2023

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023






IMERYS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

IMERYS

Limited Company

43 quai de Grenelle

75015 PARIS

Statutory auditors' report
On the consolidated financial statements

For the year ended December 31, 2023

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

S.A.S. au capital de 2 510 460 €
672 006 483 RCS Nanterre

Société de Commissariat aux Comptes inscrite
à la Compagnie Régionale de Versailles et du Centre

Deloitte & Associés

6 place de la Pyramide
92908 Paris-La Défense Cedex

S.A.S. au capital de 2 188 160 €
572 028 041 RCS Nanterre

Société de Commissariat aux Comptes inscrite
à la Compagnie Régionale de Versailles et du Centre

IMERYS

Limited Company

43 quai de Grenelle

75015 PARIS

Statutory auditors' report
On the consolidated financial statements

For the year ended December 31, 2023

To the Annual General Meeting of Imerys,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Imerys ("the Group") for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statement*s section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1st, 2023, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill

Notes 16 & 19 of the consolidated financial statements

Risk identified	The carrying value of goodwill on the balance sheet amounts to 1 839,1 million euros as of December 31, 2023. Such goodwill are tested at the level at which they are monitored by management as indicated in note 19 to the consolidated financial statements. An impairment test of goodwill is carried out every 12 months at the end of the period. During the year, Management reviews any indicator of impairment for group of CGUs. As soon as facts indicating that a group of CGUs may be impaired, Management performs an impairment test at an interim date.

	An impairment test consists in comparing the carrying value of the assets in the scope of IAS 36 with its recoverable amount, corresponding to the highest amount between its value in use, estimated based on discounted future cash flows and its fair value less cost to sell. We considered the measurement of the recoverable amount of goodwill to be a Key Audit Matter for the following reasons: o The amount of goodwill is material in the consolidated financial statements; o The sensitivity of the tests carried out to certain major data and assumptions and to management's judgments in a complex and evolving economic environment. These data and assumptions include in particular the levels of expected organic growth underlying the projected cash flows, the perpetual growth rates and the discount rates.
Our response	Our audit procedures mainly consisted in: o reviewing the process implemented by management to measure the recoverable amount of goodwill and to assess the principles and methods for determining the recoverable amounts of the groups of CGUs to which the goodwill is attached; o reviewing the groups of CGUs at the level of which goodwill is monitored by Management, and assessing their consistency with the Group's internal organization, the level at which investments are monitored and the internal reporting; o assessing, with the support of our valuation experts: • the reasonableness of the cash flow projections relating to each group of CGUs compared to the economic and financial context in which they operate; • the consistency of these cash flow projections with the most recent Management estimates that were presented to the Board of Directors as part of the budget process, taking into account the market outlook and the risks related to climate change and with external studies related to the markets served by the group; • the relevance of the measurement models used, the reasonableness of hypothesis applied to the projected cash flows, mainly long-term growth rate and discount rates, with regards to market analyses, the consensus of the main players and the economic environment of countries in which the Group operates. We also verified the arithmetical accuracy of these models and their consistency with the main source data. We have also assessed the appropriateness of the information disclosed in note 19 to the consolidated financial statements and verified the arithmetical accuracy of sensitivity analyses performed by Management.

Valuation of provisions for the industrial sites dismantling and mining sites restoration

Note 23.2 of the consolidated financial statements

<table>
<tr><td>Risk identified</td><td>
As described in note 23.2 to the consolidated financial statements, Imerys is subject to different regulatory requirements relating to the restoration of its mines as well as industrial sites dismantling obligations.
Provisions have been recognized on the balance sheet for this purpose, for an amount of 258,6 million euros as of December 31, 2023 (135,2 million euros for mining site restoration and 123,4 million euros for dismantling obligations).
The calculation of these provisions requires management's judgement and relies on assumptions to:

estimate the useful life of the mines and industrial sites
evaluate the restoration and dismantling obligation costs and the respective implementation timetables, depending on each site's specificities and local regulatory requirements
determine the discount rates applied to forecasted costs.

Management also relies on in-house experts to determine the main assumptions, and the expected impacts, where applicable, of regulatory changes.
The valuation of provisions for industrial sites dismantling and mining sites restoration obligations are therefore considered to be a Key Audit Matter given the high level of management judgement required for their determination.
</td></tr>
<tr><td>Our response</td><td>
We performed a critical review of restoration and dismantling obligations, as well as provisions recorded, and disclosures provided. Our work mainly consisted in:

Examining the procedures implemented by management to identify, assess and account for these provisions and have performed certain specific tests on a sampling of operating entities. As part of those tests:

We have examined the competence of the in-house experts used by the Group;
We have assessed the appropriateness of the method adopted and analyzed the reasonableness of the cost estimates with respect to applicable legal, regulatory or contractual requirements;
We have assessed, with the support of our valuation experts, the relevance of the models used, the discount rates applied, in light of market practices, and verified their arithmetical accuracy and their consistency with the main source data;

</td></tr>
</table>

	- Analyzing, for the other entities, the changes in provisions to identify any possible inconsistencies with respect to our understanding of the relevant site restoration or dismantling programs. - Verifying that Note 23.2 to Group consolidated financial statements contains the appropriate disclosures on the restoration and dismantling obligations

Assessment of the financial impacts relating to the talc litigation

Note 23.2 of the consolidated financial statements

Risk identified	Certain Group subsidiaries are involved in litigations related to the talc business in the United States. In February 2019, the North American entities exposed to these disputes filed for Chapter 11 bankruptcy protection. Under this procedure, even though the Group remains legal owner of the relevant entities, Imerys lost its control over these entities. Therefore, they were removed from the Group's consolidation scope on February 13, 2019. In May 2020, Imerys and claimants' representatives filed a jointly agreed reorganization plan (the "Plan" or "Disclosure Statement") which was latter approved by the Judge in January 2021. During this process, in October 2020, an agreement was concluded with Magris Resources for the sale of North American talc activities for a purchase price of 223 M$ and the sale was closed in February 2021. The voting process of the Plan failed to obtain 75% of favorable votes at the end of 2021. A Revised Plan has finally been filed on January 31, 2024. As of December 31, 2023, the remaining provisions for these claims amounts to 103,9 M€. The assessment of a provision depends on management's judgment of making a reliable estimate of the resulting obligation and all the related costs, where necessary. Considering the material financial impacts for the Group and the decisive nature of the judgments and estimates made by Management to assess the potential liability, we considered the assessment of this provision to be a Key Audit Matter.
Our response	We assessed the reasonableness of the provision recorded in the balance sheet, based on: - The 'Disclosure Statement' approved by the Court; - The 'Disclosure Statement for Second Joint Plan' filed to the Court; - Extracts from the minutes of the Group's various Board of Directors' meetings, featuring the exchanges relating to this talc dispute in the US and the Chapter 11 proceedings

- Inquiries with Management, especially with the Group General Counsel

We obtained confirmation from the external legal advisors representing the Company in connection with the Chapter 11 proceedings of its North American subsidiaries that the provision reflected a reasonable estimate of the net financial impact for the Group arising from the potential resolution of these proceedings.

We assessed the appropriateness of information disclosed in the note 23.2 to the consolidated financial statements with 'IAS 37 'Provisions, contingent liabilities and contingent assets.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in the Group's management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Besides, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Imerys by the Annual General Meeting held on May 5 2003 for the firm Deloitte & Associés and on May 10, 2022, for the PricewaterhouseCoopers.

As at December 31, 2023, the firm Deloitte & Associés and the firm PricewaterhouseCoopers Audit were in the 20th and 2nd year of total uninterrupted engagement respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 7, 2024

The Statutory Auditors French original signed by

PricewaterhouseCoopers Audit	Deloitte & Associés
Cédric HAASER	Olivier BROISSAND

CONSOLIDATED FINANCIAL STATEMENTS

Financial statements

CONSOLIDATED INCOME STATEMENT

(€ millions)	Notes	2023	2022
Revenue	**5**	**3,794.4**	**4,281.6**
Raw materials and consumables used	6	(1,365.3)	(1,472.5)
External expenses	7	(990.1)	(1,208.9)
Staff expenses	8	(869.1)	(872.7)
Taxes and duties		(28.5)	(37.6)
Amortization, depreciation and impairment		(299.7)	(303.1)
Intangible assets, mining assets and property, plant and equipment		*(249.5)*	*(254.8)*
Right-of-use assets		*(50.2)*	*(48.3)*
Other current income and expenses	9	33.5	25.4
Share in net income of joint ventures and associates	10	89.5	26.6
Current operating income		**364.7**	**438.8**
Gain (loss) from obtaining or losing control	11	(14.1)	22.8
Other non-recurring items	11	(242.9)	(143.2)
Operating income		**107.7**	**318.4**
Net financial debt expense		**(24.3)**	**(32.9)**
Income from securities	12	16.7	5.1
Gross financial debt expense	12	(41.0)	(38.0)
Interest expense on borrowings and financial debt		*(36.8)*	*(34.9)*
Interest expense on lease liabilities		*(4.2)*	*(3.1)*
Other financial income (expenses)		**(14.1)**	**(17.4)**
Other financial income		255.5	228.3
Other financial expenses		(269.6)	(245.7)
Financial income (loss)	**13**	**(38.4)**	**(50.3)**
Income taxes	14	(60.4)	(91.0)
Net income from continuing operations		**8.9**	**177.1**
Net income from continuing operations, Group share(2)		7.6	*172.9*
Net income from continuing operations attributable to non-controlling interests		1.3	*4.2*
Net income from discontinued operations(1)	**25**	**44.9**	**77.3**
Net income from discontinued operations, Group share		43.7	*64.3*
Net income from discontinued operations attributable to non-controlling interests		1.2	*13.0*
NET INCOME		**53.8**	**254.4**
Net income, Group share(2)		*51.3*	*237.2*
Net income attributable to non-controlling interests		*2.5*	*17.2*

(1) High Temperature Solutions line of business (note 25).

(2) Net income per share

Basic net income per share, Group share (in €)	*15*	*0.61*	*2.80*
Diluted net income per share, Group share (in €)	*15*	*0.60*	*2.76*
Basic net income from continuing operations per share, Group share (in €)	*15*	*0.09*	*2.04*
Diluted net income from continuing operations per share, Group share (in €)	*15*	*0.09*	*2.01*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	Notes	2023	2022
Net income		**53.8**	**254.4**
Components that will not be reclassified in profit or loss			
Gains (losses) on remeasurements of defined benefit plans	23.1	(26.7)	44.2
Gains (losses) on equity instruments measured at fair value		(1.1)	(1.3)
Gains (losses) on financial liabilities measured at fair value, attributable to the acquisition of a non-controlling stake		-	(7.0)
Aggregated income tax on components that will not be reclassified in profit or loss	14	6.3	(9.6)
Total components that will not be reclassified in profit or loss		**(21.5)**	**26.3**
Components that will be reclassified in profit or loss			
Cash flow hedges		**(6.9)**	**(69.7)**
Gains (losses)	24.4	(59.3)	30.6
Reclassification adjustments(1)	24.4	52.4	(100.3)
Hedges of net investments in foreign operations		**(17.2)**	**0.2**
Gains (losses)	26	(17.2)	0.2
Reclassification adjustments(1)	26	-	-
Exchange rate differences		**107.0**	**51.6**
Gains (losses)	26	(29.8)	50.0
Reclassification adjustments(2)	26	136.8	1.6
Aggregated income tax on components that will be reclassified in profit or loss	**14**	**6.0**	**15.3**
Total components that will be reclassified in profit or loss		**88.9**	**(2.6)**
TOTAL COMPREHENSIVE INCOME		**121.2**	**278.1**
Total comprehensive income, Group share		*120.8*	*251.3*
Total comprehensive income attributable to non-controlling interests		*0.4*	*26.8*

(1) Reclassification of other comprehensive income to the income statement.

(2) Of which €137.1 million with respect to the High Temperature Solutions line of business (note 25).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	Notes	2023	2022
Non-current assets		**4,469.8**	**4,357.4**
Goodwill	16	1,839.1	1,852.2
Intangible assets	17	333.3	287.5
Right-of-use assets	18	151.4	133.1
Mining assets	18	391.1	415.5
Property, plant and equipment	18	1,475.9	1,410.7
Joint ventures and associates	10	122.7	90.5
Other financial assets	21.1	5.6	25.4
Other receivables	21.1	36.0	31.8
Derivative financial assets	21.1	0.2	-
Deferred tax assets	14	114.5	110.7
Current assets		**2,643.6**	**2,137.4**
Inventories	20	734.6	789.9
Trade receivables	21.1	398.5	489.9
Other receivables	21.1	237.1	208.4
Derivative financial assets	21.1	14.8	27.0
Other financial assets	21.1	673.6	2.0
Cash and cash equivalents	21.1	585.0	620.2
Assets held for sale(1)	**25**	**38.5**	**1,376.2**
Consolidated assets		**7,151.9**	**7,871.0**
Equity, Group share		**3,124.0**	**3,337.9**
Share capital		169.9	169.9
Share premium		614.4	614.4
Treasury shares		(16.5)	(18.7)
Reserves		2,304.9	2,335.1
Net income, Group share		51.3	237.2
Equity attributable to non-controlling interests		**33.3**	**47.5**
Equity	**22**	**3,157.3**	**3,385.4**
Non-current liabilities		**2,497.6**	**2,465.6**
Provisions for employee benefits	23.1	160.6	160.2
Other provisions	23.2	426.6	388.8
Borrowings and financial debt	24.1	1,691.3	1,694.5
Lease liabilities	24.1	119.2	98.1
Other debts	24.3	18.4	20.0
Derivative financial liabilities	24.1	0.3	4.1
Deferred tax liabilities	14	81.2	99.9
Current liabilities		**1,471.0**	**1,551.1**
Other provisions	23.2	43.5	34.3
Trade payables	24.1	377.9	540.1
Income tax payable		86.1	104.9
Other debts	24.3	364.6	344.3
Derivative financial liabilities	24.1	32.1	29.0
Borrowings and financial debt	24.1	520.2	452.7
Lease liabilities	24.1	41.3	42.1
Bank overdrafts	24.1	5.3	3.7
Liabilities related to assets held for sale(2)	**25**	**26.0**	**468.9**
Consolidated equity and liabilities		**7,151.9**	**7,871.0**

(1) Of which, at December 31, 2023, the bauxite production business for €38.5 million and, at December 31, 2022, the High Temperature Solutions line of business for €942.8 million and the business serving the paper market for €433.4 million (note 25).

(2) Of which, at December 31, 2023, the bauxite production business for €26.0 million and, at December 31, 2022, the High Temperature Solutions line of business for €335.5 million and the business serving the paper market for €133.5 million (note 25).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity, Group share										
				Reserves							
(€ millions)	Share capital	Share premium	Treasury shares	Cash flow hedges	Translation reserve	Other reserves	Sub-total reserves	Net income, Group share	Sub-total equity, Group share	Equity attributable to non-controlling interests	Total
Equity at January 1, 2022	**169.9**	**614.4**	**(13.4)**	**44.0**	**(581.1)**	**2,719.5**	**2,182.4**	**240.1**	**3,193.4**	**48.5**	**3,241.9**
Total comprehensive income	**-**	**-**	**-**	**(51.7)**	**39.6**	**26.2**	**14.1**	**237.2**	**251.3**	**26.8**	**278.1**
Appropriation of 2021 net profit	-	-	-	-	-	240.1	240.1	(240.1)	0.0	-	0.0
Transactions between shareholders	**0.0**	**0.0**	**(5.3)**	**0.0**	**10.3**	**(111.8)**	**(101.5)**	**0.0**	**(106.8)**	**(27.8)**	**(134.6)**
Dividend (€1.55 per share)	-	-	-	-	-	(131.3)	(131.3)	-	(131.3)	(6.2)	(137.5)
Treasury share transactions	-	-	(5.3)	-	-	(5.5)	(5.5)	-	(10.8)	-	(10.8)
Share-based payments	-	-	-	-	-	13.5	13.5	-	13.5	-	13.5
Transactions with non-controlling interests	-	-	-	-	10.3	11.5	21.8	-	21.8	(21.6)	0.2
Equity at December 31, 2022	**169.9**	**614.4**	**(18.7)**	**(7.7)**	**(531.2)**	**2,874.0**	**2,335.1**	**237.2**	**3,337.9**	**47.5**	**3,385.4**
Total comprehensive income	**-**	**-**	**-**	**(5.2)**	**76.2**	**(1.5)**	**69.5**	**51.3**	**120.8**	**0.4**	**121.2**
Appropriation of 2022 net profit	-	-	-	-	-	237.2	237.2	(237.2)	0.0	-	0.0
Transactions between shareholders	**0.0**	**0.0**	**2.2**	**0.0**	**0.3**	**(337.2)**	**(336.9)**	**0.0**	**(334.7)**	**(14.6)**	**(349.3)**
Dividend (€3.85 per share)	-	-	-	-	-	(326.7)	(326.7)	-	(326.7)	(4.7)	(331.4)
Treasury share transactions	-	-	2.2	-	-	(17.0)	(17.0)	-	(14.8)	-	(14.8)
Share-based payments	-	-	-	-	-	10.3	10.3	-	10.3	-	10.3
Transactions with non-controlling interests	-	-	-	-	0.3	(3.8)	(3.5)	-	(3.5)	(9.9)	(13.4)
Equity at December 31, 2023	**169.9**	**614.4**	**(16.5)**	**(12.9)**	**(454.7)**	**2,772.5**	**2,304.9**	**51.3**	**3,124.0**	**33.3**	**3,157.3**

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Notes	2023	2022
Net income		**53.8**	**254.4**
Adjustments			
- for depreciation and amortization	Appendix	510.6	335.4
- for impairment loss on goodwill	11	5.4	108.0
- for impairment loss (reversal of impairment loss) recognized in profit or loss, trade and other receivables		(4.8)	(2.6)
- for impairment loss (reversal of impairment loss) recognized in profit or loss, inventories		(0.5)	4.8
- for provisions	Appendix	3.1	(14.4)
- for share-based payments	8	10.3	13.5
- for losses (gains) on disposal of non-current assets	Appendix	(54.1)	(25.1)
- for profits from joint ventures and associates	10	(90.6)	(35.8)
- for net interest income and expense		24.4	37.6
- for fair value losses (gains)		2.2	3.7
Other adjustments for non-cash items		0.1	(0.9)
Other adjustments for which cash effects are investing or financing cash flow		28.8	16.8
Change in working capital requirement		**100.7**	**(231.6)**
- for decrease (increase) in inventories		135.8	(198.8)
- for decrease (increase) in trade receivables		133.0	(79.1)
- for increase (decrease) in trade payables		(182.5)	45.1
- for changes in other receivables and debts		14.4	1.2
Adjustments for income tax expense		**57.5**	**129.7**
Net cash flow from (used in) operations		**646.9**	**593.5**
Interest paid		(26.4)	(41.9)
Income taxes refund (paid)	14	(72.4)	(105.4)
Adjustments for dividends received from joint ventures and associates	10	54.7	5.8
Net cash flows from (used in) operating activities		**602.8**	**452.0**
of which discontinued operations[1]		*11.9*	*17.1*

(1) High Temperature Solutions line of business (note 25).

(€ millions)	Notes	2023	2022
Acquisitions of intangible assets	17	(68.5)	(44.5)
Acquisitions of property, plant and equipment	Appendix	(330.1)	(345.1)
Change in payables on acquisitions of intangible assets and property, plant and equipment		8.3	(16.6)
Cash flows used in (from gaining) control of subsidiaries or other businesses		(25.8)	(20.8)
Proceeds from disposals of intangible assets and property, plant and equipment	Appendix	10.3	10.2
Cash flows from losing control of subsidiaries or other businesses(1)		541.9	84.4
Other cash payments related to the disposal of equity and debt instruments of other entities		0.9	-
Cash advances and loans granted to third parties		(7.5)	(3.0)
Cash receipts from repayment of advances and loans granted to third parties		9.0	7.3
Interest received		9.5	5.5
Cash flow from investing activities		**148.0**	**(322.6)**
of which discontinued operations(2)		*(60.7)*	*23.9*
Proceeds from issuing shares		3.6	-
Payments to acquire or redeem treasury shares		(14.8)	(10.9)
Dividends paid		(330.3)	(137.5)
Proceeds from borrowings		496.5	-
Repayments of borrowings		-	(6.8)
Payments of lease liabilities		(52.1)	(61.1)
Other cash inflows (outflows)(3)		(1,033.7)	318.9
Cash flow from financing activities		**(930.8)**	**102.6**
of which discontinued operations(2)		*(58.6)*	*(35.1)*
CHANGE IN CASH AND CASH EQUIVALENTS		**(180.0)**	**232.0**

(1) Of which in 2023, €554.2 million received with respect to the disposal of the High Temperature Solutions line of business and in 2022, €49.0 million with respect to the loss of control of the US hydrous kaolin business and €33.4 million in respect of the loss of control of the Canadian and Namibian natural graphite business (note 25).

(2) High Temperature Solutions line of business (note 25).

(3) In 2023, mainly made up of the acquisition of investment securities (€670.0 million) and repayment of debt securities (€433.0 million) and in 2022, mainly made up of short-term negotiable debt securities issued (note 24.5).

(€ millions)	2023	2022
Cash and cash equivalents net of bank overdrafts at the beginning of the period	**616.5**	**547.1**
Change in cash and cash equivalents(1)	(180.0)	232.0
Change in the scope of consolidation	0.8	-
Reclassification to/from assets held for sale(2)	157.0	(159.6)
Effect of exchange rate changes	(14.6)	(3.0)
Cash and cash equivalents net of bank overdrafts at the end of the period	**579.7**	**616.5**
Cash	*265.5*	*593.1*
Cash equivalents	*319.5*	*27.1*
Bank overdrafts	*(5.3)*	*(3.7)*

(1) In 2023, -€72.6 million with respect to continuing operations and -€107.4 million with respect to discontinued operations and in 2022, €226.1 million with respect to continuing operations and €5.9 million with respect to discontinued operations.

(2) In 2023, -€2.9 million with respect to the bauxite production business, +€107.4 million with respect to the High Temperature Solutions business and +€52.5 million with respect to the business serving the paper market and in 2022, -€107.1 million with respect to the High Temperature Solutions business and -€52.5 million with respect to the business serving the paper market (note 25).

Appendix: table of indirect references to the notes

The following table is intended to help users of the financial statements reconcile the amounts presented in the consolidated statement of cash flows and the amounts presented in the notes to the financial statements.

(€ millions)	Notes	2023	2022
Consolidated statement of cash flows			
Adjustments for depreciation and amortization		**510.6**	**335.4**
Increase in amortization – intangible assets	17	26.2	25.0
Increase in depreciation – property, plant and equipment	18	277.0	291.9
Impairment – intangible assets	17	-	0.4
Impairment – property, plant and equipment	18	208.5	18.1
Reversal of impairment – intangible assets and property, plant and equipment		(1.1)	-
Adjustments for provisions		**3.1**	**(14.4)**
Net change in provisions for employee benefits – Current operating income	23.1	(1.5)	(2.7)
Net change in provisions for employee benefits – Other operating income and expenses	23.1	(0.2)	-
Net change in provisions for employee benefit liabilities - Closed plans	23.1	(18.4)	(6.5)
Normative return on assets of defined benefit plans	23.1	(36.2)	(21.5)
Unwinding of defined employee benefit liabilities	23.1	41.2	25.0
Net change in termination benefits		0.2	(3.8)
Increase in other provisions - continuing operations	23.2	66.8	51.3
Increase in other provisions - discontinued operations		0.7	-
Change in adjusted provisions for the cost of property, plant and equipment		(10.0)	(11.8)
Use of other provisions	23.2	(30.3)	(33.0)
Reversals of unused portions of other provisions - continuing operations	23.2	(12.4)	(15.2)
Reversals of unused portions of other provisions - continuing operations		0.2	-
Unwinding of other provisions		3.0	2.9
Unwinding of other debts		-	0.9
Adjustments for losses (gains) on disposal of non-current assets		**(54.1)**	**(25.1)**
Income from asset disposals - continuing operations	9	(1.5)	0.6
Income from disposals of consolidated businesses - continuing operations	11	(0.8)	(28.9)
Income from disposals of consolidated businesses - discontinued operations		(52.7)	0.4
Income from non-recurring asset disposals - continuing operations	11	0.9	2.8
Income from non-recurring asset disposals - discontinued operations		-	(0.4)
Acquisitions of property, plant and equipment		**(330.1)**	**(345.1)**
Property, plant and equipment - continuing operations	18	(339.0)	(356.9)
Property, plant and equipment - discontinued operations		(1.1)	-
Change in adjusted provisions for the cost of property, plant and equipment		10.0	11.8
Proceeds from disposals of intangible assets and property, plant and equipment		**10.3**	**10.2**
Intangible assets	17	4.4	6.2
Property, plant and equipment	18	4.8	5.8
Income from asset disposals - continuing operations	9	1.5	(0.6)
Income from asset disposals - discontinued operations		-	(0.4)
Income from non-recurring asset disposals - continuing operations	11	(0.9)	(2.8)
Income from non-recurring asset disposals - discontinued operations		-	0.4
Change in receivables on disposals of intangible assets and property, plant and equipment		0.5	1.6

Notes to the consolidated financial statements

2023 Significant events

This paragraph helps readers to easily identify the main notes addressing significant events that occurred in 2023.

- Disposal of the High Temperature Solutions line of business: notes 11, 16 and 25.
- Planned disposal of the business serving the paper market: notes 11, 16 and 25.
- Acquisition of a majority interest in British company Research British Lithium: note 25.
- Developments in the operational litigation related to the historical talc business in North America: note 23.2.
- Planned disposal of the bauxite production business in Greece: notes 11 and 25.

BASIS OF PREPARATION

NOTE 1 ACCOUNTING PRINCIPLES

1.1 Statement of compliance

Pursuant to European regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements of Imerys, a group operating in the industrial minerals sector, headquartered at 43 quai de Grenelle, Paris, France and whose share is listed on compartment A of the Euronext Paris market, have been prepared at December 31, 2023 in accordance with the *International Financial Reporting Standards* (IFRS) adopted within the European Union at the end of the reporting period (hereinafter "the Principles"). The consolidated financial statements were approved on February 21, 2024 by the Board of Directors of Imerys S.A., the parent company of the Group, on a going concern basis, in millions of euros with one decimal rounded up to the nearest tenth.

1.2 Differences between the Principles and IFRS

The European Union's adoption process may result in temporary differences at the end of the reporting period between the Principles and IFRS. However, at December 31, 2023, no differences existed between the Principles and IFRS.

1.3 Optional provisions

Some provisions in the Principles allow for recognition and measurement options. Amortized or depreciated historical cost provides the basis for measuring intangible assets (note 17), mining assets (note 18) and property, plant and equipment (note 18). Inventories are measured on the basis of their characteristics in accordance with "First-In, First-Out" (FIFO) accounting or the weighted average cost method (note 20). The rules of hedge accounting are applied to the recognition of derivatives for hedging exchange rate, interest rate and energy price risks (note 24.4).

1.4 Absence of guidance

In the absence of any applicable standard or interpretation or sufficient detail of the existing standards and interpretations, Executive Management has defined recognition and measurement policies for the following two areas: greenhouse gas emissions (note 17) and mining assets (note 18).

1.5 Alternative Performance Measures (APM)

Definition of APMs. APMs are performance indicators that Imerys uses in addition to those reported in accordance with IFRS. The definition of APMs is provided in the notes to the financial statements, so that the users of the financial statements may understand how they are measured and relate to standardized indicators. The main APMs defined by Imerys include current operating income and other operating income and expenses (Notes to the Consolidated Income Statement – Accounting policy) as well as net financial debt and current EBITDA. APMs are not displayed with more prominence or emphasis than standardized indicators.

Modification of APMs. APMs are applied consistently over time and only changed to make them more reliable and more relevant. If modified, the reasons for the change are justified, the new definition is communicated, and comparatives are restated.

NOTE 2 CHANGES IN ACCOUNTING POLICIES AND ERRORS

Accounting policy

Accounting policies are identical from one year to the next and are modified either on a mandatory basis to apply a new standard or interpretation (note 2.1), or on a voluntary basis to improve the reliability or relevance of information (note 2.2). Changes in accounting policies are applied retrospectively, unless specific transition measures have been identified in the standard or interpretation. The financial statements for all reported periods are modified, as if the new policy had always applied. Errors are corrected retrospectively.

2.1 Mandatory changes

Early adoption

Imerys did not early adopt any standard or interpretation in 2023.

Adoption upon effective date

Amendments to IAS 1, Disclosure of Accounting Policies. While the current standard requires that an issuer discloses its *significant* accounting policies, these amendments require the disclosure of *material* accounting policies. Such amendments provide that an accounting policy may be material because of its nature, even in the absence of significant amounts, especially if the users of the financial statements need to be aware of the policy to understand other information contained therein. The provisions of these amendments do not have a material impact on the fiscal year.

Amendments to IAS 8, Definition of Accounting Estimates. Having observed that issuers may struggle to differentiate between changes in accounting policy that must be applied retrospectively and changes in accounting policy that must be applied prospectively, in particular regarding changes to measurement methods, the standard setter reviewed these two definitions with examples. The provisions of these amendments do not have a material impact on the fiscal year.

Amendment to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendment clarifies that the initial recognition exemption for deferred tax does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition, for example in relation to the initial recognition of leases or provisions for dismantling and site restoration. This clarification does not require any significant change to be made to the accounting policies applied by Imerys, which already complied with these principles.

Amendments to IAS 12, Income Taxes: International Tax Reform – Pillar II Model Rules. In December 2021, the Organisation for Economic Co-operation and Development (OECD) published a set of guidelines ("GloBE Rules") aimed at ensuring that issuers with revenue of €750.0 million or above pay tax of at least 15.0% on the income arising in each of the countries in which they operate. After having identified several sources of technical complexity relating to the calculation of deferred taxes as part of this project, the IASB proposed an amendment aimed at supporting the transition period until these rules are fully applied. The amendment therefore includes an exemption under which the issuer does not recognize deferred tax assets and liabilities relating to the GloBE Rules and sets out the disclosures to be required. Imerys has undertaken an assessment of the impact of the application of the GloBE Rules (although controlled by GBL, Imerys would be liable for any payments within its own scope) and has not identified any material impact at this stage, in view of the Group's size and based on 2023 data.

Amendments to **IFRS 17, Insurance Contracts**, do not apply to Imerys.

2.2 Voluntary changes

No voluntary changes were applied in 2023 or 2022.

2.3 First application of accounting policies

The occurrence of transactions, events or conditions that did not occur previously or were immaterial may require the application of accounting methods previously provided for under the Principles. During the 2023 fiscal year, there was no first-time application of accounting policies previously provided for in the Principles.

2.4 Presentation of the financial statements

Some reclassifications relating to the presentation of comparative data have been made in order to comply with the presentation adopted during the current fiscal year or with IFRS.

NOTE 3 STANDARDS AND INTERPRETATIONS EFFECTIVE AFTER THE CLOSING DATE

In line with the European Union's latest IFRS endorsement status report of December 20, 2023 published by the European Financial Reporting Advisory Group (EFRAG), Imerys will apply the following standards and interpretations after December 31, 2023.

Application in 2024

Amendments to IAS 1, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants. The modifications proposed by these amendments clarify that the split between current and non-current liabilities at the end of the reporting period is based on contractual arrangements, irrespective of the issuer's intentions, as well as any changes to covenants covering these liabilities after the end of the reporting period (note 24.5). The provisions of these amendments are currently being analyzed and no material impact has been identified to date.

Amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial instruments: Disclosures: Supplier Finance Arrangements. The purpose of these amendments is to improve information relating to supplier finance arrangements, also referred to as reverse factoring. This type of arrangement allows an issuer to assign some of its trade payables to a factor. At the end of this transaction, the payable initially due to the supplier is due to the factor. Depending on the arrangement, the characteristics of the liability may be maintained or significantly amended, which, depending on the case, confirms the classification of the liability as a trade payable, or leads to its reclassification as financial debt. The amendment provides for the presentation of the characteristics of current arrangements, as well as their impact on the financial statements. Imerys does not have any supplier finance arrangements.

Amendment to IFRS 16, Lease Liability in a Sale and Leaseback. A leaseback is a transaction through which an entity transfers the control of an asset to a purchaser, who immediately leases the same asset back to the entity. IFRS 16, Leases, already described the principle whereby, on the date the asset is sold, an amount reflecting the value of the rights transferred to the purchaser must be measured and a lease liability and right-of-use asset must be recognized. The present amendment clarifies the situation where the lease transaction includes variable payments, for example related to the revenue generated from future sales using the leased asset. The variable payments must be integrated in the measurement of the lease liability, creating an exception to the general principle of the standard, which only considers fixed payments. The amendment also states that lease liabilities measured in this way then follow the general principles of the standard regarding subsequent measurements, and no gain or loss should be recognized in relation to the right-of-use retained during subsequent measurements. This amendment does not apply to any of the Group's existing transactions.

Application in 2025

Amendments to IAS 21, Lack of Exchangeability. These amendments specify how an entity should assess whether a currency is exchangeable and how to determine a spot exchange rate when a currency is not exchangeable. These amendments also require the disclosure of information that enables users of the financial statements to understand the impact of a currency's lack of exchangeability. The provisions of these amendments are currently being analyzed and no material impact has been identified to date.

NOTE 4 ESTIMATES AND JUDGMENTS

When preparing the financial statements, Executive Management makes a certain number of estimates and judgments regarding the recognition and measurement of the Group's assets and liabilities. These decisions seek to respond to the uncertain nature of the risks and opportunities facing the Group's operations, in particular the risks and opportunities arising from climate change. After having signed the United Nations Global Compact in 2016, Imerys defined its *SustainAgility* approach in 2018 to better integrate considerations related to the climate and sustainable development into the Group strategy in an effort to reduce the risks and open up new opportunities to create long-term value. As part of this approach, risks and opportunities are considered by assessing market changes, physical risks and changes in the energy mix.

Estimates. Estimates are intended to provide a reasonable assessment of the most recent reliable information available about elements of uncertainty. They are revised to reflect changes in circumstances, newly available information and past experience. Changes in estimates are recognized for future periods. The following significant estimates made by Executive Management are discussed in detail separately in the notes:

- Estimated value of the assets and liabilities of an acquired business (note 16) including the acquisition cost of the mining assets (note 18);
- Estimates of the impact of climate and sustainable development issues that may create obligations for the Group in the event of non-compliance, in particular estimates concerning:
  - the amount of greenhouse gas emissions generated by Imerys' industrial facilities and the need to purchase emission rights so as to assess the provisions covering any potential deficits (note 17);

- the fulfillment of the sustainable development goals that the Group must pursue and on which *Sustainability-Linked Bonds* are indexed (note 24.5);
- Depreciation methods of property, plant and equipment, in particular mineral reserves, overburden assets and certain industrial assets of discontinuous use (note 18);
- Definition, for impairment tests performed on non-financial assets, of the duration and amount of future cash flows as well as the discount rates and terminal growth rates used to calculate the value in use of the tested assets;
- Actuarial assumptions applied to defined benefit plans (note 23.1) and other provisions (note 23.2); and
- Assessment of the probability of settlement as well as the amount of obligations, the planned schedule of future payments and the discount rates required to recognize and measure provisions (note 23.2).

Judgments. Judgments are made by analyzing and categorizing elements, transactions and situations. When a judgment is revised, it is recognized for future periods like for changes in estimates, except if the judgment has been revised to correct an error. The following significant judgments made by Executive Management are based on the following elements, which are detailed separately in the notes:

- absence of going concern risk, in particular regarding the level of cash and cash equivalents *(Consolidated Statement of Cash Flows)*, and available financial resources (note 24.5 - Market liquidity risk);
- assessment of the levels of exposure of the Group's assets to country and climate risks (Information by Segment - Information by Region);
- allocation of certain transactions by level of profit or loss (notes to the Consolidated Income Statement);
- assessment of uncertainties regarding taxes payable and the timescale at which deferred tax assets will be recovered (note 14);
- definition of the levels at which goodwill is tested and impairment indicators for impairment tests performed on non-financial assets (note 19);
- assessment of the considerable likelihood of a plan to sell non-current assets or groups of directly related assets and liabilities (note 25); and
- as part of a plan to sell non-current assets or groups of assets held for sale classified as discontinued operations, identifications of transactions that will continue to fall within the scope of discontinued operations and the remaining continuing operations, after the date on which control is lost (note 25).

INFORMATION BY SEGMENT

Accounting policy

Imerys delivers high value-added, functional solutions to a wide variety of industries, ranging from process manufacturing to consumer goods. In each of its operating segments, the Group draws on its understanding of applications, technological knowledge and expertise in material science to deliver solutions by beneficiating its mineral resources, synthetic minerals and formulations. Imerys' solutions contribute essential properties to customers' products and their performance, including heat resistance, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and water repellency.

Following the divestment of the High Temperature Solutions (HTS) line of business, Imerys has changed its segment presentation, which now consists of four operating segments as described below. The 2022 comparative data has been restated to reflect these changes.

- Performance Minerals (PM): comprises two operating segments: Europe, Middle East, Africa and Asia Pacific (PM EMEA & APAC) on the one hand and America (PM Americas) on the other hand, which are presented separately as well as the inter-segment eliminations and other adjustments at the level of this group (Other PM). These two segments serve the plastics, paints & coatings, filtration, ceramics, and paper & board markets;
- Refractory, Abrasives & Construction (RAC): this operating segment serves the refractory, foundry, metal flow, abrasives and building chemistry markets;
- Graphite & Carbon (IG&C): this operating segment serves the renewable and mobile energy markets.

Each of the operating segments manufactures and sells goods and services presenting geological, industrial and commercial synergies and is monitored each month by Executive Management in its business reporting on the Consolidated income statement, current EBITDA and capital employed. Executive Management considers that the holding structure that handles the Group's centralized financing does not constitute a segment, nor does the main joint venture The Quartz Corporation or the ongoing strategic investments in lithium projects. Their aggregates are therefore presented in a reconciliation column with the inter-segment eliminations (Other) as well as the aggregates of the IG&C operating segment, which do not exceed the 10% thresholds defined by IFRS 8. Financial information by segment is measured in accordance with the principles set out in the Principles (note 1). Transactions between segments are measured at the price upon which two independent parties would have agreed on an arm's length basis.

Consolidated Income Statement

The following tables present a breakdown of revenue by segment before and after any inter-segment eliminations, as well as the main levels of the consolidated income statement. Revenue from transactions made by Imerys with each of its external customers never exceeds the threshold of 10.0% of the Group's revenue.

At December 31, 2023

(€ millions)	PM Americas	PM EMEA & APAC	Other PM	PM
Revenue	**1,033.9**	**1,422.9**	**(115.8)**	**2,341.0**
Current operating income	**82.2**	**115.6**	**4.4**	**202.2**
of which amortization, depreciation and impairment	*(84.0)*	*(85.7)*	*-*	*(169.7)*
Other operating income and expenses				
Operating income				
Financial income (loss)				
Interest income				
Interest expense				
Income taxes				
Net income from discontinued operations[1]				
NET INCOME				

(1) High Temperature Solutions line of business (note 25).

(€ millions)	PM	RAC	Other	Total
Revenue	**2,341.0**	**1,232.7**	**220.7**	**3,794.4**
Current operating income	**202.2**	**46.9**	**115.6**	**364.7**
of which amortization, depreciation and impairment	*(169.7)*	*(89.7)*	*(40.3)*	*(299.7)*
Other operating income and expenses				**(257.0)**
Operating income				**107.7**
Financial income (loss)				**(38.4)**
Interest income				16.7
Interest expense				(41.0)
Income taxes				**(60.4)**
Net income from discontinued operations[1]				**44.9**
NET INCOME				**53.8**

(1) High Temperature Solutions line of business (note 25).

At December 31, 2022

(€ millions)	PM Americas	PM EMEA & APAC	Other PM	PM
Revenue	**1,188.0**	**1,608.4**	**(196.7)**	**2,599.7**
Current operating income	**125.7**	**192.5**	**(8.8)**	**309.4**
of which amortization, depreciation and impairment	*(94.5)*	*(85.4)*	*9.4*	*(170.5)*
Other operating income and expenses				
Operating income				
Financial income (loss)				
Interest income				
Interest expense				
Income taxes				
Net income from discontinued operations[1]				
NET INCOME				

(1) *High Temperature Solutions line of business* (note 25).

(€ millions)	PM	RAC	Other	Total
Revenue	**2,599.7**	**1,434.4**	**247.5**	**4,281.6**
Current operating income	**309.4**	**120.2**	**9.2**	**438.8**
of which amortization, depreciation and impairment	*(170.5)*	*(91.0)*	*(41.6)*	*(303.1)*
Other operating income and expenses				**(120.4)**
Operating income				**318.4**
Financial income (loss)				**(50.3)**
Interest income				5.1
Interest expense				(38.0)
Income taxes				**(91.0)**
Net income from discontinued operations[1]				**77.3**
NET INCOME				**254.4**

(1) *High Temperature Solutions line of business* (note 25).

CURRENT EBITDA

At December 31, 2023

(€ millions)	PM Americas	PM EMEA & APAC	Other PM	PM
Revenue	1,033.9	1,422.9	(115.8)	2,341.0
Current operating income	82.2	115.6	4.4	202.2
Adjustments				
Amortization, depreciation and impairment	84.0	85.7	-	169.7
Change in current operating write-downs and provisions	1.1	4.5	(0.1)	5.5
Share in net income of joint ventures and associates	(0.7)	(8.7)	(0.1)	(9.5)
Dividends received from joint ventures and associates	0.7	5.2	-	5.9
CURRENT EBITDA	**167.3**	**202.3**	**4.2**	**373.8**

(€ millions)	PM	RAC	Other	Total
Revenue	2,341.0	1,232.7	220.7	3,794.4
Current operating income	202.2	46.9	115.6	364.7
Adjustments				
Amortization, depreciation and impairment	169.7	89.7	40.3	299.7
Change in current operating write-downs and provisions	5.5	4.7	(6.9)	3.3
Share in net income of joint ventures and associates	(9.5)	-	(80.0)	(89.5)
Dividends received from joint ventures and associates[1]	5.9	0.1	48.5	54.5
CURRENT EBITDA	**373.8**	**141.4**	**117.5**	**632.7**

(1) *Of which €48.5 million received from the joint venture The Quartz Corporation* (note 10)

At December 31, 2022

(€ millions)	PM Americas	PM EMEA & APAC	Other PM	PM
Revenue	1,188.0	1,608.4	(196.7)	2,599.7
Current operating income	125.7	192.5	(8.8)	309.4
Adjustments				
Amortization, depreciation and impairment	94.5	85.4	(9.4)	170.5
Change in current operating write-downs and provisions	7.9	(4.2)	-	3.7
Share in net income of joint ventures and associates	(0.6)	(7.7)	-	(8.3)
Dividends received from joint ventures and associates	0.4	4.5	-	4.9
CURRENT EBITDA	**227.9**	**270.5**	**(18.2)**	**480.2**

(€ millions)	PM	RAC	Other	Total
Revenue	2,599.7	1,434.4	247.5	4,281.6
Current operating income	309.4	120.2	9.2	438.8
Adjustments				
Amortization, depreciation and impairment	170.5	91.0	41.6	303.1
Change in current operating write-downs and provisions	3.7	(3.2)	(0.5)	0.0
Share in net income of joint ventures and associates	(8.3)	(0.1)	(18.2)	(26.6)
Dividends received from joint ventures and associates	4.9	-	-	4.9
CURRENT EBITDA	**480.2**	**207.9**	**32.1**	**720.2**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2023

(€ millions)	PM Americas	PM EMEA & APAC	Other PM	PM
Capital employed – Assets	**1,271.7**	**1,900.7**	**(15.3)**	**3,157.1**
Goodwill(1)	427.7	641.2	-	1,068.9
Intangible assets and property, plant and equipment(2)	526.9	695.1	0.4	1,222.4
Inventories	128.6	239.6	(5.6)	362.6
Trade receivables	120.0	168.2	(8.1)	280.1
Other receivables – non-current and current	67.4	122.5	(2.0)	187.9
Joint ventures and associates	1.1	34.1	-	35.2
Unallocated assets				
Assets held for sale(3)				
Total assets				
Capital employed – Liabilities	**189.1**	**352.6**	**(9.9)**	**531.8**
Trade payables	97.5	161.2	(8.1)	250.6
Other debts – non-current and current	81.8	174.8	(1.8)	254.8
Income tax payable	9.8	16.6	-	26.4
Provisions	**169.7**	**255.0**	**(0.1)**	**424.6**
Unallocated liabilities				**388.0**
Liabilities related to assets held for sale(3)				**0.0**
Total non-current and current liabilities				**1,344.4**
TOTAL CAPITAL EMPLOYED	**1,082.6**	**1,548.1**	**(5.4)**	**2,625.3**
(1) Of which increase in goodwill	*-*	*-*	*-*	*0.0*
(2) Of which acquisitions of intangible assets and property, plant and equipment	*123.2*	*129.0*	*-*	*252.2*

(3) Bauxite production business (note 25).

(€ millions)	PM	RAC	Other	Total
Capital employed – Assets	**3,157.1**	**1,930.9**	**631.7**	**5,719.7**
Goodwill(1)	1,068.9	742.1	28.1	1,839.1
Intangible assets and property, plant and equipment(2)	1,222.4	706.4	422.9	2,351.7
Inventories	362.6	318.6	53.4	734.6
Trade receivables	280.1	107.4	11.0	398.5
Other receivables – non-current and current	187.9	56.4	28.8	273.1
Joint ventures and associates	35.2	-	87.5	122.7
Unallocated assets				**1,393.7**
Assets held for sale(3)				**38.5**
Total assets				**7,151.9**
Capital employed – Liabilities	**531.8**	**223.4**	**91.8**	**847.0**
Trade payables	250.6	98.2	29.1	377.9
Other debts – non-current and current	254.8	104.4	23.8	383.0
Income tax payable	26.4	20.8	38.9	86.1
Provisions	**424.6**	**91.4**	**114.7**	**630.7**
Unallocated liabilities				**2,492.0**
Liabilities related to assets held for sale(3)				**26.0**
Total non-current and current liabilities				**3,995.7**
TOTAL CAPITAL EMPLOYED	**2,625.3**	**1,707.5**	**539.9**	**4,872.7**
(1) Of which increase in goodwill	*-*	*-*	*-*	*0.0*
(2) Of which acquisitions of intangible assets and property, plant and equipment	*252.2*	*93.8*	*119.4*	*465.4*

(3) Bauxite production business (note 25).

At December 31, 2022

(€ millions)	PM Americas	PM EMEA & APAC	Other PM	PM
Capital employed – Assets	**1,223.0**	**1,875.7**	**(31.4)**	**3,067.3**
Goodwill[1]	424.0	648.9	-	1,072.9
Intangible assets and property, plant and equipment[2]	496.6	661.3	-	1,157.9
Inventories	121.5	217.1	(12.8)	325.8
Trade receivables	137.4	223.1	(17.1)	343.4
Other receivables – non-current and current	42.4	95.1	(1.5)	136.0
Joint ventures and associates	1.1	30.2	-	31.3
Unallocated assets				
Assets held for sale[3]				
Total assets				
Capital employed – Liabilities	**188.3**	**393.5**	**(18.6)**	**563.2**
Trade payables	113.0	218.3	(17.2)	314.1
Other debts – non-current and current	69.2	159.1	(1.4)	226.9
Income tax payable	6.1	16.1	-	22.2
Provisions	**137.2**	**235.7**	**-**	**372.9**
Unallocated liabilities				**400.5**
Liabilities related to assets held for sale[3]				**133.5**
Total non-current and current liabilities				**1,470.1**
TOTAL CAPITAL EMPLOYED	**1,034.7**	**1,482.2**	**(12.8)**	**2,504.1**
(1) Of which increase in goodwill	*-*	*-*	*-*	*0.0*
(2) Of which acquisitions of intangible assets and property, plant and equipment	*109.7*	*127.5*	*-*	*237.2*

(3) High Temperature Solutions line of business and business serving the paper market (note 25).

(€ millions)	PM	RAC	Other	Total
Capital employed – Assets	**3,067.3**	**2,113.4**	**528.8**	**5,709.5**
Goodwill[1]	1,072.9	751.2	28.1	1,852.2
Intangible assets and property, plant and equipment[2]	1,157.9	763.1	325.8	2,246.8
Inventories	325.8	413.2	50.9	789.9
Trade receivables	343.4	140.1	6.4	489.9
Other receivables – non-current and current	136.0	45.7	58.5	240.2
Joint ventures and associates	31.3	0.1	59.1	90.5
Unallocated assets				**785.3**
Assets held for sale[3]				**1,376.2**
Total assets				**7,871.0**
Capital employed – Liabilities	**563.2**	**316.2**	**129.9**	**1,009.3**
Trade payables	314.1	184.2	41.8	540.1
Other debts – non-current and current	226.9	99.7	37.7	364.3
Income tax payable	22.2	32.3	50.4	104.9
Provisions	**372.9**	**103.0**	**107.4**	**583.3**
Unallocated liabilities				**2,424.1**
Liabilities related to assets held for sale[3]				**468.9**
Total non-current and current liabilities				**4,485.5**
TOTAL CAPITAL EMPLOYED	**2,504.1**	**1,797.2**	**398.9**	**4,700.2**
(1) Of which increase in goodwill	*-*	*6.3*	*-*	*6.3*
(2) Of which acquisitions of intangible assets and property, plant and equipment	*237.2*	*92.5*	*127.5*	*457.2*

(3) High Temperature Solutions line of business and business serving the paper market (note 25).

Information by region

Components of country risk. Due to the Group's mining activity and the variety of its end markets, its entities operate across many countries. Therefore, Imerys may be exposed to certain risks specific to these countries that may impact its financial statements in the future. Country risk includes two factors. The first concerns the transfer and convertibility risk, i.e. the risk that government-imposed capital and exchange controls by a sovereign entity would prevent or materially impede the ability to convert local currency into foreign currency and/or transfer funds to non-resident creditors. The second factor takes into account the risks related to the overall economic context, mainly in relation to the quality of public and private governance, as well as the risk of conflicts, expropriation, or civil and political instability.

Transfer and convertibility risk. The transfer and convertibility component of the country risk resulted in an unavailable cash balance of €3.6 million at December 31, 2023 (€11.4 million at December 31, 2022) (note 24.2 - Reconciliation of net financial debt).

Risks related to the overall economic context. The risks related to the overall economic context are taken into account in the country-market risk premium of the discount rates used for impairment tests (note 19). However, the majority of the Group's sources of supply and end markets are located in developed countries, which limits Imerys' exposure to country risk.

- In order to identify high-risk countries, Imerys uses the "Business Climate" risk assessment published by Coface, the leading French insurance company specialized in international credit insurance, which measures the potential influence of a country's economic, financial and political outlook on businesses' financial commitments. Coface's risk assessment uses an eight-level ranking system from A1 to E, in ascending order of risk. Countries in which the Group operates ranked in categories C to E, the highest levels of risk, include Algeria (category C) and Russia and Ukraine (category D).
- In addition, Imerys may decide, where necessary, to conduct studies on specific situations. Since February 2022, the Group has been monitoring the conflict in Ukraine and the international sanctions imposed on Russia, which has given Executive Management cause to believe the situation will have a limited impact on Imerys operations, both directly due to the minimal materiality of operations in these countries, and indirectly due to the measures taken by the Group to offset rising inflation and energy costs. In 2023, the total amount of revenue generated in Russia and Ukraine accounted for around 0.1% of consolidated Group revenue (0.6% in 2022), while the net value of assets represented 0.2% of total capital employed (0.2% in 2022). Imerys' operations have been suspended at its two production facilities in Ukraine since the beginning of the conflict. In addition, Imerys has ceased its operations in Russia. The Group does not own any industrial assets in Russia. Furthermore, in 2022, Imerys recognized €18.3 million in restructuring expenses and asset write-downs with respect to its operations in Ukraine and Russia, including €11.9 million in impairment, primarily regarding property, plant and equipment (note 19). Finally, the amount of cash and cash equivalents held in Ukraine and Russia stood at €2.6 million at December 31, 2023.

The following table presents a breakdown of revenue by geographical location of Group operations:

(€ millions)	2023	2022
France	643.3	668.9
Other European countries	1,332.0	1,535.2
United States of America	939.8	1,073.7
Other American countries	123.6	141.7
Asia – Oceania	521.7	616.5
Other countries	234.0	245.6
Revenue by geographical location of Group operations	**3,794.4**	**4,281.6**

In 2023, countries rated C to E by Coface's "Business Climate" risk assessment accounted for 0.08% of Group revenue (0.18% in 2022) and 0.07 % of current operating income (-1.52% in 2022).

The following table presents a breakdown of revenue by geographical location of customers:

(€ millions)	2023	2022
France	235.8	244.4
Other European countries	1,454.6	1,623.8
United States of America	814.9	933.7
Other American countries	200.0	216.0
Asia – Oceania	760.3	903.5
Other countries	328.8	360.2
Revenue by geographical location of customers	**3,794.4**	**4,281.6**

The following table presents the carrying amount of intangible assets and property, plant and equipment by geographical origin of the asset:

	2023	2022
(€ millions)	Intangible assets, right-of-use assets, mining assets and property, plant and equipment	Intangible assets, right-of-use assets, mining assets and property, plant and equipment
France	595.0	592.1
Other European countries	801.5	739.2
North America	604.2	567.2
Asia – Oceania	256.0	246.9
Other countries	95.0	101.4
TOTAL	**2,351.7**	**2,246.8**

At December 31, 2023, countries rated C to E by Coface's "Business Climate" risk assessment accounted for 0.00% of the statement of financial position (0.04% at December 31, 2022) and -0.55% of consolidated equity, Group share (-0.66% at December 31, 2022).

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Accounting policy

Income and expenses recognized in the consolidated income statement are grouped according to materiality and are only offset when required by a standard or interpretation. Comparative information is presented for the prior year Y-1, while comparative information for Y-2 is incorporated by reference (chapter 9, section 9.4 of the Universal Registration Document). The income statement is structured across two main levels: operating income and financial income (loss). Although in the majority of cases, the allocation of transactions by level of profit or loss does not require any specific comment, the options available in some standards and the absence of guidance from other standards have led Executive Management to make certain judgments and decisions about presentation. The following three tables present these decisions and specify the corresponding note.

Operating income. Operating income is made up of current operating income and other operating income and expenses. Current operating income (notes 5 to 9) includes revenue generated by Imerys as well as the following items:

	Notes
Share-based payment expenses	8
Changes in employee benefits excl. restructuring	
■ Plan curtailments, settlements and amendments	8
■ Contributions to funds and direct payments to beneficiaries	8
■ Decrease in provisions for contributions and direct payments	8
■ Administrative fees for open plans	8
Hedge accounting	
■ Ineffective portion of operational hedge instruments	12
■ De-designations. Amortization of the effective portion of an operational hedge instrument measured at the date of the voluntary interruption of the hedge	12
Asset disposals excl. restructuring	9

Other operating income and expenses. Other operating income and expenses is composed of gain (loss) from obtaining or losing control and other non-recurring items (note 11). In accordance with ANC Recommendation No. 2013-03 issued by France's national accounting standards board on how to present IFRS financial statements, it corresponds to items of income and expenses resulting from a limited number of clearly identified, non-recurring and significant events, such as the impact in profit or loss of acquiring or losing control of a business, restructuring including any related asset disposals, impairment loss recognized against goodwill or major disputes. In particular, since applicable standards do not define restructuring as an infrequent or unusual occurrence, Executive Management has put in place approval criteria to ensure that only management decisions defined as both restructuring and non-recurring may be recognized in other operating income and expenses.

	Notes
Gain (loss) from obtaining or losing control	11
Impairment loss recognized against goodwill	11
Restructuring	11
Asset disposals due to restructuring	11
Changes in employee benefits due to restructuring	
▪ Plan curtailments, settlements and amendments	11
▪ Contributions and direct payments to beneficiaries	11
▪ Decrease in provisions for contributions and direct payments	11
Major disputes	11
Share in net income from non-recurring operations of associates	11

- **Financial income (loss).** Financial income (loss) is primarily made up of the cost of debt, exchange rate fluctuations, the financial components of defined benefit plans, the unwinding of discounts on provisions and impairment loss on financial assets (note 13), as well as the following specific items:

	Notes
Hedge accounting	
▪ Ineffective portion of financing hedge instruments	12
▪ De-designations. Amortization of the effective portion of a financing hedge instrument measured at the date of the voluntary interruption of the hedge	12
▪ De-designations. Change in the fair value of an operational or financing hedge instrument after the voluntary interruption of the hedge	12
Unrealized and realized translation gains (losses) on operating and financial transactions	13
Financial changes in employee benefits	
▪ Unwinding	13
▪ Normative return on assets	13
▪ Contributions to under-funded closed plans with mandatory funding requirement	13
▪ Administrative fees for closed plans with mandatory funding requirement	13
▪ Decrease in provisions for closed plans with mandatory funding requirement	13

NOTE 5 REVENUE

Accounting policy

Revenue is made up of two elements: (i) sales of goods, i.e. material specialties generally extracted from mineral deposits controlled by the Group and beneficiated in its plants, and (ii) services rendered, mainly invoicing customers the cost of shipping goods and providing industrial services. The contractual commitments made by the Group to transfer these goods and services to customers are categorized as performance obligations. When control of goods or services is transferred to customers, the performance obligation is deemed to have been satisfied and the revenue is recognized. Material specialties are therefore transferred to customers at a given point in time, which coincides with the transfer of all the risks and rewards defined in the contractual incoterms. The contract includes multiple incoterms due to the specificities of packaging (bulk, powder, paste and slurry, etc.) and freight (sea, rail and road, etc.). However, while certain services, such as molding work, are rendered at a given point in time, most other services are transferred to customers over time. This is the case for shipping services, the revenue for which is recognized after the delivery has been made. Warranty obligations on the sale of goods and rendering of services offer customers guarantees about the specifications agreed in the contracts, rather than an additional service on top of these guarantees. Consequently, warranties are not recognized as performance obligations but as provisions (note 23.2). Sale of goods and rendering of services are measured at the amount of the transaction, minus trade and volume rebates, as well as discounts for early payment.

Activity for the period

Due to the diversity of the Group's operations and geographic spread, Imerys is not materially affected by seasonal variations or economic cycles in certain markets, in particular the steel, automotive and construction industries. The following table presents a breakdown of revenue by sale of goods and rendering of services.

(€ millions)	**2023**	**2022**
Sale of goods	3,459.3	3,892.3
Rendering of services	335.1	389.3
TOTAL	**3,794.4**	**4,281.6**

The following table presents a different breakdown of revenue by the time at which goods or services are transferred to customers, distinguishing between goods and services transferred to customers at a given point in time and services transferred to customers over time.

(€ millions)	**2023**	**2022**
Goods and services transferred to customers at a given point in time	**3,471.7**	**3,901.0**
Sale of material specialties	3,459.3	3,892.3
Rendering of industrial services	12.0	8.1
Rendering of other services	0.4	0.6
Services transferred to customers over time	**322.7**	**380.6**
Shipping revenue	320.9	361.9
Rendering of other services	1.8	18.7
TOTAL	**3,794.4**	**4,281.6**

Furthermore, other breakdowns of revenue are presented in Information by Segment: by segment before and after inter-segment eliminations, by geographical location of Group operations and by geographical location of customers.

NOTE 6 RAW MATERIALS AND CONSUMABLES USED

(€ millions)	2023	2022
Raw materials	(468.1)	(653.9)
Energy	(410.8)	(557.0)
Chemicals	(63.2)	(92.2)
Other consumables	(233.0)	(272.6)
Merchandise	(75.0)	(91.2)
Change in inventories	(132.5)	180.5
Self-constructed assets	17.3	13.9
TOTAL	**(1,365.3)**	**(1,472.5)**

NOTE 7 EXTERNAL EXPENSES

(€ millions)	2023	2022
Transportation	(488.4)	(665.8)
Lease payments recognized in expenses	(32.5)	(31.5)
Lease term of 12 months or less	*(18.6)*	*(21.3)*
Leases of low-value assets	*(0.3)*	*(0.3)*
Variable payments and services	*(13.6)*	*(9.9)*
Impact of reductions in the scope of leases	(0.3)	0.9
Subcontracting	(131.2)	(127.9)
Maintenance and repair	(96.0)	(119.3)
Fees	(81.8)	(92.9)
Other external expenses	(159.9)	(172.4)
TOTAL	**(990.1)**	**(1,208.9)**

NOTE 8 STAFF EXPENSES

Staff expenses correspond to all compensation granted in the normal course of business for services rendered by staff members or at the end of their employment. This compensation includes short-term benefits, notably salaries, bonuses, profit-sharing and the corresponding social security contributions, retirement benefits and post-employment health insurance (note 23.1), other long-term employee benefits (note 23.1) and termination benefits (note 23.1). In 2023, Imerys' average headcount totaled 13,909 employees (13,892 employees at December 31, 2022, excluding the employees of the High Temperature Solutions line of business designated as a discontinued operation (note 25)).

(€ millions)	2023	2022
Salaries	(661.6)	(664.3)
Social security contributions	(134.2)	(126.5)
Net change in provisions for employee benefits	1.4	1.1
Contributions to defined benefit plans	(10.1)	(9.9)
Contributions to defined contribution plans	(20.4)	(26.2)
Profit-sharing	(32.9)	(34.4)
Other employee benefits	(11.3)	(12.5)
TOTAL	**(869.1)**	**(872.7)**

Management principles – Share-based payments

Since 2008, the Group's long-term incentive scheme has involved granting free performance shares acquired on the market. The corresponding expense is recognized in other employee benefits and amounted to €10.3 million in 2023 (€13.5 million in 2022), of which €9.7 million recognized in other employee benefits for continuing operations and €0.6 million recognized in net income from discontinued operations. The management principles applied to share-based payments are agreed by the Board of Directors based on proposals made by the Compensation Committee. With the exception of grants made as part of the Group's employee shareholding operations, free shares are in principle subject and proportionate to the achievement of economic and/or financial performance objectives set by the Board of Directors. Share-based payment plans are annual and the total number of rights granted each year is adjusted in accordance with the Group's overall performance or specific events. The actual or probable beneficiaries include the Group's executive directors (such as the Chief Executive Officer, members of the Executive Committee, the management committees for the operational activities, as well as managers of the Group's main corporate support departments) and certain key employees reporting to them, as well as managers with considerable potential and employees who make an outstanding contribution to the Group's performance.

Accounting policy

The fair value of services rendered against the grant of Imerys free shares is measured using the Black & Scholes pricing model in reference to the fair value of instruments at the grant date. This measurement takes into consideration the life of instruments, the underlying share price, as well as the turnover rate of beneficiaries. In the majority of cases, the rights vest depending on employees' length of service in the Group and the fair value of services rendered is amortized in profit or loss over the vesting period offset by an increase in equity. The accounting treatment is identical when, in addition to the length of service condition, the rights vest subject to the achievement of pre-determined quantitative performance conditions. Volatility and assumptions related to the probability of rights vesting are revised at each closing date. The turnover rate of beneficiaries is adjusted definitively as vesting periods are closed.

