore reduce emissions associated with transport. At Carrières du Hainaut, there was an extension of the existing photovoltaic park by increasing the existing surface area by approximately 57%. This installation aims to send 62% of the electricity generated to the Carrières site for self-consumption, with the surplus sent into the ORES public network. The project includes the installation of a total power of 1,999,215 kWp from a total of 2,889 panels. Gross UK emissions have decreased by 7.0 % (1,075 tCO<sub>2</sub>e) in 2023. This is largely due to the significant reduction in emissions by company owned vehicles and site fuel (1,112 tCO<sub>2</sub>e) across sites within the UK. In particular, kerosene consumption at Bolton Hill Quarry decreased by 1.78 GWh (442.3 tCO<sub>2</sub>e) in 2023, contributing to nearly half of the decrease in company vehicle and site fuel emissions.

# TCFD Report



Nordkalk limestone quarry  
in Miedzianka, Poland

# TCFD Report

The Board has noted the new requirement for mandatory climate-related disclosures arising from the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. Consequently, we provide disclosures aligned with the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) in this Annual Report for the year ended 31 December 2023.

This report is based on the TCFD recommendations and recommended disclosures as detailed in Recommendations of the Task Force on Climate-related Financial Disclosures (2017), considering the additional guidance set out in the TCFD 2021 Annex, 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures'.

We recognise that climate change presents both material risks and opportunities to our business and sector. Accordingly, the following report covers the Group's well-established governance of climate change issues, its integration into our overall risk management processes, our strategies for managing climate-related risks and opportunities, and relevant metrics used to measure progress towards our climate targets. We have prepared this report with the support of external sustainability consultants, CEN-ESG, who have enhanced the analysis of our exposure to natural hazards with a detailed bottom-up site analysis using a geospatial climate hazard mapping tool.

This report is based on the structures and operations in place on 31 December 2023. Given the agreement with CRH plc to acquire its European lime operations, we have decided that any detailed quantification of our key climate-related risks and opportunities will be published in next year's annual report to accommodate the significant transformation to the business from the acquisition.

## GOVERNANCE

### Board level

At SigmaRoc, climate-related governance has been well-integrated for several years. The Board has overall responsibility for sustainability issues including climate-related matters, and effective management of climate-related risks and opportunities as with all matters of Group strategy. The Board meets quarterly, and ESG, including climate-change, is a standing agenda item at all these meetings, with updates on climate-related issues presented by the Chief Technical Officer (CTO) who sits as a permanent guest at board meetings. Additionally, the Board considers climate-related issues, especially CO<sub>2</sub> emissions, when reviewing and guiding strategy, major plans of action, policies, annual budgets, and business plans as well as setting the organisation's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestiture. The Board is supported by committees including the Audit Committee, which assists in monitoring ESG performance and climate-related risks.

In 2023, the development of science-based targets and the Road Map to Net Zero has been a particular focus of Board meetings, and now drives the management of climate-related risks and opportunities through review of carbon emissions. The Board is responsible for approving TCFD disclosures and is also responsible for reviewing

and signing off the risk register, including risks related to the environment and climate change. The Board does not currently receive formal training from third parties on climate-related issues, but receives information provided by the CTO and other members of the Group when required.

To ensure appropriate visibility over climate change is maintained as operations continue to expand, in 2024 SigmaRoc will seek to appoint a new non-executive director with a strong background in ESG and climate change.

Furthermore, a dedicated ESG Committee has been formed, including Independent Board and Executive Board members and the CTO, who will meet throughout the year when the quarterly ESG & Climate Change Working Group Report will be presented.

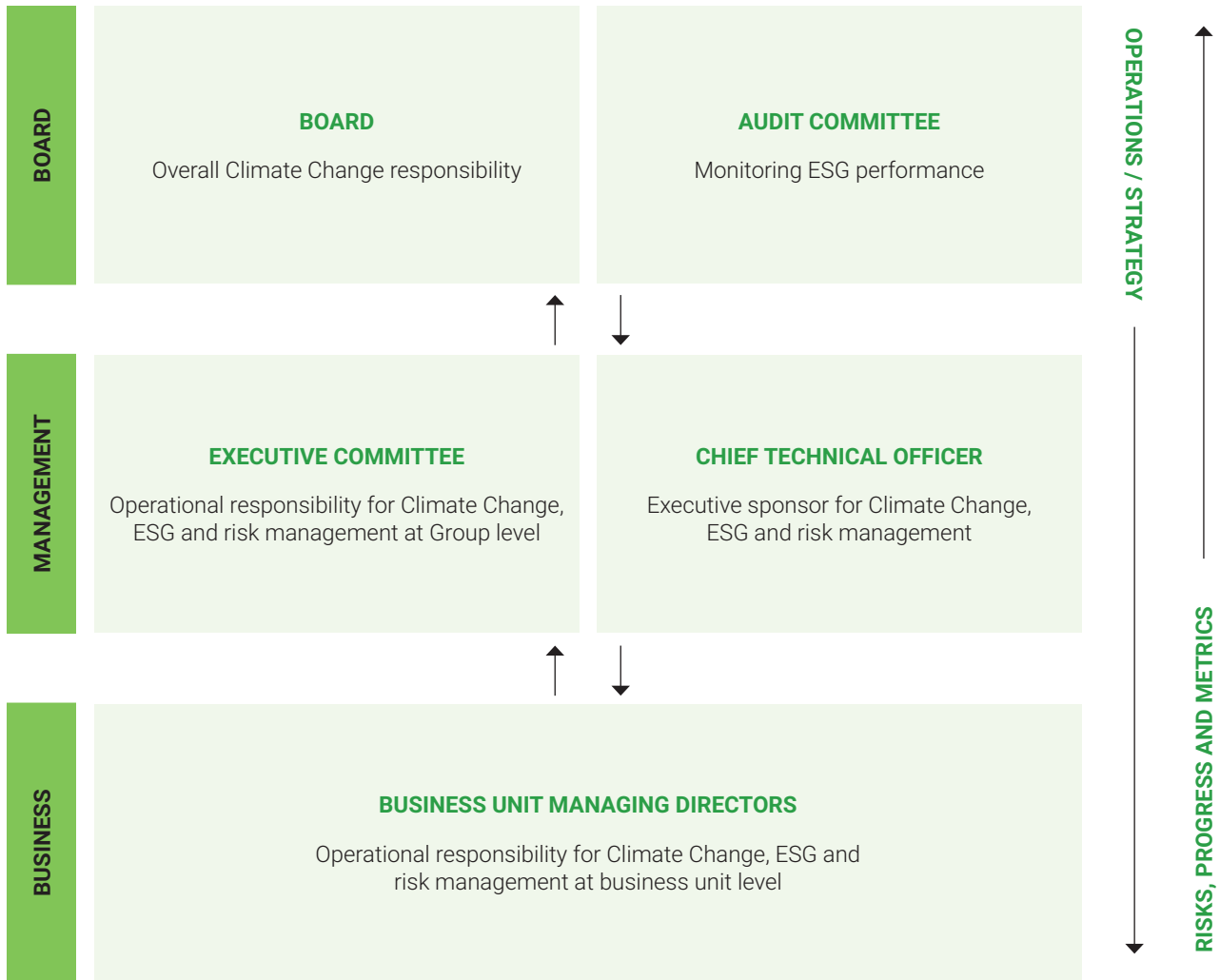
### Management level

At the direction of the Board, the Chief Technical Officer is assigned responsibility to assess, monitor and manage climate-related risks and opportunities alongside Group-level risk management. The Executive Committee meets monthly and the CTO is responsible for updating the Committee on climate-related issues and other ESG initiatives. The CTO is informed via ongoing dialogue with the managing directors from each of the business units, who monitor and report on general risks, strategic projects and operations, including climate-related issues, as necessary.

Each business unit is also responsible for monitoring and feeding back the key aspects to be reported as defined by permits, legislation and frameworks. Data collection and monitoring is done through online process control systems, purchase orders, consumption meters etc. This includes statutory (e.g NO<sub>x</sub> and SO<sub>x</sub>), and non-statutory aspects such as land, power and water use. The data is collated through group wide tools such as OneClick LCA.

Following the recent agreement to acquire CRH's European lime business, SigmaRoc is currently recruiting a Group Sustainability Manager who will be responsible for collating climate and ESG data, monitoring performance, overseeing climate-related projects, and educating across the Group on climate-related issues. The Group Sustainability Manager will also create and lead an ESG & Climate Change Working Group with representatives across all operational regions, who will meet quarterly to review progress across the Group, and subsequently prepare and provide quarterly updates and reports to the Board and ESG Committee.

# TCFD Report



## RISK MANAGEMENT

Climate-related risks are integrated into SigmaRoc’s risk management processes and are considered as part of the overall Group risk management processes. The risk assessment considered existing and emerging risks and all risk categories outlined in the TCFD recommendations in relation to all of SigmaRoc’s operations as of 31 December 2023. Climate-related risks and opportunities were also considered across upstream and downstream supply chains.

Climate-related risk identification is performed both bottom-up, through a detailed assessment of risks affecting each individual site, and top-down, through a high-level assessment of strategic, transition and market risks pertinent to the Group and its sector. Additionally, risks are identified through discussion and engagement with primary investors, peer review and through a cross-functional process led by the CTO taking into account internal stakeholders such as H&S, ESG, Estates and the General Counsel.

Site-level environmental risks, including climate change risks, are identified as part of operational risk assessments. These are conducted at a plant level and reviewed, assessed and monitored by regional Environmental and Industrial Direct teams. This year, the Group enhanced its site-level assessment of both chronic and acute physical climate-related risks using geospatial modelling software, which has provided greater detail and specificity for each individual site in the Group’s portfolio. Where material risks are identified, risk assessments are reviewed at divisional and Group level. Once identified, climate-related risks and opportunities are assessed and scored according to their likelihood and impact, in order to assess their relative magnitude relative to other risks. Impact is assessed based on quantitative and qualitative or reputational and financial risk according to the standard risk management thresholds. Likelihood is assessed based on the following thresholds:

Likelihood		
1	Remote	Occurrence less frequently than once in 5 years
2	Probable	Occurrence within 5 years
3	Frequent	Occurrence within one year or more frequently

Climate-related risks and opportunities were assessed against the following time horizons:

	From (years)	To (years)	Rationale
<b>Short-term</b>	2022	2024	In line with strategic cycles (noting 2023 is year 2)
<b>Medium-term</b>	2025	2030	In line with medium-term time horizons followed by peers
<b>Long-term</b>	2031	2040 and beyond	In line with the Road Map to Net Zero and the UK's Net Zero by 2050 ambitions.

The following three climate-related scenarios were examined, looking forward out to 2100, to identify and assess physical climate-related risks.

- **RCP 2.6:** a climate-positive pathway, likely to keep global temperature rise below 2 °C by 2100. CO<sub>2</sub> emissions start declining by 2020 and go to zero by 2100.
- **RCP 4.5:** an intermediate and probably baseline scenario more likely than not to result in global temperature rise between 2 °C and 3 °C, by 2100 with a mean sea level rise 35% higher than that of RCP 2.6. Many plant and animal species will be unable to adapt to the effects of RCP 4.5 and higher RCPs. Emissions peak around 2040, then decline.
- **RCP 8.5:** a bad case scenario where global temperatures rise between 4.1-4.8°C by 2100. This scenario is included for its extreme impacts on physical climate risks as the global response to mitigating climate change is limited.

The following two climate-related scenarios were examined, looking forward out to 2050, to identify and assess the behaviour of transition risks and opportunities.

- **Net Zero 2050 (NZE):** an ambitious scenario which sets out a narrow but achievable pathway for the global energy sector to achieve net zero CO<sub>2</sub> emissions by 2050. This meets the TCFD requirement of using a "below 2°C" scenario and is included as it informs the decarbonisation pathways used by the Science Based Targets initiative (SBTi), which validates corporate net zero targets and ambition.
- **Stated Policies Scenario (STEPS):** a scenario which represents the roll forward of already announced policy measures. This scenario outlines a combination of physical and transitions risk impacts as temperatures

rise by around 2.5°C by 2100 from pre-industrial levels, with a 50% probability. This scenario is included as it represents a base case pathway with a trajectory implied by today's policy settings.

Over 2024 SigmaRoc will be restructuring the business in order to integrate appropriately the newly acquired sites into the risk management process. Once appointed, the Group Sustainability Manager will collect data relating to environmental and climate-related risks as part of the quarterly review, maintain a central register and prepare a suite of reports to be reviewed by the Group ESG committee.

## STRATEGY

Having assessed the climate-related hazards affecting the entire estate, SigmaRoc's overall exposure to physical climate-related risks is considered to be low. By contrast, as a supplier of both low and high grade materials for use in construction, agriculture, environmental and industrial applications, SigmaRoc's exposure to transition risks may be greater due to developing environmental regulation and stakeholder expectations in Europe. Nevertheless, given the longstanding work to identify and mitigate climate impacts on the Group, the strategy is considered to be resilient to climate risks and opportunities. As detailed against each risk, SigmaRoc is working to decarbonise its operations through energy efficiency, transition to renewable electricity, the development of carbon capture mechanisms and via strategic collaboration to minimise exposure such that any strategic and financial impacts from climate change are limited. Moreover, SigmaRoc considers itself at the forefront of the green transition by providing the materials that are essential to the green economy and will be enhancing its strategy to capitalise on these opportunities in the coming years.

# TCFD Report

## KEY RISKS

Five key-climate related risks that could have a financial impact on the Group have been identified.

Risk	1. Disruption due to fluvial and coastal flooding	2. Carbon pricing within operations	3. Carbon pricing in value chain	4. Operational decarbonisation	5. Failure to meet/maintain expected ESG credentials
Type	Physical (Chronic and Acute)	Transition (Current and Emerging Regulation)	Transition (Current and Emerging Regulation)	Transition (Technology)	Transition (Reputation)
Area	Own Operations	Own Operations	Downstream	Own Operations	Own Operations
Primary potential financial impact	Loss of revenue due to operational disruption	Higher costs associated with energy and other inputs	Higher costs associated with carbon tax on Scope 3 emissions	Increased capex, increased operating costs	Increased cost of capital, loss of investment
Time horizon	Long	Medium	Medium	Short/Medium	Short/Medium
Likelihood	Medium	High	High	Medium	High
Location or service most impacted	River flood: Site specific, risk identified at 7 sites across operations. Sea level rise: Site specific, risk identified at 8 sites across operations.	Group	Group	Group	Group
Metrics	<ul style="list-style-type: none"> <li>Number of flooding incidents</li> <li>Days lost due to flooding incidents</li> <li>Costs of flooding incidents</li> </ul>	<ul style="list-style-type: none"> <li>Scope 1&amp;2 emissions</li> </ul>	<ul style="list-style-type: none"> <li>Scope 3 emissions</li> </ul>	<ul style="list-style-type: none"> <li>CO<sub>2</sub> intensity</li> <li>Energy intensity</li> <li>Total energy consumption</li> <li>% alternative energy consumption (including renewables &amp; Biofuels)</li> </ul>	<ul style="list-style-type: none"> <li>External ESG scores</li> <li>Share Price</li> </ul>

### 1. Disruption due to fluvial or coastal flooding

Following an assessment of climate-related hazards affecting the Group’s portfolio, flood risk exposure from rivers and sea level rise was identified for several sites.

While 92% of the portfolio is at minimal risk of river flooding, 7 sites are currently in the highest flood risk zone and will remain in this risk bracket under all future scenarios and time horizons. Flooding is likely SigmaRoc’s most material physical risk at present due to its potential to destabilise assets.

Sea level rise is a growing risk, with 7 sites at medium or high risk under RCP 2.6 and 4.5. Under a severe RCP 8.5 scenario, 7 of these sites would be exposed to high risk, with the final site exposed to extreme risk.

#### Mitigation

Mitigation of hydrological risks in some operations is already business as usual. Whereas some sites naturally drain and consequently remain dry, others require periodic de-watering. Historically the Group has found that water logging does not tend to stop operations altogether at an



affected quarry, as work can be diverted to a different area of the quarry whilst groundwater is pumped away.

Even in the event of downtime at a particular quarry, SigmaRoc has the capacity to rebalance activities across the network and therefore recoup any costs lost, admitting some transfer costs. Redundancy in stock is maintained across quarries, which could also remediate any downtime losses. All sites exposed to a medium/high risk of sea level rise are able to divert resources to alternative sites in the event of a storm surge event. None of the sites identified as being at risk of river flooding are material in terms of financial risk.

In addition, the geospatial analysis only models regional flood defences at a handful of countries, so SigmaRoc's risk exposure may be lower than indicated due to flood and storm defences that have not been accounted for. Further, sea level rise is likely only to materialise in the very long term and could therefore fall outside reasonable business planning horizons.

## 2. Carbon pricing within operations

The scope of carbon pricing (applied directly or indirectly) is expected to expand over the medium term, and the price of carbon is expected to rise. SigmaRoc is already exposed to the EU Emissions Trading Scheme (ETS), although does not fall under the Carbon Border Adjustment Mechanism (CBAM) so the loss of free allocation by 2035 is less substantial than in other adjacent sectors, namely cement.

Given the nature of the sector, SigmaRoc is a large emitter with greater limitations on its ability to decarbonise, especially in scope 3 emissions given its supply to customers with high emissions. Some operations will be particularly challenging to decarbonise, while machinery can be replaced with more efficient and cleaner models, substantial emissions (approximately 70-80%) arise from the chemical reactions within kilns.

### Mitigation

SigmaRoc is focused on the transition from fossil fuels to fossil free energy and biofuel, and improvements in operational efficiency such as efforts to reduce machinery idle time. The Group continues to install renewable energy capacity on site, upgrade its vehicle fleet, conduct heat and power loss reviews of large assets, expand carbon capture, utilisation and storage (CCUS) infrastructure, and purchase PPAs. Capital expenditure to decarbonise operations, including the replacement of higher-emitting machinery, is largely covered by business-as-usual expenditure.

In addition, SigmaRoc is able to pass on costs related to ETS credits through to customers in contracts. Addressing the challenge posed by chemical reactions in kilns is an ongoing challenge requiring further research and development. In the meantime, costs related to kilns can be passed through to customers in circumstances where sites are cohabited with customers. In addition SigmaRoc actively monitors the evolution of the ETS Carbon Credit pricing and operates a rolling hedging strategy, typically spanning three years forward. It also expects to see similar strategies applied in take-over targets thereby ensuring alignment in the approach to both pass-through mechanisms and Carbon cost mitigation.

## 3. Carbon pricing within value chain

European carbon pricing policies may lead to higher operational costs for shipping, impacting distribution

networks. Moreover, there is a concern that customers might be incentivised to procure materials from quarries located in less regulated jurisdictions, where carbon pricing is less stringent, potentially putting European suppliers at a competitive disadvantage.

### Mitigation

SigmaRoc leverages the cohabitation of sites with customers to ensure more sustainable distribution practices. By strategically locating sites near key customers, the Group reduces the need for extensive shipping, mitigating the impact of carbon pricing on transportation.

The Group can also avail itself to alternative transportation methods, particularly road, rail and sea transportation, depending on the overall cost.

## 4. Operational decarbonisation

SigmaRoc's decarbonisation ambitions face a hurdle in potential localised grid capacity constraints, which may impede the electrification of operations. This may increase operating costs if reliance on pricier fuels, subject to carbon levies, becomes necessary or cannot be phased out sufficiently quickly.

Additionally, the transition of machinery to electricity or biofuel carries the inherent risk of upfront costs. While these costs are strategically integrated into business-as-usual activities, they remain a critical aspect of natural machinery churn. There may however be limits on the availability of funding for such a transition, and potential constraints on the availability of such technology. More significantly, the development of carbon capture, utilisation and storage (CCUS) capabilities on the estate poses a distinct risk given that CCUS investments do not align with routine equipment churn and require a focused financial strategy. Development of CCUS capabilities will also depend on third parties.

### Mitigation

Mitigation involves investment in on-site renewable electricity capacity installation, and planned adaptation of machinery to ensure gradual shift minimising financial strain.

## 5. Failure to meet/maintain expected ESG credentials

There is a risk that failure to meet non-financial reporting expectations could lead to reduced access to capital and potential divestment. Further, failure to maintain customer expectations on sustainability performance could lead to loss of business and reputational damage, ultimately leading to lower revenue and difficulty winning new business.

### Mitigation

Mitigation would largely involve continually improving sustainability reporting, improving sustainability engagement with stakeholders and increasing focus on sustainability. This may involve costs related to the application of additional internal sustainability resources, additional reporting and data management resource and systems. There may also be additional costs related to use of external sustainability consultants to assist in the Group's reporting and regulatory obligations.

# TCFD Report

## KEY OPPORTUNITIES

Four key climate-related financial opportunities that could have a financial impact on the Group have been identified:

Opportunity	1. Improved operational efficiency	2. Transition to green electricity	3. Increased market share in products aiding the transition to a green economy	4. Resilience through innovation
<b>Type</b>	Resource Efficiency	Energy Source	Markets	Resilience
<b>Primary potential financial impact</b>	Reduced operating costs	Reduced operating costs	Increased sales	Reduced operating costs
<b>Time horizon</b>	Short/Medium	Medium	Medium	Medium
<b>Likelihood</b>	High	High	High	Medium
<b>Location or service most impacted</b>	Global	Global	Global	Global
<b>Metrics</b>	<ul style="list-style-type: none"> <li>Energy intensity</li> <li>Resource efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Energy intensity</li> <li>% renewable energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>% of products that can be manufactured through "green" processes (e.g. use of cement alternatives in Greenbloc range)</li> </ul>	<ul style="list-style-type: none"> <li>New products to market</li> <li>Innovation spend including R&amp;D and technology such as MEVO</li> <li>FTE hours dedicated to innovation</li> </ul>

### 1. Improved operational efficiency

Reducing energy consumption through a programme of efficiency and carbon reduction initiatives may decrease operating costs, increase operating margins and mitigate against the cost of future carbon pricing.

Operational efficiency improvements have already been introduced across the Group and continue to be implemented both through dedicated programmes and business-as-usual activities. Examples include:

- Metering and monitoring of fuel and electricity consumption;
- Limiting machinery idling – through software analysis and optimisation of shift patterns;
- Switching to more efficient fuels, such as the transition from coal and oil to biofuel and recycled fuel in the North East Region;
- Electrification – such as the replacement of diesel-powered water pumps and forklifts with electric alternatives;

- Intensity innovations – such as trials of low temperature asphalt;
- Efficiency upgrades of machinery;
- Consolidation of operations to improve efficiencies.

#### Strategy to capitalise

SigmaRoc is targeting energy intensity reductions of 2.5% by 2030 from a 2021 base year, for 100% of all manufactured products to utilise waste/recycled materials by 2025, and for 100% utilisation of all production materials by 2027. These targets are in excess of operational efficiency improvements that will be made as part of business-as-usual activities, such as the upgrade of machinery at the end of its lifespan to more efficient models. Efficiency improvements will increasingly be aided by technological advancements in the future.

### 2. Transition to green electricity

Transition to green electricity, both through purchase of renewable grid electricity and through generation of renewable electricity onsite, presents another opportunity to

reduce operating costs, especially as renewable electricity becomes increasingly inexpensive. Renewable energy installations will have the additional benefit of reducing the Group's dependence on the electricity grid, thereby providing some comfort from any future energy price fluctuations and reducing any exposure to carbon pricing mechanisms.

#### **Strategy to capitalise**

SigmaRoc has published targets for 100% of third-party energy to be sourced from renewable sources by 2030. As part of the target, the Group is currently reviewing site and virtual power purchase agreements (PPAs) across each business, and businesses will continue to expand renewable generation. The Group has an established programme of wind and solar installations to generate renewable electricity, including existing solar photovoltaic capacity at Soignies and installations at Miedzianka and Wolica (Poland) and Dimension Stone (West) during 2022. Wind turbines have been installed at Soignies, and a successful feasibility study was undertaken for windmill construction at the Dimension Stone (West) site.

### **3. Increased market share in products aiding the transition to a green economy**

SigmaRoc is well-placed to capitalise on the net-zero transition. Lime is a key resource for the green transition, with various applications such as for the production and recycling of lithium batteries, decarbonisation of construction and as natural carbon sinks. Additionally, SigmaRoc has developed a range of low-carbon products, namely Greenbloc low-carbon concrete. By replacing 100% of cement with alternative materials, Greenbloc products have substantially reduced curing times which reduce energy consumption and carbon emissions. Similarly, SigmaRoc is currently developing concrete blocks that sequester and permanently store waste CO<sub>2</sub>.

Development of such product ranges may increase access to new clients and markets, as the demand for climate-friendly construction materials grows. This opportunity may be expected to manifest in the medium-term, although it depends on the extent to which national regulations keep pace with the green transition.

#### **Strategy to capitalise**

Continue to focus on expanding market-share of low-carbon products. Align offerings with evolving climate-friendly construction demands, with medium-term impact contingent on regulatory advancements.

### **4. Resilience through innovation**

Overall there is a significant opportunity for the Group to continue to trial innovations in order to build and maintain climate resilience. The specific financial impacts will vary depending on the nature and outcomes of the trial, for example renewable energy programmes may help to reduce operational costs and thereby increase operating margins, whereas product-related trials may identify new product lines that may generate additional revenue.

#### **Strategy to capitalise**

Continue to target cost reduction and revenue generation through innovation trials and renewable energy initiatives. The Group anticipates that the return on investment in alignment of new and existing operations to new and more efficient machinery will be short. Additionally, as a Group

comprised of many small business units, SigmaRoc can be more dynamic and reactive than peers.

#### **Metrics & Targets**

SigmaRoc currently reports mandatory energy consumption, scope 1, scope 2 and Business Travel emissions for its UK-based operations as required under UK SECR regulation, alongside voluntary energy consumption and scope 1 emissions across its European operations in excess of SECR requirements. As part of the SBTi submission, SigmaRoc has also undertaken efforts to estimate its scope 3 footprint, establishing a team responsible for collecting and monitoring emissions data going forward. Reporting of scope 3 emissions is expected to become more comprehensive as greater confidence in data is achieved.

The specific metrics used to monitor each of the climate-related risk and opportunities are noted in the relevant tables above. In addition, SigmaRoc reports against industry-specific SASB metrics including air emissions, water consumption and biodiversity impacts (see pages 109-110), as well as additional metrics to satisfy MSCI and other ESG rating agency requirements (see page 94).

As SigmaRoc is exposed to the European Union's Emissions Trading Scheme, additional internal carbon prices are not applied. However, this will remain under review and the use of internal prices in the coming years will be considered as necessary.

In 2021, SigmaRoc launched its Road Map to Net Zero, committing the Group to achieving Net Zero across its operations (Scope 1 & 2) by 2040, through the following:

- 2025 – All concrete products available in low carbon and ultra-low carbon
- 2025 – Carbon Capture Storage and utilisation trial plant operational
- 2025 – 100% of all manufactured products can utilise waste/recycled materials (Where industry specifications allow for it)
- 2027 – 100% utilisation of all production materials
- 2030 – Alternative fuels used mobile equipment
- 2030 – 2.5% reduction in energy intensity compared to the 2021 baseline
- 2030 – 100% third party energy sourced from renewable means
- 2032 – Alternative fuels used fixed equipment (e.g. lime and asphalt)
- 2038 – All kilns are carbon neutral

In 2023, SigmaRoc submitted its net zero (Scope 1 and 2) by 2040 target to the SBTi, which is currently under review by SBTi.

Delivery of the Road Map to Net Zero was a corporate objective linked to executive remuneration in 2022, and inclusion of climate-related metrics within the remuneration approach going forward will be established for 2024.

# Risk



Fels limestone quarry  
in Germany

# Risk

**"At a high level the Group's risk appetite is reviewed annually by the Board which defines and approves the level of risk the Group is willing to accept in pursuit of its strategy, thereby guiding management."**

**Charles Trigg**  
Chief Technical Officer

The Company's on-going identification and assessment of risks including ESG and climate-related risks allows both the Board and management to consult and adapt to ensure efficient and effective mitigation with the Board having overall responsibility.

The Board of Directors, executive committee and senior management teams continually identify and assess risks and opportunities. This ensures each platform can focus on what is important to their jurisdictions as well as ensuring the Group is focusing on overall risks.

Risks are reported and discussed at the executive committee with the CTO having overall responsibility at an executive level. Where high areas of risk are identified, specific committees are set up to monitor and control the risk. The CTO also coordinates with key subject matter experts on Investor Relations, Legal, Safety, Carbon & Energy, Environment and Systems.

Risks are then discussed at the Board level who have overall responsibility with the Audit Committee taking the lead with a close working relationship with the CTO.

Risks identified are assessed based on aspects such as consequence, impact, likelihood, inter dependencies and associated timeframes (short-, medium-, and long-term time horizons) as well as their drivers such as Political, Operational, Economic and Technical.

When assessing the potential size and scope of risks and opportunities, input from industry governing bodies (which are in regular contact with government and associated agencies) as well as inputs from our large shareholders and other stakeholders are used in addition to our usual assessment and prioritisation techniques. These include analysis of probability and impact, risk frequency and risk urgency. Where necessary these are then modelled with scenario and sensitivity parameters to help assess both size and scope.

## BOARD

The Board has overall responsibility for risk management and internal control and for reviewing effectiveness, with specific oversight of Code of Conduct, ESG risks and climate-related matters. These have a dedicated agenda item at Board meetings with the Board meeting at least four times per year with a new ESG committee being formed

to give it more focus. The Executive Board members also ensure these topics have a dedicated agenda item at the monthly management meetings. The Executive members are charged with overall delivery whilst the Non-Executives challenge and give oversight and governance.

## AUDIT COMMITTEE

The Audit Committee ensures independent oversight of the Board which considers risks and opportunities when setting and reviewing strategy, major plans of action, policies, annual budgets and business plans. It further considers matters when setting performance objectives, monitoring Group performance and reviewing and approving major projects, capital expenditures and acquisitions.

## ESG COMMITTEE

The new ESG Committee will ensure oversight of ESG risks and opportunities when setting and reviewing strategy, major plans of action, policies, annual budgets and business plans. It further considers matters when setting performance objectives, monitoring Group performance, and reviewing and approving major projects, capital expenditures and acquisitions.

## RISK REPRESENTATIVE

To ensure the Board can monitor and oversee progress against goals and targets, the CTO leads risk at a Group level. The CTO works with each platform with regards to ongoing identification of risks, opportunities, and potential impacts on the business as well as reviewing performance metrics and targets and ensuring overall continual improvement. The CTO then liaises with the Board and the relevant committees so that the Board is continually updated with regards to climate-related risks and opportunities as well as overall ESG matters.

## SENIOR MANAGEMENT TEAM

The Group is set up as discrete operational platforms with each platform having its own management team. As such each platform Managing Director is responsible for assessing and managing risks and opportunities for their respective platform. Managing Directors and the Company's executive management team meet monthly to ensure that Group objectives are met as well as ensuring local risks and opportunities are recognised and managed.

