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AUDITOR'S REPORT (Translation of the Finnish original)

To the Annual General Meeting of CRH Finland Services Plc

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of CRH Finland Services Plc (business identity code 2553762-1) for the year ended 31 December, 2019. The financial statements comprise the balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies.

In our opinion the financial statements give a true and fair view of the company's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report.

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We have not provided non-audit services to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.



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Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Tax contingency provision <i>Refer to accounting principles and note 14 in the financial statements.</i></p> <p>Tax contingency provisions amount to €49,5 million as at 31 December 2019. Tax contingency provision is a key audit matter because it involves judgment and the amount involved is material to the financial statements as a whole.</p> <p>Tax contingency provision was determined to be a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/241, point (c) of Article 10(2).</p>	<p>To address the risk of material misstatement relating to tax contingency provision, we performed, among others, the following audit procedures:</p> <ul style="list-style-type: none"> • Involving internal tax specialists to assess and analyze the management's assumptions and estimates used to determine the tax provision. • Testing the accuracy of calculations. • Considering the adequacy of the Companies disclosures in respect of tax disclosures.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 21.5.2013, and our appointment represents a total period of uninterrupted engagement of 7 years.

Other information

The Board of Directors are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.



If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Turku 24.4.2020

Ernst & Young Oy
Authorized Public Accountant Firm



Osmo Valovirta
Authorized Public Accountant

CRH Finland Services Plc.
Lars Sonckin kaari 16
Espoo
2553762-1

CRH Finland Services Plc.

FINANCIAL STATEMENTS

1.1.2019–31.12.2019

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BOARD OF DIRECTORS' REPORT

GENERAL

CRH Finland Services Plc is part of the Irish CRH Group listed on Dublin, London and New York stock exchanges and is a 100 % subsidiary of the Dutch company CRH Europe Investments B.V.

The company was established in May 2013 and registered in the Finnish Trade register on 19.6.2013.

The Board of Directors during the financial year has been as follows: Oliver Mahon (chairman), Miikka Riionheimo and Sami Myllyniemi.

Ernst & Young, Chartered Accountants have been the auditors of the company.

BUSINESS OPERATIONS, CAPITAL EXPENDITURE AND ESSENTIAL TRANSACTIONS IN 2019

Business operations of the company in 2019 have consisted of payroll, Compliance, IT and consulting services to group companies.

The company also has financial activities as the company has issued MEUR 750 bond in international debt markets. CRH plc is the guarantor of this bond and it is listed on the Irish stock exchange.

Net sales of the company in 2019 are EUR 2 189 thousand. The comprehensive loss for the period is EUR 16 687 thousand (762,2% of net sales), while operating profit is EUR 28 thousand (1,3 % of net sales). Equity is -1,71% of total assets.

The 2015 Statement of Comprehensive income has been prepared on the basis that certain financing costs may not be deductible for corporate income tax purposes. As a result comprehensive income of the company in 2015 includes a tax provision of EUR 17 200 000. In 2016 financial statement this provision was increased by EUR 8 075 991, in 2017 by EUR 8 493 294, in 2018 by EUR 8 871 063 and in 2019 by EUR 6 890 152. In 2019 financial statement the total amount of provision is EUR 49 530 500.

The provisions made when preparing the financial statements led to the company being in negative equity. The Board has taken steps to remedy the situation and the owner of the company has invested 20.2.2020 MEUR 15 to the invested unrestricted equity reserve in order to remedy negative equity.

PERSONNEL

In December 2019 the company employed 18 persons and all of them being officials. Total employee expenses were EUR 1 645 thousand.

RISKS AND UNCERTANTIES

Biggest risks and uncertainties of the company relate to its financial activities. The most remarkable factors that can affect company's activities and financial development negatively are

coming via effects from other group companies' business activities as the customers of service providing business are group companies, financial assets are invested in group companies and major part of financial income is from group internal origin.

2020 OUTLOOK

There are not expected any such major changes in company's business, business environment or financial development that would have any major effect on company's activities. The MEUR 750 bond guaranteed by CRH plc matures 15.10.2020. Negotiations of the refinancing are pending, from the Board point of view the decision of re-financing will be done by the end of September 2020. CRH Group is able to fund the payment of the bond by cash resources or undrawn committed facility. The outlook for 2020 is described as stable. CRH Finland Services Plc has not experienced impact on the business due to Covid-19. The company is acting according to decisions and recommendations from the government and authorities with the well-being of employees as the highest priority.

BOARD PROPOSAL FOR PROFIT DISTRIBUTION

On December 31, 2019 CRH Finland Services Plc's comprehensive income statement accounted for a loss of EUR 16 686 896 and distributable equity totaled EUR -13 966 418.

No material changes have taken place in the company's financial position after the balance sheet date.

The Board proposes to the Annual General Meeting no dividend to be distributed and the loss to be retained under company's equity.

