CRH FUNDING B.V.

ANNUAL REPORT

FOR THE PERIOD ENDED
31 DECEMBER 2022

Registered with the Chamber of Commerce in The Netherlands under number: 57502536

CONTENTS

1 DIRECTORS' REPORT

1.1 General

The principal business activities of CRH Funding B.V. ("the Company") consist of the supply or to procure the supply of finance to affiliated companies, as well as to draw or to procure the drawing of funding. The Company is a wholly owned subsidiary of CRH Nederland B.V., registered in Rijswijk ZH, The Netherlands and has its business office at De Klencke 10, 1083 HL, Amsterdam. The ultimate parent company is CRH plc, registered in 42 Fitzwilliam Square, Dublin 2, Ireland. CRH Funding B.V. is included in the consolidated financial statements of CRH plc. These latter financial statements can be obtained in the registered office of CRH plc in Ireland. They are also available at www.crh.com. The Company has been incorporated since March 19th, 2013.

1.2 2022 Results

The Company has participated as an "Issuer" in the CRH Euro Medium Term Note Programme ("EMTN Programme") guaranteed by a corporate guarantee by CRH plc.

The result for the year is a profit of €727 thousand. This profit is mainly driven by the interest income earned on intercompany loans, reduced by the interest expenses regarding the bond loan and guarantee fees.

1.3 Outlook for 2023 and beyond

The Company may issue notes under the EMTN Programme when one is in place, as it has in the past. The Company may also enter into syndicate loan facilities guaranteed by CRH plc. The Company may lend to other members of the CRH plc group of companies (the "CRH Group").

The Directors consider the position of the Company to be strong at year end. Cash at year end is nil, but the Company can draw cash from the Group cash pool for immediate expenses. Furthermore, the Company can draw on support and guarantees provided by CRH plc to enhance their position. The Directors do not anticipate any major change in the nature of the Company's business in the foreseeable future.

1.4 Statement of Directors' Responsibilities

Company law in the Netherlands requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements of the Company, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent, and
- Comply with Title 9 of book 2 Dutch Civil Code, and
- Comply with applicable International Financial Reporting Standards as adopted by the European Union ("EU-IFRS"), subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements of the Company are prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

1.5 Personnel

The company had no personnel employed in 2022 (2021: nil).

1.6 Risk management

The Board of Directors refers to note "Capital and Financial Risk Management" as included in the financial statements for a report on the Company's risk management.

The Directors signing the Annual Accounts are directors of CRH Nederland B.V., remunerated by CRH Nederland B.V..

1.7 Principal Risks and Uncertainties

Under Title 9 of Book 2 of the Dutch Civil Code and Regulation 5(4)(c)(ii) of the Transparency (Directive 2004/109/EC) Regulations 2007, the Group is required to give a description of the principal risks and uncertainties which it faces. These risks and uncertainties reflect the international scope of the Group's operations and the Group's decentralised structure.

These risks are set out below.

The financial performance of the Company is affected by borrower credit quality and general economic conditions
Risks arising from changes in credit quality and the recoverability of loans and amounts due from other Group companies are inherent in the Company's business. Adverse changes in the credit quality of the Company's borrowers or in general deterioration in economic conditions, or arising from systematic risks in the financial system, could affect the recoverability and value of the Company's assets and require a provision for expected credit loss or other provisions.
The current and desired risk profile are assessed as low.

Changes in interest rates affect the Company's business
The most significant market risks the Company faces are interest rate risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs and could result in decreased finance income or lead to volatility associated with changes in fair value materially differing from the carrying amount.
The current and desired risk profile are assessed as low.

Russia - Ukraine conflict
The conflict between Russia and Ukraine impacted the globe. The Company does not have a direct footprint in Russia or Ukraine and the Company's activities are not directly impacted by the conflict. The operations of CRH plc in Ukraine have not been (significantly) impacted by this conflict.

