

CRH Finland Services Plc.
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2553762-1

CRH Finland Services Plc.

FINANCIAL STATEMENTS

1.1.2021–31.12.2021

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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. CRH Finland Service Plc has one share class, total shares amount to ten and shares have no nominal value. Each share carries one vote in the general meeting and each share has got equal right to dividend and assets of the company.

The Board of Directors during the financial year has been as follows: Oliver Mahon (chairman), Sami Myllyniemi, Miikka Riionheimo (until 23.11.2021) and Mikael Fjäder (since 23.11.2021).

The audit firm Deloitte Ltd has been the auditor of the company.

The company has chosen Ireland as the home member state for the periodic disclosure obligation.

BUSINESS OPERATIONS, CAPITAL EXPENDITURE AND ESSENTIAL TRANSACTIONS IN 2021

Business operations of the company in 2021 have consisted of payroll, compliance, legal, safety, IT and consulting services to group companies.

The company has also financial activities. It has issued in 2020 a bond of EUR 500 million to international debt markets, which matures in 2023. CRH plc is the guarantor of the bond and it is listed on the Irish stock exchange.

Turnover of the company in 2021 is EUR 2142 (2095) thousand. The comprehensive income for the period is EUR 14,3 (143,9) million, which is 667,1% (6866,2%) of turnover. Operating loss is EUR 5880 (46) thousand, which is -274,5% (2,2%) of turnover. Equity is 21,8% (18,7%) of total assets and return on equity is 57% (220%).

Statement of comprehensive income has been prepared since 2015 on the basis that certain finance costs may not be deductible for corporate income tax purposes. As a result, comprehensive income of the company includes a tax provision. Finnish Tax Administration executed an income tax audit for the years 2015-2020. A change in the tax provision of EUR 32,7 million has been recorded in the result for 2021 based on the tax rulings received. According to the decisions, since the financing of the CRH group's Finnish companies were done in the beginning with internal loan, finance costs are not tax deductible for that portion, even though the financing has been purely external since 2013. The tax provision of EUR 8 million remaining in the balance sheet concerns the disputed deductibility of financing costs. Tax inspections is pending regarding transfer pricing. The company has filed a claim for but does not expect Finnish Tax Administration to change their view without a court decision.

The company received EUR 72 million from CRH Finland Oy as distribution of funds, which was recorded as a dividend to the statement of comprehensive income. A change in fair value of EUR 72 million was recorded to the shares and CRH Finland Oy.

KEY FINANCIAL FIGURES

	2021	2020	2019
Turnover, thousand	EUR 2 142	EUR 2 095	EUR 2 189
Operating profit, thousand	EUR -5 880	EUR 46	EUR 28
Operating profit of turnover, %	-274	2	1
Profit before taxes, thousand	EUR 82 490	EUR 139 702	EUR -6 616
Profit before taxes of turnover, %	3 850	6 667	-302
Comprehensive income, thousand	EUR 14 292	EUR 143 872	EUR -16 687
Comprehensive income of turnover, %	667	6 866	-762
Equity ratio, %	22	19	-2

Return on equity, %	57	220	-299
Net gearing, %	329	361	-5196

Definitions of key ratios:

$$\text{Equity ratio, \%} = \frac{\text{Total Equity}}{\text{Balance sheet total} - \text{Advance payments received}} \times 100$$

$$\text{Return on Equity, \%} = \frac{\text{Profit before Taxes} - \text{Taxes}}{\text{Total Equity, average}} \times 100$$

$$\text{Net Gearing, \%} = \frac{\text{Net Interest-bearing liabilities}}{\text{Total Equity, average}} \times 100$$

Net Interest-bearing liabilities =

Interest-bearing liabilities – Cash, bank receivables and financial assets excl. restricted cash

INFORMATION REGARDING RELATED PARTY LOANS, LIABILITIES AND GUARANTEES

The company has given a loan of EUR 25 million to related party. Loan period is 5 years. Interest is paid twice a year and loan is paid fully at the end of loan period. Interest is tied mainly to fixed rate or base rate. The loan is unsecured.

The company has borrowed EUR 25 million from related party. Loan period is 5 years. Interest is paid twice a year and loan is paid fully at the end of loan period. Interest is tied mainly to fixed rate or base rate. The loan is unsecured.