**STATEMENT OF COMPREHENSIVE INCOME
(IFRS)**

euro	Notes	1.1.-31.12.2019	1.1 - 31.12.2018
TURNOVER	1.	2 189 300	2 170 920
Employee benefits expenses	2.	-1 644 586	-1 617 998
Depreciation	3.	-19 842	0
Other operating expenses	4.	-496 534	-534 741
OPERATING PROFIT		28 338	18 181
Finance income	5.	37 004 020	48 851 749
Finance costs	5.	-43 648 609	-43 654 269
PROFIT BEFORE TAXES		-6 616 251	5 215 661
Income taxes	6.	-10 172 322	-9 320 319
Change of deferred taxes	6.	101 677	-182 426
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>-16 686 896</u>	<u>-4 287 085</u>
Profit attributable to:			
Equity holders of parent company		-16 686 896	-4 287 085
Total comprehensive income attributable to:			
Equity holders of the company		-16 686 896	-4 287 085

BALANCE SHEET (IFRS)

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	Notes	31.12.2019	31.12.2018
euro			
Assets			
Non-current assets			
Tangible fixed assets		51 395	0
Financial assets	7.	706 000 000	706 000 000
Receivables	8.	25 000 000	0
Deferred tax assets	9.	0	0
Total non-current assets	13.	731 051 395	706 000 000
Current assets			
Trade receivables and other receivables	10.	37 555 871	50 929 976
Cash and cash equivalents	11.	48 893 482	43 168 482
Total current assets		86 449 354	94 098 458
Total assets		817 500 749	800 098 458
Equity and liabilities			
Equity attributable to equity holders of the parent company			
Share capital		80 000	80 000
Invested unrestricted equity reserve		35 000 000	35 000 000
Retained earnings		-49 046 418	-32 359 522
Total equity	12.	-13 966 418	2 720 478
Non-current liabilities			
Deferred tax liabilities	13.	80 750	182 426
Provisions	14.	49 530 500	42 640 348
Loans	15.	25 000 000	749 087 868
Lease liability	16.	35 406	0
Total non-current liabilities		74 646 656	791 910 643
Current liabilities			
Trade payables	17.	77 946	60 381
Loans	17.	749 597 517	0
Accruals and other liabilities	17.	7 145 048	5 406 956
		756 820 511	5 467 337
Total liabilities		831 467 167	797 377 980
Total equity and liabilities		817 500 749	800 098 458

STATEMENT OF CHANGES IN EQUITY (IFRS)

euro

	Notes	Share capital	Attributable to equity holders of the parent company	Retained earnings	Total equity	Non-controlling interest	Total equity
			Invested equity reserve				
Equity 1.1.2018		80 000	35 000 000	-28 072 437	7 007 563	0	7 007 563
Comprehensive income					0		0
Profit or loss				-4 287 085	-4 287 085		-4 287 085
Total other comprehensive income adjusted by tax effects					0		0
Total comprehensive income		0	0	-4 287 085	-4 287 085	0	-4 287 085
Transactions with owners							
Dividends					0		0
Share issue					0		0
Addition to invested unrestricted equity reserve	12.		0		0		0
Total transactions with owners		0	0	0	0	0	0
Equity 31.12.2018		80 000	35 000 000	-32 359 522	2 720 478	0	2 720 478
Equity 1.1.2019		80 000	35 000 000	-32 359 522	2 720 478	0	2 720 478
Comprehensive income					0		0
Profit or loss				-16 686 896	-16 686 896		-16 686 896
Total other comprehensive income adjusted by tax effects					0		0
Total comprehensive income		0	0	-16 686 896	-16 686 896	0	-16 686 896
Transactions with owners							
Dividends					0		0
Share issue					0		0
Addition to invested unrestricted equity reserve	12.		0		0		0
Total transactions with owners		0	0	0	0	0	0
Equity 31.12.2019		80 000	35 000 000	-49 046 418	-13 966 418	0	-13 966 418

CASH FLOW STATEMENT (IFRS)

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euro	1.1.-31.12.2019	1.1.-31.12.2018
Cash flow from operating activities		
Net income	-16 686 896	-4 287 085
Adjustments to net profit for the period:		
Business transactions not involving a payment transaction	19 842	0
Finance costs	43 649 920	43 654 269
Financial income	-37 004 020	-48 851 749
Taxes	10 070 645	9 502 746
Changes in working capital:		
Change in trade receivables and other receivables	1 525 938	-132 515
Change in trade payables and other liabilities	5 336	132 205
Interests paid	-43 126 460	-43 144 620
Interests received	48 852 187	52 151 749
Taxes paid	-1 561 603	0
Net cash flow from operating activities	5 744 888	9 025 000
Cash flow from investing activities		
Loans lent	-25 000 000	0
Net cash flow from investing activities	-25 000 000	0
Cash flow from financing activities		
Loans borrowed	25 000 000	0
Lease payments	-19 888	0
Net cash flow from financing activities	24 980 112	0
Net change in cash and cash equivalents	5 725 000	9 025 000
Cash and cash equivalents at beginning of period	43 168 482	34 143 482
Cash and cash equivalents at end of period	48 893 482	43 168 482
Per balance sheet	48 893 482	43 168 482
ADJUSTMENTS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Business transactions not involving a payment transaction		
Depreciations	19 842	0
Total	19 842	0

According to IFRS 16 capital portion of lease payments are presented in cash flow from financing activities.
Discounting of leases is presented in the cash flow of operating activities as part of paid interest.