SHARE-BASED PAYMENT EXPENSES

	Number of free shares	Maturity	Turnover rate	Average dividend rate	Probability of meeting performance conditions	Fair value (€)	Total cost by plan (€M)	Cost of the plan in 2023 (€M)	Cost of the plan in 2022 (€M)
2019	427,500	3 years	35.7%	3.0%	54.9%	35.75	(5.4)	-	(0.2)
2020	154,150	3 years	18.7%	3.1%	92.4%	36.71	(4.3)	0.2	(1.4)
2020	457,700	3 years	9.0%	3.1%	92.4%	26.75	(10.3)	(0.5)	(4.1)
2021	482,200	3 years	15.0%	3.2%	96.0%	38.85	(15.3)	(4.5)	(5.7)
2022	432,950	3 years	13.4%	3.3%	87.0%	27.36	(8.9)	(2.9)	(2.1)
2023	446,300	3 years	10.0%	4.0%	94.1%	30.73	(11.6)	(2.6)	-
Cost of plans recognized as staff expenses								**(10.3)**	**(13.5)**
Continuing operations								*(9.7)*	*(12.6)*
Discontinued operations[1]								*(0.6)*	*(0.9)*

(1) High Temperature Solutions line of business (note 25).

NOTE 9 OTHER CURRENT INCOME AND EXPENSES

(€ millions)	2023	2022
Other income and expenses	30.0	25.0
Income from asset disposals	1.5	(0.6)
Grants received	6.7	2.1
Net change in operating provisions and write-downs	(4.7)	(1.1)
TOTAL	**33.5**	**25.4**

NOTE 10 JOINT VENTURES AND ASSOCIATES

Accounting policy

Imerys uses the equity method to measure the value of its investments under joint control (joint ventures, i.e. those whose financial and operating strategy are subject to a unanimous vote from Imerys and a third party) and the investments over which it exercises significant influence (associates, i.e. those whose financial and operating policies are governed by a third party and Imerys only participates in the policies, without having control over them). The stakes held in the net assets and earnings of such entities are presented in distinct lines in operating income and assets.

Share of equity and net income

	Share of net income		Share of equity	
(€ millions)	**2023**	**2022**	**2023**	**2022**
The Quartz Corporation	80.1	18.4	85.8	56.7
Cebo International	5.8	5.1	11.0	9.7
Laviosa Chimica	2.8	2.1	13.8	11.5
Other joint ventures and associates	0.8	10.2	12.1	12.6
Total	**89.5**	**35.8**	**122.7**	**90.5**
Of which continuing operations[1]	*89.5*	*29.9*		
Of which discontinued operations	-	*5.9*		

(1) Of which, in 2022, €26.6 million in share in net income of joint ventures and associates and €3.3 million in other non-recurring items (note 11)

Changes during the period

The following table analyzes the change in the carrying amount recognized in the Group's assets in accordance with the equity method.

(€ millions)	**2023**	**2022**
Carrying amount at the beginning of the period	90.5	100.3
Income	89.5	35.8
Dividends distributed by joint ventures and associates	(54.5)	(5.8)
Disposals	(0.6)	(4.0)
Reclassification to/from assets held for sale[1]	-	(35.3)
Exchange rate differences and other movements	(2.2)	(0.5)
Carrying amount at the end of the period	**122.7**	**90.5**

(1) High Temperature Solutions line of business (note 25)

Main joint ventures and associates

The main investments accounted for using the equity method include The Quartz Corporation, Cebo International and Laviosa Chimica Mineraria Spa (joint ventures). The summarized financial information from these investments is presented hereinafter as 100.00% amounts. The data presented is that available at December 31.

	The Quartz Corporation		Cebo International		Laviosa Chimica	
(€ millions)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Consolidated income statement						
Revenue	330.8	165.5	79.1	78.5	99.5	109.5
EBITDA[1]	204.6	59.0	n.d.	n.d.	n.d.	n.d.
Net income	**160.1**	**36.9**	**11.6**	**10.2**	**8.1**	**6.0**
Percentage held by the Group	*50.00%*	*50.00%*	*50.00%*	*50.00%*	*35.00%*	*35.00%*
Share of net income	**80.1**	**18.4**	**5.8**	**5.1**	**2.8**	**2.1**

(1) EBITDA = Current operating income adjusted for amortization, depreciation and impairment.

(€ millions)	The Quartz Corporation 2023	The Quartz Corporation 2022	Cebo International 2023	Cebo International 2022	Laviosa Chimica 2023	Laviosa Chimica 2022
Consolidated statement of financial position						
Non-current assets	124.3	100.3	19.2	10.6	46.5	48.0
Current assets	214.5	89.0	27.2	25.0	61.7	61.6
of which cash and cash equivalents	*134.8*	*27.1*	*N/A*	*N/A*	*N/A*	*N/A*
Equity	**168.0**	**109.6**	**22.0**	**19.3**	**39.4**	**32.8**
Non-current liabilities	122.7	47.9	1.0	1.3	-	-
Current liabilities	48.1	31.8	23.5	15.0	68.7	76.8

Imerys holds a 50.00% stake (50.00% at December 31, 2022) in The Quartz Corporation (joint venture), a group of companies specialized in extracting and beneficiating high purity quartz in the US and Norway.

It holds a 50.00% stake (50.00% at December 31, 2022) in Cebo International (joint venture), a Dutch group that produces and distributes mineral-based specialties for the energy, construction and agriculture industries.

It holds a 35.00% stake (35.00% at December 31, 2022) in Laviosa Chimica (associated company), an Italian group that which extracts, processes and markets bentonite-based products for various areas of application: industrial and consumer products.

The following table presents the reconciliation between the equity of the joint ventures and associates, as disclosed at 100.00% in the previous table and as recognized in the assets of Imerys in accordance with the equity method.

(€ millions)	2023 Equity	2023 Stake of other shareholders	2023 Goodwill	2023 Imerys' stake	2022 Equity	2022 Stake of other shareholders	2022 Goodwill	2022 Imerys' stake
The Quartz Corporation	168.0	(84.3)	2.1	85.8	109.6	(55.1)	2.2	56.7
Cebo International	22.0	(11.0)	-	11.0	19.3	(9.6)	-	9.7
Laviosa Chimica	39.4	(25.6)	-	13.8	32.8	(21.3)	-	11.5
Other investments	26.7	(16.8)	2.2	12.1	28.4	(18.0)	2.2	12.6
TOTAL	**256.1**	**(137.7)**	**4.3**	**122.7**	**190.1**	**(104.0)**	**4.4**	**90.5**

NOTE 11 OTHER OPERATING INCOME AND EXPENSES

(€ millions)	2023	2022
Gain (loss) from obtaining or losing control	**(14.1)**	**22.8**
Transaction costs	(14.9)	(6.2)
Income from disposals of consolidated businesses	0.8	29.0
Other non-recurring items	**(242.9)**	**(143.2)**
Impairment loss recognized against goodwill	(5.4)	(108.0)
Impairment loss recognized against assets	(210.2)	(18.0)
Income from non-recurring asset disposals	(0.9)	(2.8)
Restructuring expenses	(30.5)	(24.8)
Change in provisions	4.1	7.1
Share in net income from non-recurring operations of associates	-	3.3
OTHER OPERATING INCOME AND EXPENSES	**(257.0)**	**(120.4)**

In 2023, Gross "Other operating income and expenses" amounted to -€257.0 million, of which -€19.9 million relating to the planned disposal of the bauxite production business, -€25.0 million relating to the planned disposal of the business serving the paper market as well as -€175.0 million relating to the impairment of this business' goodwill and assets (note 25) and -€21.1 million of impairment losses for the restructuring of industrial assets serving the refractories market in China and Europe.

In 2022, Gross "Other operating income and expenses" amounted to -€120.4 million, of which -€108.0 million relating to the impairment of goodwill for the business serving the paper market (note 25) and a €32.0 million gain on the disposal of the Canadian and Namibian natural graphite business.

NOTE 12 FINANCIAL INSTRUMENTS

Accounting policy

Financial instruments are defined as any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial instruments are divided into categories set by IFRS 9 in order to reflect their business model and contractual cash flow characteristics as well as to determine how they must be measured and recognized.

Amortized cost. Financial assets are measured at amortized cost when the objective of the business model is to collect the contractual cash flows. This applies to trade receivables from revenue (note 5), as well as cash, i.e. cash on hand, bank deposits and cash equivalents. Cash equivalents are highly liquid investments indexed on a money market rate and the value of which is known or subject to very little uncertainty. In the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts presented as a liability. Borrowings (note 24.2 - Reconciliation of net financial debt) are also included in the amortized cost category. They are initially measured at fair value of the amount borrowed, minus any transaction costs. They are subsequently measured at amortized cost using the effective interest rate method. The Group purchases raw materials and energy for its own use and not for trading purposes. Consequently, the purchase contracts are recognized as trade payables and not as derivatives. Trade payables and other financial liabilities (note 24.1) are measured at amortized cost.

Fair value through profit or loss. Financial assets are measured at fair value through profit or loss when the objective of the business model is to both collect the contractual cash flows and make a trading profit in the short term. They are non-derivative financial assets held for trading and recognized as assets between the dates of purchase and disposal. Any change in fair value is recognized in other financial income (expenses) (note 13) at market prices published at the end of the reporting period. Assets designated at fair value through profit or loss also include investments in non-listed companies over which the Group does not exercise control, joint control or significant influence, nor does it intend to dispose of the investment in the short term (note 21.2), as well as non-hedge derivatives (note 24.4).

Analysis of financial instruments by category

Notes 12, 13, 21.1 and 24.1 analyze the income, expenses, assets and liabilities from financial instruments by categories, which are presented in columns. They distinguish between the categories applied by default to all non-hedged items and those to which hedge accounting is applied on an exceptional basis. The categories of amortized cost and fair value through profit or loss set out in IFRS 9 and defined above apply to the majority of non-hedged items. Hedged items and hedging instruments are categorized by their qualifications as a fair value hedge or cash flow hedge (note 24.4 – Accounting policy), distinguishing in separate columns the value of hedged items and hedging instruments and in separate lines the type of risk hedged (note 24.5 – Foreign exchange risk – Interest rate risk – Energy price risk). Furthermore, in order to make the reconciliation between the IFRS 9 categories and the financial statements, notes 12, 13, 21.1 and 24.1 include a column containing the following items not covered by IFRS 9: share-based payments (IFRS 2), net income from discontinued operations (IFRS 5), mining assets (IFRS 6), inventories (IAS 2), income tax assets and liabilities (IAS 12), property, plant and equipment (IAS 16), short-term employee benefit assets and liabilities (IAS 19), subsidies and grants (IAS 20), provisions (IAS 37), intangible assets and prepaid expenses (IAS 38), overburden assets (IFRIC 20) and levies and taxes (IFRIC 21). The categorization of financial assets (note 21.1) and liabilities (note 24.1) is applied across all divisions of the Group to the change in profit or loss (notes 12 and 13). For example, revenue is included in amortized cost as its consideration in trade receivables or cash and cash equivalents belong to this category in assets.

The following tables present income and expenses before income tax recognized in profit or loss and equity by category of financial instruments. The balances of other financial income (expenses) are analyzed in more detail in note 13.

At December 31, 2023

(€ millions)	Non-hedge accounting			Cash flow hedge		
	IFRS 9 categories					
	Amortized cost	Fair value through profit or loss	Non IFRS 9	Hedged item	Hedge	Total
Operating income						
Revenue	3,794.2	-	-	-	0.2	3,794.4
Transactional currency risk - continuing hedges	-	-	-	-	*0.2*	*0.2*
Raw materials and consumables used	(1,205.2)	-	(107.5)	-	(52.6)	(1,365.3)
Transactional currency risk	-	-	-	-	*0.7*	*0.7*
Energy price risk	-	-	-	-	*(53.3)*	*(53.3)*
External expenses	(989.8)	-	(0.3)	-	-	(990.1)
Other current income and expenses	23.0	-	10.5	-	-	33.5
Share in net income of joint ventures and associates	-	-	89.5	-	-	89.5
Financial income (loss)						
Income from securities	-	16.7	-	-	-	16.7
Gross financial debt expense	(41.0)	-	-	-	-	(41.0)
Other financial income (expenses)	2.6	0.4	(17.1)	-	-	(14.1)
Transactional currency risk - change in fair value	-	*0.1*	-	-	-	*0.1*
Other financial assets - change in fair value	-	*0.3*	-	-	-	*0.3*
Net income from discontinued operations	-	-	44.9	-	-	44.9
Energy price risk	-	-	-	-	-	*0.0*
Equity						
Recognition in equity	-	-	-	-	(59.3)	(59.3)
Reclassification from the reserves in profit or loss	-	-	-	-	52.4	52.4
From the cash flow hedge reserve	-	-	-	-	*52.4*	*52.4*
TOTAL	**1,583.8**	**17.1**	**20.0**	**0.0**	**(59.3)**	**1,561.6**
of which impairment in profit or loss	*(8.4)*	-	*(0.7)*	-	-	*(9.1)*
of which reversals of impairment in profit or loss	*11.9*	-	*1.7*	-	-	*13.6*

At December 31, 2022

(€ millions)	Non-hedge accounting: IFRS 9 categories: Amortized cost	Non-hedge accounting: IFRS 9 categories: Fair value through profit or loss	Non-hedge accounting: Non IFRS 9	Cash flow hedge: Hedged item	Cash flow hedge: Hedge	Total
Operating income						
Revenue	3,515.8	-	-	765.9	(0.1)	4,281.6
Transactional currency risk - continuing hedges	*-*	*-*	*-*	*765.9*	*(0.1)*	*765.8*
Raw materials and consumables used	(1,621.7)	-	199.9	(147.4)	96.7	(1,472.5)
Transactional currency risk	*-*	*-*	*-*	*(54.9)*	*0.1*	*(54.8)*
Energy price risk	*-*	*-*	*-*	*(92.5)*	*96.6*	*4.1*
External expenses	(1,209.8)	-	0.9	-	-	(1,208.9)
Other current income and expenses	8.2	-	17.2	-	-	25.4
Share in net income of joint ventures and associates	-	-	26.6	-	-	26.6
Financial income (loss)						
Income from securities	-	5.1	-	-	-	5.1
Gross financial debt expense	(38.0)	-	-	-	-	(38.0)
Other financial income (expenses)	(7.1)	0.7	(11.0)	-	-	(17.4)
Transactional currency risk - change in fair value	*-*	*(0.1)*	*-*	*-*	*-*	*(0.1)*
Other financial assets - change in fair value	*-*	*0.7*	*-*	*-*	*-*	*0.7*
Net income from discontinued operations	-	-	77.3	(3.7)	3.7	77.3
Energy price risk	*-*	*-*	*-*	*(3.7)*	*3.7*	*0.0*
Equity						
Recognition in equity	-	-	-	-	30.6	30.6
Reclassification from the reserves in profit or loss	-	-	-	-	(100.3)	(100.3)
From the cash flow hedge reserve	*-*	*-*	*-*	*-*	*(100.3)*	*(100.3)*
TOTAL	**647.4**	**5.8**	**310.9**	**614.8**	**30.6**	**1,609.5**
of which impairment in profit or loss	*(9.6)*	*(0.1)*	*(0.3)*	*-*	*-*	*(10.0)*
of which reversals of impairment in profit or loss	*8.2*	*0.9*	*2.9*	*-*	*-*	*12.0*

NOTE 13 FINANCIAL INCOME (LOSS)

The following tables present the financial income (loss) by category of financial instrument. A description of the categories of financial instruments is provided in note 12.

At December 31, 2023

	Non-hedge accounting			Total		
	IFRS 9 categories					
(€ millions)	Amortized cost	Fair value through profit or loss	Non IFRS 9	Income	Expenses	Net
Net financial debt expense	**(41.0)**	**16.7**	**0.0**	**16.9**	**(41.2)**	**(24.3)**
Income from securities	-	16.7	-	16.9	(0.2)	16.7
Gross financial debt expense	(41.0)	-	-	-	(41.0)	(41.0)
Other financial income (expenses)	**2.6**	**0.4**	**(17.1)**	**255.5**	**(269.6)**	**(14.1)**
Net exchange rate differences	4.1	0.1	(3.8)	209.6	(209.2)	0.4
Financial income and expenses of defined benefit plans	-	-	(9.5)	36.2	(45.7)	(9.5)
Unwinding of other provisions	-	-	(3.5)	-	(3.5)	(3.5)
Other financial income (expenses)	(1.5)	0.3	(0.3)	9.7	(11.2)	(1.5)
FINANCIAL INCOME (LOSS)	**(38.4)**	**17.1**	**(17.1)**	**272.4**	**(310.8)**	**(38.4)**

At December 31, 2022

	Non-hedge accounting			Total		
	IFRS 9 categories					
(€ millions)	Amortized cost	Fair value through profit or loss	Non IFRS 9	Income	Expenses	Net
Net financial debt expense	**(38.0)**	**5.1**	**0.0**	**5.1**	**(38.0)**	**(32.9)**
Income from securities	-	5.1	-	5.1	-	5.1
Gross financial debt expense	(38.0)	-	-	-	(38.0)	(38.0)
Other financial income (expenses)	**(7.1)**	**0.6**	**(10.9)**	**228.3**	**(245.7)**	**(17.4)**
Net exchange rate differences	(4.4)	(0.1)	(1.4)	194.8	(200.7)	(5.9)
Financial income and expenses of defined benefit plans	-	-	(6.4)	21.3	(27.7)	(6.4)
Unwinding of other provisions	-	-	(2.8)	-	(2.8)	(2.8)
Other financial income (expenses)	(2.7)	0.7	(0.3)	12.2	(14.5)	(2.3)
FINANCIAL INCOME (LOSS)	**(45.1)**	**5.7**	**(10.9)**	**233.4**	**(283.7)**	**(50.3)**

NOTE 14 INCOME TAXES

Accounting policy

Income taxes are made up of two components: (i) taxes paid in France and overseas on taxable profits, including similar contributions calculated on the difference between income and expenses, such as the French companies' added value contribution (Cotisation sur la Valeur Ajoutée des Entreprises, CVAE); and (ii) withholding taxes paid by entities on the dividends they distribute to the Group. Income taxes are broken down into payable taxes and deferred taxes. Payable taxes are recognized as a liability until they have been paid and an asset when the amount paid exceeds the amount due. Deferred tax assets and liabilities are accounted for with respect to all taxable temporary differences between the tax and consolidated values of assets and liabilities, except mainly for differences related to the initial recognition of goodwill and, in the case of taxable temporary differences, between the carrying amount and tax value of investment securities, when the Group is able to control the date of reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. A deferred tax asset is recognized with respect to taxable temporary differences, tax losses and tax credits only if it is probable that future taxable profit will enable these items to be offset, or there are taxable temporary differences in the same tax group that mature during the period these items remain recoverable. Imerys applies the tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and will be applicable over the period of reversal of the temporary difference. Deferred tax assets are not discounted. The amount of income tax payable includes uncertainties in the measurement of income taxes. Each uncertainty is assessed individually, unless it affects several entities in the same way. The assessment of uncertainties assumes that the taxation authority has full knowledge of all relevant information when examining any amounts reported to it and considers whether it is probable that the relevant authority will accept each tax treatment. Judgments and estimates made about uncertainties are reassessed if facts and circumstances change. Deferred tax assets and liabilities are offset by tax group, i.e. by legal entity or tax consolidation group. Payable and/or deferred taxes are recognized in the same level of profit or loss as the item to which they are related. The principle of linking taxes to their base also applies to transactions recognized directly in equity.

Tax consolidation scope

In several countries, Imerys has set up tax consolidation systems that enable the Group to offset potential tax gains and losses within the consolidated Group. Such tax consolidation systems exist in France, the US, the UK, Spain, Germany and Italy.

Income taxes paid

In 2023, income taxes paid in cash and using tax credits amounted to €72.4 million (€105.4 million in 2022).

Tax losses carried forward

Deferred tax assets are recognized in respect of carried forward tax losses when they are deemed to be recoverable and the expected recovery time frame does not exceed five years.

Deferred tax assets recognized in this way are based on analyzing past losses, whether it is probable these losses will be incurred again in future, the business outlook and national legislation limiting the use of carried forward tax losses.

At December 31, 2023, deferred tax assets represented €10.3 million (€6.9 million at December 31, 2022). On the other hand, tax losses and tax credits unrecognized because their recovery is uncertain amounted to €603.2 million and €32.2 million, respectively, at December 31, 2023 (€455.4 million and €21.3 million, respectively, at December 31, 2022), of which €525.6 million and €20.8 million, respectively, expire after 2028 or may be carried forward without any time limit.

The tax losses not resulting in the recognition of a deferred tax asset are mainly located in France (€163.7 million at December 31,2023; €129.7 million at December 31, 2022) and in the United States (€123.6 million at December 31, 2023; €134.3 million at December 31, 2022).

Deferred taxes are calculated using effective rates over the period in question in accordance with the tax laws applicable in each country.

Temporary differences controlled by the Group

No deferred tax liability is recognized for taxable temporary differences between the carrying amount and tax value of investment securities, when the Group is able to control the date of reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. The Group reported €6.5 million in unrecognized deferred tax liabilities at December 31, 2023 (€8.3 million at December 31, 2022).

INCOME TAXES RECOGNIZED IN PROFIT OR LOSS

(€ millions)	2023	2022
Payable and deferred income taxes		
Income tax payable	**(53.7)**	**(96.7)**
Income tax payable for the year	(70.1)	(99.2)
Income tax payable – prior year adjustments	16.4	2.5
Deferred tax assets	**(6.7)**	**5.7**
Deferred tax assets due to changes in temporary differences	(6.7)	5.6
Deferred tax assets due to changes in income tax rates	-	0.1
TOTAL	**(60.4)**	**(91.0)**

INCOME TAXES RECOGNIZED IN EQUITY

(€ millions)	2023	2022
Gains (losses) on remeasurements of defined benefit plans	6.5	(9.6)
Gains (losses) on equity instruments measured at fair value	(0.2)	-
Income taxes on components that will not be reclassified	**6.3**	**(9.6)**
Cash flow hedges	**1.8**	**18.0**
Income taxes recognized in equity	15.9	18.0
Income taxes reclassified in profit or loss	(14.1)	-
Translation reserve	**4.2**	**(2.7)**
Income taxes recognized in equity	4.2	(2.7)
Income taxes reclassified in profit or loss	-	-
Income taxes on components that will be reclassified	**6.0**	**15.3**
TOTAL	**12.3**	**5.7**

TAX RECONCILIATION

	2023	2022
Standard tax rate in France	**25.8%**	**25.8%**
National rate differences	(4.8)%	(1.7)%
Europe	*(3.4)%*	*(1.4)%*
North America	*(2.4)%*	*(0.3)%*
Asia – Oceania	*(1.0)%*	*(0.2)%*
Other countries	*2.0%*	*0.2%*
Permanent differences [(1)]	96.7%	12.7%
Tax losses	15.0%	0.0%
Income taxes at different rates and bases	12.3%	3.3%
Impact of equity-accounted companies[(2)]	(33.9)%	(2.6)%
Other (tax credits, reassessments and tax provisions, adjustments in deferred tax bases and rates, etc.)	(23.6)%	(3.6)%
Effective tax rate[(3)]	**87.5%**	**33.9%**

(1) Notably the impact of impairment, without any tax effect, of the goodwill and the assets serving the paper market.

(2) Share of net income of equity-accounted companies is reported in operating income, net of tax

(3) In 2023, 87.5% = €60.4 million (income taxes)/[€107.7 million (operating income (expense)) - €38.4 million (financial income (loss))]. In 2022, 33.9% = €91.0 million (income taxes)/[€318.4 million (operating income (expense)) - €50.3 million (financial income (loss))].

The effective tax rate of 87.5% was due to the effect of "Other operating income and expenses" and, in particular, impairment, with no tax effect, of the goodwill and the assets serving the paper market. In addition, this impairment increases the relative percentage impact of the various components of the tax proof.

Excluding non-recurring items, the effective tax rate was 24.9% at December 31, 2023 (26.9% at December 31, 2022).

CHANGE IN DEFERRED TAXES

At December 31, 2023

(€ millions)	01/01/2023	Profit or loss	Scope, equity and others[1]	12/31/23
Deferred tax assets	110.7	(58.7)	62.5	114.5
Deferred tax liabilities	(99.9)	52.0	(33.3)	(81.2)
Net deferred tax positions	**10.8**	**(6.7)**	**29.2**	**33.3**

(1) Including reclassification to/from assets held for sale.

At December 31, 2022

(€ millions)	01/01/2022	Profit or loss	Scope, equity and others[1]	12/31/2022
Deferred tax assets	138.6	(3.9)	(24.0)	110.7
Deferred tax liabilities	(129.6)	0.4	29.3	(99.9)
Net deferred tax positions	**9.0**	**(3.5)**	**5.3**	**10.8**

(1) Including reclassification to assets held for sale.

DEFERRED TAX BREAKDOWN BY NATURE

(€ millions)	2022	Profit or loss	Scope, equity and others[1]	2023
Deferred tax assets	**232.4**	**(3.7)**	**24.9**	**253.6**
Provisions for employee benefits	37.1	(1.1)	7.8	43.8
Other provisions	28.3	10.2	0.6	39.1
Intangible assets	15.7	(0.1)	(0.5)	15.1
Property, plant and equipment	58.2	(6.8)	(3.4)	48.0
Long-term investments	4.0	(0.7)	2.8	6.1
Current assets and liabilities	49.4	(1.6)	0.1	47.9
Tax losses carried forward	6.9	3.1	0.3	10.3
Other	32.8	(6.7)	17.2	43.3
Deferred tax liabilities	**(221.6)**	**(3.0)**	**4.3**	**(220.3)**
Intangible assets	(59.2)	0.5	1.8	(56.9)
Property, plant and equipment	(135.4)	11.7	9.8	(113.9)
Long-term investments	(7.4)	3.3	0.1	(4.0)
Current assets and liabilities	(1.5)	(1.1)	(1.0)	(3.6)
Other	(18.1)	(17.4)	(6.4)	(41.9)
Net deferred tax positions	**10.8**	**(6.7)**	**29.2**	**33.3**

(1) Including reclassification to/from assets held for sale.

NOTE 15 EARNINGS PER SHARE

Accounting policy

In its financial statements, Imerys presents both basic earnings per share and diluted earnings per share. Basic earnings per share is equal to net income attributable to holders of ordinary shares divided by the weighted average number of ordinary shares outstanding over the period, i.e. excluding treasury shares (note 22). Basic earnings per share can be broken down as net basic earnings per share from current operations and net basic earnings per share. Diluted earnings per share simulates the dilutive effect of free shares and share options (note 8). The previously defined weighted average number of ordinary shares is increased by the average number of ordinary shares that would have been issued between the start and the end of the reporting period if all dilutive options had been exercised by the end of the reporting period. The number of dilutive shares is equal to the difference between the number of shares to be issued through free shares and options and the number of shares that would be issued at the average market price over the year for an issue of the same amount. To calculate the amount of this issue, each share issued by exercising share options is valued at the share option exercise price plus the fair value of services to be rendered (note 8), while each free share is valued solely at the fair value of services to be rendered with an exercise price of nil. The surplus number of shares to be issued as free shares and options above the number of shares issued under market conditions corresponds to the number of dilutive shares. However, shares to be issued through options are only taken into account in the calculation for diluted earnings per share when the options are in the money, i.e. the exercise price plus the fair value of services to be rendered is below the average market price for the Imerys share over the year.

Earnings per share

The number of potential ordinary shares taken into account to calculate diluted net income per share excludes share options out of the money, i.e. options where the exercise price plus the fair value of services to be rendered is above the average market price of the Imerys share over the year (€33.05 in 2023 and €35.42 2022). All option plans were therefore excluded from the calculation of diluted earnings per share at December 31, 2023. No significant transaction has changed the number of ordinary shares and potential ordinary shares between December 31, 2023 and February 21, 2024, the date on which the financial statements were approved for publication by the Board of Directors.

(€ millions)	2023	2022
Numerator		
Net income from continuing operations, Group share	7.6	172.9
Net income from discontinued operations, Group share [1]	43.7	64.3
Net income, Group share	**51.3**	**237.2**
Net income from continuing operations, Group share	242.2	277.8
Net income from discontinued operations, Group share[1]	6.8	103.1
Net income from current operations, Group share	**249.0**	**380.9**
Denominator		
Weighted average number of shares used to calculate basic income per share	84,564,199	84,575,054
Dilutive effect of free shares and share options	1,223,125	1,373,525
Weighted average number of shares used to calculate diluted income per share	85,787,324	85,948,579
Basic income per share, Group share *(in €)*	**0.61**	**2.80**
Basic net income per share from continuing operations, Group share	0.09	2.04
Basic net income per share from discontinued operations, Group share[1]	0.52	0.76
Basic net income per share from continuing current operations, Group share	2.86	3.28
Basic net income per share from discontinued current operations, Group share[1]	0.08	1.22
Diluted income per share, Group share *(in €)*	**0.60**	**2.76**
Diluted net income per share from continuing operations, Group share	0.09	2.01
Diluted net income per share from discontinued operations, Group share[1]	0.51	0.75
Diluted net income per share from continuing current operations, Group share	2.82	3.23
Diluted net income per share from discontinued current operations, Group share[1]	0.08	1.20

(1) High Temperature Solutions line of business (note 25).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Accounting policy

The assets and liabilities recognized in the consolidated statement of financial position are grouped by materiality and ranked in ascending order of liquidity and due date distinguishing between non-current and current items, according to whether they will be recovered or settled in more or less than 12 months after the end of the reporting period. They are only offset or include revenue or expenses in their cost when required by a standard or interpretation. Comparative information is presented for the prior year Y-1, while comparative information for Y-2 is incorporated by reference (Chapter 9, Section 9.4 of the Universal Registration Document).

NOTE 16 GOODWILL

Accounting policy

Goodwill is recognized when the acquisition price of a business is greater than the sum of the fair value of the identifiable assets acquired and liabilities assumed. Goodwill is recognized at the date control is acquired. Transaction costs are recognized as they are incurred in profit under other operating income and expenses (note 11). When the value of the identifiable net assets of the acquired business is greater than its acquisition price, negative goodwill is credited to the acquirer's profit or loss account for the reporting period in which the entity was acquired under other operating income and expenses (note 11). The definitive value of goodwill is finalized within 12 months following the date at which control was acquired. Goodwill for a foreign company is measured in the functional currency of the company and translated in accordance with the rules applicable to translating financial statements of foreign operations. Goodwill is not amortized. It is allocated to the Cash Generating Units (note 19) that benefit from the synergies resulting from the acquisition. Goodwill is initially tested for impairment before the end of the reporting period during which the entity was acquired and subsequently at least once a year or more frequently if there is an indication that it may be impaired. Impairment loss on goodwill is recognized in other operating income and expenses (note 11) and cannot be reversed. When a business is listed for sale, a share of goodwill from the Cash Generating Unit to which it belongs is allocated to the business and included in its carrying amount. The share of goodwill is allocated based on the relative fair value of the business put up for sale and the remaining components of the Cash Generating Unit.

