

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under FSMA if you are in the UK, or, if outside the UK, from another appropriately authorised independent adviser.

This document, which comprises an AIM admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with an application for admission to trading on AIM of the entire issued and to be issued share capital of SigmaRoc plc. This document does not constitute an offer or any part of any offer of transferable securities to the public within the meaning of section 102B of FSMA or otherwise. Accordingly, this document does not constitute a prospectus for the purposes of section 85 of FSMA or otherwise and has not been drawn up in accordance with the Prospectus Regulation Rules or filed with or approved by the FCA or any other competent authority.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM following the Resolutions numbered 1 and 2 being approved by Shareholders. It is expected that Admission will become effective and that trading in the Enlarged Share Capital will commence on AIM on 4 January 2024.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Company and the Directors, whose names appear on page 12 of this document, accept responsibility individually and collectively for the information contained in this document. To the best of the knowledge of the Company and the Directors (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Prospective investors should read this document in its entirety. An investment in the Company includes a significant degree of risk and prospective investors should consider carefully the risk factors set out in Part 4 of this document.

SIGMAROC PLC

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05204176)

Acquisition of the Deal 1 Targets from CRH

Entry into Call Options in respect of the Call Option Targets

Placing of, in aggregate, 418,464,565 new Ordinary Shares at 47.5 pence per share

REX Intermediaries Offer of, in aggregate 2,588,066 new Ordinary Shares at 47.5 pence per share

Reverse Takeover

Admission of the Enlarged Share Capital to trading on AIM

and

Notice of General Meeting

LIBERUM

Nominated Adviser & Joint Bookrunner

PEEL HUNT

Joint Bookrunner



BNP PARIBAS

Joint Bookrunner



Santander

Joint Bookrunner



Rothschild & Co
Acting through Redburn (Europe) Limited

Joint Bookrunner

Liberum Capital Limited (the “Nominated Adviser”), which is authorised and regulated in the UK by the FCA, is acting as nominated adviser to the Company in connection with the Proposals and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of the Nominated Adviser or for advising any other person in respect of the Proposals or any transaction, matter or arrangement referred to in this document. The Nominated Adviser’s responsibilities as the Company’s nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document.

Each of Liberum Capital Limited, Peel Hunt LLP and Redburn (Europe) Limited is authorised and regulated in the UK by the FCA. BNP PARIBAS is authorised and regulated by the European Central Bank and the Autorité de contrôle prudentiel et de résolution and

Deemed Authorised by the PRA and with deemed variation of permission, subject to regulation by the FCA and limited regulation by the PRA. Banco Santander S.A. is registered with the Bank of Spain (Banco de España) under registration number 0049 with CIF A-39000013. Banco Santander S.A., London Branch is authorised by the Bank of Spain and subject to limited regulation by the FCA and PRA. Each of Liberum Capital Limited, Peel Hunt LLP, Redburn (Europe) Limited, BNP PARIBAS and Banco Santander S.A. (together, the “**Joint Bookrunners**”) is acting exclusively as a joint bookrunner to the Company in connection with the proposed Placing and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of any of the Joint Bookrunners or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on each of the Joint Bookrunners by the FSMA or the regulatory regime established thereunder, none of the Joint Bookrunners accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the matters set out herein. Each of the Joint Bookrunners accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

The distribution of this document and the offer and sale of Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials relating to Ordinary Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this document, nor any advertisement or any other offering material may be distributed or published in or from any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document is for information purposes and does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for publication or distribution in or into the United States, Canada, Australia, New Zealand, the Republic of South Africa or Japan. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), nor under the applicable securities laws of any state or other jurisdiction of the United States, or any province or territory of Canada, Australia, New Zealand, the Republic of South Africa or Japan. Accordingly, subject to certain limited exceptions, the Ordinary Shares may not be offered or sold, directly or indirectly, in or into United States, Canada, Australia, New Zealand, the Republic of South Africa or Japan. There will be no public offering of Ordinary Shares in the United States, Canada, Australia, New Zealand, the Republic of South Africa, Japan or in any other jurisdiction where such action may result in a violation of law.

The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions. The Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this Document. Any representation to the contrary is a criminal offence in the United States. Furthermore, no actions have been or will be taken to allow any offering of Ordinary Shares under the applicable securities laws of any jurisdiction where action for that purpose may be required or doing so is restricted by law.

Holding Ordinary Shares may have implications for overseas Shareholders under the laws of the relevant overseas jurisdictions. Overseas investors should inform themselves about and observe any applicable legal requirements. It is the responsibility of each overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer, or other taxes due in such jurisdiction.

Copies of the document will be available free of charge on the Company's website, <https://www.sigmaroc.com>.

Your attention is also drawn to the letter from the Chief Executive Officer on pages 31 to 71 (inclusive) of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. All statements regarding the business of the Enlarged Group, its financial position and prospects should be reviewed in light of the risk factors set out in the section headed “Risk Factors” in Part 4 of this document.

IMPORTANT INFORMATION

General

This document should be read in its entirety before making any decision to subscribe for Ordinary Shares. Prospective investors and Shareholders should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Nominated Adviser or the Joint Bookrunners or any of their respective affiliates, officers, directors, partners, employees, or agents. Without prejudice to the Company's obligations under applicable laws and the AIM Rules for Companies, neither the delivery of this document nor any subscription or purchase made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Existing Group since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors and Shareholders in the Company must not treat the contents of this document or any subsequent communications from the Company, the Nominated Adviser or the Joint Bookrunners or any of their respective affiliates, officers, directors, partners, employees, or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

If you are in any doubt about the contents of this document or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, or other independent adviser who is authorised under the FSMA if you are in the UK, or, if you are outside the UK, from another appropriately authorised independent adviser.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Proposals or the Enlarged Group. The Company makes no representation as to the appropriateness, accuracy, completeness, or reliability of any such information or publication.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation of the Fundraising by prospective investors occurs prior to Admission or if it is noted that this document contains any mistake or substantial inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation, by the Company, the Nominated Adviser, the Joint Bookrunners or any of their respective representatives, that any recipient of this document should subscribe for or purchase any of the Ordinary Shares. Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this document and, in particular, the section headed "Risk Factors" in Part 4 of this document.

Prospective investors and Shareholders should ensure that they read the whole of this document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination (or an examination by the prospective investor's FSMA-authorised or other appropriate advisers) of the Company and the terms of this document, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on this document and the prospective investor's own (or such prospective investor's FSMA-authorised or other appropriate advisers') examination of the Company.

Prospective investors and Shareholders who subscribe for Fundraising Shares in the Fundraising will be deemed to have acknowledged that: (i) they have not relied on the Nominated Adviser, the Joint Bookrunners or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this document for their investment decision; (ii) they have relied only on the information contained in this document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation has not been relied upon as having been authorised by or on behalf of the Company, the Directors, the Nominated Adviser or the Joint Bookrunners.

None of the Company, the Directors, the Nominated Adviser, the Joint Bookrunners or any of their respective representatives makes any representation to any subscriber or purchaser of Ordinary Shares regarding the legality of an investment by such subscriber or purchaser.

In connection with the Placing, the Joint Bookrunners and any of their affiliates, acting as investors for their own accounts, may acquire Ordinary Shares, and in that capacity may retain, purchase, sell, offer to sell, or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references in this document to the Ordinary Shares being offered, subscribed, purchased, acquired, placed, or otherwise dealt with should be read as including any offer to, or subscription, purchase, acquisition, dealing or placing by the Joint Bookrunners or any of their affiliates acting as investors for their own accounts. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Joint Bookrunners, the Nominated Adviser and any of their affiliates may have engaged in transactions with, and provided various investment banking, financial advisory or other services to, the Company, for which they would have received customary fees. The Joint Bookrunners, the Nominated Adviser and any of their affiliates may provide such services to the Company and any of its affiliates in the future.

Notice to prospective investors in the United Kingdom

This document is being distributed in the UK where it is directed only at persons who are “**qualified investors**” within the meaning of Article 2(e) of the UK Prospectus Regulation, and who are: (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**FPO**”); or (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the FPO and (iii) at persons to whom it is otherwise lawful to distribute it without any obligation to issue a prospectus approved by competent regulators. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of person and in any event, and under no circumstances, should persons of any other description rely on or act upon the contents of this document.

None of the Company, the Nominated Adviser or the Joint Bookrunners has authorised, nor does any of them authorise, the making of any offer of Ordinary Shares in circumstances in which an obligation arises for the Company, the Nominated Adviser or the Joint Bookrunners to publish a prospectus or a supplemental prospectus in the United Kingdom in respect of such offer.

Notice to prospective investors in the European Economic Area

In relation to each Member State of the European Economic Area (“**EEA**”) (each a “**Member State**”), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Member State prior to the publication of a prospectus which has been approved by the competent authority in that Member State, or otherwise in accordance with the Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation:

- (1) to any legal entity which is a “qualified investor” as defined in the Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) in such Member State; or
- (3) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall require the Company or any other person to publish a prospectus pursuant to Article 21 of the Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of the Prospectus Regulation.

Neither the Company, the Nominated Adviser nor the Joint Bookrunners have authorised, nor does any of them authorise, the making of any offer of Ordinary Shares in circumstances in which an obligation arises for the Company to publish a prospectus or a supplemental prospectus in respect of such offer.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company, the Directors and the Joint Bookrunners that the Ordinary Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the Joint Bookrunners has been obtained to each such proposed offer or resale.

The Company, the Directors, the Nominated Adviser and the Joint Bookrunners will rely upon the truth and accuracy of the foregoing representations, acknowledgements, and agreements.

For the purposes of this provision, the expression **“an offer to the public”** in relation to any offer of Ordinary Shares in any Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, and the expression **“Prospectus Regulation”** means Regulation 2017/1129/EU.

Notice to prospective investors in the United States

The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended. In the United States, the securities will only be offered and sold to qualified institutional buyers, or QIBs, as defined in Rule 144A under the U.S. Securities Act of 1933, as amended. Outside the United States, the offering is being made in reliance on Regulation S under the Securities Act.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this document is truthful or complete. Any representation to the contrary is a criminal offence.