PERSONNEL

In December 2021 the company employed 18 (18) persons and all of them being officials. Total employee expenses were EUR 1753 (1608) thousand.

RISKS AND UNCERTAINTIES

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.

2022 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 outlook for 2021 is described as stable. CRH Finland Services Plc has not experienced impact on the business due to Covid-19. According to the current assessment, the crisis in Ukraine and the resulting sanctions, rising energy prices, inflation and interest rates will not have a direct impact on the company's operations. The company has not cooperated with companies or individuals on the sanctions list.

BOARD PROPOSAL FOR PROFIT DISTRIBUTION

On December 31, 2021 CRH Finland Services Plc's comprehensive income statement accounted for a profit of EUR 14 291 604 and distributable equity totaled EUR 159 116 810.

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.-31.12.2021	1.1 - 31.12.2020
TURNOVER		2 142 488	2 095 348
Materials and services	2.	-79 970	-103 886
Employee benefit expenses	3.	-1 752 815	-1 608 330
Depreciation	4.	-13 157	-11 110
Other operating expenses	5.	-6 177 020	-325 527
OPERATING PROFIT		-5 880 474	46 496
Finance income	6.	103 334 849	170 043 687
Finance costs	6.	-14 964 473	-30 388 361
PROFIT BEFORE TAXES		82 489 902	139 701 821
Income taxes	7.	3 629 127	4 580 625
Change of deferred taxes	7.	172 574	-410 822
PROFIT FOR THE FINANCIAL YEAR		86 291 604	143 871 624
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to the statement of income			
Change in fair value of financial assets		<u>-72 000 000</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>14 291 604</u>	<u>143 871 624</u>
Profit attributable to:			
Equity holders of parent company		14 291 604	143 871 624

BALANCE SHEET (IFRS)

	Notes	31.12.2021	31.12.2020
euro			
Assets			
Non-current assets			
Right-to-use assets	8.	81 305	23 069
Financial assets	9.	634 000 000	706 000 000
Receivables	10.	25 000 000	25 000 000
Total non-current assets		659 081 305	731 023 069
Current assets			
Trade receivables and other receivables	11.	77 394 860	42 136 320
Total current assets		77 394 860	42 136 320
Total assets		736 476 165	773 159 389
Equity and liabilities			
Equity attributable to equity holders of the parent company			
Share capital		80 000	80 000
Invested unrestricted equity reserve		50 000 000	50 000 000
Retained earnings		109 116 810	94 825 206
Total equity	12.	159 196 810	144 905 206
Non-current liabilities			
Deferred tax liabilities	13.	318 998	491 572
Provisions	14.	8 000 000	40 700 000
Loans	15.	523 406 043	522 542 846
Lease liability	16.	49 226	16 101
Total non-current liabilities		531 774 266	563 750 519
Current liabilities			
Trade payables	17.	35 697 366	200 012
Current tax liabilities	7.	1 342 792	3 102 081
Accruals and other liabilities	17.	8 464 931	61 201 571
		45 505 089	64 503 664
Total liabilities		577 279 355	628 254 183
Total equity and liabilities		736 476 165	773 159 389

STATEMENT OF CHANGES IN EQUITY (IFRS)

euro	Notes	Attributable to equity holders of the parent company			Total equity
		Share capital	Invested unrestricted equity reserve	Retained earnings	
Equity 1.1.2020		80 000	35 000 000	-49 046 418	-13 966 418
Comprehensive income					
Profit or loss				143 871 624	143 871 624
Total comprehensive income		0	0	143 871 624	143 871 624
Transactions with owners					
Addition to invested unrestricted equity reserve	12.		15 000 000		15 000 000
Total transactions with owners		0	15 000 000	0	15 000 000
Equity 31.12.2020		80 000	50 000 000	94 825 206	144 905 206
Equity 1.1.2021		80 000	50 000 000	94 825 206	144 905 206
Comprehensive income					
Profit or loss				86 291 604	86 291 604
Other comprehensive income					0
Change in fair value of financial assets	9.			-72 000 000	-72 000 000
Total comprehensive income		0	0	14 291 604	14 291 604
Equity 31.12.2021		80 000	50 000 000	109 116 810	159 196 810