# Chief Technical Officer's risk report

Risk	Description	Mitigation
<b>Competition and Margins</b>	<p>Increase in costs or prices; reliance on key suppliers and key customers, including national merchants, could impact supply and profitability.</p> <p>A number of existing competitors compete on range, price, quality and service. Potential new low-cost competitors may be attracted into the market through increased demand.</p>	<p>Operate a strategic purchasing plan to minimise key supplier risks, notably in cement and bitumen.</p> <p>Seek to offset rising commodity prices through our product pricing strategy and hedging programmes.</p> <p>Maintain a diverse customer and project base which focuses on quality, service, reliability and continuing focus on new product development.</p> <p>Operate a decentralised model matching focus of independents and new entrants.</p>
<b>Economic and Political</b>	<p>The Group is dependent on the level of activity in its end markets. Accordingly, it is susceptible to economic downturn, the impact of Government policy, interest rates and any political and economic uncertainty, such as COVID-19 events.</p> <p>Difficult economic conditions could also increase our exposure to credit risk from our customers.</p>	<p>The Group has a strong focus on operational gearing, allowing it to be flexible during economically disruptive events.</p> <p>The Group has a diverse product portfolio across multiple end markets and jurisdictions.</p> <p>The Group's relationship with suppliers and customers allows for management of risk including credit risk and where necessary credit risk insurance is sourced.</p>
<b>Energy and Power</b>	<p>Though captured under Raw Materials sourcing and internal resources, given the current climate, this has been separated out.</p> <p>The Group is susceptible to significant increases in the price of energy and power, utilities, fuel oil, associated haulage costs and decreases in availability.</p> <p>Risks exist around our ability to pass on increased costs through price increases to our customers.</p>	<p>Energy and Power plans developed at all sites to ensure optimal energy and power use.</p> <p>The Group focuses on its multiple supplier and customer relationships, contracts and the use of hedging instruments.</p> <p>Ensure businesses have ability to manage stock and inventory to minimise disruption from energy and power.</p>
<b>Environment and Climate Change</b>	<p>Operational impact on the environment or the effects of climate change could expose the Group to regulatory breaches, significant disruption, reputational risk, or a reduction in demand for our products.</p>	<p>Committed to reducing level of carbon emissions, reuse and recycling schemes and implementation of sustainability initiatives.</p> <p>Under SECR the Group has committed to monitoring all its operations, not just in the UK, through an independent external organisation.</p> <p>Management, training and control systems are in place to prevent environmental incidents.</p> <p>Promotion of EMS and ISO14001 accreditation and approximately 76% of our businesses are accredited<sup>1</sup>.</p>

<sup>1</sup> Based on Group Revenue, not number of businesses

Risk	Description	Mitigation
<b>Finance, Liquidity and Currency</b>	<p><b>Foreign exchange risk:</b> As the Group transacts in currencies other than Sterling, exchange rate fluctuations may adversely impact the Group's results.</p> <p><b>Credit risk:</b> Through its customers, the Group is exposed to a counterparty risk that accounts receivable will not be settled leading to a financial loss to the Group.</p> <p><b>Liquidity risk:</b> Insufficient funds could result in the Group being unable to fund its operations or to continue to invest organically or to undertake acquisitions.</p> <p><b>Interest rate risk:</b> Movements in interest rates could adversely impact the Group and result in higher financing payments to service debt.</p>	<p><b>Foreign exchange risk:</b> The Group undertakes limited foreign exchange transactions as it sells domestically or in domestic currency with largely local input costs. Some M&amp;A, OpEx and CapEx requires foreign exchange purchases and management considers foreign exchange hedging strategies where significant exposures may arise.</p> <p><b>Credit risk:</b> Customer credit risk is managed by each subsidiary. The Group principally manages credit risk through management of customer credit limits. The credit limits are set for each customer based on the creditworthiness of the customer and the anticipated levels of business activity. These limits are initially determined when the customer account is first set up and are regularly monitored thereafter.</p> <p><b>Liquidity risk:</b> Ensure sufficient funding and facilities in place to meet any foreseeable peak in borrowing requirements and liabilities by maintaining strong relationships with our banks and shareholders. Internally, we continuously monitor forecasts and cash flows to ensure that we maintain significant headroom and have self-imposed 2 times leverage, which is only exceeded temporarily and worked down as quickly as possible.</p> <p><b>Interest rate risk:</b> The Group finances its operations through a mixture of retained profits and bank borrowings, based on floating rates. Interest rate fixing has been reviewed but none have been entered into during the year or at the year end.</p>
<b>Health and Safety</b>	<p>Failure to manage health and safety risks could cause harm to our employees or those around us and expose the Group to significant potential disruption, regulatory breaches, liabilities and reputational damage.</p>	<p>We safeguard the health and safety of employees, contractors and others working on behalf of the Group with experienced health and safety professionals who provide relevant training and help develop a strong culture alongside the management teams; all of which is overseen and audited by our Group HSEQ director with the support of consultants where necessary.</p> <p>We are constantly improving communication and reporting across the Group through simple and effective systems and processes such as our HS Engagement and Monitoring software, Visible Felt Leadership, HS Committees, back to work and pitstops.</p>
<b>IT and Cyber</b>	<p>Disruption to the IT environment could affect our operational performance and lead to reputational damage, regulatory penalties or significant financial loss.</p> <p>Failure to keep up to date with advances in technology could impact demand and our ability to access the market.</p>	<p>IT support teams and service providers continue to monitor and respond to new and expanding cyber risks by implementing best practice in IT security management, back-up systems and risk management software courtesy of our cyber insurance providers.</p> <p>Outdated software and hardware are updated, and cloud solutions embraced, to minimise negative impacts and allow continual operations.</p>
<b>Legal and Regulatory</b>	<p>Exposure to developments that lead to political, legal and regulatory changes requiring significant changes to Group operations which could impact the Group's financial results, together with any associated negative reputational damage.</p> <p>Inadvertent failure to comply with elements of a significantly increased governance, legislative and regulatory business environment.</p> <p>A legal or regulatory breach could result in disruption to operations, financial consequence and reputational damage.</p>	<p>Group general counsel and engagement of external specialists to monitor legislative changes and conduct ongoing training.</p> <p>Hold appropriate business accreditations and insurances and ensure there are compliance procedures, policies, ISO standards and independent audit processes which seek to ensure that regulatory and compliance procedures are fully complied with.</p>

# Chief Technical Officer's risk report

Risk	Description	Mitigation
<b>M&amp;A</b>	<p>Overpay; fail to integrate; fail to deliver the expected returns from an acquisition.</p> <p>Failure to identify potential acquisitions to sustain our growth strategy or not be an acquirer of choice.</p>	<p>Strong acquisition track record supported by our specialist advisers and rigorous due diligence processes.</p> <p>All acquisitions are approved by the Board and all acquisitions are subject to detailed due diligence processes which are executed by project teams, with progress monitored by the Board.</p> <p>We have developed a management structure which facilitates our growth strategy and, where appropriate, we make arrangements to retain acquired senior management and minimise negative change upon acquiring businesses.</p> <p>The Board uses its networks and reputation to review wider acquisition opportunities and our businesses are all tasked with bringing forward potential acquisition targets for review at Group level.</p>
<b>Operational disruption and key equipment failure</b>	<p>A material disruption at one of the Group's operational sites or at one of the Group's suppliers' facilities, could prevent the Group from meeting customer demand.</p>	<p>The Group has the ability to transfer some of its production across its network of plants and is able to engage subcontractors to reduce the impact of certain production disruptions. In relation to supplier disruption or failure, further third-party suppliers have been identified who can maintain service in the event of a disruption.</p> <p>The Group's wide geographical spread mitigates this risk to some extent and allows it to manage its production facilities to mitigate the impact of such disruption.</p>
<b>Quality</b>	<p>The nature of the Group's business may expose it to warranty claims and to claims for product liability, construction defects, project delay, property damage, personal injury and other damages. Any damage to the Group's brands, including through actual or alleged issues with its products, could harm our business, reputation and the Group's financial results.</p>	<p>The Group operates comprehensive quality control procedures across its sites with both internal and external audit reviews of product quality completed to ensure conformance with internationally recognised standards. All accredited staff undergo rigorous training programmes on quality and the technical teams carry out regular testing of all of our products to provide full technical data on our product range.</p>
<b>Raw Materials sourcing and internal resources</b>	<p>The Group is susceptible to significant increases in the price of raw materials, utilities, fuel oil and haulage costs and decreases in availability.</p> <p>Risks exist around our ability to pass on increased costs through price increases to our customers.</p>	<p>Resource expansion plans developed at all sites to ensure timely access to future materials.</p> <p>The Group focuses on its multiple supplier relationships, flexible contracts and the use of hedging instruments.</p> <p>Ensure businesses are self-sufficient with ability to increase resources through subcontractors during peak demands.</p>
<b>Recruitment and retention</b>	<p>Failure to recruit, develop and retain the right people.</p> <p>Failing to create a corporate culture that is based upon ethical values and behaviours.</p>	<p>The Board, Nominations Committee and senior management teams conduct reviews and plan succession for key roles.</p> <p>The Board and the Remuneration Committee review all key aspects of remuneration to ensure appropriate packages are in place to assist in the attraction and retention of key employees.</p> <p>Each business has a grading and employee benefit structure with review of incentive plans underway to give help and support long term employee commitment.</p> <p>A focus on identifying internal talent and recruitment of upcoming talent is under review to ensure succession planning and maintain a dynamic talent pool which is supported with development plans.</p>
<b>Technology and New Business Models</b>	<p>Reduction in demand for traditional products.</p> <p>Risk of new competitors and new substitute products appearing.</p> <p>Failure to react to market developments, including digital and technological advances.</p>	<p>Digital and product development groups that work locally and cross business reviewing both our industry and external offerings and opportunities.</p>





Harries quarry in  
Coygen, Wales

# Chief Financial Officer's Report



Ronez production site in Jersey, Channel Islands



# Chief Financial Officer's Report



**Garth  
Palmer**

CHIEF FINANCIAL  
OFFICER

"I am pleased to report yet another strong year financially for the Group, surpassing expectations in a challenging operational and market environment. While residential construction markets showed significantly subdued volume, our profitability improved."

**Garth Palmer**  
Chief Financial Officer

This achievement is due to strong performance in industrial minerals and infrastructure markets, coupled with proactive management actions in the UK and Nordics to optimise operations.

For the year ending 31 December 2023, the Group generated revenue of £580.3 million (2022: £538.0 million) and underlying EBITDA of £116.7 million (2022: £101.7 million). Underlying profit before taxation for the Group was £71.2 million (2022: £62.7 million).

The statutory loss for the Company for the year ended 31 December 2023 before taxation amounts to £42.9 million (2022: loss £24.4 million), which includes £30.0 million of non-underlying expenses primarily pertaining to M&A related cash fees, non-cash share option expense and amortisation of finance costs.

The Board monitors the activities and performance of the Group on a regular basis and uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the period to 31 December 2023.

	2023 £'000	2022 £'000
Cash and cash equivalents	55,872	68,623
Revenue	580,285	537,993
Underlying EBITDA	116,688	101,723
Capital expenditure	43,046	52,721

# Chief Financial Officer's Report

Cash generated from operations was £65.4 million (2022: £87.7 million) with a net decrease in cash of £11.5 million (2022: £4.0 million) after spending £30.2 million on acquisitions net of cash acquired, £37.1 million in net capital expenditure and £20.0 million in senior loan amortisation repayments.

Underlying EBITDA exceeded expectations and management forecasts, while revenue and volumes were somewhat softer due to difficult residential construction markets and dynamic pricing effects of lower input costs.

Capital expenditure relates to purchases of land and minerals, new plant and machinery and improvements to existing infrastructure across the Group.

## PPA

BDO UK LLP undertook the PPA exercise required under IFRS 3 to allocate a fair value to the acquired assets of JQG and Goijens.

The PPA process resulted in a reduction of goodwill recorded on the Statement of Financial Position of the Group for JQG from £49.8 million to £16.7 million and a reduction in Goijens from £5.1 million to £1.6 million. The reduction was to transfer the value of goodwill to tangible assets for land and buildings, land and mineral reserves, intangible assets and deferred tax assets.

## NON-UNDERLYING ITEMS

The Company's loss after taxation for 2023 amounts to £42.9 million, of which £30.0 million relates to non-underlying items, while the Group's non-underlying items totalled £42.1 million for the year, of which £12.3 million, representing approximately 30%, are non-cash and non-tax deductible. These items relate to seven categories:

1. £25.9 million in exclusivity, introducer, advisor, consulting, legal fees, accounting fees, insurance and other direct costs relating to acquisitions. During the year the Group acquired Juan Dolomitik, Goijens, Retaining, Björka Mineral, ST Investicija, Betons and entered into agreements for the CRH Lime Acquisitions which comprise the vast majority of the costs incurred during the year.
2. £6.6 million amortisation of acquired assets and adjustments to acquired assets.
3. £4.0 million in share-based payments relating to grants of options.
4. £3.7 million legal and restructuring expenses relating to the reorganisation and integration of recently acquired subsidiaries, including costs associated with discontinuing sites and operations, transitional salary costs, redundancies, severance and recruitment fees, and costs associated with financial reporting and system migrations.
5. £1.1 million on amortisation of finance costs arising from the syndicated 5-year debt facilities established in July 2021.
6. £0.4 million on unwinding of discounts on deferred consideration payments for Harries.

7. £0.4 million in other exceptional costs which primarily relate to non-cash balance sheet adjustments.

## INTEREST AND TAX

Net finance costs in the year totalled £15.9 million (2022: £10.4 million) including associated interest on bank finance facilities, as well as interest on finance leases (including IFRS 16 adjustments) and hire purchase agreements.

A tax charge of £12.4 million (2022: £9.1 million) was recognised in the year, resulting in a tax charge on profitability generated from mineral extraction in the Channel Islands and profits generated through the Group's UK, Belgium and Nordic based operations.

## EARNINGS PER SHARE

Basic EPS for the year was 1.98 pence (2022: 4.89 pence) and underlying basic EPS (adjusted for the non-underlying items mentioned above) for the year totalled 8.12 pence (2022: 8.03 pence).

## STATEMENT OF FINANCIAL POSITION

Net assets at 31 December 2023 were £514.9 million (2022: £469.9 million). Net assets are underpinned by mineral resources, land and buildings and plant and machinery assets of the Group.

## CASH FLOW

Cash generated by operations was £65.4 million (2022: £87.7 million). The Group spent £30.2 million on acquisitions net of cash acquired, £37.1 million on capital projects including acquisition of intangibles, raised £29.2 million net of fees from the issue of equity, generated £5.2 million through the disposal of non-core property, plant & equipment, and repaid net borrowings of £27.0 million. The net result was a cash outflow for the year of £11.5 million.

## NET DEBT

Net debt at 31 December 2023 was £182.4 million (2022: £193.8 million).

## BANK FACILITIES

On 22 November 2023 the Company entered a new syndicated senior credit facility of up to €750 million (the 'New Debt Facilities') led by Santander UK and BNPP, with the syndicate including several major UK and European banks and a further €125 million bridge loan ('Bridge Loan'). The New Debt Facilities were partially drawn on 4 January 2024 in connection with the CRH Lime Acquisitions, specifically CRH Deal 1, and the legacy debt facility was repaid as part of this process.

The New Debt Facilities comprise a €600 million committed term facility, €150 million revolving credit facility and a further €100 million uncommitted accordion.

The Group's New Debt Facilities have a maturity date of 21 November 2028 and are subject to a variable interest rate based on EURIBOR plus a margin depending on underlying EBITDA.



Goijens production site, Belgium

The Group's New Debt Facilities are subject to covenants which are tested monthly and certified quarterly. These covenants are:

- Group interest cover ratio set at a minimum of 3.5 times EBITDA while the Bridge Loan remains outstanding and then 4.0 times thereafter; and
- A maximum adjusted leverage ratio, which is the ratio of total net debt, including further borrowings such as deferred consideration, to adjusted EBITDA, of 3.95x in 2024.

The Bridge Loan has a maturity date of 21 November 2024, with options for two 6-month extensions which if exercised would push maturity to 21 November 2025. The Bridge Loan is subject to a variable interest rate based on EURIBOR plus a margin as follows:

- 2% for months 0 – 6
- 3% for months 7 – 12
- 4% for months 13 – 18 (assuming exercise of the first extension option)
- 5% for months 19 – 24 (assuming exercise of the second extension option)

As at 31 December 2023, the Group comfortably complied with its bank facility covenants under the terms of the legacy debt facility and total undrawn facilities available to the Group under the legacy debt facility amounted to approximately £173 million.

## CAPITAL ALLOCATION

We prioritise the maintenance of a strong balance sheet and deploy our capital responsibly, allowing us to commit significant organic investment to our business whilst continuing to pursue acquisitions to accelerate our strategic development. This conservative approach to financial management will enable us to continue pursuing capital growth for our shareholders.

## DIVIDENDS

Subject to availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so. The Group has achieved significant capital growth since its inception and the Directors expect to commence dividend payments once the Group's Covenant Leverage is below 1.5 times, which following CRH Deal 1 of the CRH Lime Acquisitions, is currently above 2 times. The Directors therefore do not recommend the payment of a dividend for the year (31 December 2022: nil).

## POST BALANCE SHEET EVENTS

Post 2023 close we have conducted a series of activities worthy of mention in this Annual Report. Further information is set out in Note 38.

This report was approved by the Board on 17 March 2024 and signed on its behalf.

**Garth Palmer**  
Chief Financial Officer

# CIO Systems & Digital Innovation Report



# CIO Systems & Digital Innovation Report



**Fons  
Vermorken**

CHIEF INFORMATION  
OFFICER

"I am delighted to share that the Group has concluded a robust year with no noteworthy IT incidents. We have successfully started the successful deployment of new ERP systems throughout the Nordics, and maintained an ongoing commitment to enhancing and innovating our operations."

**Fons Vermorken**  
Chief Information Officer

Despite the economic challenges, we have effectively navigated through a substantial pipeline of projects, closing a large transaction and ensuring the Group remains ahead in terms of systems and digital advancement. Our primary objectives continue to revolve around innovation within the Group and its internal processes, alongside maintaining the highest standards in cyber and risk management.

## **CYBER RISK MANAGEMENT**

The security of SigmaRoc IT systems is critical, as any potential breaches can severely disrupt our operations. Inadequate management of cyber risk may lead to adverse consequences such as impacting our financial performance, endangering employee safety, exposing confidential information, harming our brands and reputation and exposing us to legal liabilities.

## **IMPACT ON THE GROUP**

The surge in cyber threat targeting businesses has notably increased recently, partly to the emergence of new digital tools like ransomware, heightened involvement of nation-states, increased interconnectivity and a substantial rise in the profitability of cyber offenses.

SigmaRoc relies on digital capabilities for various operational processes, including industrial production, efficient operations, environmental management, health and safety, communications, transaction processing and risk management. Moreover, our extended supply chains

# CIO Systems & Digital Innovation Report

are also vulnerable to cyber threats, although largely beyond our direct control.

To mitigate potential risks, we closely monitor the security of these intricate supply chains. The growing use of machine learning and artificial intelligence further amplifies the sophistication and frequency of fraudulent activities. The emergence of 'Deepfake' technology, leveraging machine learning to manipulate audio and visual content, adds to the risk of phishing or fraud attacks impersonating senior executives.

Despite significant investments in enhancing our systems, processes and networks, SigmaRoc acknowledges that achieving complete security is challenging. However, we remain dedicated to collaborating with high quality third-party IT providers to enhance IT safety and inform staff of tactical innovations utilised in cybercrime.

## OUR CURRENT DEVELOPMENTS

Geopolitical turmoil has significantly expanded the potential attack surface area due to remote working, thereby increasing the risk of cyber assaults for all businesses. Furthermore, the widespread use of phone and tablet like devices has increased significantly in recent years as being part of the digital transformation of the Group. SigmaRoc has noted a rise in both the frequency and complex of cyberattacks targeting its operations.

Our cybersecurity monitoring systems consistently detect attempts to breach our networks and systems. The increase was most noticeable post the announcement of the war

in Ukraine. During 2022, there was an instance where one of our email servers experienced a substantial series of attacks. However, the protection systems in place were stringent enough for these attacks not to have resulted in any significant breach of our IT infrastructure or caused any notable business disruptions.

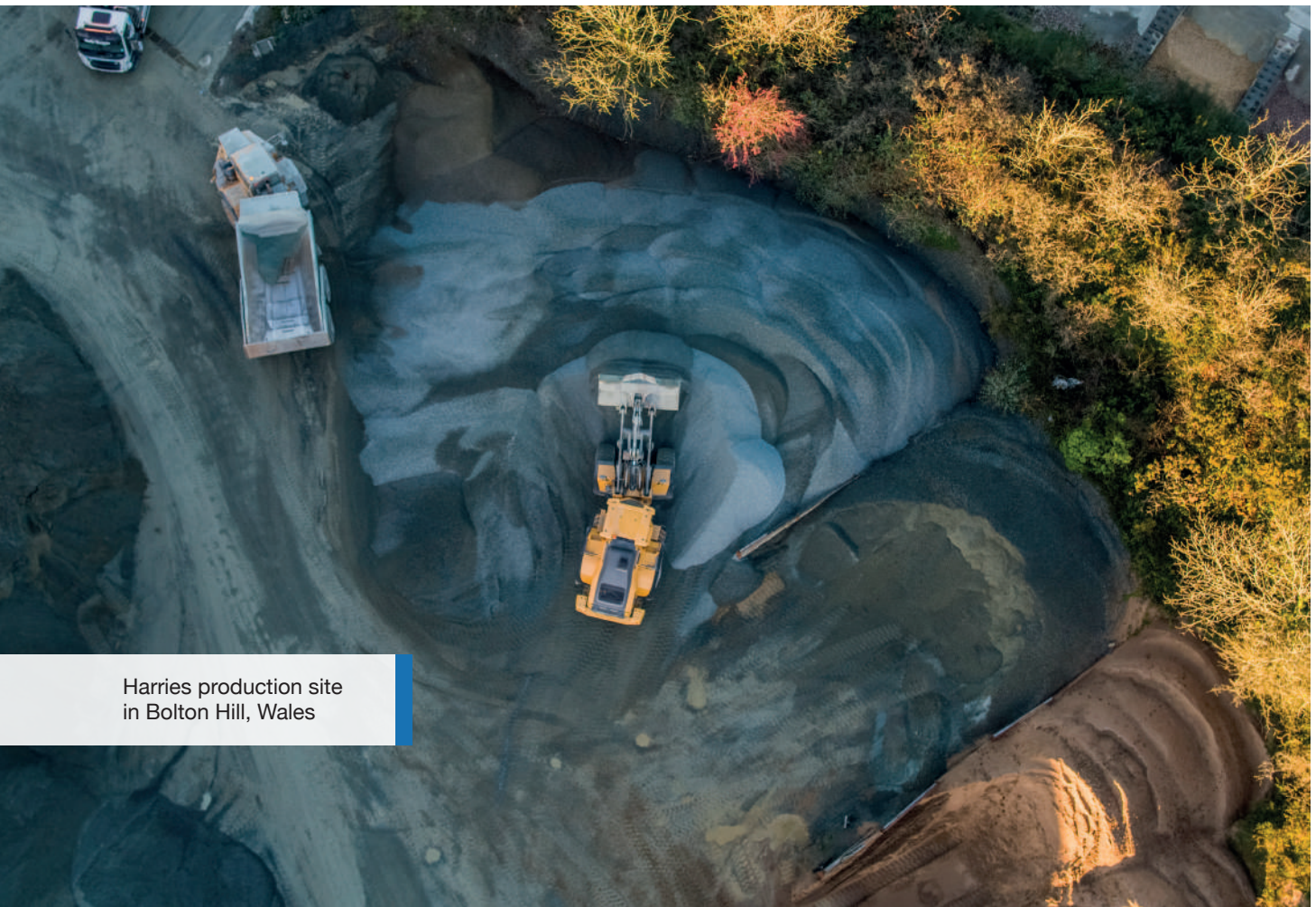
The outlook of the Group is that the frequency of cyberattacks, which entail the manipulation of legitimate third-party software to spread malware or gain unauthorised access to systems by impersonating senior management, will rise. Additionally, the Group predicts that ransomware will continue to pose a significant threat to firms in the industry that have become ever more informatised over recent years.

## HOW WE MITIGATE RISK

SigmaRoc takes proactive measures to enhance IT security awareness and education among its personnel. Monthly cyber security trainings are conducted to keep staff informed about the latest cyber-threats and ransomware practices.

In line with its decentralized platform structure, SigmaRoc has organized the Group's IT infrastructure similarly to mitigate cyber risks. This includes implementing a layered cybersecurity setup, proactive monitoring, independent penetration testing, off network data backups and data backup restoration tests to validate system security wherever possible.

To safeguard critical systems, the Group implements privileged access management protocols and ensures that



Harries production site  
in Bolton Hill, Wales





system software is kept up to date and maintains regional platforms to enforce patch compliance. Multiple layers of email security are employed, with segregated email servers running on different domains. Additionally, computers and servers are hardened against malware attacks.

Corporate applications and communications utilise multiple layers of security, including two-factor authentication and virtual private network (VPN) technology for remote access as needed. While SigmaRoc does not adopt a global approach to IT security, it applies consistent standards across different platforms to proactively monitor and manage cyber risks, as well as to segregate servers. This segregation helps prevent spill-over effects from attacks and mitigates their impact on the Group. Regular engagement of third-party penetration testing further ensures the security of our IT systems.

#### **DIGITAL TRANSFORMATION AND INNOVATION**

SigmaRoc is committed to spearheading the digital transformation within the quarried materials industry, aiming to set industry standards through innovative solutions. Leveraging powerful handheld computer devices, and geolocation capabilities for equipment has enabled the Group to enhance performance, cost efficiency and environmentally friendly. SigmaRoc is known for being the first mover and adopter of technologies that can change the industry and make significant steps towards a net-zero future.

#### **CASE STUDY: MACHINEMAX**

MachineMax, a technology adopted by SigmaRoc several years ago, has become firmly integrated into the Group's operations. As one of the earliest adopters, SigmaRoc contributed to enhancing the product and reaped the benefits of its technological advancements.

Given the significance of heavy equipment in our operations, MachineMax plays a vital role in optimizing its management. By tracking key operational metrics, it has boosted fleet productivity, positively impacting machine utilisation, idling time, fuel consumption, emissions, location, tracking, and operating hours. This comprehensive telematics sensor has resulted in improved top-line revenue and reduced operating costs, while simultaneously decreasing emissions and the carbon footprint of the Group.

#### **CASE STUDY: HIGHVIZZ**

Ensuring the safety and security of our colleagues within a safe work environment is the primary focus for every site manager and the entire Group. To achieve this goal, we have developed a customized health and safety solution based on the insights of our operation managers, who possess firsthand knowledge of what best serves their teams.

Our real-time health and safety system, HighVizz, goes beyond mere reporting; it prioritizes incident prevention and fosters a robust safety culture. Accessible on every employee's phone, HighVizz enables instant reporting and, crucially, encourages safety discussions originating from within the operation rather than being dictated by senior management.

Empowering employees to take responsibility for their own safety and that of their colleagues is the most effective approach to enhancing health and safety standards throughout the Group.

**Fons Vermorken**  
**Chief Information Officer**  
 17 March 2024

# Stakeholder Report



# Stakeholder Report

We understand and respond to the needs of our stakeholders. The Board is committed to and actively encourages effective relationships and communication with the Group's stakeholders.

This will realise a greater understanding of each stakeholder's needs. The Board believes that by taking into account these needs and interests, the value for the Group and the long-term success of the Company will be maximised.

## COLLEAGUES

We recognise our dedicated workforce as a key driver of the value derived from the business. Our colleagues are offered development opportunities to further fulfil their potential. All colleagues are offered a fair benefits and compensation package relative to their role and level in the organisation.

## CUSTOMERS AND SUPPLIERS

We work alongside our customers by striving to deliver the best customer service and seek innovative solutions to support many of the major projects on which we operate. We pride ourselves on going the extra mile and recognise customer loyalty as a key part of our long-term success. The Group also recognises the huge role its suppliers play in its long-term success. We endeavour to maximise value from our suppliers and work with them to support the delivery of our customers' needs.

## REGULATORS/ LOCAL GOVERNMENT/ INDUSTRY ASSOCIATIONS

Developing and sustaining good relationships with the many regulators who govern our business is central to the success of our business and maintaining our license to operate. We are committed to adherence to our legal and regulatory requirements. We actively support our industry representatives in pursuing the best regulatory regime for our business.

## INVESTORS AND LENDERS

Our investors and lenders play an important role in the continued success of our business. We maintain purposeful and close relationships with them, and our sustainable long-term growth strategy provides value for our investors and lenders.

## COMMUNITIES

We are at the heart of the communities in which we operate so recognise our responsibility to be good, supportive and engaged neighbours. Our businesses have active liaison programmes with the communities in which they operate, and they seek to take into account their interests and concerns in their operational activities.

## STAKEHOLDER ENGAGEMENT

We are making a material difference through the impact we have with everyone who lives, works, travels and socialises in communities throughout the UK, Channel Islands and Europe. The Board believes that it has acted in a way which is likely to promote the success of the Company for the benefit of its members and other stakeholders through the decisions it has taken in the year to 31 December 2023.

The Board is responsible for establishing the Group's long-term strategy and objectives; however, it recognises that the executive and senior managers of our businesses play an important role in achieving these goals. The Board has an effective delegation structure in place which allows local management and their workforces to engage effectively and react accordingly, to understand the needs of their suppliers, customers, communities and regulators at a local level. The Board is of the opinion that engaging the majority of its stakeholders on a local level is the most effective process for the long-term success of the Group.

Fels team members  
on site, Germany



# Stakeholder Report

	Colleagues	Customers & Suppliers	Regulators/ Local government/ Industry associations	Investors & Lenders	Communities
<b>Their material issues</b>	<ul style="list-style-type: none"> <li>• Physical working conditions</li> <li>• Pay and benefits</li> <li>• Communication</li> <li>• Opportunities for development and training</li> <li>• Health, safety and wellbeing</li> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Cost</li> <li>• Product development</li> <li>• Service levels</li> <li>• Sustainability commitments</li> <li>• Product quality</li> <li>• Payment practices</li> </ul>	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Emissions and discharges</li> <li>• Site restoration and aftercare</li> <li>• Health and safety</li> <li>• Logistics practices</li> <li>• Planning compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Profitability and return on investment</li> <li>• Sustainability commitments</li> <li>• Environment</li> <li>• Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation routes</li> <li>• Health and safety</li> <li>• Environment</li> <li>• Communication</li> <li>• Support for local causes</li> </ul>
<b>Methods of engagement</b>	<ul style="list-style-type: none"> <li>• Colleague engagement surveys</li> <li>• Colleague focus groups</li> <li>• Intranet, post, emails, newsletters, notices and presentations.</li> <li>• Colleague groups and social committees</li> <li>• DNED for Workforce engagement</li> <li>• Personal development reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Direct engagement</li> <li>• Contracts and terms of business</li> <li>• Third-party engagement</li> <li>• Website</li> <li>• Industry associations</li> <li>• Tender quotations</li> <li>• 360 feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Mandatory returns and applications</li> <li>• Regulator visits and meetings</li> <li>• Notices</li> <li>• Liaison with local MPs and government offices</li> <li>• Participation in industry associations</li> </ul>	<ul style="list-style-type: none"> <li>• Capital markets events</li> <li>• Site visits and field trips</li> <li>• One-to-one meetings</li> <li>• Telephone calls</li> <li>• Investor conferences</li> <li>• Brokers' contacts</li> <li>• AGM</li> </ul>	<ul style="list-style-type: none"> <li>• Targeted consultations</li> <li>• Local liaison meetings</li> <li>• Social media</li> <li>• Community events</li> <li>• Letters, emails, notices</li> <li>• Site tours</li> <li>• Websites</li> <li>• School visits</li> </ul>
<b>Value created</b>	<p>Improved engagement with colleagues will ensure we develop, motivate and retain our valued workforce while promoting and attracting new colleagues that want to work for us.</p>	<p>Engaging with our customers helps us deliver excellent customer service, build relationships to enable us to get the right product, to the right place, at the right time for the right price. Engaging with our suppliers helps us deliver a sustainable supply chain and circular economy.</p>	<p>Through our engagement we are able to respond and contribute to sector needs and requirements and deliver on compliance and regulatory standards and have input in their development.</p>	<p>Our engagement with investors and lenders ensures that they have a clear understanding of our business and objectives and are prepared to continue with their financial support.</p>	<p>Positive engagement with our communities ensures that we understand and take into account their concerns and needs so that we can address these and improve the communities that we live and work in.</p>

## HIGHLIGHTS OF STAKEHOLDER ENGAGEMENT IN 2023

The Board, together with members of the Executive Committee and other senior and local managers, continued to engage proactively with all our stakeholders. The following are just some examples of those engagements in 2023.

### COLLEAGUES

Focus on development training and succession planning across the Group, with continued emphasis on behavioural safety techniques, health & safety reviews and training. More specifically, in the UK introduced "Peptalk", an app-based platform designed to promote employee engagement and wellbeing.

### CUSTOMERS AND SUPPLIERS

Our partnership with one of our key suppliers, Heidelberg Materials, stands as a testament to our commitment to collaborative success. Together, we are tackling the crucial challenge of decarbonising the built environment, aligning our efforts for a sustainable future. The trust we've cultivated is evident, highlighted by our North West Region MD Michael Roddy participating as a speaker at their prestigious annual commercial conference, demonstrating the depth of our relationship and shared values.

At CDH, working closely with Cereser Marmi, an Italian marble and natural stone company, has illustrated the importance of customer experience within the natural stone sector in today's market landscape. Recognising the significance of presenting our products with a touch of luxury both to our customers and at the quarry itself has been instrumental in our strategy. By imbuing our offerings with a sense of luxury, we not only enhance the value proposition for our existing clientele but also open up avenues for prestigious projects on a global scale. One notable outcome of this approach is Puccini Blue. This exquisite creation emerged from what was once considered a waste product – stone with white veins that had long been overlooked or discarded in local markets. Transforming this into a "luxury design" product has been a revelation. Puccini Blue exudes the same elegance and sophistication as high-end marble, injecting fresh dynamism into the market.

Similarly, the Penn Station project presented a formidable challenge, demanding a delicate balance between meeting volumetric requirements and stringent quality standards set by the client. Through astute navigation of the client's needs and leveraging our in-depth knowledge of the product, we succeeded in surpassing expectations. Drawing from the diverse qualities offered by the quarry, we tailored solutions to fulfil the project's demands. In this endeavour, the mantra was clear – where there seemed to be obstacles, we sought solutions. Collaboration with key partners proved to be key in overcoming the hurdles we faced. By working hand in hand with the architect and Vornado, we fostered a culture where "NO" was a call to innovate. This collaborative spirit engendered trust and confidence, propelling the Penn Station project toward its completion. Its success not only stands as a testament to our capabilities but also serves as a compelling marketing asset, poised to bolster CDH's presence in the global export market.

### REGULATORS, LOCAL GOVERNMENT AND INDUSTRY ASSOCIATIONS

Each platform works closely with their local regulators, governments and industry associations with many of our senior management team representing either working

groups, committees or holding board positions such as our board position with the European Lime Association.

By having our platforms work closely with these bodies, we ensure we are at the forefront of our local communities, leading our businesses forward as ambassadors of best practice.

### INVESTORS AND LENDERS

As part of our commitment to investors and lenders, Tom Jenkins was employed as the Head of Investor Relations for the Group.

### COMMUNITIES

We continue to develop our working relationships with the military and military employment charities and are registered with the Career Transition Partnership. We help facilitate resettlement and transition from military to civilian life as well as support civilian spouses and partners of serving and ex-Forces personnel on their journey into employment.

Across all our platforms, our business model of local business for local communities ensures that we continue to integrate into the areas we work, supporting both other local businesses, projects and communities.

### SECTION 172 STATEMENT

The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172 of the Companies Act 2006. The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Group's employees;
- Foster the Group's relationships with suppliers, customers and others; and
- Consider the impact of the Group's operations on the community and environment.

The application of the s172 requirements are demonstrated throughout this report and the Accounts as a whole, with the following examples representing some of the key decisions made in 2023 and up to the date of these Accounts:

- Continued pursuit of buy and build growth strategy: the Group has continued its buy and build growth strategy, completing six acquisitions during 2023 and entering into conditional agreements for the CRH Lime Acquisitions.
- Entered into a strategic partnership with Material Evolution to develop a new range of low carbon concrete products while continuing the development of Greenbloc and collaboration with Marshalls.
- Successful commissioning of Aqualung in June to capture carbon from kiln process emissions, with ongoing work to develop commercial utilisation opportunities.
- Safety initiatives: safety and wellbeing of our colleagues is one of our top priorities and the Group continued to improve its health and safety standards.

# Stakeholder Report

Further specific information as to how the Board has had regard to the s172 factors:

Section 172 factor	Key examples	Page references
<b>Consequence of any decision in the long term</b>	CEO's strategic report	18
	Business model	44
	Our strategy	44
	Risk report	132
	ESG report	92
	Governance report	152
<b>Interests of employees</b>	CEO's strategic report – ESG, Safety & Innovation	21
	ESG report	92
	Stakeholders report	146
<b>Fostering business relationships with suppliers, customers and others</b>	ESG report	92
<b>Impact of operations on the community and environment</b>	CEO's strategic report – ESG, Safety & Innovation	21
	ESG report	92
	Stakeholders report	146
<b>Maintaining high standard of business conduct</b>	Business model	44
	Our strategy	44
	ESG report	92
	Governance report	152
<b>Acting fairly between members</b>	ESG report	92
	Stakeholders report	146
	Governance report	152



Nordkalk old quarry  
in Tytyri, Finland

# Governance Report

Our Board comprises an executive leadership team with extensive experience of the international aggregates industry, supported by experienced non-executive directors who bring strong governance disciplines and a valuable external perspective to our business.



## DAVID BARRETT

EXECUTIVE CHAIRMAN

**Appointed to Board:** August 2016

**Independent:** No

**Committees:** Nominations Committee

**Industry Expert:** Yes

**Finance Expert:** No

**Background:** Co-founded London Concrete in 1997, subsequently building the business from one concrete plant in London to over a dozen plants around the capital. London Concrete was sold to Aggregate Industries and is currently the number one concrete supplier in London, with flagship projects such as the London Olympics, the Shard, the US embassy and the new Bloomberg building. Having previously worked with Pioneer, David retired from London Concrete in 2015 and is widely considered an expert in the industry.

**Other Directorships:** David also holds directorships in various London based Companies including Thames Aggregates Limited, Thames Recycling Limited and Capital Concrete Limited.