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended. The securities are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the Securities Act pursuant to registration or an exemption therefrom.

Available information

For so long as any of the securities described herein are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act of 1933, as amended, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities, or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Enforceability of civil liabilities

The Company is a public limited company incorporated under the laws of England and Wales. None of the Company’s Directors or officers are citizens or residents of the United States. In addition, the majority of the Company’s assets and all the assets of the Directors and officers are located outside the United States. As a result, it may not be possible for U.S. investors to effect service of process within the United States upon the Company or its Directors and officers located outside the United States or to enforce in the U.S. courts or outside the United States judgments obtained against them in U.S. courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the securities laws of any state or territory within the United States. There is doubt as to the enforceability in England and Wales, whether by original actions or by seeking to enforce judgments of U.S. courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales.

Transfer restrictions

Each purchaser of the Company's securities in the United States will be subject to the following transfer restrictions. The Company's securities may not be offered, sold, pledged or otherwise transferred, except (a) to a person that the seller and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of another QIB or (b) outside the United States in accordance with Regulation S under the U.S. Securities Act 1933, as amended, or (c) pursuant to an exemption from registration under the Securities Act or (d) pursuant to an effective registration statement under the Securities Act.

Forward-looking statements

Certain statements in this document are or may constitute forward-looking statements, including statements about current beliefs and expectations of the Directors. In particular, the words "envisage", "projects", "expect", "anticipate", "estimate", "may", "should", "plan", "intend", "will", "would", "could", "target", "believe" and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward looking statements. Such forward looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Board's expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations and estimates and projections of the Enlarged Group's financial performance. Though the Board believes these expectations to be reasonable at the date of this document, they may prove to be erroneous. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, achievements or performance of the Enlarged Group, or the industry in which the Enlarged Group operates, to be materially different from any future results, achievements or performance expressed or implied by such forward looking statements. Prospective investors are strongly recommended to read the risk factors set out in Part 4 of this document.

Any forward-looking statement in this document speaks only as of the date it is made. Save as required by law or regulation or the AIM Rules for Companies, the Company undertakes no obligation to publicly release the results of any revisions to any forward looking statements in this document that may occur due to any change in the Board's expectations or in order to reflect events or circumstances after the date of this document.

Any forward looking statement in this document based on past or current trends and/or activities of the Enlarged Group should not be taken as a representation or assurance that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Enlarged Group for the current year or future years will match or exceed the historical or published earnings of the Enlarged Group.

Presentation of financial information

Unless otherwise indicated, the financial information in this document has been prepared as follows: (i) the financial reporting framework which has been applied in the preparation of the audited financial statements on the Company for the year ended 31 December 2022 is the applicable law and UK adopted international accounting standards ("UK-IAS") and in accordance with the requirements of the Companies Act 2006; and (ii) for all other financial reporting periods, the financial information of the Company has been prepared in accordance with applicable law and UK adopted international accounting standards or IFRS as adopted by the European Union, or where non-IFRS measures are presented, their preparation is outlined below.

The historical financial information of the Deal 1 Targets included in Part 6 B to this document has been reported on by Deloitte Ireland LLP. The historical financial information is prepared in accordance with UK- IAS as modified by the principles and the conventions permitted by Standards for Investment Reporting 2000 – Standards for Investment Reporting Applicable to Public Reporting Engagements on Historical Financial Information issued by the Financial Reporting Council of the United Kingdom ("SIR 2000"), and as stated within the basis of preparation section of Note 2 of the historical financial information. The unaudited interim financial information on the Deal 1 Targets is included in Part 6 C to this document and is prepared in accordance with UK adopted International Accounting Standard 34 Interim Financial Reporting ("UK- IAS 34"), as modified by the principles and the conventions permitted by Standards for Investment Reporting 2000 – Standards for Investment Reporting Applicable to Public Reporting Engagements on Historical Financial Information issued by the Financial Reporting Council of the United Kingdom ("SIR 2000"), and as

stated within the basis of preparation section of Note 2 of the unaudited interim financial information. Financial information relating to the Deal 1 Targets within this document has, unless otherwise stated, been extracted from the historical financial information and unaudited interim financial information. The related consent to the inclusion of Deloitte Ireland LLP's report in this document has been included as required by the AIM Rules for Companies and solely for that purpose.

Non-IFRS financial measures

Parts of this document contain information regarding alternative performance measures, including EBITDA, underlying EBITDA, underlying profit before tax, and underlying earnings per share. These are not defined terms under IFRS and Shareholders should not consider such items as alternatives to the applicable IFRS measures. These alternative performance measures are not intended to be a substitute for, or superior to, IFRS measures of profit.

The non-IFRS measures may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Existing Group's or the Enlarged Group's operating results as reported under IFRS. The Existing Group does not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS.

Reconciliation for SigmaRoc

<i>£'000</i>	<i>FY20</i>	<i>FY21</i>	<i>SigmaRoc FY22</i>	<i>H1 2022</i>	<i>H1 2023</i>
Underlying profit after tax	11,490	22,089	53,586	23,919	28,383
Depreciation	9,276	16,721	28,490	14,431	14,519
Amortisation	88	434	1,595	660	657
Underlying interest	2,380	5,317	8,910	3,340	6,649
Tax	662	4,699	9,142	5,206	4,660
Underlying EBITDA	23,896	49,260	101,723	47,556	54,868
Underlying Earnings per share (pence per share)	4.50	5.37	8.03	3.61	4.01

Reconciliation of EBITDA for the Deal 1 Targets

<i>€'000</i>	<i>FY20</i>	<i>FY21</i>	<i>Deal 1 targets FY22</i>	<i>H1 2022</i>	<i>H1 2023</i>
Profit after tax	32,968	26,558	41,987	16,666	21,059
Depreciation	23,234	23,617	25,251	12,403	11,686
Amortisation	2,251	335	279	167	–
Interest	5,696	5,625	5,359	2,992	5,768
Tax	(4,390)	10,609	15,436	5,828	8,123
EBITDA	59,759	66,744	88,312	38,056	46,636

For the Company, the reconciliation from the underlying numbers, presented above, to the IFRS results is included in the historic audited financial statements as included in Part 5.

Rounding

The financial information and certain other figures in this document have been subject to rounding adjustments. Therefore, the sum of numbers in a table (or otherwise) may not conform exactly to the total figure given for that table. In addition, certain percentages presented in this document reflect calculations based on the underlying information prior to rounding and accordingly may not conform exactly to the percentages that would be derived if the relevant calculations were based on the rounded numbers.

Currency presentation

In the document, references to “sterling”, “£”, “penny”, “pence” and “p” are to the lawful currency of the UK, references to “€” and “euros” are to the lawful currency of certain of the countries within the EU and references to “US\$” are references to the lawful currency of the United States. Unless otherwise indicated, the financial information contained in this document has been expressed in sterling. The Existing Group presents its financial statements in sterling.

The exchange rate applied throughout this document (unless indicated otherwise) is: GBP£:1; EUR€0.87.

Market, industry, and economic data

The data, statistics and information and other statements in this document regarding the markets in which the Enlarged Group operates, or the Enlarged Group’s position therein, are based on the Enlarged Group’s records. In relation to these sources, such information has been accurately reproduced from the published information and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

This document includes market share and industry data and forecasts that the Company has obtained from industry publications, surveys, internal company sources and from management consulting services provided by The Boston Consulting Group. As noted in this document, the Company has obtained market and industry data relating to the Enlarged Group’s business from providers of industry data and has obtained market data from the following reports:

- a report prepared by SLR Consulting;
- EuLA – A Competitive and Efficient Lime Industry (Summary of the Technical Report) dated February 2019
- European Commission – Competitiveness of the European Cement and Lime Sectors

Market and industry data is inherently predictive and speculative and is not necessarily reflective of actual market conditions. Statistics in such data are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. The value of comparisons of statistics for different markets is limited by many factors, including: (i) the markets are defined differently; (ii) the underlying information was gathered by different methods; and (iii) different assumptions were applied in compiling the data. Consequently, the industry publications and other reports referred to above generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and, in some instances, these reports and publications state expressly that they do not assume liability for such information. Specifically, none of the Joint Bookrunners nor the Nominated Adviser have authorised the contents of, or any part of, this document and accordingly no liability whatsoever is accepted by any of the Joint Bookrunners or the Nominated Adviser for the accuracy or completeness of any market or industry data which is included in this document.

Information on the Targets

The information on the Targets and connected matters which is included in this document is based upon the information which CRH has provided to the Company in a virtual data room for the purposes of due diligence carried out by the Company and its advisers relating to the Acquisitions and publicly available information.

No incorporation of website information

The contents of the Company’s website, any website mentioned in this document, or any website directly or indirectly linked to these websites have not been verified and do not form part of this document and prospective investors should not rely on such information.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading “Definitions”.

