

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, 2020. 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 15.</p> <ul style="list-style-type: none"> The balance sheet includes a provision amounting 40,7 million euros regarding tax deductibility of the financing cost. Estimation and judgment are required in determining the provision. The value of the provision is material to the financial statements. <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 one year.

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 28, 2021

Deloitte Oy
Audit Firm

Liisa Mäkikangas
Authorised Public Accountant (KHT)

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CRH Finland Services Plc.

FINANCIAL STATEMENTS

1.1.2020–31.12.2020

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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), Miikka Riionheimo and Sami Myllyniemi.

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 2020

Business operations of the company in 2020 have consisted of payroll, Compliance, IT and consulting services to group companies.

The company also has financial activities. It has issued in 2013 a bond of EUR 750 million to international debt markets, which matured in 2020. CRH plc was the guarantor of the bond and it was listed on the Irish stock exchange. In May 2020 new bond of EUR 500 million was issued to international debt markets. The bond matures in 2023. CRH plc is the guarantor of this bond and it is also listed on the Irish stock exchange.

Turnover of the company in 2020 are EUR 2095 (2189) thousand. The comprehensive income for the period is EUR 143,9 (-16,7) million, which is 6866,2% (-762,2%) of turnover. Operating profit is EUR 46 (28) thousand, which is 2,2% (1,3%) of turnover. Equity is 18,7% (-1,7%) of total assets and return on equity is 206% (-299%).

Statement of comprehensive income has been prepared since 2015 on the basis that certain financing costs may not be deductible for corporate income tax purposes. As a result, comprehensive income of the company includes a tax provision. In the financial statements of 2020 provision was decreased by EUR 8,8 million and the total amount of provision is EUR 40,7 (49,5) million.

KEY FINANCIAL FIGURES

	2020	2019	2018
Turnover, thousand	EUR 2 095	EUR 2 189	EUR 2 171
Operating profit, thousand	EUR 46	EUR 28	EUR 18
Operating profit of turnover, %	2	1	1
Profit before taxes, thousand	EUR 139 702	EUR -6 616	EUR 5 216
Profit before taxes of turnover, %	6 667	-302	240
Comprehensive income, thousand	EUR 143 872	EUR -16 687	EUR -4 287
Comprehensive income of turnover, %	6 866	-762	-197
Equity ratio, %	19	-2	0
Return on equity, %	220	-299	-84
Net gearing, %	361	-5196	25 948

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 2020 the company employed 18 persons and all of them being officials. Total employee expenses were EUR 1608 (1645) thousand.

RISKS AND UNCERTANTIES

Biggest risks and uncertainties of the company relate to its financial activities. The most remarkable factors that can affect company's activities and financial development negatively are coming via effects from other group companies' business activities as the customers of service providing business are group companies, financial assets are invested in group companies and major part of financial income is from group internal origin.

2021 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. The company is acting according to decisions and recommendations from the government and authorities with the well-being of employees as the highest priority.

BOARD PROPOSAL FOR PROFIT DISTRIBUTION

On December 31, 2020 CRH Finland Services Plc's comprehensive income statement accounted for a profit of EUR 143 871 624 and distributable equity totaled EUR 144 825 206.

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.-31.12.2020	1.1 - 31.12.2019
TURNOVER		2 095 348	2 189 300
Materials and services	2.	-103 886	-47 263
Employee benefit expenses	3.	-1 608 330	-1 644 586
Depreciation	4.	-11 110	-19 842
Other operating expenses	5.	-325 527	-449 271
OPERATING PROFIT		46 496	28 338
Finance income	6.	170 043 687	37 004 020
Finance costs	6.	-30 388 361	-43 648 609
PROFIT BEFORE TAXES		139 701 821	-6 616 251
Income taxes	7.	4 580 625	-10 172 322
Change of deferred taxes	7.	-410 822	101 677
PROFIT FOR THE FINANCIAL YEAR		143 871 624	-16 686 896
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>143 871 624</u>	<u>-16 686 896</u>
Profit attributable to:			
Equity holders of parent company		143 871 624	-16 686 896

BALANCE SHEET (IFRS)