Estimates

The value of the assets and liabilities of an acquired business is estimated by Executive Management on the basis of a series of assumptions. Assets and liabilities are measured at their acquisition-date fair value except for certain items measured in accordance with specific rules, such as income taxes, measured using the principles set out in note 14, or employee benefits, measured using the principles set out in note 23.1. When making its estimates, Executive Management may consult third-party specialists, in particular to estimate the value of certain material assets and liabilities or that require complex valuation techniques.

Table of changes

The goodwill recognized on acquisitions represents in particular the development prospects of the acquired businesses within Imerys. Impairment loss on goodwill is presented in note 19. When an impairment loss is recorded against goodwill, it is only maintained on the Statement of Financial Position in the event of a partial write-down, as presented in the following table. When goodwill is fully impaired, the gross amount and impairment loss are removed from the Statement of Financial Position and no longer appear in the table. In 2023, the Group acquired the ground calcium carbonate business of O-N Minerals, a subsidiary of Carmeuse Lime & Stone. At this stage, the provisional allocation of the acquisition price has not resulted in the recognition of goodwill. In 2022, the Group did not make any significant acquisitions.

(€ millions)	2023	2022
Carrying amount at the beginning of the period	**1,852.2**	**2,144.7**
Gross amount	*1,937.4*	*2,241.0*
Impairment	*(85.2)*	*(96.3)*
Outgoing entities	-	(1.5)
Impairment[(1)]	(5.4)	(108.0)
Reclassification to/from assets held for sale[(2)]	2.0	(202.7)
Exchange rate differences and other movements	(9.7)	19.7
Carrying amount at the end of the period	**1,839.1**	**1,852.2**
Gross amount	*2,027.3*	*1,937.4*
Impairment	*(188.2)*	*(85.2)*

(1) In 2023, goodwill impairment of €2.0 million on the business serving the paper market and €3.4 million with respect to the bauxite production business and in 2022, goodwill impairment of €108.0 million on the business serving the paper market (note 25).

(2) En 2023, +€2.0 million with respect to the business serving the paper market and in 2022, -€200.7 million with respect to the High Temperature Solutions line of business and -€2.0 million with respect to the business serving the paper market (note 25).

NOTE 17 INTANGIBLE ASSETS

Accounting policy

Intangible assets controlled by Imerys are recognized as assets over their useful life. They are measured at acquisition cost, minus accumulated amortization and any impairment loss. The expenditure incurred by the research teams at Imerys in their efforts to improve the quality and properties of the Group's products is generally in response to customers' specific requirements. Such costs are therefore recognized immediately as an expense in current operating income. They are capitalized only if they correspond to a new or improved industrial process that is both technically feasible and a driver of future economic benefits, meaning if the project has been clearly defined and the expenses identified separately and reliably assessed; the technical feasibility of the project has been demonstrated; Imerys intends to complete the project to use or sell it; adequate technical and financial resources are available to complete the project; and if there is a likelihood that the project will generate future economic benefits for the Group. The capitalized amounts correspond to the development spending made that is directly attributable to the project. In the absence of any applicable standard or interpretation, Executive Management considers greenhouse gas emission rights as an intangible asset. Imerys uses this allocation with the sole intent of justifying its emissions volume and not for trading purposes by making forward purchases or sales. Rights granted free of charge are recognized to have zero value and rights acquired on the market are recognized at acquisition cost. If at the end of the reporting period, the total rights allocation is not sufficient to cover actual emissions, a provision is recognized in current operating income for the value of the rights to be acquired, measured at market value (net liability method) (note 23.2). Disposals only relate to surplus rights and are recognized in current operating income as asset disposals (note 9). Executive Management makes estimates regarding the amortization methods applied to intangible assets.

Estimates

In the ordinary course of its business, Imerys uses intangible assets, the consumption of which is represented by amortization. Executive Management believes the best way to estimate this consumption is by using the straight-line method over the assets' useful life applied as follows:

- Software: 1 to 5 years
- Trademarks, patents and licenses: 5 to 40 years
- Industrial processes and others: estimated useful life, specific to the project.

The Group's greenhouse gas emission rights cannot be amortized.

Emission rights

Imerys is subject to greenhouse gas regulation schemes at 11 of its facilities in Europe and one facility in the US. In 2022 and 2023, Imerys used all of the emission rights allocated to its eligible facilities. As the estimated volume of greenhouse gas emissions exceeded the Group's emission rights in 2023 Imerys set aside a provision of €7.8 million at December 31, 2023 to cover the deficit (€4.1 million at December 31, 2022). Moreover, the carrying amount of emission rights acquired on the market totaled €14.5 million at December 31, 2023 (€8.3 million at December 31, 2022).

TABLE OF CHANGES

(€ millions)	Software	Trademarks, patents and licenses	Industrial processes	Emission rights	Assets in progress and others	Total
Carrying amount at January 1, 2022	**53.9**	**177.8**	**1.3**	**0.0**	**70.9**	**303.9**
Gross amount	*163.7*	*198.3*	*6.6*	-	*160.1*	*528.7*
Amortization and impairment	*(109.8)*	*(20.5)*	*(5.3)*	-	*(89.2)*	*(224.8)*
Outgoing entities	-	(0.3)	-	-	(1.5)	(1.8)
Acquisitions	3.3	0.1	-	11.5	29.6	44.5
Disposals	-	(0.2)	-	(3.1)	(2.9)	(6.2)
Amortization	(12.9)	(2.6)	(0.5)	-	(9.0)	(25.0)
Impairment	(0.4)	-	-	-	-	(0.4)
Reclassification and other	8.9	(0.1)	0.6	-	(9.4)	0.0
Reclassification to assets held for sale(1)	(0.6)	(38.6)	-	-	(0.8)	(40.0)
Exchange rate differences	-	11.7	(0.1)	(0.1)	1.0	12.5
Carrying amount at December 31, 2022	**52.2**	**147.8**	**1.3**	**8.3**	**77.9**	**287.5**
Gross amount	*167.0*	*159.1*	*6.6*	*8.3*	*163.3*	*504.3*
Amortization and impairment	*(114.8)*	*(11.3)*	*(5.3)*	-	*(85.4)*	*(216.8)*
Incoming entities	-	-	7.3	-	-	7.3
Acquisitions	1.0	-	3.7	7.6	56.2	68.5
Disposals	-	-	-	(4.0)	(0.4)	(4.4)
Amortization	(15.0)	(0.4)	(0.3)	-	(10.5)	(26.2)
Impairment	-	-	-	-	-	0.0
Reclassification and other	30.3	(9.4)	0.1	2.6	(23.2)	0.4
Reclassification to/from assets held for sale(1)	-	0.5	-	-	0.3	0.8
Exchange rate differences	(0.2)	0.1	(0.1)	-	(0.4)	(0.6)
Carrying amount at December 31, 2023	**68.3**	**138.6**	**12.0**	**14.5**	**99.9**	**333.3**
Gross amount	*173.6*	*150.1*	*15.7*	*14.5*	*172.1*	*526.0*
Amortization and impairment	*(105.3)*	*(11.5)*	*(3.7)*	-	*(72.2)*	*(192.7)*

(1) In 2023, +€0.8 million with respect to the business serving the paper market and in 2022, -€39.2 million with respect to the High Temperature Solutions line of business and -€0.8 million with respect to the business serving the paper market (note 25).

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Freehold property, plant and equipment. Items of property, plant and equipment for which Imerys owns the property rights are initially measured at acquisition or production cost. The cost of property, plant and equipment includes the cost of borrowings that finance their construction or production, when this process takes a substantial period of time. Where applicable, the cost of property, plant and equipment is reduced by the value of government grants awarded to finance their acquisition or construction. Maintenance and repair costs are immediately recognized as an expense in current operating income. The cost of property, plant and equipment also includes the discounted value of restoring or dismantling obligations, where a present obligation exists, in particular for satellite industrial facilities built on land owned by customers (note 23.2). Items of property, plant and equipment are subsequently measured at cost, minus accumulated depreciation and any impairment loss. Executive Management makes estimates regarding the depreciation methods applied to property, plant and equipment.

Leasehold property, plant and equipment. All contracts that convey the right to use an item of non-substitutable property, plant and equipment for a period of time in exchange for consideration are recognized as right-of-use assets with a corresponding lease liability (note 24.2 - Reconciliation of net financial debt). This treatment applies to all leases except mine land leases, which are recognized in the manner described in the following paragraph, as well as immaterial leases (leases with terms of 12 months or less and of low-value assets), for which payments are recognized as an expense (note 7). Easements, especially for pipelines used to connect mineral deposits, processing facilities and shipping facilities are analyzed as non-mine land leases. Right-of-use assets are initially measured at the value of the lease liability, plus any initial direct costs and equipment dismantling costs where necessary. Lease liabilities are measured at the discounted value of future fixed lease payments due in accordance with a contractual payment schedule, adjusted for rent-free periods. Payments are therefore scheduled through to the reasonably certain end date of the lease, reflecting the date beyond which the lease ceases to be legally enforceable. This date represents the end of the lease, adjusted for any options the lessee is able to exercise regarding early termination or extension and any restrictions the lessor is able to exercise. The lease payments taken into account in the calculation of the lease liabilities include the unconditional payments due in exchange for the right to use the asset, as well as the cost related to the early termination, extension or purchase clauses when it is reasonably certain they will be exercised. The liability calculation excludes any variable payment related to the use of the asset (for example, a payment dependent on the actual number of hours a piece of mining equipment is used), as well as any payment for services rendered by the lessor (for example, rail car maintenance). In the absence of implicit interest rates, future payments determined in this way are discounted using the lessees' incremental borrowing rate. These rates are calculated over the duration of each lease by applying the risk-free rate of the lease currency, increased by Imerys' credit spread in euros and adjusted for the difference between credit default swaps in France and the lessees' country. The first time deferred tax assets and liabilities are recognized, they are calculated separately for lease liabilities and right-of-use assets, respectively. In subsequent years, right-of-use assets are amortized in current operating income and lease liabilities are measured at amortized cost, which generates an interest expense that is recognized in financial income (loss). When an option is exercised, the lease must be reassessed to symmetrically adjust the carrying amounts of the lease liability and the right of use. Any modification to leases gives rise to such a symmetrical adjustment, except when the scope of the lease is restricted to reduce the capacity of the asset leased or the duration of the lease. In this situation, the carrying amount of the lease liability and the right of use are reduced in proportion to the reduction of the scope, generating an impact recognized in current operating income (note 7). In the financial statements, the following items are presented separately: right-of-use assets, lease liabilities, amortization and depreciation in current operating income generated by right-of-use assets and the interest expense generated by lease liabilities in financial income (loss). In the Consolidated Statement of Cash Flows, the cash payment for the principal portion of the lease liability is presented in "Payments of lease liabilities" for financing activities and the cash payment for the interest portion of the lease liability is presented in "Interest paid for operating activities".

Mining assets. In the absence of any specific applicable standard or interpretation, Executive Management has defined the following methods to recognize and measure mining assets. Prospection expenditure, i.e. searching for new sites with mineral producing potential and studying the technical feasibility and commercial viability of a geographical area, is immediately recognized as an expense in current operating income. Mineral reserves are included in property, plant and equipment. Freehold mineral deposits are initially measured at acquisition cost minus subsoil. Leasehold mineral deposits are measured at a value of nil if the lease is entered into in the ordinary course of business. If the lease is acquired through a business combination, the acquisition cost of the deposit is measured at the fair value of the ore. Costs incurred to determine the tonnage of ore present in the deposit are added to the acquisition cost. Overburden work, i.e. the process of removing the topsoil to gain access to the deposit, is considered a component of mineral reserve assets. The initial measurement of overburden work includes the production cost and the discounted value of restoration obligations as a result of the deterioration caused by such work. Mineral reserves and overburden assets form the mining assets column in the table of changes below. Mining assets are subsequently measured at cost, minus accumulated depreciation and any impairment loss. Executive Management makes estimates regarding the depreciation methods applied to mining assets. Mining assets are allocated to Cash Generating Units (note 19) in the same way as the Group's other assets and are subject to the same impairment tests.

Estimates

In the ordinary course of its business, Imerys uses property, plant and equipment, the consumption of which is represented by depreciation. Executive Management believes that for most of these assets, the best way to estimate this consumption is by using the straight-line method over the assets' useful life applied as follows, taking into account the useful lives of the components where appropriate:

- Office buildings: 10 to 50 years
- Industrial buildings: 10 to 30 years
- Improvements to office and industrial buildings: 5 to 15 years
- Machinery, tooling, facilities and equipment: 5 to 20 years
- Vehicles: 2 to 5 years

Right-of-use assets held through leases are depreciated over the reasonably certain term of the lease. If the lessee is considering exercising their right to purchase the asset, the useful life of the asset leased is applied. Rights of use are depreciated or amortized on a straight-line basis. Freehold and leasehold equipment is depreciated over its useful life, up to the end of the reasonably certain term of the lease. Furthermore, Executive Management does not consider the straight-line depreciation method appropriate to reflect the consumption of property, plant and equipment related to mining activities such as mineral reserves (representing €264.1 million at December 31, 2023 and €284.8 million at December 31, 2022) and overburden assets (€127.0 million at December 31, 2023 and €130.6 million at December 31, 2022), as well as certain industrial assets where the realization of the economic benefit is directly related to the level of production. Depreciation of mining assets is therefore estimated in units of production on the basis of actual extraction, while operational monitoring units such as production or operating hours are used to estimate depreciation of industrial assets. A mineral reserve is depreciated to the quantity of the geological inventory of the deposit minus discounts for the geological uncertainty inherent to the resources. Overburden assets, a component of mineral reserve assets, are depreciated over the quantity of reserve to which they specifically give access. Subsoil, i.e. the area of land not part of the mineral deposit, is not depreciated since it is not consumed by mining operations.

Table of changes

The following table shows the change in the carrying amount of property, plant and equipment owned by the Group between the beginning and end of the periods presented. The "Right-of-use assets" column presents the change in rights conveyed by leases to use property, plant and equipment. The "Mining assets" column includes the carrying amount of mineral deposits that Imerys owns or leases, as well as the overburden work required to gain access to the deposit. The other columns in the table analyze the change in freehold movable and immovable property, depending on their nature.

(€ millions)	Right-of-use assets	Mining assets	Land and buildings	Plant and equipment	Down payments and plants under construction	Other plant and equipment	Total
Carrying amount at January 1, 2022	**175.6**	**419.0**	**302.4**	**1,022.0**	**224.4**	**73.8**	**2,217.2**
Gross amount	*364.0*	*966.1*	*555.2*	*3,844.9*	*248.5*	*307.9*	*6,286.6*
Depreciation and impairment	*(188.4)*	*(547.1)*	*(252.8)*	*(2,822.9)*	*(24.1)*	*(234.1)*	*(4,069.4)*
Incoming entities	-	-	-	-	1.5	-	1.5
Outgoing entities(1)	(0.2)	(2.5)	(0.1)	(8.9)	-	(0.4)	(12.1)
Acquisitions	-	72.1	5.4	58.9	212.7	7.8	356.9
Acquisition cost and subsequent adjustments	55.8	-	-	-	-	-	55.8
Disposals	-	-	(3.0)	(2.5)	(0.3)	-	(5.8)
Depreciation	(53.3)	(57.1)	(14.2)	(145.5)	(1.6)	(20.2)	(291.9)
Impairment	-	(2.3)	(4.3)	(11.3)	-	(0.2)	(18.1)
Reclassification and other	-	0.1	4.1	172.5	(189.9)	13.2	0.0
Reclassification to assets held for sale(2)	(45.9)	(23.6)	(66.0)	(220.5)	(23.9)	(7.7)	(387.6)
Exchange rate differences	1.1	9.8	3.4	22.4	5.7	1.0	43.4
Carrying amount at December 31, 2022	**133.1**	**415.5**	**227.7**	**887.1**	**228.6**	**67.3**	**1,959.3**
Gross amount	*311.2*	*976.4*	*440.1*	*3,275.7*	*233.1*	*280.0*	*5,516.5*
Depreciation and impairment	*(178.1)*	*(560.9)*	*(212.4)*	*(2,388.6)*	*(4.5)*	*(212.7)*	*(3,557.2)*
Incoming entities	1.0	0.4	2.8	4.4	-	1.3	9.9
Outgoing entities	-	-	-	-	(0.1)	-	(0.1)
Acquisitions	-	61.7	2.1	25.8	247.5	1.9	339.0
Acquisition cost and subsequent adjustments	57.9	-	-	-	-	-	57.9
Disposals	-	(0.4)	(1.1)	(2.6)	(1.5)	0.8	(4.8)
Depreciation	(52.2)	(50.2)	(9.9)	(147.4)	0.7	(18.1)	(277.1)
Impairment	(3.2)	(33.5)	(16.2)	(142.5)	(10.8)	(2.4)	(208.6)
Reversals of impairment	-	-	-	0.9	-	-	0.9
Reclassification and other	-	3.6	14.7	157.5	(189.1)	13.1	(0.2)
Reclassification to/from assets held for sale(2)	15.7	1.1	13.5	119.9	12.1	0.4	162.7
Exchange rate differences	(0.9)	(7.1)	(2.3)	(7.6)	(2.1)	(0.5)	(20.5)
Carrying amount at December 31, 2023	**151.4**	**391.1**	**231.3**	**895.5**	**285.3**	**63.8**	**2,018.4**
Gross amount	*363.8*	*961.9*	*489.6*	*3,746.9*	*299.3*	*272.4*	*6,133.9*
Depreciation and impairment	*(212.4)*	*(570.8)*	*(258.3)*	*(2,851.4)*	*(14.0)*	*(208.6)*	*(4,115.5)*

(1) In 2022, hydrous kaolin business in the US.

(2) In 2023, -€23.1 million with respect to the bauxite production business and +€185.7 million with respect to the business serving the paper market and in 2022, -€200.3 million with respect to the High Temperature Solutions line of business and -€185.7 million with respect to the business serving the paper market *(note 25).*

Leases

The Group negotiates leases to obtain from lessors the right to use certain mining, industrial and logistics equipment, as well as immovable administrative, industrial and logistical property. At December 31, 2023 the value of these rights, recognized in "Right-of-use assets", amounted to €151.4 million (€133.1 million at December 31, 2022). The following table presents the change in the carrying amount of right-of-use assets by asset type.

(€ millions)	**Industrial land, plants and warehouses**	**Offices and housing**	**Rail cars**	**Mining equipment**	**Other equipment**	**Right-of-use assets**
Carrying amount at January 1, 2022	**68.8**	**44.2**	**16.6**	**24.6**	**21.4**	**175.6**
Gross amount	*111.8*	*105.6*	*47.6*	*43.0*	*56.0*	*364.0*
Depreciation and impairment	*(43.0)*	*(61.4)*	*(31.0)*	*(18.4)*	*(34.6)*	*(188.4)*
Outgoing entities	-	-	(2.2)	(0.6)	2.6	(0.2)
Acquisition cost and subsequent adjustments	17.2	3.4	6.6	12.4	16.2	55.8
Acquisition cost	15.6	0.9	7.7	12.1	16.4	52.7
Exercise of contractual options	7.4	0.4	-	0.2	(0.2)	7.8
Modification of leases	(5.8)	2.1	(1.1)	0.1	-	(4.7)
Depreciation	(10.4)	(10.5)	(7.5)	(9.6)	(15.3)	(53.3)
Reclassification to assets held for sale(1)	(26.3)	(8.3)	(4.0)	(4.7)	(2.6)	(45.9)
Exchange rate differences	(0.7)	0.5	0.9	0.1	0.3	1.1
Carrying amount at December 31, 2022	**48.6**	**29.3**	**10.4**	**22.2**	**22.6**	**133.1**
Gross amount	*78.6*	*88.6*	*30.1*	*41.8*	*72.1*	*311.2*
Depreciation and impairment	*(30.0)*	*(59.3)*	*(19.7)*	*(19.6)*	*(49.5)*	*(178.1)*
Incoming entities	-	-	-	-	1.0	1.0
Acquisition cost and subsequent adjustments	19.4	3.7	5.3	10.6	18.9	57.9
Acquisition cost	*12.8*	*2.6*	*5.3*	*10.4*	*19.1*	*50.2*
Exercise of contractual options	*5.5*	*(1.0)*	-	*0.1*	-	*4.6*
Modification of leases	*1.1*	*2.1*	-	*0.1*	*(0.2)*	*3.1*
Amortization	(20.6)	(6.0)	(5.7)	(6.2)	(13.7)	(52.2)
Impairment	-	-	-	-	(3.2)	(3.2)
Reversals of impairment	-	-	-	-	-	0.0
Reclassification to/from assets held for sale(2)	13.9	0.7	1.1	-	-	15.7
Exchange rate differences	(0.5)	(0.1)	-	(0.2)	(0.1)	(0.9)
Carrying amount at December 31, 2023	**60.8**	**27.6**	**11.1**	**26.4**	**25.5**	**151.4**
Gross amount	*108.6*	*86.9*	*36.0*	*46.4*	*85.9*	*363.8*
Depreciation and impairment	*(47.8)*	*(59.3)*	*(24.9)*	*(20.0)*	*(60.4)*	*(212.4)*

(1) *-€29.5 million with respect to the High Temperature Solutions line of business and -€15.9 million with respect to the business serving the paper market (note 25).*

(2) *-€0.2 million with respect to the bauxite production business and +€15.9 million with respect to the business serving the paper market (note 25).*

The right-of-use and lease liability model is applied to all leases, except leases with a term of 12 months or less, leases of low-value assets and variable lease payments and services, which are recognized in expenses. At December 31, 2023 this amount totaled €32.5 million (€31,5 million at December 31, 2022, as detailed in note 7). At December 31, 2023, lease liabilities recognized against right-of-use assets amounted to €160.5 million (€140.2 million at December 31, 2022, as detailed in note 24.2 - Reconciliation of net financial debt) and generated an interest expense of €4.2 million (€3.1 million at December 31, 2022), recognized in financial income (loss) (Consolidated Income Statement). Cash payments for right-of-use contracts recognized in 2023 totaled €52.1 million (€61.1 million at December 31, 2022), broken down as €47.9 million for the principal (€58.0 million at December 31, 2022) and €4.2 million in interest (€3.1 million at December 31, 2022), in financing and operating activities, respectively, in the Consolidated Statement of Cash Flows. Cash payments made in 2023 for leases with a term of 12 months or less, leases of low-value assets and variable lease payments and services do not differ materially from the amounts recognized in expenses (note 7). Note 24.5 - Borrower's liquidity risk presents the schedule of future payments for lease liabilities in that of financial liabilities. It also analyzes the sensitivity of such future cash payments to early termination and extension options. The Group does not generate any material revenue from leasing the freehold assets it owns, nor from the sub-lease of assets leased.

NOTE 19 IMPAIRMENT TESTS

Accounting policy

Impairment tests on goodwill are performed every 12 months at the end of the reporting period. An impairment test compares the carrying amount of assets to their recoverable amount. This recoverable amount is equal to its fair value minus costs to sell or its value in use, whichever is higher. Fair value corresponds to the selling price. Value in use is measured by discounting the future cash flows generated by the continuous use of assets and, eventually, disposal. Consequently, the recoverable amount of an asset may not be considered an indicator of the price at which that asset could be sold. In addition to the annual impairment test on goodwill, impairment indicators may trigger immediate testing in the event of an unfavorable development. Furthermore, financial and operational managers of the businesses ensure that the individual assets do not present any impairment risk. Impairment loss is recognized as soon as the recoverable amount of an asset falls below its carrying amount. Any increase in the recoverable amount of an asset results in the reversal of the previously recognized impairment loss, up to the carrying amount that would have been obtained in the absence of impairment. Impairment losses on goodwill cannot be reversed. Executive Management makes judgments to define impairment indicators and the levels at which goodwill is tested. Executive Management estimates the timeframe and amount of cash flow forecasts as well as the discount rates used to calculate the value in use.

Judgments

Levels of tests on goodwill. Goodwill impairment tests are carried out at the level of each Cash Generating Unit (CGU). A cash generating unit (CGU) represents the smallest identifiable group of assets generating cash inflows independent of those from other assets or groups of assets. These CGUs, which are subject to independent asset groupings within the Group, also correspond to the various operating segments monitored by Executive Management: Performance Minerals, Europe, Middle East, Africa and Asia-Pacific (PM EMEA & APAC) and Performance Minerals, Americas (PM Americas) for the entire Performance Minerals (PM) segment, Refractory, Abrasives & Construction (RAC) and Graphite & Carbon (IG&C).

Following the disposal of the High Temperature Solutions (HTS) line of business, Imerys has incorporated the assets of the PMAPAC CGU into the other two CGUs, PM Americas and PM EMEA & APAC. Had Imerys maintained the 2022 CGU structure and performed impairment tests on that basis, it would not have needed to recognize any impairment. The 2022 comparative data has been restated to reflect these changes.

In addition, since the bauxite production business is designated an asset held for sale (note 25), its assets are excluded from the scope of this test. Other than goodwill, all assets within the Group including right-of-use assets net of lease liabilities and mining assets are covered within the scope of these tests.

Impairment indicators. Executive Management makes judgments as to which events should trigger an impairment test. They mainly include significant changes in the business, interest rates, technology, obsolescence, return on assets and the value of market capitalization falling below consolidated equity. An adverse change to one of these factors will trigger an immediate impairment test.

Estimates

Recoverable amount. The recoverable amount of an asset is equal to its fair value minus costs to sell or its value in use, whichever is higher. In practice, fair value is able to be reliably measured for individual assets only, where it corresponds to the transaction price of recently disposed similar assets. Value in use is the most frequently used basis of assessment in impairment tests.

Cash flow forecasts. The cash flow forecasts used for impairment tests at December 31, 2023 are taken from the 2024 budget approved by the Board of Directors and the 2025 - 2027 plan presented to the Executive Management. This mid case was developed using independent analysis of underlying markets. To calculate the perpetual growth rate, Imerys uses the Gordon Growth Model. The cash flows used correspond to net current free operating cash flow and the change in non-operating working capital requirement.

Discount rates. The discount rate used to calculate value in use is determined using the weighted average cost of capital in the industrial minerals sector, i.e. an estimate of the rate of return demanded by the community of industry lessors, on both equity and debt instruments, including those related to leases. This rate, set at 8.00% for 2023 (8.00% for 2022) is adjusted for a country-market risk premium, which depending on the assets tested ranged from +94 to +125 basis points (+92 to +174 basis points). In 2023, the average discount rate after income taxes amounted to 9.10% (8.89% in 2022). The calculations after income taxes are the same as those that would be performed with cash flows and rates before income taxes, as required by applicable

In the following table, the discount and terminal growth rates used to calculate the value in use are weighted by the cash flow forecasts of assets tested.

	2023		2022[1]	
	Discount rate	**Terminal growth rate**	**Discount rate**	**Terminal growth rate**
Performance Minerals (PM)	**9.21%**	**2.00%**	**9.06%**	**1.92%**
Performance Minerals, America (PM Americas)	9.16%	2.19%	8.95%	2.27%
Performance Minerals Europe, Middle East and Africa and Asia Pacific (PM EMEA & APAC)	9.25%	1.82%	9.15%	1.61%
Refractory, Abrasives & Construction (RAC)	**8.98%**	**2.08%**	**8.64%**	**1.98%**
Graphite & Carbon (IG&C)	**8.94%**	**2.53%**	**8.85%**	**0.00%**
TOTAL	**9.10%**	**2.10%**	**8.89%**	**1.68%**

(1) The discount rates and perpetual growth rates have been restated to make them comparable following the changes made to the CGUs in 2023.

Changes in cash flow forecasts, discount rates and terminal growth rates have the most significant impact on the Group's financial statements. Imerys conducted simulations to measure the impairment that would be recognized as a result of adverse changes to the assumptions retained in the mid case at December 31, 2023. Executive Management deems the various adverse changes used for the sensitivity tests to be reasonably possible in the context of the test. They are as follows:

- 5.00% decrease in cash flow forecasts;
- 1.00% increase in the discount rate; and
- 1.00% decrease in the terminal growth rate.

Furthermore, Imerys calculated its sensitivity to risks arising from climate change with respect to the global warming scenario of +2°C by 2030, 2040 and 2050, as projected by the Intergovernmental Panel on Climate Change (*IPCC*) published in the *Sixth Assessment Report of the Intergovernmental Panel on Climate Change* in 2021. Executive Management selected this scenario, which represents one of the three trajectories modeled by the IEA, for the sensitivity tests as it is deemed to be reasonably possible. Risks accounted for in this model are heat waves as identified by the *IPCC*, wildfires as identified by the *FM Global Assessment* and the *Angström* index and drought as identified by the *Water Risk Filter* of the *World Wild Fund for Nature* and the *Deutsche Investitions- und Entwicklungs-gesellschaft*. Executive Management has estimated the frequency of planned closure for each site, as well as the corresponding cash flow losses.

As summarized in the table below, the sensitivity calculated in the mid case scenario does not indicate any impairment. The same applies to the sensitivity calculated on risks and opportunities arising from climate change.

	Mid case			
(€ millions)	**5% decrease in cash flow**	**1% increase in the discount rate**	**1% decrease in the terminal growth rate**	**Risks arising from climate change**
Performance Minerals (PM)				
Performance Minerals, America (PM Americas)	None	None	None	None
Performance Minerals Europe, Middle East and Africa and Asia Pacific (PM EMEA & APAC)	None	None	None	None
Refractory, Abrasives & Construction (RAC)	**None**	**None**	**None**	**None**
Graphite & Carbon (IG&C)	**None**	**None**	**None**	**None**

Annual impairment test on goodwill

The annual impairment test did not lead to the recognition of any impairment loss in 2022 or 2023. The following table presents the carrying amount of goodwill at the closing date.

	2023	2022
(€ millions)	Carrying amount	Carrying amount
Performance Minerals (PM)	**1,068.9**	**1,073.0**
Performance Minerals, America (PM Americas)[1]	427.7	424.0
Performance Minerals Europe, Middle East and Africa and Asia Pacific (PM EMEA & APAC)[1]	641.2	649.0
Refractory, Abrasives & Construction (RAC)	**742.1**	**751.2**
Graphite & Carbon (IG&C)	**27.3**	**27.2**
Holding	0.8	0.8
TOTAL	**1,839.1**	**1,852.2**

(1) *Goodwill of €110.0 million from PM was allocated to the business serving the paper market, which was designated as assets held for sale at December 31, 2022. Impairment of €108.0 million was recognized in respect of this goodwill at December 31, 2022 and it was fully written off at December 31, 2023* (note 25).

Impairment tests on individual assets

An adverse change in impairment indicators may trigger an immediate impairment test on individual assets, in addition to the annual impairment test on goodwill. Financial and operational managers of the businesses pay particular attention to identifying impairment indicators for individual assets. In 2023, Imerys did not recognize any impairment other than that in respect of the industrial production facilities, recognized in other operating income and expenses for a total amount of €210.2 million, of which €173.0 million with respect to the business serving the paper market (notes 11 and 25). In 2022, tests on the individual assets indicated the need to recognize impairment totaling €18.0 million in respect of the industrial production facilities. Reversals of impairment recognized in 2022 were incidental. These impairment losses were recognized in other operating income and expenses (note 11).

NOTE 20 INVENTORIES

Accounting policy

Inventories are recognized as assets at the date at which the risks, rewards and control are transferred to Imerys. When sold, inventories are recognized as an expense in current operating income at the same date as the corresponding revenue. Inventories are measured at cost of production or net realizable value, whichever is lower. When production is below normal capacity, fixed production overheads specifically exclude any idle capacity costs. Inventories with similar characteristics are measured using the same method. The Group uses *"FIFO" (First-In, First-Out)* accounting and the weighted average cost method to measure raw materials. If the cost of production is not recoverable, it is written down to its net realizable value in accordance with the physical condition of the stock or the forecast movement of existing stock at the end of the reporting period for the type of inventory considered. Due to the vast range of minerals extracted and beneficiated by the Group, it is not possible to systematically estimate inventory write-downs simply based on turnover rate.