CASH FLOW STATEMENT (IFRS)

	1.1.-31.12.2021	1.1.-31.12.2020
euro		
Cash flow from operating activities		
Net income	86 291 604	143 871 624
Adjustments to net profit for the period:		
Depreciations	13 157	11 110
Finance costs	14 965 405	30 389 672
Finance income	-31 334 849	-38 836 515
Dividend income	-72 000 000	-131 207 172
Change in fair value of financial assets	-72 000 000	0
Taxes	-3 801 702	-4 169 802
Changes in working capital:		
Change in trade receivables and other receivables	-42 758 540	-3 082 282
Change in trade payables and other liabilities	-41 708 935	60 039 621
Financial items and taxes:		
Interests paid	-14 101 276	-33 101 969
Interests received	334 849	338 348
Financial income	110 500 000	168 207 172
Taxes paid	-6 385 947	-3 317 617
Net cash flow from operating activities	-71 986 234	189 142 189
Cash flow from investing activities		
Dividends received	72 000 000	0
Net cash flow from investing activities	72 000 000	0
Cash flow from financing activities		
Addition to invested unrestricted equity reserve	0	15 000 000
Bond repayment	0	-750 000 000
Payments from bond issue	0	496 976 816
Lease payments	-13 766	-12 487
Net cash flow from financing activities	-13 766	-238 035 671
Net change in cash and cash equivalents	0	-48 893 482
Cash and cash equivalents at beginning of period	0	48 893 482
Cash and cash equivalents at end of period	0	0

NOTES TO THE FINANCIAL STATEMENTS

1. 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 Hatsinanpuisto 8, 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 28th April 2022. 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, as the bond issued by the company is publicly traded on a stock exchange subject to the legislation of a state belonging to the European Economic Area. CRH Finland Services Plc. has no subsidiaries, so it does not prepare consolidated financial statements.

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, safety 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 31.12.2021. New standards, changes or interpretations that has come into effect in the accounting period starting 1.1.2021 haven't had significant effect on company's accounting practices.

Critical accounting estimates and judgements

When the financial statements are drawn up in accordance with the IFRS, the company's management has 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 currently available information. IFRS dictates accounting treatment of a particular transaction and management's judgement is then not required. The application of accounting policies also requires management's judgement. Management discusses estimates and assumptions with key resources regularly. The actual amounts may differ from these estimates. Assessment has been used in provisions and valuation of shares when drawing up the financial statements.

Revenue and sales recognition

Revenue contains service charges from group companies. The company recognizes revenue on an accrual basis. It excludes trade discounts and value added tax. Geographical distribution of turn over consists mainly of Finland.

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 items are recorded as financial income.

Pension schemes

The company currently has only contribution-based pension schemes. Within contribution-based pension schemes payments are made based on fixed rates to separate entity. The company does not have legal or actual obligations for additional payments if the separate entity does not have sufficient assets to fulfil the benefits related work performed in the current or prior accounting periods. The contribution-based pension

schemes are recognized in the income statement for the accounting period during such contributions are paid.

Share-based payments

The company is involved in CRH-group's incentive schemes where payments are made either in instruments of equity or cash. The impact of the schemes on profit or loss is immaterial and is presented in the statement of comprehensive income as part of employee benefit expenses.

Leases

The leases of the company are related to premises used for business activities, company cars and IT hardware. Part of the leases are fixed term (term less than 4 years) and some of them are valid until further notice (notice period less than 12 months). The company recognizes 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 recorded to comprehensive income. Lease liability deducts with capital payments. The payments of capital part of lease liability are presented as part of cash flow from financing activities. The payments of interest part of lease liability are presented as part of interests paid in the cash flow from operating activities. The lease term is defined as the period when the lease is non-cancellable. The company applies two available exemptions, which are recognition of short-term lease (lease term or the mutual notice period of the future notice leases is less than 12 months) and low-value assets (equipment value less than EUR 10000). 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.

Operating profit

Operating profit is the item in the statement of comprehensive income which calculated by deducting operating expenses from the turnover.

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. 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. 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.