All times referred to in this document are, unless otherwise stated, references to London time.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment, or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

Information to Distributors

UK Product Governance Requirements

Solely for the purposes of Paragraph 3.2.7R regarding the responsibilities of UK Manufacturers under the Product Governance requirements contained within Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Requirements**”) and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in UK Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by UK Product Governance Requirements (the “**UK Target Market Assessment**”). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

EU Product Governance Requirements

Solely for the purposes of the product governance requirements contained within MiFID II and Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II (the “**EU Product Governance Requirements**”) and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the EU Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in EU Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by EU Product Governance Requirements (the “**EU Target Market Assessment**”). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits

and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

Furthermore, it is noted that, notwithstanding the UK Target Market Assessment and the EU Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	<p>David Barrett (<i>Chairman and Executive Director</i>) Max Vermorken (<i>Chief Executive Officer and Executive Director</i>) Garth Palmer (<i>Chief Financial Officer and Executive Director</i>) Simon Chisholm (<i>Non-Executive Director and Senior Independent Director</i>) Axelle Henry (<i>Independent Non-Executive Director</i>) Jacques Emsens (<i>Independent Non-Executive Director</i>) Tim Hall (<i>Independent Non-Executive Director</i>)</p> <p>All of whose business address is at the Company's registered office</p>
Registered Office	<p>6 Heddton Street London W1B 4BT United Kingdom</p>
Company website	<p>https://www.sigmaroc.com</p>
Company Secretary	<p>Julie Louise Kuenzel</p>
Nominated Adviser, Financial Adviser, Joint Bookrunner and Co-Broker	<p>Liberum Capital Limited Ropemaker Place Level 12 25 Ropemaker Street London EC2Y 9LY United Kingdom</p>
Financial Adviser and Joint Bookrunner	<p>BNP PARIBAS 16 boulevard des Italiens 75009 Paris France</p>
Financial Adviser and Joint Bookrunner	<p>Banco Santander, S.A. Paseo de Pereda 9 – 12 Santander Spain</p>
Joint Bookrunner, Co-Broker and REX Intermediaries Offer Co-Ordinator	<p>Peel Hunt LLP 7th Floor 100 Liverpool Street London EC2M 2AT United Kingdom</p>
Financial Adviser and Joint Bookrunner	<p>Redburn (Europe) Limited 2nd Floor 10 Aldermanbury London EC2V 7RF United Kingdom</p>
Adviser (M&A)	<p>Munegu Partners Limited 1004, 10/F. Kwan Chart Tower No. 6 Tonnochy Road Wanchai Hong Kong</p>
Legal advisers to the Company (Acquisitions)	<p>White & Case LLP 5 Old Broad Street London EC2N 1DW United Kingdom</p>

Legal advisers to the Company (Equity Capital Markets)	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT United Kingdom
Legal advisers to the Company (US Capital Markets)	Proskauer Rose LLP 110 Bishopsgate London EC2N 4A United Kingdom
Legal advisers to the Company (New Facilities)	Howard Kennedy LLP No.1 London Bridge London SE1 9BG United Kingdom
Legal advisers to the Nominated Adviser and the Joint Bookrunners	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF United Kingdom
Reporting accountants to the Company	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD United Kingdom
Reporting accountants on the Deal 1 Targets	Deloitte Ireland LLP 29 Earlsfort Terrace Dublin 2 D02 AY28 Ireland
Public Relations	Walbrook PR Ltd 75 King William Street London EC4 7BE
Registrars	Link Group Central Square 29 Wellington Street Leeds LS1 4DL United Kingdom

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

affiliate or affiliates	an affiliate of, or person affiliated with, a person; a person that, directly or indirectly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
Acquisitions	the proposed acquisition by the Company (in three separate transactions) of: (i) the Deal 1 Targets, which constitutes a reverse takeover pursuant to Rule 14 of the AIM Rules for Companies; (ii) the Deal 2 Target, subject to the Company exercising its option to enter into the UK SPA; and (iii) the Deal 3 Target, subject to the Polish Purchaser exercising its option to enter into the Polish SPA
Act	the Companies Act 2006 (as amended)
Admission	the re-admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
AIM	AIM, a market operated by the London Stock Exchange
AIM Rules and UK MAR Committee	the committee of the Board whose remit is compliance with the AIM Rules for Companies and UK MAR
AIM Rules for Companies	the AIM rules for companies published by the London Stock Exchange from time to time
AIM Rules for Nominated Advisers	the AIM rules for nominated advisers published by the London Stock Exchange from time to time
Aqualung	Aqualung Carbon Capture AS
ArcelorMittal	ArcelorMittal Global Holdings S.L.R.
Articles	the articles of association of the Company as in force as at the date of this document
Audit Committee	the audit committee of the Board
Baltic Aggregates	Baltic Aggregates Oy, a subsidiary of the Group registered in Finland and focused on aggregate exports from Finland to the Baltics
Baltics Platform	the Group's limestone and dolomite operations, and part of Nordkalk, covering the Baltics' markets and including Baltic Aggregates
BNP Paribas	BNP PARIBAS of 16 boulevard des Italiens, 75009 Paris, France
Benelux Platform	the Group's construction materials platform covering the Benelux market including GduH, B-Mix, Goijens, Cube Beton and Stone Holdings
Björka Mineral	Björka Mineral AB
B-Mix	collectively, B-Mix Beton NV, J&G Overslag en Kraanbedrijf BV and Top Pumping NV

Board	the Directors as at the date of this document, whose names are set out on page 12 of this document
Bridge Loan	a 1 year term loan of €125 million, with options to extend in aggregate by 12 months, provided by the Lenders to the Company to part finance the Acquisitions
Call Option Targets	the Deal 2 Target and the Deal 3 Target
Call Options	together, the UK Call Option and the Polish Call Option, summary details of which are set out in Part 2 of this document, and each a "Call Option"
Carmeuse	Carmeuse Holding S.A.
Carrières du Boulonnais or CdB	SAS Carrières du Boulonnais, part of Groupe Carrières du Boulonnais (Groupe CB)
Carve Out	the procedures required for the carve out of certain businesses and assets from the existing businesses of CRH with the result that such business and assets are wholly-owned by the UK Target and the Polish Target and therefore capable of being acquired
Casters	Casters Beton NV
CCP	CCP Building Products Limited
CDH or Carrières du Hainaut	CDH Développement SA together with its wholly owned subsidiaries Carrières du Hainaut SCA and CDH International SCA
Closing Date	(i) 4 January 2024, if the closing conditions have been fulfilled or waived by such date, or (ii) any later date on which all closing conditions have been fulfilled or waived (as the case may be), or at any other time as the parties to the Master Purchase Agreement may agree
City Code	the City Code on Takeovers and Mergers published by the Panel from time to time
Company or SigmaRoc	SigmaRoc plc, a public limited company incorporated under the laws of England and Wales with registered number 05204176, whose registered office is at 6 Heddon Street, London W1B 4BT, United Kingdom
Conditions to the Polish Call Option	(i) the Polish Purchaser having received notice from the Polish Seller that the Polish Carve Out has been completed in accordance with the Polish Call Option; and (ii) the Polish Target operating the only burnt lime business of the Polish Seller and its affiliates
Conditions to the UK Call Option	(i) the Company having received notice from the UK Seller that the UK Carve Out has been completed in accordance with the UK Call Option and (ii) the transaction under the Master Purchase Agreement having closed
CREST	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear
CREST Regulations	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended)

CRH	CRH plc (NYSE: CRH) (LSE: CRH) an international group of diversified building materials businesses headquartered in Dublin, Ireland
Czech Seller	the seller of the Czech Target, being CRH Europe Investments B.V.
Czech Target	75 per cent. of the issued share capital of Vitošov Vitosov s.r.o.
Deal 1 Acquisition	acquisition by the Company of the Deal 1 Targets, which comprises a reverse takeover for the purposes of Rule 14 of the AIM Rules for Companies
Deal 1 Completion	completion of the Deal 1 Acquisition, which shall occur on Admission
Deal 1 Effective Date	1 January 2024, 00:01 hrs in the relevant jurisdiction
Deal 1 Sellers	together, the German Seller, the Czech Seller and the Irish Seller, and each, a “ Deal 1 Seller ”
Deal 1 Targets	those Targets being acquired by the Company in Deal 1, being the German Target, Czech Target and Irish Target, and each, a “ Deal 1 Target ”
Deal 2 Acquisition	the acquisition of the Deal 2 Target, subject to and conditional upon the Company exercising its option to enter into the UK SPA
Deal 2 Sellers	the UK Seller
Deal 2 Target	subject to and conditional upon the Company exercising its option to enter into the UK SPA, the UK Target
Deal 3 Acquisition	the acquisition of the Deal 3 Target, subject to and conditional upon the Polish Purchaser exercising its option to enter into the Polish SPA
Deal 3 Seller	the Polish Seller
Deal 3 Target	subject to and conditional upon the Polish Purchaser exercising its option to enter into the Polish SPA, the Polish Target
Directors	the directors of the Company as at the date of this document, whose names are set out on page 12 of this document
EBITDA	earnings before interest, tax, depreciation and amortisation
EEA	European Economic Area
Enlarged Group	the Existing Group as it will be on Admission, i.e. as enlarged by the acquisition of the Deal 1 Targets (but not the Deal 2 Target and Deal 3 Target)
Enlarged Share Capital	the issued Ordinary Shares upon Admission, comprising the Existing Ordinary Shares and the Fundraising Shares
Euroclear	Euroclear UK & International Limited, a company incorporated under the laws of England and Wales
EUWA	the European Union (Withdrawal) Act 2018 (as amended)
Executive Directors	the executive Directors of the Company, who as at the date of this document, are David Barrett, Max Vermorken and Garth Palmer