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES OF FINANCIAL STATEMENTS

General

CRH Finland Services Plc. is a Finnish public limited company established in accordance with Finnish law. CRH Finland Services Plc.'s financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. CRH Finland Services Plc.'s registered office is in Helsinki at address Lars Sonckin kaari 16, 02600 Espoo. CRH Finland Services Plc. is part of the Irish CRH Plc. group listed on Dublin, London and New York stock exchanges. The parent company of CRH Finland Services Plc. is the Dutch company CRH Europe Investments B.V. CRH Finland Services Plc. has been consolidated to the financial statement of CRH Plc. A copy of the consolidated financial statements is available on the internet at www.crh.com.

CRH Finland Services Plc.'s Board of Directors has accepted the publication of these financial statements in its meeting on 21st April 2020. In accordance with the Finnish Companies Act, the shareholders have an opportunity to adopt or reject the financial statements at the shareholders' meeting held after their publication. The shareholders' meeting can also amend the financial statements.

The financial statements have been drawn up in accordance with the International Financial Reporting Standards due to publicly listed bond. CRH Finland Services Plc. has no subsidiaries.

Primary business areas

The line of business of the company is, in Finland and abroad, either directly or through subsidiaries or affiliates, to engage in construction and excavation work. The company also produces administrative and other services for group companies, such as consulting, IT, payroll and legal services. The company may also engage in financing group companies, for example by giving and taking out loans as well as granting guarantees and securities for the obligations of group companies.

Summary of significant accounting standards

CRH Finland Services Plc.'s financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union 31.12.2019. New standards, changes or interpretations that has come into effect in the accounting period starting 1.1.2019 haven't had significant effect on company's accounting practices.

The company applies first time IFRS 16, which is effective 1.1.2019. The opening balances for these items have not been adjusted for IFRS.

IFRS 16 Leases replaced the previous leases standard IAS 17. The new leases standard will require companies to bring most leases on balance sheet, apart from some exceptions. The company adopted IFRS 16 using the modified retrospective method, which means that comparatives have not been adjusted. Valid leases of the company are rental agreements of premises, company cars and IT hardware. All rental agreements of premises have short termination period, therefore these costs are included in operating expenses. IFRS 16 is applied to leases of company cars. Lease of IT hardware is classified as low-value asset, and included in operating expenses. Opening balance 1.1.2019 of Lease liabilities and Right-of-use assets is EUR 47 thousand.

Critical accounting estimates and judgments

When the financial statements are drawn up in accordance with the IFRS, the company management needs to make estimates and assumptions which have an impact on the amounts of assets, liabilities, income and expenses recorded and conditional items presented. These estimates and assumptions are based on historical experience and other justified assumptions which are believed to be reasonable in the conditions which constitute the foundation for the estimates of the items recorded in the financial statements. The actual amounts may differ from these estimates. Assessment has been used for example in financial liabilities and provision when drawing up the financial statements.

Revenue and sales recognition

Revenue contains service charges from group companies.

Dividends and other income comparable to profit distribution

Dividends and other income comparable to profit distribution are recognised in the income statement when the shareholder's right to receive payment is established. Group contributions, in accordance with Finnish legislation, are comparable to profit distribution. The above mentioned items are booked as financial income.

Segment reporting

The company does not have separate operating segments, it delivers only administrative services to group companies.

Pension schemes

The company currently has only contribution-based pension schemes.

Leases

The company applies IFRS 16 standard to its leasing contracts by recognizing right-of-use asset and lease liability at the commencement date of the lease. Depreciations of the right-of-use asset and discounting of lease liability are booked to comprehensive income. Lease liability is deducted with capital payments. The company applies two available exemptions, which are recognition of short-term lease and low-value assets. These both are included in the operating expenses.

Foreign currency transactions

All figures in the financial statement are presented in euros. The company's functional currency is euro. The company does not have any foreign currency transactions.

Income taxes

Taxes presented in the income statement include the companies' accrued taxes for the profit of the financial year, tax adjustments from previous financial years and changes in deferred taxes. In accordance with IAS 12, the company records deferred tax assets as non-current receivables and deferred tax liabilities as non-current liabilities.

Deferred tax assets and liabilities are recorded of all temporary differences between the tax values of asset and liability items and their carrying amounts using the liability method. Deferred tax is recorded using tax rates valid at the closing date.

The largest temporary differences result from the financial liabilities. Deferred tax asset from temporary differences are recorded up to an amount which can likely be utilised against taxable income created in the future and/or until that time when company has enough taxable temporary differences, deferred tax liability.

Intangible assets

There aren't any intangible assets in 2019.