	Notes	31.12.2020	31.12.2019
euro			
Assets			
Non-current assets			
Right-to-use assets	8.	23 069	51 395
Financial assets	9.	706 000 000	706 000 000
Receivables	10.	25 000 000	25 000 000
Total non-current assets		731 023 069	731 051 395
Current assets			
Trade receivables and other receivables	11.	42 136 320	37 555 871
Cash and cash equivalents	12.	0	48 893 482
Total current assets		42 136 320	86 449 354
Total assets		773 159 389	817 500 749
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	35 000 000
Retained earnings		94 825 206	-49 046 418
Total equity	13.	144 905 206	-13 966 418
Non-current liabilities			
Deferred tax liabilities	14.	491 572	80 750
Provisions	15.	40 700 000	49 530 500
Loans	16.	522 542 846	25 000 000
Lease liability	17.	16 101	35 406
Total non-current liabilities		563 750 519	74 646 656
Current liabilities			
Trade payables	18.	200 012	77 946
Current tax liabilities	7.	3 102 081	2 169 823
Loans	18.	0	749 597 517
Accruals and other liabilities	18.	61 201 571	4 975 225
		64 503 664	756 820 511
Total liabilities		628 254 183	831 467 167
Total equity and liabilities		773 159 388,95	817 500 749

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 1.1.2019		80 000	35 000 000	-32 359 522	2 720 478	2 720 478
Comprehensive income					0	0
Profit or loss				-16 686 896	-16 686 896	-16 686 896
Total comprehensive income		0	0	-16 686 896	-16 686 896	-16 686 896
Equity 31.12.2019		80 000	35 000 000	-49 046 418	-13 966 418	-13 966 418
Equity 1.1.2020		80 000	35 000 000	-49 046 418	-13 966 418	-13 966 418
Comprehensive income					0	0
Profit or loss				143 871 624	143 871 624	143 871 624
Total comprehensive income		0	0	143 871 624	143 871 624	143 871 624
Transactions with owners						
Addition to invested unrestricted equity reserve	13.		15 000 000		15 000 000	15 000 000
Total transactions with owners		0	15 000 000	0	15 000 000	15 000 000
Equity 31.12.2020		80 000	50 000 000	94 825 206	144 905 206	144 905 206

CASH FLOW STATEMENT (IFRS)

	1.1.-31.12.2020	1.1.-31.12.2019
euro		
Cash flow from operating activities		
Net income	143 871 624	-16 686 896
Adjustments to net profit for the period:		
Depreciations	11 110	19 842
Finance costs	30 389 179	43 649 920
Financial income	-38 836 515	-37 004 020
Dividend income	-131 207 172	0
Taxes	-4 169 802	10 070 645
Changes in working capital:		
Change in trade receivables and other receivables	-3 082 282	1 525 938
Change in trade payables and other liabilities	60 039 621	5 336
Interests paid	-33 101 476	-43 126 460
Interests received	338 348	2 187
Financial income	168 207 172	48 850 000
Taxes paid	-3 317 617	-1 561 603
Net cash flow from operating activities	189 142 189	5 744 888
Cash flow from investing activities		
Loans lent	0	-25 000 000
Net cash flow from investing activities	0	-25 000 000
Cash flow from financing activities		
Addition to invested unrestricted equity reserve	15 000 000	0
Loans borrowed	0	25 000 000
Bond repayment	-750 000 000	0
Payments from bond issue	496 976 816	0
Lease payments	-12 487	-19 888
Net cash flow from financing activities	-238 035 671	24 980 112
Net change in cash and cash equivalents	-48 893 482	5 725 000
Cash and cash equivalents at beginning of period	48 893 482	43 168 482
Cash and cash equivalents at end of period	0	48 893 482

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 Lars Sonckin kaari 16, 02600 Espoo. CRH Finland Services Plc. is part of the Irish CRH Plc. group listed on Dublin, London and New York stock exchanges. The parent company of CRH Finland Services Plc. is the Dutch company CRH Europe Investments B.V. CRH Finland Services Plc. has been consolidated to the financial statement of CRH Plc. A copy of the consolidated financial statements is available on the internet at www.crh.com.

CRH Finland Services Plc.'s Board of Directors has accepted the publication of these financial statements in its meeting on 27th April 2021. 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 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 31.12.2020. New standards, changes or interpretations that has come into effect in the accounting period starting 1.1.2020 haven't had significant effect on company's accounting practices.

In May 2020 was released amendments to IFRS 16 Leases – COVID-19-Related Rent Concessions. The amendments enable to apply a practical expedient that simplifies accounting of rent concessions which are a direct consequence of COVID-10. The amendment was adopted in the CRH Group effective 1 January 2020 and did not result in a material impact on the company's result.

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 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 maximum of 6 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 using the liability method. Deferred tax is recorded using tax rates valid at the closing date.

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

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. Management has assessed that no indication of impaired assets exists.

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 market rate of closing date applying suitable valuation model.