Existing Facility	the syndicated senior credit facility of up to approximately £305 million arranged by Santander UK and BNP Paribas
Existing Group	the Company and its subsidiary undertakings as at the date of this document
Existing Ordinary Shares	the 693,801,899 Ordinary Shares in issue as at the date of this document
Expiry of the Polish Call Option	the Polish Call Option will terminate: (i) if the Conditions to the Polish Call Option have not been satisfied by 30 June 2024 or such later time as the parties may mutually agree in writing; (ii) upon expiry of the Polish Call Option Acceptance Period if the Polish Seller has not received notice from the Polish Purchaser of its intention to exercise the Polish Call Option in this relevant period; or (iii) if the Polish Purchaser exercises the Call Option but the Company and/or the Polish Purchaser do not sign or fail to deliver the signed Polish SPA to the Polish Seller at completion of the Polish Call Option
Expiry of the UK Call Option	the UK Call Option will terminate: (i) if the Conditions to the UK Call Option have not been satisfied by 23 March 2024 (unless this deadline is extended no later than 20 March 2024 at the discretion of the UK Seller) or such later time as the parties may mutually agree in writing; (ii) upon expiry of the UK Call Option Acceptance Period if the UK Seller has not received notice from the Company of its intention to exercise the UK Call Option in this period; (iii) if the Company exercises the UK Call Option but does not sign or fails to deliver the signed UK SPA to the UK Seller at completion of the UK Call Option; or (iv) upon the termination of the Master Purchase Agreement
FCA	the Financial Conduct Authority
Form of Proxy	the form of proxy for use by holders of Existing Ordinary Shares at the General Meeting
Franzefoss	Franzefoss AS, a Norwegian construction materials group
Fundraising	the Placing and the REX Intermediaries Offer
Fundraising Shares	the Placing Shares and the REX Intermediaries Offer Shares
FSMA	the Financial Services and Markets Act 2000 (as amended)
GD Harries	GDH (Holdings) Limited and its subsidiary undertakings including Gerald D. Harries & Sons Limited
GDH or Granulat du Hainut	Granulat du Hainaut SA
German Intercompany Loan Receivables	the receivables (including accrued interest) owed by the German Target to the relevant Deal 1 Sellers and their affiliates (other than the Deal 1 Targets), as outstanding as of the Deal 1 Effective Date, and to be assigned to the Company upon the acquisition of the Deal 1 Targets, substantially in the form attached to the Master Purchase Agreement
German Purchaser	SigmaCEN GmbH, a limited liability company incorporated under German law, registered in the commercial register at the local court of Charlottenburg under HRB 256485 B, a 100 per cent. subsidiary of the Company

German Seller	the seller of the German Target, being CRH Zehnte Vermögensverwaltungs GmbH
German Target	Fels Holding GmbH, including its fully owned (direct or indirect) subsidiaries Fels-Werke GmbH, Fels Netz GmbH and Fels Vertriebs und Service GmbH & Co KG
General Meeting	the general meeting of the Company to be held at 11.00 a.m. on 11 December 2023 at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London ECR4 3TT, the Notice of which is set out in Part 9 of this document
Goijens	Gripeco BV and its 100 per cent. owned subsidiaries Wegenbouw Goijens NV, Goijens Recycling NV and G&G Bentonpompen BV, a Belgian group of companies acquired by the Group in 2023 and which supplies ready-mixed concrete and pumping solutions in the north east of Belgium
Greenbloc	the Existing Group's cement free ultra-low carbon precast product range
HMRC	His Majesty's Revenue and Customs
Intermediaries	the intermediaries that were appointed by the Company in connection with the REX Intermediaries Offer and who agreed to adhere to and be bound by the Intermediaries Terms and Conditions
Intermediaries Agreement	the booklet entitled "Intermediary Agreement: REX Retail Offer" and containing, amongst other things, the Intermediaries Terms and Conditions
Intermediaries Terms and Conditions	the terms and conditions agreed between the Company, the REX Intermediaries Offer Co-ordinator and the Intermediaries in relation to the REX Intermediaries Offer, and contained in the Intermediaries Agreement
Irish Seller	the seller of the Irish Target, being Irish Cement Limited
Irish Target	Clogrennane Lime Limited
ISIN	International Securities Identification Number
Issue Price	47.5 pence per Fundraising Share
Johnston or JQG	Johnston Quarry Group Limited, Guiting Quarry Limited and their subsidiary undertakings
Joint Bookrunners	BNP Paribas, Santander, Liberum Capital, Peel Hunt and Redburn
LafargeHolcim	Holcim Ltd (SIX: HOLN) (XPAR: HOLN), operating as LafargeHolcim, a multinational producer of construction materials
LEI	Legal Entity Identifier
Lenders	Santander and BNP Paribas (as mandated lead arrangers and bookrunners)
Lhoist	Lhoist S.A., a family-owned lime, dolomite and mineral products business, headquartered in Belgium

Liberum Capital	Liberum Capital Limited of Ropemaker Place, Level 12, 25 Ropemaker Street, London EC2Y 9LY, United Kingdom
London Stock Exchange	London Stock Exchange plc
LTIP	the long term incentive plan adopted by the Company, known as the SigmaRoc Performance Share Plan, details of which are set out in paragraph 12 of Part 8 of this document
Master Purchase Agreement	the conditional agreement entered into by the Company, the German Purchaser, the German Seller, the Czech Seller and the Irish Seller dated 22 November 2023, summary details of which are set out in Part 2 of this document
MiFID II	EU Directive 2014/65/EU on markets in financial instruments
New Facilities	the new syndicated senior secured credit facilities of up to €875 million, provided by the Lenders, which comprises two facilities being a senior facility consisting of the Term Loan and RCF and separate bridging loan facility for the Bridge Loan which will replace the Existing Facility on drawdown under the New Facilities
NK East Oy	a company in the Nordkalk Group incorporated and registered in Finland, which is the holding company of Nordkalk's Ukrainian subsidiaries, Nordkalk Ukraine TOV and NK Prykarpattya TOV
New Option Plan	the proposed new option plan (to be known as the "Sigmaroc plc Share Option Plan 2023") to be adopted by the Company, conditional on Admission and subject to shareholder approval, the terms of which are set out in paragraph 13 of Part 8 of this document
New Options	the proposed new options to be granted under the New Option Plan, subject to shareholder approval and Admission
Nominated Adviser	Liberum Capital
Nomination Committee	the nomination committee of the Board
Non-Executive Directors	the Non-Executive Directors, who as at the date of this document, are Simon Chisholm, Jacques Emsens, Axelle Henry and Tim Hall
Nordkalk Group	Nordkalk and its subsidiary undertakings as at the date of this document
Nordkalk Share Purchase Agreement	the agreement dated 15 July 2021 made between the Company and Rettig Group pursuant to which the Company purchased from Rettig Group the entire issued share capital of Nordkalk, further details of which are set out in paragraph 17.1(o) Part 8 of this document
Notice	the notice of General Meeting which is set out in Part 9 of this document
NorFraKalk	NorFraKalk SA, a Norway incorporated joint venture company equally owned by Nordkalk and Franzefoss
Nordic	a region comprising Finland, Iceland, Norway, Denmark, Sweden, and the Faroe Islands

Nordkalk	Nordkalk Oy Ab
Nordkalk Group	Nordkalk and its subsidiary companies and undertakings
Official List	the Official List of the FCA
Omya	Omya AG
NK East Share Purchase Agreement	the agreement made between the Company and Nordkalk dated 30 August 2021, pursuant to which the Company acquired NK East Oy for €1, further details of which are set out in paragraph 17.1(p) of Part 8 of this document
Option Plan	the option plan adopted by the Company in 2016, further details of which are set out in paragraph 10 of Part 8 of this document
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company
Panel	the Panel on Takeovers and Mergers
Peel Hunt	Peel Hunt LLP of 7 th Floor 100 Liverpool Street, London, EC2M 2AT, United Kingdom
Placing	the conditional placing of the Placing Shares by the Joint Bookrunners at the Issue Price pursuant to the Placing Agreement
Placing Agreement	the agreement conditional upon, <i>inter alia</i> , the passing of Resolutions numbered 1 and 2, dated on or around the date of this document and made between the Company and the Joint Bookrunners relating to the Placing, further details of which are set out in paragraph 17.1(dd) of Part 8 of this document
Placing Shares	the, in aggregate, 418,464,565 new Ordinary Shares to be issued by the Company pursuant to the Placing
Polish Call Option	the option agreement entered into by the Company and the Polish Seller dated 22 November 2023, pursuant to which the Polish Purchaser (at its sole discretion) has the option to acquire the Polish Target, summary details of which are set out in Part 2 of this document
Polish Call Option Acceptance Period	30 calendar days after the date on which the last of the Conditions to the Polish Call Option is satisfied, unless the Polish Seller has unilaterally granted an extension to such acceptance period
Polish Carve Out	the Carve Out as it relates to the Polish Target
Polish Competition Office	the Office of Competition and Consumer Protection in Poland
Polish Competition Office Clearance	the clearances that the Polish Purchaser is required to obtain from the Polish Competition Office in order to complete, subject to the Polish Purchaser exercising the Polish Call Option, the acquisition of the Polish Target
Polish Purchaser	SigmaRoc plc, up to and until such time as the Polish SPV is incorporated and enters into a deed of adherence in respect of the Polish Call Option, wherein it assumes the rights and obligations of SigmaRoc plc (as purchaser) in the Polish Call Option and thereafter, the Polish SPV

Polish Seller	Trzuskawica S.A.
Polish SPA	the substantially agreed form SPA attached to the Polish Call Option
Polish SPV	the direct or indirect wholly-owned subsidiary of the Company to be incorporated in Poland for the purpose of entering into the Polish SPA
Polish Target	Ovetill Investments Sp. z o.o.
Polish Target Completion	subject to and conditional upon the Polish Purchaser exercising the Polish Call Option, completion of the acquisition of the entire issued share capital of the Polish Target by the Polish Purchaser
Poundfield	Poundfield Products (Group) Limited and its subsidiary undertakings, including Poundfield Precast
Poundfield Precast	Poundfield Precast Limited
PPG	the Existing Group's Precast Products Group platform based in the UK
Proposals	together, the Acquisitions, the Fundraising, Admission and other matters described in this document
Prospectus Regulation	Prospectus Regulation (EU) 2017/1129
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA under Part VI of FSMA, as amended
QCA Code	the QCA Corporate Governance Code published by the Quoted Companies Alliance from time to time
RCF	a revolving credit facility of €150 million provided by the Lenders to the Company
Redburn Atlantic	Redburn (Europe) Limited of 2 nd Floor, 10 Aldermanbury, London, EC2V 7RF, United Kingdom
Remuneration Committee	the remuneration committee of the Board
Resolutions	the resolutions to be proposed at the General Meeting
Rettig Group	Rettig Group Oy Ab
Reverse Takeover	the proposed acquisition by the Company of the Deal I Targets
REX Intermediaries Offer	the offer of the REX Intermediaries Offer Shares to the Intermediaries using the Peel Hunt REX portal
REX Intermediaries Offer Co-Ordinator	Peel Hunt LLP
REX Intermediaries Offer Shares	the, in aggregate, 2,588,066 new Ordinary Shares to be issued by the Company pursuant to the REX Intermediaries Offer
Ronez	Ronez Limited, the Existing Group's Channel Islands based business
RTO Option Plan	the option plan adopted by the Company in 2016, which was conditional upon the acquisition of Ronez, details of which are set out in paragraph 10 of Part 8 of this document