The current and desired risk profile are assessed as low.

1.8 Going concern

The Company has access to considerable financial resources and forms part of a wider Group which holds a strong financial position. Having assessed the relevant business risks, the Directors believe that the Company is well placed to manage these risks successfully, and they have a reasonable expectation that the Group as a whole has adequate resources to continue operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Going concern review

The Company's long-term external debt, mainly comprises bonds totalling €1,3 billion which are guaranteed by CRH plc. CRH plc maintains a strong long-term Credit Rating, best in sector as stated by Standard & Poor's (BBB+), Moody's (Baa1) and Fitch (BBB+). Therefore, the CRH Funding B.V. Board of Directors believes the Group continues to have a strong financial basis for current and future obligations.

To the best of the CRH Funding B.V. Board of Directors' knowledge the financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss for the financial period and the Directors' report gives a true and fair view of the situation at the balance sheet date and the development of the business during the financial period of the Company.

Amsterdam, 28 March 2023

On behalf of the Directors

R.G.M. Pillen	A.J. Bakker
____________________	____________________
CRH Nederland B.V.	CRH Nederland B.V.
Director	Director
R.G.M. Pillen	A.J. Bakker
Director	Director

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Related to auditor's report
dated 28 March 2023.

FINANCIAL STATEMENTS

2 FINANCIAL STATEMENTS

2.1 Statement of Profit or Loss

for the financial year ended 31 December 2022	Notes	2022	2021
		€'000	€'000
Interest income	2.8.1	36.000	35.866
Interest expense	2.8.1	(24.774)	(24.810)
Net interest income		**11.226**	**11.056**
Operating costs	2.8.2	(10.246)	(10.252)
Operating result		**980**	**804**
Result before tax		**980**	**804**
Income tax expense	2.8.5	(253)	(201)
Result for the financial year		**727**	**603**

2.2 Statement of Comprehensive Income

for the financial year ended 31 December 2022		
Result for the financial year	**727**	**603**
Other comprehensive income for the year	-	-
Total comprehensive income for the financial year	**727**	**603**
Attributable to:		
Equity holders of the Company	**727**	**603**

* The accompanying notes form an integral part of the financial statements.

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2.3 Statement of Financial Position

for the financial year ended 31 December 2022	Notes	2022 €'000	2021 €'000
ASSETS			
Non-current assets			
Interest-bearing loans to related parties	2.8.6	1.340.000	1.340.000
Total non-current assets		**1.340.000**	**1.340.000**
Current assets			
Current receivables	2.8.7	28.873	28.936
Total current assets		**28.873**	**28.936**
TOTAL ASSETS		**1.368.873**	**1.368.936**
EQUITY			
Equity share capital	2.8.8	10	10
Share premium	2.8.8	70	70
Retained income	2.8.8	3.388	2.661
Shareholders' equity		**3.468**	**2.741**
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	2.8.9	1.344.295	1.342.903
Total non-current liabilities		**1.344.295**	**1.342.903**
Current liabilities			
Interest on interest-bearing loans and borrowings	2.8.9	18.941	18.996
Other payables	2.8.10	2.169	4.296
Total current liabilities		**21.110**	**23.292**
Total liabilities		**1.365.405**	**1.366.195**
TOTAL EQUITY AND LIABILITIES		**1.368.873**	**1.368.936**

* The accompanying notes form an integral part of the financial statements.