Through regular assessments of income tax positions, management seeks to identify situations involving uncertainty in the interpretation of tax provisions. Provisions for these uncertain tax positions are recognized when it is considered more likely than not that the positions will be challenged by the tax authorities. The provision recognized is based on the estimation of the amount of the final taxes to be paid to the tax authorities.

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.

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 assets are classified as current if their maturity does not exceed 12 months from the reporting date.

Financial asset valued at amortized cost

Financial assets are classified as valued at amortized cost if the asset is held based on an agreement collecting cash flow and the cash flow is exclusively equity or interest payment. Asset is recorded at first with fair value deducted by transaction cost and later with amortized cost by applying the effective interest rate method. Interest income is recorded to finance income in the statement of comprehensive income. 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 asset 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 statement of comprehensive income.

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 not held for trading purposes. Financial assets are valued at fair value by using discounted redemption value, which is based on estimated redemption date.

Write-off of financial assets

Write-off of financial asset is recorded 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 recorded 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. The company applies simplified approach allowed by IFRS 16 to expected credit risk of trade receivables. It states that, on initial recognition of a receivable, the related loss deduction must always be valued at the amount corresponding to the expected credit losses over the validity of the receivable.

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.

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.

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

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

Market risk

The company 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. There were not any Cash and cash equivalents at the year-end but significant group receivables and credit limits granted by CRH plc. Management has not identified any single significant liquidity risk concentrations.

Financial liabilities are unsecured 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, other fees and repayments, EUR thousand.

Financial liabilities	2021	2022	2023	2024	2025	2026
Loan repayment	0	0	-500 000	0	0	0
Interest	-4 375	-4 375	-3 704	0	0	0
Guarantee fees	-4 018	-4 018	-3 402	0	0	0
	-8 393	-8 393	-507 106	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. The operation of CRH Finland Services Plc. is related to operations of group companies and their ability to generate cashflow. 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 of the bond. Credit rating of CRH Plc. is BBB+ / Baa1 / BBB+.

Capital management

The objective of capital management is to follow and support the strategy of CRH Group, where is maintained a strong credit rating to support its business and to create shareholder value by managing the balance of debt and equity and the cost of capital.

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2. Materials and services	2021	2020
External services	79 970	103 886
	<u>79 970</u>	<u>103 886</u>

3. Employee benefit expenses

<i>Number of employees in the company at year-end</i>	2021	2020
Personnel	18	18
	<u>18</u>	<u>18</u>

<i>Salaries</i>	2021	2020
Wages and salaries	1 479 919	1 330 553
Share-based payments	-24 091	49 476
Pension costs: Defined contribution plans	255 711	197 481
Other personnel expenses	41 276	30 820
	<u>1 752 815</u>	<u>1 608 330</u>

4. Depreciation

	2021	2020
Impairment of non-current assets	0	-590
Depreciation, equipment, right-of-use asset	13 157	11 700
	<u>13 157</u>	<u>11 110</u>

5. Other operating expenses

	2021	2020
Administrative	97 357	83 211
Facilities	77 070	64 066
Consultation	11 993	10 788
Equipment expenses	113 832	108 818
Tax penalties	5 838 724	0
Other expenses	38 045	58 644
	<u>6 177 020</u>	<u>325 527</u>

Facility expenses include lease expenses which contracts are valid until future notice and mutual notice period is less than 12 months. Equipment expenses include leases of low-value assets.

Auditors' fees

	2021	2020
Auditing fees	11 093	12 000
Other fees	530	519
	<u>11 623</u>	<u>12 519</u>

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6. Finance income and costs

	2021	2020
Finance income		
Group contribution	31 000 000	38 500 000
Other finance income	334 849	336 515
Total finance income	31 334 849	38 836 515
Dividend income		
From group companies	72 000 000	131 207 172
Total dividend income	72 000 000	131 207 172
Total finance income	103 334 849	170 043 687
Finance costs		
Interest on loans	5 542 363	15 231 912
Guarantee fees	4 018 000	14 724 165
Other finance costs	5 404 109	432 284
Total finance costs	14 964 473	30 388 361
Total finance income and costs	88 370 376	139 655 326

7. Income taxes

	2021	2020
Current taxes	-4 626 658	-4 249 875
Taxes from previous fiscal years	-24 444 214	0
Other taxes	32 700 000	8 830 500
Change of deferred taxes	172 574	-410 822
Total	3 801 702	4 169 802

Current taxes cover income taxes for the financial year. Taxes for previous fiscal years includes decisions of income tax adjustments for years 2015-2020. Other taxes includes the change of tax provision (see note 14).