S&P	S&P Global Inc. (NYSE:SPGI)
Santander	Banco Santander, S.A. (LON: BNC), a multinational banking group operating as Santander Group
Santander UK	the UK branch of the Santander business
Scheduled Deal 1 Completion Date	4 January 2024
Shareholder	a holder of Ordinary Shares
SEDOL	Stock Exchange Daily Official List
Sellers	means the respective sellers of each of the Targets, being: (i) in respect of the Deal 1 Acquisition, the German Seller, the Czech Seller and the Irish Seller and; (ii) in respect of the Deal 2 Acquisition, the UK Seller; and (iii) in respect of the Deal 3 Acquisition, the Polish Seller
SKOY	Suomen Karbonaatti Oy, a joint venture company between Nordkalk (51 per cent.) and Omya Oy (49 per cent.), a subsidiary of Switzerland-based industrial minerals company Omya
SPA	share purchase agreement
Stone Holdings	Stone Holdings S.A.
Targets	each of the German Target, Czech Target, Irish Target, UK Target and Polish Target
Term Loan	a five year term loan of €600 million provided by the Lenders to the Company to part finance the Acquisitions and to pay financing costs
TUPE	the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended
UK	the United Kingdom of Great Britain and Northern Ireland
UK Call Option	the option agreement entered into by the Company and the UK Seller dated 22 November 2023, pursuant to which the Company (at its sole discretion) has the option to acquire the UK Target, summary details of which are set out in Part 2 of this document
UK Call Option Acceptance Period	<p>unless reduced or extended, 30 calendar days after the date on which the last of the Conditions to the UK Call Option is satisfied, unless the UK Seller has unilaterally granted an extension to such acceptance period, in which case, such extended period.</p> <p>This 30 calendar day period is:</p> <p>(1) reduced to:</p> <ul style="list-style-type: none"> (i) ten (10) calendar days, if the date on which the last of Conditions to the UK Call Option is satisfied is between 1 and 13 March 2024; or (ii) five (5) calendar days, if the date on which the last of Conditions to the UK Call Option is satisfied is 14 March 2024 or later; and <p>(2) extended by up to ten (10) business days, upon notification from the Company to the UK Seller, if the announcement of the</p>

Company's annual results falls within ten (10) business days of the expiry of the 30 calendar day period (but to no later than the date that is ten (10) business days following the date of such announcement)

UK Carve Out	the Carve Out as it relates to the UK Target
UK SPA	the substantially agreed form SPA attached to the UK Call Option
UK MAR	the UK version of the EU Market Abuse Regulation (596/2014) as it forms part of the retained EU law as defined in the EUWA
UK Prospectus Regulation	the UK version of the Prospectus Regulation as it forms part of EU retained law by virtue of the EUWA
UK Seller	the seller of the UK Target, being Tarmac Cement and Lime Limited
UK Target	Tarmac Shelfco Limited
UK Target Completion	subject to and conditional upon the Company exercising the UK Call Option, completion of the acquisition of the entire issued share capital of the UK Target by the Company
uncertificated or in uncertificated form	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
Verdalskalk	Verdalskalk AS, a joint venture company incorporated in Norway, in which Nordkalk holds a 10 per cent. equity interest

References to a "company" in this document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

For the purpose of this document, "subsidiary" and "subsidiary undertaking" have the meanings given by the Companies Act 2006.

GLOSSARY OF TECHNICAL TERMS

°C	degrees Celsius
°F	degrees Fahrenheit
Adjusted Leverage Ratio	the comparison of net debt to Underlying EBITDA for the last twelve months adjusted for pre-acquisition earnings of subsidiaries acquired during the year
aggregate	aggregates are small rock fragments (typically 0.08mm to 80mm in diameter) of mineral origin. Aggregates come in different types: maritime, fluvial and terrestrial. They may be sand, gravel or crushed gravel. Aggregates, mixed with water and cement, are essential for the production of concrete
aragonite	a carbonate mineral, one of the three most common naturally occurring crystal forms of calcium carbonate
ASP	average selling price
asphalt	a mixture of bitumen and mineral aggregates used in the construction of road and car park surfaces
Baltics	a geographical area comprising Estonia, Latvia and Lithuania and is bounded on the west and north by the Baltic Sea
Benelux	a collective name for Belgium, the Netherlands and Luxembourg
Bluestone	a high value blue coloured decorative limestone extracted from the Existing Group's CDH quarry, which has distinct characteristics and is a Global Heritage Resource
CaCO₃ or calcium carbonate	calcium carbonate, a substance found in sedimentary rocks such as limestone, predominately in the crystalline forms of calcite and aragonite
CAGR	compound annual growth rate
calcination	a heating process whereby a substance is purified and, as used specifically in this document, the transformation of limestone to lime
calcite	is a carbonate mineral and the most stable polymorph of calcium carbonate
calcium silicate	a lightweight, porous, chalky material, which is used for insulation, being suitable for temperatures up to 1200°F (649°C), as an anticaking agent in food production and as an antacid
CaO or calcium oxide	calcium oxide, otherwise known as quicklime or burnt lime
CapEx	capital expenditure
CaS or calcium sulphide	calcium sulphide, a substance produced in steel manufacturing when limestone reacts with sulphur, which goes into slag
causticising	a reaction in which sodium carbonate in green liquor reacts with calcium hydroxide from the slaker to form sodium hydroxide and calcium carbonate

CBAM	Cross Border Adjustment Mechanism is an EU carbon border tax, with the aim of reducing carbon emissions
CCUS	carbon capture utilisation and storage
cement	cement is a hydraulic bonding agent which is obtained by heating, then grinding, a mixture of limestone and clay. Most cements are made from clinker and additives and are usually used in the form of a powder. Cement sets when mixed with water. Combined with sand and aggregates (sand or gravel), it turns into rock-hard concrete or mortar
CO₂	carbon dioxide
concrete	concrete is a building material made by mixing water, aggregates and sand with a binding agent (usually cement) and, if necessary, with additives. This mixture is made on building sites and in factories
CRIRSCO	Committee for Mineral Reserves International Reporting Standards
DRI	direct reduced iron, produced from the direct reduction of iron ore (in the form of lumps, pellets, or fines) into iron by a reducing gas or elemental carbon produced from natural gas or coal
DWT	deadweight tonnage, a measure of how much weight a ship can carry and is the sum of the weights of cargo, fuel, fresh water, ballast water, provisions, passengers and crew
dolomite	an anhydrous calcium magnesium carbonate mineral with a chemical composition of $\text{CaMg}(\text{CO}_3)_2$
E1, E2, etc.	a resource product classification tool of environmental-social-economic viability, as administered by UNFC
eCO₂	embodied CO ₂
EAF	electric arc furnace, is a furnace that heats material by means of an electric arc
EPS	Earnings Per Share
ESG	environmental, social and governance
ETS	European Trading Systems
EU	the European Union
EUA	Emission Unit Allowances
EUETS	EU Emissions Trading System
EuLA	European Lime Association
EUR	Euro
CZK	Czech Crown
F1, F2, etc.	a resource product classification tool of technical viability, as administered by UNFC

G1, G2, etc.	a resource product classification tool of confidence in an estimate, as administered by UNFC
GCC	ground calcium carbonate
GDP	gross domestic product
GHG	greenhouse gas
Ha	a hectare is a non-SI metric unit of area equal to a square with 100-metre sides (1hm ²), or 10,000m ² , and is primarily used in the measurement of land
H₂O	the chemical formula for water
igneous rock	a rock that has formed through the cooling and solidification of magma or lava
ISO14001	the international standard for environmental management systems, designed by the International Organisation for Standardisation (ISO) to help businesses and other organisations to reduce their environmental impact
ISO 18001 and 45001	the international standards for health and safety management systems designed by the ISO
kg	kilogram
kt	thousand tonnes
ktpa	thousand tonnes per annum
LFL	like-for-like comparative with relevant prior period prepared on a pro-forma basis
licence, lease or permit	any form of licence, permit, lease or other entitlement granted by the relevant Government department in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract minerals that might be contained in the land, or ownership title that may prove ownership of the minerals
lime or quicklime	a limestone product with the chemical formula CaO, produced by heating limestone at high temperatures in kilns, which has a range of uses, including in the production of iron and steel, paper and pulp production, treatment of water and flue gases and in the mining industry
limestone	is a sedimentary rock composed primarily of the calcite and aragonite minerals, both of which are formed from calcium carbonate
Mt	million tonnes
Mtpa	million tonnes per annum
MWh	megawatt-hour, a unit for measuring power that is equal to 1,000 kilowatts of electricity being used continuously for one hour
NATO	North Atlantic Treaty Organization
OEM	original equipment manufacturer

PAC	price adjustment clause
PCC	precipitated calcium carbonate
PPB	pulp, paper & board
PERC	Pan European Reserves and Resources Reporting Committee which administers the PERC Code
PERC Code	the code of that name for the reporting of exploration results, mineral resources and mineral reserves and which sets out minimum standards, recommendations and guidelines for the United Kingdom, Ireland and Europe, as administered by PERC
pH	a logarithmic scale used to measure of how acidic/basic a solution is. The pH scale ranges from 0 to 14, with 7 being neutral. pHs of less than 7 indicate acidity, whereas a pH of greater than 7 indicates a base
PLN	Polish Zloty
SASB	sustainability accounting standards board
slag	the silicon dioxide and metal oxide mixture left over as a by-product of extracting metal from its ore during the smelting process
SBTi	Science Based Targets initiative
SG&A	Selling, General & Administrative
slaking	the process of adding water to calcium oxide (lime) to produce calcium hydroxide (slaked lime or hydrated lime)
SONIA	Sterling Overnight Index Average
stack	large industrial chimneys designed to emit and disperse hot air, particulate matter, and pollutants into the atmosphere at such a height as to not constitute a danger to surrounding life on the ground
Reserves	In the case of all members of the Existing Group other than Nordkalk, Reserves represent the estimate of the part of a Resource that has more certainty and considers non geological factors such as permitting, feasibility assessments, social and environmental factors, and also factors diluting materials and allowances for losses, which may occur when the material is mined or extracted. In the case of Nordkalk, the estimate of reserves which represents a 'commercial project' pursuant to the UNFC classification system, where the relevant permitting has been approved and the E1, F1 and G1 or G2 criteria under UNFC are met.
Resources	a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. In the case of all members of the Existing Group other than Nordkalk, Resources represent the estimate of the potentially viable mineable minerals. In the case of Nordkalk, Resource

estimates represent the estimate of potential reserves where the E2, F2 and G1, G2 or G3 criteria under UNFC classification are met.