Impairment

The carrying amounts of asset items are assessed at the closing date to detect potential impairment. If impairment is detected, the recoverable amount of the asset is estimated. An asset is impaired if the balance sheet value of the asset or of a cash-generating unit exceeds the recoverable amount. Impairment losses are recorded in the income statement. The asset items subject to depreciation are examined for impairment also when events or changes in circumstances suggest that the amount corresponding to the carrying amount of the asset items may not be recovered. Management has assessed that no indication of impaired assets exist.

Financial assets

Financial assets are classified according to IFRS 9 to three measurement categories: at amortized cost, fair value through profit or loss and fair value through other comprehensive income.

Financial asset valued at amortized cost

Financial assets are classified as valued at amortized cost if the assets is held based on an agreement collecting cash flow and the cash flow is exclusively equity or interest payment. Financial asset valued at amortized cost has a fixed or specified payment date. Accounts receivable and other receivables are valued at amortized cost.

Financial asset valued at fair value through profit or loss

Financial assets are classified as valued at fair value through profit or loss if the assets is held for trading purposes. When the cash flow of financial asset is not exclusively payment of equity or interest, the assets is classified as valued at fair value through profit. Financial asset valued at fair value through profit or loss is valued at fair value in the balance and the change of fair value is presented in the income statement.

Financial asset valued at fair value through other comprehensive income

Financial assets are classified as valued at fair value through other comprehensive income when they are quoted or non-quoted shares and assets which are according to IAS 32 and they are not held for trading purposes. Financial assets are valued at fair value by using market rate of closing date applying suitable valuation model. Shares and assets which fair value can't be reliably measured are valued at amortized cost.

Write-off of financial assets

Write-off of financial asset is booked when the contractual right to the cash flow has been lost or when the risks and earnings have been significantly moved outside of the company.

Impairment of financial assets

Accruals are booked for all expected bad debts of debt instruments, which are not valued at fair value through profit or loss. Expected bad debts are based on the difference of cash flow between contract and expectations of the company. Expected cash flow includes the cash flows of liquidated guarantees. Financial asset is written off when there isn't reasonable expectation to receive contractual cash flow.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank deposits. Cash and cash equivalents are derecognised when they mature are sold or otherwise disposed of. Assets in this category are classified as current assets.

Loans

Loans are initially recognised at fair value net of the transaction costs incurred. Transaction costs consist of bond prices above or below par value, arrangement fees, commissions and administrative fees. Loans are subsequently carried at amortised cost; any difference between the proceeds and the redemption value is recognised in the income statement over the period of the loans using the effective interest rate method. Loans are derecognised when they mature and are repaid.

Provisions

A provision is recorded when the company has a legal or factual obligation based on an earlier event and it is likely that fulfilling the obligation will require a payment, and the amount of the obligation can be estimated reliably.

Dividend distribution

The Board of Directors' proposal concerning dividend distribution is not recorded in the financial statements. This is only recorded after a decision made by the Annual General Meeting of Shareholders.

Related party transactions

CRH Finland Service Plc.'s related parties comprise all group companies of CRH Plc. and the members of the board of directors. The company has not lent money to the top management, and the company has no transactions with the top management. The following transactions have been conducted with related parties in 2019: The company borrowed MEUR 25 from CRH group company Opterra Wossingen GmbH – Irish branch. Loan period is 17.12.2019-11.2.2024 and interest is Euribor +1,2%. The company lent MEUR 25 to CRH group company Rudus Oy. Loan period is 30.12.2019-21.11.2024 and interest rate is Euribor +1,32%.

Transactions with related parties 2019 (EUR):

Sales	2 168 958
Purchases	91 452
Finance income	37 000 000
Finance cost	22 512 500
Receivables	63 551 440
Liabilities	25 047 308

Business with related parties is conducted at market prices.

Events after closing date

The company management is not aware of such essential events after the closing date that would affect the financial statements.

FINANCIAL RISK MANAGEMENT

CRH Finland Services Plc. is exposed to market, liquidity and credit risks when managing the financial position of the company. The company's objective is to reduce risks so that the fluctuations of CRH Finland Services Plc.'s cash flow and result remain low. Risk management is carried out by management according to general principles of CRH Plc.

Market risk

CRH Finland Services Plc. does not use derivative agreements in order to hedge markets risks (foreign exchange, interest rate risks and commodity risks) because the risks are mainly related to businesses of group companies. Company does not have instruments containing embedded derivatives.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Cash and cash equivalents amounted to EUR 49 million at year-end. Management has not identified any single significant liquidity risk concentrations.

Financial liabilities are not guaranteed and do not contain covenants. The following table presents a maturity analysis for non-derivative financial liabilities that shows the remaining contractual maturities. Figures are undiscounted and they contain interest and other fees, EUR thousand. There aren't any financial liabilities presented in 2021-2023 since the current loan agreement ends in 2020.