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2.4 Statement of Changes in Equity

for the financial year ended 31 December 2022

	Share capital	Share premium	Retained income	Total
	€'000	€'000	€'000	€'000
Balance at 31 December 2020	10	70	2.058	2.138
Result for the financial year	-	-	603	603
Balance at 31 December 2021	**10**	**70**	**2.661**	**2.741**
Result for the financial year	-	-	727	727
Balance at 31 December 2022	**10**	**70**	**3.388**	**3.468**

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2.5 Statement of Cash flows

for the financial year ended 31 December 2022

	Notes	2022	2021
		€'000	€'000
Cash flows from operating activities			
Result before tax		980	804
Amortisation upfront fees non-current liabilities		1.392	1.392
Adjustment for net interest income		(11.226)	(11.056)
Net movement on working capital		(2.380)	5.671
Interest received		36.063	27.800
Interest paid		(24.829)	(24.832)
Corporation tax received		-	220
Net cash flows from operating activities		**-**	**(1)**
Cash flows from investing activities			
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Net cash flows from financing activities		-	-
Movement in cash and cash equivalents		-	(1)
Reconciliation of opening to closing cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		-	1
Movement in cash and cash equivalents		-	(1)
Cash and cash equivalents at the end of the year		-	-

* The accompanying notes form an integral part of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

2.6 General

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2.7 Accounting Policies

Statement of compliance

The financial statements of the Company have been prepared in accordance with Title 9 of book 2 of the Dutch Civil Code and International Financial Reporting Standards (IFRS) as adopted by the European Union (in accordance with Article 362 clause 8, Title 9 of Book 2 of the Dutch Civil Code), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Board of Directors on 28 March 2023.

Going concern

These financial statements have been prepared on a going concern basis. The public bond of € 600 million has its final maturity on January 9th, 2024. As per note 2.8.6, interest bearing loans to related parties amounting to €597 million in aggregate will be repaid ultimately on January 9th, 2024 which proceeds will be used for the repayment of the € 600 million public Euro Bond. As additional guarantee, the ultimate parent company, CRH Plc, has provided letters of financial support to the Company for the interest-bearing loans to related parties for the coming twelve months and CRH Plc has guaranteed the payment obligation due under the issued bonds debt of CRH Funding B.V.. (see also note 2.8.2).

Basis of preparation

The Financial Statements, which are presented in euro thousands, have been prepared under the historical cost convention as modified by the measurement at fair value of certain financial assets and liabilities (if any).

Fair value measurements

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: valuation techniques for which the lowest level of inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and Level 3: valuation techniques for which the lowest level of inputs that have a significant effect on the recorded fair value are not based on observable market data.

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

Adoption of IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements.

	EU effective date periods beginning on or after
Amendments to IFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract	1 April 2022
Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards - Annual Improvements to IFRSs 2018-2020 Cycle: Subsidiary as a First-Time Adopter	1 January 2022
Amendments to IFRS 9 Financial instruments - Annual Improvements to IFRSs 2018-2020 Cycle: Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
Amendments to IAS 41 Agriculture - Annual Improvements to IFRSs 2018-2020 Cycle: Taxation in Fair Value Measurements	1 January 2022
Amendment to IFRS 16 Leases - the illustration of the reimbursed of leasehold improvements.	1 January 2022

IFRS and IFRIC interpretations being adopted in subsequent years

The Company is currently evaluating the impact of the following new standards and amendments to existing standards, but does not expect any of the new standards and amendments to have a material impact.

	EU effective date periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	1 January 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendment to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to IFRS 17 Insurance Contracts	1 January 2023
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	date is unknown

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Key Accounting Policies which involve Estimates, Assumptions and Judgments

The preparation of the Financial Statements in accordance with IFRS requires Management to make certain estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates, assumptions and judgments upon which it relies are reasonable based on the information available to it at the time that those estimates, assumptions and judgments are made. In some cases, the accounting treatment of a particular transaction is specifically dictated by IFRS and does not require Management's judgment in its application.

Management considers that their use of estimates, assumptions and judgments in the application of the Company's accounting policies are inter-related and therefore discuss them together below. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances or experiences on which the estimate was based or as a result of new information. The critical accounting policies which involve significant estimates or assumptions or judgments, the actual outcome of which could have a material impact on the Company's results and financial position outlined below are as follows:

Impairment

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The company generally assumes a significant increase in credit risk when a receivable is more than 30 days overdue.