Deferred tax liability has been calculated with the tax rate valid at closing date.

Reconciliation of income tax

Profit before taxes	82 489 902	139 701 821
Temporary differences	863 196	-2 002 011
Tax-free income	-72 000 000	-131 207 172
Non-deductible expenses and	11 765 193	14 733 258
Taxable income	23 118 291	21 225 896

Temporary differences are due to transaction costs arising from bond issue.
There are no taxes recorded directly to equity.

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8. Right-to-use assets, equipment and machinery

Cost 1.1.2021	36 015
+ Additions	71 393
- Disposals	0
Reclassifications	0
Cost 31.12.2021	107 408
Accumulated depreciation according to plan 1.1.2021	-12 946
Accumulated depreciation of disposals	0
Depreciation	-13 157
Remeasurements	0
Accumulated depreciation according to plan 31.12.2021	-26 103
Carrying amount 31.12.2021	81 305
Carrying amount 1.1.2021	23 069

Cost 1.1.2020	75 305
+ Additions	25 545
- Disposals	-64 835
Reclassifications	0
Cost 31.12.2020	36 015
Accumulated depreciation according to plan 1.1.2020	-23 910
Accumulated depreciation of disposals	22 665
Depreciation	-11 701
Remeasurements	0
Accumulated depreciation according to plan 31.12.2020	-12 946
Carrying amount 31.12.2020	23 069
Carrying amount 1.1.2020	51 395

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9. Long-term financial assets

	2021	2020
Cost at 1.1.	706 000 000	706 000 000
Cost at 31.12.	<u>706 000 000</u>	<u>706 000 000</u>
Accumulated changes in fair value 31.12.2021	0	0
Impairment of fair value	-72 000 000	-72 000 000
Accumulated changes in fair value 31.12.2022	-72 000 000	-72 000 000
Carrying amount 31.12.	634 000 000	634 000 000
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 voteless and measured as financial asset valued at fair value through other comprehensive income. Shares are according to IFRS 9 and they are not held for trading purposes. Shares are valued at fair value, which is discounted redemption value (discount rate 5,5 %) based on estimated date of redemption (end of year 2023). Valuation led to a change of EUR 72 million in fair value. The change in fair value is due to management's update on estimate of the time of redemption. 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 Ltd, PL 98 (Hatsinan puisto 8, 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.
- Detailed information about the share terms can be found from CRH Finland Oy's articles of association.
- The amount of cumulative preference dividends not recognised: EUR 239,9 million
- CRH Finland Ltd reduced its share capital by EUR 72 million and removed the nominal value of the shares in 2021. The reduction of share capital was recorded to the B-shares and it was transferred to the Invested unrestricted equity reserve, from where it was paid to CRH Finland Services Oyj as distribution of funds. CRH Finland Services recorded distribution of funds as a dividend to the statement of comprehensive income.

CRH Finland Ltd financial position (FGAAP):

	2021	2020
Equity	635 198 049	707 207 059
Profit/loss	-9 010	131 124

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10. Non-current receivables

	31.12.2021	31.12.2020
Group receivables		
Loan receivables	25 000 000	25 000 000
Total	25 000 000	25 000 000
Total non-current receivables	25 000 000	25 000 000

Information about group receivable

Currency	Nominal value	Maturity date	Interest
EUR	25 000 000	21.11.2024	euribor + 1,32%

The company has given a loan to CRH group company Rudus Oy on 30.12.2019.

Loan matures in full 21.12.2024

Loan interest is euribor +1,32 % which is with current interest level annually EUR 334 583.

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

Interest is paid twice a year.