TCFD	task force on climate-related financial disclosures
tpa	tonnes per annum
tph	tonnes per hour
underlying	in relation to stated financial figures, such as EBITDA, earnings per share and profit before tax, underlying figures are stated before acquisition related expenses, certain finance costs, redundancy and reorganisation costs, impairments, amortisation of acquisition intangibles and share option expense
UNFC	United Nations Framework Classification for Resources
wharves	plural of wharf, a structure on the shore of a harbour or on the bank of a river or canal where ships may dock to load and unload cargo or passengers
wollastonite	a naturally occurring mineral which is a chemical combination of calcium, silicon and oxygen. It is formed when limestone, or other high-calcium rocks, undergo high temperature and pressure changes sometimes in the presence of silica-bearing fluids such as in skarns or contact metamorphic rocks

FUNDRAISING STATISTICS

Issue Price	47.5 pence
Number of Existing Ordinary Shares in issue as at the date of this document	693,801,899
Number of Fundraising Shares (in aggregate) to be issued by the Company	421,052,631
Enlarged Share Capital in issue immediately following Admission	1,114,854,530
Percentage of Enlarged Share Capital represented by the Fundraising Shares	37.8 per cent.
Market capitalisation of the Company at the Issue Price on Admission	£530 million
Gross proceeds of the Fundraising	£200 million
Estimated net proceeds of the Fundraising receivable by the Company after expenses in connection with the Fundraising	£193 million
ISIN code	GB00BYX5K988
SEDOL code	BYX5K98
AIM TIDM	AIM:SRC
LEI code	213800Q3CJUERBGD1E44

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	23 November 2023
Latest time for receipt of proxy forms for the General Meeting	11 a.m. on 7 December 2023
General Meeting	11 a.m. on 11 December 2023
Completion of the acquisition of the Deal 1 Targets, Admission and dealings commence in the Enlarged Share Capital on AIM	8 a.m. on 4 January 2024
Issue of Fundraising Shares	8 a.m. on 4 January 2024
CREST accounts credited by	4 January 2024
Dispatch of definitive share certificates, where applicable	Within 10 business days of Admission

In respect of the Call Option Targets

Carve Out ¹ of UK Target expected by	28 March 2024
Carve Out ¹ of Polish Target expected by	30 June 2024
Expected timing for UK Target Completion by ²	28 March 2024
Expected timing for Polish Target Completion by ³	30 September 2024

¹ The Carve Outs of the UK Target and the Polish Target are required because the assets and businesses which will come to form the UK Target and Polish Target are not at present standalone entities and will need to be carved-out of existing CRH businesses such that they are standalone entities, which can be acquired. Summary details of the UK Carve Out and the Polish Carve Out are set out in paragraph 15 of this Part I of this document.

² Subject to the Company electing to exercise (in its sole discretion) the UK Call Option

³ Subject to receipt of the Polish Competition Office Clearance and the Polish Purchaser electing to exercise (in its sole discretion) the Polish Call Option

Notes:

Each of these times and dates is subject to change, particularly depending on the timing of the Polish Competition Office Clearance and the Carve Outs. Any changes to timing are at the absolute discretion of the Company, the Nominated Adviser and the Joint Bookrunners. Any changes to the expected timetable will be notified by the Company through an RIS. References to times are to London, UK times.

PART 1

LETTER FROM THE CHIEF EXECUTIVE OFFICER OF SIGMAROC PLC

SIGMAROC PLC

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 05204176)

Existing Directors:

David Barrett *(Chairman and Executive Director)*
Max Vermorken *(Chief Executive Officer and Executive Director)*
Garth Palmer *(Chief Financial Officer and Executive Director)*
Simon Chisholm *(Senior Independent Non-Executive Director)*
Jacques Emsens *(Independent Non-Executive Director)*
Axelle Henry *(Independent Non-Executive Director)*
Tim Hall *(Independent Non-Executive Director)*

Registered address:

6 Heddon Street
London W1B 4BT
United Kingdom

23 November 2023

To the holders of Existing Ordinary Shares and, for information only, to holders of options

Dear Shareholder,

Acquisition of the Deal 1 Targets from CRH
Entry into Call Options in respect of the Call Option Targets
Placing of, in aggregate, 418,464,565 new Ordinary Shares at 47.5 pence per share
REX Intermediaries Offer of, in aggregate, 2,588,066 new Ordinary Shares at 47.5 pence per share
Reverse Takeover
Admission of the Enlarged Share Capital to trading on AIM
and
Notice of General Meeting

1. INTRODUCTION

On 22 November 2023, the Company announced that it had entered into the Master Purchase Agreement pursuant to which it has conditionally agreed to acquire (and with respect to the German Target, the German Purchaser has conditionally agreed to acquire) the Deal 1 Targets, being: (i) the entire issued share capital of Fels Holding GmbH including its fully owned (direct or indirect) subsidiaries Fels-Werke GmbH, Fels Netz GmbH and Fels Vertriebs und Service GmbH & Co. KG (together, the German Target) from the German Seller; (ii) 75 per cent. of the issued share capital of Vápenka Vitošov s.r.o. (the Czech Target) from the Czech Seller; and (iii) the entire issued share capital of Clogrennane Lime Limited (the Irish Target) from the Irish Seller.

The Targets (being both the Deal 1 Targets and the Call Option Targets) are part of the CRH group, a leading provider of building material solutions with 75,800 employees across 29 countries. Together, the Targets operate through local entities in Germany, Czech Republic and Ireland (the Deal 1 Targets) and the UK and Poland (the Call Option Targets). The Targets are, when taken together, the second largest lime producer in Europe by market position, behind Lhoist.

The total consideration payable by the Company and the German Purchaser to the Deal 1 Sellers for the Deal 1 Targets is €745 million (approximately c.£645 million) (including €211.5 in connection with the assignment of the German Intercompany Loan Receivables) subject to customary adjustments in respect of entities' net debt and working capital position on 1 January 2024. The consideration for the Deal 1 Targets, following customary purchase price adjustments, will be satisfied by a combination of €230 million (c.£200 million) from the gross proceeds of the Fundraising, the drawdown of €350 million (c.£300 million) under new €750 million banking facilities (the **"New Facilities"**) and €75 million (c.£65 million) of deferred consideration. The Company and the German Purchaser may also elect to defer the payment of a further

€10 million of the Deal 1 consideration to the earlier of: (i) 31 August 2024; and (ii) if the Polish Purchaser exercises the Polish Call Option, the date on which the Polish Purchaser acquires the Polish Target.

In addition, the Company has entered into the Call Options pursuant to which, subject to certain conditions, it has been granted the right (but not the obligation) to acquire, separately, the Deal 2 Target and the Deal 3 Target, being:

- (i) with respect to the Deal 2 Target, subject to and conditional upon, amongst other things, the UK Carve Out being effected, the entire issued share capital of Tarmac Shelfco Limited (the UK Target) from the UK Seller; and
- (ii) with respect to the Deal 3 Target, subject to and conditional upon, amongst other things, the Polish Competition Office Clearance and the Polish Carve Out being effected, the entire issued share capital of Ovetill Investments Sp. z o.o. (the Polish Target) from the Polish Seller.

The exercise of the UK Call Option is entirely at the Company's discretion and the exercise of the Polish Call Option is entirely at the Polish Purchaser's discretion. If exercised, the UK Call Option will require SigmaRoc to acquire the UK Target and the Polish Call Option will, if exercised, require the Polish Purchaser to acquire the Polish Target on the terms of the substantially agreed form SPA attached to the relevant Call Option (subject to any updates to certain schedules of that agreed form as may be required to reflect changes since the signing of the Call Options). Other than being the contractual beneficiary of customary gap covenants in respect of the UK Target and the Polish Target to have those businesses run in the ordinary course, neither SigmaRoc nor the Polish Purchaser will have control over the UK Target or Polish Target or the assets or business of either unless and until the relevant Call Option has been exercised and the sale and purchase under the associated SPA completed. The Call Options have been granted for nil consideration.

Whereas the Deal 1 Targets are stand-alone entities, the Call Option Targets require carving out of existing CRH businesses in order to be acquired (see the details on the Carve Outs in paragraph 15 of Part I of this document). Accordingly, the exercise of the UK Call Option is conditional upon Deal 1 Completion having occurred and the Carve Out of the UK Target having completed. The exercise of the Polish Call Option is conditional, among other things, upon the Carve Out of the Polish Target having completed and receipt of Polish Competition Office Clearance. Further details of the Carve Outs are set out in paragraph 15 of Part I of this document and summaries of the Call Options are set out in Part 2 of this document.

