

To the General Meeting of
CRH Finance Switzerland AG, Cham

Basle, 22 April 2021

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of CRH Finance Switzerland AG, which comprise the balance sheet, the income statement, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, for the year ended 31 December 2020.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with Swiss GAAP FER, the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended 31 December 2020 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law and the company's articles of incorporation.



Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Impairment of financial assets

Risk	The Company issued a bond and uses interest-bearing loans to related parties to fund the parent company as well as other affiliates. Loans amount to approx. 99% of total assets and are therefore material. By definition, amounts recognized on the balance sheet are subject to an impairment risk. When there are indications of possible impairments, management prepares the required calculations and, if applicable, records an impairment or allowance. The calculations are based in part on simplified principles, especially when management considered the risk of an impairment to be low.
Our audit response	We reviewed the calculations performed by management, which were based on audited statutory financial statements. For one more complex calculation, we tested the underlying forecasts and assumptions as well as the clerical accuracy of the valuation model. The calculations reviewed agree with our expectations. Our audit procedures did not lead to any reservations concerning the valuation of interest-bearing loans to related parties.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Licensed audit expert
(Auditor in charge)

Licensed audit expert

Enclosures

- ▶ Financial statements (balance sheet, income statement, statement of changes in equity, statement of cash flow and notes)
- ▶ Proposal regarding the appropriation of available earnings

Balance Sheet - Assets

		31.12.2020 CHF	31.12.2019 CHF
Current assets			
Cash and equivalents		3'774	1'598
Accrued income and prepaid expenses	1)	160'050	251'507
<u>Total current assets</u>		<u>163'824</u>	<u>253'105</u>
Non-current assets			
Financial assets	2)	392'228'443	391'192'680
<u>Total non-current assets</u>		<u>392'228'443</u>	<u>391'192'680</u>
<u>Total assets</u>		<u>392'392'267</u>	<u>391'445'785</u>

Balance Sheet - Liabilities and Equity

		31.12.2020 CHF	31.12.2019 CHF
Liabilities			
Accrued expenses and payables	3)	1'298'292	1'358'375
<u>Total current liabilities</u>		<u>1'298'292</u>	<u>1'358'375</u>
Bonds	4)	330'000'000	330'000'000
<u>Total long-term liabilities</u>		<u>330'000'000</u>	<u>330'000'000</u>
<u>Total liabilities</u>		<u>331'298'292</u>	<u>331'358'375</u>
Equity			
Share capital		100'000	100'000
Capital contribution reserves		55'000'000	55'000'000
General legal reserves		50'000	50'000
Retained earnings			
- Profit carried forward		4'937'410	4'010'879
- Net profit of the financial year		1'006'566	926'530
Total retained earnings		<u>5'943'976</u>	<u>4'937'410</u>
<u>Total equity</u>		<u>61'093'976</u>	<u>60'087'410</u>
<u>Total liabilities and equity</u>		<u>392'392'267</u>	<u>391'445'785</u>

Income Statement

		2020	2019
		CHF	CHF
<u>Expense</u>			
Operating expenses	5)	-1'802'207	-1'862'594
Total operating expenses		<u>-1'802'207</u>	<u>-1'862'594</u>
<u>Financial result</u>			
Financial income	6)	7'576'113	7'573'665
Financial expenses	7)	-4'628'957	-4'628'958
Total financial result		<u>2'947'156</u>	<u>2'944'706</u>
Operating profit before tax		1'144'949	1'082'113
Income tax	8)	-138'383	-155'582
Net profit of the financial year		<u>1'006'566</u>	<u>926'530</u>
Earnings per share		2020	2019
Weighted average number of shares outstanding		100	100
Net profit of the financial year in CHF		1'006'566	926'530
Diluted and undiluted earnings per share in CHF		<u>10'066</u>	<u>9'265</u>

There are no outstanding stock options or stock subscription rights that could lead to a dilution of earnings per share.

Statement of changes in equity

	Share capital	Reserves	Retained earnings	Total equity
Balance as of 31.12.2018	100'000	55'050'000	4'010'879	59'160'879
Net profit of the financial year 2019			926'530	926'530
Balance as of 31.12.2019	100'000	55'050'000	4'937'410	60'087'410
Net profit of the financial year 2020			1'006'566	1'006'566
Balance as of 31.12.2020	100'000	55'050'000	5'943'976	61'093'976

The share capital consists of 100 registered shares with a nominal value of CHF 1'000 each.

All 100 shares are held by Jura-Holding AG, Aarau (Switzerland), which is a wholly-owned and fully consolidated subsidiary of CRH plc., Dublin (Ireland).

The non-distributable reserves amount to CHF 50'000.