### MAX VERMORKEN

CHIEF EXECUTIVE OFFICER

**Appointed to Board:** August 2016

**Independent:** No

**Committees:** Member of the Safety Committee

**Industry Expert:** Yes

**Finance Expert:** Yes

**Background:** Prior to SigmaRoc, Max was Strategic Advisor to the CEO of LafargeHolcim Ltd (LafargeHolcim) Northern Europe, the world's largest construction materials group. His role included responsibility for the merger of Lafarge SA and Holcim Ltd in the region involving the only Day 1 integration of the two businesses following the hive-down and integration of two large asset portfolios – a mix which included two cement plants and a multitude of down-stream aggregates and construction materials assets. Prior to working for LafargeHolcim, Max worked in private equity at Luxembourg-headquartered The Genii Group, where he reported directly to its founding principals. Max holds a PhD in Financial Economics from University College London and Bachelor and Master degrees in both Civil Engineering and Financial Economics from University College London and the University of Brussels respectively.

**Other Directorships:** Max is also a Director of a consulting company Skyeeye Consulting Limited.



### GARTH PALMER

CHIEF FINANCIAL OFFICER

**Appointed to Board:** January 2017

**Independent:** No

**Committees:** Member of the AIM and MAR Compliance Committee

**Industry Expert:** Yes

**Finance Expert:** Yes

**Background:** Garth was Finance Director of SigmaRoc from inception until April 2020, at which point he stepped down from his part-time executive role, but remained as a non-executive board member and Company Secretary. In August 2021, in conjunction with the acquisition of Nordkalk, Garth returned as a full-time executive and Chief Financial Officer. Prior to joining SigmaRoc, Garth began his career providing audit and corporate services in Perth, qualifying at KPMG, before moving to London in 2005 where he provided compliance services across a range of industries. This led Garth to a Finance Manager role at Apple where he spent four years working on business process improvement, developing and implementing new and improved financial processes and systems before co-founding Westend Corporate LLP providing corporate and financial consulting services for AIM listed companies, predominantly within the mining and resources industries. Garth holds a Bachelor of Commerce Degree and is a member of the Institute of Chartered Accountants in England and Wales.

**Other Directorships:** Garth holds directorships in multiple businesses including Sport:80 Limited, GT Corporate Limited and GT Corporate AB.



### SIMON CHISHOLM

NON-EXECUTIVE DIRECTOR

**Appointed to Board:** April 2020

**Independent:** Yes

**Committees:** Chairman of Audit Committee; Chairman of the AIM and MAR Compliance Committee; Chairman of the Remuneration Committee; Chairman of the Nominations Committee

**Industry Expert:** No

**Finance Expert:** Yes

**Background:** Simon is the founder and Managing Director of Feros Advisers, having previously been Head of Equity Capital markets at Redburn (Europe), a subsidiary of Rothschild & Co. Simon joined Berenberg in 2003 and established an office for them in London. Over the next 10 years Simon was one of the principal architects in building the business from 3 people in London to around 140 and establishing the bank as a recognised brand name in the global investment community. Before joining the sell-side, Simon was a Fund Manager investing in European equities first at Singer & Friedlander and then at Henderson Global Investors and ran European Smaller Companies investment products. After University Simon joined Coopers and Lybrand and qualified as a Chartered Accountant.

**Other Directorships:** Simon is currently an active Director at Feros Advisers Ltd and Whitefoord Ltd.



### JACQUES EMSSENS

NON-EXECUTIVE DIRECTOR

**Appointed to Board:** April 2020

**Independent:** Yes

**Committees:** Member of the Audit Committee

**Industry Expert:** Yes

**Finance Expert:** Yes

**Background:** Jacques was a Board member and Assistant to the Chairman of SCR-Sibelco N.V; a world leading materials solutions company specialising in sands and industrial minerals. He is a founding member of JPSeven and is a member of the Board of Sofina, and numerous other companies. Jacques has a long history in defining and implementing strategies of industrial businesses. Jacques holds a degree in Business Administration from the European University of Antwerp, from the Université Libre de Bruxelles and from the London Chamber of Commerce and Industry and speaks French, Dutch and English.

**Other Directorships:** Jacques holds directorships in multiple businesses including JPSeven, Sofina, Le Pain Quotidien.



### TIM HALL

NON-EXECUTIVE DIRECTOR

**Appointed to Board:** April 2019

**Independent:** Yes

**Committees:** Member of the Safety Committee, Member of the Remuneration Committee

**Industry Expert:** Yes

**Finance Expert:** No

**Background:** Tim has spent his entire career in the aggregates industry, most recently as CEO of Breedon South, a business he helped build from inception and from which he retired in August 2017. Prior to this he was Director of Tarmac Limited's Western Area; Managing Director of Tarmac Western Limited, the company formed by Anglo American from the former assets of Nash Rocks, Tilcon and Tarmac. He spent the previous 27 years with Nash Rocks, latterly as managing director. Tim brings a wealth of experience and knowledge of the industry to the Board. Tim's knowledge and network within the industry supports SigmaRoc's growth in the aggregates and construction materials market in the UK.

**Other Directorships:** Tim holds directorships in multiple businesses including Langsun Developments Limited and T G Concrete Bridgnorth Limited.



### AXELLE HENRY

NON-EXECUTIVE DIRECTOR

**Appointed to Board:** March 2022

**Independent:** Yes

**Committees:** AIM and MAR Compliance Committee

**Industry Expert:** No

**Finance Expert:** Yes

**Background:** Axelle has served as Chief Financial Officer for Verlinvest Group, a Brussels-based international investment business, since April 2014 and also serves on the board of directors for a number of their private companies, as well as Nasdaq quoted Vita Coco. She has held a variety of senior executive positions, including as Deputy Chief Financial Officer of Groupe Bruxelles Lambert. Ms Henry has over 20 years' experience in the Private Equity and Investment Sector, starting her career with KPMG as senior auditor. She holds degrees in commercial engineering from the Solvay Business School.

**Other Directorships:** Axelle holds directorships in multiple businesses including Verlinvest, Cofintra SA, Beverage Holdco Inc. and STAK Armonia.

# Corporate Governance Report

The Directors recognise the importance of sound corporate governance. As a company whose shares are traded on AIM, the Board has decided to comply with the QCA Code. In addition, the Directors have adopted a code of conduct for dealings in the shares of the Company by directors and employees and are committed to maintaining the highest standards of corporate governance.

Garth Palmer, in his capacity as CFO, has assumed responsibility for ensuring that the Company has appropriate corporate governance standards in place and that these requirements are followed and applied within the Company as a whole.

The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its Shareholders and that Shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. A large part of the Company's activities are centred upon what needs to be an open and respectful dialogue with employees, customers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company successfully to achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does.

The key governance related matters that occurred during the financial year ended 31 December 2023 were:

1. Identifying potential new NEDs for the Board.
2. Adoption of Competition Compliance and Diversity & Inclusion policies.

## CORPORATE GOVERNANCE REPORT

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

### PRINCIPLE ONE

***Establish a strategy and business model which promote long-term value for shareholders***

**Strategy and purpose:** The Company is a lime and limestone group targeting investments in quarried materials assets in the UK and Northern Europe.

Lime and limestone are key resources in the transition to a more sustainable economy. New applications for lime and limestone products as part of a drive for sustainability include the production and recycling of lithium batteries,

the decarbonisation of construction including through substitution of cementitious material and new building materials, and environmental applications including lake liming, air pollution and direct air capture.

The Group's aim is to create value for shareholders through the successful execution of its buy and build strategy, by purchasing assets in fragmented materials markets and extracting efficiencies through active management and forming the assets into larger groups. It seeks to de-risk its investments through the selection of projects with strong asset backing.

**Business model:** The acquired assets provide a strong operating platform, diversified income streams and stable cash flows in order to grow the Group and execute on its strategy further.

The Group is run as a commercially minded business, seeking to return an increase on investment capital to Shareholders. Proven methods of raising capital through recognised means available to publicly listed companies are relied on to fund growth acquisitions. Following each acquisition, the Group seeks to implement operational efficiencies that improve safety, enhance productivity, increase profitability and ultimately create value for Shareholders.

### PRINCIPLE TWO

***Seek to understand and meet shareholder needs and expectations***

**Shareholder dialogue:** The Company remains committed to listening and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts and investors think about the Company, and in turn, helping these audiences understand the Company's business, is a key part of driving the business forward and the Company actively seeks dialogue with the market. The Company does so via investor roadshows, attending investor conferences, hosting capital markets days and through regular reporting.

**Private Shareholders:** The AGM is the main forum for dialogue between retail Shareholders and the Company. The Directors routinely attend the AGM and are available to answer questions raised by Shareholders. The results of the AGM are subsequently published on the Company's corporate website. In addition, the Company has engaged with Investor Meet Company, a technology platform that allows presentations and Q&A between Company management and private investors. Regular updates have been made on this platform throughout the year. Other ad hoc presentations to private investors have been made in the year.

**Institutional Shareholders:** The Company actively seeks to build relationships with institutional Shareholders through calls, presentations and visits. Shareholder relations are managed primarily by the CEO and the Head of Investor Relations, but the Executive Chairman and Senior Independent Non-Executive Director are also available to meet with major shareholders to discuss issues of importance.

### PRINCIPLE THREE

***Take into account wider stakeholder and social responsibilities and their implications for long-term success***

**Engagement:** Engaging with stakeholders strengthens relationships and helps make better business decisions to deliver on commitments. The Company is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and the Group's business, and to enable the Board to understand and consider these issues in decision-making. With Shareholders, suppliers and customers, employees are one of the most important stakeholder groups and employees' engagement surveys and feedback are closely monitored.

**Employees, contractors and suppliers:** The Group has established a safe and healthy work environment, which complies with the relevant occupational health & safety laws. The Group ensures that the workforce is provided with sufficient training to develop the appropriate skills and knowledge to complete the tasks requested of them.

For the sake of occupational health & safety, all contractors and sub-contractors are treated in exactly the same manner as employees.

**Communities:** The Group has supported and given back to the community by participating in a selection of projects in recent years. Further details of the Group's environmental, social and governance related initiatives for the year are detailed in the ESG and Stakeholder Reports included in these Accounts.

**Modern slavery:** As part of our mission to "do the right thing" we oppose modern slavery in all its forms and work to prevent it by any means that we can. We expect anyone who has any suspicions of modern slavery in our business or our supply chain to raise their concerns without delay.

## PRINCIPLE FOUR

### *Risk Management*

**Embed effective risk management, considering both opportunities and threats, throughout the organisation**

**Risk register:** To assist the Board with effectively managing risk across the Group the Company has established a risk register which is reviewed periodically.

**Internal control:** The Company has an established framework of internal control, the effectiveness of which is regularly reviewed by executive management, the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the Company and the Group.

The Company recognises that maintaining sound controls and discipline is critical to managing the downside risks to its business plan.

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls.

The Board presently considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group.

## PRINCIPLE FIVE

**Maintain the board as a well-functioning, balanced team led by the chair**

**Board composition:** The Board comprises the Executive Chairman, two Executive Directors, and four Non-Executive Directors, all of whom are deemed independent. The Board considers, after careful review, that the Independent Non-Executive Directors bring an independent judgement to bear.

The biographies of the members of the Board can be found on the Company's website (<https://sigmaroc.com/investor-relations/board/>).

The Board is satisfied that it has a suitable balance between independence and knowledge of the Group and its operations to discharge its duties and responsibilities effectively. The Board receives periodic updates from the management team. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic, operational or financial.

Membership of the Board, its activities, performance and composition are subject to periodic review.

**Conflicts of interest:** The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to, and, where appropriate, agreed with, the rest of the Board.

Director	Formal quarterly meetings and meetings	
	Attended	Eligible to attend
Max Vermorken	9	10
David Barrett	10	10
Garth Palmer	10	10
Simon Chisholm	8	10
Jacques Emsens	9	10
Tim Hall	9	10
Axelle Henry	9	10

## PRINCIPLE SIX

**Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities**

**Suitability:** The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board is satisfied that given its size and stage of development, between the Directors, it has an effective and appropriate balance of skills and experience across technical, commercial and financial disciplines.

The Company complies with the QCA Code and full biographical details of the Directors and their skills and experience can be found on the Company's website: (<https://sigmaroc.com/investor-relations/board/>)

**Appointment, removal and re-election:** The Nominations Committee makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments.

# Corporate Governance Report

**Independent advice:** All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and Chief Financial Officer.

## PRINCIPLE SEVEN

**Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**

**Appraisal:** The Chairman assesses the individual contributions of each member of the Board to ensure that their contribution is relevant and effective; they are committed; and where relevant, they have maintained their independence.

An evaluation of the Board will be carried out annually and on a three-yearly cycle. The evaluations may be facilitated by an independent evaluator.

The Remuneration Committee will compare the performance of the Board with the requirements of its charter, the Company vision and KPIs.

Succession planning is considered by the Board as a whole. The Board will annually review and make recommendations relating to talent management and succession planning for the Board and the CEO.

## PRINCIPLE EIGHT

**Promote a corporate culture that is based on ethical values and behaviours**

**Code of conduct:** The Board has adopted a code of conduct which provides a framework for ethical decision-making and actions across the Group. The code of conduct reiterates the Group's commitment to integrity and fair dealing in its business affairs and its duty of care to all employees, contractors and stakeholders.

Each Board member's adherence to the Group's code of conduct is assessed as part of the annual Board review and appraisal.

**Anti-corruption and bribery:** The Board has adopted an anti-corruption and bribery policy further to ensure honest and ethical conduct of employees. The Company also provides periodic training to employees to ensure they are aware of their responsibilities in relation to bribery and corruption.

The Company has a zero-tolerance approach to bribery and corruption. The Company's General Counsel is responsible for monitoring compliance with and maintaining the anti-corruption and bribery policy.

## PRINCIPLE NINE

**Maintain governance structures and processes that are fit for purpose and support good decision-making by the board**

**Board programme:** The Board is responsible for approving the Company strategy and policies, for safeguarding the assets of the Company, and is the ultimate decision-making body of the Company in all matters except those that are reserved for specific shareholder approval.

The Board meets at least four times each year in accordance with its scheduled meeting calendar and maintains regular dialogue between Board members, in particular between the CEO, the Chairman and the non-executive Board members.

The Board and its Committees receive appropriate and timely information prior to each meeting, with a formal agenda being produced for each meeting, and Board and Committee papers distributed several days before meetings take place.

**Roles and responsibilities:** There is a clear division of responsibility at the head of the Company between the Chairman and the CEO.

The Board is supported by the Audit, Remuneration, AIM and MAR Compliance, ESG and Nominations committees. Each committee has access to such resources, information, and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties.

As the Group grows and develops the Board will periodically review its corporate governance framework to ensure it remains appropriate for the size, complexity and risk profile of the Group.

## PRINCIPLE TEN

**Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

**Communication:** The Company attaches great importance to providing shareholders with clear and transparent information on the Company's activities, strategy and financial position through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders.

The Company announces significant developments via various outlets including the London Stock Exchange's Regulatory News Service (RNS).

The Company made its policies and the terms of reference for its committees available on its website.

The Board receives regular updates on the views of shareholders through briefings and reports from the CEO and the Company's brokers. The Company communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.

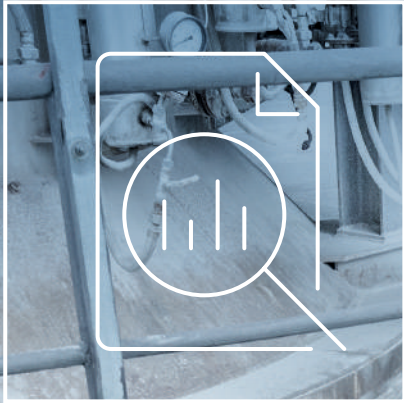


**Anthony Brockbank**  
General Counsel



Nordkalk limestone in  
Miedzianka, Poland

# Audit Committee Report



Fels team members  
on site, Germany



# Audit Committee Report

The Company has an established framework of internal control, the effectiveness of which is regularly reviewed by the Audit Committee in light of an ongoing assessment of significant risks facing the Company and the Group.

The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls.

## KEY ACTIVITIES CARRIED OUT IN 2023

During the year, the Audit Committee met formally three times and discussed the following:

- External audit tender process
- Audit planning
- Auditor's fees and independence
- Auditor's effectiveness
- Interim report and annual report
- Internal audit
- Internal controls and risk management
- Taxation
- Going concern and viability statement
- Significant accounting matters
- Plans for transition to new accounting standards
- Whistleblowing
- The Audit Committee's terms of reference

## MEETING ATTENDANCE

The Committee is made up of Independent Non-Executive Directors and shall meet not less than twice in each financial year.

Director	Meetings attended	Eligible to attend
Simon Chisholm	3	3
Jacques Emsens	3	3

## COMMITTEE DUTIES

The Audit Committee carries out the duties below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate:

- Monitor integrity of the financial statements and financial performance;
- Review financial statements, significant financial returns to regulators and any financial information of a sensitive nature;
- Review and challenge internal financial controls and risk management systems including the review of matters of a non-financial nature;
- Review and challenge accounting policies, accounting methods and adherence to accounting standards;
- Review and make recommendations with regards to the external auditor, including appointment, independence, objectivity, effectiveness, performance and remuneration;
- Consult with the external auditor on the scope of their work and review all major points arising from the audit;
- Ensure fully functional whistleblowing policy.

## CHAIR STATEMENT

The Audit Committee was chaired by myself and comprises of Jacques Emsens as the other member. The Committee has relevant financial experience at a senior level as set out in their biographies. The Audit Committee met three times formally in 2023 and also held informal discussions with the external auditor as appropriate. The principal activities of the Audit Committee in respect of the year ended 31 December 2023, and the manner in which it discharged its responsibilities, were as follows:

## FINANCIAL STATEMENTS

The Audit Committee reviewed and agreed the external auditor's strategy and approach in advance of their audit for the year ended 31 December 2023, and reviewed reports on the outcome of the audit. The Audit Committee also reviewed the 2023 preliminary results announcement, the Annual Report, the 2023 interim results announcement and the 2023 interim report.

## SIGNIFICANT ACCOUNTING MATTERS

During the year, the Audit Committee considered key accounting issues, judgements and disclosures in relation to the Financial Statements. The most significant of these was the risk of the value of inventory, the carrying value of investments and the value of goodwill at a Group level. The Audit Committee also received communications from management and the external auditor on a number of other accounting matters, including the valuation of mineral reserves and resources, revenue recognition and restoration provisions.

# Audit Committee Report

## GOING CONCERN AND VIABILITY

The Audit Committee reviews supporting papers from management to support the going concern and viability statements set out on page 179. This includes sensitivity analysis over key assumptions. Following this review, the Audit Committee recommended to the Board the approval of both statements.

## EXTERNAL AUDITOR

The external auditor, PKF, attends meetings of the Audit Committee. The Audit Committee has the opportunity to meet with the external auditor without the executive directors being present to provide a forum to raise any matters of concern in confidence and together discusses and agrees the scope of the audit plan for the full year. The external auditor reports on the control environment in the Group, key accounting matters and mandatory communications. The Audit Committee also receives and reviews a report from the external auditor setting out to its satisfaction how its independence and objectivity is safeguarded when providing non-audit services. The value of non-audit services provided by PKF in respect of the year ending 31 December 2023 amounted to £600,000 for due diligence and transactional services (2022: £116,750, principally in respect of tax services and due diligence and transactional services). During the year there were no circumstances where PKF was engaged to provide services prohibited by the FRC's 2019 ethical standard or which might have led to a conflict of interest.

The Audit Committee continues to be satisfied with the work of PKF and that they continue to remain objective and independent. Zahir Khaki is serving his third year as audit partner.

## INTERNAL AUDIT

The Group does not have a formal internal audit function and the CFO performs a number of activities that an internal audit function would perform. The Audit Committee receive regular formal updates covering planned activities, findings of reviews performed and updates on agreed actions from previous reviews. The Audit Committee considers this is appropriate given the close involvement of the executive directors and senior management on a day-to-day basis. However, the need for an internal audit function will be kept under review by the Audit Committee on behalf of the Board.

This report was approved by the Board on 17 March 2024.

**Simon Chisholm**  
Independent Non-Executive Director

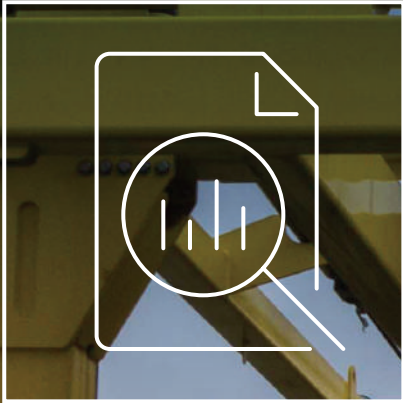




CDH production site  
in Soignies, Belgium

# Remuneration Committee Report

COMBILIFT-SC



Nordkalk site in  
Wolica, Poland

# Remuneration Committee Report

The Remuneration Committee has been charged by the Board to ensure that the Group's pay and benefits practices are competitive, able to attract high calibre people and to ensure those people are suitably incentivised to perform and remain with the Group over the long term.

The Board is ultimately responsible for the Group's remuneration policy. The role of the Remuneration Committee is to determine the terms of employment for the executive directors and senior management of the Group within the framework established by the Board.

## KEY ACTIVITIES CARRIED OUT IN 2023

During the year, the Remuneration Committee met formally twice and discussed the following:

- Executive remuneration
- Annual bonuses
- Pay and benefit levels across the Group
- Remuneration review and shareholder consultation
- Long term incentives
- The Remuneration Committee report
- Review of the Committee's terms of reference

## MEETING ATTENDANCE

Director	Meetings attended	Eligible to attend
Simon Chisholm	2	2
Tim Hall	2	2

## COMMITTEE DUTIES

The Remuneration Committee is responsible for:

- Determining and agreeing with the Board the framework or broad policy for the remuneration of the executive officers and other senior managers;
- Taking into account all factors which it deems necessary including the level of the Company's remuneration relative to other companies to ensure that members of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions to the success of the Company; and
- Determining each year whether awards will be made, and if so, the overall amounts of such awards, the individual awards to executive directors and other senior executives and the performance targets to be used.

**"I am pleased to present the Remuneration Committee report for the year ended 31 December 2023 and can confirm that all aspects of executive remuneration are in order."**

**Simon Chisholm**  
Independent Non-Executive Director

We undertook a comprehensive review of our remuneration policy in 2021, which included advice from advisers and consultation with certain Shareholders, to ensure it was appropriate given SigmaRoc's growth to date combined with the future growth and development ambition of the Group. The focus of 2023 has been on continued implementation of the policy and ensuring pay outcomes fairly reflect the performance of the Group and take into consideration external macroeconomic conditions.

This report comprises three sections: this Annual Statement, the Policy Report which summarises our current remuneration policy, and the Annual Report on Remuneration which sets out the amounts earned by directors in 2023, and how we propose to apply the policy in the future.

At the 2024 AGM, Shareholders will have the opportunity to vote on the Directors' Remuneration Report and we look forward to your continued support.

## 2023 BUSINESS PERFORMANCE

2023 was another busy, challenging and very successful year for the Group. The Group was able to deliver further improved profitability in difficult economic conditions, whereby volumes declined 4% LFL, while simultaneously delivering on a series of bolt-on acquisitions and the transformative agreements for the CRH Lime Acquisitions.

From a purely financial perspective, in 2023, the Group delivered revenue of £580.3 million, underlying EBITDA of £116.7 million, underlying profit before tax of £71.2 million and underlying EPS of 8.12p. This is an increase YoY to underlying EPS of 1% and exceeded the initial market consensus estimate of 7.3p by 11%, an exceptional achievement. The Group also had strong cash generation, closing the year with £55.9 million which kept Covenant Leverage well below our long term target range of 2.0x.

The Group also maintained its excellent health & safety standards and delivered on the aforementioned bolt-on and transformative acquisitions.

## 2023 REMUNERATION OUTCOMES

In 2021 the Committee undertook a complete review of our remuneration policy in conjunction with our advisers, and in consultation with certain Shareholders, to ensure it was appropriate given SigmaRoc's growth to date combined

# Remuneration Committee Report

with the future growth and development ambition of the Group. A key outcome of the review, and which was specifically directed by input from Shareholders, was to measure executive director bonuses based on EPS, rather than EBITDA, as it currently provides a more complete assessment of the Group's financial performance.

As a result, annual bonuses have since been primarily based on underlying EPS with additional performance conditions pertaining to corporate objectives – this year focussing on delivery of the Group's acquisition pipeline following the £30 million fundraise in February 2023.

The 2023 underlying EPS targets were set in early 2023, following confirmation of market consensus estimates, and the maximum target set required an out performance relative to market expectations of 10% or more. At the outset of 2023 the market consensus estimates for the Group's full year EPS was 7.3p, therefore the maximum target was 8.0p. As noted in the 2023 business performance review, the Group performed very strongly despite numerous challenges, achieving underlying EPS of 8.12p, being 1.5% ahead of the maximum target set and this measure, applying to 75% of the overall bonus, was therefore achieved in full.

The remaining 25% of the overall bonus pertained to corporate objectives, and this year was focused on execution and delivery of the Group's investment pipeline communicated as part of the Group's £30 million fundraise in February 2023. This measure was defined based on a level of profit after tax added to the Group, with a lower limit of £2 million and an upper limit of £3 million, with the newly acquired businesses contributing over £3 million in FY23.

The 25% of the overall bonus pertaining to corporate objectives was therefore achieved in full in 2023.

The Committee carefully considered whether the annual bonus outcome reflects the underlying performance of the business, as well as the experience of Shareholders and other stakeholders during the year and whether any discretion should be exercised. In doing so, the Committee specifically considered health & safety performance of the Group, factored in broader financial performance (revenue, EBITDA, EBITDA margins, free cash flow, CapEx and ROIC) and overall delivery of strategy. The Committee was satisfied that the bonus outcome was fair, and no discretion was exercised.

## 2023 POLICY APPLICATION

For 2023, the Committee implemented the policy established in 2021 as follows:

- Review of executive director salaries to ensure they remain commensurate, taking into consideration the inflationary macroeconomic environment in 2022 and its evolution in 2023, and the fact that the executive directors did not receive any adjustments to their salaries in 2022.
- No change to benefits or pension arrangements.
- The annual bonus opportunity will continue to be 125% of salary for executive directors and be based at 75% of underlying EPS and 25% for corporate objectives, with suitable safety standards being maintained as an override.
- Assessment of the performance measures to determine vesting of the initial PSP awards granted in October 2021.

## SHAREHOLDERS' AND EMPLOYEE'S VIEWS

We are very grateful for the views received from major Shareholders and seek to engage with Shareholders on a continuous basis on remuneration matters. I can be contacted via the Company Secretary should you have any questions on this report or more generally in relation to the Group's approach to remuneration.

While SigmaRoc applies the QCA Code, the Board considers the principles and provisions in the UK Corporate Governance Code. Under the main code, companies are required to establish a mechanism for gathering the views of the workforce on all matters, including pay. The Board has considered carefully the most effective way of achieving this and has appointed its General Counsel, Anthony Brockbank, as the Group's workforce representative, reporting to the Board on all workforce engagement matters.

## REMUNERATION AT A GLANCE

The key elements of executive directors' remuneration packages and our approach to implementation in 2023 are summarised below:

		2022	2023
<b>Fixed pay</b>	<b>Salary (annual base)</b>	<ul style="list-style-type: none"> <li>Chairman £375,000</li> <li>CEO £475,000</li> <li>CFO £375,000</li> </ul>	• no change
	<b>Pension</b>	<ul style="list-style-type: none"> <li>10% of salary</li> </ul>	• no change
	<b>Benefits</b>	<ul style="list-style-type: none"> <li>includes private medical and car allowance</li> </ul>	• no change
<b>Annual bonus</b>	<b>Maximum opportunity</b>	<ul style="list-style-type: none"> <li>125% of salary</li> </ul>	• no change
	<b>Performance measures</b>	<ul style="list-style-type: none"> <li>75% underlying EPS</li> <li>25% corporate objectives</li> <li>Safety overrides entire bonus outcome</li> <li>Committee has absolute discretion to adjust bonus outcome</li> </ul>	• no change
<b>Share based incentives</b>	<b>Award level</b>	<ul style="list-style-type: none"> <li>none</li> </ul>	• no change
	<b>Performance measures</b>	<ul style="list-style-type: none"> <li>n/a</li> </ul>	• n/a
<b>Shareholding guidelines</b>	<b>In employment</b>	<ul style="list-style-type: none"> <li>75% of salary</li> </ul>	• no change

## REMUNERATION OUTCOMES FOR 2023

Summary of incentive outcomes

Annual bonus	Weighting	% of maximum achieved	% of bonus achieved
<b>Underlying EPS</b>	75%	100%	75%
<b>Corporate objectives</b>	25%	100%	25%
<b>Safety</b>	Overarching	n/a	n/a

Overall, bonuses of 125% of salary became payable to executive directors.

# Remuneration Committee Report

## POLICY REPORT

### PERFORMANCE MEASURED BENEFITS

Remuneration performance measures are selected to align with the Group's key performance indicators and the interests of Shareholders. Performance targets are set so that they are stretching to achieve maximum pay-out but also ensure excessive risk exposure is mitigated. The Remuneration Committee sets targets that are aligned with the Company's strategy as well as both external expectations and the economic environment.

If there are changing circumstances, such as material acquisitions or changes in market conditions, the Committee retains the ability to adjust or amend performance measures and targets to ensure that they are relevant and to ensure they still incentivise whilst minimising excessive risk exposure.

### BASE SALARY

Our objective is to provide a competitive base salary reflective of the skills and experience of the relevant individual. These are reviewed annually or on a significant change of responsibilities or change in market practice or a change in the size or complexity of the business. The Remuneration Committee also takes into account external market data and pay and employment conditions elsewhere in the Group and industry when considering increases to base salary levels. There are no performance criteria associated with receiving this benefit.

### ANNUAL CASH BONUS

To incentivise the delivery of annual financial, strategic and safety objectives, executive directors and senior management may participate in the annual bonus scheme. The Remuneration Committee sets performance measures and targets at the start of the financial year, or later if appropriate, and based on the performance, bonuses are paid in cash shortly after the completion of the audit of the annual results.

The executives' annual bonus arrangements are focused on the achievement of the Company's short- and medium-term financial objectives, with financial measures selected to closely align the performance of the executive directors with the strategy of the business and with shareholder value creation. Where non-financial objectives are set, these are chosen to support the delivery of the longer-term strategic milestones and which link to those KPIs of most relevance to each director's individual responsibilities.

For executive directors, the maximum opportunity is 125% of salary. This level of incentive opportunity reflects the Committee's desire to retain a high proportion of remuneration on variable pay (which is not pensionable).

Financial measures will normally determine the majority or all of the bonus opportunity and the balance may be based on non-financial, strategic, personal and/or ESG-related objectives. Where possible, a graduated scale of targets is normally set for financial measures, with no pay-out for performance below a threshold level of performance.

Any payment is discretionary and will be subject to the

achievement of stretching performance targets and annual bonus may be reduced or eliminated if safety performance or accident records deteriorate or reach unacceptable levels.

### PERFORMANCE SHARE PLAN

In conjunction with the acquisition of Nordkalk in August 2021, a Performance Share Plan was proposed to drive performance of the Group and delivery of the Group's long-term objectives, aid retention of key personnel and align directors' interests with those of Shareholders.

The PSP, together with any other share incentive plan(s), is limited to no more than 10% of the issued ordinary share capital of the Company over a ten-calendar year period.

The initial awards under the Performance Share Plan (referred to henceforth as LTIP) were made to the executive directors and certain senior management, with the allocations determined by the Remuneration Committee. The LTIP is subject to meeting EPS growth and TSR criteria, with the first vesting attainable following the financial year ended 31 December 2023.

The EPS measure is based on growth in underlying EPS over the performance period. The target range is a sliding scale set at the time of award, taking account of internal and external forecasts, to encourage continuous improvement and incentivise the delivery of stretch performance.

The TSR measure takes the total return received by the Group's Shareholders in terms of share price growth over a three-year period and compares it with the total returns received by shareholders in companies within a predetermined and appropriate comparator group. The Remuneration Committee's intention is to reward only TSR performance which outperforms the comparator group.

Subsequent awards may be granted by the Remuneration Committee within six weeks following the Company's announcement of its financial results for any annual or six month period. The Remuneration Committee may also grant awards at any other time when it considers there to be exceptional circumstances which justify the granting of awards (for example, in the case of recruitment).

An employee may not receive such subsequent awards in any financial year in respect of Ordinary Shares having a market value in excess of 150% of their annual base salary in that financial year.

As a general rule, an award will lapse upon a participant's termination of employment within the Group, with certain exceptions permissible solely at the discretion of the Remuneration Committee (death, injury, ill-health, redundancy etc).

The Performance Share Plan and the LTIP awards were approved by Shareholders at a general meeting of the Company on 2 August 2021.

### NEW OPTION PLAN

In connection with the CRH Lime Acquisitions, on 4 January 2024 the Company adopted the New Option Plan (to be known as the 'SigmaRoc plc Share Option Plan 2023') in order to incentivise the executives and senior management of the Group and align their interests with those of Shareholders.



Key terms of the New Option Plan are as follows:

- **Administration and eligibility:** The Remuneration Committee administers the plan. Any Group employee, including executive directors, can participate at the Committee's discretion, with additional eligibility criteria for tax-qualified options.
- **Operation and terms:** The plan will operate only once, granting options conditional on Admission (being admission of the enlarged group to trading on AIM on 4 January 2024) as a one-off in connection with the proposals. It's not expected that future grants will be made under this plan unless deemed exceptional by the Remuneration Committee. No payment is required for the grant of these options, which are not transferable except upon death or with Remuneration Committee consent.
- **Grant details:** New options have been granted for a total of 56,373,757 Ordinary Shares, representing 5.1% of the Company's issued share capital upon grant. The final amount granted under the New Option Plan is higher than what was published in the Admission Document, however executive director allocations have not changed, as the Admission Document figure had not taken into account the change in the placing price and resultant increase in Ordinary Shares. The exercise price is set at 60 pence per option, vesting equally on the third, fourth and fifth anniversaries of Admission and remaining exercisable until the tenth anniversary.
- **Plan limits:** The plan operates within the Company's existing 10% dilution limits over a ten-year period, including new issue, treasury or market-purchased Ordinary Shares.
- **Timing of grants:** New options are to be granted immediately following Admission, with no further grants planned unless under exceptional circumstances.
- **Corporate events and leaving employment:** Provisions detail how options are affected by corporate changes or employment termination, allowing for early vesting or adjustments in certain scenarios.
- **Malus and clawback:** The Remuneration Committee may apply these provisions for material misstatements of financial results, errors, misconduct, corporate failure, or reputational damage, affecting unexercised options or requiring repayment of shares received.
- **Participants' rights and shares:** New options don't confer shareholder rights until exercised, and shares allotted will rank equally with existing shares except for prior record date rights.
- **Amendments and termination:** The plan can be amended by the Remuneration Committee with participant and shareholder consent under certain conditions, ensuring no adverse changes to participant terms without majority consent and maintaining compliance with the employees' share scheme definition under the Companies Act 2006.