In the event that the Company exercises its right to acquire the UK Target pursuant to the UK Call Option, it will be required to enter into the UK SPA, pursuant to which the total consideration payable by the Company to the UK Seller for the UK Target will be €155 million (approximately £135 million) (subject to customary adjustments in respect of the UK Target's net debt and working capital following completion of the UK SPA). The Company will satisfy this consideration in part by the drawdown of funds under the New Facilities. The Company will have a unilateral right to elect to defer €15 million of the consideration until the earlier of: (i) 31 August 2024; or (ii) if the Polish Purchaser exercises the Polish Call Option, the date on which the Polish Purchaser acquires the Polish Target.

In the event that the Polish Purchaser exercises its right to acquire the Polish Target pursuant to the Polish Call Option it will be required to enter into the Polish SPA, pursuant to which the total consideration payable by the Polish Purchaser to the Polish Seller for the Polish Target is €100 million (approximately £87 million) (subject to customary adjustments in respect of the Polish Target's net debt and working capital at the time following completion of the Polish SPA).

An amount equal to the enterprise value of €100 million (approximately £87 million) shall not be paid at completion of the Polish SPA and payment of such amount may be deferred by the Company for a maximum period of five years plus five business days from the completion of the Polish SPA, provided that the Company has granted the Polish Seller security over certain assets in and all of the shares in the Polish Target prior to completion of the Polish SPA (effected through the substantially agreed form floating charge, bank account pledge, power of attorneys to the bank account, deed of submission to enforcement, mortgage statement, security assignment of claims and the substantially agreed form share pledge agreement, each as attached to the Polish Call Option). The Company shall also enter into the Polish SPA and shall be jointly and severally liable for the Polish SPV's obligations under the Polish SPA.

In conjunction with the Acquisitions, the Company has also announced today that it has conditionally raised approximately £200 million (before expenses) via the issue of the Fundraising Shares at the Issue Price of 47.5 pence.

As part of the Placing, a member of the CRH Group has conditionally agreed to subscribe for 171,578,948 Placing Shares. CRH's expected holding on Admission of the Ordinary Shares as a percentage of the Enlarged Share Capital is 15.4 per cent.

Due to its size, the acquisition of the Deal 1 Targets comprises a reverse takeover of the Company pursuant to Rule 14 of the AIM Rules for Companies and completion of the Deal 1 Acquisition is therefore conditional on, *inter alia*, the approval of Shareholders at the General Meeting. The exercise of each of the Call Options (and subsequent acquisitions of each of the Deal 2 Target and the Deal 3 Target) are not expected to comprise a reverse takeover of the Company pursuant to Rule 14 of the AIM Rules for Companies.

The Fundraising and the acquisition of the Deal 1 Targets are inter-conditional and are both subject to, *inter alia*, Shareholder approval at the General Meeting.

Notice of the General Meeting is set out in Part 9 of this document. The General Meeting will be held at 11 a.m. on 11 December 2023 at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT.

The purpose of this document is to set out the details of, and reasons for, the Proposals and explain why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders and recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

You should read the whole of this document and not just rely on the information contained in this letter. In particular, you should consider carefully the "Risk Factors" set out in Part 4 of this document. Your attention is also drawn to the information set out in the other Parts of this document.

2. BACKGROUND TO, AND REASONS FOR, THE PROPOSALS

At its inception in 2016, the Company set out its buy and build strategy in the construction materials sector, seeking to build a diversified stream of income, sourcing stability and growth from niche markets and sectors, presenting what the Board believed was the opportunity to build a significant Northern Europe-focused construction materials business. To date, the Company has delivered on this buy and build strategy by making 21 acquisitions over the last 7 years, applying a decentralised operating model and generating an income stream diversified across end markets. This model allows for local autonomy and decision making while capturing the benefits of the Existing Group's European network. The Company's acquisition strategy is focused on driving scale, synergies and margins, as operations are integrated, invested in and de-risked. The proposed Acquisitions represent a significant opportunity to create one of the leading lime producers in Northern Europe, combining complementary footprints.

Since admission to AIM in early 2017, the Company has delivered growth by identifying and executing suitable acquisitions at attractive valuations, generating further value through improvements in operational efficiency, synergies and cross-selling. Over the last five years the Existing Group has delivered an increase in earnings per share of over 300 per cent. whilst ensuring the gearing level was maintained at reasonable levels.

In July 2021, the Company acquired the Nordkalk Group which the Directors believe represented a continuation of this model and a transformational step change for SigmaRoc, adding new platforms to become a sizeable limestone and lime operator. The acquisition of the Nordkalk Group created a market-leading Northern European quarried materials group, providing a major entry point to attractive new end-user markets, with high value add characteristics, supplying the construction, environmental, agricultural, metals, PPB, chemical and food industries. The acquisition of Nordkalk was significantly earnings enhancing in its first full year of ownership by SigmaRoc and the Directors believe that there is continued potential to further drive earnings growth.

In continuation of this strategy, the Company has now entered into the Master Purchase Agreement pursuant to which it (and with respect to the German Target, the German Purchaser) has conditionally agreed to acquire the Deal 1 Targets, being:

- (i) the entire issued share capital of the German Target, being Fels Holding GmbH (including its fully owned (direct or indirect) subsidiaries Fels-Werke GmbH, Fels Netz GmbH and Fels Vertriebs und Service GmbH & Co. KG);
- (ii) 75 per cent. of the issued share capital of the Czech Target, being Vápenka Vitošov s.r.o.; and
- (iii) the entire issued share capital of the Irish Target, being Clogrennane Lime Limited.

The acquisition of the Deal 1 Targets comprises a Reverse Takeover for the purposes of Rule 14 of the AIM Rules for Companies. As such, it is conditional, *inter alia*, upon Shareholder approval.

The Company has also entered into the UK Call Option and the Polish Call Option. Following the incorporation of the Polish SPV, which shall occur shortly after the date of this announcement, the Polish SPV shall accede to the Polish Call Option and shall have the right to exercise such option. Subject to certain conditions (including the Carve Outs being effected), the Call Options provide the right (but not the obligation) to acquire, separately, the UK Target and the Polish Target (as relevant), being:

- (i) the entire issued share capital of the UK Target, being Tarmac Shelfco Limited (including the business comprising CRH's lime production and associated distribution network and assets located in the United Kingdom which will be transferred to the UK Target prior to completion) subject to and conditional upon the Company exercising its right under the UK Call Option; and
- (ii) the entire issued share capital of the Polish Target, being Ovetill Investments Sp. z o.o. (including the business comprising CRH's lime flour production and associated distribution network and assets located in Poland which will be transferred to the Polish Target prior to completion) subject to and conditional upon the Polish Purchaser exercising its right under the Polish Call Option.

The acquisition of the Deal 1 Targets is expected to complete on 4 January 2024. The acquisition of the UK Target and the Polish Target will only complete if the Company and/or the Polish Purchaser (as applicable) elects to exercise its right pursuant to the relevant Call Option and the relevant conditions therein (being the Conditions to the UK Call Option and the Conditions to the Polish Call Option) being satisfied.

The Carve Outs of the UK Target and the Polish Target are required because the assets and businesses which will come to form the UK Target and Polish Target are not at present standalone entities and will need to be carved-out of existing CRH businesses such that they are standalone entities, which can be acquired. Summary details of the UK Carve Out and the Polish Carve Out are summarised in paragraph 15 of this Part I of the document. The UK Call Option must be exercised and the completion of the acquisition of the UK Target must occur by 28 March 2024. The Company currently expects the Polish Carve Out to have completed and the Polish Competition Office Clearance to have been received by no later than Q3 2024, however both events are largely outside the Company's control.

The operations of the Targets (being both the Deal 1 Targets and the Call Option Targets) include extracting limestone from quarries as well as further processing the limestone to, for example, produce limestone flour or burn the limestone to produce lime.

The Directors believe that the acquisition of the Deal 1 Targets and, if the relevant Call Options are exercised, the Polish Target and the UK Target, have compelling strategic rationale and will create significant and sustainable value, allowing the Company to:

- create a sector leading industrial minerals business in lime across Northern Europe: expanding into complementary geographic footprints with leading market positions;
- serve diversified end-markets with lime which is essential to a number of key industrial processes including in construction, steel manufacturing, chemicals production and agriculture each with positive growth outlooks;
- become a strategic partner to OEMs to help deliver future CCUS infrastructure that will bring multi-jurisdiction OEMs and lime producers together; and
- deliver at least €30 million of EBITDA synergies through network optimisation, economies of scale in procurement, and operational improvements by 31 December 2027.

Further details of the Deal 1 Targets and the Call Option Targets are set out below.

Summary financials of the Deal 1 Targets

€'000	FY20	FY21	FY22	H1 2022	H1 2023	CAGR (FY20-FY22)
Revenue	273,263	308,131	380,220	177,807	208,159	18.0%
EBITDA	59,759	66,744	88,312	38,056	46,636	21.6%
Operating Profit	34,314	42,993	62,880	25,439	34,935	35.4%
Net assets	378,783	419,270	417,976	414,988	436,451	5.0%

Source: the historical financial information and interim financial information on the Deal 1 Targets set out in Part 6 of this document

Summary financials of the Call Option Targets

The UK Target

€'000	FY20	FY21	FY22	CAGR (FY20-FY22)
Revenue	51,129	70,472	105,352	43.5%
Operating Profit	4,557	7,502	19,550	107.1%

The Polish Target

€'000	FY20	FY21	FY22	CAGR (FY20-FY22)
Revenue	61,642	69,039	94,138	23.6%
Operating Profit	16,495	18,266	20,041	10.2%

Source: unaudited management information

In total, the Targets (being both the Deal 1 Targets and the Call Option Targets) operate 11 quarries and 14 production sites with kilns. The German Target is the most significant operation, comprising 52 per cent. of FY22 revenue, this increases to 62 per cent. when the Czech Target (which it oversees) is also included. Note these figures are based on the Deal 1 Targets and Call Option Targets combined. Lime is the main product of the Targets, representing c. 77 per cent. of revenue (FY22 basis) and lime and limestone combined is 84 per cent. in FY22. Lime is priced significantly higher compared to other products.