Reference is made to note 2.8.11.

Other Significant Accounting Policies

Financial assets (Interest-bearing loans to related parties)

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, the Company's financial assets are classified in the following category:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired; or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.
A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgment of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.
Current tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current receivables

Current receivables are financial assets measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are classified as financial assets measured at amortised cost. Bank overdrafts are included within current interest-bearing loans and borrowings in the Statement of Financial Position. Where the overdrafts are repayable on demand and form an integral part of cash management, they are netted against cash and cash equivalents for the purposes of the Statement of Cash Flows.

Financial liabilities (Interest-bearing loans and borrowings)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, the Company's financial liabilities are classified in the following category:
• Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit or Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Foreign currency translation

The Financial Statements are presented in euro, which is the functional and presentation currency of the Company.

The Company's transactions and monetary assets and liabilities are all denominated in euro.

Statement of cash flows

The cash flows from operating activities are prepared using the indirect method. Interest paid and received is presented as part of operating cash flows.

2.8 Notes to the Statement of Profit or Loss and Statement of Financial Position

2.8.1 Finance Costs & Finance Income

	2022	2021
	€'000	€'000
Interest receivable on loans to related parties*	36.000	35.866
Interest payable on borrowings**	(24.774)	(24.810)
Net interest income	11.226	11.056

*Finance income from related parties, see also note 2.9.

**Interest is paid to the bondholders.

2.8.2 Operating Costs and auditor's remuneration

	2022	2021
	€'000	€'000
Guarantee fees*	(10.153)	(10.153)
Other **	(91)	(99)
Total operating costs	(10.242)	(10.252)

* The annual guarantee fee is a fixed % (€750 million bond 0,8337%; €600 million bond 0,65%) and is payable on 31 December each year. The fee is payable to CRH plc because of the guarantee that is provided by CRH plc to the bondholders so that CRH Funding B.V. would be able to attract funds at favourable interest.

** Including audit fees of €70.950 (2021: €73.500) for the audit of the statutory financial statements.

2.8.3 Personnel

During the financial period and previous financial period, the company had no personnel employed. In the income statement, no costs have been taken in regards to wages, salaries and pensions.

2.8.4 Directors' remuneration

CRH Nederland B.V. is the sole shareholder and director of the company. CRH Nederland B.V. does not receive any (deferred) compensation or benefit for its board membership.

2.8.5 Income tax

By resolution dated April 19, 2013 the Company is, effectively as from March 19, 2013, a member of a Dutch fiscal unity for Corporate Income Tax headed by CRH International B.V.; the standard conditions stipulate that each of the companies is liable for the income tax payable by all companies belonging to the fiscal unity.

	2022	2021
	€'000	€'000
Current tax expense	(253)	(201)
Tax expense for the year	(253)	(201)

Reconciliation of applicable tax rate to effective tax rate:

	2022	2021
Result before tax	980	804
Corporate income tax expressed as a % of result before tax (effective tax rate):		
- current income tax only	25,8%	25,0%
- deferred tax	0,0%	0,0%
- total income tax (current and deferred)	25,8%	25,0%

The following table reconciles the applicable Dutch statutory tax rate to the effective tax rate (current and deferred)

	2022	2021
Dutch corporation tax rate	25,8%	25,0%
Other items (items not chargeable to tax/expenses not deductible for tax)	0,0%	0,0%
Total effective tax rate	**25,8%**	**25,0%**

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2.8.6 Interest-bearing loans to related parties

Non-current assets

	2022	2021
	€'000	€'000
Loans to related parties	1.340.000	1.340.000
	1.340.000	1.340.000

The following loans are provided to CRH Nederland B.V.:

- €165.000.000 loan at 2,75% interest per annum; repayment ultimately on the 9th of January 2024; no repayments have occurred in 2022; no securities are provided.
- €35.004.246 loan at 2,00% interest per annum; repayment ultimately on the 9th of January 2024; no repayments have occurred in 2022; no securities are provided.
- €283.000.000 loan at 2,64% interest per annum; repayment ultimately on the 5th of May 2030; no repayments have occurred in 2022; no securities are provided.