## PENSION

Pensions are provided to aid recruitment and retention by allowing the executive directors to make provision for long-term retirement benefits. These are comparable with similar roles in similar companies. Executive directors are currently entitled to receive 10 per cent of their base salary. There are no performance criteria associated with receiving this benefit.

## OTHER BENEFITS

The Group also provides competitive and cost-effective benefits that may include private medical insurance, car allowance, employee benefits insurance and the reimbursement of certain travel costs. There are no performance criteria associated with receiving these benefits.

All our UK employees, over 500, have been offered both private medical insurance and group life assurance. Our benefits provider commented that the uptake of this offering from our employees was unprecedented, with many adding family members.

SigmaRoc has also engaged Link Group to set up a share incentive plan for all UK employees, an offering we already have in the Channel Islands. Under the terms of the SIP, each eligible employee can contribute from salary to purchase Ordinary Shares. We are continuing to investigate share plans for our European operations.

## NON-EXECUTIVE DIRECTORS

Non-executive directors each receive a market rate basic fee, subject to time commitment requirements, for holding the office of non-executive director which is set by the Board as a whole.

Non-executive directors do not participate in any incentive scheme, share scheme or pension arrangement (except for minimum statutory requirements), but may be eligible to receive benefits such as the use of secretarial support, travel costs or other benefits that may be appropriate.

## SERVICE AGREEMENTS / LETTERS OF APPOINTMENT OF DIRECTORS AND LOSS OF OFFICE

Each of the directors has a service agreement or letter of appointment with the Company as follows:

Director	Date joined	Notice Director	Notice Company
David Barrett	22 August 2016	12 months	12 months
Max Vermorken	22 August 2016	12 months	12 months
Garth Palmer	5 January 2017	6 months	6 months
Tim Hall	18 April 2019	6 months	6 months
Simon Chisholm	20 April 2020	6 months	6 months
Jacques Emsens	20 April 2020	6 months	6 months
Axelle Henry	26 April 2022	6 months	6 months

When it comes to payments and loss of office, the Board will always look to act in the Shareholders' interest.

## NOTICE PERIODS AND PAYMENTS IN LIEU OF NOTICE

The maximum notice period for executive directors is 12 months, however the Committee retains the right to terminate an executive director's service agreement by making a payment in lieu of notice. The payment will include salary, cost of benefits and loss of pension provision for the notice period (or the unexpired portion of it).

# Remuneration Committee Report

## Annual bonus

The payment of a bonus for the year in which the executive director leaves is determined by the Remuneration Committee, taking into consideration their contribution up to the leaving date and normal pro-rating for time in service during the year.

## Other payments

In appropriate circumstances, other payments may also be made, such as in respect of accrued holiday and outplacement and legal fees.

## RECRUITMENT POLICY

The Remuneration Committee will seek to ensure that when appointing a new executive director, their remuneration arrangements are in the best interests of the Company, and not more than is appropriate. The Committee will determine a new executive director's remuneration package in line with the policy set out above, however discretionary awards may be made in appropriate circumstances, such as:

- An interim appointment to fill a role on a short-term basis;
- Provide relocation, travel and subsistence payments;
- Reflect remuneration arrangements provided by a previous employer; and
- Reimbursement of costs incurred as a consequence of resigning from their previous employment.

## EXTERNAL APPOINTMENTS FOR EXECUTIVE DIRECTORS

The Company recognises that its executive directors may be invited to become non-executive directors of other companies. Such non-executive duties can broaden a director's experience and knowledge which can benefit SigmaRoc. Subject to approval by the Board, executive directors are allowed to accept non-executive appointments, provided that these appointments are not likely to lead to conflicts of interest, and the Committee will consider its approach to the treatment of any fees received by executive directors in respect of non-executive roles as they arise.

## CONSIDERATION OF SHAREHOLDERS' VIEWS

The Committee is committed to an ongoing dialogue with Shareholders and welcomes feedback on directors' remuneration. The Committee seeks to engage directly with major Shareholders and their representative bodies on changes to the policy. The Committee will also consider Shareholder feedback received in relation to the

remuneration-related resolution to be put forward at this year's AGM. This, together with any additional feedback received from time to time (including any updates to Shareholders' remuneration guidelines), is then considered as part of the Committee's annual review of remuneration policy and its implementation.

In its 2021 review of executive remuneration the Committee conducted a comprehensive consultation exercise which elicited feedback from the Company's largest Shareholders. The Committee was very grateful for the views received. The feedback, which was largely positive, was used constructively to shape our remuneration arrangements.

## CONSIDERATION OF EMPLOYMENT CONDITIONS ACROSS THE GROUP

The Committee closely monitors the pay and conditions of the wider workforce, and the design of the directors' remuneration policy is informed by the policy for employees across the Group.

While employees are not formally consulted on the design of the directors' remuneration policy, the Board will receive views through our designated workforce representative on a variety of areas including pay.

## DIFFERENCES IN PAY POLICY FOR EXECUTIVE DIRECTORS COMPARED TO EMPLOYEES

As for the executive directors, general practice across the Group is to recruit employees at competitive market levels of remuneration, incentives and benefits to attract and retain employees, accounting for national and regional talent pools. When considering salary increases for directors, the Committee considers salary increases and pay and employment conditions across the wider workforce. The pension contribution for executive directors is consistent with that for the general workforce. Senior employees can earn annual bonuses for delivering exceptional performance, with corporate performance measures aligned to those set for the executive directors. All UK based employees, including the executive directors, have the opportunity to participate in the tax-approved share incentive plans.

There are some differences in the structure of the remuneration policy for the executive directors compared to that for other employees within the organisation, which the Committee believes are necessary to reflect the differing levels of seniority and responsibility. At senior levels, remuneration is increasingly long-term, and 'at risk' with an increased emphasis on performance-related pay and share-based remuneration. This ensures the remuneration of the executives is aligned with both the long-term performance of the Company and the interests of Shareholders.

## ANNUAL REPORT ON REMUNERATION

The remuneration of the executive directors for the year ended 31 December 2023 was as shown in the table below:

31 December 2023						
	Directors' fees £'000	Bonus £'000	Taxable benefits £'000	Pension benefits £'000	Options issued <sup>1</sup> £'000	Total £'000
<b>Executive Directors</b>						
David Barrett	375	469	15	22	-	881
Max Vermorken	475	594	15	48	-	1,132
Garth Palmer	375	469	15	33	-	892
	<b>1,225</b>	<b>1,532</b>	<b>45</b>	<b>103</b>	<b>-</b>	<b>2,905</b>

The remuneration of the executive directors for the year ended 31 December 2022 was as shown in the table below:

	Directors' fees £'000	Bonus £'000	Taxable benefits £'000	Pension benefits £'000	Options issued <sup>1</sup> £'000	Total £'000
<b>Executive Directors</b>						
David Barrett	375	469	15	-	-	859
Max Vermorken	475	594	15	60	-	1,144
Garth Palmer	375	469	15	40	-	899
	<b>1,225</b>	<b>1,532</b>	<b>45</b>	<b>100</b>	<b>-</b>	<b>2,902</b>

<sup>1</sup> Options issued relate to options granted in the 2019 financial year and vesting in the 2021 financial year.

## ANNUAL BONUS FOR 2023

The annual bonus opportunity for each executive director was 125% of base salary (pro-rated for service). The 2023 annual bonus was based on the achievement of stretching underlying EPS targets for 75% with the remaining 25% based on corporate objectives.

### Underlying EPS (75% of the total bonus)

Threshold level of underlying EPS	Maximum level of underlying EPS	Actual level of underlying EPS	Bonus earned (percentage of max)
7.3p	7.65p	8.0p	100.0%

# Remuneration Committee Report

Reflecting the strong financial performance of the Group in a challenging year, the earnings outcome for the year was ahead of the maximum EPS target of 8.0p. As a result, the EPS measure was achieved in full. Based on a bonus opportunity of 125% of base salary, and a 75% weighting against the EPS condition, performance against this measure delivered a bonus outcome of 93.75% of base salary.

## Corporate objectives (25% of the total bonus)

The remaining 25% of the overall bonus pertained to corporate objectives, and this year was focused on execution and delivery of the Group's investment pipeline communicated as part of the Group's £30 million fundraise in February 2023. This measure was defined based on a level of profit after tax added to the Group in the year, with a lower limit of £2 million and an upper limit of £3 million, with the newly acquired businesses contributing over £3 million in FY23.

The 25% of the overall bonus pertaining to corporate objectives was therefore achieved in full in 2023.

Overall, the bonus outcome for the year, taking into account financial performance and the delivery of corporate objectives, was 100% of the maximum.

The overall bonus for the period in service as a director was as follows:

**David Barrett** – 125% of base salary

**Max Vermorken** – 125% of base salary

**Garth Palmer** – 125% of base salary

The Remuneration Committee believes these outcomes fairly reflect the performance of the business over the 2023 financial year.

## PERFORMANCE SHARE PLAN

The LTIP was granted under the PSP in October 2021, with awards vesting subject to a performance condition based on underlying EPS growth for the year ending 31 December 2023 and TSR over a three year period relative to the AIM 100 index.

The Remuneration Committee met to consider the performance of the executive management team in relation to the performance conditions set within the LTIP. The Committee has concluded that the management team has delivered above expected performance in relation to the EPS performance condition as defined in the LTIP, reaching 8.12p for the year 2023. As a result of this performance, the Remuneration Committee considers the EPS performance condition of the LTIP as satisfied for the year ended 31 December 2023. Consequently, Part I awards are expected to vest on 31 August 2024, Part II on 31 August 2025 and Part III on 31 August 2026.

TSR will be assessed based on the average of the three months immediately preceding 31 August 2024, relative to the starting TSR of 85 pence.

No PSP awards were granted in 2023.

## SHARE INCENTIVE PLAN

During 2023, the SIP trustee purchased (using the cash contributions made by employees) a total of 112,417 Ordinary Shares at an average price of 56.07 pence per share. Of these, the CEO and CTO purchased a total of 5,976 Ordinary Shares at an average price of 56.07 pence per share.

## BENEFICIAL INTERESTS

Beneficial interests of directors, their families and trusts in Ordinary Shares of the Company at 31 December 2023 were:

	Ordinary Shares	Vested options	Unvested options	Ordinary Shares as % of salary	Holding guideline met?
<b>David Barrett</b>	3,434,180	5,638,674	4,688,460	489%	Yes
<b>Max Vermorken</b>	827,034	11,807,349	11,221,560	93%	Yes
<b>Garth Palmer</b>	671,776	3,326,014	3,919,860	96%	Yes
<b>Tim Hall</b>	400,176	750,000	-	n/a	n/a
<b>Simon Chisholm</b>	-	-	-	n/a	n/a
<b>Jacques Emsens</b>	-	-	-	n/a	n/a
<b>Axelle Henry</b>	-	-	-	n/a	n/a

In 2022 the Committee introduced a minimum shareholding guideline for executive directors, whereby they are expected to build and maintain a shareholding equivalent to 75% of their base salary. Current holdings of Ordinary Shares by the executive directors represent cash investments made by them into the Company and no Ordinary Shares that they currently hold have been granted to them by the Company in connection with their employment. When that changes the Committee will reassess the minimum shareholding guideline and revise accordingly.

## CEO REMUNERATION

The total remuneration figures, including annual bonus and vested PSP awards (shown as a percentage of the maximum that could have been achieved) for the CEO for each of the last five financial years are shown in the table below.

Year	CEO	CEO total remuneration £ '000	Annual bonus pay-out against maximum opportunity %	PSP vesting rates %
2023	Max Vermorken	1,132	100.0	n/a
2022	Max Vermorken	1,148	100.0	n/a
2021	Max Vermorken	1,223	100.0	n/a
2020	Max Vermorken	938	177.0	n/a
2019	Max Vermorken	689	100.0	n/a

<sup>1</sup> Entitled to 100% but voluntarily offered to reduce due to COVID pandemic while achieving Group targets set prior to COVID pandemic.

## IMPLEMENTATION OF POLICY IN 2024

### Base salaries

Current base salaries for executive directors were established as part of the Committee review in 2021.

The Committee carefully considered base salaries for executive directors during 2023 and has proposed the following changes to be effective in 2024:

Executive director	Base salary	
	2023 <sup>1</sup> £'000	2024 £'000
David Barrett	390	390
Max Vermorken	490	550
Garth Palmer	390	390

<sup>1</sup> Including £15k car allowance which now forms part of base

The Committee also undertook a review of salaries across the broader Group toward the end of 2023 to ensure they remain commensurate, particularly given recent global inflationary trends and resulting cost of living pressures. Inflation rates by country, across multiple reference dates, were compared to recent and proposed changes to Group

workforce salaries and wages. While severity of, and responses to, cost-of-living increases varied by country across the Group, the Committee was satisfied that the changes implemented to date, and where applicable, those that were proposed, were fair and reasonable.

### Non-Executive Directors' Fees

The basic fee for the non-executive directors for 2023 was £50,000. For 2024 it is proposed that NEDs be paid a basic fee of £70,000, representing the substantial growth and development of the Group over the past 12 months.

### Annual bonus

For 2024, the executive directors will have the opportunity to earn a bonus of up to 125% of their base salary. The bonus will be subject to stretching performance conditions based on underlying EPS (75%) and corporate objectives (25%). The performance targets contain confidential information and so are not disclosed on a prospective basis. The Committee propose to disclose the targets, and performance against them, retrospectively as was the case in 2023.

### PSP AWARDS

The Committee does not expect to grant any further awards under the PSP in 2024.

This report was approved by the Board on 17 March 2024.

**Simon Chisholm**  
Independent Non-Executive Director

# Nomination Committee



Farming in Sweden

# Nomination Committee

The Nomination Committee keeps the leadership of the Group under review and ensures the Board can govern effectively now and in the future.

## KEY ACTIVITIES CARRIED OUT IN 2023

During the year the Nomination Committee undertook a search for potential independent non-executive director candidates to be appointed to the Board to bolster the Company's corporate governance.

## COMMITTEE DUTIES

The duties of the Nomination Committee are as follows:

- To be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- Evaluate the balance of skills, knowledge and experience on the Board;
- Keep up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates;
- Give full consideration to succession planning for both executive and non-executive directors and other senior management in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;
- Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;

- Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- The Nomination Committee shall make recommendations to the Board as regards plans for succession for both executive and non-executive directors.

**"It is a pleasure to be the Chairman of the Nomination Committee in a business that is exponentially growing. I look forward to supporting the Group in ensuring that we have the best executive and senior management teams in place that suit the strategy, business model and culture of SigmaRoc."**

This report was approved by the Board on 17 March 2024.

**Simon Chisholm**  
Independent Non-Executive Director



Harries site in  
Foelfach, Wales

# Directors Report



Board members on site visit  
in Rubeland, Germany



# Directors Report

The Directors present their report, together with the audited Financial Statements, for the year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is to make investments and/or acquire businesses and assets in the construction and industrial quarried materials sectors. The principal activity of the Group is the production of high-quality aggregates and supply of value-added quarried materials.

## BOARD COMPOSITION AND HEAD OFFICE

The Board comprises three Executive Directors and four Non-Executive Directors at year end. The Corporate Head Office of the Company is located in London, UK.

## RISK MANAGEMENT

The Board is responsible for the Group's risk management and continues to develop policies and procedures that reflect the nature and scale of the Group's business. Further details of the key areas of risk to the business identified by the Group are included on pages 132 to 137.

Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

## RESULTS AND DIVIDENDS

For the year to 31 December 2023, the Group's underlying profit before tax was £71.2 million (2022: £62.7 million) while

total profit before tax was £28 million (2022: £42.7 million) and underlying profit after tax was £58.8 million (2022: £53.6 million) while total profit after tax was £16.7 million (2022: £33.6 million). Recognising the Group's strategy and current position on its journey, the Directors are not proposing to adopt a dividend policy yet, however this will be reviewed once the Group's Covenant Leverage is below 1.5x.

## STATED CAPITAL

Details of the Company's shares in issue are set out in Note 28 to the Financial Statements.

## DIRECTORS

The following Directors served during the year:

Director	Position
David Barrett	Chairman
Max Vermorken	Chief Executive Officer
Garth Palmer	Chief Financial Officer
Tim Hall	Independent Non-Executive Director
Simon Chisholm	Independent Non-Executive Director
Jacques Emsens	Independent Non-Executive Director
Axelle Henry	Independent Non-Executive Director

## DIRECTORS & DIRECTORS' INTERESTS

The Directors who served during the year ended 31 December 2023 are shown below and had, at that time, the following beneficial interests in the shares of the Company:

	31 December 2023		31 December 2022	
	Ordinary Shares	Options	Ordinary Shares	Options
Max Vermorken	827,034	11,807,349	759,231	11,807,349
David Barrett	3,434,180	5,638,674	3,053,439	5,638,674
Garth Palmer	671,776	3,326,014	616,146	3,326,014
Tim Hall	400,176	750,000	400,176	750,000
Simon Chisholm	-	-	-	-
Jacques Emsens	-	-	-	-
Axelle Henry	-	-	-	-

Further details on options can be found in Note 29 to the Financial Statements.

Details on the remuneration of the Directors can be found in Note 10 to the Financial Statements.

# Directors Report

## SUBSTANTIAL SHAREHOLDINGS

The Company is aware that, as at 17 March 2024, other than the Directors, the interests of Shareholders holding three per cent or more of the issued share capital of the Company were as shown in the table below:

Shareholder	Shares held	Percentage of holdings
<b>CRH plc</b>	171,578,948	15.39%
<b>Blackrock</b>	74,560,450	6.69%
<b>Lombard Odier</b>	54,355,474	4.88%
<b>Rettig Group</b>	50,276,521	4.51%
<b>Conversant Capital</b>	47,371,995	4.25%
<b>Janus Henderson Investors</b>	46,350,185	4.16%
<b>BGF</b>	46,105,973	4.14%
<b>Slater Investments</b>	40,597,422	3.64%
<b>Canaccord Genuity Wealth Management</b>	35,780,263	3.21%
<b>Chelverton Asset Management</b>	35,000,000	3.14%

## INHERITANCE TAX

Shares in AIM quoted trading companies or a holding company of a trading group may, after a 2 year holding period, qualify for Business Property Relief for United Kingdom inheritance tax purposes, subject to the detailed conditions for the relief.

Investors should note that Business Property Relief would cease to be available in the event that the Company's shares were to become listed on a HMRC designated stock exchange, for example the Main Market of the London Stock Exchange.

## EMPLOYEES

By being responsible for their own businesses, that are aligned with the overall Group's strategy, employees are fully aware of their impact and contribution as they are inherently responsible for their own success. The Group and each business is committed to employing the best they can, not only in skills and competence but also in their softer skills, regardless of who they are or where they have come from. Once engaged, each employee is nurtured and developed locally with opportunities within each business and platform offered openly.

## POLITICAL CONTRIBUTION

The Group did not make any contributions to political parties during either the current or the previous year.

## ANNUAL GENERAL MEETING

The AGM will be held at the Washington Mayfair Hotel, 5 Curzon St, London W1J 5HE on 12 April 2024 at 12:30pm. The formal notice convening the AGM, together with explanatory notes on the resolutions contained therein, is included in the separate circular accompanying this document and is available on the Company's website at [www.sigmaroc.com](http://www.sigmaroc.com).

## VIABILITY STATEMENT

The Directors have assessed the viability of the Group over a period to December 2027. This is the same period over which financial projections were prepared for the Group's strategic financial plan. In making their assessment the Directors have taken into account the Group's current position and the potential impact of the principal risks and uncertainties set out on pages 132 to 137 on its business model, future performance, solvency or liquidity. They also stress tested their analysis by running a number of credible scenarios and considered the availability of mitigating actions. Based on this assessment, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2024. In making this statement, the Directors have assumed that financing remains available and that mitigating actions are effective.

## CORPORATE RESPONSIBILITY

### Environmental

SigmaRoc undertakes its activities in a manner that minimises or eliminates negative environmental impacts and maximises positive impacts of an environmental nature.

### Health and safety

SigmaRoc operates a comprehensive health and safety programme to ensure the wellness and security of its employees. The control and eventual elimination of all work-related hazards require a dedicated team effort involving the active participation of all employees. A comprehensive health and safety programme is the primary means for delivering best practices in health and safety management. This programme is regularly updated to incorporate employee suggestions, lessons learned from past incidents and new guidelines related to new projects, with the aim of identifying areas for further improvement of health and safety management. This results in continuous improvement of the health and safety programme. Employee involvement is regarded as fundamental in recognising and reporting unsafe conditions and avoiding events that may result in injuries and accidents.

### Internal controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance

against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Further details of corporate governance can be found in the Corporate Governance Report on page 156.

## Going concern

The Group meets its day-to-day working capital and other funding requirements through cash and banking facilities, which were renewed in November 2023 and of which more information can be found on page 203.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern included in Note 2.3 to the Financial Statements.

## Directors' and officers' indemnity insurance

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors and officers. These were made during the year and remain in force at the date of this Annual Report.

## EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are set out in Note 38 to the Financial Statements.

## POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Group agrees terms and conditions for its business transactions with suppliers. Payment is then made in accordance with these terms, subject to the terms and conditions being met by the supplier. As at 31 December 2023, the Company had an average of 53 days (2022: 54 days) purchases outstanding in trade payables and the Group had an average of 62 days (2022: 58 days).

## FUTURE DEVELOPMENTS

Details of future developments for the Group are disclosed in the Chairman's Statement on page 14 and the CEO's Strategic Report on page 18.

## PROVISION OF INFORMATION TO AUDITOR

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## AUDITOR

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 17 March 2024.

**Garth Palmer**  
Chief Financial Officer

# Statement of Directors' responsibilities



Bluestone bed in quarry in Soignies, Belgium

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations, including the AIM Rules for Companies.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with UK-adopted International Accounting Standards (UK-adopted IAS). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted IAS have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, [www.sigmaroc.com](http://www.sigmaroc.com). Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.



Nordkalk underground mine in Lohja, Finland

# Independent Auditor's report to the members of SigmaRoc plc

Field in Reku,  
Finland

# Independent Auditor's report to the members of SigmaRoc plc

## OPINION

We have audited the financial statements of SigmaRoc plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the directors' going concern assessment and evaluating the appropriateness of this assessment;

- Obtaining cashflow forecasts covering at least a twelve-month period from the approval of the financial statements, ascertaining the key inputs and assumptions in the preparing of this forecast/budget and assessing the reasonableness of such assumptions;
- Comparing previous forecasts to actual performance to assess management's forecasting accuracy;
- Agreeing the key inputs to the forecasts and/or budgets to the underlying supporting documentation;
- Agreeing the year-end cash balances to the opening working capital position within the forecasts and/or budgets;
- Testing the mathematical accuracy of the forecasts including stress testing the key inputs and assumptions; and
- Reviewing of external market factors affecting the Group and the Company and their future economic viability, such as the energy transition, and ensuring they are appropriately reflected in management's forecasts.

The risks that we considered most likely to affect the financial resources or ability to continue operations over the going concern assessment period were:

- adverse circumstances impacting timely conversion of trade receivables to cash;
- the ability of the Group and Company to comply with debt covenants;
- rising inflation impacting expenditures, cost of sales and operating cashflows; and
- the failure to achieve forecasted revenue growth.

We considered these risks through a review of the application of reasonably foreseeable downside scenarios. We found the going concern disclosure in note 2.3 to be appropriate as it gives a reasonable description of the assessment of going concern supported by the underlying cashflow forecasts reviewed as part of our work in this area.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# Independent Auditor's report to the members of SigmaRoc plc

## OUR APPLICATION OF MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations,

helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

	Group financial statements	Company financial statements
Materiality for the financial statements as a whole ('overall materiality')	£5.80 million (2022: £5.20 million)	£3.30 million (2022: £3.00 million)
Basis of materiality	1% (2022: 0.97%) of turnover	1% (2022: 0.86%) of net assets
Rationale Benchmark	We considered revenue to be the most relevant performance indicator of the Group as it is a significant driver of profit or loss for the year.	The Company operates primarily as a holding company which holds the main debt facility for the Group and as such, we consider net assets as the key metric.
Rationale Percentage	The percentage applied to the benchmark has been selected to bring into scope all significant classes of transactions, account balances and disclosures relevant for the shareholders, and also to ensure that matters that would have a significant impact on the results were appropriately considered.	
Performance materiality 70% (2022: 70%) of overall materiality	£4.06 million (2022: £3.64 million)	£2.31 million (2022: £2.10 million)
	<p>In determining performance materiality, we considered the following factors:</p> <ul style="list-style-type: none"> <li>the number and quantum of identified misstatements in the prior year audit;</li> <li>management's attitude to correcting misstatements identified;</li> <li>our cumulative knowledge of the Group and Company and their environment, including industry specific trends;</li> <li>the consistency in the level of judgement required in key accounting estimates;</li> <li>the stability in key management personnel; and</li> <li>the level of centralisation in the Group's financial reporting controls and processes.</li> </ul>	

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes.

For each significant component in the scope of our audit, we allocated a materiality based on the maximum aggregate component materiality. The range of materiality allocated across components was between £4.50 million and £1.90 million (2022: between £3.30 million and £2.00 million). Materiality for material non-significant components of £3.14 million (2022: £2.86 million) was calculated based on a percentage of the Group's revenue.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £290,000 (2022: £260,000) as well as misstatements below

those amounts that, in our view, warranted reporting for qualitative reasons.

## OUR APPROACH TO THE AUDIT

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We note that the Group has made acquisitions of subsidiary undertakings and has performed a purchase price allocation during the year on the goodwill asset recognised in the prior year. Both of these areas are inherently complicated and require a significant amount of judgement by management. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.



Of the Group's 41 components, including the Company, 5 material and significant components were subject to full scope audits for group purposes, a targeted scope review was performed on a further 19 components assessed as material, and the remaining components were subject to analytical review as they were not significant or material to the Group.

The components not subject to full scope audits contained only balances that eliminated on consolidation, or specific balances material to the financial statements. The Company was audited separately to the materiality level noted above.

Of the 5 material and significant components, 3 were located in Finland, Sweden, and Poland. The components in these locations were audited by firms outside of the PKF network operating under our instruction. The remaining components were located in London, where the audit work was conducted by us using a team with specific experience of auditing companies within the natural resources sector and publicly listed entities. We interacted regularly with the

component audit teams during all stages of the audit and we were responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the Group and Company financial statements.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
<p>Valuation and Allocation of Investments in subsidiary undertakings (Company) (Note 18)</p> <p>The Company carries an "Investment in subsidiary undertakings" balance of £567.31 million (2022: £583.42 million) in its Statement of Financial Position.</p> <p>There is a risk that the carrying value of the investments is greater than the recoverable amount and is therefore impaired.</p> <p>We have assessed this to be a key audit matter as the estimated recoverable amount of investments is subjective due to inherent uncertainties involved in forecasting and discounting future cashflows, and thereby overstating the carrying value of investments.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Obtaining the impairment models and assessment for each subsidiary and reviewing the models for reasonableness;</li> <li>• Assessing the mathematical accuracy of the models;</li> <li>• For all key assumptions and inputs to the impairment models: <ul style="list-style-type: none"> <li>• discussing their appropriateness with management.</li> <li>• agreeing to supporting evidence including, where possible, to third party data; and</li> <li>• evaluating and recalculating the discount rate used;</li> </ul> </li> <li>• Reviewing the value of the net investment in subsidiaries against the supporting underlying assets;</li> <li>• Assessing the historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved;</li> <li>• Performing a sensitivity analysis on the key assumptions and inputs noted above;</li> <li>• Considering the existence of impairment indicators per IAS 36 <i>Impairment of Assets</i>; and</li> <li>• Reviewing the associated disclosures in the financial statements and assessing the appropriateness of such disclosures.</li> </ul>

# Independent Auditor's report to the members of SigmaRoc plc

## Valuation and Allocation of Goodwill (Note 17)

The Group carries a balance of over £170.34 million (2022: £147.74 million restated) in goodwill relating to the acquisition of its subsidiaries. Furthermore, in accordance with group's accounting policy on business acquisitions and pending the finalisation of the Purchase Price Allocation (PPA) report, provisional goodwill is allocated to other identifiable assets and any unallocated amount sits within goodwill.

In accordance with IAS 36, goodwill is not amortised; however, an impairment review should be undertaken annually, or more frequently, should events or changes in circumstances indicate a potential impairment.

Goodwill is allocated to groups of cash generating units according to the level at which management monitors the operating segments. As such, the impairment reviews are performed in conjunction with the respective investment reviews.

We have assessed this to be a key audit matter given that the estimated recoverable amount of goodwill is subjective, including the estimates and judgements when calculating the recoverable amount, and as such there is a risk that the carrying value of goodwill may be overstated.

Our work in this area included:

- Using our valuation team, who are part of our audit team, to review the PPA prepared by a third party engaged by management. The work included reviewing the PPA and assessing the key assumptions and inputs used to allocate the goodwill value to other intangible assets;
- Obtaining the impairment models and assessment for each subsidiary and reviewing the models for reasonableness;
- Assessing the mathematical accuracy of the models;
- For all key assumptions and inputs to the impairment models:
  - discussing their appropriateness with management;
  - agreeing them to supporting evidence and where possible, to third party data; and
  - evaluating and recalculating the discount rate used;
- Assessing the historical forecasting accuracy, by comparing previously forecasted cash flows to actual results achieved;
- Performing a sensitivity analysis on the key assumptions and inputs noted above;
- Considering the existence of impairment indicators per IAS 36 Impairment of Assets; and
- Reviewing the associated disclosures in the financial statements and assessing the appropriateness of such disclosures.



Harries production site  
in Bolton Hill, Wales

# Independent Auditor's report to the members of SigmaRoc plc

## OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the Group and Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the Group and Company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Company financial statements, the directors are responsible for assessing the Group and 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 unless the directors either intend to liquidate the Group or the Company or to cease operations, or have 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, review of accident logbooks, and application of cumulative audit knowledge and experience of the quarrying sector.
- We determined the principal laws and regulations relevant to the Group and Company in this regard to be those arising from the:
  - Companies Act 2006;
  - UK-adopted international accounting standards;
  - Quoted Companies Alliance Code;

- Local laws and regulations including environmental in the jurisdictions of the subsidiary entities;
  - AIM Rules for Companies;
  - Health and safety laws; and
  - Anti-bribery and anti-money laundering regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Company with those laws and regulations. These procedures included, but were not limited to:
    - Making enquiries of management;
    - Reviewing board meeting minutes;
    - Reviewing Regulatory News Service announcements;
    - Ensuring adherence to the terms within the exploration permits, including environmental conditions; and
    - Reviewing legal and regulatory correspondence and reviewing legal and professional fees.
  - We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the valuation of goodwill and investments (noted in the Key audit matters section of our report) as well as the valuation of the defined benefit obligations, including the key actuarial assumptions applied. We addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate and ensuring that there were adequate disclosures included in the respective notes including the disclosures within critical accounting estimates.
  - We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
  - As part of the Group audit, we have communicated with component auditors the fraud risks associated with the Group and the need for the component auditors to address the risk of fraud in their testing. To ensure that this has been completed, we have reviewed component auditor working papers in this area and obtained responses to our Group instructions from the component auditors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is

also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

**[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)**

This description forms part of our auditor's report.

## USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Zahir Khaki**  
**Senior Statutory Auditor**

For and on behalf of

**PKF Littlejohn LLP**  
Canary Wharf  
Statutory Auditors  
15 Westferry Circus  
Canary Wharf  
London E14 4HD

**17 March 2024**

# Definitions

<b>'2018 Regulations'</b>	the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 that came into force on 1 April 2019	<b>'Betons'</b>	Betons du Hainaut et de la Sambre
<b>'4i'</b>	the Group's four core operating principles, being Invest, Improve, Integrate and Innovate	<b>'Björka Mineral'</b>	Björka Mineral AB
<b>'Accounts' or 'Annual Report'</b>	the consolidated financial statements of the Group for the year ended 31 December 2023 together with the Chairman's Statement, CEO's Strategic Report, Directors' Report and additional reports contained therein	<b>'Bluestone'</b>	Belgian Blue Limestone local to the Hainaut region
<b>'Adjusted Leverage Ratio'</b>	the comparison of net debt to underlying EBITDA for the last twelve months adjusted for pre-acquisition earnings of subsidiaries acquired during the year	<b>'BNPP'</b>	BNP Paribas
<b>'Admission'</b>	the re-admission of Ordinary Shares to trading on AIM on 4 January 2024 in connection with the CRH Lime Acquisitions	<b>'Board' or 'Directors'</b>	the board directors of the Company, being the existing Directors (whose names are set out on page 154 of this document)
<b>'AGM'</b>	an annual general meeting of the Company	<b>'Bow Tie'</b>	visual tool to keep an overview of risk management practices
<b>'AIM'</b>	AIM Market of the London Stock Exchange	<b>'bps'</b>	basis points, whereby one basis point is equivalent to 0.01%
<b>'Allen' or 'Allen Concrete'</b>	Topcrete Limited and its subsidiary undertakings, including Allen (Concrete) Limited	<b>'CapEx'</b>	capital expenditure on property, plant and equipment to maintain and preserve the operational efficiency of existing assets, to ensure they are kept in good working condition and can continue to generate the expected level of revenue and profits for the Group
<b>'Aqualung'</b>	Aqualung Carbon Capture AS	<b>'Carrieres du Hainaut' or 'CDH'</b>	CDH Développement SA and its subsidiary undertakings, including Carrieres du Hainaut SCA
<b>'ArcelorMittal'</b>	ArcelorMittal Global Holdings S.L.R.	<b>'Casters'</b>	Casters Beton NV
<b>'Articles'</b>	the Company's Articles of Association	<b>'CCP' or 'Cheshire Concrete Products'</b>	CCP Building Products Limited and its subsidiary undertakings
<b>'B-Mix'</b>	collectively, B-Mix Beton NV, J&G Overslag en Kraanbedrijf BV and Top Pumping NV	<b>'CCUS'</b>	carbon capture utilisation or sequestration
<b>'Baltics Aggregates'</b>	Baltic Aggregates Oy, a subsidiary of the Group registered in Finland and focused on aggregate exports from Finland to the Baltic states	<b>'CdB'</b>	Carrieres du Boulonnais which is part of Groupe Boulonnais
<b>'Baltics Platform'</b>	the Group's limestone and dolomite operations, and part of Nordkalk, covering the Baltic states markets and including Baltic Aggregates	<b>'CEO'</b>	Chief Executive Officer of the Company occupied by Max Vermorken
<b>'Benelux' or 'Benelux Platform'</b>	the Group's construction materials platform covering the Benelux market including GduH, B-Mix and Stone	<b>'CFO'</b>	Chief Financial Officer of the Company occupied by Garth Palmer
		<b>'Channel Islands' or 'Channel Islands Platform'</b>	the Group's construction materials platform covering the Channel Islands market including Ronez and SigmaGsy

<b>'CIO'</b>	Chief Information Officer of the Company occupied by Fons Vermorken	<b>'EMS'</b>	environmental management system
<b>'Clogrennane'</b>	Clogrennane Lime Limited	<b>'England' or 'England Platform'</b>	the Group's construction materials platform covering the English market currently comprising of Johnston
<b>'CO<sub>2</sub>'</b>	carbon dioxide	<b>'EPD'</b>	environmental product declaration
<b>'CO<sub>2</sub>e'</b>	carbon dioxide emitted	<b>'EPS'</b>	earnings per share
<b>'Company' or 'SigmaRoc'</b>	SigmaRoc plc	<b>'ESG'</b>	environment, social and governance
<b>'Coronavirus', 'COVID' or 'COVID-19'</b>	coronavirus (COVID-19) infectious disease and its pandemic outbreak	<b>'EUETS'</b>	European Union Emissions Trading System
<b>'CRH'</b>	CRH plc (NYSE: CRH) (LSE: CRH) an international group of diversified building materials businesses headquartered in Dublin, Ireland	<b>'EURIBOR'</b>	the Euro Interbank Offered Rate is an overnight interbank rate comprised of the average interest rates from a panel of large European banks that are used for lending to one another in euros
<b>'CRH Deal 1'</b>	the acquisition by the Company of CRH's German (Fels), Czech (Vitosov) and Irish (Clogrennane) lime and industrial limestone businesses, which was approved by Shareholders at a general meeting of the Company on 11 December 2023 and was completed on 4 January 2024	<b>'euros', 'EUR' or '€'</b>	the currency unit of the European Monetary Union
<b>'CRH Deal 2'</b>	the proposed acquisition by the Company of CRH's UK lime operations	<b>'FCF' or 'Free Cash Flow'</b>	net cash flows from operating activities adjusted for CapEx, net interest paid, net non-underlying expenses paid and payments through working capital that relate to pre-acquisition accruals or purchase price adjustments
<b>'CRH Deal 3'</b>	the proposed acquisition by the Company of CRH's Polish lime operations	<b>'FCF Conversion'</b>	FCF conversion ratio, an indicator that measures the Group's ability to convert profits into available cash, calculated as Free Cash Flow divided by underlying EBITDA
<b>'CRH Lime Acquisitions'</b>	the proposed acquisition by the Company of the CRH European lime and industrial limestone assets, structured as three separate and independent transactions, being CRH Deal 1, CRH Deal 2 and CRH Deal 3	<b>'FD'</b>	Financial Director of a business, platform or region
<b>'CTO'</b>	Chief Technology Officer of the Company occupied by Charles Trigg	<b>'Fels'</b>	Fels Holding GmbH, including its fully owned (direct or indirect) subsidiaries Fels-Werke GmbH, Fels Netz GmbH and Fels Vertriebs and Service GmbH & Co KG
<b>'Cuvelier'</b>	Philippe Cuvelier S.A	<b>'Financial Statements'</b>	the consolidated income statement, consolidated statement of comprehensive income, statements of financial position, consolidated statement of changes in equity, Company statement of changes in equity, cash flow statements and the accompanying notes to the financial statements
<b>'Dimension Stone' or 'Dimension Stone Platform'</b>	the Group's dimension stone platform based in Belgium consisting of CDH	<b>'FLT'</b>	fork-lift truck
<b>'EBITDA'*'</b>	earnings before interest, tax, depreciation and amortisation	<b>'Foelfach'</b>	Foelfach Stone Limited
<b>'eCO<sub>2</sub>'</b>	embodied CO <sub>2</sub>		

# Definitions

'FTSE Russell'	subsidiary of London Stock Exchange Group that produces, maintains, licenses, and markets stock market indices	'IOSH'	Institution of Occupational Safety and Health
'GduH' or 'Granulats du Hainaut'	Granulats du Hainaut SA	'ISO'	International Organisation for Standardisation
'GGBS'	ground-granulated blast-furnace slag	'ISO 14001'	international standard that specifies requirements for an effective EMS, provides a framework that an organisation can follow, rather than establishing environmental performance requirements
'GHG'	greenhouse gas	'ISO 45001'	standard for management systems of occupational health and safety focused on reduction of occupational injuries and diseases, including promoting and protecting physical and mental health
'Goijens'	Gripeco BV and its 100% owned subsidiaries Wegenbouw Goijens NV, Goijens Recycling NV and G&G Bentonpompen BV, a Belgian group of companies acquired by the Group in 2023 and which supplies ready-mixed concrete and pumping solutions in the north east of Belgium	'JD' or 'Juuan Dolomitik'	Juuan Dolomittikalkki Oy, a Finnish company acquired by the Group in 2023 which supplies high quality dolomitic limestone to agricultural and environmental industries
'Greenbloc'	the Group's cement free ultra-low carbon precast product range	'JQG', 'Johnston' or 'Johnston Quarry Group'	Johnston Quarry Group Limited, Guiting Quarry Limited and their subsidiary undertakings
'Group'	the Company and its subsidiary undertakings	'JV'	joint venture
'Groupe Boulonnais'	Groupe Carrières du Boulonnais	'kge'	kilogram equivalent
'Group Revenue'	consolidated revenue of the Group for the year ended 31 December 2023	'kWh'	kilowatt-hour
'Growth Investment'	capital investment to acquire or upgrade assets that enable the Group to expand its operations or improve its efficiency to generate future earnings growth	'La Belonga'	La Belonga S.A.
'Harries'	GDH (Holdings) Limited and its subsidiary undertakings including Gerald D. Harries & Sons Limited	'Leverage Ratio'	the same as Adjusted Leverage Ratio, but excluding IFRS 16 related lease liabilities from net debt
'HSEQ'	health, safety, environment and quality	'LFL'	like-for-like comparative prepared on a pro-forma basis adjusted for impact of any acquisitions or non-recurring events
'H&S'	health & safety	'Link'	Link Market Services Limited who acts as the Company's registrar
'IAS'	International Accounting Standards	'LTIFR'	lost time injury frequency rate
'IASB'	International Accounting Standards Board	'LTIP' or 'Long Term Incentive Plan'	the initial awards made under the PSP in October 2021 to executive directors and certain senior management
'IFRS'	International Financial Reporting Standards	'M&A'	mergers & acquisitions
'IFRSIC'	IFRS Interpretations Committee		



<b>'Marshalls'</b>	Marshalls plc, the UK's leading hard landscaping and building materials supplier	<b>'pH'</b>	scale used to specify acidity or alkalinity
<b>'MD'</b>	Managing Director of a business, platform or region	<b>'PKF'</b>	PKF Littlejohn LLP
<b>'Mevo'</b>	Material Evolution Inc	<b>'Poland Platform'</b>	the Group's limestone and carbonate operations in Poland, which is part of Nordkalk, and also includes relatively small operations in Turkey and prospective mineral permits in Ukraine
<b>'NED'</b>	Non-Executive Director	<b>'Poundfield' or 'Poundfield Products'</b>	Poundfield Products (Group) Limited and its subsidiary undertakings, including Poundfield Products Limited
<b>'NEBOSH'</b>	the National Examination Board in Occupational Safety and Health	<b>'PPA'</b>	purchase price allocation
<b>'Net Margin'</b>	EBITDA margin adjusted for impact of inflationary cost pass-throughs, such as energy, materials, and distribution	<b>'PPG' or 'PPG Platform'</b>	the Group's precast concrete products platform covering the UK market including Allen, Poundfield and CCP
<b>'New Option Plan'</b>	The new option plan known as the SigmaRoc plc Share Option Plan 2023 approved by Shareholders on 11 December 2023 and adopted by the Company in connection with the CRH Lime Acquisitions	<b>'ppt'</b>	percentage points
<b>'NMWTRA'</b>	the North and Mid Wales Trunk Road Agent, being one of two trunk road agents in Wales and responsible for managing motorways and trunk roads in North and Mid Wales on behalf of the Welsh Government	<b>'pro-forma'</b>	financial information presented on a like-for-like basis adjusting for impact of any acquisitions and non-recurring events
<b>'Nordics Platform'</b>	the Group's limestone, carbonate and specialty products business, which forms part of Nordkalk, and addresses Finnish and Swedish markets	<b>'PSP' or 'Performance Share Plan'</b>	performance based share incentive plan
<b>'Nordkalk'</b>	the Nordkalk group, consisting of Nordkalk Oy Ab and its subsidiary undertakings	<b>'Puccini Blue'</b>	a version of Bluestone created through special cutting, polishing and honing techniques developed by the Group
<b>'North East' or 'North East Region'</b>	the North East Region of the Group comprising of Nordkalk	<b>'QCA Code'</b>	Quoted Companies Alliance's Corporate Governance Code
<b>'North West' or 'North West Region'</b>	the North West Region of the Group comprising PPG, England, Wales and the Channel Islands	<b>'Quicklime Platform'</b>	the Group's industrial focused quicklime platform, which forms part of Nordkalk, and owns & operates kilns in Finland, Sweden and Estonia, has JV companies that operate kilns in Sweden and Norway, and manages customer owned kilns in Finland and Germany
<b>'NOx'</b>	nitrogen oxides	<b>'RCF'</b>	revolving credit facility
<b>'Ordinary Shares'</b>	the ordinary shares of 1 penny each in the capital of the Company	<b>'Reserves'</b>	mineral that has a high level of geological knowledge and confidence, is economically mineable, and includes modifying factors such as having permits and regulatory approvals in place
<b>'OpEx'</b>	operating expenditure	<b>'Resources'</b>	mineral that has a level of geological knowledge and confidence and that there are reasonable prospects for eventual economic extraction
<b>'PERC'</b>	Pan European Reserves & Resources Reporting Committee, where possible we follow PERC guidelines when reporting Reserves and Resources		
<b>'PFA'</b>	pulverised fuel ash		

# Definitions

<b>'Retaining'</b>	Retaining Holdings Limited and its wholly owned subsidiaries including Retaining (UK) Limited and Geocast Ltd	<b>'ST Investicija' or 'Baltic Aggregates Lithuania'</b>	ST Investicija UAB
<b>'Rightcast'</b>	Rightcast Limited	<b>'SWTRA'</b>	the South Wales Trunk Road Agent, being one of two trunk road agents in Wales and responsible for managing motorways and trunk roads in South Wales on behalf of the Welsh Government
<b>'RMI'</b>	repair, maintenance and improvement	<b>'TCFD'</b>	task force on climate-related financial disclosures
<b>'RNS'</b>	Regulatory News Service	<b>'tCO<sub>2</sub>e'</b>	tonnes of carbon dioxide equivalent
<b>'ROIC'</b>	return on invested capital, a measure of the profitability and value-creating potential of companies relative to the amount of capital invested by shareholders and other debtholders	<b>'TIFR'</b>	total incident frequency rate
<b>'Ronez'</b>	Ronez Limited and its subsidiary undertakings	<b>'TSR'</b>	total shareholder returns
<b>'Santander'</b>	Santander plc	<b>'UK'</b>	United Kingdom
<b>'SASB'</b>	sustainability accounting standards board	<b>'UK IAS'</b>	UK-adopted international accounting standards, which includes IAS, IFRS, IFRSIC, and subsequent amendments to those standards and related interpretations, plus future standards and related interpretations issued or adopted by the IASB
<b>'SBTI'</b>	Science Based Targets initiative	<b>'underlying'*</b>	underlying results are stated before acquisition related expenses, certain finance costs, redundancy and reorganisation costs, impairments, amortisation of acquisition intangibles and share option expense. References to an underlying profit measure throughout this Annual Report are defined on this basis
<b>'SECR'</b>	streamlined energy and carbon reporting	<b>'UPM'</b>	UPM-Kymmene Oyj a Finnish forest industry company
<b>'Shareholder'</b>	a holder of Ordinary Shares	<b>'USA'</b>	United States of America
<b>'SigmaGsy'</b>	SigmaGsy Limited	<b>'Vitosov'</b>	Vapenka Vitošov s.r.o.
<b>'SIP'</b>	share incentive plan	<b>'Wales' or 'Wales Platform'</b>	the Group's construction materials platform covering the Southern Welsh market including Harries and Foelfach
<b>'SKOY'</b>	Suomen Karbonaatti Oy, a joint venture company between Nordkalk (51 per cent.) and Omya Oy (49 per cent.), a subsidiary of Switzerland-based industrial minerals company Omya	<b>'West' or 'West Region'</b>	the West Region of the Group including Dimension Stone and Benelux
<b>'SONIA'</b>	Sterling Overnight Index Average, average of the interest rates that banks pay to borrow Sterling overnight from other financial institutions and other institutional investors	<b>'YoY'</b>	year-on-year
<b>'SO<sub>x</sub>'</b>	sulphur oxides		
<b>'SPPI'</b>	the contractual cash flows of an asset that give rise to payments on specified dates that are solely payments of principal and interest		
<b>'Sterling', 'GBP' or '£'</b>	pound sterling currency of the UK and Channel Islands		
<b>'Stone' or 'Stone Holdings'</b>	Stone Holdings S.A and its subsidiary Cuvelier		

\* these measures are not defined by UK IAS and therefore may not be directly comparable to similar measures adopted by other companies. These alternative performance measures should be considered in addition to and are not intended to be a substitute for, or superior to, UK IAS measures but provide useful information on the performance of the Group and underlying trends.



Nordkalk agriculture  
limestone product

# Consolidated income statement

FOR THE YEAR ENDED 31 DECEMBER 2023

Continued operations	Note	Year ended 31 December 2023			Year ended 31 December 2022		
		Underlying £'000	Non- underlying* (Note 11) £'000	Total £'000	Underlying £'000	Non- underlying* (Note 11) £'000	Total £'000
<b>Revenue</b>	<b>7</b>	<b>580,285</b>	<b>-</b>	<b>580,285</b>	<b>537,993</b>	<b>-</b>	<b>537,993</b>
Cost of sales	8	(441,076)	-	(441,076)	(422,056)	-	(422,056)
<b>Gross profit</b>		<b>139,209</b>	<b>-</b>	<b>139,209</b>	<b>115,937</b>	<b>-</b>	<b>115,937</b>
Administrative expenses	8	(55,354)	(43,099)	(98,453)	(46,144)	(19,126)	(65,270)
<b>Profit from operations</b>		<b>83,855</b>	<b>(43,099)</b>	<b>40,756</b>	<b>69,793</b>	<b>(19,126)</b>	<b>50,667</b>
Net finance (expense)/ income	12	(14,336)	(1,528)	(15,864)	(8,910)	(1,528)	(10,438)
Other net gains / (losses)	13	1,694	1,411	3,105	1,853	641	2,494
<b>Profit/(loss) before tax</b>		<b>71,213</b>	<b>(43,216)</b>	<b>27,997</b>	<b>62,736</b>	<b>(20,013)</b>	<b>42,723</b>
Tax expense	14	(12,428)	1,149	(11,279)	(9,142)	-	(9,142)
<b>Profit/(loss)</b>		<b>58,785</b>	<b>(42,067)</b>	<b>16,718</b>	<b>53,594</b>	<b>(20,013)</b>	<b>33,581</b>
<b>Profit/(loss) attributable to:</b>							
Owners of the parent		55,601	(42,067)	13,534	51,251	(20,013)	31,238
Non-controlling interest	31	3,184	-	3,184	2,343	-	2,343
		<b>58,785</b>	<b>(42,067)</b>	<b>16,718</b>	<b>53,594</b>	<b>(20,013)</b>	<b>33,581</b>
<b>Basic earnings per share attributable to owners of the parent (expressed in pence per share)</b>	<b>32</b>	<b>8.12</b>	<b>(6.14)</b>	<b>1.98</b>	<b>8.03</b>	<b>(3.14)</b>	<b>4.89</b>
<b>Diluted earnings per share attributable to owners of the parent (expressed in pence per share)</b>	<b>32</b>	<b>7.79</b>	<b>(5.89)</b>	<b>1.90</b>	<b>7.68</b>	<b>(3.00)</b>	<b>4.68</b>

\*Non-underlying items represent acquisition related expenses, restructuring costs, certain finance costs, share option expense and amortisation of acquired intangibles. See Note 11 for more information.

# Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Profit/(loss) for the year		16,718	33,581
<b>Other comprehensive income:</b>			
<b>Items that will or may be reclassified to profit or loss:</b>			
FX translation reserve		(3,223)	17,735
Cash flow hedges – effective portion of changes in fair value		(5,468)	3,432
Remeasurement of the net defined benefits liability		(38)	202
<b>Other comprehensive income, net of tax</b>		<b>(8,729)</b>	<b>21,369</b>
<b>Total comprehensive income</b>		<b>7,989</b>	<b>54,950</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		4,918	52,048
Non-controlling interests		3,070	2,902
<b>Total comprehensive income for the period</b>		<b>7,989</b>	<b>54,950</b>

# Statements of financial position

COMPANY NUMBER: 05204176

AS AT 31 DECEMBER 2023

	Note	Consolidated		Company	
		31 December 2023 £'000	31 December 2022 (Restated)* £'000	31 December 2023 £'000	31 December 2022 £'000
<b>Non-current assets</b>					
Property, plant and equipment	16	572,562	554,460	166	257
Intangible assets	17	188,048	169,110	-	-
Available for sale assets		250	-	250	-
Investments in subsidiary undertakings	18	-	-	567,305	583,421
Investment in equity-accounted associate	19	605	576	-	-
Investment in joint ventures	19	6,448	5,942	412	-
Derivative financial asset	33	1,369	4,771	-	-
Other receivables	20	3,398	4,259	-	-
Deferred tax asset	14	38	4,426	-	-
		<b>772,718</b>	<b>743,544</b>	<b>568,133</b>	<b>583,678</b>
<b>Current assets</b>					
Trade and other receivables	20	99,034	86,805	5,332	3,168
Inventories	21	84,309	67,780	-	-
Cash and cash equivalents	22	55,872	68,623	7,925	5,055
Derivative financial asset	33	3,328	10,683	-	-
		<b>242,543</b>	<b>233,891</b>	<b>13,257</b>	<b>8,223</b>
<b>Total assets</b>		<b>1,015,261</b>	<b>977,435</b>	<b>581,390</b>	<b>591,901</b>
<b>Current liabilities</b>					
Trade and other payables	23	158,199	140,443	34,082	13,527
Derivative financial liabilities	33	3,926	6,693	1,253	-
Provisions	25	8,489	6,596	-	-
Borrowings	24	37,504	33,846	29,543	20,072
Current tax payable		3,844	1,251	-	-
		<b>211,962</b>	<b>188,829</b>	<b>64,878</b>	<b>33,598</b>
<b>Non-current liabilities</b>					
Borrowings	24	200,792	228,630	174,090	206,369
Employee benefit liabilities		1,305	1,312	-	-
Deferred tax liabilities	14	72,219	79,111	-	-
Derivative financial liabilities		1,167	552	-	-
Provisions	25	4,724	4,100	-	-
Other payables	23	8,208	5,051	5,260	5,051
		<b>288,415</b>	<b>318,756</b>	<b>179,350</b>	<b>211,420</b>
<b>Total liabilities</b>		<b>500,377</b>	<b>507,585</b>	<b>244,228</b>	<b>245,018</b>
<b>Net assets</b>		<b>514,884</b>	<b>469,850</b>	<b>337,162</b>	<b>346,882</b>
<b>Equity attributable to owners of the parent</b>					
Share capital	28	6,939	6,383	6,939	6,383
Share premium	28	-	400,022	-	400,022
Share option reserve	29	11,482	7,483	11,482	7,483
Other reserves	30	629	10,261	600	1,362
Retained earnings		481,691	33,969	318,141	(68,368)
<b>Equity attributable to owners of the parent</b>		<b>500,741</b>	<b>458,118</b>	<b>337,162</b>	<b>346,882</b>
Non-controlling interest	31	14,143	11,732	-	-
<b>Total equity</b>		<b>514,884</b>	<b>469,850</b>	<b>337,162</b>	<b>346,882</b>

\* Restated for review of prior year acquisition accounting during the IFRS 3 hindsight period. Refer to note 17 for further information. The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Company's Income Statement and Statement of Comprehensive Income.

The loss for the Company for the year ended 31 December 2023 was £42.9 million (year ended 31 December 2022: loss of £24.4 million).

The Financial Statements were approved and authorised for issue by the Board of Directors on 17 March 2024 were signed on its behalf by:

**Garth Palmer Chief Financial Officer**

The Notes on pages 203-254 form part of these Financial Statements.

# Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Share capital £'000	Share premium £'000	Share option reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non- controlling interest £'000	Total £'000
<b>Balance as at 1 January 2022</b>		<b>6,379</b>	<b>399,897</b>	<b>3,104</b>	<b>(11,236)</b>	<b>2,116</b>	<b>400,260</b>	<b>10,894</b>	<b>411,154</b>
Profit for the year		-	-	-	-	31,238	31,238	2,343	33,581
Currency translation differences		-	-	-	17,176	-	17,176	559	17,735
Other comprehensive income		-	-	-	3,634	-	3,634	-	3,634
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>20,810</b>	<b>31,238</b>	<b>52,048</b>	<b>2,902</b>	<b>54,950</b>
<b>Contributions by and distributions to owners</b>									
Acquired via acquisition		-	-	-	-	-	-	974	974
Issue of share capital	28	4	125	-	-	-	129	-	129
Share based payments		-	-	4,453	-	-	4,453	-	4,453
Exercise of share options		-	-	(74)	-	74	-	-	-
Dividends		-	-	-	-	-	-	(3,038)	(3,038)
Other equity adjustments		-	-	-	687	541	1,228	-	1,228
<b>Total contributions by and distributions to owners</b>		<b>4</b>	<b>125</b>	<b>4,379</b>	<b>687</b>	<b>615</b>	<b>5,810</b>	<b>(2,064)</b>	<b>3,746</b>
<b>Balance as at 31 December 2022</b>		<b>6,383</b>	<b>400,022</b>	<b>7,483</b>	<b>10,261</b>	<b>33,969</b>	<b>458,118</b>	<b>11,732</b>	<b>469,850</b>
<b>Balance as at 1 January 2023</b>		<b>6,383</b>	<b>400,022</b>	<b>7,483</b>	<b>10,261</b>	<b>33,969</b>	<b>458,118</b>	<b>11,732</b>	<b>469,850</b>
Profit for the year		-	-	-	-	13,534	13,534	3,184	16,718
Currency translation differences		-	-	-	(3,109)	-	(3,109)	(114)	(3,223)
Other comprehensive income		-	-	-	(5,506)	-	(5,506)	-	(5,506)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,615)</b>	<b>13,534</b>	<b>4,919</b>	<b>3,070</b>	<b>7,989</b>
<b>Contributions by and distributions to owners</b>									
Acquired via acquisition	-	-	-	-	-	-	-	616	616
Issue of share capital	28	556	29,444	-	-	-	30,000	-	30,000
Issue costs	28	-	(782)	-	-	-	(782)	-	(782)
Share based payments		-	-	4,002	-	-	4,002	-	4,002
Exercise of share options		-	-	(3)	-	3	-	-	-
Dividends		-	-	-	-	-	-	(1,275)	(1,275)
Other equity adjustments	28	-	(428,684)	-	(1,017)	434,185	4,484	-	4,484
<b>Total contributions by and distributions to owners</b>		<b>556</b>	<b>(400,022)</b>	<b>3,999</b>	<b>(1,017)</b>	<b>434,188</b>	<b>37,704</b>	<b>(659)</b>	<b>37,045</b>
<b>Balance as at 31 December 2023</b>		<b>6,939</b>	<b>-</b>	<b>11,482</b>	<b>629</b>	<b>481,691</b>	<b>500,741</b>	<b>14,143</b>	<b>514,884</b>

# Company statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Share capital £'000	Share premium £'000	Share option reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000
<b>Balance as at 1 January 2022</b>		<b>6,379</b>	<b>399,897</b>	<b>3,104</b>	<b>1,362</b>	<b>(44,026)</b>	<b>366,716</b>
Profit/(Loss)		-	-	-	-	(24,416)	(24,416)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,416)</b>	<b>(24,416)</b>
<b>Contributions by and distributions to owners</b>							
Issue of share capital		4	125	-	-	-	129
Share based payments		-	-	4,453	-	-	4,453
Exercise of share options		-	-	(74)	-	74	-
<b>Total contributions by and distributions to owners</b>		<b>4</b>	<b>125</b>	<b>4,379</b>	<b>-</b>	<b>74</b>	<b>4,582</b>
<b>Balance as at 31 December 2022</b>		<b>6,383</b>	<b>400,022</b>	<b>7,483</b>	<b>1,362</b>	<b>(68,368)</b>	<b>346,882</b>
<b>Balance as at 1 January 2023</b>		<b>6,383</b>	<b>400,022</b>	<b>7,483</b>	<b>1,362</b>	<b>(68,368)</b>	<b>346,882</b>
Profit/(Loss)		-	-	-	-	(42,940)	(42,940)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(42,940)</b>	<b>(42,940)</b>
<b>Contributions by and distributions to owners</b>							
Issue of share capital		556	29,444	-	-	-	30,000
Issue costs	28	-	(782)	-	-	-	(782)
Share based payments		-	-	4,002	-	-	4,002
Exercise of share options		-	-	(3)	-	3	-
Other equity adjustments		-	(428,684)	-	(762)	429,446	-
<b>Total contributions by and distributions to owners</b>		<b>556</b>	<b>(400,022)</b>	<b>3,999</b>	<b>(762)</b>	<b>429,449</b>	<b>33,220</b>
<b>Balance as at 31 December 2023</b>		<b>6,939</b>	<b>-</b>	<b>11,482</b>	<b>600</b>	<b>318,141</b>	<b>337,162</b>



# Cash flow statements

FOR THE YEAR ENDED 31 DECEMBER 2023

	Consolidated		Company		
	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
<b>Cash flows from operating activities</b>					
Profit/(loss)		16,718	33,581	(42,941)	(24,416)
<i>Adjustments for:</i>					
Depreciation and amortisation	16, 17	39,434	37,116	109	118
Impairments		-	30	-	-
Share option expense		4,001	4,453	4,001	4,453
Loss/(gain) on sale of PP&E		(3,032)	(1,471)	-	-
Net finance costs		15,865	10,438	8,703	7,032
Income tax expense	14	11,279	9,142	-	-
Share of earnings from joint ventures		(596)	(786)	-	-
Non-cash items		(869)	(475)	(2,120)	3,927
Increase in trade and other receivables		(8,613)	(6,807)	(2,132)	(450)
(Increase)/decrease in inventories		(13,159)	(17,322)	-	-
Increase in trade and other payables		14,637	31,182	19,888	4,151
Decrease in provisions		934	(19)	-	-
Income tax paid		(11,194)	(11,332)	-	-
<b>Net cash inflows/(outflows) from operating activities</b>		<b>65,405</b>	<b>87,730</b>	<b>(14,492)</b>	<b>(5,185)</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment	15, 16	(40,190)	(51,008)	(18)	(14)
Sale of property, plant and equipment		5,890	10,235	-	-
Proceeds of sale of subsidiary		1,822	-	-	-
Purchase of intangible assets	15, 17	(2,857)	(1,713)	-	-
Purchase of available for sale assets		(250)	-	(250)	-
Investment in joint venture		(411)	-	(411)	-
Acquisition of businesses (net of cash acquired)		(30,169)	(43,318)	(6,760)	(43,427)
Financial derivative		1,607	278	1,253	302
Interest received		1,271	603	201	7
<b>Net cash used in investing activities</b>		<b>(63,287)</b>	<b>(84,923)</b>	<b>(5,985)</b>	<b>(43,132)</b>
<b>Financing activities</b>					
Proceeds from share issue		30,000	129	30,000	129
Cost of share issue		(782)	-	(782)	-
Proceeds from borrowings		5,064	36,154	-	26,840
Repayment of borrowings		(32,050)	(30,361)	(20,055)	(8,067)
Net loans with subsidiaries		-	-	26,432	22,801
Interest paid		(14,553)	(9,732)	(12,148)	(7,537)
Dividends paid		(1,275)	(3,038)	-	-
<b>Net cash used in financing activities</b>		<b>(13,596)</b>	<b>(6,848)</b>	<b>23,447</b>	<b>34,166</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(11,478)</b>	<b>(4,041)</b>	<b>2,970</b>	<b>(14,151)</b>
Cash and cash equivalents at beginning of period		<b>68,623</b>	<b>69,916</b>	<b>5,055</b>	<b>19,038</b>
Exchange (losses) / gains on cash		(1,273)	2,748	(100)	168
<b>Cash and cash equivalents and end of period</b>	22	<b>55,872</b>	<b>68,623</b>	<b>7,925</b>	<b>5,055</b>

# Notes to the financial statements

## 1. GENERAL INFORMATION

The principal activity of SigmaRoc is to make investments and/or acquire projects in the quarried materials sector, and the principal activity of the Group is the production of high-quality aggregates and supply of value-added industrial and construction materials. The Company's shares are admitted to trading on AIM and it is incorporated and domiciled in the United Kingdom.

The address of its registered office is 6 Heddon Street, London, W1B 4BT.

## 2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Financial Statements are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

### 2.1. Basis of Preparing the Financial Statements

The Group and Company Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of property, plant and equipment and intangible assets; financial assets and financial liabilities at fair value through profit or loss; derivatives held for hedge accounting classified as financial assets at fair value through other comprehensive income, and defined benefit pension plans for which the plan assets are measured at fair value.

The Financial Statements are presented in UK Pounds Sterling rounded to the nearest thousand.

The preparation of Financial Statements in conformity with UK IASs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4.

#### a) Changes in Accounting Policy

##### ii) New standards and amendments adopted by the Group

The IASB issued various amendments and revisions to UK IAS and IFRSIC interpretations which include IFRS 3 - Reference to Conceptual Framework, IAS 37 - Onerous Contracts, IAS 16 - Proceeds before intended use, IAS 8 - Accounting estimates, IAS 12 - Deferred Tax and Annual Improvements - 2018 - 2020 Cycle. The amendments and revisions were applicable for the period ended 31 December 2023 but did not result in any material changes to the financial statements of the Group or Company.

##### ii) New standards, amendments and interpretations in issue but not yet effective or not early adopted

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IAS 1	Non-current liabilities with covenants	1 January 2024
IAS 7	Statement of cash flows	1 January 2024
IFRS 16	Leases	1 January 2024

IFRS 7	Supplier finance arrangements	1 January 2024
IAS 21	The effects of changes in foreign exchange rates	1 January 2025

The Group and Company are evaluating the impact of the new and amended standards above which are not expected to have a material impact on the Group or Company's results or shareholders' funds.

## 2.2. Basis of Consolidation

### a) Subsidiaries

The Consolidated Financial Statements consolidate the Financial Statements of the Company and the accounts of all of its subsidiary undertakings for all periods presented.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. On consolidation all inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The Consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred unless they result from the issuance of shares, in which case they are offset against the premium on those shares within equity.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 37 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Investments in subsidiaries are accounted for at cost less impairment.

Where considered appropriate, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intercompany transactions and balances between Group enterprises are eliminated on consolidation.

CDH, B-Mix, Stone, Goijens, Betons and GduH use Belgian GAAP rules to prepare and report their financial statements. The Group reports using UK IAS standards and in order to comply with the Group's reporting standards, management of CDH, GduH, B-Mix and Goijens processed several adjustments to ensure the financial information included at a Group level complies with UK IAS. CDH, GduH, B-Mix and

Goijens will continue to prepare their company financial statements in line with the Belgian GAAP rules.

Nordkalk entities use local GAAP rules to prepare and report their financial statements. The Group reports using UK IAS standards and in order to comply with the Group's reporting standards, management of Nordkalk processed several adjustments to ensure the financial information included at a Group level complies with UK IAS. Nordkalk will continue to prepare their company financial statements in line with the local GAAP rules.

The Group recognises any non-controlling interest at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

#### **b) Associates**

Associates are entities over which the Group has significant influence but not control over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **c) Joint Arrangement**

A joint arrangement is an arrangement in which two or more parties have joint control. A joint venture is a joint arrangement in which the parties that share joint control have rights to the net assets of the arrangement. Joint arrangements are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss.

#### **d) Employee Benefit Trust**

Where considered appropriate, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intercompany transactions and balances between Group enterprises are eliminated on consolidation.

The Employee Benefit Trust is considered to be a special purpose entity in which the substance of the relationship is that of control by the Group in order that the Group may benefit from its control. The assets held by the trust are consolidated into the Group.

### **2.3. Going Concern**

The Financial Statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group meets its day-to-day working capital and other funding requirements through operating cash generation and its Debt Facilities. The Debt Facilities comprise of a €600 million committed term facility, €150 million revolving credit facility and a further €100 million uncommitted accordion which matures on 21 November 2028. The Group has met all covenants on its Debt Facilities.

The Group has prepared cash flow forecasts for a period of more than 12 months which anticipate a continuous upward trend of profitability and cash generation. As the Group has

a strong focus on operational gearing, it can remain flexible during economically disruptive events which can have a negative effect on cash flow.

At 31 December 2023, the Group had cash of £55.9 million (2022: £68.6 million) and undrawn banking facilities under the legacy debt of £173 million (2022: £173 million), and at the date of this report has similar levels of liquidity which is expected to provide sufficient funds for the Group to discharge its liabilities as and when they fall due and ensure covenants are met.

Based on the above, the directors believe that it remains appropriate to prepare the financial statements on a Going Concern basis.

### **2.4. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

### **2.5. Foreign Currencies**

#### **e) Functional and Presentation Currency**

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Financial Statements are presented in Pounds Sterling, rounded to the nearest £000's, which is the Company's functional currency.

#### **f) Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. An exception to this is when the borrowings exchange differences arise on monetary items that form part of the reporting entity's net investment in a foreign operation, in the consolidated financial statements the exchange gain or loss will be shown in other comprehensive income. All other foreign exchange gains and losses are presented in the Income Statement within 'Other net gains/(losses)'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

#### **g) Group companies**

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each period end date presented are translated at the period-end closing rate;

# Notes to the financial statements

- income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income. On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the Income Statement as part of the gain or loss on sale.

## 2.6. Intangible Assets

The Group measures goodwill as the fair value of the purchase consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the Income Statement.

As reported within the CEO's strategic report, a PPA was carried out to assess the fair value of the assets acquired in JQG and Goijens as at the completion date. As a result of this exercise, goodwill in JQG decreased from £40.2 million to £7.1 million with the corresponding movement being land and minerals and other intangibles. Goodwill in Goijens decreased from £5.1 million to £1.6 million with the corresponding movement being land and buildings and customer relationships. The current accounting policies regarding the subsequent treatment of intangible assets will apply to fair value uplift attributable to the PPA.