Financial liabilities	2019	2020	2021	2022	2023
Loan repayment	0	-750 000	0	0	0
Interest	-20 625	-20 625	0	0	0
Guarantee fees	-22 500	-17 692	0	0	0
	-43 125	-788 317	0	0	0

Credit risk

Credit risk arises from a counterparty not fulfilling its contractual commitments towards CRH Finland Services Plc. Such commitments arise in the company's operations and financial activities. CRH Finland Services Plc. is a finance subsidiary that has no revenue-generating operations of its own and depends on cash received from other members of the Group to be able to make payments on the debt securities. CRH Finland Services Plc. cannot assure that company will receive sufficient dividends, distributions or loans from other members of the Group to service scheduled payments of interest, principal or other amounts due under the debt securities. CRH Plc. is guarantor to the loan. Credit rating of CRH Plc. is BBB+ / Baa1 / BBB+.

Managing of capital

Company manages its capital according to principles of CRH Plc. Capital structure is mostly affected by dividend distributions. Company is not subject to external capital requirements. The ratio of net debt to total equity is high due to the bond.

NOTES TO STATEMENT OF COMPREHENSIVE INCOME

1. Turnover

	2019	2018
Turnover of business areas		
Rendering of services	2 189 300	2 170 920
	<u>2 189 300</u>	<u>2 170 920</u>
	2019	2018
Geographical		
Finland	2 189 300	2 170 920
	<u>2 189 300</u>	<u>2 170 920</u>

All customer contract are service contracts with group companies.

2. Employee benefits expenses

<i>Number of employees in the company at year-end</i>	2019	2018
Personnel	18	16
	<u>18</u>	<u>16</u>
<i>Salaries</i>	2019	2018
Wages and salaries	1 375 128	1 339 503
Pension costs: Defined contribution plans	246 923	255 060
Other personnel expenses	22 535	23 435
	<u>1 644 586</u>	<u>1 617 998</u>

Salaries and bonuses of top management

Company does not have a CEO. Company has not paid any compensation to the members of the board of directors. Management does not have any defined benefit plans.

3. Depreciation

	2019	2018
Depreciation	19 842	0
	<u>19 842</u>	<u>0</u>

4. Other operating expenses

	2019	2018
Administrative	84 954	100 206
Rental	70 505	119 323
Consultation	19 024	7 217
Other expenses	322 050	307 995
	<u>496 534</u>	<u>534 741</u>

Auditors fees

	2019	2018
Auditing fees	12 998	12 370
Other fees	498	498
	<u>13 496</u>	<u>12 868</u>

5. Finance income and costs

	2019	2018
Finance income		
Other income comparable to profit distribution	37 000 000	48 850 000
Other finance income	4 020	1 749
Total finance income	37 004 020	48 851 749
Total finance income	37 004 020	48 851 749
Finance costs		
Interest on loans	21 147 149	21 134 649
Guarantee fees	22 500 000	22 500 000
Other finance costs	1 460	19 620
Total finance costs	43 648 609	43 654 269
Total finance income and costs	-6 644 589	5 197 480

6. Income taxes

	2019	2018
Current taxes	-3 282 170	-449 256
Other taxes	-6 890 152	-8 871 063
Change of deferred taxes	101 677	-182 426
Total	-10 070 645	-9 502 745
Reconciliation of income tax		
Profit before taxes	-6 616 251	5 215 661
Temporary differences	509 649	505 982
Non-deductible expenses and tax-free income	22 502 451	-6 151
Taxable income	16 395 848	5 715 491
Tax calculated in accordance with statutory tax rate in Finland 20 %	-3 282 170	-449 256
Other taxes	-6 890 152	-8 871 063
Change of deferred tax liability with tax rate 20 %	101 677	101 196
Deferred tax asset against deductible losses	0	-283 623
Income Taxes in the Consolidated Income Statement	-10 070 645	-9 502 745

Temporary differences are due to transaction costs arising from bond issue and tax-deductible losses.
Deferred tax liability has been calculated with the tax rate valid at closing date.
There are no taxes booked directly to equity.

OTHER CURRENT ASSETS

7. Right-to-use assets, machinery

Cost 1.1.2019	0
+ Effect of adopting IFRS 16	47 409
+ Additions	27 896
- Disposals	0
Cost 31.12.2019	75 305
Accumulated depreciation according to plan 1.1.2019	0
Accumulated depreciation of disposals	0
Depreciation	-19 842
Remeasurements	-4 068
Accumulated depreciation according to plan 31.12.2019	-23 910
Carrying amount 31.12.2019	<u>51 395</u>
Carrying amount 1.1.2019	0
Included in statement of Comprehensive Income	
- Depreciations and remeasurements	23 910
- Discounting	1 311
- Low-value and short-term leases	<u>68 780</u>
	94 001

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FINANCIAL ASSETS

7. Long-term financial assets

	2019	2018
Cost at 1.1.	706 000 000	706 000 000
Cost at 31.12.	706 000 000	706 000 000
Carrying amount 31.12.	706 000 000	706 000 000
Carrying amount 1.1.	706 000 000	706 000 000