The following loans are provided to CRH Europe Investments B.V.:

- €15.856.965 loan at 2,75% interest per annum; repayment ultimately on the 9th of January 2024; no repayments have occurred in 2022; no securities are provided.
- €381.138.791 loan at 2,75% interest per annum; repayment ultimately on the 9th of January 2024; no repayments have occurred in 2022; no securities are provided.

The following loans are provided to Van Neerbos Groep B.V.:

- €460.000.000 loan at 2,64% interest per annum; repayment ultimately on the 5th of May 2030; no repayments have occurred in 2022; no securities are provided.

Interest rates are computed by taking the rate linked to the external bond, adding the associated guarantee fee and including a benchmarked company fair value margin.

2.8.7 Current receivables

Current assets

	2022	2021
(for further details see also paragraph 2.9)	€'000	€'000
Other receivables from related parties	1	-
Interest receivable from related parties	28.873	28.936
	28.874	28.936

Financial instruments not measured at fair value includes current receivables. Due to their short-term nature, the carrying value of current receivables approximates their fair value.

2.8.8 Shareholders' Equity

Share capital
With reference to Article 4 and the clauses included at the end of the deed of incorporation of the Company, it was stated that the authorised share capital of the Company consists of 10 shares of €1.000,00 each. The issued shares comprise 10 shares, which have been fully paid.

Share premium
The share premium amounts to €70.000,00. In April 2015 the shareholder CRH Nederland B.V. made a share premium contribution of €20.000,00. In September 2015 the shareholder CRH Nederland B.V. made a share premium contribution of €50.000,00.

2.8.9 Interest–bearing loans and borrowings

Non-current liabilities	**2022**	**2021**
	€'000	€'000
Bonds (including non-current upfront fees)	1.344.295	1.342.903
	1.344.295	1.342.903

Upfront fees are expensed in the Income Statement through amortisation on the basis of the maturity of the loans and borrowings.

Bonds and private placements:

The bond of €600 million is a public Euro bond at an annual coupon rate of 1,875% and has its final maturity in 2024. Coupon is payable annually.

The bond of €750 million is a public Euro bond at an annual coupon rate of 1,625% and has its final maturity in 2030. Coupon is payable annually.

Current liabilities	**2022**	**2021**
	€'000	€'000
Interest on bonds and private placements	18.941	18.996
	18.941	18.996

Movement in current and non-current liabilities

	€'000
At 1 January 2021	1.360.529
Received	-
Imputed paid issuing expenses	1.392
Interest paid	(23.437)
Interest to be paid	23.415
At 31 December 2021	1.361.899
Received	-
Imputed paid issuing expenses	1.392
Interest paid	(23.437)
Interest to be paid	23.382
At 31 December 2022	1.363.236

Maturity profile of undrawn committed guarantees

	2022	**2021**
	€'000	€'000
Undrawn committed facilities:		
Between four and five years	3.500.000	3.500.000
Total	3.500.000	3.500.000

Facilities:
The Company manages its borrowing ability by entering into committed borrowing agreements. Revolving committed bank facilities are generally available to the Company for periods of up to five years from the date of inception. The undrawn committed facilities figures shown in the table above represent the facilities available to be drawn by the Company together with other companies at 31 December 2022. At 31 December 2022, the full amount remained undrawn.

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2.8.10 Other payables

Current liabilities	**2022**	**2021**
	€'000	€'000
Current payables to related parties	2.170	4.296
Other payables	-	-
	2.170	4.296

Financial instruments not measured at fair value includes other payables. Due to their short-term nature, the carrying value of current receivables approximates their fair value.