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	2020	2021	2022	2023	2024
Loan repayment	-750 000	0	0	-500 000	0
Interest	-13 958	-4 375	-4 375	-3 704	0
Guarantee fees	-14 724	-4 018	-4 018	-3 402	0
	-778 682	-8 393	-8 393	-507 106	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.

2. Materials and services	2020	2019
External services	103 886	47 263
	<u>103 886</u>	<u>47 263</u>

3. Employee benefit expenses

<i>Number of employees in the company at year-end</i>	2020	2019
Personnel	18	18
	<u>18</u>	<u>18</u>

<i>Salaries</i>	2020	2019
Wages and salaries	1 330 553	1 375 128
Share-based payments	49 476	0
Pension costs: Defined contribution plans	197 481	246 923
Other personnel expenses	30 820	22 535
	<u>1 608 330</u>	<u>1 644 586</u>

4. Depreciation

	2020	2019
Impairment of non-current assets	-590	0
Depreciation, equipment, right-of-use asset	11 700	19 842
	<u>11 110</u>	<u>19 842</u>

5. Other operating expenses

	2020	2019
Administrative	83 211	84 954
Facilities	64 066	70 505
Consultation	10 788	19 024
Equipment expenses	108 818	110 378
Other expenses	58 644	164 409
	<u>325 527</u>	<u>449 271</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

	2020	2019
Auditing fees	12 000	12 998
Other fees	519	498
	<u>12 519</u>	<u>13 496</u>

6. Finance income and costs

	2020	2019
Finance income		
Group contribution	38 500 000	37 000 000
Other finance income	336 515	4 020
Total finance income	38 836 515	37 004 020
Dividend income		
From group companies	131 207 172	0
Total dividend income	131 207 172	0
Total finance income	170 043 687	37 004 020
Finance costs		
Interest on loans	15 231 912	21 147 149
Guarantee fees	14 724 165	22 500 000
Other finance costs	432 284	1 460
Total finance costs	30 388 361	43 648 609
Total finance income and costs	139 655 326	-6 644 589

7. Income taxes

	2020	2019
Current taxes	-4 249 875	-3 282 170
Other taxes	8 830 500	-6 890 152
Change of deferred taxes	-410 822	101 677
Total	4 169 802	-10 070 645
Reconciliation of income tax		
Profit before taxes	139 701 821	-6 616 251
Temporary differences	-2 002 011	509 649
Tax-free income	-131 207 172	0
Non-deductible expenses and	14 733 258	22 502 451
Taxable income	21 225 896	16 395 848

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

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

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
<hr/>	
Cost 1.1.2019	0
+ Effect of adopting IFRS 16	47 409
+ Additions	27 896
- Disposals	0
Reclassifications	0
Cost 31.12.2019	75 305
Accumulated depreciation according to plan 1.1.2019	0
Accumulated depreciation of disposals	0
Depreciation	-19 842
Remeasurements	-4 068
Accumulated depreciation according to plan 31.12.2019	-23 910
Carrying amount 31.12.2019	51 395
Carrying amount 1.1.2019	0

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9. Long-term financial assets

	2020	2019
Cost at 1.1.	706 000 000	706 000 000
Cost at 31.12.	<u>706 000 000</u>	<u>706 000 000</u>
Carrying amount 31.12.	706 000 000	706 000 000
Carrying amount 1.1.	706 000 000	706 000 000

CRH Finland Services Plc. owns 706.000.000 Class B shares of CRH Finland Ltd, a CRH Plc. Group company. Shares were subscribed in a directed share issue on 31.10.2013. Shares are measured as financial asset valued at fair value through other comprehensive income. Shares are according to IFRS 9 and they are not held for trading purposes. Shares are valued at fair value, which is estimated to be the cost value. Financial assets are long-term assets, because management intends to keep them over 12 months from the closing date. Main terms and conditions of shares in CRH Finland Ltd:

- CRH Finland Ltd, PL 98 (Lars Sonckin kaari 16, 02600 Espoo) 02601 Espoo.
Number of shares: Class A shares 714.497, Class B shares 706.000.000.
- Class B shares carry no voting rights or any other shareholders' rights in a general meeting of shareholders provided for in the Finnish Limited Liability Companies Act (so called non-voting shares). Class B shares carry no pre-emptive rights in share offerings.
- Class B shares have a preference to dividends over Class A shares and shall be paid a dividend of EUR 0,065 before any dividends are paid to Class A shares (preferred dividends). The amount of the preferred dividends is, however, calculated in proportion to the number of days on which the holder of Class B shares has during the financial period held Class B shares assuming year has 360 days.
- When distributing assets through liquidation of the company, holders of Class B shares are entitled to the payment of a preferred amount of EUR 1,00 for each Class B share.
- CRH Finland Ltd is entitled to redeem Class B shares at the price of EUR 1,00 after 14.10.2020.
- 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 193,4 million
- CRH Finland Ltd paid 13.7.2020 a supplement of the accumulated preference share dividend of EUR 131,2 million as part of CRH Group's financing arrangements.