Amortisation is provided on intangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Goodwill	0%
Customer relations	7% - 12.5%
Intellectual property	10% - 12%
Research and Development	10% - 20%
Branding	5% - 10%
Other intangibles	10% - 20%

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the entities, or group of entities, that are expected to benefit from the synergies of the combination. Goodwill is monitored at a Group level.

Goodwill is not amortised however impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. When the carrying value of goodwill exceeds the recoverable amount, (the higher of value in use and fair value less costs) an impairment is recognised immediately as an expense and is not subsequently reversed.

Other intangibles consist of capitalised development costs for assets produced that assist in the operations of the Group and earn revenue. Impairment reviews are performed annually. Where the benefit of the intangible ceases or has been superseded, these are written off to the Income Statement.

## 2.7. Property, Plant and Equipment

Property, plant and equipment is stated at cost, plus any PPA uplift, less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Office equipment	12.5% - 50%
Land and buildings	0% - 10%
Plant and machinery	4% - 33%
Furniture and vehicles	7.5% - 33.3%
Construction in progress	0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other net gains/(losses)' in the Income Statement.

## 2.8. Land, Mineral Rights and Restoration Costs

Land, quarry development costs, which include directly attributable construction overheads and mineral rights are recorded at cost plus any PPA uplift. Land and quarry development are depreciated and amortised, respectively, using the units of production method, based on estimated recoverable tonnage.

Where the Group has a legal or constructive obligation for restoration of a site the costs of restoring this site is provided for. The initial cost of creating this provision is capitalised within property, plant and equipment and depreciated over the life of the site. The provisions are discounted to their present value at a rate which reflects the time value of money and risks specific to the liability. Changes in the measurement of a previously capitalized provision are accordingly added or deducted from the value of the asset.

The depletion of mineral rights and depreciation of restoration costs are expensed by reference to the quarry activity during the period and remaining estimated amounts of mineral to be recovered over the expected life of the operation.

The process of removing overburden and other mine waste materials to access mineral deposits is referred to as stripping.

There are two types of stripping activity:

- Development stripping is the initial overburden removal during the development phase to obtain access to a mineral deposit that will be commercially produced.
- Production stripping relates to overburden removal during the normal course of production activities and commences after the first saleable minerals have been extracted from the component.

Development stripping costs are capitalised as a development stripping asset when:

- It is probable that future economic benefits associated with the asset will flow to the entity; and
- The costs can be measured reliably.

Production stripping can give rise to two benefits, the extraction of ore in the current period and improved access to the ore body component in future periods. To the extent that the benefit is the extraction of ore, stripping costs are recognised as an inventory cost. To the extent that the benefit is improved access to future ore, stripping costs are recognised as a production stripping asset if the following criteria are met:

- It is probable that the future economic benefit (improved access to ore) will flow to the entity;
- The component of the ore body for which access has been improved can be identified; and
- The costs relating to the stripping activity can be measured reliably.

The development and production stripping assets are depreciated in accordance with units of production based on the proven and probable reserves of the relevant components. Stripping assets are classified as other minerals assets in property, plant and equipment.

## 2.9. Financial Assets

### **Classification**

The Group's financial assets consist of loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### **(i) Financial Assets at Fair Value through Profit or Loss**

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

#### **(ii) Financial Assets at Fair Value through other comprehensive income**

A financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the

SPPI criterion and is managed in a business model in which assets are held both for sale and to collect contractual cash flows, or if an investment in an equity instrument is elected to be measured at fair value through other comprehensive income. Derivatives eligible for hedge accounting are classified as financial assets at fair value through other comprehensive income.

#### **(iii) Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents at the year-end.

#### **Recognition and Measurement**

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchasing or selling the asset. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the Income Statement within "Other (Losses)/ Gains" in the period in which they arise.

#### **Derivative Financial Instruments**

The majority of the Group's strategic hedging programme is delivered using executory contracts to forward purchase exchange contracts or commodities for our own use.

The Group uses financial instruments to manage financial risks associated with the Group's underlying business activities and the financing of those activities. The Group does not undertake any trading in financial instruments. Derivatives are initially recognised at fair value and subsequently remeasured in future periods at fair value. The gain or loss on remeasurement is recognised immediately in profit or loss, unless a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability. In this instance the effective part of any gain or loss is recognised in the consolidated statement of comprehensive income and in the revaluation reserve.

Amounts recorded in the revaluation reserve are subsequently reclassified to the consolidated income statement when the expense for the hedged transaction is actually recognised. To qualify for hedge accounting, the hedging relationship must meet several conditions with respect to documentation, probability of occurrence, hedge effectiveness and reliability of measurement.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

# Notes to the financial statements

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 33. Movements on the revaluation reserve in shareholders' equity are shown in Note 30. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

## Impairment of Financial Assets

The Group assesses at the end of each reporting period whether there is the need to recognise loss allowances for expected credit losses on financial assets. These are measured at amortised cost. The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk has not increased significantly since initial recognition, which are measured as 12-month expected credit loss.

The loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Income Statement.

## 2.10. Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value, which is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

## 2.11. Trade Receivables

Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are amounts due from third parties in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

### Trade receivables – factoring

The carrying amounts of the trade receivables excludes receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash without recourse. Therefore, it doesn't recognise the transferred assets in their entirety in its balance sheet.

The value of factored receivables at each year end are as follows:

	31 December 2023 £'000	31 December 2022 £'000
Total factoring	5,927	5,004

## 2.12. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

## 2.13. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.14. Reserves

Share Premium – the reserve for shares issued above the nominal value. This also includes the cost of share issues that occurred during the year.

Retained Earnings – the retained earnings reserve includes all current and prior periods retained profit and losses.

Share Option Reserve – represents share options awarded by the Company.

### Other Reserves comprise the following:

Capital Redemption Reserve – the capital redemption reserve is the amount equivalent to the nominal value of shares redeemed by the Group.

Foreign Currency Translation Reserve - represents the translation differences arising from translating the financial statement items from functional currency to presentational currency.

Deferred Shares – are shares that effectively do not have any rights or entitlements.

Capital Reserve – represents cash that can be used for future expenses or to offset any capital losses.

Revaluation Reserve – represents the changes of values in certain assets and includes derivative instruments used for cash-flow hedging

## 2.15. Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

## 2.16. Provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future costs.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). The increase in provisions due to the passage of time is included in the Consolidated Income Statement.

## 2.17. Borrowings

### **Bank and Other Borrowings**

Interest-bearing bank loans and overdrafts and other loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Income Statement over the period to redemption on an effective interest basis.

## 2.18. Taxation

Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets (including those arising from investments in subsidiaries), are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be used.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted by the

statement of financial position date and are expected to apply to the period when the deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets and liabilities are not discounted.

## 2.19. Non-underlying Items

Non-underlying items are a non UK IAS measure, but the Group have disclosed these separately in the financial statements, where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items that are not expected to be recurring or do not relate to the ongoing operations of the Group's business and non-cash items which distort the underlying performance of the business.

## 2.20. Revenue Recognition

Group revenue arises from the sale of goods and contracting services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services supplied in course of ordinary business, stated net of discounts, returns and value added taxes. The Group recognises revenue in accordance with IFRS 15, identifying performance obligations within its contracts with customers, determining the transaction price applicable to each of these performance obligations and selecting an appropriate method for the timing of revenue recognition, reflecting the substance of the performance obligation at either a point in time or over time.

### **Sale of goods**

The majority of the Group's revenue is derived from the sale of physical goods to customers. Depending on whether the goods are delivered to or collected by the customer, the contract contains either one performance obligation which is satisfied at the point of collection, or two performance obligations which are satisfied simultaneously at the point of delivery. The performance obligation of products sold are transferred according to the specific terms that have been formally agreed with the customer, generally upon delivery when the bill of lading is signed as evidence that they have accepted the product delivered to them.

The transaction price for this revenue is the amount which can be invoiced to the customer once the performance obligations are fulfilled, reduced to reflect provisions recognised for returns, trade discounts and rebates. The Group does not routinely offer discounts or volume rebates, but where it does the variable element of revenue is based on the most likely amount of consideration that the Group believes it will receive. This value excludes items collected on behalf of third parties, such as sales and value added taxes.

For all sales of goods, revenue is recognised at a point in time, being the point that the goods are transferred to the customer.

### **Contracting services**

The majority of contracting services revenue arises from contract surfacing work, which typically comprises short-term contracts with a performance obligation to supply and lay product. Other contracting services revenue can contain more than one performance obligation dependent on the nature of the contract.

The transaction price is calculated as consideration specified by the contract, adjusted to reflect provisions recognised for returns, remedial work arising in the normal course of business, trade discounts and rebates.

# Notes to the financial statements

Where the contract provides for elements of variable consideration, these values are included in the calculation of the transaction price only to the extent that it is 'highly probable' that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Where the transaction price is allocated between multiple performance obligations on other contracts, this typically reflects the allocation of value to each performance obligation agreed with the end customer, unless this does not reflect the economic substance of the transaction.

Performance obligations for contracting services are satisfied over time. Revenue is therefore recognised over time on an output basis, being volume of product laid for contract surfacing. As the performance obligations relating to contracting revenues have an expected duration less than 12 months, the Group has taken the practical expedient on the performance obligations disclosures.

## 2.21. Finance Income

Interest income is recognised using the effective interest method.

## 2.22. Employee Benefits - Defined contribution plans

The Group maintains defined contribution plans for which the Group pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis and will have no legal or constructive obligation to pay further amounts. The Group's contributions to defined contribution plans are charged to the Income Statement in the period to which the contributions relate.

## 2.23. Employee Benefits - Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting the amount and deducting the fair value of any plan assets.

Defined benefit obligations are calculated annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) for the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense relating to defined benefit plans are recognised in profit or loss in net financial items.

When the benefits of a plan are changed or when a plan is

curtailed, the resulting change in benefit that relates to past service or the gain or loss on the curtailment is recognised immediately in the profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## 2.24. Share Based Payments

The Group operates a number of equity-settled, share-based schemes, under which the entity receives services from employees or third-party suppliers as consideration for equity instruments (options and warrants) of the Group. The fair value of the third-party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Consolidated Income Statement or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

## 2.25. Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. The Group operates several business units which are constantly reviewed to ensure profitability. During 2019 it was determined that the flagging & paving division at CCP's Bury site was loss making and therefore it was decided that the operations at this site be discontinued.



## 2.26. Leases

The Group leases certain plant and equipment. Leases of plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as Right-of-use assets and lease liability under IFRS 16.

Right-of-use assets are measured at cost, comprising the initial amount of the lease liability adjusted for any lease prepayments, plus initial direct costs, less any lease incentives received. Right-of-use assets are depreciated using the straight-line method from the start of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in long-term and short-term borrowings and are measured at the present value of future lease payments, discounted at the Groups incremental borrowing rate and adjusted for time value of money. The interest element of the finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The lease liabilities are shown in Note 24.

The Group elects to apply the exemptions, permitted by IFRS 16, for lease assets and liabilities regarding short-term and low-value leases. Charges recognised in the consolidated income statement in respect of these leases are not significant to the Group.

## 2.27. Prior year restatement

The statement of financial position has been restated for the finalisation of provisional fair values of the assets and liabilities recognised in respect of the JQG and Goijens acquisitions in 2022, following a PPA review during the IFRS 3 hindsight period. See note 17 for further details.

## 3. FINANCIAL RISK MANAGEMENT

### 3.1. Financial Risk Factors

The Group and Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group and Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group and Company's financial performance.

Risk management is carried out by the UK based management team under policies approved by the Board of Directors.

#### a) Market Risk

The Group is exposed to market risk, primarily relating to interest rate, foreign exchange and commodity prices. The Group has not sensitised the figures for fluctuations in interest rates, foreign exchange or commodity prices as the Directors are of the opinion that these fluctuations would not have a significant impact on the Financial Statements at the present time. The Group has a strong focus on operational gearing, allowing it to be flexible during economically disruptive events however the Directors will continue to assess the effect of movements in market risks on the Group's financial operations and initiate suitable risk management measures where necessary.

#### b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from cash

and cash equivalents, derivative financial instruments and, principally, from the Group's receivables from customers.

Management monitors the exposure to credit risk on an ongoing basis and have credit insurance at a number of its subsidiaries. The Nordkalk entities don't hold credit insurance as they have a stable customer base with minimal credit losses. No credit limits were exceeded during the period, and management does not expect any losses from non-performance by these counterparties.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 December 2023 £'000	31 December 2022 £'000
Trade and other receivables	102,432	91,064
Cash and cash equivalents	55,872	68,623
	<b>158,304</b>	<b>159,687</b>

Credit risk associated with cash balances is managed and limited by transacting with financial institutions with high-quality credit ratings.

#### Trade and other receivables

The Group's exposure to credit risk stems mainly from the individual characteristics of each customer. However, management also considers the factors that could influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness, before the Group's standard payment and delivery terms and conditions are offered to the customer. The Group's review includes external ratings, when available, and in some cases bank references.

Most of the Group's customers have been trading with the Group for years, and no major credit losses have occurred with these customers. Credit risk is monitored by grouping customers according to their credit characteristics, including whether they are individuals or legal entities and whether they are wholesale, retail or end-user customers, as well as by geographic location, industry and the existence of previous financial difficulties.

The maximum exposure to credit risk for trade and other receivables by reportable segment, was:

	31 December 2023 £'000	31 December 2022 £'000
North West	21,822	21,505
West	19,892	13,387
North East	60,718	56,172
	<b>102,432</b>	<b>91,064</b>

# Notes to the financial statements

## Impairment

At the reporting date the ageing of the trade receivables that were not impaired, were as follows.

	31 December 2023 £'000	31 December 2022 £'000
<b>Total trade receivables</b>	<b>85,033</b>	<b>79,261</b>
Not overdue	66,536	68,051
Overdue 1 – 30 days	15,286	8,913
Overdue 31 – 60 days	1,646	1,491
Overdue 61 – 90 days	495	437
More than 90 days	1,573	554
Impairment loss recognised	(503)	(185)

Provisions for impairment of trade and other receivables are calculated on a lifetime expected loss model in line with the simplified approach available under IFRS 9 for Trade Receivables. The key inputs in determining the level of provision are the historical level of bad debts experienced by the Group and ageing of outstanding amounts. Movements during the year were as follows:

	31 December 2023 £'000	31 December 2022 £'000
At January 1	382	1,060
Amounts arising from business combinations	-	36
Charged to the Consolidated income statement during the year	177	132
Movement in provision	154	(846)
	<b>713</b>	<b>382</b>

## Derivatives

Subsidiary currency risks are hedged by the parent or ultimate parent acting as counterparty in currency forward deals. External currency hedging is performed by finance and treasury functions as appropriate. In such deals, the counterparty is a bank or financial institution with a rating at least Baa3 from Moody's rating agency. A comparable credit rating from a reputable credit rating agency is acceptable. Exceptions may be granted on an individual basis in rare cases where a bank is chosen for geographical reasons, but does not fulfil the stipulated rating criteria.

Items hedged against are CO<sub>2</sub> emission rights, forecast energy consumption, loans in foreign currency and forecast earnings.

## c) Currency Risk

Following the Nordkalk acquisition, the Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Pound, the Euro, the Polish Zloty (PLN) and the Swedish Krona (SEK). The currencies in which these transactions are primarily denominated are GBP, EUR, PLN, and SEK. Additional exposures may arise from purchase of fuel in USD.

At any point in time, the Group hedges on average 60 to 100 per cent of its estimated foreign currency exposure in respect of forecast sales and purchases over the following 12-18 months. The Group uses forward exchange contracts to hedge its currency risk, with a maturity of up to 12 months from the reporting date.

Borrowings are, with a few exceptions, denominated in the subsidiaries domestic currencies.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure remains at an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

## Exposure to currency risk

Currency risk sensitivity to a +/- 10 per cent change in the exchange rate is shown for the net currency position per currency. The summary of quantitative data relating to the Group's exposure to currency risk as reported to the Group management is as follows.

## 2023

GBP thousand	USD	SEK	NOK	PLN	EUR
Gross exposure	(5,660)	24,942	(3,353)	(3,177)	74,408
Hedged	11,441	(26,905)	2,646	3,187	(48,758)
Net exposure	<b>5,781</b>	<b>(1,963)</b>	<b>(707)</b>	<b>10</b>	<b>25,650</b>
Sensitivity analysis (+/- 10%)	<b>578</b>	<b>(196)</b>	<b>(71)</b>	<b>1</b>	<b>2,565</b>

## d) Liquidity Risk

The Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations owing to the continued support of the lenders and a history of successful capital raises. Controls over expenditure are carefully managed.

2023 Contractual cash flows	1-12 months £'000	1-2 years £'000	2-5 years £'000	More than 5 years £'000
<b>Non-derivative financial liabilities</b>				
Loans	30,709	31,663	148,414	-
Trade payables	158,199	2,525	1,060	4,623
	<b>188,908</b>	<b>34,188</b>	<b>149,474</b>	<b>4,623</b>
Future forecast finance charges	11,712	9,807	19,621	-
	<b>200,620</b>	<b>43,995</b>	<b>169,095</b>	<b>4,623</b>
<b>Derivative financial liabilities</b>				
Forward exchange contracts used for hedging	1,843	-	-	-
Electricity hedges	2,713	538	-	-
	<b>4,556</b>	<b>538</b>	<b>-</b>	<b>-</b>

The outflows disclosed in the above tables represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposed and which are not usually closed out before contractual maturity.

The interest payments on the variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change in line with changes in market interest rates. The future cash flows from derivative instruments may differ from the amount in the above table as interest rates and exchange rates change. With the exception of these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

### 3.2. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to enable the Group to continue its construction material investment activities, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

The Group defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned operational activities and the Company may issue new shares in order to raise further funds from time to time.

The gearing ratio at 31 December 2023 is as follows:

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
Total borrowings (Note 24)	238,296	262,476
Less: Cash and cash equivalents (Note 22)	(55,872)	(68,623)
Net debt	182,424	193,853
Total equity	514,884	469,850
<b>Total capital</b>	<b>697,308</b>	<b>663,703</b>
<b>Gearing ratio</b>	<b>0.26</b>	<b>0.29</b>

### 4. CRITICAL ACCOUNTING ESTIMATES

The preparation of the Financial Statements, in conformity with UK IASs, requires management to make estimates, assumptions and judgements that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates, assumptions and judgements include, but are not limited to:

#### a) Land and Mineral Reserves

The determination of fair values of land and mineral reserves are carried out by appropriately qualified persons in accordance with the Appraisal and Valuation standards published by the Royal Institution of Chartered Surveyors. To determine the reserves, management will engage an independent volume and tonnage assessment, which involves a topographic survey of the quarry working, conducted in 3 dimensions for the date of the assessment using a computer aided design (CAD) system and a series of theoretical computer-generated models, taking into account geotechnical and hydrogeological factors, as well as ensuring that there is a practical extraction plan so that all the rock can be recovered. This produces a removal of overburden model and removal of mineral model.

Following this, the volume of reserves is calculated and converted to tonnes by multiplying the volume by the density of the mineral. This process is based upon factors such as estimates of commodity prices and geological assumptions and judgements. Additional estimates include future capital requirements and production costs.

The volume of material is converted to tonnes by multiplying the volume by the density of the mineral. The final tonnage will be adjusted to exclude material that is not suitable mineral for processing, such as overburden, tips and weathered rock, to derive at the estimated volume of mineral reserves remaining at the date of assessment. This process is based upon factors such as estimates of commodity prices and geological assumptions and judgements. Additional estimates include future capital requirements and production costs.

# Notes to the financial statements

The PPAs included the revaluation of land and minerals based on the estimated remaining reserves within St John's, Les Vardes, Aberdo, Carrières du Hainaut, Harries, Nordkalk and JQG quarries. These are then valued based on the estimated remaining life of the mines and the net present value for the price per tonnage.

## **b) Estimated Impairment of Goodwill**

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that the goodwill may be impaired. Goodwill is allocated to groups of cash generating units according to the level at which management monitor that goodwill, which is at the level of operating segments.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs and value-in-use), an impairment loss is recognised by writing down goodwill to its recoverable amount. When an impairment is recognised as an expense, it is not subsequently reversed.

To assess the value-in-use, the net cash flow forecasts are extrapolated using long-term growth rates to determine the terminal value. These net cash flow forecasts reflect volumes, sales prices, cost of sales and administration costs assumptions in addition to other cash flow movements. Future cash flows, including the terminal value, are discounted to their present value using a pre-tax discount rate takes into account the current market assessments of the time value of money and the certain risks for which the future cash flow estimates have not been adjusted. The future cash flow estimates exclude net cash movement attributable to financing activities and income tax.

The impairment test process requires management to make significant judgements and estimates regarding the valuation models, discount rates used and future cash flows projected to be generated by the operating segment to which goodwill has been allocated. Further information on the impairment assessment and key assumptions used is detailed in note 17.

The PPA assessments provide a reduction to the goodwill for each operating segment via the fair value assessment of the assets acquired in new entities as at the completion date.

Goodwill has a carrying value of £169.7 million at 31 December 2023 (31 December 2022: £115.2 million). Management has concluded that an impairment charge was not necessary to the carrying value of goodwill for the period ended 31 December 2023 (31 December 2022: £nil). See Note 2.6 to the Financial Statements.

## **c) Restoration Provision**

The Group's provision for restoration costs is an accounting estimate and has a carrying value at 31 December 2023 of £7.9 million (31 December 2022: £6.1 million) and relate to the removal of the plant and equipment held at quarries in the Channel Islands, United Kingdom and Northern Europe.

The cost of removal is a judgement determined by management for the removal and disposal of the machinery at the point of which the reserves are no longer available for business use. Management judgements are based on a site-by-site basis on the evaluation of available information such as prior experience and current laws and regulations. There are a number of uncertainties which may impact managements

judgements including change in governments, laws and regulations, unknown factors and changes in technology.

The restoration provision is a commitment to restore the site to a safe and secure environment. These provisions are reviewed annually.

## **d) Recognition of deferred tax assets**

Uncertainty exists related to the availability of future taxable profit against which tax losses carried forward can be used, however deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. Further information on income taxes is disclosed in Note 15.

## **e) Fair value of financial instruments**

The fair values of financial instruments that cannot be determined based on quoted market prices and rates are established using different valuation techniques. The Group uses judgement to select methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. Factors regarding valuation techniques and their assumptions could affect the reported fair values. Further information on fair value of financial instruments is disclosed in note 33.

## **5. DIVIDENDS**

No dividend has been declared or paid by the Company during the year ended 31 December 2023 (2022: nil).

## **6. SEGMENT INFORMATION**

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the periods presented the Group has three geographical regions, North West which comprises of PPG, England, Wales and Channel Islands; West which comprises of Dimension Stone and Benelux; and North East which comprises of Quicklime, Nordics, Poland and Baltics. Activities in the North West, West and North East Regions relate to the production and sale of construction material products and services.

## 31 December 2023

	North West £'000	West £'000	North East £'000	Total £'000
Revenue	142,505	98,203	339,577	<b>580,285</b>
Depreciation & Amortisation	10,566	5,986	22,882	<b>39,434</b>
Net finance (expense)/income	15,410	174	280	<b>15,864</b>
Underlying Profit from operations per reportable segment	12,085	17,258	54,512	<b>83,855</b>
Additions to non-current assets	13,243	20,375	5,447	<b>39,065</b>
Reportable segment non-current assets	192,197	121,467	459,054	<b>772,718</b>
Reportable segment assets	248,223	157,524	609,514	<b>1,015,261</b>
Reportable segment liabilities	287,443	42,174	170,760	<b>500,377</b>

## 31 December 2022

	North West £'000	West £'000	North East £'000	Total £'000
Revenue	139,709	87,365	310,919	<b>537,993</b>
Depreciation & Amortisation	9,438	5,339	22,339	<b>37,116</b>
Net finance (expense)/income	9,855	151	432	<b>10,438</b>
Underlying Profit from operations per reportable segment	36,444	22,478	57,015	<b>115,937</b>
Additions to non-current assets	62,400	6,137	28,612	<b>97,149</b>
Reportable segment non-current assets	173,440	103,458	456,138	<b>733,036</b>
Reportable segment assets	221,317	138,823	606,788	<b>966,928</b>
Reportable segment liabilities	342,255	27,806	127,017	<b>497,078</b>

# Notes to the financial statements

## 7. REVENUE

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
Upstream products	94,202	75,244
Value added products	422,301	401,012
Value added services	53,334	52,292
Other	10,448	9,445
	<b>580,285</b>	<b>537,993</b>

Upstream products revenue relates to the sale of aggregates and cement. Value added products is the sale of finished goods that have undertaken a manufacturing process within each of the subsidiaries. Value added services consists of the transportation, installation and contracting services provided.

All revenues from upstream and value added products relate to products for which revenue is recognised at a point in time as the product is transferred to the customer. Value added services revenues are accounted for as products and services for which revenue is recognised over time.

The Group contracting services revenue for the year ended 31 December 2023 was £27 million (2022: £24.9 million). Refer to note 2.20 for further information on contracting services.

## 8. EXPENSES BY NATURE

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
<b>Cost of sales</b>		
Changes in inventories of finished goods and work in progress	9,287	9,003
Raw materials & production	188,419	198,984
Distribution & selling expenses	41,764	43,671
Employees & contractors	122,148	71,936
Maintenance expense	25,167	21,543
Plant hire expense	7,358	6,449
Depreciation & amortisation expense	31,138	30,085
Other costs of sale	15,795	40,385
<b>Total cost of sales</b>	<b>441,076</b>	<b>422,056</b>
<b>Administrative expenses</b>		
Operational admin expenses	51,242	42,455
Corporate admin expenses	47,211	22,815
<b>Total administrative expenses</b>	<b>98,453</b>	<b>65,270</b>

Corporate administrative expenses include £36.6 million (2022: £14.1 million) of non-underlying expenses (refer to Note 11).

During the year the Group (including its overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

	<b>Consolidated</b>	
	<b>31 December 2023 £'000</b>	<b>31 December 2022 £'000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company and Consolidated Financial Statements	533	414
Fees paid or payable to the Company's auditor and its associates for reporting accountant services associated with the readmission of the Company trading on AIM	600	117
	<b>1,133</b>	<b>531</b>

## 9. EMPLOYEE BENEFITS EXPENSE

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 December 2023 £'000</b>	<b>31 December 2022 £'000</b>	<b>31 December 2023 £'000</b>	<b>31 December 2022 £'000</b>
<b>Staff costs (excluding directors)</b>				
Salaries and wages	94,227	87,682	4,265	2,990
Post-employment benefits	401	250	81	28
Social security contributions and similar taxes	3,852	1,891	1,051	329
Other employment costs	7,099	8,594	-	2
Share based payments	3	-	3	-
	<b>105,582</b>	<b>98,417</b>	<b>5,400</b>	<b>3,349</b>

	<b>Consolidated</b>		<b>Company</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Average number of FTE employees by function</b>				
Management	68	69	7	6
Operations	1,655	1,550	-	-
Administration	370	426	5	4
	<b>2,093</b>	<b>2,045</b>	<b>12</b>	<b>10</b>

# Notes to the financial statements

## 10. DIRECTORS' REMUNERATION

	Directors' fees £'000	Bonus £'000	Taxable benefits £'000	Pension benefits £'000	Total £'000
<b>Executive Directors</b>					
David Barrett	375	469	15	22	881
Garth Palmer	375	469	15	33	892
Max Vermorken	475	594	15	48	1,132
<b>Non-executive Directors</b>					
Timothy Hall	50	-	-	-	50
Simon Chisholm	50	-	-	5	55
Jacques Emsens	50	-	-	-	50
Axelle Henry	50	-	-	-	50
	<b>1,425</b>	<b>1,532</b>	<b>45</b>	<b>108</b>	<b>3,110</b>

	Directors' fees £'000	Bonus £'000	Taxable benefits £'000	Pension benefits £'000	Total £'000
<b>Executive Directors</b>					
David Barrett	375	469	15	-	859
Garth Palmer	375	469	15	40	899
Max Vermorken	475	594	15	60	1,144
<b>Non-executive Directors</b>					
Timothy Hall	50	-	-	-	50
Simon Chisholm	50	-	-	5	55
Jacques Emsens	50	-	-	-	50
Axelle Henry <sup>1</sup>	34	-	-	-	34
	<b>1,409</b>	<b>1,532</b>	<b>45</b>	<b>105</b>	<b>3,091</b>

<sup>1</sup> Appointed on 26 April 2022.

The bonuses earned in the year by the Directors reflect the performance of the business, were based on industry standard criteria taking into account external market data, were recommended by the Remuneration Committee and approved by the Board.



## 11. NON-UNDERLYING ITEMS

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
Acquisition related expenses	25,907	4,842
Amortisation and remeasurement of acquired assets	6,572	6,761
Amortisation of finance costs	1,085	1,085
Restructuring expenses	3,691	1,877
Share option expense	4,001	4,670
Unwinding of discount on deferred consideration	443	443
Net other non-underlying expenses & gains	368	335
	<b>42,067</b>	<b>20,013</b>

Under IFRS 3 – Business Combinations, acquisition costs have been expensed as incurred. Additionally, the Group incurred costs associated with obtaining debt financing, including advisory fees to restructure.

Acquisition related expenses include exclusivity, introducer, advisor, consulting, legal fees, accounting fees, insurance and other direct costs relating to acquisitions. During the year the Group acquired Juuan Dolomitik, Goijens, Retaining, Björka Mineral, ST Investicija, Beton and entered into agreements to acquire CRH's European lime and industrial limestone assets which comprises the vast majority of the costs incurred during the year.

Amortisation and remeasurement of acquired assets are non-cash items which distort the underlying performance of the businesses acquired. Amortisation of acquired assets arise from certain fair value uplifts resulting from the PPA. Remeasurement of acquired assets arises from ensuring assets from acquisitions are depreciated in line with Group policy. These are net of the deferred tax liability unwind on the asset fair value uplift.

Restructuring expenses relate to the reorganisation and integration of recently acquired subsidiaries, including costs associated with site optimisation, transitional salary costs, redundancies, severance & recruitment fees, and costs associated with financial reporting and system migrations.

Share option expense is the fair value of the LTIP's issued in 2021, refer to Note 29 more information.

Unwinding of discount on deferred consideration is a non-cash adjustment relating to deferred consideration arising on acquisitions.

Amortisation of finance costs is the amortisation of borrowing costs on the Syndicated Senior Credit Facility. These costs are amortised over a 5-year period.

Net other non-underlying expenses and gains include other advisory fees and other associated costs.

## 12. NET FINANCE INCOME/(EXPENSE)

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
Net interest expense	(14,759)	(9,557)
Dividends	423	647
Other finance expense	(1,085)	(1,085)
Unwinding of discount on deferred consideration	(443)	(443)
	<b>(15,864)</b>	<b>(10,438)</b>

# Notes to the financial statements

## 13. OTHER NET GAINS/(LOSSES)

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
Gain/(losses) on disposal of property, plant and equipment	3,032	1,471
Other gain/(loss)	83	20
Gain/(loss) on call options	(306)	248
Impairment	-	(30)
Share of earnings from joint ventures	596	786
Forex movement	(300)	-
	<b>3,105</b>	<b>2,495</b>

## 14. TAXATION

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
<b>Tax recognised in Consolidated Income Statement</b>		
Current tax	(10,850)	(6,960)
Deferred tax	(1,578)	(2,182)
Total tax charge in the Income Statement	<b>(12,428)</b>	<b>(9,142)</b>

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
<b>Recognised within the consolidated statement of Comprehensive Income</b>		
Deferred tax – retirement benefit obligations	8	(49)
Deferred tax – cash flow hedges	1,379	(845)
Total tax recognised within the Consolidated Statement of Comprehensive Income	<b>1,387</b>	<b>(894)</b>

The differences between the total tax charge and the amount calculated by applying the standard UK corporation tax of 23.52% (2022: 19%) to the profit before tax of the Group are as follows:

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
Profit/(loss) on ordinary activities before tax	27,997	42,723
<b>Current tax using the UK corporation tax rate of 23.5% (2022: 19.00%)</b>	<b>6,579</b>	<b>8,117</b>
Effects of:		
Expenses not deductible	5,405	1,475
Income not taxable	(2,228)	(1,351)
Recognition of previously unrecognised deferred tax	-	(757)
Deferred tax not recognised	3,318	1,214
Adjustment to tax charge in respect of prior periods	784	(785)
Effect of overseas tax rates	(1,238)	1,015
Changes in tax rates	(192)	214
<b>Tax charge</b>	<b>12,428</b>	<b>9,142</b>

Legislation to increase the rate of corporation tax in the UK from 1 April 2023 was substantially enacted on 24 May 2021. The 25% rate has therefore been applied to any timing differences that are expected to reverse on or after 1 April 2023.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. However, this legislation does not apply to the Group in the financial year beginning 1 January 2024 as its consolidated revenue does not meet the legislation requirements of being greater than €750m in two of the four preceding years, the group will continue to monitor the legislation in future years.

Deferred Tax Asset	Tax losses £'000	Temporary timing differences £'000	Total £'000
<b>At 1 January 2023</b>	-	4,424	4,424
Reclassification	-	(4,424)	(4,424)
Charged directly to income statement	14	24	38
<b>At 31 December 2023</b>	<b>14</b>	<b>24</b>	<b>38</b>

# Notes to the financial statements

Deferred Tax Liability	Tax losses £'000	Temporary timing differences £'000	Total £'000
<b>As at 1 January 2023 (as previously stated)</b>	<b>(128)</b>	<b>68,732</b>	<b>68,604</b>
Adjustment to PPA	-	10,507	10,507
<b>As at 1 January 2023 (as restated)</b>	<b>(128)</b>	<b>79,239</b>	<b>79,111</b>
Reclassification	(2,034)	(2,390)	(4,424)
Acquisition of subsidiary	(196)	-	(196)
Charged/(Credited) directly to income statement	156	429	585
Amount charged/(Credited) to OCI	-	(2,074)	(2,074)
Amount charged/(Credited) to equity	-	250	250
Effect of movements in foreign exchange	8	(1,041)	(1,033)
<b>At 31 December 2023</b>	<b>(2,194)</b>	<b>74,413</b>	<b>72,219</b>

Deferred tax assets and liabilities are offset to the extent that there is a legally enforceable right to offset current tax assets against current tax liabilities.

Deferred tax assets in relation to losses of £3.6 million (2022: £3.5 million) and other temporary differences of £6.1 million (2022: £3.4 million) have not been recognised due to uncertainty over their recoverability.

## 15. ASSET ACQUISITION

During the year, the Group purchased four concrete plants located on the Belgian border with France, along with operating permits, branding, and customer relations. These are collectively considered to be the acquisition of Betons.

The Directors have treated the acquisition of Betons as an asset acquisition as the acquisition was not considered to meet the definition of a business combination under IFRS 3, and therefore they judged the fair value of the assets acquired to be equal to the fair value of the consideration.