2.8.11 Capital and Financial Risk Management

Capital management

The company considers net equity as capital. The company's policy is to maintain its capital as minimum capital. The Company is not subjected to externally imposed capital requirements.

Overall summary / risk appetite

The primary objective of the Company's capital management strategy is to ensure that the Company maintains an effective financial standing to be able to issue third party debt, which may be guaranteed by CRH plc, and for the Company to provide funding to related parties.

The capital structure of the Company, which comprises capital and reserves attributable to the Company's equity holders, may be summarised as follows:

	2022	**2021**
	€'000	€'000
Capital and reserves attributable to the Company's equity holders	3.468	2.741
Equity	3.468	2.741

No changes were made to the objectives or policies during 2022.

Financial risk management objectives and policies

The Company uses financial instruments: interest-bearing loans and borrowings and cash and cash equivalents are used to perform its principal business activities. CRH Funding B.V. may enter into derivative transactions in order to hedge a risk, but it will not trade in derivative transactions. At 31 December 2022 no derivatives are in use.

The corporate treasury function of CRH Group provides services to the Company, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company. In this respect risk management is being performed by CRH plc.

The main risks relating to the Company's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for the prudent management of each of these risks as documented below.

Interest rate risk

The most significant market risks the Company faces are interest rate risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs and could result in decreased net finance income.

Net interest rate risk is managed by using fixed interest rates for both loans and borrowings receivable and loans and borrowings payable.

Credit/counterparty risk

Cash at bank, interest-bearing loans to related parties, interest receivable from related parties and other receivables from related parties give rise to credit risk on amounts due from counterparties.

The credit risk associated with interest bearing loans to related parties is considered to be limited since the related parties are all ultimately part of the CRH Group and therefore no provisions have been included at balance sheet date. The maximum exposure arising in the event of default on the part of the counterparty is the carrying value of the relevant financial instrument.

All loans and borrowings are guaranteed by CRH plc and therefore the company also has access to sufficient liquidity.

	2022	**2021**
	€'000	€'000
Interest bearing loans to related parties	1.340.000	1.340.000
Other receivables from related parties	1	-
Interest receivable from related parties	28.873	28.936
Cash at bank and in hand	-	-
Total credit risk	1.368.874	1.368.936

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost of effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience, credit assessment and forward-looking information.

The Company uses three criteria for determining whether there has been a significant increase in credit risk, quantitative test based on movement in PD; qualitative indicators; and a backstop of 30 days past due.

Amounts arising from Expected Credit Losses (ECL):

The credit risk associated with interest bearing loans to related parties, including accrued interest receivable is considered to be limited since the related parties are all ultimately part of the CRH Group and therefore no loss allowance has been included at balance sheet date.

Inputs, assumptions and techniques used for estimating impairment:

Determining whether credit risk has increased significantly

Management has considered whether there has been an actual or expected significant change in the operating results of the borrower since the loan was first recognised. This included considering whether there were any actual or expected declining revenues or margins, increasing operating risk, decreasing balance sheet leverage, liquidity that would result in a significant change in the borrower's ability to meet its debt obligations. It was therefore concluded that there was no such actual or expected significant change in the operating results of the borrower.

Management has determined that there has not been a significant increase in credit risk since initial recognition. Hence, the intercompany loan is in "stage 1" and 12-month expected credit losses should be calculated for the loan.

Probability of default

For the determination of the probability of default, management has used the Bloomberg Corporate Default Risk Model (DRSK) model as retrieved from the Bloomberg platform applicable to CRH plc. The daily rate as per 31 December 2022, 0,0203% is used. A market standard "Loss Given Default" (LGD) for large corporate borrowings of 60% has been applied. When applying the probability of default to the Exposure of Default, it results in an immaterial ECL, and therefore no loss allowance has been recognised at the balance sheet date. The exposure at default at year-end 2022 is €1.340 million plus interest to be received (2021: €1.340 million). A sensitivity analysis is also performed, and the ECL is not material in any reasonable scenario.