CRH Finland Ltd financial position (FGAAP):

	2020	2019
Equity	707 207 059	689 283 107
Profit/loss	131 124	-44 569

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

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10. Non-current receivables

	31.12.2020	31.12.2019
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

	31.12.2020	31.12.2019
Group receivables		
Trade receivables	0	105 241
Other receivables	42 136 320	37 446 199
Total Group receivables	42 136 320	37 551 440

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

External receivables

Trade receivables	0	4364
Other receivables	0	3
Prepayments and accrued income	0	65
Total	0	4 432

Total current receivables

42 136 320	37 555 871
-------------------	-------------------

Age distribution of trade receivables

Unmatured trade receivables	0	101 621
Trade receivables matured		
1-30 days matured trade receivables	0	7 984
31-60 days matured trade receivables	0	0
over 60 days matured trade receivables	0	0
	0	109 605

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

12. Cash and cash equivalents

	31.12.2020	31.12.2019
Cash and bank accounts	0	48 893 482
Total	0	48 893 482

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13. Equity

	31.12.2020	31.12.2019
Restricted equity		
Share capital 1.1.	80 000	80 000
Share capital 31.12.	<u>80 000</u>	<u>80 000</u>
Total restricted equity	<u>80 000</u>	<u>80 000</u>
Unrestricted equity		
Invested unrestricted equity reserve 1.1.	35 000 000	35 000 000
Addition to invested unrestricted equity reserve	15 000 000	0
Invested unrestricted equity reserve 31.12.	<u>50 000 000</u>	<u>35 000 000</u>
Retained earnings 1.1.	-49 046 418	-32 359 522
Profit for the financial year	143 871 624	-16 686 896
Retained earnings 31.12.	<u>94 825 206</u>	<u>-49 046 418</u>
Total unrestricted equity	<u>144 825 206</u>	<u>-14 046 418</u>
Total equity	<u><u>144 905 206</u></u>	<u><u>-13 966 418</u></u>

Equity consists of share capital, invested unrestricted equity reserve and retained earnings. Earnings for the financial year is recorded to retained earnings. On 20th February 2020 the owner of the company has decided to invest EUR 15 000 000 to the invested unrestricted equity reserve.

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

	31.12.2020	31.12.2019
<i>Calculation of distributable shareholders' equity</i>		
Retained earnings	-49 046 418	-32 359 522
Profit for the financial year	143 871 624	-16 686 896
Invested unrestricted equity reserve	50 000 000	35 000 000
	<u>144 825 206</u>	<u>-14 046 418</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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14. Deferred tax assets and liabilities

Changes in deferred taxes in 2020:

Deferred tax assets **31.12.2020**
4 614

	1.1.2020	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31.12.2020
Deferred tax assets				
Other	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

	1.1.2020	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31.12.2020
Deferred tax liabilities				
Financial liabilities	-80 497	-410 934	0	-491 431
Other	-10 532	5 777	0	-4 755
Total	-91 029	-405 157	0	-496 186

Changes in deferred taxes in 2019:

Deferred tax assets **31.12.2019**
10 279

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

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

Deferred tax liability **31.12.2019**
91 029

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

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15. Provisions

	2020	2019
Provisions 1.1.	49 530 500	42 640 348
Additions	-8 830 500	6 890 152
Provisions 31.12.	40 700 000	49 530 500

Comprehensive income of 2020 includes a change of tax provision of EUR 8 830 500. Total provision of EUR 40 700 000 is related that certain financing costs may not be deductible for corporate tax purposes.

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

16. Loans carried at amortised cost

	31.12.2020	31.12.2019
Bond	497 542 846	0
Group loan	25 000 000	25 000 000
	522 542 846	25 000 000

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

	2020	2019
Interest-bearing loans 1.1.	25 000 000	749 087 868
Changes in cash flow	500 000 000	25 000 000
Accrued acquisition cost	-2 457 154	509 649
Bond to current items	0	-749 597 517
Interest-bearing loans 31.12.	522 542 846	25 000 000

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17. Leases

	31.12.2020	31.12.2019
Lease liability		
1.1.	52 660	0
Adopting IFRS 16		47 409
Additions	25 545	27 895
Disposals	-42 760	0
Remeasurements	0	-4 068
Paid	-12 487	-19 888
Discounting	818	1 311
31.12.	<u>23 775</u>	<u>52 660</u>
 Maturity of lease liability		
Current liabilities	7 674	17 254
Non-current liabilities	<u>16 101</u>	<u>35 406</u>
	23 775	52 660
 Included in statement of Comprehensive Income		
- Depreciations and remeasurements	11 701	23 910
- Discounting	818	1 311
- Low-value and short-term leases	<u>68 269</u>	<u>68 780</u>
	80 788	94 001

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.