Gross amount and write-down of inventories

	2023			2022		
(€ millions)	Gross amount	Write-down	Carrying amount	Gross amount	Write-down	Carrying amount
Raw materials	335.7	(19.1)	316.6	385.1	(19.3)	365.8
Work in progress	132.1	(5.2)	126.9	132.6	(4.5)	128.1
Finished goods	203.6	(10.5)	193.1	209.0	(12.2)	196.8
Merchandise	101.1	(3.1)	98.0	100.6	(1.4)	99.2
TOTAL	**772.5**	**(37.9)**	**734.6**	**827.3**	**(37.4)**	**789.9**

NOTE 21 FINANCIAL ASSETS

21.1 Categories of financial assets

The following tables present the value of financial instruments with respect to consolidated assets. The categories used to present the carrying amounts of financial instruments are explained in note 12. The totals distinguish between operational hedge derivatives (hedge of operational foreign exchange risk and energy price risk) and financial hedge derivatives (hedge of financial foreign exchange risk, interest rate risk and conversion of financial statements risk). Financial hedge derivatives are used to calculate net financial debt (Note 24.2 - Reconciliation of net financial debt). The carrying amounts represent fair value, insofar as they correspond to the amount of cash to be received.

At December 31, 2023

	Non-hedge accounting			Hedge accounting				
	IFRS 9 categories			Cash flow		Net investment		
(€ millions)	**Amortized cost**	**Fair value through profit or loss**	**Non IFRS 9**	**Hedged item**	**Hedge**	**Hedged item**	**Hedge**	**Total**
Non-current assets								
Other financial assets	4.4	0.2	1.0	-	-	-	-	5.6
Other receivables	5.8	-	30.2	-	-	-	-	36.0
Derivative financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Conversion of financial statements risk	-	-	-	-	-	-	*0.2*	*0.2*
Current assets								
Trade receivables	398.5	-	-	-	-	-	-	398.5
Other receivables	60.5	-	176.6	-	-	-	-	237.1
Derivative financial assets	0.0	1.1	0.0	0.0	10.4	0.0	3.2	14.8
Conversion of financial statements risk	-	-	-	-	-	-	*3.2*	*3.2*
Transactional currency risk	-	*1.1*	-	-	*8.9*	-	-	*10.0*
Energy price risk	-	-	-	-	*1.5*	-	-	*1.5*
Other financial assets	3.7	669.9	-	-	-	-	-	673.6
Cash and cash equivalents	585.0	-	-	-	-	-	-	585.0
TOTAL	**1,057.9**	**671.2**	**207.8**	**0.0**	**10.4**	**0.0**	**3.4**	**1,950.7**
of which operational derivatives	-	-	-	-	*10.4*	-	-	*10.4*
of which financial derivatives	-	*1.1*	-	-	-	-	*3.3*	*4.4*

At December 31, 2022

(€ millions)	Non-hedge accounting: IFRS 9 categories: Amortized cost	Non-hedge accounting: IFRS 9 categories: Fair value through profit or loss	Non-hedge accounting: Non IFRS 9	Hedge accounting: Cash flow: Hedged item	Hedge accounting: Cash flow: Hedge	Hedge accounting: Net investment: Hedged item	Hedge accounting: Net investment: Hedge	Total
Non-current assets								
Other financial assets	7.0	2.3	16.1	-	-	-	-	25.4
Other receivables	6.1	-	25.7	-	-	-	-	31.8
Current assets								
Trade receivables	489.9	-	-	-	-	-	-	489.9
Other receivables	40.9	-	167.5	-	-	-	-	208.4
Derivative financial assets	0.0	2.7	0.0	0.0	22.3	0.0	2.0	27.0
Conversion of financial statements risk	-	-	-	-	-	-	*2.0*	*2.0*
Transactional currency risk	-	*2.7*	-	-	*15.8*	-	-	*18.5*
Energy price risk	-	-	-	-	*6.5*	-	-	*6.5*
Other financial assets	2.1	(0.1)	-	-	-	-	-	2.0
Cash and cash equivalents	620.2	-	-	-	-	-	-	620.2
TOTAL	**1,166.2**	**4.9**	**209.3**	**0.0**	**22.3**	**0.0**	**2.0**	**1,404.7**
of which operational derivatives	-	-	-	-	*22.3*	-	-	*22.3*
of which financial derivatives	-	*2.7*	-	-	-	-	*2.0*	*4.7*

21.2 Trade receivables, other receivables and other financial assets

Accounting policy

After their initial recognition, receivables are measured at their amortized cost. A write-down is recognized for the value of expected credit losses. Such losses correspond to the estimated weighted probability of credit losses, i.e. the expected loss of cash over the life of the trade receivable, minus cash to be received from credit insurance where applicable (note 21.3). A receivable sold to a banking institution for financing purposes is only derecognized if the factoring agreement also transfers to the factor all the risks and rewards incidental to the receivable. The cash flow received from the factor is included in operating cash flows (Consolidated Statement of Cash Flows).

Table of changes

At December 31, 2023, other non-current financial assets corresponded to €1.0 million in surplus and reimbursement rights of employee benefit plans (€16.1 million at December 31, 2022) (note 23.1), €4.4 million in loans and deposits (€7.0 million at December 31, 2022) and a residual €0.2 million stake in Canadian group Northern Graphite Corporation (NGC), received in 2022 as part of the considerations received for the disposal of the Canadian and Namibian natural graphite business. The stake in NGC is measured at fair value. Related changes, recognized as other comprehensive income, stood at -€1.1 million in 2023 (-€1.3 million at December 31, 2022) (Consolidated Statement of Comprehensive Income). A significant proportion of other non-current receivables and related write-downs is made up of tax receivables excluding income taxes in Brazil. Other current receivables are also mainly made up of tax receivables excluding income taxes.

(€ millions)	Other non-current financial assets	Other non-current receivables	Trade receivables	Other current receivables	Other current financial assets	Total
Carrying amount at January 1, 2022	**43.4**	**41.6**	**614.3**	**238.7**	**8.0**	**946.0**
Gross amount	*61.1*	*68.5*	*650.3*	*242.9*	*10.7*	*1,033.5*
Write-down	*(17.7)*	*(26.9)*	*(36.0)*	*(4.2)*	*(2.7)*	*(87.5)*
Change in the scope of consolidation	1.2	-	(0.4)	(2.3)	-	(1.5)
Net change	(10.2)	(3.0)	76.5	(2.3)	(0.7)	60.3
Write-downs	(0.4)	0.5	(0.3)	2.0	0.7	2.5
Reclassification to assets held for sale[(1)]	(8.5)	(9.7)	(199.0)	(28.5)	(5.8)	(251.5)
Exchange rate differences	(0.1)	2.4	(1.2)	0.8	(0.2)	1.7
Carrying amount at December 31, 2022	**25.4**	**31.8**	**489.9**	**208.4**	**2.0**	**757.5**
Gross amount	*36.0*	*36.7*	*507.4*	*212.6*	*4.0*	*796.7*
Write-down	*(10.6)*	*(4.9)*	*(17.5)*	*(4.2)*	*(2.0)*	*(39.2)*
Change in the scope of consolidation	2.4	-	11.1	31.9	-	45.4
Net change	(23.2)	(4.1)	(142.0)	(12.7)	671.6	489.6
Write-downs	0.2	(0.4)	3.6	1.4	-	4.8
Reclassification to assets held for sale[(2)]	0.2	8.4	46.2	8.6	-	63.4
Exchange rate differences	0.6	0.3	(10.3)	(0.5)	-	(9.9)
Carrying amount at December 31, 2023	**5.6**	**36.0**	**398.5**	**237.1**	**673.6**	**1,350.8**
Gross amount	*13.7*	*64.6*	*411.7*	*241.0*	*675.6*	*1,406.6*
Write-down	*(8.1)*	*(28.6)*	*(13.2)*	*(3.9)*	*(2.0)*	*(55.8)*

(1) *-€193.2 million with respect to the High Temperature Solutions line of business, -€69.0 million with respect to the business serving the paper market and €10.7 million with respect to the US hydrous kaolin business* (note 25).

(2) *-€5.6 million with respect to the bauxite production business and +€69.0 million with respect to the business serving the paper market* (note 25).

For the first time in 2023, Imerys has introduced an ad hoc factoring program within the PM Americas, PM EMEA & APAC and RAC segments. Under this arrangement, Imerys retains an ongoing involvement with the assigned receivables through the dilution risk, as well as through the obligation to pass over to the factor the cash flows received from customers. Most of the risks and benefits in respect of the assigned receivables have been transferred to the factor and these receivables have been derecognized. The carrying amount of these derecognized receivables at December 31, 2023 was €61.6 million.

The following table presents the main details of this factoring agreement as well as the amounts derecognized at the end of the reporting period.

Effective date of the agreement	June 2023
Possible redress for factor from Imerys on derecognized receivables	No
Contractual duration	6 months
Maximum outstanding amount including all taxes *(in € millions)*	110.0
Pre-identification of derecognized receivables	Yes
Substantial transfer of all risks and benefits to the factor, including default and late payment risks	Yes
Carrying amount of derecognized receivables at December 31, 2023 *(€ millions)*	61.6

21.3 Managing risk in respect of financial assets

Credit risk

Description of the risk. Credit risk is the risk that a debtor of Imerys does not reimburse their debt at the agreed due date. It mainly affects the trade receivables category.

Risk management. Credit risk is monitored at entity level by analyzing the breakdown of receivables by maturity. Generally due between 30 and 90 days, the Group's receivables are not covered by any material financing component. The following table presents a breakdown by maturity at the end of the reporting period:

(€ millions)	2023	2022
Receivables not yet due	**339.1**	**387.1**
Receivables due	**104.7**	**160.7**
1 to 30 days	72.7	98.5
31 to 60 days	12.1	17.6
61 to 90 days	5.8	11.1
More than 90 days	14.1	33.5
TOTAL	**443.8**	**547.8**

At the end of the reporting period, receivables and other financial assets are written down to their recoverable amount (note 21.2). Group entities may hedge credit risk through credit insurance contracts or warranties (note 28 - Commitments received). At December 31, 2023, the Group's maximum exposure to credit risk before credit insurance and warranties, i.e. gross receivables net of write-downs, amounted to €1,350.8 million (€757.5 million at December 31, 2022). The following table presents the change in write-downs of receivables and other financial assets:

(€ millions)	Other non-current financial assets	Other non-current receivables	Trade receivables	Other current receivables	Other current financial assets	Total
Balance at January 1, 2022	**(17.7)**	**(26.9)**	**(36.0)**	**(4.2)**	**(2.7)**	**(87.5)**
Change in the scope of consolidation	-	-	0.7	-	-	0.7
Increase	(1.4)	(0.1)	(8.4)	(0.3)	-	(10.2)
Utilizations	1.0	0.6	8.1	2.3	0.7	12.7
Reclassification to assets held for sale[(1)]	1.7	23.3	17.5	0.2	-	42.7
Other	5.7	1.9	-	(1.9)	-	5.7
Exchange rate differences	0.1	(3.7)	0.6	(0.3)	-	(3.3)
Balance at December 31, 2022	**(10.6)**	**(4.9)**	**(17.5)**	**(4.2)**	**(2.0)**	**(39.2)**
Change in the scope of consolidation	-	-	0.1	-	-	0.1
Increase	(0.9)	(0.4)	(7.8)	(0.3)	-	(9.4)
Utilizations	1.2	-	11.3	1.7	-	14.2
Reclassification to assets held for sale[(2)]	1.8	(23.5)	0.4	(0.1)	-	(21.4)
Other	0.4	1.3	0.3	(1.0)	-	1.0
Exchange rate differences	-	(1.1)	-	-	-	(1.1)
Balance at December 31, 2023	**(8.1)**	**(28.6)**	**(13.2)**	**(3.9)**	**(2.0)**	**(55.8)**

(1) €18.3 million with respect to the High Temperature Solutions line of business and €24.4 million with respect to the business serving the paper market (note 25).

(2) €3.0 million with respect to bauxite production business and -€24.4 million with respect to the business serving the paper market (note 25).

Transactional currency risk

Description of the risk. Transactional currency risk is the risk whereby a cash flow labeled in foreign currency may be subject to a deterioration caused by unfavorable fluctuations in its cross-entry in functional currency. In assets, transactional currency risk mainly affects trade receivables.

Risk management. In assets, transactional currency risk is managed in accordance with the same principles as the transactional currency risk related to financial liabilities (note 24.5 - Transactional currency risk).

NOTE 22 EQUITY

Capital management principles

The management of capital covers three main fields: consolidated equity, share-based payments and share buybacks. Consolidated equity is managed to maintain a stable financial structure that generates dividends for shareholders by increasing earnings at a sustained, regular pace. Incentive schemes in which share options and free shares are granted to certain key employees help Imerys to reach this objective (note 8). Share buyback programs are intended to improve the transaction liquidity and price stability of the Imerys share as well as make certain share-based payments and cancellations necessary to offset the dilutive impact of exercised share options and vested free share grants.

Consolidated equity is composed of the capital and premiums of Imerys S.A. as well as its consolidated income and reserves. There are no hybrid instruments that combine the characteristics of debt and equity instruments. At December 31, 2023:

- consolidated equity amounted to €3,157.3 million (€3,385.4 million at December 31, 2022) on the basis of which the Board of Directors has proposed a dividend of €1.35 per share , giving a total dividend of €114.7 million;
- 1,222,325 free shares were granted to certain employees and executive corporate officers that have not been exercised or not yet vested, which represents 1.44% of the share capital of Imerys after dilution (1.60% of the share capital after dilution at December 31, 2022);
- after transactions made throughout the year to purchase, sell, cancel or transfer shares, Imerys held 507,121 Imerys shares (573,022 at December 31, 2022).

The capital of Imerys S.A. is subject to a number of mandatory requirements under the French Code of Commerce (*Code de commerce*). These requirements do not have any material impact on the financial statements. Furthermore, part of the Group's financing is secured through debt instruments, issued on the condition of compliance with a covenant related to the amount of consolidated equity. The covenant and the corresponding value recorded at the end of the reporting period are presented in note 24.5 – Borrower's liquidity risk.

Accounting policy

Treasury share buybacks are recognized at acquisition cost against equity. The price of any subsequent disposal is directly recognized in equity.

Activity for the period

	2023			2022		
(number of shares)	**Shares issued**	**Treasury shares**	**Outstanding shares**	**Shares issued**	**Treasury shares**	**Outstanding shares**
Number of shares at the beginning of the period	**84,940,955**	**(573,022)**	**84,367,933**	**84,940,955**	**(356,196)**	**84,584,759**
Capital increase	-	-	-	-	-	-
Capital decrease	-	-	-	-	-	-
Treasury share transactions	-	65,901	65,901	-	(216,826)	(216,826)
Number of shares at the end of the period	**84,940,955**	**(507,121)**	**84,433,834**	**84,940,955**	**(573,022)**	**84,367,933**

At December 31, 2023, Imerys' fully paid up share capital totaled €169,881,910 divided into 84,940,955 shares each with a par value of €2 (€169,881,910 divided into 84,940,955 shares each with a par value of €2 at December 31, 2022).

The share capital has not changed and the number of voting rights has not undergone any significant change between December 31, 2023 and February 21, 2024, i.e. the date on which the annual financial statements at December 31, 2023 were approved by the Board of Directors.

NOTE 23 PROVISIONS

23.1 Provisions for employee benefits

In accordance with the regulatory framework and business practices in each country, Imerys makes contributions to pension plans for its employees. Benefits are granted either through defined contribution plans, the future value of which is not guaranteed by Imerys (note 8), or defined benefit plans, the future value of which is guaranteed by Imerys by the provisions analyzed in this note.

(€ millions)	2023	2022
Pension plans	131.2	131.1
Health insurance	14.8	16.4
Other long-term employee benefits	8.9	8.9
Retirement provision	**154.9**	**156.4**
Termination benefits	5.7	3.8
TOTAL	**160.6**	**160.2**

Accounting policy

Defined contribution plans. In accordance with the regulatory framework and business practices in each country, Imerys makes contributions to pension plans for its employees by making, either on a mandatory or voluntary basis, contributions to third-party institutions such as pension funds, insurance companies or financial institutions. These plans, called defined contribution plans, do not provide beneficiaries with a guarantee of the total benefit that will be paid in the future. Contributions to these plans are recognized as staff expenses (note 8).

Defined benefit plans. In contrast, Imerys provides beneficiaries of defined benefit plans with a guaranteed future benefit. The corresponding obligations are measured using the Projected Unit Credit Method by means of economic and demographic actuarial assumptions. These assumptions are used to measure the value of the rights acquired by beneficiaries on the basis of an estimated salary at retirement date. Provisions and assets are recognized for the discounted value of the obligation, minus the fair value of plan assets, and capped where necessary. The rates used to discount obligations and calculate the normative return on assets in profit or loss are fixed by reference to the rates of bonds issued by AA-rated companies (high quality) within the main iBoxx GBP and USD Corporate AA indices. Where negative interest rates arise, they are applied as published, without a lower limit of zero. Executive Management makes estimates concerning actuarial assumptions. Contributions to the funds and direct payments to beneficiaries are recognized in current operating income (note 8) except for contributions and payments related to restructuring operations, which are recognized in other operating income and expenses (note 11) and contributions to under-funded closed plans with mandatory funding requirements, which are recognized in financial income (loss) (note 13). The impact of these contributions is neutralized by decreases in provisions recognized in each of these three levels of profit or loss. Other items of change in post-employment plans are recognized in current operating income (note 8), except for amendments, curtailments and settlements related to restructuring operations, which are recognized in other operating income and expenses (note 11) and unwinding of obligations and normative return on assets, which are recognized in financial income (loss)(note 13). Administrative fees are recognized in current operating income (note 8) except for administrative fees for under-funded closed plans with mandatory funding requirements, which are recognized in financial income (loss) (note 13). Plan amendments, curtailments and settlements are immediately recognized in profit or loss. Actuarial differences and caps on post-employment plan assets are fully recognized in other comprehensive income, net of asset management fees, with no subsequent reclassification in profit or loss.

The impact of pension reform in France, which was enacted on April 15, 2023, has not had a material effect on the Group's financial statements. It was reported in the Group financial statements as a change in demographic assumption and recognized in other comprehensive income.

Characteristics of defined benefit plans

At December 31, 2023, the Group's defined employee benefit obligations totaled €970.3 million (€945.9 million at December 31, 2022). made up of retirement benefits, post-employment health insurance and other pre-retirement benefits such as long-service awards. The obligations, the value of which is presented as negative values in the following table, are mainly incurred in the UK and the US:

	2023				2022			
(€ millions)	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Pension plans	(605.1)	(184.8)	(156.7)	(946.6)	(585.3)	(198.6)	(136.8)	(920.7)
Post-retirement health insurance	-	(9.0)	(5.8)	(14.8)	-	(9.9)	(6.4)	(16.3)
Other pre-retirement benefits	-	-	(8.9)	(8.9)	-	-	(8.9)	(8.9)
TOTAL	**(605.1)**	**(193.8)**	**(171.4)**	**(970.3)**	**(585.3)**	**(208.5)**	**(152.1)**	**(945.9)**

At December 31, 2023, 15,828 beneficiaries were covered by these obligations (18,199 beneficiaries at December 31, 2022), including employees who have been granted rights in return for the years of service they accumulate within the Group (active beneficiaries), employees who will no longer acquire rights in return for the years of service accumulated within the Group as well as former employees still in employment outside the Group (deferred beneficiaries) and former employees now in retirement (retired beneficiaries). The following table breaks down the main characteristics of these beneficiaries:

	2023				2022			
	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Headcount								
Active beneficiaries	300	709	6,280	7,289	324	857	7,853	9,034
Deferred beneficiaries	1,256	1,035	411	2,702	1,328	1,068	613	3,009
Retired beneficiaries	3,835	1,515	487	5,837	3,902	1,494	760	6,156
Total	**5,391**	**3,259**	**7,178**	**15,828**	**5,554**	**3,419**	**9,226**	**18,199**
Average age								
Active beneficiaries	57	54	44	45	56	55	44	45
Deferred beneficiaries	58	59	50	57	57	58	50	56
Retired beneficiaries	76	76	75	76	76	73	75	75
Years of service								
Active beneficiaries	32	18	12	13	31	19	13	14

At December 31, 2023 74.6% of the Group's total obligation was accounted for by just two plans (75.5% at December 31, 2022) – the Imerys UK Pension Scheme (Imerys UK) and the Imerys USA Retirement Growth Account Plan (Imerys USA). The following table breaks down the main characteristics of these two plans:

	2023		2022	
	Imerys UK	Imerys USA	Imerys UK	Imerys USA
Obligation by category of beneficiaries *(€ millions)*				
Active beneficiaries	(59.2)	(24.2)	(65.1)	(35.4)
Deferred beneficiaries	(108.9)	(40.3)	(99.8)	(41.5)
Retired beneficiaries	(437.0)	(53.8)	(420.4)	(52.4)
Total	**(605.1)**	**(118.3)**	**(585.3)**	**(129.3)**
Average age				
Active beneficiaries	57	56	56	56
Deferred beneficiaries	58	60	57	58
Retired beneficiaries	76	74	76	73
Eligibility				
Recruitment cut-off date	12/31/2004	3/31/2010	12/31/2004	3/31/2010
Retirement age	65	65	65	65
Description of the benefit				
Type of payment	Annuity(1)	Capital(2)	Annuity(1)	Capital(2)
Pegged to retail price index	Yes	No	Yes	No
Closing date for future accruals	3/31/2015	12/31/2014	3/31/2010	12/31/2014
Regulatory framework				
Minimum employer funding requirement	Yes(3)	Yes(3)	Yes(3)	Yes(3)
Minimum beneficiary contribution requirement	Yes	No	Yes	No
Governance				
Trustees representing the employer	Yes	Yes	Yes	Yes
Trustees representing the beneficiaries	Yes	No	Yes	No
Independent trustees	Yes	No	Yes	No
Trustee responsibility				
Defining the investment strategy	Yes	Yes	Yes	Yes
Negotiating deficit refinancing with the employer	Yes	-	Yes	-
Administrative management of the benefit payment	Yes	Yes	Yes	Yes

(1) The annuity is calculated according to the number of years of service accumulated, annual salary at retirement and an average of the three last annual salaries.

(2) Capital with guaranteed interest rate (Cash Balance Plan).

(3) The employer is required to fund each unit of service accumulated at 100.0% on the basis of a funding valuation.

Managing employee benefit risk

Risk description. Through the financial management of employee benefits, Imerys seeks to control the funding ratio of obligations, i.e. the ratio between the value of plan assets and the value of obligations. The funding ratio of obligations may be deteriorated by a decorrelation between a change in value (generally negative) of plan assets and a change in value (generally positive) of obligations. The value of plan assets may be reduced by a deterioration in the fair value of investments. The value of obligations may rise for (i) all plans after a drop in discount rates or (ii) benefits paid as life annuities, either due to an increase in the inflation rates used to remeasure the obligations of certain plans, or due to an increase in the life expectancy of beneficiaries.

Risk management. In order to control the funding ratio of obligations, Imerys aims first and foremost to optimize the value of plan assets. Investment strategies are therefore devised to deliver a steady return while also taking advantage of opportunities with limited or moderate risks levels. The choice of investments is specific to each plan and factors in the duration of the plan as well as minimum funding regulatory constraints. Since 2011, Imerys has pursued a specific strategy to control the funding ratio of obligations in the UK in particular, which defines plan asset investments to match the obligation. The strategy, known as *Liability Driven Investment* (LDI), controls the funding ratio of the obligation by pegging cash inflows to cash outflows over the duration of the obligation. In practice, it involves structuring the portfolio of plan assets so that the cash inflows generated by the return on investments match the cash outflows generated by the payment of benefits. It hedges the risk of an increase in the obligation due to a drop in discount rates (or an increase in inflation rates) by covering a portion of the value of the regularly revised obligation.

Financing employee benefits

Imerys finances the majority of employee benefits with investments unavailable to third parties in trusts or insurance contracts legally separate from the Group. At December 31, 2023, the value of these investments designated as plan assets amounted to €816.4 million (€805.5 million at December 31, 2022). Imerys also holds reimbursement rights, i.e. investments held directly by the Group, which amounted to €0.2 million at December 31, 2023 (€0.2 million at December 31, 2022). Therefore, the funding ratio of obligations equaled 84.1% at December 31, 2023 (85.2% at December 31, 2022). The total deficit of funded plans and unfunded plans amounted to €153.9 million at December 31, 2023 (€140.3 million at December 31, 2022), as disclosed in the following table:

	2023				2022			
(€ millions)	**UK**	**US**	**Rest of the world**	**Total**	**UK**	**US**	**Rest of the world**	**Total**
Obligations funded by plan assets	(605.1)	(183.5)	(102.8)	(891.4)	(585.3)	(197.1)	(95.4)	(877.8)
Obligations funded by reimbursement rights	-	-	(0.3)	(0.3)	-	-	(0.5)	(0.5)
Plan assets	596.0	139.7	80.7	816.4	600.3	134.3	70.9	805.5
Plan assets ceiling	-	-	(0.1)	(0.1)	-	-	(0.1)	(0.1)
Reimbursement rights	-	-	0.2	0.2	-	-	0.2	0.2
Funded plans surplus (deficit)	**(9.1)**	**(43.8)**	**(22.3)**	**(75.2)**	**15.0**	**(62.8)**	**(24.9)**	**(72.7)**
Unfunded obligations	-	(10.3)	(68.4)	(78.7)	-	(11.4)	(56.2)	(67.6)
Total surplus (deficit)	**(9.1)**	**(54.1)**	**(90.7)**	**(153.9)**	**15.0**	**(74.2)**	**(81.1)**	**(140.3)**

The following table presents the contributions paid to the funds by profit or loss level in 2022 and 2023 as well as an estimate for 2024. Contributions are generally recognized in current operating income. They are recognized in other operating income and expenses when they relate to restructuring. Contributions recognized in financial income (loss) are intended to recover the deficit of closed plans (absence of current service) with mandatory funding requirements. In this respect, each euro of service rendered before the plan was closed has been funded by a contribution of the same amount in current operating income. However, a drop in discount rates, increase in inflation rates and reduction in the fair value of investments has broken this initial balance and additional contributions are now required to restore it.

(€ millions)	2024 estimate	2023	2022
Contributions in current operating income	(11.1)	(5.0)	(5.5)
Contributions in other operating income and expenses	-	-	-
Contributions in financial income (loss) (closed plans)	(24.7)	(23.0)	(10.2)
Employer contributions	**(35.8)**	**(28.0)**	**(15.7)**

Plan assets are mainly invested in instruments whose market values are listed on an active market:

	2023				2022			
	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Listed assets	**100.0%**	**100.0%**	**6.2%**	**90.7%**	**100.0%**	**100.0%**	**9.5%**	**91.6%**
Equity	16.2%	40.0%	-	18.7%	7.4%	40.0%	-	12.1%
Debt	76.5%	45.0%	-	63.6%	90.7%	45.0%	0.6%	74.8%
Real estate		-	-	-	0.6%	-	-	0.5%
Money market investments	7.2%	15.0%	6.2%	8.4%	1.3%	15.0%	8.9%	4.3%
Unlisted assets	**-**	**-**	**93.8%**	**9.3%**	**-**	**-**	**90.5%**	**8.4%**
Debt	-	-	-	-	-	-	0.1%	-
Money market investments		-	93.8%	9.3%	-	-	90.4%	8.4%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

In 2023, the assets held by Imerys to finance employee benefits generated €33.3 million in actual interest earnings (-€325.0 million in 2022), i.e. an actual rate of return, including currency effects, of 4,1% in 2023 (-24.3% in 2022), as presented in the following table. In accordance with applicable legal and regulatory standards, this return was only credited to financial income (loss) to the extent of a normative share of €36.3 million in 2023 (€21.5 million in 2022), calculated on the basis of the risk-free rate used to discount the obligations. The surplus of the actual return above the normative return was credited to other comprehensive income for -€3.0 million in 2023 (-€346.5 million in 2022).

	2023				2022			
(€ millions)	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Assets at the beginning of the period	**600.3**	**134.3**	**71.0**	**805.6**	**968.5**	**180.9**	**74.6**	**1,224.0**
Change in the scope of consolidation	-	-	(1.8)	(1.8)	-	-	-	0.0
Contributions	10.8	12.2	6.4	29.4	8.6	1.6	6.8	17.0
Payments to beneficiaries	(43.8)	(17.0)	(4.9)	(65.7)	(48.0)	(24.2)	(3.2)	(75.4)
Reclassifications	-	-	6.0	6.0	-	-	-	0.0
Assets held for sale	-	-	-	0.0	-	-	(10.1)	(10.1)
Exchange rate differences	12.3	(4.9)	2.2	9.6	(38.2)	11.8	1.5	(24.9)
Actual return on assets	**16.4**	**15.1**	**1.8**	**33.3**	**(290.6)**	**(35.8)**	**1.4**	**(325.0)**
Normative return (financial income (loss))	28.5	6.1	1.7	36.3	16.9	4.1	0.5	21.5
Adjustment to actual return (equity)	(12.1)	9.0	0.1	(3.0)	(307.5)	(39.9)	0.9	(346.5)
Assets at the end of the period	**596.0**	**139.7**	**80.7**	**816.4**	**600.3**	**134.3**	**71.0**	**805.6**
Actual rate of return	**2.7%**	**11.0%**	**2.4%**	**4.1%**	**(27.5)%**	**(17.5)%**	**1.8%**	**(24.3)%**

Estimates

Executive Management makes estimates regarding the actuarial assumptions used to measure defined benefit plans. The following assumptions are weighted by the amount of obligations or assets, depending upon the item to which they apply.

	2023				2022			
	UK	US	Rest of the world	Total	UK	US	Rest of the world	Total
Discount rates	4.40%	4.50%	3.08%	4.19%	4.80%	4.76%	3.01%	4.43%
Retail price index	3.10%	-	1.77%	2.81%	3.15%	-	1.22%	2.76%
Salary increase rate	2.95%	-	2.95%	2.87%	2.80%	-	2.82%	2.80%
Changes in medical expense rates	-	-	9.60%	9.60%	-	-	9.11%	9.11%
Duration *(years)*	11	8	10	10	13	8	12	12

Among these estimates, it is the discount rate that has the most significant impact on the Group's financial statements. The following table presents the impact of a reasonably estimated change in discount rates following a possible decrease (lower case) or increase (higher case) in the assumption applied to the financial statements at December 31, 2023 (actual 2023). The impact of these changes is measured on three aggregates (obligation, net interest and current service cost) in the two monetary zones in which the most significant obligations have been undertaken (UK and US). The reasonably estimated change in discount rates has been set at 50 basis points, based on the weighted average change in discount rates in the UK and the US over the last five years.

(€ millions)	Lower case	Mid case	Higher case
UK			
Discount rate	3.9%	4.4%	4.9%
Obligation at the closing date	(637.9)	(605.1)	(575.1)
Net interest in 2024 profit or loss(1)	(3.7)	(2.8)	(1.6)
Current service cost in 2024 profit or loss(2)	-	-	-
US			
Discount rate	4.0%	4.5%	5.0%
Obligation at the closing date	(201.3)	(193.8)	(186.8)
Net interest in 2024 profit or loss(1)	(2.1)	(2.1)	(1.9)
Current service cost in 2024 profit or loss	(0.6)	(0.5)	(0.5)

(1) Unwinding of the obligation, net of normative return on assets.