11. Current receivables

	31.12.2021	31.12.2020
Group receivables		
Trade receivables	195 404	0
Other receivables	77 199 456	42 136 320
Total Group receivables	77 394 860	42 136 320

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

External receivables

Other receivables	2	0
Total	2	0

Total current receivables	77 394 862	42 136 320
----------------------------------	-------------------	-------------------

Age distribution of trade receivables

Unmatured trade receivables	195 404	0
Trade receivables matured		
1-30 days matured trade receivables	0	0
31-60 days matured trade receivables	0	0
over 60 days matured trade receivables	0	0
	195 404	0

The fair value of trade receivables and other receivables does not differ from the balance sheet value. Receivables do not carry significant credit risks.

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12. Equity

	31.12.2021	31.12.2020
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.	50 000 000	35 000 000
Addition to invested unrestricted equity reserve	0	15 000 000
Invested unrestricted equity reserve 31.12.	<u>50 000 000</u>	<u>50 000 000</u>
Retained earnings 1.1.	94 825 206	-49 046 418
Profit for the financial year	14 291 604	143 871 624
Retained earnings 31.12.	<u>109 116 810</u>	<u>94 825 206</u>
Total unrestricted equity	<u>159 116 810</u>	<u>144 825 206</u>
Total equity	<u><u>159 196 810</u></u>	<u><u>144 905 206</u></u>

Equity consists of share capital, invested unrestricted equity reserve and retained earnings. Earnings for the financial year is recorded to retained earnings.

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 equal rights to dividends. The subscription price has been paid entirely. No change in the amount of shares during the period. No non-controlling interests.

Distributable shareholders' equity

<i>Calculation of distributable shareholders' equity</i>	31.12.2021	31.12.2020
Retained earnings	94 825 206	-49 046 418
Profit for the financial year	14 291 604	143 871 624
Invested unrestricted equity reserve	50 000 000	50 000 000
	<u>159 116 810</u>	<u>144 825 206</u>

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

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13. Deferred tax assets and liabilities

Changes in deferred taxes in 2021:

				31.12.2021
Deferred tax assets				16 261
		Recorded in	Recorded in	
		income statement	other	
		at profit or loss	comprehensive	
			income	
Deferred tax assets	1.1.2021			31.12.2021
Right-to-use assets, equipment and machinery	4 614	11 647	0	16 261
Total	4 614	11 647	0	16 261
Deductible losses of which hasn't recorded deferred tax asset				0
Deferred tax liability				31.12.2021 335 259
		Recorded in	Recorded in	
		income statement	other	
		at profit or loss	comprehensive	
			income	
Deferred tax liabilities	1.1.2020			31.12.2021
Financial liabilities	-491 431	172 639	0	-318 792
Lease liability	-4 755	-11 712	0	-16 467
Total	-496 186	160 927	0	-335 259

Changes in deferred taxes in 2020:

				31.12.2020
Deferred tax assets				4 614
		Recorded in	Recorded in	
		income statement	other	
		at profit or loss	comprehensive	
			income	
Deferred tax assets	1.1.2020			31.12.2020
Right-to-use assets, equipment and machinery	10 279	-5 665	0	4 614
Total	10 279	-5 665	0	4 614
Deductible losses of which hasn't recorded deferred tax asset				0
Deferred tax liability				31.12.2020 496 186
		Recorded in	Recorded in	
		income statement	other	
		at profit or loss	comprehensive	
			income	
Deferred tax liabilities	1.1.2020			31.12.2020
Financial liabilities	-80 497	-410 934	0	-491 431
Lease liability	-10 532	5 777	0	-4 755
Total	-91 029	-405 157	0	-496 186

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14. Provisions

	2021	2020
Provisions 1.1.	40 700 000	49 530 500
Additions	<u>-32 700 000</u>	<u>-8 830 500</u>
Provisions 31.12.	8 000 000	40 700 000

Comprehensive income of 2021 includes change of tax provision of EUR 32 700 000 due to recorded tax adjustments. According to the decisions (2015-2020), since the financing of the CRH group's Finnish companies were done in the beginning with internal loan, finance costs are not tax deductible for that portion, even though the financing has been purely external since 2013.

Total provision of EUR 8 000 000 is related that certain financing costs may not be deductible for corporate tax purposes because tax inspections is pending regarding transfer pricing and company does not expect Finnish Tax Administration to change their view regarding deductibility of finance costs without court decision.

Uncertain income tax positions are evaluated separately on each financial closing with best information available. Changes in circumstances are noted.