The amounts acquired as an asset acquisition are shown below:

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
Property, plant & equipment (refer to note 16)	954	-
Intangible assets (refer to note 17)	2,229	-
<b>Total asset acquisition</b>	<b>3,183</b>	<b>-</b>

## 16. PROPERTY, PLANT AND EQUIPMENT

	Consolidated							
	Office Equipment £'000	Land and minerals £'000	Land and buildings £'000	Plant and machinery £'000	Vehicles £'000	Right of use £'000	Construction in progress £'000	Total £'000
<b>Cost</b>								
<b>As at 1 January 2022</b>	<b>4,593</b>	<b>189,967</b>	<b>121,233</b>	<b>289,918</b>	<b>24,595</b>	<b>-</b>	<b>13,243</b>	<b>643,549</b>
Acquired through acquisition	157	-	20,601	15,294	227	2,052	38	38,369
Transfer between classes	-	74	(5,722)	(24,217)	(2,350)	35,014	(2,799)	-
Fair value adjustment	-	211,629	10,508	12,450	3	-	-	234,590
Additions	222	2,051	15,160	24,274	1,491	5,926	1,884	51,008
Disposals	(56)	(468)	(4,525)	(2,888)	(2,356)	(2,862)	-	(13,155)
Forex	177	2,881	653	10,382	915	(696)	(671)	13,641
<b>As at 31 December 2022 (as previously stated)</b>	<b>5,093</b>	<b>406,134</b>	<b>157,908</b>	<b>325,213</b>	<b>22,525</b>	<b>39,434</b>	<b>11,695</b>	<b>968,002</b>
Fair value adjustment – PPA*	-	30,286	986	-	-	-	-	31,272
<b>As at 31 December 2022 (as restated)</b>	<b>5,093</b>	<b>436,420</b>	<b>158,894</b>	<b>325,213</b>	<b>22,525</b>	<b>39,434</b>	<b>11,695</b>	<b>999,274</b>
<b>As at 1 January 2023</b>	<b>5,093</b>	<b>436,420</b>	<b>158,894</b>	<b>325,213</b>	<b>22,525</b>	<b>39,434</b>	<b>11,695</b>	<b>999,274</b>
Acquired through acquisition	92	3,218	10,533	23,595	2,689	938	245	41,310
Transfer between classes/ reallocation from intangibles	-	6,478	(78)	1,798	(214)	(154)	(1,479)	6,351
Fair value adjustment	-	406	-	-	-	2,507	-	2,913
Additions	206	5,849	3,072	15,416	3,388	2,211	10,048	40,190
Disposals	-	(36)	(1,987)	(7,234)	(531)	(3,079)	-	(12,867)
Forex	(73)	(3,705)	421	(2,849)	(215)	217	18	(6,186)
<b>As at 31 December 2023</b>	<b>5,318</b>	<b>448,630</b>	<b>170,855</b>	<b>355,939</b>	<b>27,642</b>	<b>42,074</b>	<b>20,527</b>	<b>1,070,985</b>
<b>Depreciation</b>								
<b>As at 1 January 2022</b>	<b>4,040</b>	<b>70,174</b>	<b>68,393</b>	<b>226,274</b>	<b>18,232</b>		<b>-</b>	<b>387,113</b>
Transfer between classes	-	-	(1,850)	(14,533)	(1,101)	17,484	-	-
Acquired through acquisition	77	-	8,693	7,588	32	392	-	16,782
Charge for the year	208	6,548	5,139	14,996	1,303	6,257	-	34,451
Disposals	(55)	-	(91)	(1,597)	(1,742)	(907)	-	(4,392)
Forex	170	3,179	1,098	6,580	613	(780)	-	10,860
<b>As at 31 December 2022</b>	<b>4,440</b>	<b>79,901</b>	<b>81,382</b>	<b>239,308</b>	<b>17,337</b>	<b>22,446</b>	<b>-</b>	<b>444,814</b>
<b>As at 1 January 2023</b>	<b>4,440</b>	<b>79,901</b>	<b>81,382</b>	<b>239,308</b>	<b>17,337</b>	<b>22,446</b>	<b>-</b>	<b>444,814</b>
Transfer between classes/ reallocation from intangibles	13	1,737	-	276	-	428	-	2,454
Acquired through acquisition	45	762	6,772	20,285	1,723	-	-	29,587
Charge for the year	206	7,994	4,919	16,640	1,567	5,608	-	36,934
Disposals	-	(27)	(1,718)	(5,240)	(217)	(2,736)	-	(9,938)
Forex	(64)	(1,369)	(456)	(1,452)	67	(2,154)	-	(5,428)
<b>As at 31 December 2023</b>	<b>4,640</b>	<b>88,998</b>	<b>90,899</b>	<b>269,817</b>	<b>20,477</b>	<b>23,592</b>	<b>-</b>	<b>498,423</b>
<b>Net book value</b>								
<b>As at 31 December 2022 (restated)</b>	<b>653</b>	<b>356,519</b>	<b>77,512</b>	<b>85,905</b>	<b>5,188</b>	<b>16,988</b>	<b>11,695</b>	<b>554,460</b>
<b>As at 31 December 2023</b>	<b>678</b>	<b>359,632</b>	<b>79,956</b>	<b>86,122</b>	<b>7,165</b>	<b>18,482</b>	<b>20,527</b>	<b>572,562</b>

\*Refer to note 17 for further information regarding the PPA fair value adjustment.

# Notes to the financial statements

	Company				
	Office Equipment £'000	Land & Buildings £'000	Right of use £'000	Motor Vehicle £'000	Total £'000
<b>Cost</b>					
<b>As at 1 January 2022</b>	<b>245</b>	<b>265</b>	<b>25</b>	<b>-</b>	<b>535</b>
Transfer between classes	-	(265)	(25)	290	-
Fair value adjustment	-	-	-	(68)	(68)
Additions	14	-	-	-	14
Disposals	-	-	-	-	-
<b>As at 31 December 2022</b>	<b>259</b>	<b>-</b>	<b>-</b>	<b>222</b>	<b>481</b>
<b>As at 1 January 2023</b>	<b>259</b>	<b>-</b>	<b>-</b>	<b>222</b>	<b>481</b>
Additions	6	-	-	12	18
Disposals	-	-	-	-	-
<b>As at 31 December 2023</b>	<b>265</b>	<b>-</b>	<b>-</b>	<b>234</b>	<b>499</b>
<b>Depreciation</b>					
<b>As at 1 January 2022</b>	<b>50</b>	<b>40</b>	<b>16</b>	<b>-</b>	<b>106</b>
Transfer between classes	-	(40)	(16)	56	-
Charge for the year	50	-	-	68	118
Disposals	-	-	-	-	-
<b>As at 31 December 2022</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>124</b>	<b>224</b>
<b>As at 1 January 2023</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>124</b>	<b>224</b>
Charge for the year	50	-	-	59	109
Disposals	-	-	-	-	-
<b>As at 31 December 2023</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>183</b>	<b>333</b>
<b>Net book value</b>					
<b>As at 31 December 2022</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>98</b>	<b>257</b>
<b>As at 31 December 2023</b>	<b>115</b>	<b>-</b>	<b>-</b>	<b>51</b>	<b>166</b>

## 17. INTANGIBLE ASSETS

	Consolidated						
	Goodwill £'000	Customer Relations £'000	Intellectual property £'000	Research & Development £'000	Branding £'000	Other Intangibles £'000	Total £'000
<b>Cost</b>							
<b>As at 1 January 2022</b>	<b>305,966</b>	<b>4,414</b>	<b>2,027</b>	<b>5,938</b>	<b>3,611</b>	<b>18,798</b>	<b>340,754</b>
Additions	-	-	-	-	-	1,713	1,713
Provisional additions through business combination	89,096	-	-	-	-	-	89,096
Price Purchase Allocation – B-Mix	(4,429)	-	-	-	-	-	(4,429)
Price Purchase Allocation – Nordkalk	(233,955)	3,795	-	-	-	-	(230,160)
Forex	17,147	-	-	-	-	336	17,483
<b>As at 31 December 2022 (as previously stated)</b>	<b>173,825</b>	<b>8,209</b>	<b>2,027</b>	<b>5,938</b>	<b>3,611</b>	<b>20,847</b>	<b>214,457</b>
Price Purchase Allocation – JQG	(23,448)	-	-	-	-	2,805	(20,643)
Price Purchase Allocation – Goijens	(2,638)	2,516	-	-	-	-	(122)
<b>As at 31 December 2022 (as restated)</b>	<b>147,739</b>	<b>10,725</b>	<b>2,027</b>	<b>5,938</b>	<b>3,611</b>	<b>23,652</b>	<b>193,692</b>
<b>As at 1 January 2023</b>	<b>147,739</b>	<b>10,725</b>	<b>2,027</b>	<b>5,938</b>	<b>3,611</b>	<b>23,652</b>	<b>193,692</b>
Additions	-	1,114	-	4	-	1,739	2,857
Reallocations	-	(77)	(2,027)	(122)	(401)	(6,490)	(9,117)
Provisional additions through business combination	23,685	-	-	-	-	-	23,685
Forex	(1,087)	-	-	132	-	1,225	270
<b>As at 31 December 2023</b>	<b>170,337</b>	<b>11,762</b>	<b>-</b>	<b>5,952</b>	<b>3,210</b>	<b>20,126</b>	<b>211,387</b>
<b>Depreciation</b>							
<b>As at 1 January 2022</b>	<b>-</b>	<b>1,598</b>	<b>1,641</b>	<b>5,367</b>	<b>373</b>	<b>12,617</b>	<b>21,596</b>
Charge for the year	-	826	85	87	160	1,507	2,665
Forex	-	-	-	-	-	321	321
<b>As at 31 December 2022</b>	<b>-</b>	<b>2,424</b>	<b>1,726</b>	<b>5,454</b>	<b>533</b>	<b>14,445</b>	<b>24,582</b>
<b>As at 1 January 2023</b>	<b>-</b>	<b>2,424</b>	<b>1,726</b>	<b>5,454</b>	<b>533</b>	<b>14,445</b>	<b>24,582</b>
Charge for the year	-	1,079	-	60	159	1,215	2,513
Reallocations	-	-	(1,726)	-	-	(1,735)	(3,461)
Forex	-	-	-	132	-	(427)	(295)
<b>As at 31 December 2023</b>	<b>-</b>	<b>3,503</b>	<b>-</b>	<b>5,646</b>	<b>692</b>	<b>13,498</b>	<b>23,339</b>
<b>Net book value</b>							
<b>As at 31 December 2022 (restated)</b>	<b>147,739</b>	<b>8,301</b>	<b>301</b>	<b>484</b>	<b>3,078</b>	<b>9,207</b>	<b>169,110</b>
<b>As at 31 December 2023</b>	<b>170,337</b>	<b>8,259</b>	<b>-</b>	<b>306</b>	<b>2,518</b>	<b>6,628</b>	<b>188,048</b>

# Notes to the financial statements

An adjustment has been made to reflect the initial accounting for the acquisition of JQG and Goijens by the Company, being the elimination of the investment in JQG and Goijens against the non-monetary assets acquired and recognition of goodwill. In 2023, the Company determined the fair value of the net assets acquired pursuant to the acquisition of JQG and Goijens, via a Purchase Price Allocation ('PPA') exercise. For JQG, the PPA determined a decrease of £33.1 million of goodwill with the corresponding movement to uplift the value of the land and minerals and other intangibles, this is net off by a deferred tax liability on the PPA of £9.6 million. For Goijens, the PPA determined a decrease of £3.5 million of goodwill with the corresponding movement to uplift the value of the Customer relations and Land and Buildings, this is net off by a deferred tax liability on the PPA of £0.9 million. This adheres to the requirements of IFRS 3 and this adjustment has been made as a prior year adjustment.

In 2022, PPA adjustments were made to acquisitions in 2021, Nordkalk and BMix, during the measurement period and the adjustment of £235 million was made as a separate line item rather than as a prior year adjustment in line with IFRS 3. No adjustment has been made to align with IFRS 3 as any restatement would only affect comparative opening balances in this annual report and accounts such that the matter has no ongoing relevance. The Group didn't include provisional adjustments for the reduction in goodwill in the year ended 31 December 2021, which is when the assets were acquired, leaving the initial accounting for these assets incomplete as they were pending completion of the PPA during the measurement period. The Group refrains from making internal provisional adjustments to goodwill given the subjectivity and difficulty in quantifying the potential uplifts. All PPA adjustments to goodwill are provided by an independent third party and are completed during the measurement period in line with IFRS 3.

The PPA for the acquisitions post July 2023, being Björka and ST Investicija, will be prepared within the measurement period.

The intangible asset classes are:

- Goodwill is the excess of the consideration transferred and the acquisition date fair value of any previous equity interest in the acquire over the fair value of the net identifiable assets.
- Customer relations is the value attributed to the key customer lists and relationships.
- Intellectual property is the patents owned by the Group.
- Research and development is the acquisition of new technical knowledge and trying to improve existing processes or products or; developing new processes or products.
- Branding is the value attributed to the established company brand.
- Other intangibles consist of capitalised development costs for assets produced that assist in the operations of the Group and incur revenue.

Amortisation of intangible assets is included in cost of sales on the Income Statement. Development costs have been capitalised in accordance with the requirements of IAS 38 and are therefore not treated, for dividend purposes, as a realised loss.

## Impairment tests for goodwill

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that the goodwill may be impaired. Goodwill is allocated to groups of cash generating units according to the level at which management monitor that goodwill, which is at the level of operating segments.

A total of eighteen operating segments are considered to be Ronez in the Channel Islands; Topcrete, Poundfield, CCP, Rightcast, Retaining, Harries and Johnston in the UK; CDH, Stone, GduH, B-Mix, Goijens and Betons in Belgium; and Quicklime, Nordics, Baltics and Poland in Northern Europe. The operating segments are then allocated to regions.

The Goodwill allocated to each region is shown below:

	31 December 2023			31 December 2022		
	North West £'000	West £'000	North East £'000	North West £'000	West £'000	North East £'000
Goodwill allocated to region at balance sheet date	53,621	23,200	93,516	71,798	20,400	81,627
Discount rate applied to cash flow projections	9.3%	12.24%	11.17%	10%	10%	10%
Average EBITDA margin over 5 years	23.1%	22.9%	21.9%	23.6%	22.4%	21.1%
Headroom	157,640	37,963	261,047	139,705	66,291	129,296
Long term growth rates	2%	2%	2%	2%	2%	2%



### Key assumptions

The key assumptions used in performing the impairment review are set out below:

#### Cash flow projections

The key assumptions and methodology used in respect of the operating segments are consistent with those described above. The values applied to each of the key estimates and assumptions are specific to the individual operating segment and are based on past experience and forecast future trading conditions. The cash flows and terminal value were projected in line with the methodology disclosed above.

#### Long-term growth rates

Cash flow projections are prudently based on 2 per cent (2022: 2 per cent) and therefore provides plenty of headroom.

#### Discount rate

Forecast cash flows for each operating segment have been discounted at rates of 9.30 per cent to 12.24 per cent (2022: 10 per cent); which was calculated based on market participants' cost of capital and adjusted to reflect factors specific to each operating segment.

### Sensitivity

The Group has applied sensitivities to assess whether any reasonable possible changes in assumptions could cause an impairment that would be material to these consolidated Financial Statements. The table below identifies the amounts by which each of the following assumptions would decline or increase to arrive at a zero excess of the present value of future cash flows over the book value of net assets in the two operating segments selected for sensitivity analysis disclosures:

Reduction in cash flows	6.0% - 7.0%
Increase in discount rate	2.0% - 3.7%
Reduction in growth rate	2.0%

This demonstrated that a 1.0% (2022: 1.0%) increase in the discount rate would not cause an impairment and the annual growth rate is assumed to be 2.0% (2022: 2.0%).

The Directors have therefore concluded that no impairment to goodwill is necessary.

## 18. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	Company	
	31 December 2023 £'000	31 December 2022 £'000
<b>Shares in subsidiary undertakings</b>		
<b>At beginning of the year</b>	<b>482,622</b>	<b>435,085</b>
Additions	6,190	47,537
Disposals	-	-
<b>At period end</b>	<b>488,812</b>	<b>482,622</b>
Loan to/(from) Group undertakings	78,493	100,799
<b>Total</b>	<b>567,305</b>	<b>583,421</b>

Investments in Group undertakings are stated at cost less impairment.

# Notes to the financial statements

Details of subsidiaries at 31 December 2023 are as follows:

Name of subsidiary	Country of incorporation	Share capital held by Company	Share capital held by Group	Principal activities
SigmaFin Limited	England	£45,181,877		Holding company
Foefach Stone Limited	England		£1	Construction materials
SigmaGsy Limited	Guernsey		£1	Shipping logistics
Ronez Limited	Jersey		£2,500,000	Construction materials
Pallot Tarmac (2002) Limited	Jersey		£2	Road contracting services
Island Aggregates Limited	Guernsey		£6,500	Waste recycling
Topcrete Limited	England		£926,828	Pre-cast concrete producer
A. Larkin (Concrete) Limited	England		£37,660	Dormant
Allen (Concrete) Limited	England		£100	Holding company
Poundfield Products (Group) Limited	England	£22,167		Holding company
Poundfield Products (Holdings) Limited	England		£651	Holding company
Poundfield Innovations Limited	England		£6,357	Patents & licencing
Poundfield Precast Limited	England		£63,568	Pre-cast concrete producer
Greenbloc Limited	England		£1	Dormant
CCP Building Products Limited	England	£50		Construction materials
Cheshire Concrete Products Limited	England		£1	Dormant
Clwyd Concrete Products Limited	England		£100	Dormant
Country Concrete Products Limited	England		£100	Dormant
CCP Trading Limited	England		£100	Dormant
CCP Aggregates Limited	England		£100,000	Construction materials
Stone Service Center	Belgium	€23,660,763		Holding company
Carrières du Hainaut SCA	Belgium		€16,316,089	Construction materials
Granulats du Hainaut SA	Belgium		€62,000	International marketing
CDH Management 2 SPRL	Belgium		€760,000	Holding company
GDH (Holdings) Limited	England		£54,054	Construction materials
Gerald D. Harries & Sons Limited	England		£112	Construction materials
GD Harries & Sons Limited	England		£1	Dormant
Stone Holding Company SA	Belgium		€100	Construction materials
Cuvelier Philippe SA	Belgium		€750	Construction materials
B-Mix Beton NV	Belgium		€680,600	Concrete producer
Nordkalk Oy Ab	Finland		€1,000,000	Limestone quarrying and processing
Nordkalk AB	Sweden		€2,439,000	Limestone quarrying and processing
Kalkproduktion Storugns AB	Sweden		€293,000	Limestone quarrying and processing
Nordkalk AS	Estonia		€959,000	Limestone quarrying and processing
Nordkalk GmbH	Germany		€50,000	Limestone quarrying and processing
Nordkalk Sp.z o.o	Poland		€19,637,000	Limestone quarrying and processing

Name of subsidiary	Country of incorporation	Share capital held by Company	Share capital held by Group	Principal activities
Suomen Karbonaatti Oy	Finland		€2,102,000	Limestone quarrying and processing
NKD Holding Oy Ab	Finland		€3,000	Holding company
Nordeka Maden A.S	Turkey		€1,020,000	Limestone quarrying and processing
Baltic Aggregates Oy	Finland		€1	Crushing stone
NK – East Oy	Finland		€8,869	Holding company
Nordkalk Ukraine TOV	Ukraine		€539	Mining rights
Nordkalk Prykarpattya TOV	Ukraine		€308	Dormant
Johnston Quarry Group Limited	England		£190	Holding company
Building Stone Limited	England		£1	Stone producing
CSSL No.2 Limited	England		£1	Dormant
Guiting Quarry Limited	England		£100	Construction materials
Bath Stone Group Limited	England		£110	Holding company
Monks Park Minerals Limited	England		£1	Dormant
Stoke Hill Minerals Limited	England		£13,620	Minerals rights
The Bath Stone Company Limited	England		£1	Construction materials
Hartham Park Minerals Limited	England		£1	Dormant
Costwold Stone Sales Limited	England		£1	Dormant
Flick Quarry Limited	England		£1	Dormant
Creeton Quarry Limited	England		£100	Dormant
Oathill Quarry Limited	England		£1	Dormant
Ropsley Quarry Limited	England		£100	Dormant
Righcast Limited	England		£103	Concrete manufacturer
Canteras La Belonga SA	Spain		€273,575	Construction materials
Nayles Barn Quarry Limited	England		£100	Dormant
C B Collier Quarry Limited	England		£1	Dormant
Gripeco BV	Belgium		€284,762	Concrete producer
Goijens Recycling NV	Belgium		€62,000	Concrete producer
G&G Betonpompen BV	Belgium		€50,000	Concrete producer
Retaining Holdings Limited	England		£67	Holding company
Retaining (UK) Limited	England		£100	Retaining wall system
Geocast Ltd	England		£100	Retaining wall system
Juuan Dolomiittikalkki Oy	Finland		€52,700	Limestone quarrying and processing
ST Investicija UAB	Lithuania		€2,900	Limestone quarrying and processing
Compus UAB	Lithuania		€2,896	Limestone quarrying and processing
Draseikiu Karjeras UAB	Lithuania		€203,000	Limestone quarrying and processing
Baltijos Karjerai UAB	Lithuania		€12,876	Limestone quarrying and processing
Karjeru Verslas UAB	Lithuania		€61,712	Limestone quarrying and processing
Kvykliu Karjeras UAB	Lithuania		€102,500	Limestone quarrying and processing
Björka Mineral AB	Sweden		€60	Limestone quarrying and processing

# Notes to the financial statements

Name of subsidiary	Registered office address
SigmaFin Limited	6 Heddon Street, London W1B 4BT
Foelfach Stone Limited	6 Heddon Street, London W1B 4BT
SigmaGsy Limited	Les Vardes Quarry, Route de Port Grat, St Sampson, Guernsey, GY2 4TF
Ronez Limited	Ronez Quarry, La Route Du Nord, St John, Jersey, JE3 4AR
Pallot Tarmac (2002) Limited	Ronez Quarry, La Route Du Nord, St John, Jersey, JE3 4AR
Island Aggregates Limited	Les Vardes Quarry, Route de Port Grat, St Sampson, Guernsey, GY2 4TF
Topcrete Limited	38 Willow Lane, Mitcham, Surrey, CR4 4NA
A. Larkin (Concrete) Limited	38 Willow Lane, Mitcham, Surrey, CR4 4NA
Allen (Concrete) Limited	38 Willow Lane, Mitcham, Surrey, CR4 4NA
Poundfield Products (Group) Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Poundfield Products (Holdings) Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Poundfield Innovations Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Poundfield Precast Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Greenbloc Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
CCP Building Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
Cheshire Concrete Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
Clwyd Concrete Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
Country Concrete Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
CCP Trading Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
CCP Aggregates Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
CDH Développement SA	Rue de Cognebeau 245, B-7060 Soignies, Belgium
Carrières du Hainaut SCA	Rue de Cognebeau 245, B-7060 Soignies, Belgium
Granulats du Hainaut SA	Rue de Cognebeau 245, B-7060 Soignies, Belgium
CDH Management 2 SPRL	Rue de Cognebeau 245, B-7060 Soignies, Belgium
GDH (Holdings) Limited	Rowlands View, Templeton, Narbeth, SA67 8RG
Gerald D. Harries & Sons Limited	Rowlands View, Templeton, Narbeth, SA67 8RG
GD Harries & Sons Limited	6 Heddon Street, London W1B 4BT
Stone Holding Company SA	Avenue Louise 292, BE-1050 Ixelles, Belgium
Cuvelier Philippe SA	Avenue Louise 292, BE-1050 Ixelles, Belgium
B-Mix Beton NV	Kanaalweg 110, B-3980 Tessenderlo, Belgium
Nordkalk Oy Ab	Skräbböentie 18, FI-21600, Parainen, Finland
Nordkalk AB	Box 901, 731 29 Köping
Kalkproduktion Storugns AB	Strugns, 620 34 Lärbro
Nordkalk AS	Lääne-Viru maakond, Väike- Maarja vald, Rakke alevik, F.R Faehlmanni tee 11a, 46301
Nordkalk GmbH	Innungsstrabe 7, 21244 Buchholz in der Nordheide

Name of subsidiary	Registered office address
Nordkalk Sp.z o.o	ul. Plac Na Groblach, nr 21, lok. Miejsce, Krakow, kod 31-101, poczta, Krakow, kraj Polska
Suomen Karbonaatti Oy	Ihalaisen teollisuusalue, 53500 Lappeenranta
NKD Holding Oy Ab	Skräbböentie 18, 21600 Parainen, Finland
Nordeka Maden A.S	Levent MH.Cömert Sk. Yapi Kredi Blokl.c Blok no.1 c/17 Besiktas
Baltic Aggregates Oy	Skräbböentie 18, FI-21600, Parainen, Finland
NK – East Oy	Skräbböentie 18, FI-21600, Parainen, Finland
Nordkalk Ukraine TOV	Ivana Makukha st. 14, 78000, Ivano-Frankivsk Oblast, Tlumach, Ukraine
Nordkalk Prykarpattya TOV	Galytska st 10, 7600 Ivano-Frankivsk, Ukraine
Johnston Quarry Group Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Building Stone Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
CSSL No.2 Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Guiting Quarry Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Bath Stone Group Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Monks Park Minerals Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Stoke Hill Minerals Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
The Bath Stone Company Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Hartham Park Minerals Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Costwold Stone Sales Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Flick Quarry Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Creeton Quarry Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Oathill Quarry Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Ropsley Quarry Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Rightcast Limited	Unit W4 Junction 38 Business Park, Darton, Barnsley, South Yorkshire, S75 5QQ
Canteras La Belonga SA	Oviedo, Cellagu-Latores, 33193, Spain
Nayles Barn Quarry Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
C B Collier Quarry Limited	Westfield Lodge Butchers Hill, Great Tew, Chipping Norton, Oxfordshire, England, OX7 4AD
Gripeco BV	Industrieterrein Kanaal-Noord 1150, 3960 Bree, Belgium
Goijens Recycling NV	Industrieterrein Kanaal-Noord 1150, 3960 Bree, Belgium
G&G Betonpompen BV	Industrieterrein Kanaal-Noord 1150, 3960 Bree, Belgium
Retaining Holdings Limited	Hughes House, Cargo Fleet Road, Middlesbrough, United Kingdom, TS3 6AG
Retaining (UK) Limited	Hughes House, Cargo Fleet Road, Middlesbrough, United Kingdom, TS3 6AG
Geocast Ltd	Hughes House, Cargo Fleet Road, Middlesbrough, United Kingdom, TS3 6AG
Juuan Dolomiittikalkki Oy	Onninpolku 1, 83900 Juuka, Finland
ST Investicija UAB	Raudondvario pl. 131B, Kaunas, Lithuania
Compus UAB	Raudondvario pl. 131B, Kaunas, Lithuania
Draseikiu Karjeras UAB	Raudondvario pl. 131B, Kaunas, Lithuania
Baltijos Karjerai UAB	Raudondvario pl. 131B, Kaunas, Lithuania
Karjeru Verslas UAB	Raudondvario pl. 131B, Kaunas, Lithuania
Kvykliu Karjeras UAB	Raudondvario pl. 131B, Kaunas, Lithuania
Björka Mineral AB	Södra Tullgatan 3, 211 40 Malmö, Sweden

# Notes to the financial statements

For the year ended 31 December 2023 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 related to the following subsidiary companies:

- SigmaFin Limited
- Foelfach Stone Limited
- Topcrete Limited
- A. Larkin (Concrete) Limited
- Allen (Concrete) Limited
- Poundfield Products (Group) Limited
- Poundfield Products (Holdings) Limited
- Poundfield Innovations Limited
- Poundfield Precast Limited
- Greenbloc Limited
- CCP Building Products Limited
- Cheshire Concrete Products Limited
- Clwyd Concrete Products Limited
- Country Concrete Products Limited
- CCP Trading Limited
- CCP Aggregates Limited
- GDH (Holdings) Limited
- Gerald D. Harries & Sons Limited
- GD Harries & Sons Limited
- Johnston Quarry Group Limited
- Building Stone Limited
- CSSL No.2 Limited
- Guiting Quarry Limited
- Bath Stone Group Limited
- Monks Park Minerals Limited
- Stoke Hill Minerals Limited
- The Bath Stone Company Limited
- Hartham Park Minerals Limited
- Costwold Stone Sales Limited
- Flick Quarry Limited
- Creeton Quarry Limited
- Oathill Quarry Limited
- Ropsley Quarry Limited
- Rightcast Limited
- Retaining Holdings Limited
- Retaining (UK) Limited
- Geocast Ltd
- Nayles Barn Quarry Limited
- C B Collier Quarry Limited

## Impairment review

The performance of all companies for the year ended 31 December 2023 are in line with forecasted expectations and as such there have been no indications of impairment.

## 19. INVESTMENT IN EQUITY ACCOUNTED ASSOCIATES & JOINT VENTURES

Nordkalk has a joint venture agreement with Franzefoss Minerals AS, managing a lime kiln located in Norway which was entered into on 5 August 2004.

The Group entered into a joint venture agreement partnering with Arcelor Mittal, to invest in green quicklime and dolime production in Dunkirk, which was entered into on 11 September 2022.

The Group has one non-material local associate in Pargas, Pargas Hyreshus Ab.

	31 December 2023 £'000	31 December 2022 £'000
Interests in associates	605	576
Interest in joint venture	6,448	5,942
	<b>7,053</b>	<b>6,518</b>

		Proportion of ownership interest held	
Name	Country of incorporation	31 December 2023	31 December 2022
NorFraKalk AS	Norway	50%	50%
AMeLi Green Lime Solutions	France	47.5%	-

### Summarised financial information

NorFraKalk AS - Cost and net book value	31 December 2023 £'000	31 December 2022 £'000
Current assets	7,735	8,815
Non-current assets	10,078	7,338
Current liabilities	(2,739)	(3,388)
Non-current liabilities	(4,651)	(1,872)
	<b>10,423</b>	<b>10,893</b>

	For the period 1 January 2023 to 31 December 2023 £'000	For the period 1 September 2022 to 31 December 2022 £'000
Revenues	15,903	20,055
Profit after tax from continuing operations	1,372	1,602

# Notes to the financial statements

## 20. TRADE AND OTHER RECEIVABLES

	Consolidated		Company	
	31 December 2023 £'000	31 December 2022 £'000	31 December 2023 £'000	31 December 2022 £'000
<b>Current asset</b>				
Trade receivables	85,033	78,879	3,690	2,555
Prepayments	6,961	4,917	422	358
Other receivables	7,040	3,009	1,220	255
	<b>99,034</b>	<b>86,805</b>	<b>5,332</b>	<b>3,168</b>
<b>Non-current asset</b>				
Other receivables	3,398	4,259	-	-
	<b>3,398</b>	<b>4,259</b>	<b>-</b>	<b>-</b>

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	Consolidated		Company	
	31 December 2023 £'000	31 December 2022 £'000	31 December 2023 £'000	31 December 2022 £'000
UK Pounds	22,013	21,479	5,052	3,168
Euros	57,839	49,112	-	-
Swedish Krona	15,240	13,945	-	-
Zlotys	6,518	5,803	-	-
Ukrainian Hryvnia	-	-	-	-
Turkish Lira	822	725	-	-
	<b>102,432</b>	<b>91,064</b>	<b>5,052</b>	<b>3,168</b>

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

## 21. INVENTORIES

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
<b>Cost and net book value</b>		
Raw materials and consumables	32,823	26,104
Finished and semi-finished goods	44,265	36,187
Work in progress	7,221	5,489
	<b>84,309</b>	<b>67,780</b>

The amount recognised as change of value in inventory included in cost of sales was £9 million (31 December 2022: (£9 million)).



**22. CASH AND CASH EQUIVALENTS**

	Consolidated		Company	
	31 December 2023 £'000	31 December 2022 £'000	31 December 2023 £'000	31 December 2022 £'000
Cash at bank and on hand	55,872	68,623	7,925	5,055
	<b>55,872</b>	<b>68,623</b>	<b>7,925</b>	<b>5,055</b>

All of the Group's cash at bank is held with institutions with a credit rating of at least A-. Exceptions may be granted on an individual basis in rare cases where a bank is chosen for geographical reasons but does not fulfil the stipulated rating criteria.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	Consolidated		Company	
	31 December 2023 '000	31 December 2022 '000	31 December 2023 '000	31 December 2022 '000
UK Pounds	11,111	8,536	4,617	1,576
Euros	37,308	56,322	3,308	3,479
Swedish krona	4,938	1,100	-	-
Zlotys	2,137	2,479	-	-
Ukrainian Hryvnia	43	20	-	-
Turkish Lira	335	166	-	-
	<b>55,872</b>	<b>68,623</b>	<b>7,925</b>	<b>5,055</b>

**23. TRADE AND OTHER PAYABLES**

	Consolidated		Company	
	31 December 2023 £'000	31 December 2022 £'000	31 December 2023 £'000	31 December 2022 £'000
<b>Current liabilities</b>				
Trade payables	78,572	69,907	15,184	2,964
Wages Payable	13,715	13,662	-	1,032
Accruals	46,120	39,627	15,462	4,475
VAT payable/(receivable)	3,366	3,785	(1,654)	(12)
Deferred consideration	8,887	5,873	3,865	4,243
Other payables	7,539	7,589	1,225	825
	<b>158,199</b>	<b>140,443</b>	<b>34,082</b>	<b>13,527</b>
<b>Non-current liabilities</b>				
Deferred consideration	8,208	5,051	5,260	5,051
	<b>8,208</b>	<b>5,051</b>	<b>5,260</b>	<b>5,051</b>

# Notes to the financial statements

The carrying amounts of the Group and Company's trade and other payables are denominated in the following currencies:

	Consolidated		Company	
	31 December 2023 '000	31 December 2022 '000	31 December 2023 '000	31 December 2022 '000
UK Pounds	49,003	44,493	29,114	16,419
Euros	80,349	69,579	9,908	2,159
Swedish krona	26,712	21,523	320	-
Zlotys	10,029	9,663	-	-
Ukrainian Hryvnia	11	9	-	-
Turkish Lira	303	227	-	-
	<b>166,407</b>	<b>145,494</b>	<b>39,342</b>	<b>18,578</b>

## 24. BORROWINGS

	Consolidated		Company	
	31 December 2023 £'000	31 December 2022 £'000	31 December 2023 £'000	31 December 2022 £'000
<b>Non-current liabilities</b>				
Syndicated Senior Credit Facility	174,090	206,342	174,090	206,342
Bank Loans	5,986	2,617	-	-
Finance lease liabilities	7,853	7,375	-	-
IFRS 16 leases	12,863	12,296	-	27
	<b>200,792</b>	<b>228,630</b>	<b>174,090</b>	<b>206,369</b>
<b>Current liabilities</b>				
Syndicated Senior Credit Facility	29,500	20,000	29,500	20,000
Bank Loans	1,209	6,500	-	-
Finance lease liabilities	2,066	2,927	-	-
IFRS 16 leases	4,729	4,419	43	72
	<b>37,504</b>	<b>33,846</b>	<b>29,543</b>	<b>20,072</b>

In July 2021, the Group entered into a new Syndicated Senior Credit Facility of up to £305 million (the 'Legacy Debt') led by Santander UK and including several major UK and European banks. The Legacy Debt, which comprises a £205 million committed term facility, a £100 million revolving facility commitment and a further £100 million accordion option. This new facility replaces all previously existing bank loans within the Group.