Statement of cash flows

	2020 CHF	2019 CHF
Net profit of the financial year	1'006'566	926'530
+/- Accrued income and prepaid expenses and other receivables	91'457	91'457
+/- Accrued expenses and payables	-60'083	10'000
Cash flow from operating activities	<u>1'037'940</u>	<u>1'027'988</u>
Investment in interest-bearing loans	-1'035'763	-1'037'315
Cash flow from investing activities	<u>-1'035'763</u>	<u>-1'037'315</u>
Cash flow from financing activities	<u>0</u>	<u>0</u>
Increase (+) / Decrease (-) in cash and cash equivalents	<u>2'177</u>	<u>-9'327</u>
 <u>Reconciliation of opening to closing cash and cash equivalents</u>		
Cash and cash equivalents as of 1.1.	1'598	10'925
Cash and cash equivalents as of 31.12.	3'774	1'598
Increase (+) / Decrease (-) in cash and cash equivalents	<u>2'177</u>	<u>-9'327</u>

Notes to the financial statements

Accounting policies

The financial statements of CRH Finance Switzerland AG have been prepared in accordance with the Swiss accounting and reporting recommendation of Swiss GAAP FER according to the principle of "true and fair view". The full set of Swiss GAAP FER recommendations have been applied.

The financial statements also comply with the regulations of Swiss Code of Obligations.

Accounting principles

Current assets

Cash and cash equivalents comprise cash on hand, demand deposits and time deposits with a residual term to maturity from the balance sheet date of 90 days at the most. Cash and cash equivalents are reported at their nominal value.

Financial assets

The financial assets are recognized at acquisition costs less impairment, if any.

Liabilities

The liabilities consist of short-term and long-term debts. The accrued expenses and deferred income and payables are reported at its nominal amount. The bonds are recorded at par value.

Related party transaction

Related party transactions refer to the parent company and to other fully-consolidated subsidiaries of the parent company. Related party transactions and related party balances are properly disclosed in the relevant line item of the financial statements or the notes. All transactions with related parties are conducted at arm's length.

Other notes

Company information

CRH Finance Switzerland AG has its registered office in Cham (Switzerland) and serves solely as a finance company within CRH group. CRH plc. in Dublin (Ireland) is the ultimate parent company.

Employees

The company has no employees.

Segment information

As CRH Finance Switzerland AG is a group finance company in Switzerland the business activities comprise only one segment.

Events after the balance sheet date

No material events have occurred after the balance sheet date which could adversely affect the validity of the annual financial statements 2020 or which would have to be disclosed. The Board of Directors approved and authorised the financial statements in respect of the year ended 31 December 2020 on 22 April 2021.

Notes to the financial statements

(all amounts in CHF)

1) Accrued income and prepaid expenses	2020	2019
Total capitalized costs of bond issuance	160'050	251'507

The costs related to the issuance of the bond have been capitalized. These costs are amortised over the term to maturity.

2) Financial assets	2020	2019
Interest-bearing loans to related parties	392'228'443	391'192'680

Loans are granted in Swiss francs to the parent company plus two affiliated companies. The interest rates are based on the principles of the Swiss Tax Authorities.

Maturity date of these loans is September 2022. There are no security arrangements.

3) Accrued expenses and payables	2020	2019
Interest	1'134'375	1'134'375
Taxes	140'000	202'000
Other services	23'917	22'000
Total accrued expenses and payables	1'298'292	1'358'375

4) Bonds	2020	2019
Total bonds	330'000'000	330'000'000

Information of the issued bonds:

Security number	25359273 / ISIN: CH0253592734
Nominal amount	CHF 330 Mio.
Issue price	100.989%
Interest rate	1.375% (30/360)
Term	from 30.09.2014 until 30.09.2022 (8 years)
Maturity date	on 30.09.2022 at nominal value

The bonds are secured by the listed group company CRH plc. The annual guarantee fee is paid on 31 December.

5) Operating expenses	2020	2019
Guarantee fee CRH plc.	-1'650'000	-1'650'000
Management fees related parties	-53'850	-53'850
Capital tax	-1'766	-46'015
Other administration expenses	-96'591	-112'729
Total operating expenses	-1'802'207	-1'862'594

The auditor's remuneration for statutory audit services amounts to CHF 22'084 (prior year CHF 21'492).

Reduced capital tax expected resulting from the tax reform in the canton Zug, effective January 1, 2020.

6) Financial income	2020	2019
Interest income related parties	7'576'113	7'573'665
Total financial income	7'576'113	7'573'665

7) Financial expenses	2020	2019
Interest expenses on bonds	-4'537'500	-4'537'500
Other interest expenses (see 1)	-91'457	-91'458
Total financial expenses	-4'628'957	-4'628'958

8) Income tax	2020	2019
Total income tax	-138'383	-155'582

The average income tax rate is 12.1% (prior year 14.4%).

Reduced income tax expected resulting from the tax reform in the canton Zug, effective January 1, 2020.

Disclosure of contingent liabilities

Cash pooling

CRH Finance Switzerland AG is participant of the notional cash pooling of Jura-Holding AG. According to the cash pooling agreement all future credit balances in the pool account are pledged in favour of the bank. Furthermore, CRH Finance Switzerland AG is jointly and severally liable for possible debit interests and commissions incurred of the pool leader's overall position of the pool participants accounts, but only to the amount that would have been incurred as debit interests and commissions without the pooling on CRH Finance Switzerland AG's participant accounts.

Proposal for the appropriation of retained earnings

	31.12.2020 CHF	31.12.2019 CHF
Balance carried forward from prior year	4'937'410	4'010'879
Net profit of the financial year	1'006'566	926'530
Retained earnings available for appropriation	5'943'976	4'937'410
Allocation to legal reserves	0	0
Balance to be carried forward	5'943'976	4'937'410