15. Loans carried at amortised cost

	31.12.2021	31.12.2020
Bond	498 406 043	497 542 846
Group loan	<u>25 000 000</u>	<u>25 000 000</u>
	523 406 043	522 542 846

Information about the bond

Currency	Nominal value	Maturity date	Coupon rate
EUR	500 000 000	5.11.2023	0,875 %

Company issued the bond on 5.5.2020. 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: XS2169281131

Guarantor: CRH Plc. Bond matures in full 5.11.2023.

Coupon rate p.a. is 0,875 % which is annually EUR 4 375 000.

Coupon interest is paid annually 5.11. until the maturity date. Divider for accrued interest in the statement of comprehensive income is 365.

More details can be found on CRH Plc's internetpage www.crh.com.

Information about group payable

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

The company has taken a loan from CRH group company Opterra Wossingen GmbH - Irish Branch on 17.12.2019.

Loan matures in full 11.12.2024

Loan interest is euribor +1,2 % which is with current interest level annually EUR 304 167.

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

	2021	2020
Interest-bearing loans 1.1.	522 542 846	25 000 000
Changes in cash flow	0	500 000 000
Accrued acquisition cost	<u>863 196</u>	<u>-2 457 154</u>
Interest-bearing loans 31.12.	523 406 043	522 542 846

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16. Leases

	31.12.2021	31.12.2020
Lease liability		
1.1.	23 775	52 660
Additions	71 393	25 545
Disposals	0	-42760
Paid	-13 766	-12 487
Discounting	934	818
31.12.	82 335	23 777

Maturity of lease liability

Current liabilities	33 109	7 674
Non-current liabilities	49 226	16 101
	<u>82 335</u>	<u>23 775</u>

Included in statement of Comprehensive Income

- Depreciations and remeasurements	13 157	11 701
- Discounting	932	818
- Low-value and short-term leases	79 077	68 269
	<u>93 166</u>	<u>80 788</u>

Information regarding right-to-use assets is presented in note 8.

All records of lease liability and right-to-use assets are related to company cars.

17. Current liabilities

	31.12.2021	31.12.2020
Group liabilities		
Accounts payable	19 228	198 217
Interest	12 500	12 500
Other payable	6 929 772	59 904 217
	<u>6 961 500</u>	<u>60 114 934</u>

External liabilities

Lease liability	33 109	7 674
Accounts payable	11 362	1 795
Tax liabilities	35 666 776	0
Other liabilities	100 597	107 019
Accruals	2 731 746	4 272 242
	<u>38 543 589</u>	<u>4 388 730</u>

Essential items included in accruals

Personnel expenses	701 624	428 546
Interest	669 399	669 399
Taxes	1 342 792	3 102 081
Other	17 930	72 216
	<u>2 731 746</u>	<u>4 272 242</u>

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18. Financial assets and liabilities by valuation classes

Values 31.12.2021	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			634 000 000	634 000 000	634 000 000	3
Group receivable	25 000 000			25 000 000	25 000 000	3
Current financial assets						
Accounts receivable and other receivables	77 394 860			77 394 860		
Cash and cash equivalents	0			0		
Value by item groups	102 394 860	0	634 000 000	736 394 860		
Non-current financial liabilities						
Loans	498 406 043			498 406 043	508 630 000	1
Group payable	25 000 000			25 000 000	25 000 000	3
Lease liability	49 226			49 226		
Current financial liabilities						
Ostovelat ja muut velat	35 697 366			35 697 366		
Accounts payable and other liabilities	9 807 724			9 807 724		
Value by item groups	568 960 358	0	0	568 960 358		
Values 31.12.2020						
	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	42 136 320			42 136 320		
Value by item groups	67 136 320	0	706 000 000	773 136 320		
Non-current financial liabilities						
Loans	497 542 846			497 542 846	513 800 000	1
Group payable	25 000 000			25 000 000	25 000 000	3
Lease liability	16 101			16 101		
Current financial liabilities						
Ostovelat ja muut velat	200 012			200 012		
Accounts payable and other liabilities	64 303 652			64 303 652		
Value by item groups	587 062 611	0	0	587 062 611		

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

Changes of Instruments in Level 3

	Fair value through comprehensive income
Opening balance 1.1.2021	706 000 000
Gains and losses recognized in comprehensive income	-72 000 000
Closing balance 31.12.2021	634 000 000
Opening balance 1.1.2020	706 000 000
Closing balance 31.12.2020	706 000 000

The fair value of Instruments in Level 3 is defined and checked annually. Discount rate applied is from the five-year plan of CRH group and discount period follows the financing plan.