(2) Plan closed and frozen since April 1, 2015.

TABLES OF CHANGES

At December 31, 2023

(€ millions)	Obligations	Assets	Assets (provisions)
Balance at January 1, 2023	**(945.9)**	**805.6**	**(140.3)**
Plan assets			*15.9*
Reimbursement rights			*0.2*
Provisions			*(156.4)*
Unwinding	(41.1)	-	(41.1)
Current service cost	(13.9)	-	(13.9)
Plan amendments	-	-	0.0
Curtailments	0.7	-	0.7
Settlements	(0.3)	-	(0.3)
Actuarial gains (losses) of other employee benefits	0.3	-	0.3
Normative return on plan assets	-	36.2	36.2
Normative return on reimbursement rights	-	-	0.0
Change recognized in profit or loss			**(18.1)**
Surplus (deficit) of actual return on assets over normative return	-	(3.0)	(3.0)
Actuarial gains (losses) of post-employment benefits on:			
■ changes in demographic assumptions	10.9	-	10.9
■ changes in financial assumptions	(19.3)	-	(19.3)
■ experience adjustments	(15.2)	-	(15.2)
Asset cap	-	(0.1)	(0.1)
Change recognized in equity			**(26.7)**
Recurring payments	70.9	(65.7)	5.2
Settlement payments	-	-	0.0
Employer contributions	-	28.0	28.0
Employee contributions	(1.5)	1.5	0.0
Reclassification in liabilities related to assets held for sale(1)	(2.7)	(1.8)	(4.5)
Other movements	(6.0)	6.0	0.0
Exchange rate differences	(7.2)	9.7	2.5
Balance at December 31, 2023	**(970.3)**	**816.4**	**(153.9)**
Plan assets			*0.8*
Reimbursement rights			*0.2*
Provisions			*(154.9)*

(1) €2.5 million with respect to obligations and €1.8 million with respect to assets from the bauxite production business as well as -€5.2 million with respect to obligations and €0.0 million with respect to assets from the business serving the paper market (note 25).

The "Change recognized in profit or loss" line of the above table can be broken down as follows:

(€ millions)	Assets (provisions)
Current operating income	**(8.9)**
Of which continuing operations	*(8.8)*
Of which discontinued operations	*(0.1)*
Net change in provisions for employee benefits	1.5
Contributions to defined benefit plans	(10.4)
Other operating income and expenses	**0.2**
Net change in provisions for employee benefits	0.2
Financial income (loss)	**(9.7)**
Of which continuing operations	*(9.5)*
Of which discontinued operations	*(0.2)*
Net change in provisions for employee benefit liabilities - Closed plans	18.4
Contributions to defined employee benefit plans - Closed plans	(23.0)
Normative return on assets of defined benefit plans	36.2
Unwinding of defined employee benefit liabilities	(41.3)
Change recognized in profit or loss	**(18.4)**
Of which continuing operations	*(18.1)*
Of which discontinued operations	*(0.3)*

At December 31, 2022

(€ millions)	**Obligations**	**Assets**	**Assets (provisions)**
Balance at January 1, 2022	**(1,450.9)**	**1,224.0**	**(226.9)**
Plan assets			*20.7*
Reimbursement rights			*6.2*
Provisions			*(253.8)*
Unwinding	(25.0)	-	(25.0)
Current service cost	(15.5)	-	(15.5)
Plan amendments	0.2	-	0.2
Settlements	(0.4)	-	(0.4)
Actuarial gains (losses) of other employee benefits	1.0	-	1.0
Normative return on plan assets	-	21.4	21.4
Normative return on reimbursement rights	-	0.1	0.1
Change recognized in profit or loss			**(18.2)**
Surplus (deficit) of actual return on assets over normative return	-	(346.4)	(346.4)
Actuarial gains (losses) of post-employment benefits on:			
■ changes in demographic assumptions	(5.0)	-	(5.0)
■ changes in financial assumptions	427.2	-	427.2
■ experience adjustments	(31.5)	-	(31.5)
Asset cap	-	(0.1)	(0.1)
Change recognized in equity			**44.2**
Recurring payments	83.1	(75.0)	8.1
Settlement payments	0.4	(0.4)	0.0
Employer contributions	-	15.7	15.7
Employee contributions	(1.3)	1.3	0.0
Reclassification in liabilities related to assets held for sale(1)	51.6	(10.1)	41.5
Exchange rate differences	20.2	(24.9)	(4.7)
Balance at December 31, 2022	**(945.9)**	**805.6**	**(140.3)**
Plan assets			*15.9*
Reimbursement rights			*0.2*
Provisions			*(156.4)*

(1) €46.4 million with respect to obligations and €10.1 million with respect to assets from the High Temperature Solutions line of business as well as €5.2 million with respect to obligations and €0.0 million with respect to assets from the business serving the paper market (note 25).

The "Change recognized in profit or loss" line of the above table can be broken down as follows:

(€ millions)	**Assets (provisions)**
Current operating income	**(11.0)**
Of which continuing operations	*(8.8)*
Of which discontinued operations	*(2.2)*
Net change in provisions for employee benefits	2.7
Contributions to defined benefit plans	(13.7)
Financial income (loss)	**(7.2)**
Of which continuing operations	*(6.4)*
Of which discontinued operations	*(0.8)*
Net change in provisions for employee benefit liabilities - Closed plans	6.5
Contributions to defined employee benefit plans - Closed plans	(10.2)
Normative return on assets of defined benefit plans	21.5
Unwinding of defined employee benefit liabilities	(25.0)
Change recognized in profit or loss	**(18.2)**
Of which continuing operations	*(15.2)*
Of which discontinued operations	*(3.0)*

CHANGE RECOGNIZED IN EQUITY

	2023				**2022**			
(€ millions)	**Actuarial gains (losses)**	**Surplus of actual return on assets over normative return in profit**	**Asset cap**	**Total**	**Actuarial gains (losses)**	**Surplus of actual return on assets over normative return in profit**	**Asset cap**	**Total**
Balance at the beginning of the period	**(386.7)**	**212.6**	**2.6**	**(171.6)**	**(767.5)**	**553.5**	**2.6**	**(211.4)**
Change in obligations	(23.6)	-	-	(23.6)	390.7	-	-	390.7
Change in assets	-	(3.0)	(0.1)	(3.1)	-	(346.4)	(0.1)	(346.5)
Change recognized in equity	**(23.6)**	**(3.0)**	**(0.1)**	**(26.7)**	**390.7**	**(346.4)**	**(0.1)**	**44.2**
Outgoing entities	7.4	-	-	7.4	-	-	-	0.0
Exchange rate differences and other movements	14.9	(1.6)	-	13.3	(9.9)	5.5	0.1	(4.4)
Balance at the end of the period	**(388.0)**	**208.0**	**2.5**	**(177.5)**	**(386.7)**	**212.6**	**2.6**	**(171.6)**

23.2 Other provisions

(€ millions)	2023	2022
Product warranties	1.2	0.8
Environmental and dismantling obligations	144.2	112.9
Mine site restoration	135.2	147.7
Legal, social and regulatory risks	189.5	161.7
TOTAL	**470.1**	**423.1**
Other non-current provisions	*426.6*	*388.8*
Other current provisions	*43.5*	*34.3*

Accounting policy

A provision is recognized as soon as it becomes likely that a present obligation will require settlement and a reliable estimate can be made of the amount of that obligation. Provisions are recognized against profit or loss, except provisions for dismantling and certain provisions for restoration, which are included in the cost of the assets of which the construction created the obligation. This treatment mainly applies to certain industrial facilities and mining overburden assets. Provisions are measured using the best estimate of the amount required to settle the obligation. Discounts are not applied to provisions that are expected to be settled within 12 months after the end of the reporting period and those that may be settled at any time. Discounts are applied to provisions that are not expected to be settled within 12 months after the end of the reporting period. This treatment applies in particular to provisions accrued with respect to environmental obligations for pollution remediation (€20.8 million at December 31, 2023 and €7.8 million at December 31, 2022), obligations to dismantle plants (€123.4 million at December 31, 2023 and €105.1 million at December 31, 2022) and obligations to restore mine sites that are no longer operational (€135.2 million at December 31, 2023 and €147.7 million at December 31, 2022). Changes in discounted provisions after revisions to the amount of the obligation, the timing of settlement or the discount rate are recognized in profit or loss or as an adjustment to the cost of assets for provisions recognized against assets. Unwinding is recognized as a debit in other financial income (expenses) (note 13). Executive Management makes estimates to assess the probability of settlement, amount of the obligation, expected timing of future payments and discount rates.

Estimates

Probability of settlement and amount of the obligation. The probability of settlement and the amount of the obligations are estimated by Executive Management, which generally calls upon in-house company experts to approve the key assumptions, taking into account the anticipated effects, regulatory changes where applicable, and independent counsels regarding material disputes and claims. The resulting estimates are liable to change depending on the unknowns involved in each dispute. They relate to allegations of personal injury or financial losses regarding the potential civil liability of the Group or breaches of contractual obligations or regulations covering social, real estate and environmental issues. The provisions for these risks are included in the €189.5 million set aside for legal, social and regulatory risks in the table of changes published at the end of the present note. This amount includes in particular the balance of the provision set aside to resolve the litigation involving the Group's former talc operations in the US, the materiality of which requires specific explanation.

On February 13, 2019, the Group's three North American talc subsidiaries (the "North American Talc Subsidiaries") decided to file for the protection, with immediate effect, of the special legal process of Chapter 11 under US bankruptcy law in order to permanently resolve the potential liabilities related to their historic commercial talc operations in the United States. Under Chapter 11, the Group remains the legal owner of the share capital of the North American Talc Subsidiaries, but their businesses are under the judicial control of the relevant Federal Court for the District of Delaware (the "*Bankruptcy Court*"), which oversees the continuing operations of the entities concerned as well as the conclusion and execution of a business reorganization plan that the North American Talc Subsidiaries have sought to negotiate with representatives of existing and future potential talc claimants (the "Representatives of Claimants"). The Chapter 11 process suspended all ongoing litigation proceedings and enjoined any further claims being brought against these entities relating to past and current talc operations in the US.

Given effective control of the North American Talc Subsidiaries was transferred on February 13, 2019 to the court to repay creditors, the assets and liabilities held by the North American Talc Subsidiaries were removed from the scope of consolidation of the Group's financial statements from this date forward, which led to an additional expense of €5.6 million being recognized in other operating income and expenses. Negotiations between the North American Talc Subsidiaries, which were joined by Imerys Talc Italy (the "Talc Subsidiaries Involved"), the Group and the Representatives of Claimants led to the agreement on May 15, 2020 of a joint reorganization plan (the "Plan"), which was filed on the same day with the *Bankruptcy Court*. The Plan provides that once the necessary approvals have been obtained, the Talc Subsidiaries Involved will come out of the Chapter 11 process and the Group will be released from all existing and future talc-related liabilities arising out of past operations of the Talc Subsidiaries Involved, as such liabilities will be channeled into a dedicated trust to be established (the "*Trust*").

Imerys Talc Italy has been named in a small number of talc related lawsuits in the United States. Upon the grant of the required majority vote on the Plan and requisite corporate approvals, Imerys Talc Italy also intends to file for Chapter 11 protection before the final confirmation of the Plan and join the Plan in order to benefit from the same comprehensive and permanent resolution of historic talc-related liabilities as the North American Talc Subsidiaries. Imerys Talc Italy's business will remain part of the Group throughout and after the closing of the Chapter 11 proceedings.

Following the approval in January 2021 by the Bankruptcy Court of the disclosure statement filed in conjunction with the Plan, the Plan was then submitted to the vote by the creditors and claimants against the Talc Subsidiaries Involved. In accordance with the Plan, the North American Talc Subsidiaries also sold their assets to Magris Resources, a Canadian investment fund, for USD223.0 million on February 17, 2021.

In April 2021, the Plan was approved at a qualified majority exceeding the 75% required voting threshold under the applicable regulations. However, on October 13, 2021, the Bankruptcy Court issued a ruling that certain ballots cast in favor of the Plan will not be counted and, as a consequence, the approval of the Plan fell just short of the required 75% majority vote.

As a result, the North American Talc Subsidiaries, the Representatives of the Claimants, and other stakeholders in the Chapter 11 process (the "Mediation Parties") have engaged in a mediation approved by the *Bankruptcy Court*, with a successively extended timeline, to reach a revised Plan (the "Revised Plan") that will achieve the required 75% majority approval vote.

The progress in the mediation and negotiation process to agree on a Revised Plan has been delayed by the distraction of the Representatives of the Claimants caused by the chapter 11 petition commenced by a new subsidiary of the Johnson & Johnson group - LTL (now renamed LLT) Management LLC ("LLT") - specifically created for this purpose. This separate and specific chapter 11 case has been highly contested judicially and involved many of the same stakeholders, including claimants, as the Chapter 11 of the North American Talc Subsidiaries. After a first dismissal in January 2023 by the relevant Court of Appeals of the LLT's chapter 11 petition, the new filing in April 2023 by LLT for the chapter 11 protection before the same bankruptcy court for the District of New Jersey was again dismissed in August 2023.

The mediation and negotiations between the Mediation Parties have finally succeeded in an agreement on a revised Plan, together with all supporting documents required for its implementation, which were filed before the *Bankruptcy Court* on January 31, 2024. The Revised Plan includes without any change the terms and conditions of the settlement with the Group as embedded in the Plan announced in May 2020. The key amendments to the Plan as now reflected in the Revised Plan, relate to (i) the structure and governance of the Trust applicable to the receipt and management of the financial proceeds from the various financial contributors to the Revised Plan, (ii) the allocation rules of the *Trust* assets among talc claimants alleging different injuries, including the actual or potential North American Talc Subsidiaries' rights to insurance coverage and contractual indemnity, current and future potential settlement proceeds with third parties; and (iii) the detailed procedures applicable to the approval of the Revised Plan, reflecting in particular its alignment with the concurring chapter 11 process initiated in April 2021 by one of the previous owners of certain talc assets of North American Talc Subsidiaries (i.e the former North American mining group "Cyprus Mines") which is contributing to the Revised Plan.

The proposed Revised Plan is currently under review by the *Bankruptcy Court* for the approval of a new solicitation by the Talc Subsidiaries Involved of claimants' votes on the Revised Plan. Subject to approval of the Revised Plan at the required 75% voting threshold, it will then undergo a confirmation procedure before the *Bankruptcy Court* to be followed by a final approval process before another competent Federal Court.

Under the terms and conditions of the settlement with the Group as embedded in the Plan and restated in the Revised Plan, the Group's contribution consists of (i) a minimum cash payment of USD75.0 million, (ii) the proceeds from the sale of the assets of the North American Talc Subsidiaries at a price of USD223.0 million, and (iii) certain other components further outlined in the Revised Plan. These commitments primarily include certain insurance assets, financing of minor unsecured trade claims (USD5.0 million) and certain excess administrative costs of the Chapter 11 process incurred by the Talc Subsidiaries Involved up to a maximum of USD15.0 million.

On the basis of the Revised Plan and the current state of the Chapter 11 process, at the date the Group's 2023 financial results were approved, Executive Management reviewed with the help of independent third-party experts and reiterated its prior estimate of the risk related to the resolution of the Chapter 11 procedure and the forecast financial impact for the Group. A provision of €250.0 million was initially accrued in Imerys' 2018 consolidated financial accounts, bearing in mind that the North American Talc Subsidiaries have been deconsolidated since February 13, 2019. At December 31, 2023, the provision recognized in the Imerys financial statements, which amounted to USD 114.8 million, i.e. €103.9 million, was considered appropriate to cover the expected financial impact of the Revised Plan for the Group.

Expected timing of future payments. The following table presents the discounted value of future cash outflows required to settle the obligations included in other provisions:

(€ millions)	2024-2028	2029-2038	2039 and beyond	Total
Product warranties	1.2	-	-	1.2
Environmental and dismantling obligations	40.2	52.0	52.0	144.2
Mine site restoration	30.8	47.4	57.0	135.2
Legal, social and regulatory risks	189.5	-	-	189.5
Other provisions	**261.7**	**99.4**	**109.0**	**470.1**

Discount rates. Discount rates integrate the time value of money (iBoxx AA Corporate Bonds) and monetary inflation at the date of future payments. The following assumptions are applied to the major monetary zones:

	2023			2022		
	EUR	GBP	USD	EUR	GBP	USD
Time value of money - environment and dismantling	3.0%	4.4%	4.7%	3.3%	4.8%	5.0%
Time value of money - mine site restoration	3.0%	4.4%	4.7%	3.3%	4.8%	5.0%
Inflation	2.2%	3.6%	2.3%	2.5%	4.0%	2.5%

TABLE OF CHANGES

(€ millions)	Product warranties	Environmental and dismantling obligations	Mine site restoration	Legal, social and regulatory risks	Total
Balance at January 1, 2022	**2.6**	**134.4**	**154.5**	**175.7**	**467.2**
Change in the scope of consolidation	-	(4.2)	(4.9)	(0.5)	(9.6)
Increase	0.9	14.8	8.7	26.9	51.3
Utilizations	(0.1)	(5.9)	(8.1)	(18.9)	(33.0)
Unused reversals	(1.2)	(0.9)	-	(13.1)	(15.2)
Financial unwinding	-	0.8	1.3	0.8	2.9
Reclassification and other	-	(1.3)	-	(1.2)	(2.5)
Reclassification in liabilities related to assets held for sale(1)	(1.2)	(22.5)	(6.1)	(15.8)	(45.6)
Exchange rate differences	(0.2)	(2.3)	2.3	7.8	7.6
Balance at December 31, 2022	**0.8**	**112.9**	**147.7**	**161.7**	**423.1**
Change in the scope of consolidation	-	-	2.4	-	2.4
Increase	1.1	12.9	4.5	48.3	66.8
Utilizations	(0.4)	(3.5)	(9.5)	(16.9)	(30.3)
Unused reversals	(0.4)	(1.6)	-	(10.4)	(12.4)
Financial unwinding	-	1.5	1.5	-	3.0
Reclassification and other	0.1	-	(0.1)	(0.6)	(0.6)
Reclassification to/from liabilities related to assets held for sale(2)	-	20.4	(8.9)	10.1	21.6
Exchange rate differences	-	1.6	(2.4)	(2.7)	(3.5)
BALANCE AT DECEMBER 31, 2023	**1.2**	**144.2**	**135.2**	**189.5**	**470.1**

(1) Of which -€8.8 million with respect to the High Temperature Solutions line of business and -€36.6 million with respect to the business serving the paper market (note 25).

(2) Of which -€15.4 million with respect to the bauxite production business and +€37.0 million with respect to the business serving the paper market (note 25).

NOTE 24 FINANCIAL LIABILITIES

24.1 Categories of financial liabilities

The following tables analyze the value of financial instruments with respect to consolidated liabilities. The categories used to present the carrying amounts of financial instruments are explained in note 12. The totals distinguish between operational hedge derivatives (hedge of operational foreign exchange risk and energy price risk) and financial hedge derivatives (hedge of financial foreign exchange risk, interest rate risk and conversion of financial statements risk). Financial hedge derivatives are used to calculate net financial debt (note 24.2 - Reconciliation of net financial debt). Since they correspond to the amount of cash to be paid, carrying amounts represent fair value for all instruments except bonds. The tables are followed by an analysis of the difference between carrying amounts and fair value. The fair value of listed bonds is directly observable as it corresponds to the market value at the end of the reporting period (level 1 fair value). The fair value of unlisted bonds including accrued interest is calculated by a model using observable data, i.e. a revised valuation of discounted future contractual flows (level 2 fair value).

At December 31, 2023

	Non-hedge accounting			Hedge accounting				
	IFRS 9 categories			Cash flow hedge		Net investment hedge		
(€ millions)	Amortized cost	Fair value through profit or loss	Non IFRS 9	Hedged item	Hedge	Hedged item	Hedge	Total
Non-current liabilities								
Borrowings and financial debt	1,691.3	-	-	-	-	-	-	1,691.3
Lease liabilities	119.2	-	-	-	-	-	-	119.2
Other debts	3.1	-	15.3	-	-	-	-	18.4
Derivative financial liabilities	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.3
Transactional currency risk	-	-	-	-	*0.3*	-	-	*0.3*
Current liabilities								
Trade payables	377.9	-	-	-	-	-	-	377.9
Other debts	157.6	-	207.0	-	-	-	-	364.6
Derivative financial liabilities	0.0	2.6	0.0	0.0	28.0	0.0	1.5	32.1
Conversion of financial statements risk	-	-	-	-	-	-	*1.5*	*1.5*
Transactional currency risk	-	*2.6*	-	-	*0.5*	-	-	*3.1*
Energy price risk	-	-	-	-	*27.5*	-	-	*27.5*
Borrowings and financial debt	520.2	-	-	-	-	-	-	520.2
Lease liabilities	41.3	-	-	-	-	-	-	41.3
Bank overdrafts	5.3	-	-	-	-	-	-	5.3
TOTAL	**2,915.9**	**2.6**	**222.3**	**0.0**	**28.3**	**0.0**	**1.5**	**3,170.6**
of which operational derivatives	-	-	-	-	*28.3*	-	-	*28.3*
of which financial derivatives	-	*2.6*	-	-	-	-	*1.5*	*4.1*

The fair value of fixed rate bonds included in "Borrowings and financial debt" is €98.1 million lower than their carrying amount:

Nominal amount *(in millions)*		Maturity	Listing	Interest rate Nominal	Interest rate Effective	Carrying amount	Fair value	Difference
500	EUR	12/10/24	Listed	2.00%	2.13%	500.1	492.6	(7.5)
600	EUR	01/15/27	Listed	1.50%	1.63%	606.5	577.6	(28.9)
300	EUR	03/31/28	Listed	1.88%	1.92%	303.8	284.2	(19.6)
500	EUR	11/29/29	Listed	4.75%	4.82%	500.4	516.0	15.6
300	EUR	07/15/31	Listed	1.00%	1.07%	300.0	242.3	(57.7)
TOTAL AT DECEMBER 31, 2023 *(€ millions)*						**2,210.8**	**2,112.7**	**(98.1)**

At December 31, 2022

	Non-hedge accounting			Hedge accounting				
	IFRS 9 categories			Cash flow hedge		Net investment hedge		
(€ millions)	Amortized cost	Fair value through profit or loss	Non IFRS 9	Hedged item	Hedge	Hedged item	Hedge	Total
Non-current liabilities								
Borrowings and financial debt	1,694.5	-	-	-	-	-	-	1,694.5
Lease liabilities	98.1	-	-	-	-	-	-	98.1
Other debts	3.1	-	16.9	-	-	-	-	20.0
Derivative financial liabilities	-	-	-	-	4.1	-	-	4.1
Transactional currency risk	-	-	-	-	0.5	-	-	0.5
Energy price risk	-	-	-	-	3.6	-	-	3.6
Current liabilities								
Trade payables	540.1	-	-	-	-	-	-	540.1
Other debts	146.3	-	198.0	-	-	-	-	344.3
Derivative financial liabilities	0.0	1.2	0.0	0.0	27.2	0.0	0.6	29.0
Conversion of financial statements risk	-	-	-	-	-	-	*0.6*	*0.6*
Transactional currency risk	-	*1.2*	-	-	*4.9*	-	-	*6.1*
Energy price risk	-	-	-	-	*22.3*	-	-	*22.3*
Borrowings and financial debt	452.7	-	-	-	-	-	-	452.7
Lease liabilities	42.1	-	-	-	-	-	-	42.1
Bank overdrafts	3.7	-	-	-	-	-	-	3.7
TOTAL	**2,980.6**	**1.2**	**214.9**	**0.0**	**31.3**	**0.0**	**0.6**	**3,228.6**
of which operational derivatives	-	-	-	-	*31.3*	-	-	*31.3*
of which financial derivatives	-	*1.2*	-	-	-	-	*0.6*	*1.8*

The fair value of fixed rate bonds included in "Borrowings and financial debt" is €192.4 million lower than their carrying amount:

Nominal amount *(in millions)*		Maturity	Listing	Interest rate Nominal	Interest rate Effective	Carrying amount	Fair value	Difference
300.0	EUR	03/31/28	Listed	1.88%	1.92%	303.2	269.0	(34.2)
500.0	EUR	12/10/24	Listed	2.00%	2.13%	499.1	486.4	(12.7)
600.0	EUR	01/15/27	Listed	1.50%	1.63%	604.4	549.2	(55.2)
300.0	EUR	07/15/31	Listed	1.00%	1.07%	298.6	208.3	(90.3)
TOTAL AT DECEMBER 31, 2022 *(€ millions)*						**1,705.3**	**1,512.9**	**(192.4)**

24.2 Cash flows related to financial liabilities

Changes in liabilities arising from financing activities

The *Consolidated Statement of Cash Flows* analyzes the change in "Cash and cash equivalents" broken down across three categories: operating activities, investing activities and financing activities. In the following tables, "Cash flow from financing activities" is presented in the "Cash changes" column, in accordance with their source positions in the Consolidated Statement of Financial Position.

In 2023, "Cash flow from financing activities" represented a net cash outflow of €930.8 million, including €660.0 million broken down in the following table arising from changes in liabilities from financing activities. The main components driving this change include the reimbursement of lease liabilities (representing an outflow of €52.1 million), the acquisition of investment securities (representing an outflow of €670,0 million) and the repayment of short-term negotiable securities or NEU CP (representing an outflow of €433.0 million).

			Non-cash changes						
(€ millions)	01/01/2023	Cash changes	Change in the scope of consolidation	Change in lease liabilities against rights of use	Accrued interest	Fair value	Reclassi-fication[(1)]	Exchange rate differences	12/31/23
Non-current assets	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(0.2)**	**0.0**	**(0.2)**
Derivative financial assets	-	-	-	-	-	-	(0.2)	-	(0.2)
Current assets	**(31.0)**	**(670.0)**	**0.0**	**0.0**	**(1.6)**	**12.0**	**2.2**	**0.0**	**(688.4)**
Derivative financial assets	(27.0)	-	-	-	-	12.0	0.2	-	(14.8)
Other financial assets	(4.0)	(670.0)	-	-	(1.6)	-	2.0	-	(673.6)
Non-current liabilities	**1,796.7**	**496.5**	**0.6**	**57.9**	**2.4**	**0.0**	**(540.0)**	**(3.3)**	**1,810.8**
Borrowings and financial debt	1,792.6	496.5	0.6	57.9	2.4	-	(536.2)	(3.3)	1,810.5
Derivative financial liabilities	4.1	-	-	-	-	-	(3.8)	-	0.3
Current liabilities	**523.8**	**(486.5)**	**4.1**	**0.0**	**5.1**	**(3.1)**	**551.6**	**(1.4)**	**593.6**
Derivative financial liabilities	29.0	-	-	-	-	(0.7)	3.8	-	32.1
Borrowings and financial debt	494.8	(486.5)	4.1	-	5.1	(2.4)	547.8	(1.4)	561.5
TOTAL	**2,289.5**	**(660.0)**	**4.7**	**57.9**	**5.9**	**8.9**	**13.6**	**(4.7)**	**1,715.8**
Loans issued	-	*496.5*	-	-	-	-	-	-	-
Repayments of borrowings	-	*(0.0)*	-	-	-	-	-	-	-
Payments of lease liabilities	-	*(52.1)*	-	-	-	-	-	-	-
Other cash inflows (outflows)	-	*(1,104.4)*	-	-	-	-	-	-	-

(1) Including reclassification to/from assets held for sale

In 2022, "Cash flow from financing activities" represented a net cash inflow of €102.6 million, including an outflow of €251.0 million broken down in the following table arising from changes in liabilities from financing activities. The main components driving this change include the reimbursement of lease liabilities (representing an outflow of €61.1 million) and the issue of short-term negotiable securities or NEU CP (representing an inflow of €333.0 million).

			Non-cash changes						
(€ millions)	**01/01/22**	**Cash changes**	**Change in the scope of consolidation**	**Change in lease liabilities against rights of use**	**Accrued interest**	**Fair value**	**Reclassi-fication[1]**	**Exchange rate differences**	**12/31/22**
Non-current assets	**(0.6)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.6**	**0.0**	**0.0**
Derivative financial assets	(0.6)	-	-	-	-	-	0.6	-	0.0
Current assets	**(86.1)**	**0.7**	**0.0**	**0.0**	**0.0**	**49.0**	**5.2**	**0.2**	**(31.0)**
Derivative financial assets	(75.4)	-	-	-	-	49.0	(0.6)	-	(27.0)
Other financial assets	(10.7)	0.7	-	-	-	-	5.8	0.2	(4.0)
Non-current liabilities	**1,852.5**	**(30.7)**	**0.0**	**55.8**	**2.4**	**0.0**	**(105.4)**	**22.1**	**1,796.7**
Borrowings and financial debt	1,850.7	(30.7)	-	55.8	2.4	-	(107.7)	22.1	1,792.6
Derivative financial liabilities	1.8	-	-	-	-	-	2.3	-	4.1
Current liabilities	**165.3**	**281.0**	**0.0**	**0.0**	**(1.6)**	**24.4**	**60.9**	**(6.2)**	**523.8**
Derivative financial liabilities	7.9	-	-	-	-	23.5	(2.4)	-	29.0
Borrowings and financial debt	157.4	281.0	-	-	(1.6)	0.9	63.3	(6.2)	494.8
TOTAL	**1,931.1**	**251.0**	**0.0**	**55.8**	**0.8**	**73.4**	**(38.7)**	**16.1**	**2,289.5**
Loans issued	-	-	-	-	-	-	-	-	-
Repayments of borrowings	-	*(6.8)*	-	-	-	-	-	-	-
Payments of lease liabilities	-	*(61.1)*	-	-	-	-	-	-	-
Other cash inflows (outflows)	-	*318.9*	-	-	-	-	-	-	-

(1) Including reclassification to assets held for sale

Reconciliation of net financial debt

Gross financial debt includes the non-current and current portion of "Borrowings and financial debt" and "Lease liabilities" as well as derivative financial assets and liabilities hedging debt risks. Net financial debt reflects the Group's net position on the market and with financial institutions. It is used to manage the Group's financial resources, in particular to calculate covenants with which Imerys has to comply as part of the financing agreements entered into with financial markets (note 24.5 - Borrower's liquidity risk).

Net financial debt corresponds to the total financing liabilities subscribed on the market and with financial institutions in the form of bonds, bank credits and bank overdrafts, minus cash, cash equivalents and other current financial assets. Although offset in the calculation of net financial debt, overdrafts and surplus cash are presented separately on the statement of financial position, either in the form of bank overdrafts or cash, in accordance with the agreements signed between Imerys and its bank counterparties. In general, these agreements stipulate that the various accounts opened at the bank counterparties remain as debit or credit balances, without any offset. However, some netting agreements exist within the Group in order to achieve a single position with certain bank counterparties across a given scope. A single position is organized by the entity heading the netting scope, either directly through its own bank account, or indirectly through an investment made at the bank counterparty that is credited in the form of loans to the entities within the scope. Direct netting is practiced on agreements in force in Europe and the US, while indirect netting is applied in China.