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dated 28 March 2023.

Liquidity risk

The undrawn committed facilities available to the Company as at the balance sheet date are quantified in note "Interest – bearing loans and borrowings"; these facilities are available from highly-rated financial institutions thus minimising any potential exposure arising from concentrations in borrowing sources. The Company's liquidity risk is deemed to be not significant due to the favourable contractual maturities of the financial assets compared to the financial liabilities.

The following are the contractual (undiscounted) maturities of financial assets and liabilities, including estimated interest payments:

	Carrying amount	Within 1 year	Between 1 and 5 years	After 5 years	Total cash flows
At 31 December 2022	€'000	€'000	€'000	€'000	€'000
Interest bearing loans to related parties	1.340.000	-	597.000	743.000	1.340.000
Current assets*	28.874	28.874	-	-	28.874
Total received	**1.368.874**	**28.874**	**597.000**	**743.000**	**1.368.874**
Bonds	(1.344.295)	-	(600.000)	(750.000)	(1.350.000)
Current liabilities*	(18.941)	(18.941)	-	-	(18.941)
Current payables to related parties	(2.170)	(2.170)	-	-	(2.170)
Other payables	-	-	-	-	-
Total paid	**(1.365.406)**	**(21.111)**	**(600.000)**	**(750.000)**	**(1.371.111)**
Net movement cash		**7.763**	**(3.000)**	**(7.000)**	**(2.237)**

*Mainly interest receivable/payable.

2.8.12 Financial instruments

The financial instruments of the Company may be summarised as follows:

	2022 Fair value	2022 Book value	2021 Fair value	2021 Book value
	€'000	€'000	€'000	€'000
Financial assets (Financial assets at amortised cost):				
Non-current interest bearing loans to related parties	1.340.000	1.340.000	1.340.000	1.340.000
Current receivables	28.873	28.873	28.936	28.936
Financial liabilities (Financial liabilities at amortised cost):				
Non-current interest-bearing loans and borrowings *	(1.231.325)	(1.344.295)	(1.425.636)	(1.342.903)
Interest on interest-bearing loans and borrowings	(18.941)	(18.941)	(18.996)	(18.996)
Other payables	(2.169)	(2.169)	(4.296)	(4.296)
Total financial instruments	116.439	3.468	(79.992)	2.741

* The non-current interest-bearing loans and borrowings comprise a public bond. The fair value of the bond is based on the market value for the bond issued and, as such, is estimated at 85,255% and 98,652% for the €750 million bond and the €600 million bond, respectively (level 2).

It is deemed that the carrying amounts of all other financial assets and liabilities measured at amortised cost are reasonable approximations of their fair values.

At 31 December 2022 no derivatives are in use.

2.9 Related parties

The Company has a related party relationship with its parent company and the companies owned by the parent companies (Group companies). The transactions with related parties have been negotiated on an arm's-length basis.

List of related parties:

Company	Nature of the transactions	Reference
Parent companies		
CRH Nederland B.V.	CRH Funding B.V. provides loan to CRH Nederland B.V.	2.8.6 / 2.8.7
CRH plc	CRH Funding B.V. pays guarantee fee to CRH plc for its guarantee towards the bondholders	2.8.2
CRH International B.V.	CRH Funding B.V. participates in a fiscal unity with CRH International B.V.	2.8.5
Other related party		
Van Neerbos Groep B.V.	CRH Funding B.V. provides loan to Van Neerbos Groep B.V.	2.8.6 / 2.8.7
CRH Europe Investments B.V.	CRH Funding B.V. provides loan to CRH Europe Investments B.V.	2.8.6 / 2.8.7
CRH Finance DAC	Cashpool Manager	2.8.7

2.10 Segmental reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's operating decision maker and for which discrete financial information is available. The Company's Director has been identified as the chief operating decision maker for the purpose of segmental reporting. The Company has determined that it operates in one segment, providing loans to related parties from issued bonds. The determination is based on the reports reviewed by the Director in assessing performance, allocating resources and making strategic decisions. Providing loans to related parties from issued bonds is provided in the Netherlands and the bonds are listed on the Euronext Dublin exchange. 100 percent of the Company's financing revenue in the period to 31 December 2022 consists of interest income from related parties.