Sensitivity analysis of Instruments in Level 3

Change of one per cent would have improved or decreased the comprehensive income according to table below

	-1%	+1%
Change in discount rate		
Change in fair value	12 505 346	-11 548 546

The sensitivity analysis assumes that the other variables remain unchanged.

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19. 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 and their close ones. The company has not lent funds to the top management, and the company has no transactions with the top management.

Related party transactions	2021	2020
Sales	2 142 488	2 095 348
Purchases	157 652	358 687
Finance income	103 334 835	170 043 687
Finance cost	4 322 167	15 029 165
Receivables	102 394 858	67 136 320
Liabilities	31 961 500	85 114 934

Transactions with related parties have been carried out on market terms.

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. Board of directors does not have any defined benefit plans.

20. Events after balance sheet date

The company has no material events after the balance sheet date.

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SIGNATURES OF THE FINANCIAL STATEMENTS AND BOARD OF DIRECTORS' REPORT

Espoo, 28th April 2022

DocuSigned by:
Oliver Mahon
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Oliver Mahon
Chairman of the Board

DocuSigned by:
Sami Myllyniemi
71558B20B57E4AD...

Sami Myllyniemi
Member of the Board

DocuSigned by:
Mikael Fjäder
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Mikael Fjäder
Member of the Board

THE AUDITOR'S NOTE

Our auditors' report has been issued today.

In Turku, _____

Deloitte Oy, auditing firm

Liisa Mäkikangas, KHT

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

General ledger		Storage method: Electronically archived
General journal		Electronically archived
Financial statement		Electronically archived
Balance sheet specifications		Electronically archived

Voucher type:		Storage method:
Journal entry	13,14, 9	Electronically archived
Sales	39	Electronically archived
Purchases	21, 22, 45, 46	Electronically archived
Payroll	50, 51	Electronically archived
Banking	60, 8	Electronically archived

Original purchase invoices received on paper are kept on paper by the accounting officer. If the paper invoice has been scanned, the invoice will only be stored in electronically archive.

The original supporting documents attached to the travel expenses are kept on paper by the accounting officer. If the paper invoice has been scanned, the invoice will only be stored in electronically archive.

Attachments	Electronically archived
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Accounting is done with Talenom KP4.0 accounting software.
Bank documents are transferred daily from the banking program to the accounts.
Back-ups are on the CD-ROM.

AUDITOR'S REPORT (Translation of the Finnish Original)

To the Annual General Meeting of CRH Finland Services Oyj

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CRH Finland Services Oyj (business identity code 2553762-1) for the year ended 31 December, 2021. The financial statements comprise the statement of comprehensive income, balance sheet, 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, financial performance and 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 the 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 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.

Key audit matter	How our audit addressed the key audit matter
<p>Provisions</p> <p>Refer to Note 14.</p> <ul style="list-style-type: none"> The balance sheet includes a provision amounting 8,0 million euros regarding tax deductibility of the financing cost. Estimation and judgment are required in determining the provision. <p>This matter is a significant risk of material misstatement referred to in EU Regulation No 537/241, point (c) of Article 10(2).</p>	<ul style="list-style-type: none"> We have involved tax specialists to assess and analyse the information, management's assumptions and estimates used to determine the tax provision. We have tested the mathematical accuracy of the provision calculation. We have evaluated the appropriateness of the presentation and the adequacy of the disclosures in the financial statements.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is 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 comply with statutory requirements. The Board of Directors is 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 is responsible for assessing the parent company's and the group'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.

- 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 June 27, 2019 and our appointment beginning January 1, 2020 represents a total period of uninterrupted engagement of two years.

Other Information

The Board of Directors is 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, April 29, 2022

Deloitte Oy
Audit Firm

Liisa Mäkikangas
Authorised Public Accountant (KHT)