The following table presents the link between net financial debt and the Consolidated Statement of Financial Position with a distinction between non-derivative and derivative financial instruments. Derivative financial instruments included in the calculation of net financial debt correspond to financing hedge assets and liabilities since they are part of the future cash outflows of this aggregate (note 24.5 - Borrower's liquidity risk). Operational hedge instruments (note 24.4 - Derivative instruments in the financial statements) are not included in the calculation of net financial debt. The amount of cash and cash equivalents held by the Group includes a balance of €4.5 million at December 31, 2023 (€11.8 million at December 31, 2022) not available for Imerys S.A. and its subsidiaries. Of this total amount, €3.6 million (€11.4 million at December 31, 2022) is not available due to legal restriction on foreign exchange controls and €0.9 million (€0.4 million at December 31, 2022) due to statutory requirements. At December 31, 2023, cash equivalents were composed of €319.5 million in short-term deposits and similar investments (€27.1 million at December 31, 2022). Other financial assets were composed mainly of €671.9 million in investment securities (€2.0 million at December 31, 2022).

(€ millions)	Notes	2023	2022
Borrowings and financial debt – non-current		1,691.3	1,694.5
Lease liabilities – non-current		119.2	98.1
Borrowings and financial debt – current		520.2	452.7
Lease liabilities – current		41.3	42.1
Financing hedge instruments – liabilities	24.1	4.1	1.7
Financing hedge instruments – assets	21.1	(4.4)	(4.4)
Gross financial debt		**2,371.7**	**2,284.7**
Cash and cash equivalents, net of bank overdrafts		(579.7)	(616.5)
Other financial assets		(673.6)	(2.0)
NET FINANCIAL DEBT		**1,118.4**	**1,666.2**

(€ millions)	2023	2022
Net financial debt at the beginning of the period	**(1,666.2)**	**(1,451.1)**
Change in net financial debt excl. exchange rate effects	520.7	(73.9)
Reclassification to/from liabilities related to assets held for sale(1)	35.3	(122.1)
Exchange rate effect	(8.2)	(19.1)
Change in net financial debt	**547.8**	**(215.1)**
NET FINANCIAL DEBT AT THE END OF THE PERIOD	**(1,118.4)**	**(1,666.2)**

(1) At December 31, 2023, the business serving the paper market for +€38.2 million and the bauxite production business for -€2.9 million and at December 31, 2022, the High Temperature Solutions line of business for -€83.1 million, -€38.2 million for the business serving the paper market and -€0.8 million with respect to the US hydrous kaolin business (note 25).

24.3 Other debts

(€ millions)	2023	2022
Non-current liabilities		
Income tax payable	0.5	0.2
Debt on assets	0.4	2.2
Tax debt	0.2	0.5
Social security debt	10.8	12.5
Other	6.5	4.6
TOTAL	**18.4**	**20.0**
Current liabilities		
Debt on assets	108.7	90.7
Tax debt	41.0	28.5
Social security debt	160.8	167.9
Contract liabilities	5.2	1.6
Other	48.9	55.6
TOTAL	**364.6**	**344.3**

Contract liabilities correspond to the value of goods and services to be transferred after the end of the reporting period as part of agreements signed with customers (note 5) for which compensation is due before the transfer of the good or service. Of the €11.5 million of goods and services to be transferred at December 31, 2023 (€8.4 million at December 31, 2022), €6.3 million of trade payables had been received (€6.8 million at December 31, 2022) and €5.2 million was still outstanding (€1.6 million at December 31, 2022).

24.4 Derivatives

Derivatives management principles

The use of derivatives is controlled by a policy defined and implemented by the Group Treasury Department and periodically presented to the Board of Directors. The policy specifies that derivatives are exclusively used to hedge risks related to operating transactions (transactional currency risk and energy price risk), foreign investments (conversion of financial statements risk) and financing (transactional currency risk and interest rate risk). Imerys does not take speculative positions. Derivatives are negotiated centrally by the Group Treasury Department on over-the-counter markets with the highest rated banking institutions. Imerys prohibits its entities from subscribing derivatives directly outside the Group, except to comply with local legal or regulatory requirements. The application of this policy to foreign exchange risk (transactional currency and conversion of financial statements), interest rate risk and energy price risk is detailed in note 24.5.

Accounting policy

Derivatives are recognized at the transaction date, i.e. the date at which the hedging contract is agreed, in non-current and current assets and liabilities by maturity and that of underlying transactions. Derivatives are initially measured at fair value and subsequently re-measured at the end of each period in line with market conditions. The fair value including accrued interest of derivatives is measured by a model using observable data, i.e. prices at the closing date provided by third parties active on financial markets (level 2 fair value). These values are adjusted for counterparty credit risk and the Group's own credit risk. Therefore, when the market value of a derivative is positive (derivative asset), its fair value includes the probability of counterparty default (*Credit Value Adjustment* or CVA). When the market value of a derivative is negative (derivative liability), its fair value includes the probability of Imerys defaulting (*Debit Value Adjustment* or DVA). These adjustments are measured using the spread of bonds outstanding on the secondary market, as issued by Imerys and its counterparties (level 2 fair value). The sole purpose of these instruments is to hedge the financial risks to which the Group is exposed. However, only those that meet hedge accounting criteria undergo the accounting treatment described below. All hedge accounting transactions are documented in reference to the hedging strategy by identifying the risk hedged, item hedged, hedging instrument, hedging relationship and method used to measure the hedge effectiveness. The measurement of hedge effectiveness is reviewed at the end of each reporting period. The recognition of hedge derivatives may vary depending upon their designation as a fair value hedge, a cash flow hedge or a hedge of a net investment in foreign operations (notes 12, 13 and 24.5). Any derivative that is not eligible for hedge accounting is recognized in financial income (loss).

Fair value hedges. When changes in the fair value of a recognized asset or liability or an unrecognized firm commitment are likely to impact profit or loss, they may be hedged using a fair value hedge. The hedged item and hedging instrument are both re-measured against profit or loss at the end of each reporting period. The impact in profit is limited to the ineffective portion of the hedge (note 12).

Cash flow hedge. Cash flow hedges cover adverse changes in the cash flow of a recognized asset or liability or a highly probable future transaction, if these changes are likely to impact profit or loss. At the end of each reporting period, the effective portion of the hedge and any fluctuations in the time value of options or forward points of forward contracts are recognized in equity. The ineffective portion is recognized in profit or loss. When the transaction is recognized, the components previously recognized in equity are reclassified in profit at the same time the hedged item is recognized (note 12). If a derivative is de-designated, i.e. hedge accounting is voluntarily discontinued, the effective portion of the hedge previously recognized in equity is amortized in operating income or financial income (loss), depending on the nature of the hedged item, and the change in fair value after the de-designation date is recognized in financial income (loss).

Hedge of a net investment in foreign operations. Currency fluctuations generated by net assets held by the Group in foreign currencies may be hedged (note 24.5 - Conversion of financial statements risk). At the end of each reporting period, the effective portion of the hedge is recognized in equity and the ineffective portion in profit or loss. The effective portion in equity is reclassified in other operating income and expenses only when control over a consolidated business is lost or interest in a business under significant influence is reduced.

The ineffective portion of operational hedge instruments is recognized in current operating income. The ineffective portion of financing hedge instruments is recognized in financial income (loss). Changes in fair value of financial instruments that do not qualify for hedge accounting are immediately recognized in other financial income (expenses) (note 12). In the Consolidated Statement of Cash Flows, the cash flows of derivatives are presented in the same levels as the cash flows of the underlying transactions.

Derivatives in the financial statements

Assets and liabilities. Derivative instruments recognized in assets and liabilities are presented by type of risk covered, i.e. foreign exchange risk, interest rate risk, energy price risk and conversion of financial statements risk, in notes 21.1 and 24.1. At December 31, 2023, no legally enforceable right existed to offset the amounts recognized above. Imerys intends neither to settle the net amount, nor to realize the asset and settle the liability simultaneously. However, in accordance with applicable framework agreements, any default of Imerys or one of its counterparties would settle their outstanding transactions on a net basis. The total of all positions that would be offset in the event of default would reduce total derivative assets and liabilities by €5.8 million at December 31, 2023 (€8.5 million at December 31, 2022).

Equity. As part of its strategy to manage foreign exchange, interest rate and energy price risks, Imerys holds derivative instruments to hedge certain future purchases and sales in foreign currencies, as well as part of its floating rate financing and part of its future energy consumption in the US, UK and France. These positions are considered cash flow hedges. The following table presents the amounts before income taxes recognized in equity in this respect as well as the reclassifications in profit or loss. Details of these reclassifications in underlying income and expenses are presented in note 12. Cash flow hedges are further outlined in the context of managing foreign exchange, interest rate and energy price risks in note 24.5.

(€ millions)	Transactional currency risk	Interest rate risk	Energy price risk	Total
Balance at January 1, 2022	**1.4**	**0.0**	**57.8**	**59.2**
Continuing hedges	*1.4*	-	*57.8*	*59.2*
Effective portion of hedges	8.6	-	22.0	30.6
Recognition in equity	**8.6**	**0.0**	**22.0**	**30.6**
Continuing hedges	-	-	*(100.3)*	*(100.3)*
Reclassification in profit or loss	**0.0**	**0.0**	**(100.3)**	**(100.3)**
Balance at December 31, 2022	**9.9**	**0.0**	**(20.5)**	**(10.6)**
Continuing hedges	*9.9*	-	*(20.5)*	*(10.6)*
Effective portion of hedges	(1.6)	-	(57.7)	(59.3)
Recognition in equity	**(1.6)**	**0.0**	**(57.7)**	**(59.3)**
Continuing hedges	*(0.9)*	-	*53.3*	*52.4*
Reclassification in profit or loss	**(0.9)**	**0.0**	**53.3**	**52.4**
Balance at December 31, 2023	**7.4**	**0.0**	**(24.9)**	**(17.5)**
Continuing hedges	*7.4*	-	*(24.9)*	*(17.5)*

24.5 Managing risk arising from financial assets

Transactional currency risk

Description of the risk. Transactional currency risk is the risk whereby a cash flow labeled in foreign currency may be subject to a deterioration caused by unfavorable fluctuations in its cross-entry in functional currency.

Risk management. The transactions performed by the Group's entities are accounted for, wherever possible, in the functional currency of the entity that carries out the transaction. The following table presents the impact of a change in foreign exchange rates on the underlying items of net financial debt, i.e. before foreign exchange derivatives at December 31, 2023. The analysis involves simulating both a decrease (lower case) and an increase (higher case) in 2023 foreign exchange rates (note 26) (actual 2023).

(€ millions)	Lower case	Actual 2023	Higher case
Foreign exchange rates	(10.0)%	-	10.0%
Net financial debt	1,131.5	1,118.4	1,105.0

When it is not possible to record a transaction in the functional currency of the entity, the transactional currency risk may be hedged on an individual basis using currency forwards, swaps or options. These instruments are used to hedge highly probable forecast transactions and are considered cash flow hedges. At December 31, 2023 Imerys held €223.0 million in transactional currency hedges at nominal value (€358.0 million at December 31, 2022). The following table presents the amount before income taxes recognized in equity within the translation reserve as well as the reclassifications in profit or loss.

(€ millions)	2023	2022
Balance at the beginning of the period	**9.9**	**1.3**
Recognition in equity	(1.6)	8.6
Reclassification in profit or loss	(0.9)	-
Balance at the end of the period	**7.4**	**9.9**
of which reclassification in profit or loss expected within 12 months	*7.4*	*9.9*

The following table presents the impact of a change in foreign exchange rates on the portfolio of derivative instruments held at December 31, 2023 with respect to highly probable future purchases and sales in foreign currencies. The analysis involves simulating both a decrease (lower case) and an increase (higher case) in 2023 foreign exchange rates (note 26) (actual 2023). The impact of changes in the effective portion of cash flow hedges is measured in equity while the impact of changes in the ineffective portion of cash flow hedges and non-hedge derivative instruments is measured in profit or loss.

(€ millions)	Lower case	Actual 2023	Higher case
Foreign exchange rates	(10.0)%	-	10.0%
Effective portion in equity at the closing date	7.7	7.4	7.7
Ineffective portion in profit or loss for the year	-	-	-

Interest rate risk

Description of the risk. Interest rate risk is the risk whereby interest due on financial debt may be subject to a deterioration by a rise in the market interest rates.

Risk management. Managing interest rate risk aims to guarantee the medium-term cost of net financial debt. Net financial debt is calculated in a report that records the financial debt of each entity with details of its components and characteristics. Reviewed each month by the Financial Department and each quarter by the Board of Directors, the report makes it possible to monitor the debt situation and adapt the management strategy where necessary. The management strategy is drawn up by the Group Treasury Department and approved every year by the Financial Department and the Board of Directors. As part of this process, the Group Treasury Department works with the highest rated banking institutions and obtains financial data and pricing from information providers. The Group's strategy focuses on obtaining finances mainly in euros, which is the most accessible fixed-rate financial resource. Medium-term fixed-rate bond issues may be converted to floating rates using interest rate swaps. Given the interest rates trends anticipated in 2023, the Group fixed the interest rate for part of its future financial debt on various terms. The following table presents the impact of a change in interest rates on the interest expense generated by the underlying items of net financial debt, i.e. before interest rate derivatives at December 31, 2023. The analysis involves simulating both a decrease (lower case) and an increase (higher case) in 2023 interest rates (actual 2023).

(€ millions)	Lower case	Actual 2023	Higher case
Interest rate	(0.5)%	-	0.5%
Net financial debt expense	(30.5)	(24.3)	(18.0)

Imerys usually holds a certain number of derivative instruments to hedge a portion of its floating rate debt. These instruments include interest rate swaps as well as options, including caps, floors, swaptions and futures. These instruments are considered cash flow hedges. At December 31, 2023, Imerys did not hold any interest rate risk hedges. The nominal value at December 31, 2023 was therefore zero. The following table presents the amounts before income taxes recognized in equity in this respect as well as the reclassifications in profit or loss.

(€ millions)	2023	2022
Balance at the beginning of the period	**0.0**	**0.0**
Recognition in equity	-	-
Reclassification in profit or loss	-	-
Balance at the end of the period	**0.0**	**0.0**
of which reclassification in profit or loss expected within 12 months	-	-

The following table presents a breakdown of net financial debt between floating and fixed rate by currency at December 31, 2023.

(€ millions)	EUR	USD	JPY	Other foreign currencies	Total
Debt at fixed rate	**2,298.6**	**27.2**	**2.1**	**43.8**	**2,371.7**
Debt at fixed rate on issue	2,298.6	27.2	2.1	43.8	2,371.7
Fixed-for-floating swap	-	-	-	-	0.0
Debt at floating rate	**(1,395.2)**	**227.3**	**5.3**	**(90.7)**	**(1,253.3)**
Debt at floating rate on issue	-	-	-	-	0.0
Net cash and investment securities	(1,047.9)	(37.5)	(11.7)	(156.2)	(1,253.3)
Fixed-for-floating swap	-	-	-	-	0.0
Exchange rate swap	(347.3)	264.8	17.0	65.5	0.0
Net financial debt at December 31, 2023	**903.4**	**254.5**	**7.4**	**(46.9)**	**1,118.4**

The following table presents a breakdown of interest rate hedging transactions by foreign currency at December 31, 2023.

(€ millions)	EUR	USD	JPY	Other foreign currencies	Total
Exposure at floating rate before hedging	**(1,395.2)**	**227.3**	**5.3**	**(90.7)**	**(1,253.3)**
Fixed rate hedges	-	-	-	-	0.0
Swap at average rate of	-	-	-	-	0.0
Capped rate hedges	-	-	-	-	0.0
Cap at average rate of	-	-	-	-	0.0
Exposure at floating rate after hedging	**(1,395.2)**	**227.3**	**5.3**	**(90.7)**	**(1,253.3)**

The following table presents the changes in interest rate hedging transactions at December 31, 2023 and beyond maturity.

(€ millions)	2023	2024-2028	2029 and beyond
Total exposure before hedging	**(1,253.3)**	**(1,253.3)**	**(1,253.3)**
Fixed rate hedges	-	-	-
Swap at average rate of	-	-	-
Capped rate hedges	-	-	-
Cap at average rate of	-	-	-
Total exposure after hedging	**(1,253.3)**	**(1,253.3)**	**(1,253.3)**

The following table presents the impact of a change in interest rates on net financial debt, after taking into account these interest rate derivative instruments at December 31, 2023. The analysis involves simulating both a decrease (lower case) and an increase (higher case) in 2023 interest rates (actual 2023). The impact of changes in the effective portion of cash flow hedges is measured in equity while the impact of changes in the ineffective portion of cash flow hedges and non-hedge derivative instruments is measured in profit or loss.

(€ millions)	Lower case	Actual 2023	Higher case
Interest rate	(0.5)%	-	0.5%
Effective portion in equity at the closing date	-	-	-
Ineffective portion in profit or loss for the year	-	-	-

Energy price risk

Description of the risk. Energy price risk is the risk whereby the cash outflow due in relation to energy purchases may be subject to a deterioration by a rise in its market price. Imerys is exposed to the price risk of energy used in the production cycle of its activities, mainly natural gas, electricity and, to a lesser extent, coal.

Risk management. To manage energy price risk, Imerys sources its energy from a variety of geographical locations and sources. The Group looks to pass on any energy price increases in the selling price of its products. Furthermore, Imerys has centralized price risk management for natural gas and electricity in Europe and the US. The Group Treasury Department is responsible for implementing the framework and resources needed for the single management strategy, which includes the appropriate use of financial instruments available in the market. Since 2006, the Group has strengthened its research programs on alternative energy sources as well as its projects to reduce energy consumption under the supervision of a Group Energy Supervisor. Since 2008, energy managers have been appointed across the Group. Energy price risk is hedged using forward and option contracts. These instruments are considered cash flow hedges. At December 31, 2023 Imerys held €105.2 million in energy price risk hedges at nominal value (€98.3 million at December 31, 2022). The following table presents the amounts before income taxes recognized in equity in this respect as well as the reclassifications in profit or loss.

(€ millions)	2023	2022
Balance at the beginning of the period	**(20.5)**	**57.8**
Recognition in equity	(57.7)	22.0
Reclassification in profit or loss	53.3	(100.3)
Balance at the end of the period	**(24.9)**	**(20.5)**
of which reclassification in profit or loss expected within 12 months	*(24.9)*	*(20.5)*

The following table summarizes the main energy price risk hedge positions at December 31, 2023.

	Net notional amounts *(in MWh)*	**Maturity**
Underlying position	6,300,272	<24 months
Management transactions	1,776,927	<24 months

The following table presents the impact of a change in natural gas, electricity and Brent prices on the portfolio of derivative instruments held at December 31, 2023 with respect to highly probable future purchases of natural gas, electricity and Brent crude. The analysis involves simulating both a decrease (lower case) and an increase (higher case) in 2023 natural gas, electricity and Brent prices (actual 2023). The impact of changes in the effective portion of cash flow hedges is measured in equity while the impact of changes in the ineffective portion of cash flow hedges and non-hedge derivative instruments is measured in profit or loss.

(€ millions)	Lower case	Actual 2023	Higher case
Natural gas, electricity and Brent prices	(10.0)%	-	10.0%
Effective portion in equity at the closing date	(27.5)	(24.9)	(22.3)
Ineffective portion in profit or loss for the year	-	-	-

Borrower's liquidity risk

Description of the risk. Borrower's liquidity risk is the risk whereby Imerys would not be in a position to meet the repayment obligations of its financial liabilities. To assess the exposure of the Group to this risk, the following table presents maturity on issue at December 31, 2023. The maturity of lease liabilities presented below represents future cash outflows for the lease liability measured across a reasonably certain lease term (note 18 - Accounting policy). If all early termination options were exercised, future cash outflows for lease liabilities would total €181.0 million. If all extension options were exercised, future cash outflows for lease liabilities would total €240.5 million.

	2024		2025-2029		2030 and beyond		
(€ millions)	Share capital	Stake	Share capital	Stake	Share capital	Stake	Total
Non-derivative financial liabilities	**543.5**	**55.8**	**1,492.7**	**192.7**	**348.6**	**22.4**	**2,655.7**
Eurobond/EMTN/Sustainability-Linked Bonds	500.0	51.4	1,400.0	183.3	300.0	6.0	2,440.7
Private placements	-	-	-	-	-	-	0.0
Short-term negotiable debt securities issued	-	-	-	-	-	-	0.0
Bilateral facilities	-	-	-	-	-	-	0.0
Other facilities	(5.7)	-	-	-	-	-	(5.7)
Lease liabilities	49.2	4.4	92.7	9.4	48.6	16.4	220.7
Hedge derivatives	**(0.4)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(0.4)**
Financing hedge instruments – liabilities	4.1	-	-	-	-	-	4.1
Financing hedge instruments – assets	(4.5)	-	-	-	-	-	(4.5)
Future cash outflows with respect to gross financial debt	**543.1**	**55.8**	**1,492.7**	**192.7**	**348.6**	**22.4**	**2,655.3**
Non-derivative financial liabilities	**5.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**5.3**
Bank overdrafts	5.3	-	-	-	-	-	5.3
Non-derivative financial assets	**(1,258.6)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(1,258.6)**
Other current financial assets	(673.6)	-	-	-	-	-	(673.6)
Cash and cash equivalents	(585.0)	-	-	-	-	-	(585.0)
Future cash outflows with respect to net financial debt	**(710.2)**	**55.8**	**1,492.7**	**192.7**	**348.6**	**22.4**	**1,402.0**
of which items recognized at December 31, 2023 (net financial debt)	(710.2)	(12.7)	1,492.7	-	348.6	-	1,118.4
Non-derivative financial liabilities	**760.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**760.9**
Trade payables	377.9	-	-	-	-	-	377.9
Other debts	383.0	-	-	-	-	-	383.0
Hedge derivatives	**17.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**17.9**
Operational hedge instruments – liabilities	28.3	-	-	-	-	-	28.3
Operational hedge instruments – assets	(10.4)	-	-	-	-	-	(10.4)
FUTURE CASH OUTFLOWS	**68.6**	**55.8**	**1,492.7**	**192.7**	**348.6**	**22.4**	**2,180.8**

The maturity of the net financial debt after interest rate swaps is as follows:

(€ millions)	2024	2025-2029	2030 and beyond	Total
Debt at fixed rate	**552.5**	**1,519.2**	**300.0**	**2,371.7**
Debt at fixed rate on issue	552.5	1,519.2	300.0	2,371.7
Fixed-for-floating swap	-	-	-	0.0
Debt at floating rate	**(1,253.3)**	**0.0**	**0.0**	**(1,253.3)**
Debt at floating rate on issue	-	-	-	0.0
Net cash and other current financial assets	(1,253.3)	-	-	(1,253.3)
Fixed-for-floating swap	-	-	-	0.0
NET FINANCIAL DEBT	**(700.8)**	**1,519.2**	**300.0**	**1,118.4**

Risk management. Imerys is required to maintain a covenant for a portion of its financing agreements. The main restrictive terms and conditions attached to certain bilateral facilities are as follows:

- purpose: general corporate financing requirement.
- covenant compliance obligations: consolidated net financial debt excluding IFRS 16 lease liabilities/consolidated equity shall, in accordance with the related financing agreements, be less than or equal to 1.60 at the end of each reporting period for annual consolidated financial statements. At December 31, 2023, the ratio worked out at 0.30 (0.45 at December 31, 2022).
- absence of any collateral in favor of lenders.

Failure to comply with the above obligations in any of the related financing agreements could lead to the available amount being canceled and the corresponding financial debt becoming immediately due, upon demand of the lender(s) in question. Other than with two exceptions, the Group's financing agreements do not provide for any cross default if a mandatory covenant is breached. At December 31, 2023, Imerys had a long-term rating of *Baa3, stable outlook* (*Baa3, stable outlook* at December 31, 2022) from Moody's and *BBB-, stable outlook* (*BBB-, stable outlook* at December 31, 2022) from S&P.

On June 27, 2023, Imerys updated its Euro Medium Term Note program (EMTN) with the Financial Industry Regulatory Authority in Luxembourg, the Commission de Surveillance du Secteur Financier. The program amounted to €3.0 billion and is approved to issue notes similar to ordinary bonds with maturities from one month to 30 years. At December 31, 2023, outstanding securities amounted to €1,400.0 million (€1,400.0 million at December 31, 2022).

Imerys also has a short-term negotiable debt securities program (NEU CP) capped at €1,000.0 million (€1,000.0 million at December 31, 2022) rated P-3 by Moody's (P-3 at December 31, 2022). At December 31, 2023, outstanding short-term negotiable securities amounted to €0.0 million (€433.0 million at December 31, 2022).

In 2022 Imerys introduced a medium-term negotiable debt securities program (NEU MTN) with the Banque de France capped at €300.0 million (€300.0 million at December 31, 2022) rated. No securities were issued in 2023 or 2022. At December 31, 2023, Imerys had access to €1,010.0 million in bilateral facilities (€1,010.0 million at December 31, 2022), a portion of which secures the short-term negotiable securities issued, in accordance with the Group's financial policy.

Moreover, Imerys, having in 2023 further underscored its commitment in its sustainable development policy by tying its financing strategy to its sustainability ambition, on November 29, 2023, the Group completed an issue of bonds indexed to a sustainable development objective *(Sustainability-Linked Bonds)* for a principal amount of €500.0 million. These bonds, due to mature on November 29, 2029, bear an annual coupon of 4.75% and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Issued in accordance with the Sustainability-Linked Bond Principles as published by the International Capital Markets Association (ICMA), these instruments, through their framework, are indexed to a target to reduce greenhouse gas emissions by 32.7% by 2028 (tCO2e) from a 2021 base year.

This includes Scope 1 emissions (direct emissions from sources owned or controlled by Imerys) and Scope 2 emissions (indirect emissions from the production of electricity, heat or steam imported or purchased by the Group). Failure to comply with these targets at December 31, 2028 could lead to the payment of penalties corresponding to 75 basis points of the principal amount for the 2028 target.

On May 14, 2021, the Group also completed an issue of bonds indexed to its sustainable development objectives *(Sustainability-Linked Bonds)* for a principal amount of €300.0 million. These bonds, due to mature on July 15, 2031, bear an annual coupon of 1.00% and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Issued in accordance with the Sustainability-Linked Bond Principles as published by the *International Capital Markets Association* (ICMA), these instruments are indexed to a target to reduce greenhouse gas emissions by 22.9% in 2025 and 36.0% in 2030 in relation to the revenue (tCO2e/million euros) considering 2018 as the base year, as approved by the *Science Based Target initiative* (SBTi).

Failure to comply with these targets at December 31, 2025 and/or at December 31, 2030 could lead to the payment of penalties corresponding to 25 basis points of the principal amount for the 2025 target and/or 50 basis points of the principal amount for the 2030 target. At December 31, 2023, Imerys had reduced the metric tons of CO2 emitted per million euros of revenue by 30.6% compared with 2018 levels (29.6% since 2018 at December 31, 2022). For more information on the minor adjustments to the 2022 historical data, see chapter 3, section 3.2.2.4. of the Universal Registration Document.

Market liquidity risk

Description of the risk. Market liquidity risk is the risk whereby a non-confirmed financial resource (short-term negotiable securities (NEU CP), bank facility and accrued interest, or other debts and facilities) would not be renewed.

Risk management. Imerys tends to use financial resources to adjust its financing capabilities, which exist either as financial debt that has been drawn or financing commitments granted by the highest rated banking institutions. Medium-term financial resources provided by bilateral facilities may be used over very short drawing periods (between one and 12 months) while remaining available over longer maturities (five years). The Group's financial resources amounted to €3,210.0 million at December 31, 2023 (€2,710.0 million at December 31, 2022). Imerys manages the value of financial resources through regular comparison with the amount drawn down in order to measure available funds to which the Group may have access.

The robustness of financial resources is assessed on the basis of their amounts and average maturity as presented in the following table:

	2023	2022
Financial resources by maturity *(€ millions)*		
Maturity within Y+1	550.0	100.0
Maturity between Y+2 and Y+6	2,360.0	2,310.0
Maturity between Y+7 and +	300.0	300.0
Total	**3,210.0**	**2,710.0**
Financial resources by nature *(€ millions)*		
Bond resources	**2,200.0**	**1,700.0**
Eurobond/EMTN	2,200.0	1,700.0
Private placements	-	-
Bank resources	**1,010.0**	**1,010.0**
Miscellaneous bilateral facilities	1,010.0	1,010.0
Total	**3,210.0**	**2,710.0**
Average maturity of financial resources *(in years)*		
Bond resources	4.0	4.4
Bank resources	3.3	2.5
TOTAL	**3.8**	**3.7**

The following table measures the available financial resources after repayment of financing from uncommitted resources. It measures the actual exposure of Imerys to an illiquidity crisis on both financial and banking markets. At December 31, 2023, available financial resources after repayment of uncommitted resources corresponded to €838.4 million (€425.2 million at December 31, 2022), which gives the Group substantial room for maneuver, guarantees financial stability and helps to mitigate any going concern risk.

	2023			2022		
(€ millions)	Resources	Utilization	Available	Resources	Utilization	Available
Bonds	2,200.0	2,200.0	0.0	1,700.0	1,700.0	0.0
Short-term negotiable securities	-	-	0.0	-	433.0	(433.0)
Committed bank facilities	1,010.0	0.0	1,010.0	1,010.0	-	1,010.0
Bank facilities and accrued interest	-	16.9	(16.9)	-	12.8	(12.8)
Other debts and facilities	-	154.7	(154.7)	-	139.0	(139.0)
TOTAL	**3,210.0**	**2,371.6**	**838.4**	**2,710.0**	**2,284.8**	**425.2**

Conversion of financial statements risk

Description of the risk. Conversion of financial statements risk is a form of foreign exchange risk whereby the value in euros of the financial statements of a foreign operation may be subject to a deterioration due to an unfavorable change in the foreign exchange rate of the functional currency of that business.

Risk management. Imerys hedges part of its net investments in foreign operations by loans specifically allocated to financing the operations in the long term and by controlling the proportion of its financial debt stated in foreign currencies.

The exchange rate differences generated by the loans and borrowings qualified as hedges of net investments in foreign operations are recognized in equity (note 26 - Translation reserve) so as to neutralize, to a certain extent, the translation gains or losses on hedged net investments. At December 31, 2023, the borrowings and exchange rate swaps taken out to hedge net investments in foreign entities included: USD352.1 million, CHF61.2 million, GBP71.0 million and SGD325.0 million (USD378.3 million, CHF47.5 million, GBP53.8 million and SGD25.5 million at December 31, 2022).

The following table presents financial debt before and after the impact of these foreign currency swaps.

	2023			2022		
(€ millions)	Before currency swap	Exchange rate swap	After currency swap	Before currency swap	Exchange rate swap	After currency swap
EUR	2,298.6	(347.3)	1,951.3	2,244.6	(464.0)	1,780.6
USD	27.2	264.8	292.0	14.5	349.0	363.5
JPY	2.1	17.0	19.1	0.7	1.4	2.1
Other foreign currencies	43.8	65.5	109.3	24.9	113.6	138.5
TOTAL	**2,371.7**	**0.0**	**2,371.7**	**2,284.7**	**0.0**	**2,284.7**

At December 31, 2023, the portion of financial debt in each foreign currency, after swaps, was as follows:

(€ millions)	EUR	USD	JPY	Other foreign currencies	Total
Gross financial debt	1,951.3	292.0	19.1	109.3	2,371.7
Net cash and investment securities	(1,047.9)	(37.5)	(11.7)	(156.2)	(1,253.3)
NET FINANCIAL DEBT AT DECEMBER 31, 2023	**903.4**	**254.5**	**7.4**	**(46.9)**	**1,118.4**

The following table presents the impact of a change in foreign exchange rates on the portfolio of foreign exchange swaps held at December 31, 2023 with respect to hedges of net investments in foreign operations. The analysis involves simulating both a decrease (lower case) and an increase (higher case) in 2023 foreign exchange rates (note 26) (actual 2023). The impact of changes in the effective portion of hedges of net investments in foreign operations is measured in equity while the impact of changes in the ineffective portion of hedges of net investments in foreign operations and non-hedge derivatives is measured in profit or loss.