2.11 Contingent liabilities

The company is a member of the fiscal unity for income tax purposes of CRH International B.V. in the Netherlands. The standard conditions prescribe that all companies of the fiscal unity are liable for the corporate income tax payable.

2.12 Subsequent events

There are no material events after the balance sheet date to report for CRH Funding B.V.

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Related to auditor's report
dated 28 March 2023.

OTHER INFORMATION

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dated 28 March 2023.

3 OTHER INFORMATION

3.1 Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of CRH Funding B.V.

Report on the audit of the financial statements 2022 included in the annual accounts

Our opinion

We have audited the financial statements 2022 of CRH Funding B.V., based in Rijswijk

In our opinion, the accompanying financial statements give a true and fair view of the financial position of CRH Funding B.V. as at 31 December 2022, and of its result and its cashflows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The statement of financial position as at 31 December 2022.

2. The following statements for 2022: the statement of profit and loss, the statements of comprehensive income, changes in equity and cash flows.

3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of CRH Funding B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 6,800,000. The materiality is based on 0.5% of total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with management that misstatements in excess of EUR 340,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud or misappropriation of assets in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified the presumed fraud risks related to management override of controls and performed the following specific procedures:

We incorporated elements of unpredictability in our audit and also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant executives.

We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

We evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2.7 of the financial statements.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the Company through discussion with management and others, and other relevant documentation. As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: adherence to (corporate) tax law and financial reporting regulations, the requirements under Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the related financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the CRH Funding B.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to company's ability to continue its business, or to avoid material penalties and therefore non-compliance with such laws and regulations may have a material effect on the financial statements.

Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiries of management and others within the company as to whether the company is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Our responsibilities, as well as the responsibilities of the Board of Directors, are outlined under the prevailing standards in the 'Description of responsibilities regarding the financial statements' section below. The Board of Directors has assessed the going concern assumption, as part of the preparation of the financial statements, and as disclosed in the financial statements (Note 'Going concern' on page 10 of the financial statements), the Board of Directors believes that no events or conditions, give rise to a material uncertainty about the ability of the group to continue in operation for at least twelve months after reporting date.

We have obtained such management's assessment of the company's ability to continue as a going concern, and have assessed the going concern assumption applied. As part of our procedures, we evaluated whether sufficient appropriate audit evidence has been obtained regarding, and have concluded on, the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements. Based on these procedures, we did not identify any reportable findings related to the company's ability to continue as a going concern.

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Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. In the 2020 audit the recognition, measurement and presentation of the issued publicly traded note amounting to EUR 750 million for which proceeds have been loaned to related parties was considered a key audit matter due to its size and the non-routine character. For 2021 and 2022, due to the limited number of transactions during the year, given no changes in the outstanding 'Interest-bearing loans to related parties' and 'Interest-bearing loans and borrowings', we observed limited judgements in the preparation of the 2022 annual report and have not identified a key audit matter.

Report on the other information included in the annual accounts

The annual accounts contain other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Director's Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.

- Obtaining 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.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. 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.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Amsterdam, 28 March 2023

Deloitte Accountants B.V.

Signed on the original: M.J. van der Vegte

3.2 Appropriation of Result

According to Article 23 Section 1 of the company's articles of association, the annual meeting of shareholders determines the appropriation of the company's result for the period. The directors of CRH Funding B.V. propose that the result for the financial period 2022 to be added to retained income and this has been accounted for as such.