CRH Finland Services Plc. owns 706.000.000 Class B shares of CRH Finland Ltd, a CRH Plc. Group company. Shares were subscribed in a directed share issue on 31.10.2013. Shares are measured as financial asset valued at fair value through other comprehensive income. Shares are according to IAS 32 and they are not held for trading purposes. Shares are valued at fair value, which is estimated to be the cost value. Financial assets are long-term assets, because management intends to keep them over 12 months from the closing date. Main terms and conditions of shares in CRH Finland Ltd:

- CRH Finland Oy, PL 98 (Lars Sonckin kaari 16, 02600 Espoo) 02601 Espoo.
Number of shares: Class A shares 714.497, Class B shares 706.000.000.
- Class B shares carry no voting rights or any other shareholders' rights in a general meeting of shareholders provided for in the Finnish Limited Liability Companies Act (so called non-voting shares). Class B shares carry no pre-emptive rights in share offerings.
- Class B shares have a preference to dividends over Class A shares and shall be paid a dividend of EUR 0,065 before any dividends are paid to Class A shares (preferred dividends). The amount of the preferred dividends is, however, calculated in proportion to the number of days on which the holder of Class B shares has during the financial period held Class B shares assuming year has 360 days.
- When distributing assets through liquidation of the company, holders of Class B shares are entitled to the payment of a preferred amount of EUR 1,00 for each Class B share.
- CRH Finland Ltd is entitled to redeem Class B shares at the price of EUR 1,00 after 14.10.2020.
- The amount of cumulative preference dividends not recognised: MEUR 278,1.

CRH Finland Ltd financial position (FGAAP):

	2019	2018
Equity	689 283 107	689 327 678
Profit/loss	-44 569	-5 235

Valuation of shares is based on businesses of CRH Finland Ltd and its subsidiaries.

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TRADE RECEIVABLES AND OTHER RECEIVABLES

9. Non-current receivables

	31.12.2019	31.12.2018
Group receivables		
Loan receivables	25 000 000	0
Total	25 000 000	0
Total non-current receivables	25 000 000	0

Information about group receivable

Currency	Nominal value	Maturity date	Interest
EUR	25 000 000	11.12.2024	euribor + 1,32%

The company has lent to CRH group company Rudus Oy.

Loan matures in full 21.12.2024

Loan interest is euribor +1,32 % which is with current interest level

334 583 EUR per year.

Interest is calculated according to actual days of month assuming year has 360 days.

Interest is paid twice a year.

10. Current receivables

	31.12.2019	31.12.2018
Group receivables		
Trade receivables	105 241	426 146
Other receivables	37 446 199	50 497 529
Total Group receivables	37 551 440	50 923 675

Other receivables consist of group contribution receivables and group account. The currency of all receivables is euro.

External receivables

Trade receivables	4364	0,00
Other receivables	3	1
Prepayments and accrued income	65	6 300
Total	4 432	6 301

Total short-term receivables

37 555 871 **50 929 976**

Age distribution of trade receivables

Unmatured trade receivables	101 621	278 460
Trade receivables matured		
1-30 days matured trade receivables	7 984	0
31-60 days matured trade receivables	0	144 001
over 60 days matured trade receivables	0	3 684
	109 605	426 146

The fair value of trade receivables and other receivables does not differ from the balance sheet value. There is no significant need for bad debt provision.

11. Cash and cash equivalents

	31.12.2019	31.12.2018
Cash and bank accounts	48 893 482	43 168 482
Total	48 893 482	43 168 482

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EQUITY

12. Equity

	31.12.2019	31.12.2018
Restricted equity		
Share capital 1.1.	80 000	80 000
Share capital 31.12.	<u>80 000</u>	<u>80 000</u>
Total restricted equity	<u>80 000</u>	<u>80 000</u>
 Unrestricted equity		
Invested unrestricted equity reserve 1.1.	35 000 000	35 000 000
Invested unrestricted equity reserve 31.12.	<u>35 000 000</u>	<u>35 000 000</u>
Retained earnings 1.1.	-32 359 522	-28 072 437
Profit for the financial year	-16 686 896	-4 287 085
Retained earnings 31.12.	<u>-49 046 418</u>	<u>-32 359 522</u>
Total unrestricted equity	<u>-14 046 418</u>	<u>2 640 478</u>
 Total equity	<u><u>-13 966 418</u></u>	<u><u>2 720 478</u></u>

Distributable shareholders' equity

	31.12.2019	31.12.2018
<i>Calculation of distributable shareholders' equity</i>		
Retained earnings	-32 359 522	-28 072 437
Profit for the financial year	-16 686 896	-4 287 085
Invested unrestricted equity reserve	35 000 000	35 000 000
	<u>-14 046 418</u>	<u>2 640 478</u>

Equity consists of share capital, invested unrestricted equity reserve and retained earnings. Earnings for the financial year is booked to retained earnings. On 20th February 2020 the owner of the company has decided to invest EUR 15 000 000 to the invested unrestricted equity reserve in order to remedy negative equity. Company has one share class. Total shares amount to 10 and shares have no nominal value. Each share carries one vote in all matters dealt with by the General Meeting. All shares have same rights to dividends. The subscription price has been paid entirely. No change in the amount of shares during the period. No non-controlling interests.