The Legacy Debt is secured by a floating charge over the assets of SigmaFin Limited, Carrieres du Hainaut and Nordkalk and is secured by a combination of debentures, security interest agreements, pledges and floating rate charges over the assets of SigmaRoc plc, SigmaFin Limited, B-Mix, Carrieres du Hainaut and Nordkalk. Interest is charged at a rate between 1.85% and 3.35% above SONIA

('Interest Margin'), based on the calculation of the adjusted leverage ratio for the relevant period. For the period ending 31 December 2023 the Interest Margin was 2.35%.

On 22 November 2023 the Company entered into a new syndicated senior credit facility of up to €750 million (the 'New Debt Facilities') led by Santander UK and BNPP, with the syndicate including several major UK and European banks and a further €125 million bridge loan ('Bridge Loan'). The New Debt Facilities comprise a €600 million committed term facility, €150 million revolving credit facility and a further €100 million uncommitted accordion. The New Debt Facilities are conditional on the completion of the acquisition of the CRH Deal 1, following completion, the Legacy Debt will be repaid in full. As of 31 December 2023, the Group hadn't drawn any funds from the New Debt Facilities.

The carrying amounts and fair value of the non-current borrowings are:

	Carrying amount and fair value	
	31 December 2023 £'000	31 December 2022 £'000
Syndicated Senior Credit Facility	174,090	206,342
Bank Loans	5,986	2,617
Finance lease liabilities	7,853	7,375
IFRS 16 leases	12,863	12,296
	<b>200,792</b>	<b>228,630</b>

### Lease Liabilities

Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default.

Leases which are entered into as a hire purchase agreement, or a finance lease is shown as finance leases.

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
<b>Finance lease liabilities – minimum lease payments</b>		
Not later than one year	6,795	7,346
Later than one year and no later than five years	15,647	14,547
Later than five years	5,069	5,124
	<b>27,511</b>	<b>27,017</b>
Future finance charges on finance lease liabilities	4,466	3,200
<b>Present value of finance lease liabilities</b>	<b>31,977</b>	<b>30,217</b>

For the year ended 31 December 2023, the total finance charges were £1 million (2022: £0.6 million)

The contracted and planned lease commitments were discounted using a weighted average incremental borrowing rate of 6.5%.

The present value of finance lease liabilities is as follows:

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
Not later than one year	7,236	7,566
Later than one year and no later than five years	16,664	14,983
Later than five years	5,398	5,278
<b>Present value of finance lease liabilities</b>	<b>29,298</b>	<b>27,827</b>

# Notes to the financial statements

Reconciliation of liabilities arising from financing activities is as follows:

	Consolidated			Liabilities arising from financing activities £'000
	Long-term borrowings £'000	Short-term borrowings £'000	Lease liabilities £'000	
As at 1 January 2023	208,959	26,500	27,017	262,476
Increase/(decrease) through financing cash flows	-	(22,932)	(9,118)	(32,050)
Increase from refinancing	-	549	4,515	5,064
Amortisation of finance arrangement fees	(1,085)	-	-	(1,085)
Increase through obtaining control of subsidiaries	-	135	836	971
Transfer between classes	(25,673)	25,673	-	-
Revaluation	-	-	4,673	4,673
Foreign exchange movement	(2,125)	784	(412)	(1,753)
<b>As at 31 December 2023</b>	<b>180,076</b>	<b>30,709</b>	<b>27,511</b>	<b>238,296</b>

## 25. PROVISIONS

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
As at 1 January	10,697	10,175
Acquired on business combination	1,546	631
Addition/(Deduction)	970	(110)
	<b>13,213</b>	<b>10,696</b>

The provision total is made up of £632,011 as a restoration provision for the St John's and Les Vardes sites; £86,812 for the Aberdo site; £172,303 for quarries in Wales; £6.7 million for the Nordkalk sites; and £338,943 for the Johnston sites which are all based on the removal costs of the plant and machinery at the sites and restoration of the land. Cost estimates in Jersey and Guernsey are not increased on an annual basis – there is no legal or planning obligation to enhance the sites through restoration. The commitment is to restore the site to a safe environment; thus the provision is reviewed on an annual basis. The estimated expiry on the quarries ranges between 5 – 35 years.

Of the remaining amount, £242,000 is to cover the loss on the Holcim contract in GduH, £62,000 for legal fees, £1.69 million for other restructuring costs in the Nordkalk entities, £3.19 million is the provision for early retirement in Belgium, where salaried workers can qualify for early retirement based on age and £70,000 for early retirement in the Nordkalk entities. The provision for early retirement consists of the estimated amount that will be paid by the employer to the "early retired workers" till the age of the full pension. Refer to Note 26 for more information.

The future reclamation cost value is discounted by 8% (2022 8%) which is the weighted average cost of capital within the Group.

## 26. RETIREMENT BENEFIT SCHEMES

The Group sponsors various post-employment benefit plans. These include both defined contribution and defined benefit plans as defined by IAS 19 Employee Benefits.

### Defined contribution plans

For defined contribution plans outside Belgium, the Group pays contributions to publicly or privately administered pension funds or insurance contracts. Once the contributions have been paid, the Group has no further payment obligation. The contributions are expensed in the year in which they are due. For the year ended, contributions paid into defined contribution plans amounted to £317,000.

### Defined benefit plans

The Group has group insurance plans for some of its Belgian, Swedish and Polish employees funded through defined payments to insurance companies. The Belgian pension plans are by law subject to minimum guaranteed rates of return. In the past the minimum guaranteed rates were 3.25% on employer contributions and 3.75% on employee contributions. A law of December 2015 (enforced on 1 January 2016) modifies the minimum guaranteed rates of return applicable to the Group's Belgian pension plans. For insured plans, the rates of 3.25% on employer contributions

and 3.75% on employee contributions will continue to apply to the contributions accumulated before 2016. For contributions paid on or after 1 January 2016, a variable minimum guaranteed rate of return with a floor of 1.75% applies. The Group obtained actuarial calculations for the periods reported based on the projected unit credit method.

The Swedish plan provides an old-age pension cover for plan members whereas plan members receive a lump sum

payment upon retirement in the Polish plan. Both Swedish and Polish plans are based on collective labour agreements. Through its defined benefit plans, the Group is exposed to a number of risks. A decrease in bond yields will increase the plan liabilities. Some of the Group's pension obligations are linked to inflation and higher inflation will lead to higher liabilities. The majority of the plans obligations are to provide benefits for the life of the plan member, so increases in life expectancy will result in an increase in the plans liabilities.

	31 December 2023 £'000	31 December 2022 £'000
<b>Employee benefits amounts in the Statement of Financial Position</b>		
Assets	-	-
Liabilities	4,355	3,543
<b>Net defined benefit liability at end of year</b>	<b>4,355</b>	<b>3,543</b>

	31 December 2023 £'000	31 December 2022 £'000
<b>Amounts recognised in the Statement of Financial Position</b>		
Present value of funded defined benefit obligations	967	2,468
Fair value of plan assets	(153)	(2,071)
	<b>814</b>	<b>397</b>
Present value of unfunded defined benefit obligation	3,541	3,128
Unrecognised past service cost	-	-
<b>Total</b>	<b>4,355</b>	<b>3,543</b>

	31 December 2023 £'000	31 December 2022 £'000
<b>Amounts recognised in the Income Statement</b>		
Current service cost	152	160
Interest cost	112	47
Expected return on plan assets	163	(127)
<b>Total pension expense</b>	<b>427</b>	<b>80</b>

	31 December 2023 £'000	31 December 2022 £'000
<b>Changes in the present value of the defined benefit obligation</b>		
Defined benefit obligation at beginning of year	3,543	4,292
Current service cost	152	160
Interest cost	112	47
Benefits paid	(354)	(317)
Remeasurements	163	(127)
Remeasurements in OCI	978	(844)
Other significant events	(40)	249
Foreign exchange movement	(199)	83
<b>Defined benefit obligation at end of year</b>	<b>4,355</b>	<b>3,543</b>

# Notes to the financial statements

	31 December 2023 £'000	31 December 2022 £'000
<b>Amounts recognised in the Statement of Changes in Equity</b>		
Prior year cumulative actuarial remeasurements	-	152
Remeasurements	978	(844)
Foreign exchange movement	-	54
<b>Cumulative amount of actuarial gains and losses recognised in the Statement of recognised income / (expense)</b>	<b>978</b>	<b>(638)</b>

	31 December 2023 £'000	31 December 2022 £'000
<b>Movements in the net liability/(asset) recognised in the Statement of Financial Position</b>		
Net liability in the balance sheet at beginning of year	3,543	4,292
Total expense recognised in the income statement	264	207
Contributions paid by the company	(354)	(317)
Amount recognised in the statement of recognised (income)/expense	163	(127)
Remeasurements in OCI	978	(844)
Other significant events	(40)	249
Foreign exchange movement	(199)	83
<b>Defined benefit obligation at end of year</b>	<b>4,355</b>	<b>3,543</b>

## Principal actuarial assumptions as at 31 December 2022

Discount rate	3.87%
Future salary increases	2.93%
Future inflation	2.00%

## Post-retirement benefits

The Group operates both defined benefit and defined contribution pension plans.

Pension plans in Belgium are of the defined benefit type because of the minimum promised return on contributions required by law. The liability or asset recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to

the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Income Statement. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Statement of Financial Position.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

## 27. FINANCIAL INSTRUMENTS BY CATEGORY

<b>Consolidated</b>		<b>31 December 2023</b>	
<b>Assets per Statement of Financial Performance</b>	<b>Loans &amp; receivables £'000</b>	<b>Total £'000</b>	
Trade and other receivables (excluding prepayments)	95,471	95,471	
Cash and cash equivalents	55,872	55,872	
	<b>151,343</b>	<b>151,343</b>	
<b>Liabilities per Statement of Financial Performance</b>	<b>At amortised cost £'000</b>	<b>Total £'000</b>	
Borrowings (excluding finance leases)	210,785	210,785	
Finance lease liabilities	27,511	27,511	
Trade and other payables (excluding non-financial liabilities)	166,407	166,407	
	<b>404,703</b>	<b>404,703</b>	
<b>Consolidated</b>		<b>31 December 2022</b>	
<b>Assets per Statement of Financial Performance</b>	<b>Loans &amp; receivables £'000</b>	<b>Total £'000</b>	
Trade and other receivables (excluding prepayments)	86,148	86,148	
Cash and cash equivalents	68,623	68,623	
	<b>154,771</b>	<b>154,771</b>	
<b>Liabilities per Statement of Financial Performance</b>	<b>At amortised cost £'000</b>	<b>Total £'000</b>	
Borrowings (excluding finance leases)	235,459	235,459	
Finance lease liabilities	27,017	27,017	
Trade and other payables (excluding non-financial liabilities)	145,495	145,495	
	<b>407,971</b>	<b>407,971</b>	
<b>Company</b>		<b>31 December 2023</b>	
<b>Assets per Statement of Financial Performance</b>	<b>Loans &amp; receivables £'000</b>	<b>Total £'000</b>	
Trade and other receivables (excluding prepayments)	4,909	4,909	
Cash and cash equivalents	7,925	7,925	
	<b>12,834</b>	<b>12,834</b>	
<b>Liabilities per Statement of Financial Performance</b>	<b>At amortised cost £'000</b>	<b>Total £'000</b>	
Borrowings (excluding finance leases)	203,589	203,589	
Finance lease liabilities	43	43	
Trade and other payables (excluding non-financial liabilities)	39,345	39,345	
	<b>242,977</b>	<b>242,977</b>	

# Notes to the financial statements

Company	31 December 2022	
	Loans & receivables £'000	Total £'000
<b>Assets per Statement of Financial Performance</b>		
Trade and other receivables (excluding prepayments)	2,810	2,810
Cash and cash equivalents	5,055	5,055
	<b>7,865</b>	<b>7,865</b>
	At amortised cost £'000	Total £'000
<b>Liabilities per Statement of Financial Performance</b>		
Borrowings (excluding finance leases)	226,342	226,342
Finance lease liabilities	99	99
Trade and other payables (excluding non-financial liabilities)	18,577	18,577
	<b>245,018</b>	<b>245,018</b>

## 28. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Ordinary shares £'000	Share premium £'000	Total £'000
<b>Issued and fully paid</b>				
<b>As at 1 January 2022</b>	<b>637,915,750</b>	<b>6,379</b>	<b>399,897</b>	<b>406,276</b>
Exercise of options & warrants – 4 January 2022	330,594	4	125	129
<b>As at 31 December 2022</b>	<b>638,246,344</b>	<b>6,383</b>	<b>400,022</b>	<b>406,405</b>
<b>As at 1 January 2023</b>	<b>638,246,344</b>	<b>6,383</b>	<b>400,022</b>	<b>406,405</b>
Issue of new shares - 28 February 2023 <sup>1</sup>	55,555,555	556	28,682	29,238
Capital reduction – 23 May 2023	-	-	(428,704)	(428,704)
<b>As at 31 December 2023</b>	<b>693,801,899</b>	<b>6,939</b>	<b>-</b>	<b>6,939</b>

<sup>1</sup> Includes issue costs of £781,679

The authorised share capital consists of 1,114,854,530 ordinary shares at a par value of 1 penny.

On 23 February 2023, the Company raised £29.2 million net of issue costs via the issue and allotment of 55,555,555 new Ordinary Shares at a price of 54 pence per share.

On 23 May 2023, the Company undertook a capital reduction whereby the existing share premium and the deferred shares were cancelled.



## 29. SHARE OPTIONS

In 2021, the Company introduced a long term incentive plan (LTIP) for senior management personnel. Shares are awarded in the Company and vest in 3 parts over the third, fourth and fifth anniversary to the extent the performance conditions are met.

Share options and warrants outstanding and exercisable at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price in £ per share	Options & Warrants	
			31 December 2023 #	31 December 2022 #
5 January 2017	30 December 2026	0.25	260,146	260,146
5 January 2017	30 December 2026	0.40	11,878,645	11,878,645
15 April 2019	15 April 2026	0.46	9,030,934	9,030,934
30 December 2019	30 December 2026	0.46	7,943,058	7,976,392
			<b>29,112,783</b>	<b>29,146,117</b>

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options and warrants was determined using the Black Scholes valuation model. The parameters used are detailed below:

	2017 Options A	2017 Options B	2019 Options C	2019 Options D
Vested on	5/1/2017	5/1/2017	15/4/2019	30/12/2019
Revalued on	15/12/2021	15/12/2021	-	-
Life (years)	5	5	7	7
Share price	0.8295	0.8295	0.465	0.525
Risk free rate	0.40%	0.40%	0.31%	0.55%
Expected volatility	31.32%	31.32%	4.69%	8.19%
Expected dividend yield	-	-	-	-
Marketability discount	-	-	-	-
Total fair value	£58,345	£661,604	£419,130	£729,632

The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life.

The volatility is calculated by dividing the standard deviation of the closing share price from the prior six months by the average of the closing share price from the prior six months.

2017 Options A and B were extended for another 5 years by the Board on 15 December 2021 and were revalued on this day.

# Notes to the financial statements

A reconciliation of options and warrants and LTIP awards granted over the year to 31 December 2023 is shown below:

## Options and warrants

	31 December 2023		31 December 2022	
	#	Weighted average exercise price £	#	Weighted average exercise price £
<b>Outstanding at beginning of the year</b>	29,146,117	0.44	30,200,045	0.45
Granted	-	-	-	-
Vested	-	-	-	-
Exercised	(33,334)	0.46	(1,053,927)	0.44
<b>Outstanding as at year end</b>	<b>29,112,783</b>	<b>0.44</b>	<b>29,146,117</b>	<b>0.44</b>
<b>Exercisable at year end</b>	<b>29,112,783</b>	<b>0.44</b>	<b>29,146,117</b>	<b>0.44</b>

## LTIP awards

	31 December 2023		31 December 2022	
	#	Weighted average valuation price £	#	Weighted average valuation price £
<b>Outstanding at beginning of the year</b>	25,620,000	0.69	25,620,000	0.69
Granted	-	-	-	-
Vested	-	-	-	-
Exercised	-	-	-	-
<b>Outstanding as at year end</b>	<b>25,620,000</b>	<b>0.69</b>	<b>25,620,000</b>	<b>0.69</b>
<b>Exercisable at year end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 30. OTHER RESERVES

	Consolidated					
	Deferred shares £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Capital reserve £'000	Foreign currency translation reserve £'000	Total £'000
<b>As at 1 January 2022</b>	762	600	1,037	-	(13,635)	(11,236)
Other comprehensive income	-	-	3,634	-	-	3,634
Currency translation differences	-	-	-	-	17,176	17,176
Other equity adjustments	-	-	-	687	-	687
<b>As at 31 December 2022</b>	<b>762</b>	<b>600</b>	<b>4,671</b>	<b>687</b>	<b>3,541</b>	<b>10,261</b>
<b>As at 1 January 2023</b>	<b>762</b>	<b>600</b>	<b>4,671</b>	<b>687</b>	<b>3,541</b>	<b>10,261</b>
Other comprehensive income	-	-	(5,506)	-	-	(5,506)
Currency translation differences	-	-	-	-	(3,109)	(3,109)
Other adjustments	(762)	-	-	(255)	-	(1,017)
<b>As at 31 December 2023</b>	<b>-</b>	<b>600</b>	<b>(835)</b>	<b>432</b>	<b>432</b>	<b>629</b>

### 31. NON-CONTROLLING INTERESTS

	Consolidated	
	31 December 2023 £'000	31 December 2022 £'000
<b>As at 1 January</b>	<b>11,732</b>	<b>10,894</b>
Acquired in business combination	616	974
Non-controlling interests share of profit in the period	3,184	2,343
Dividends paid	(1,275)	(3,038)
Foreign exchange movement	(114)	559
<b>As at 31 December</b>	<b>14,143</b>	<b>11,732</b>

	31 December 2023		31 December 2022	
	Suomen Karbonaatti £'000	Other individually immaterial subsidiaries £'000	Suomen Karbonaatti £'000	Other individually immaterial subsidiaries £'000
Current assets	18,762	14,459	17,592	12,427
Non-current assets	2,489	23,612	3,348	19,605
Current liabilities	(4,919)	(8,442)	(7,975)	(7,627)
Non-current liabilities	(7,807)	(6,082)	(5,767)	(4,361)
<b>Net Assets</b>	<b>8,525</b>	<b>23,547</b>	<b>7,198</b>	<b>20,044</b>
<b>Net Assets Attributable to NCI</b>	<b>4,192</b>	<b>7,800</b>	<b>3,527</b>	<b>7,366</b>
Revenue	38,252	32,062	37,760	23,662
Profit after taxation	4,108	3,705	3,294	1,993
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>4,108</b>	<b>3,705</b>	<b>3,294</b>	<b>1,993</b>
Net operating cash flow	4,486	5,081	4,196	1,556
Net investing cash flow	(324)	(8,971)	(679)	(2,782)
Net financing cash flow	(2,610)	4,021	(6,208)	1,701
Dividends paid to NCI	<b>1,275</b>	-	<b>3,038</b>	-

### 32. EARNINGS PER SHARE

The calculation of the total basic earnings per share of 1.98 pence (2022: 4.89 pence) is calculated by dividing the profit attributable to shareholders of £13,534 million (2022: £31,238 million) by the weighted average number of ordinary shares of 684,973,893 (2022: 638,243,627) in issue during the period.

Diluted earnings per share of 1.90 pence (2022: 4.68 pence) is calculated by dividing the profit attributable to

shareholders of £13,534 million (2022: £31,238 million) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of share options and warrants to subscribe for ordinary shares in the Company, which together total 714,091,517 (2022: 667,430,527). The weighted average number of shares is the opening balance of ordinary shares plus the weighted average of 46,727,549 shares.

Details of share options that could potentially dilute earnings per share in future periods are disclosed in Note 29.

# Notes to the financial statements

## 33. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COSTS

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

Items where the carrying amount equates to the fair value are categorised to three levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Items which are categorised as Level 2 financial assets and liabilities are forward exchange contracts and these are valued using the year end exchange rate for the relevant currencies.

	Carrying Amount					Fair value			
	Fair value – Hedging instruments £'000	Fair value through P&L £'000	Fair value through OCI £'000	Financial asset at amortised cost £'000	Other financial liabilities £'000	Total £'000	Level 1 £'000	Level 2 £'000	Total £'000
Forward exchange contracts	-	122	580	-	-	<b>702</b>	-	702	<b>702</b>
Electricity hedges	-	-	3,995	-	-	<b>3,995</b>	3,995	-	<b>3,995</b>

### Financials assets not measured at fair value

Trade and other receivables (excl. Derivatives)	-	-	-	102,432	-	<b>102,432</b>	-	-	-
Cash and cash equivalents	-	-	-	55,872	-	<b>55,872</b>	-	-	-

### Financial liabilities measured at fair value

Forward exchange contracts	-	1,253	590	-	-	<b>1,843</b>	-	1,843	<b>1,843</b>
Electricity hedges	-	-	3,250	-	-	<b>3,250</b>	3,250	-	<b>3,250</b>

### Financial liabilities not measured at fair value

Loans					210,786	<b>210,786</b>			
Finance lease liability					27,510	<b>27,510</b>			
Trade and other payables (excl. derivative)					166,406	<b>166,406</b>			

### 34. BUSINESS COMBINATIONS

#### ***Nayles Barn Quarry Limited***

On 27 January 2023, the Group acquired 100 per cent. of the share capital of Nayles Barn Quarry Limited ('Nayles Barn') for cash consideration of £3.5 million. This was part of the deferred consideration from the JQG acquisition. Nayles Barn is registered and incorporated in England.

The following table summarises the consideration paid for Nayles Barn and the values of the assets and equity assumed at the acquisition date.

<b>Total consideration</b>	<b>£'000</b>
Net cash consideration	3,500
	<b>3,500</b>

<b>Recognised amounts of assets and liabilities acquired</b>	<b>£'000</b>
Trade and other receivables	15
Property, plant & equipment	73
Trade and other payables	(771)
Investment in Subsidiary	670
<b>Total identifiable net assets</b>	<b>(13)</b>
<b>Goodwill (refer to note 17)</b>	<b>3,513</b>
<b>Total consideration</b>	<b>3,500</b>

Since 27 January 2023 Nayles Barn hasn't contributed profit or revenue.

# Notes to the financial statements

## Goijens

On 31 January 2023, the Group acquired 100 per cent. of the share capital of Gripeco BV and its subsidiaries ('Goijens') for a cash consideration of €14 million. Goijens is registered and incorporated in Belgium. The principal activity is the operation of concrete plants.

The following table summarises the consideration paid for Goijens and the values of the assets and equity assumed at the acquisition date.

Total consideration	£'000
Cash	12,144
	<b>12,144</b>

Recognised amounts of assets and liabilities acquired	£'000
Cash and cash equivalents	1,904
Trade and other receivables	2,175
Investment in subsidiaries	713
Inventories	233
Property, plant & equipment	3,790
Trade and other payables	(1,499)
Income tax payable	(25)
Borrowings	(234)
<b>Total identifiable net assets</b>	<b>7,057</b>
<b>Goodwill (refer to note 17)</b>	<b>5,087</b>
<b>Total consideration</b>	<b>12,144</b>

Since 31 January 2023, Goijens has contributed a profit of £1.3 million and revenue of £14.7 million. Had Goijens been consolidated from 1 January 2023, the consolidated statement of income would show additional loss of £0.1 million and revenue of £0.5 million.

### Juuan Dolomitik

On 1 February 2023, the Group acquired 70 per cent. of the share capital of Juuan Dolomitik and its subsidiaries for a cash consideration of €1.83 million. Juuan Dolomitik is registered and incorporated in Finland. Juuan Dolomitik is a land improvement lime manufacturing company.

The following table summarises the consideration paid for Juuan Dolomitik and the values of the assets and equity assumed at the acquisition date.

<b>Total consideration</b>	<b>£'000</b>
Cash	530
Deferred consideration	1,059
	<b>1,589</b>

<b>Recognised amounts of assets and liabilities acquired</b>	<b>£'000</b>
Cash and cash equivalents	794
Trade and other receivables	361
Inventories	93
Property, plant & equipment	879
Investment in Subsidiary	36
Trade and other payables	(79)
Borrowings	(29)
Non-controlling interest	(616)
<b>Total identifiable net assets</b>	<b>1,439</b>
<b>Goodwill (refer to note 17)</b>	<b>150</b>
<b>Total consideration</b>	<b>1,589</b>

Since 1 February 2023, Juuan Dolomitik has contributed a profit of £0.1 million and revenue of £1.5 million. Had Juuan Dolomitik been consolidated from 1 January 2023, the consolidated statement of income would show no additional profit and revenue of £0.2 million.

# Notes to the financial statements

## Retaining

On 7 April 2023, the Group acquired 100 per cent. of the share capital of Retaining and its subsidiaries for a cash consideration of £2.45 million. Retaining is registered and incorporated in England. Retaining provides retaining wall solutions across the United Kingdom.

The following table summarises the consideration paid for Retaining and the values of the assets and equity assumed at the acquisition date.

<b>Total consideration</b>	<b>£'000</b>
Cash	2,450
	<b>2,450</b>

<b>Recognised amounts of assets and liabilities acquired</b>	<b>£'000</b>
Cash and cash equivalents	150
Trade and other receivables	300
Inventories	1,372
Property, plant & equipment	396
Trade and other payables	(889)
Income tax payable	(46)
Deferred tax liability	(30)
Borrowings	(459)
<b>Total identifiable net assets</b>	<b>794</b>
<b>Goodwill (refer to note 17)</b>	<b>1,656</b>
<b>Total consideration</b>	<b>2,450</b>

Since 7 April 2023, Retaining has contributed a profit of £0.6 million and revenue of £4.2 million. Had Retaining been consolidated from 1 January 2023, the consolidated statement of income would show additional loss of £0.1 million and revenue of £1.4 million.



**Björka Mineral**

On 31 July 2023, the Group acquired 100 per cent. of the share capital of Björka Mineral for a cash consideration of €14.7 million. Björka Mineral is registered and incorporated in Sweden. Björka Mineral is a leading supplier of high-grade limestone and dolomite powders.

The following table summarises the consideration paid for Björka Mineral and the values of the assets and equity assumed at the acquisition date.

<b>Total consideration</b>	<b>£'000</b>
Cash consideration	9,543
Equity contributions	468
Deferred consideration	2,982
	<b>12,993</b>

<b>Recognised amounts of assets and liabilities acquired</b>	<b>£'000</b>
Cash and cash equivalents	104
Trade and other receivables	2,043
Inventories	1,849
Property, plant & equipment	6,964
Intangible assets	11
Trade and other payables	(1,756)
Income tax refund	112
Deferred tax liability	(179)
Borrowings	(5,619)
Provisions	(1,554)
<b>Total identifiable net assets</b>	<b>1,975</b>
<b>Provisional goodwill (refer to note 17)</b>	<b>11,018</b>
<b>Total consideration</b>	<b>12,993</b>

Since 31 July 2023, Björka Mineral has contributed a profit of £0.7 million and revenue of £5.5 million. Had Björka Mineral been consolidated from 1 January 2023, the consolidated statement of income would show additional profit of £0.1 million and revenue of £7.3 million.

# Notes to the financial statements

## ST Investicija

On 12 July 2023, the Group acquired 100 per cent. of the share capital of ST Investicija and its subsidiaries for a cash consideration of €4.3 million. ST Investicija is registered and incorporated in Lithuania. ST Investicija operates three quarries in Lithuania.

The following table summarises the consideration paid for ST Investicija and the values of the assets and equity assumed at the acquisition date.

Total consideration	£'000
Cash	3,714
	<b>3,714</b>

Recognised amounts of assets and liabilities acquired	£'000
Cash and cash equivalents	753
Trade and other receivables	694
Inventories	230
Investments	14
Property, plant & equipment	899
Trade and other payables	(517)
Income tax payable	(82)
Deferred tax liability	
Borrowings	(490)
Provisions	(48)
<b>Total identifiable net assets</b>	<b>1,453</b>
<b>Provisional goodwill (refer to note 17)</b>	<b>2,261</b>
<b>Total consideration</b>	<b>3,714</b>

Since 12 July 2023, ST Investicija has contributed a profit of £0.4 million and revenue of £1.9 million. Had Retaining been consolidated from 1 January 2023, the consolidated statement of income would show additional profit of £0.3 million and revenue of £1.6 million.

### 35. CONTINGENCIES

The Group is not aware of any material personal injury or damage claims open against the Group.

### 36. RELATED PARTY TRANSACTIONS

#### Loans with Group Undertakings

Amounts receivable/(payable) as a result of loans granted to/(from) subsidiary undertakings are as follows:

	Company	
	31 December 2023 £'000	31 December 2022 £'000
Ronez Limited	(27,152)	(22,764)
SigmaGsy Limited	(9,013)	(7,663)
SigmaFin Limited	21,885	20,549
Topcrete Limited	(11,179)	(10,346)
Poundfield Products (Group) Limited	5,012	5,356
Foelfach Stone Limited	594	557
CCP Building Products Limited	5,311	4,586
Carrières du Hainaut SCA	16,799	14,948
GDH (Holdings) Limited	11,435	10,035
B-Mix Beton NV	10,349	8,013
Stone Holdings SA	409	384
Nordkalk Oy Ab	43,062	70,196
Johnston Quarry Group	12,604	7,747
Rightcast Limited	(1,117)	(799)
Retaining (UK) Limited	(506)	-
	<b>78,493</b>	<b>100,799</b>

Loans granted to or from subsidiaries are unsecured, have interest charged at 6.5% and are repayable in Pounds Sterling on demand from the Company.

All intra Group transactions are eliminated on consolidation.

### 37. ULTIMATE CONTROLLING PARTY

The Directors believe there is no ultimate controlling party.

# Notes to the financial statements

## 38. EVENTS AFTER THE REPORTING DATE

On 4 January 2024 the Company:

- raised gross proceeds of approximately £200 million through the issue of 421,052,631 new Ordinary Shares at a price of 47.5 pence per share;
- refinanced its senior debt with a new €875 million finance facility; and
- completed the acquisitions of Fels Holding GmbH and its subsidiaries, Vapenka Vitošov s.r.o. and Clogrennane Lime Limited for an aggregate consideration of €745 million before customary purchase price deductions. Financial information for each entity acquired shown below:

### *Fels Holdings GmbH*

On 4 January 2024, the Group acquired 100 per cent. of the share capital of Fels Holding GmbH ('Fels') and its subsidiaries for a cash consideration of €500.7 million. Fels is registered and incorporated in Germany. Fels is a lime producer with the key operations of extracting limestone from quarries as well further processing the limestone.

The following table summarises the consideration paid for Fels and the values of the assets and equity assumed at the acquisition date.

<b>Total consideration</b>	<b>£'000</b>
Initial cash	249,876
Deferred settlement	(8,675)
Purchase of shareholder loan	128,059
Deferred consideration	65,060
	<b>434,320</b>

<b>Recognised amounts of assets and liabilities acquired</b>	<b>£'000</b>
Cash and cash equivalents	26,928
Trade and other receivables	26,103
Inventories	22,134
Property, plant & equipment	447,811
Intangible assets	122,619
Intercompany borrowings	(128,273)
Trade and other payables	(55,302)
Income tax payable	(5,384)
Deferred tax liability	(93,120)
Borrowings	(10)
Provisions	(43,841)
<b>Total identifiable net assets</b>	<b>319,665</b>
<b>Provisional goodwill</b>	<b>114,655</b>
<b>Total consideration</b>	<b>434,320</b>

**Vapenka Vitošov s.r.o**

On 4 January 2024, the Group acquired 75 per cent. of the share capital of Vapenka Vitošov s.r.o ('Vapenka') for a cash consideration of €85.8 million. Vapenka is registered and incorporated in the Czech Republic. Vapenka is a lime producer with the key operations of extracting limestone from quarries as well further processing the limestone.

The following table summarises the consideration paid for Vapenka and the values of the assets and equity assumed at the acquisition date.

<b>Total consideration</b>	<b>£'000</b>
Cash	74,388
	<b>74,388</b>

<b>Recognised amounts of assets and liabilities acquired</b>	<b>£'000</b>
Cash and cash equivalents	2,951
Trade and other receivables	5,266
Inventories	4,434
Property, plant & equipment	64,446
Intangible assets	13,375
Trade and other payables	(4,617)
Income tax payable	(748)
Deferred tax liability	(12,394)
Borrowings	(8)
Provisions	(442)
<b>Total identifiable net assets</b>	<b>72,263</b>
<b>Provisional goodwill</b>	<b>2,125</b>
<b>Total consideration</b>	<b>74,388</b>

# Notes to the financial statements

## ***Clogrennane Lime Limited***

On 4 January 2024, the Group acquired 100 per cent. of the share capital of Clogrennane Lime Limited ('Clogrennane') for a cash consideration of €58.2 million. Clogrennane is registered and incorporated in Ireland. Clogrennane is a lime producer with the key operations of extracting limestone from quarries as well further processing the limestone.

The following table summarises the consideration paid for Clogrennane and the values of the assets and equity assumed at the acquisition date.

<b>Total consideration</b>	<b>£'000</b>
Cash	50,517
	<b>50,517</b>

<b>Recognised amounts of assets and liabilities acquired</b>	<b>£'000</b>
Cash and cash equivalents	8,523
Trade and other receivables	3,671
Inventories	2,609
Property, plant & equipment	9,327
Trade and other payables	(4,265)
Income tax payable	(1,215)
Deferred tax liability	(986)
Borrowings	(1)
<b>Total identifiable net assets</b>	<b>17,663</b>
<b>Provisional goodwill</b>	<b>32,854</b>
<b>Total consideration</b>	<b>50,517</b>

On 4 March 2024, the Company issued notice of exercise of the call option, entered on 22 November 2023, to acquire the UK lime operations of CRH plc for a total consideration of €155 million. Completion is expected by the end of March 2024.

# Company information

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## DIRECTORS

David Barrett (Executive Chairman)  
Max Vermorken (Chief Executive Officer)  
Garth Palmer (Chief Financial Officer)  
Tim Hall (Non-Executive Director)  
Simon Chisholm (Non-Executive Director)  
Jacques Emsens (Non-Executive Director)  
Axelle Henry (Non-Executive Director)

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## COMPANY SECRETARY

Julie Kuenzel

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