(€ millions)	Lower case	Actual 2023	Higher case
Foreign exchange rates	(10.0)%	-	10.0%
Effective portion in equity at the closing date	(291.2)	(214.7)	(152.1)
Ineffective portion in profit or loss for the year	-	-	-

OTHER INFORMATION

NOTE 25 MAIN CONSOLIDATED ENTITIES

Accounting policy

Imerys consolidates the financial statements of the entities it controls, i.e. those over which the Group has power, is exposed to variable yields and has the ability to exercise its power to influence company policy. Their assets, liabilities, income and expenses contribute to the various items in the consolidated financial statements. Intra-group transactions are eliminated. An entity's losses are allocated to non-controlling interests in proportion to the interest held, even if the result presents a negative balance. Where there is no impact on control, changes in interest are recognized in equity. In the absence of sufficient detail in existing standards and interpretations, Executive Management considers that any commitment entered into by Imerys with the intent to acquire shares from non-controlling interests is recognized as a liability measured at the fair value of the commitment against a derecognition of these interests. Any difference between the fair value of the liability and the carrying amount of the non-controlling interests is recognized in equity. Subsequent changes in the fair value of debt are recognized in equity. If, at the end of the reporting period, it is highly probable that non-current assets or groups of directly related assets and liabilities will be disposed of, they are designated as non-current assets or groups of assets held for sale. Disposal is considered highly probable if, at the end of the reporting period, a plan to sell them at a reasonable price given their fair value has been initiated to identify a buyer and definitively conclude the disposal within a maximum of one year. Executive Management makes judgments to assess the highly probable nature of the transaction. Non-current assets or groups of assets held for sale are presented in separate items in the assets and liabilities on the Statement of Financial Position, separately from the remaining continuing operations, at the reporting date and without any comparative information provided for previous years. At the date on which they are designated as non-current assets or groups of assets held for sale, they cease to be amortized or depreciated and are measured either at carrying amount or fair value less costs to sell, whichever is lower. Non-current assets or groups of assets that are to be closed rather than sold are considered non-current assets to be abandoned and not held for sale. When non-current assets or groups of assets held for sale or to be abandoned are allocated to a separate main line of business and are to be abandoned as part of a single coordinated plan, they are categorized as discontinued operations and their related flows are disclosed separately in the income statement and statement of cash flows at the reporting date and in the comparative information provided for previous years. As non-current assets or groups of assets held for sale remain under the Group's control until the sale date, intra-Group transactions involving these assets and other continuing operations are eliminated from the statement of financial position and the income statement, with the exception in the income statement of transactions involving the discontinued operations that will continue after the date control is separated from continuing operations. This presentation, which has no impact on the amount of consolidated net income, enables users of the financial statements to measure the impact of discontinued operations on other continuing operations. Executive Management makes judgments to identify transactions that will continue after the date at which control over discontinued operations is separated from continuing operations.

Changes in consolidation scope and planned disposals

Business serving the paper market (PM Americas and PM EMEA & APAC segments). In September 2022, Imerys received a proposal from Syntagma Capital to purchase a group of mining and industrial assets serving the paper market in the US, Europe and Asia. The assets involved in this transaction, as well as their related liabilities, were classified as assets and liabilities held for sale as of this date and amortization and depreciation ceased to be recognized.

At December 31, 2022, a €108.0 million impairment loss was recognized in respect of the €110.0 million share of goodwill from the Performance Minerals business allocated to this business.

During the second half of 2023, as the disposal to Syntagma Capital was no longer highly likely, the assets involved in the transaction and their related liabilities ceased to be presented as assets and liabilities held for sale. Of the depreciation and amortization not recognized for 2022, €9.7 million was recognized in 2023 in "Other operating income and expenses".

Imerys subsequently received expressions of interest from other players to take over these activities. In this context, and also reflecting current market conditions, impairment totaling €175.0 million was recognized (note 11).

At December 31, 2023, the translation reserve associated with these assets, which totaled a maximum of -€300.0 million, would be reclassified in profit or loss in the event of disposal.

Assets and liabilities held for sale in the business serving the paper market

(€ millions)	**2022**
Non-current assets	222.0
Current assets	211.4
Assets held for sale	**433.4**
Non-current liabilities	55.8
Current liabilities	77.7
Liabilities related to assets held for sale	**135.5**

Bauxite production business (RAC segment). Imerys has entered into exclusive negotiations with the Mytilineos Group to divest its bauxite production business in Greece, with an agreement signed on September 4, 2023, for an enterprise value of €10.0 million. The assets involved in this transaction, as well as their related liabilities, have been classified as assets and liabilities held for sale. Depreciation has ceased to be recognized as of this date and impairment totaling €19.9 million has been recognized at December 31, 2023 (note 11).

Assets and liabilities held for sale in the bauxite production business

(€ millions)	**2023**
Non-current assets	23.4
Current assets	15.1
Assets held for sale	**38.5**
Non-current liabilities	16.1
Current liabilities	9.9
Liabilities related to assets held for sale	**26.0**

High Temperature Materials & Solutions (HTMS). On July 28, 2022, Imerys' Executive Management designated almost all of its High Temperature Solutions line of business as a discontinued operation. Amortization and depreciation were no longer recognized after this date. In the financial statements at December 31, 2023, as was the case for the financial statements at December 31, 2022, the contribution of discontinued operations to earnings and cash flow were presented separately in the income statement and the consolidated statement of cash flows for the current and previous fiscal years presented. On January 31, 2023, the business was sold to US investment fund Platinum Equity. Proceeds of the disposal received in cash amounted to €702.8 million (including €0.3 million for the non-transferred entities), composed of a disposal price of shares in the entities sold of €645.1 million and €57.3 million in debt refinancing. The carrying amount of the asset sold was €455.1 million. Translation differences reclassified in profit or loss as part of this transaction stood at -€137.1 million. The Group made a gain on the disposal of €52.5 million.

Consolidated income statement for the high temperature solutions business

(€ millions)	**2023**	**2022**
Revenue	73.2	981.0
Current operating income	8.2	135.8
Operating income	40.1	118.7
Financial income (loss)	1.8	(2.5)
Income taxes	3.0	(38.7)
Gain (loss) on the net monetary position	-	(0.2)
Net income from discontinued operations	**44.9**	**77.3**

In the consolidated income statement, the main impacts are as follows:

- **Operating income.** Executive Management identified the transactions that will continue after January 31, 2023 between the discontinued operations and the continuing operations, in accordance with the accounting policy described above. They primarily involve purchases of goods and services from the discontinued operations by the Refractory, Abrasives & Construction business area. Support services provided by the continuing operations to the discontinued operations were allocated between both scopes based on agreements entered into as part of the transaction. In 2023, the gain on disposal is also included in the operating income.
- **Financial income (loss).** Financial income (loss) includes interest on current accounts as set out in the existing agreements between the discontinued scope and the continuing scope.
- **Income taxes.** The impacts of income taxes were allocated between the discontinued scope and the continuing scope in accordance with the adjusted basis in current operating income and financial income (loss).

Reallocations made in accordance with these principles between the discontinued scope and the continuing scope had the following impact by level of profit or loss:

	2023		2022	
(€ millions)	**Continuing operations**	**Discontinued operations**	**Continuing operations**	**Discontinued operations**
Operating income	(27.3)	27.3	118.5	(118.5)
Financial income (loss)	0.0	(0.0)	4.3	(4.3)
Income taxes	(5.9)	5.9	3.8	(3.8)
Net income	**(33.2)**	**33.2**	**126.6**	**(126.6)**

Consolidated statement of financial position for the high temperature solutions business

(€ millions)	**2022**
Non-current assets	503.2
Current assets	439.6
Assets held for sale	**942.8**
Non-current liabilities[1]	164.7
Current liabilities	170.8
Liabilities related to assets held for sale	**335.5**

(1) Including debt of €61.1 million corresponding to the commitment to purchase a non-controlling stake in the Turkish group Haznedar.

Consolidated statement of cash flows for the high temperature solutions business

(€ millions)	**2023**	**2022**
Net cash flows from (used in) operating activities	11.9	17.1
Cash flow from investing activities	(60.7)	23.9
Cash flow from financing activities	(58.6)	(35.1)
Change in cash and cash equivalents of discontinued operations	**(107.4)**	**5.9**

Acquisitions

On June 29, 2023, Imerys and British Lithium created the joint venture Imerys British Lithium (“IBL”), with the aim of becoming the first integrated producer of battery-grade lithium carbonate in the United Kingdom. Imerys contributed its lithium mineral resources, its land and infrastructure in return for an 80% stake in RBL, while British Lithium contributed its bespoke lithium processing technology, its teams and pilot plant in return for the remaining 20%. RBL’s opening balance sheet was included in the Group’s financial statements at June 30, 2023. Allocation of the purchase price is currently in progress and will be finalized within the 12 months following the acquisition date.

2023 Scope of consolidation

The following table presents the main consolidated entities in 2023. The percentages of interest are identical to the percentages of control, unless otherwise indicated. The Group holds no unconsolidated structured entity.

Country Entity	Segment	% interest	Entity	Segment	% interest
France					
Imerys Aluminates (SAS)	RAC	100.00	Imerys PCC France (SAS U)	PM EMEA & APAC	100.00
Imerys Beyrède (SAS U)	RAC	100.00	Imerys (SA)	Holding	Parent
Imerys Ceramics France (SAS)	PM EMEA & APAC	99.99	Imerys Services (SAS U)	Holding	100.00
Imerys Clérac (SAS U)	RAC	100.00	Imerys Tableware France (SAS)	PM EMEA & APAC	100.00
Imerys Filtration France (SAS U)	PM EMEA & APAC	100.00	Imerys Talc Luzenac France (SAS U)	PM EMEA & APAC	100.00
Imerys Glomel (SAS)	RAC	100.00	Mircal (SAS U)	Holding	100.00
Imerys Minéraux France (SAS U)	PM EMEA & APAC	100.00	The Quartz Company(2)	Other	50.00
Europe					
Austria					
Imerys Talc Austria GmbH	PM EMEA & APAC	100.00	Imerys Villach GmbH	RAC	100.00
Belgium					
Artemyn Belgium Srl	PM EMEA & APAC	100.00	Imerys Minéraux Belgique SA	PM EMEA & APAC	100.00
Imerys Graphite & Carbon Belgium SA	IG&C	100.00	Imerys Talc Belgium (NV)	PM EMEA & APAC	100.00
Bulgaria					
Imerys Minerals Bulgaria AD	PM EMEA & APAC	99.73			
Denmark					
Imerys Industrial Minerals Denmark A/S	PM EMEA & APAC	100.00			
Finland					
Imerys Minerals OY	PM EMEA & APAC	100.00			
Germany					
Imerys Laufenburg GmbH	RAC	100.00	Imerys Tableware Deutschland GmbH	PM EMEA & APAC	100.00
Imerys Minerals GmbH	PM EMEA & APAC	99.99(1)	Imerys Zschornewitz GmbH	RAC	100.00
Imerys Murg GmbH	RAC	100.00			
Greece					
Imerys Bauxites Greece Single Member SA	RAC	100.00	Imerys Industrial Minerals Greece Single Member SA	PM EMEA & APAC	100.00
Hungary					
Imerys Kiln Furniture Hungary KFT	PM EMEA & APAC	100.00			
Italy					
Imerys Ceramics Italy Srl	PM EMEA & APAC	100.00	Imerys Minerali SpA	PM EMEA & APAC	100.00
Imerys Domodossola SpA	RAC	100.00	Imerys Talc Italy SpA	PM EMEA & APAC	99.66
Luxembourg					
Imerys Minerals International Sales (SA)	PM EMEA & APAC	100.00			
Slovenia					
Imerys Ruse doo	RAC	100.00			
Spain					
Imerys Diatomita Alicante SA	PM EMEA & APAC	100.00	Imerys Perlita Barcelona SA	PM EMEA & APAC	100.00
Sweden					
Imerys Mineral AB	PM EMEA & APAC	100.00			
Switzerland					
Imerys Graphite & Carbon Switzerland SA	IG&C	100.00			
UK					
Imerys Aluminates Ltd	RAC	100.00	Imerys Minerals Ltd	PM EMEA & APAC	100.00
Imerys British Lithium Ltd	Other	100.00	Imerys PCC UK Ltd	PM EMEA & APAC	100.00

(1) Percentage of direct control: 100.00%

(2) Accounted for using the equity method

Country Entity	Segment	% interest	Entity	Segment	% interest
US					
Americarb Inc	PM Americas	100.00	Imerys Norfolk Inc	RAC	100.00
Imerys Carbonates USA Inc	PM Americas	100.00	Imerys Perlite USA Inc	PM Americas	100.00
Imerys Clays Inc	PM Americas/ Holding	100.00	Imerys Refractory Minerals USA Inc	RAC	100.00
Imerys Filtration Minerals Inc	PM Americas	100.00	Imerys Wollastonite USA LLC	PM Americas	100.00
Imerys Greeneville Inc	RAC	100.00	Kentucky-Tennessee Clay Co	PM Americas	100.00
Imerys Niagara Falls Inc	RAC	100.00			
Rest of the world					
Argentina					
Imerys Minerales Argentina SA	PM Americas	100.00			
Australia					
Imerys Talc Australia Pty Ltd	PM EMEA & APAC	100.00			
Bahrain					
Imerys Al Zayani Co WLL	RAC	70.00			
Brazil					
Imerys Do Brasil Comercio De Extracao de Minerios Ltda	PM Americas	100.00	Imerys Rio Capim Caulim SA	PM Americas	100.00
Imerys Fused Minerals Salto Ltda	RAC	100.00	Pará Pigmentos SA	PM Americas	100.00
Canada					
Berg Minerals Canada Inc.	PM Americas	100.00	Imerys Graphite & Carbon Canada Inc	IG&C	100.00
Chile					
Imerys Minerales Chile SpA	PM Americas	100.00			
China					
Imerys Fused Minerals Yingkou Co Ltd	RAC	100.00	Linjiang Imerys Diatomite Co Ltd	PM Americas	100.00
Imerys Shanghai Investment Management Co Ltd	PM Americas/PM EMEA & APAC/ Holding	100.00	Shandong Imerys Mount Tai Co Ltd	RAC	100.00
Imerys (Tianjin) New Material Technology Co Ltd	RAC	100.00	Zhengzhou Jianai Special Aluminates Co Ltd	RAC	90.00
Imerys Zhejiang Zirconia Co Ltd	RAC	100.00			
India					
Imerys Minerals India Private Ltd	PM EMEA & APAC	100.00	Imerys Newquest India Private Ltd	PM EMEA & APAC	73.99
Indonesia					
PT ECC (Corp)	PM EMEA & APAC	51.00			
Japan					
Imerys High Resistance Minerals Japan KK	RAC	100.00	Imerys Specialities Japan Co Ltd	PM EMEA & APAC	100.00
Imerys Minerals Japan KK	PM EMEA & APAC	100.00	Niigata GCC Co Ltd	PM EMEA & APAC	60.00
Malaysia					
Imerys Minerals Malaysia SDN BHD	PM EMEA & APAC	100.00			
Mexico					
Imerys Almeria SA de CV	PM Americas	100.00	Minera Roca Rodando S de RL de CV	PM Americas	100.00
Imerys Ceramics Mexico SA de CV	PM Americas	100.00			
Singapore					
Artemyn Asia Pacific Ltd	PM EMEA & APAC	100.00	Imerys Asia Pacific Pte Ltd	PM EMEA & APAC	100.00
South Africa					
Imerys Refractory Minerals South Africa Pty Ltd	RAC	68.94[1]			
Thailand					
MRD-ECC Co Ltd	PM EMEA & APAC	68.89			

(1) Percentage of direct control: 100.00%

NOTE 26 TRANSLATION OF FOREIGN CURRENCIES

Accounting policy

The consolidated financial statements of Imerys are presented in euros. The main consolidated entities (note 25) use the local currency as their functional currency. The accumulated impact of translating the financial statements of foreign operations is recognized in equity within the translation reserve. Assets and liabilities of foreign operations are translated at the exchange rate at the end of the reporting period and their income and expenses at the average exchange rate for the year. Non-monetary assets and liabilities from transactions in foreign currencies are measured at the exchange rate of the day or the average rate for the month of the transaction. With the exception of derivative financial instruments, monetary assets and liabilities from transactions in foreign currencies are measured at the exchange rate at the end of the reporting period. The corresponding exchange rate differences are recognized in other financial income and expenses (note 13) except for those generated by monetary assets and liabilities from net investments in foreign operations and their hedges, which are recognized in equity within the translation reserve (note 24.5 - Conversion of financial statements risk). Upon disposal of a foreign operation, the accumulated impact of translating financial statements and hedges is recognized in other operating income and expenses with the proceeds from the disposal of the business (note 11).

Exchange rate

The following table presents the exchange rates applied to translate the financial statements of the main consolidated entities at December 31, 2023 (note 25).

		2023		2022	
(€1 =)	**Currency**	**Closing**	**Average**	**Closing**	**Average**
Argentina	ARS	893.3742	320.0957	188.9250	137.1320
Australia	AUD	1.6263	1.6284	1.5693	1.5170
Bahrain	BHD	0.4161	0.4077	0.4037	0.3974
Brazil	BRL	5.3496	5.4020	5.5652	5.4410
Bulgaria	BGN	1.9558	1.9558	1.9558	1.9558
Canada	CAD	1.4642	1.4593	1.4440	1.3703
Chile	CLP (100)	9.7747	9.0858	9.1675	9.1717
China	CNY	7.8264	7.6136	7.4284	7.0683
Denmark	DKK	7.4529	7.4510	7.4365	7.4395
Hungary	HUF (100)	3.8280	3.8195	4.0087	3.9108
India	INR	91.8436	89.2779	88.2998	82.7117
Indonesia	IDR (100)	170.7971	164.8224	165.1982	156.4609
Japan	JPY (100)	1.5633	1.5195	1.4066	1.3798
Malaysia	MYR	5.0744	4.9309	4.7071	4.6300
Mexico	MXN	18.7231	19.1889	20.8560	21.2025
Singapore	SGD	1.4591	1.4521	1.4300	1.4517
South Africa	ZAR	20.3477	19.9448	18.0986	17.2093
Sweden	SEK	11.0960	11.4762	11.1218	10.6291
Switzerland	CHF	0.9260	0.9718	0.9847	1.0049
Thailand	THB	37.9730	37.6311	36.8350	36.8561
UK	GBP	0.8691	0.8699	0.8869	0.8527
US	USD	1.1050	1.0812	1.0666	1.0537

Translation reserve

The following table presents the amounts before income taxes recognized in equity within the translation reserve with respect to the translation of the financial statements of entities in the main foreign currencies. This table provides details of movements related to hedges of net investments in foreign operations (note 24.5 - Conversion of financial statements risk).

(€ millions)	BRL	GBP	INR	SGD	TRY	USD	Other foreign currencies	Total
Balance at January 1, 2022	**(370.8)**	**(54.7)**	**(82.9)**	**113.7**	**(101.0)**	**(36.9)**	**(93.5)**	**(626.1)**
of which net investment hedge reserve	*(0.5)*	*(31.2)*	*(1.6)*	*(3.1)*	*(6.4)*	*(127.1)*	*(35.0)*	*(204.9)*
• *continuing hedges*	*(0.5)*	*(31.2)*	*(1.6)*	*(3.1)*	*(6.4)*	*(127.1)*	*(35.0)*	*(204.9)*
Recognition in equity	**33.7**	**(21.4)**	**(18.0)**	**25.9**	**19.9**	**31.9**	**(21.8)**	**50.2**
Hedges of net investments in foreign operations	-	*3.7*	*(3.4)*	*(0.3)*	-	*5.1*	*(4.9)*	*0.2*
Translation of financial statements	*33.7*	*(25.1)*	*(14.6)*	*26.2*	*19.9*	*26.8*	*(16.9)*	*50.0*
Reclassification in profit or loss(1)	-	-	-	-	(0.1)	3.5	(1.8)	1.6
Change in the scope of consolidation	-	-	-	-	-	-	(1.1)	(1.1)
Balance at December 31, 2022	**(337.1)**	**(76.1)**	**(100.9)**	**139.6**	**(81.2)**	**(1.5)**	**(118.2)**	**(575.4)**
of which net investment hedge reserve	*(0.5)*	*(27.5)*	*(5.0)*	*(3.4)*	*(6.4)*	*(122.0)*	*(39.9)*	*(204.7)*
• *continuing hedges*	*(0.5)*	*(27.5)*	*(5.0)*	*(3.4)*	*(6.4)*	*(122.0)*	*(39.9)*	*(204.7)*
Recognition in equity	**11.7**	**7.8**	**(2.4)**	**(12.6)**	**(2.3)**	**(24.8)**	**(24.4)**	**(47.0)**
Hedges of net investments in foreign operations	-	*(1.4)*	*(2.2)*	*(0.2)*	-	*(1.8)*	*(11.6)*	*(17.2)*
Translation of financial statements	*11.7*	*9.2*	*(0.2)*	*(12.4)*	*(2.3)*	*(23.0)*	*(12.8)*	*(29.8)*
Reclassification in profit or loss(2)	(0.3)	(2.2)	80.3	-	47.4	(5.7)	17.3	136.8
Change in the scope of consolidation	(0.1)	-	-	-	(25.9)	(1.6)	7.3	(20.3)
Balance at December 31, 2023	**(325.8)**	**(70.5)**	**(23.0)**	**127.0**	**(62.0)**	**(33.6)**	**(118.0)**	**(505.9)**
of which net investment hedge reserve	*(0.5)*	*(28.9)*	*(7.2)*	*(3.6)*	*(6.4)*	*(121.7)*	*(46.5)*	*(214.8)*
• *continuing hedges*	*(0.5)*	*(28.9)*	*(7.2)*	*(3.6)*	*(6.4)*	*(121.7)*	*(46.5)*	*(214.8)*

(1) Of which in 2022, €3.5 million received with respect to the loss of control of the US hydrous kaolin business and -€1.9 million with respect to the loss of control of the Canadian and Namibian natural graphite business (note 25).

(2) Of which in 2023, €137.1 million with respect to the disposal of the High Temperature Solutions line of business (note 25).

NOTE 27 RELATED PARTIES

Related parties outside Imerys

Imerys has related party relationships with The Desmarais Family Residuary Trust, held by the Desmarais family (Canada), and Eagle Capital SA (Belgium), controlled by the Frère family (Belgium). These entities are the ultimate controlling parties of Imerys. Through their joint venture Parjointco, they jointly control the Belgian group Groupe Bruxelles Lambert (GBL), which controls Belgian Securities Sarl (Luxembourg), a shareholder of Imerys, through GBL Verwaltung SA (Luxembourg). In this respect, GBL is considered a related party of Imerys. Imerys is not involved in any transactions with these related parties.

Key management personnel of Imerys

The managers qualifying as related parties at December 31, 2023 are the 12 members of the Board of Directors, including the two employee representative directors and excluding the non-voting observer (12 members at December 31, 2022) and the nine members of the Executive Committee, including the Chief Executive Officer (10 members at December 31, 2022).

In accordance with the acquisition agreement concluded between Imerys, S&B GP, Blue Crest and K and R Holdings Sàrl on November 5, 2014 and subsequently amended, PropCo2, an entity affiliated with Blue Crest, which holds 5.97% of the voting rights in Imerys, in which Paris Kyriacopoulos, a director of Imerys, also holds a directorship, must reimburse Imerys Industrial Minerals Greece S.A., which owns land in the name and on behalf of this entity, for the expenses it incurred in relation to its ownership of this land. In 2023, this €12,000 commitment was considered a related party transaction. No amount was reimbursed in 2022 or 2023.

Compensation and similar benefits granted to these related parties are presented in the following table:

		2023		2022	
(€ millions)	Notes	Expense	Liability	Expense	Liability
Short-term benefits	1	(6.7)	2.4	(7.2)	2.3
Directors' compensation	2	(0.6)	0.3	(0.7)	0.3
Post-employment benefits	3	(0.2)	0.6	(0.3)	0.7
Contributions to defined contribution plans		(0.8)	-	(0.7)	-
Share-based payments	4	(3.8)	-	(4.4)	-
TOTAL		**(12.1)**	**3.3**	**(13.3)**	**3.3**

Note 1. Short-term benefits. These amounts include the fixed part of the compensation paid for the year as well as the variable part also due for the year, but paid the subsequent year.

Note 2. Directors' compensation. These amounts correspond to the attendance fees paid to the members of the Board of Directors.

Note 3. Post-employment benefits. These amounts include in particular post-employment defined benefit plans available to the main executives of the Group's entities in France who meet the eligibility criteria. They are recognized for the beneficiaries qualifying as related parties, some of whom are among the above-mentioned executives.

Note 4. Share-based payments. These amounts correspond to expenses recognized with respect to Imerys share options and free shares granted to related parties.

Post-employment benefits for Imerys employees

The post-employment benefit plans to which Imerys employees are entitled are deemed to be related party agreements. The amount of the contributions to external funds recognized as an expense in 2023 amounted to €28.0 million (€15.7 million in 2022), including €10.8 million for Imerys UK Pension Fund Trustees Ltd, United Kingdom (€8.6 million in 2022) and €12.2 million for Comerica, United States (€1.6 million in 2022).

FCPE Imerys Actions

The corporate mutual fund holding Imerys shares, known as FCPE Imerys Actions, is managed by BNP Paribas Asset Management SAS and overseen by a Supervisory Board of eight members made up of four shareholder representatives and four Imerys representatives. As Imerys, together with the shareholders, exercises joint control over FCPE Imerys Actions, the fund is deemed to be a related party. The amounts recognized in 2022 and 2023 for FCPE Imerys Actions are immaterial.

NOTE 28 OBLIGATIONS

To the best of Imerys' knowledge, other than contracts agreed (i) in the ordinary course of business, including contracts covering operating rights for mineral reserves and resources, (ii) as part of an acquisition or disposal of assets or companies already completed or announced or (iii) in relation to the financing operations mentioned in the present Universal Registration Document, no major contracts have been signed by any Group company in the two years prior to the date the present Universal Registration Document was filed that are currently still in force and contain provisions imposing any obligations or commitments likely to have a material impact on the Group's business, financial position or cash flow. Nevertheless, in the ordinary course of its business, Imerys is liable to third parties for obligations, often related to conditions or subsequent events that do not (or only partially) meet the criteria for recognizing liabilities but may impact the future financial position. The unrecognized portion of the obligation is designated hereinafter by the term commitment. Identified in accordance with applicable accounting standards, material commitments, both given and received, are presented in the following tables. When a business is recognized as an asset held for sale or a discontinued operation at the closing date, the commitments presented below include commitments relating to these businesses.

COMMITMENTS GIVEN

(€ millions)	Notes	2023	2022
Mineral leases and services on lease contracts	1	4.2	4.4
Commitments relating to operating activities	2	181.2	112.8
Cash-related commitments	3	37.8	62.7
Other commitments	4	76.2	176.4
TOTAL		**299.4**	**356.3**

Note 1. Mineral leases and services on lease contracts. The remaining off balance sheet items are limited to contracts outside the scope of IFRS 16, Leases, in particular mineral leases and commitments to purchase services related to lease contracts.

Note 2. Commitments relating to operating activities. These commitments correspond to firm purchase commitments made by Imerys as part of purchase contracts of goods, services, energy and freight. Energy supply commitments (mainly electricity and gas) amounted to €20.5 million at December 31, 2023 (€16.3 million at December 31, 2022).

Note 3. Cash-related commitments. These commitments correspond to letters of credit as well as sureties, guarantees, mortgages and pledges obtained by Imerys from financial institutions in order to guarantee operating treasury requirements in favor of customers.

Note 4. Other commitments. This item encompasses all commitments given that are not mentioned above, including seller warranties and price adjustment clauses given by the Group upon business disposals.

COMMITMENTS RECEIVED

(€ millions)	Notes	2023	2022
Operating leases	1	22.8	22.9
Commitments relating to operating activities	2	205.1	224.6
Cash-related commitments	3	26.0	3.0
Available financial resources	4	1,010.0	1,010.0
Other commitments	5	109.9	219.4
TOTAL		**1,373.8**	**1,479.9**

Note 1. Operating leases. Operating lease commitments correspond to future rent payments on leases in which Imerys is the lessor.

Note 2. Commitments relating to operating activities. These commitments correspond to firm purchase commitments made by customers in favor of Imerys as part of sales contracts of goods and services.

Note 3. Cash-related commitments. These commitments correspond to letters of credit as well as sureties, guarantees, mortgages and pledges obtained by certain suppliers from their financial institutions, in order to guarantee operating treasury requirements in favor of Imerys.

Note 4. Available financial resources. These commitments correspond to the amount of available financial resources after the repayment of financing from uncommitted resources (note 24.5 - Market liquidity risk).

Note 5. Other commitments. This item encompasses all the commitments received not mentioned above, including €107.3 million at December 31, 2023 (€201.0 million at December 31, 2022) in seller warranties and price adjustment clauses in favor of the Group upon business acquisitions.

NOTE 29 AUDIT FEES

The following table presents the breakdown of fees awarded to Deloitte & Associés (DA) and PricewaterhouseCoopers Audit (PwC) by the type of service rendered. Other services correspond to services other than statutory audit services as defined in French legal and regulatory texts, various tax services and services provided when conducting agreed procedures, issuing various declarations and auditing consolidated, social, environmental and societal information.

	2023								2022							
	DA		DA network		PwC		PwC network		DA		DA network		PwC		PwC network	
	(€M)	*(%)*	*(€M)*	*(%)*	*(€M)*	*(%)*	*(€M)*	*(%)*	*(€M)*	*(%)*	*(€M)*	*(%)*	*(€M)*	*(%)*	*(€M)*	*(%)*
Certification of separate and consolidated accounts and half year limited review	**1.1**	*90.3%*	**1.5**	*55.6%*	**1.2**	*98.6%*	**1.8**	*69.2%*	**1.2**	*67.8%*	**2.0**	*69.9%*	**1.1**	*100.0%*	**1.6**	*67.7%*
Imerys SA	0.8		-		0.8		-		0.8		-		0.8		-	
Consolidated entities	0.3		1.5		0.4		1.8		0.4		2.0		0.4		1.6	
Services other than the certification of accounts required by French laws and regulations	**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**	
Imerys SA	-		-		-		-		-		-		-		-	
Consolidated entities	-		-		-		-		-		-		-		-	
Services other than the certification of accounts provided at the entity's request	**0.1**		**1.2**		**0.0**		**0.8**		**0.6**		**0.8**		**0.0**		**0.8**	
Imerys SA	0.1		1.0		-		0.2		0.6		0.5		-		0.2	
Consolidated entities	-		0.2		-		0.6		-		0.3		-		0.6	
Services other than the certification of accounts (Sub-total)	**0.1**	*9.7%*	**1.2**	*44.4%*	**0.0**	*1.4%*	**0.8**	*30.8%*	**0.6**	*32.2%*	**0.8**	*30.1%*	**0.0**	*0.0%*	**0.8**	*32.3%*
TOTAL	**1.2**	*100.0%*	**2.7**	*100.0%*	**1.2**	*100.0%*	**2.6**	*100.0%*	**1.7**	*100.0%*	**2.8**	*100.0%*	**1.1**	*100.0%*	**2.3**	*100.0%*

NOTE 30 EVENTS OCCURRING AFTER THE CLOSING DATE

On January 31, 2024, Imerys finalized the sale of the bauxite production business to the Mytilineos Group.