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NOTES TO LIABILITIES

13. Deferred tax assets and liabilities

Changes in deferred taxes in 2019:

						31.12.2019
						10 279
Deferred tax assets						
	1.1.2019	Effect of adopting IFRS 16	1.1.2019	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31.12.2019
Deferred tax assets	1.1.2019	Effect of adopting IFRS 16	1.1.2019	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31.12.2019
Other	0		9 482	797	0	10 279
Total	0		9 482	797	0	10 279

Deductible losses of which hasn't booked deferred tax asset 0

Deferred tax liability **31.12.2019**
91 029

	1.1.2019	Effect of adopting IFRS 16	1.1.2019	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31.12.2019
Deferred tax liabilities	1.1.2019	Effect of adopting IFRS 16	1.1.2019	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31.12.2019
Financial liabilities	-182 426			101 930	0	-80 497
Other	0		-9 482	-1 050	0	-10 532
Total	-182 426		-9 482	100 880	0	-91 029

Deferred tax assets and liabilities are recorded of all temporary differences between the tax values of asset and liability items and their carrying amounts using the liability method.
Deferred tax is recorded using tax rates valid at the closing date (20 %)

Changes in deferred taxes in 2018:

Deferred tax assets **31.12.2018**
0

	1.1.2018	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31.12.2018
Deferred tax assets	1.1.2018	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31.12.2018
Confirmed losses	283 623	-283 623	0	0
Total	283 623	-283 623	0	0

Deductible losses of which hasn't booked deferred tax asset 0

Deferred tax liability **31.12.2018**
182 426

	1.1.2018	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31.12.2018
Deferred tax liabilities	1.1.2018	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31.12.2018
Financial liabilities	-284 356	101 930	0	-182 426
Other	733	-733	0	0
Total	-283 623	101 196	0	-182 426

Deferred tax assets and liabilities are recorded of all temporary differences between the tax values of asset and liability items and their carrying amounts using the liability method.
Deferred tax is recorded using tax rates valid at the closing date (20 %)

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14. Provisions

	2019	2018
Provisions 1.1.	42 640 348	33 769 285
Additions	6 890 152	8 871 063
Provisions 31.12.	49 530 500	42 640 348

2019 comprehensive income includes a tax provision of EUR 6 890 152. Total provision EUR 49 530 500 is made on the basis that certain financing costs may not be deductible for corporate tax purposes.

13. Loans carried at amortised cost

	31.12.2019	31.12.2018
Public bond	0	749 087 868
Group loan	25 000 000	0
	25 000 000	749 087 868

Information about group payable

Currency	Nominal value	Maturity date	Interest
EUR	25 000 000	11.12.2024	euribor + 1,2%

The company has borrowed from CRH group company Rudus Oy.

Loan matures in full 11.12.2024

Loan interest is euribor +1,2 % which is with current interest level

334 583 EUR per year.

Interest is calculated according to actual days of month assuming year has 360 days.

Interest is paid twice a year.

Reconciliation of opening and closing balances arisen from financing

	2019	2018
Interest-bearing loans 1.1.	749 087 868	748 578 219
Changes in cash flow	25 000 000	0
Accrued acquisition cost	509 649	509 649
Public bond to current items	-749 597 517	0
Interest-bearing loans 31.12.	25 000 000	749 087 868

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16. Leases

The company adopted IFRS 16 using the modified retrospective method starting 1.1.2019.
Effect of IFRS16 is EUR 47 thousand to right-to-use assets and EUR 47 thousand to lease liability.
Booking is related to company cars.

Leasing and rent liabilities 31.12.2018		79 529
Short-term agreement, which haven't been booked as lease liability		-30 113
Other effects		391
Discounting	3 %	-2 398
Discounted lease liability 1.1.2019		47 409

Lease liability

1.1.2019		0
Adopting IFRS 16		47 409
Additions		27 895
Remeasurements		-4 068
Paid		-19 888
Discounting		1 311
31.12.2019		52 660

Maturity of lease liability

Short-term liabilities		17 254
Long-term liabilities		35 406
		<u>52 660</u>

Right-to-use asset

1.1.2019		0
Adopting IFRS 16		47 409
Additions		27 895
Remeasurements		-4 068
Depreciations		-19 842
31.12.2019		51 395

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17. Current liabilities

	31.12.2019	31.12.2018
Group liabilities		
Accounts payable	34 808	46 810
Interest	12 500	0
	<u>47 308</u>	<u>46 810</u>
External liabilities		
Public bond	749 597 517	0
Lease liability	17 254	0
Accounts payable	43 138	13 571
Other liabilities	87 748	106 624
Accruals	7 027 547	5 300 332
	<u>756 773 203</u>	<u>5 420 527</u>
Essential items included in accruals		
Personnel expenses	457 491	439 089
Interest	4 351 027	4 351 027
Taxes	2 169 823	449 256
Other	49 206	60 959
	<u>7 027 547</u>	<u>5 300 332</u>

Information about the bond

Currency	Nominal value	Maturity date	Coupon rate
EUR	750 000 000	15.10.2020	2,75 %

Company issued the bond on 15.10.2013. It is classified as a financial liability as the company has a contractual obligation to deliver cash or another financial asset to another entity. The loan does not contain any equity components. Bond is carried at amortised cost using the effective interest rate method. The difference between proceeds and the redemption value is recognised in the income statement over the period of the bond using the effective interest rate method.