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18. Current liabilities

	31.12.2020	31.12.2019
Group liabilities		
Accounts payable	198 217	34 808
Interest	12 500	12 500
Other payable	59 904 217	0
	<u>60 114 934</u>	<u>47 308</u>
External liabilities		
Bond	0	749 597 517
Lease liability	7 674	17 254
Accounts payable	1 795	43 138
Other liabilities	107 019	87 748
Accruals	4 272 242	7 027 547
	<u>4 388 730</u>	<u>756 773 203</u>
Essential items included in accruals		
Personnel expenses	428 546	457 491
Interest	669 399	4 351 027
Taxes	3 102 081	2 169 823
Other	72 216	49 206
	<u>4 272 242</u>	<u>7 027 547</u>

Information about the bond

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

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

ISIN-code: XS0981442931

Guarantor: CRH Plc. Bond matured in full 15.10.2020 but it was repaid premature in 15.7.2020 according to contract.

Coupon rate p.a. was 2,75 % which means annually EUR 20 625 000.

Interest of 2020 was EUR 11 089 546.

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

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19. Financial assets and liabilities by valuation classes

Values 31.12.2020

Balance Item	Amortised cost	Fair value through profit or loss	Fair value through comprehensive income	Total	Fair value	IFRS 7 Fair value hierarchy level
<u>Non-current financial assets</u>						
Financial assets			706 000 000	706 000 000	706 000 000	3
Group receivable	25 000 000			25 000 000	25 000 000	3
<u>Current financial assets</u>						
Accounts receivable and other receivables	42 136 320			42 136 320		
Cash and cash equivalents	0			0		
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

Loans	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		

Values 31.12.2019

Balance Item	Amortised cost	Fair value through profit or loss	Fair value through comprehensive income	Total	Fair value	IFRS 7 Fair value hierarchy level
<u>Non-current financial assets</u>						
Financial assets			706 000 000	706 000 000	706 000 000	3
Group receivable	25 000 000			25 000 000	25 000 000	3
<u>Current financial assets</u>						
Accounts receivable and other receivables	37 555 871			37 555 871		
Cash and cash equivalents	48 893 482			48 893 482		
Value by item groups	111 449 354	0	706 000 000	817 449 354		

Non-current financial liabilities

Group payable	25 000 000			25 000 000	25 000 000	3
Lease liability	35 406			35 406		

Current financial liabilities

Loans	749 597 517			749 597 517	761 925 000	
Accounts payable and other liabilities	77 946			77 946		
Accruals and other liabilities	7 145 048			7 145 048		
Value by item groups	781 855 917	0	0	781 855 917		

Determination and Hierarchy of Fair Values

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

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

Level 3: inputs are unobservable market parameters

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20. 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. The following transactions have been conducted with related parties in 2020: CRH plc guaranteed the bond of EUR 500 million for the time period of 5.5.2020 to 5.11.2023.

Related party transactions	2020	2019
Sales	2 095 348	2 168 958
Purchases	358 687	91 452
Finance income	170 043 687	37 000 000
Finance cost	15 029 165	22 512 500
Receivables	67 136 320	63 551 440
Liabilities	85 114 934	25 047 308

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.

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SIGNATURES OF THE FINANCIAL STATEMENTS AND BOARD OF DIRECTORS' REPORT

Espoo, 27th April 2021

DocuSigned by:
Oliver Mahon
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Oliver Mahon
Chairman of the Board

DocuSigned by:
Sami Myllyniemi
714550820057E4AD...

Sami Myllyniemi
Member of the Board

DocuSigned by:
Miikka Riionheimo
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Miikka Riionheimo
Member of the Board

THE AUDITOR'S NOTE

Our auditors' report has been issued today.

Deloitte Oy, auditing firm

Liisa Mäkikangas, KHT

CRH Finland Services Plc.
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A LIST OF THE ACCOUNTING JOURNALS, TYPES OF VOUCHERS AND THEIR STORAGE METHOD

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

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