ISIN-code: XS0981442931

Guarantor: CRH Plc. Bond matures in full 15.10.2020. Negotiations of the refinancing are pending, from the Board point of view the decision of re-financing will be done by the end of September 2020. CRH Group is able to fund the payment of the bond by cash resources or undrawn committed facility. Coupon rate p.a. is 2,75 % which means 20 625 000 EUR / year
Coupon interest is paid annually 15.10 until the maturity date. Divider for accrued interest in income statement is 365. More details can be found on CRH Plc's internetpage www.crh.com

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FINANCIAL ASSETS AND LIABILITIES BY VALUATION CLASSES

Values 31.12.2019

Balance Item	Amortised cost	Fair value through profit or loss	Fair value through comprehensive income	Total	Fair value	IFRS 7 Fair value hierarchy level
Non-current financial assets						
Financial assets			706 000 000	706 000 000	706 000 000	3
Group receivable	25 000 000			25 000 000	25 000 000	3
Current financial assets						
Accounts receivable and other receivables	37 555 871			37 555 871		
Cash and cash equivalents	48 893 482			48 893 482		
Value by item groups	111 449 354	0	706 000 000	817 449 354		
Non-current financial liabilities						
Group payable	25 000 000			25 000 000	25 000 000	3
Lease liability	35 406			35 406		
Current financial liabilities						
Loans	749 597 517			749 597 517	761 925 000	
Accounts payable and other liabilities	77 946			77 946		
Accruals and other liabilities	7 145 048			7 145 048		
Value by item groups	781 855 917	0	0	781 855 917		

Values 31.12.2018

Balance Item	Amortised cost	Fair value through profit or loss	Fair value through comprehensive income	Total	Fair value	IFRS 7 Fair value hierarchy level
Non-current financial assets						
Financial assets			706 000 000	706 000 000	706 000 000	3
Current financial assets						
Accounts receivable and other receivables	50 929 976			50 929 976		
Cash and cash equivalents	43 168 482			43 168 482		
Value by item groups	94 098 458	0	706 000 000	800 098 458		
Non-current financial liabilities						
Loans	749 087 868			749 087 868	779 700 000	1
Current financial liabilities						
Accounts payable and other liabilities	60 381			60 381		
Accruals and other liabilities	5 406 956			5 406 956		
Value by item groups	754 555 206	0	0	754 555 206		

Determination and Hierarchy of Fair Values

Level 1: the measure of instrument is based on quoted prices in active markets for identical assets or liabilities.

Level 2: the measure for the instrument include also other than quoted prices observable for the assets or liability, either directly or indirectly by using valuation techniques.

Level 3: inputs are unobservable market parameters

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COMMITMENTS AND CONTINGENT LIABILITIES

Leasing liabilities

	31.12.2019	31.12.2018
Short-term liabilities	4 125	18 024
Long-term liabilities	7 322	31 392
Total Leasing liabilities	<u>11 447</u>	<u>49 416</u>

Paid amounts per 31.12.2019 consist of low value contracts booked to statement of comprehensive income.

Rent liabilities

	31.12.2019	31.12.2018
Short-term liabilities	30 224	30 113
Total Rent liabilities	<u>30 224</u>	<u>30 113</u>

All rent liabilities per 31.12.2019 are according to IFRS 16 short-term contracts, which booked to statement of comprehensive income.


Other

Company has not guaranteed financial transactions of CRH Plc group companies or other parties.

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SIGNATURES OF THE BOARD OF DIRECTORS

Espoo *21st April* 2020



Oliver Mahon
Chairman of the Board



Sami Myllyniemi
Member of the Board



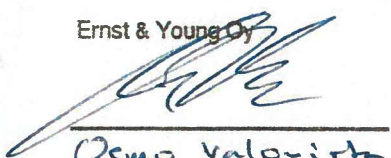
Miikka Riionheimo
Member of the Board

THE AUDITOR'S NOTE

Our auditors' report has been issued today.

Turku, *24th April* 2020

Ernst & Young Oy



Osmo Valonvirta, APA

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A LIST OF THE ACCOUNTING JOURNALS, TYPES OF VOUCHERS AND THEIR STORAGE METHOD

General ledger		Electronically archived
General journal		Electronically archived
Financial statement		Electronically archived

	Voucher type	Storage method
Journal entry	1	Paper
VAT	9	Electronically archived
Sales	21	Paper
Tito	30	Electronically archived
Purchases	31	Electronically archived
Purchases (other)	32	Paper
Opening	69	g/l
Travel	70	Electronically archived
Tax	98	Paper