The revenue of the Enlarged Group together with the Call Option Targets on a pro forma basis would have exceeded £1 billion in FY22, whilst operating profit would be c. £154 million. Minerals by volume combined for the Enlarged Group and the Call Option Targets are c. 2.7 billion tonnes (as at 30 June 2023).

The Directors believe that the lime and limestone markets are highly attractive and have significant positive long-term opportunities. Lime is a critical material for numerous industrial processes across many sectors in the economy and limestone is a versatile construction and industrial mineral with high barriers to entry. Construction demand for lime and limestone is expected to increase as a result of infrastructure investment, particularly in central Europe, and demand for low CO₂ alternatives including the replacement of cement with carbonate product in concrete is also expected to increase. Together, lime and limestone offer solutions to several emission and environmental challenges which is expected to fuel growth across a number of other end markets.

The Acquisitions will enhance the Existing Group's position, scale and expertise in the limestone and lime markets with the Enlarged Group expected to realise end market diversification benefits from the expanded platform. This strategy is intended to see the Company grow a diversified stream of cash flows from local markets across Europe and is consistent with the Company's 'Invest, Improve, Integrate, Innovate' strategy.

3. KEY INVESTMENT PROPOSITION

The Acquisitions represent an opportunity to become Northern Europe's leader in lime, combining high quality businesses and complementary footprints with pro forma FY22 revenue of £1 billion and underlying EBITDA of £211million (assuming exercise of the Call Options). The Enlarged Group will be positioned as either the number one or number two participant of the lime market in all of its key markets.

The Targets, together, have an excellent and consistent performance track record delivering FY22 revenue of €579.7 million and EBITDA of €133.7 million and EBITDA margin in excess of 20 per cent. The Acquisitions are expected to be earnings enhancing in the first full year of ownership subject to the Call Options being exercised.

The Acquisitions are expected to deliver revenue growth opportunities and cost synergies resulting in at least €30 million of EBITDA contribution by 2027. Revenue opportunities include expansion into adjacent applications and new geographic markets with entry into the Baltic region. Cost synergies are anticipated to be realised from site network optimisation and operational improvements as well as savings from procurement and SG&A.

The lime market is expected to continue to grow and to be worth €1.9 billion in 2031 across the Enlarged Group's markets. This is expected to be driven by increased demand from the construction and steel industries as well as a move towards greener industrial processes for which lime is a key input.

Lime and limestone are key resources in the transition to a more sustainable economy and lime products are natural carbon sinks. New applications for lime products as part of a drive for sustainability include the production and recycling of lithium batteries as part of increasing electrification, the decarbonisation of construction including through substitution of cementitious material, and new building materials, and environmental applications including lake liming, air pollution control and direct air capture.

The Targets are aligned with SigmaRoc's ESG and net zero ambitions and the Enlarged Group will be well positioned to be part of carbon capture utilisation and storage ("CCUS") hubs and to have a strategic role in the decarbonisation of key industries such as steel and chemicals. CCUS hubs are planned in a number of the Enlarged Group's operating countries and sit alongside the Group's existing actions including its JV with ArcelorMittal in Dunkirk and its Aqualung pilot study in Sweden.

SigmaRoc has built a solid track record of acquiring and improving asset-and-reserves-backed businesses, successfully delivering both organic and external growth. This has been shown through the Existing Group's long-term growth track record with EBITDA CAGR of over 80 per cent. and EPS CAGR of over 170 per cent. from FY16 to FY22.

The Enlarged Group is expected to be significantly cash generative with a targeted cash conversion ratio of approximately 95 per cent., resulting in a free cash flow target for the Enlarged Group in excess of £100 million per annum. The Board believe that operational efficiencies and cost savings offer the potential to improve cash generation.

The strong balance sheet and cash generation are expected to enable the Enlarged Group to de-gear at a rate of >0.5x per year with target leverage of less than 1.0x and €180 million of debt amortised in the first four years post completion of the Acquisitions (assuming the exercise of the Call Options and acquisition of the UK Target and the Polish Target). In addition, the Board will review the potential to divest non-core assets to further reduce leverage, as it intends the Enlarged Group to focus on core lime and limestone operations.

Further acquisitions are expected to be funded from the Enlarged Group's resources and the free cash flow generated from the combined operations. The Board also will, subject to the circumstances of the Enlarged Group at the time and subject to their statutory duties, consider paying dividends once leverage falls below 1.5x.

4. HISTORY OF THE EXISTING GROUP

Company History

The Company was incorporated on 12 August 2004 and was initially the holding company of a software company. On 22 August 2016, Shareholders approved resolutions to give effect to a restructuring, which included the disposal of the Company's operational subsidiaries, the change of name to SigmaRoc plc, a revised strategy and the appointment of, *inter alios*, Max Vermorken and David Barrett, as Chief Executive Officer and Executive Chairman, respectively.

On 3 January 2017, at a general meeting of the Company, shareholders voted in favour of the Company's first acquisition, being the reverse takeover of Ronez for £45 million in cash, funded by way of a placing of 100,000,000 new Ordinary Shares at 40 pence per share and the issue of 10 million convertible loan notes

at £1 per note, to raise approximately £50 million (before expenses). On 5 January 2017, the acquisition of Ronez completed and the enlarged SigmaRoc group was admitted to trading on AIM. The 10 million of convertible loan notes were repaid in full in January 2019.

On 19 October 2017, the Company announced the acquisition of Topcrete Limited and its wholly owned subsidiary Allen Concrete Limited, a specialist precast concrete producer, for an initial cash consideration of £9 million and a deferred conditional cash consideration of £3.5 million.

On 20 December 2017, the Company announced the acquisition of Poundfield, a UK-based group of businesses specialising in patented concrete products and systems, for a total consideration of £10.25 million, comprising an initial cash consideration of £9.5 million on a debt free / cash free basis and deferred consideration of £75 million, conditionally payable one year from completion and satisfied by the issue of new Ordinary Shares. The initial cash consideration was funded by way of a placing of 34,000,000 new Ordinary Shares at an Issue Price of 41 pence per share, raising £13.9 million.

On 22 June 2018, the Company acquired the lease over Foelfach Quarry, a high value polished stone quarry in South Wales, for a consideration of approximately £1 million. This marked the launch of the Company's third platform, focused on West and South West of the UK.

On 10 December 2018, the Company announced it had agreed to acquire the entire issued share capital of CCP, a UK-based concrete blocks and aggregates business with sites in North West England, for an initial cash consideration of £15.21 million and a deferred consideration of three payments of approximately £0.57 million to the vendors on each of the first, second and third anniversaries of the date of completion. On 25 January 2019, the Company announced it had successfully placed 30,257,053 new Ordinary Shares at a price of 41 pence per share, raising gross proceeds of £12.4 million, to part-fund the initial consideration for the acquisition of CCP. All deferred consideration has been paid to the vendors.

On 15 April 2019, the Company announced that it had acquired a 40 per cent. equity interest in GD Harries, a significant limestone quarrying group located in South Wales, for a cash consideration of £4.89 million, along with an option agreement with the owners of GD Harries, providing the exclusive right to purchase the remaining 60 per cent. of GD Harries for a cash consideration of £7.5 million. On 22 September 2020, the Company exercised this option and GD Harries became a wholly owned subsidiary of the Existing Group.

On 11 September 2019, the Company announced it had conditionally agreed to purchase Belgian sea defence rock quarrying group, Stone Holdings, for a transaction value of up to €2.2 million, comprising up to €1.3 million staged consideration and €0.9 million of assumed debt. The consideration was settled through a combination of cash and the issue of new Ordinary Shares at a price of 50 pence per share. Alongside the acquisition of Stone Holdings, renowned industrialist, Jacques Emsens, one of the vendors of Stone Holdings, agreed to join the Board, and this represented the launch of the Company's platform in the Benelux region.

On 15 October 2019, the Company announced the acquisition of CDH, a Belgian blue limestone and aggregates business. The consideration for the acquisition was €45.1 million, comprising an initial consideration of €29.1 million and deferred consideration of €16 million in cash, whereby the deferred consideration would be settled via €2.0 million which was paid on the first anniversary of completion and €14 million to be paid on the second anniversary. In conjunction with the acquisition of CDH, the Company completed a placing of £32.8 million, at a price of 41 pence per share, with net proceeds used to satisfy the initial consideration of £25.8 million (£29.1 million) payable and the balance providing the Company with additional funds for future investment opportunities and general working capital.

On 9 December 2020, the Company announced the successful completion of a placing, raising gross proceeds of approximately £12.4 million at a price of 51 pence per share to deploy further capital in investment opportunities. On 22 December 2020, the Company announced it had entered into a new multi-currency syndicated senior credit facility of up to £125 million with a consortium led by its existing lender, Santander UK. The credit facility comprised an £85 million committed term facility and a £40 million accordion option with a term of five years (non-amortised during the first three years).

On 11 February 2021, the Company announced its launch of the UK's first cement free ultra-low carbon concrete building block under a new brand, Greenbloc. SigmaRoc's Greenbloc range is completely cement free and materially reduces the carbon footprint of these blocks when compared to a traditional product,

providing an average net reduction in eCO₂ of 77 per cent. per concrete block (representing an average reduction equivalent to the CO₂ emitted by an average household's electricity consumption for four years). The Company has since rolled out its Greenbloc product to all of its PPG platform manufacturing sites across the UK.

On 26 March 2021, the Company announced the expansion of its Belgian aggregates operations, entering into an agreement to assume control of LafargeHolcim's quarrying operations, which are co-located at CDH's Belgian site, providing a platform for the significant expansion of the Company's European aggregates business. At the same time, the Company incorporated a new subsidiary and launched a new brand for its quarrying operations, Granulats du Hainaut, which agreed to supply LafargeHolcim in Belgium with a minimum of 1.5Mt of aggregates per year until 31 December 2024, under a take or pay agreement, for which the Company will charge a production margin. Additional volumes produced are subject to a pre-emption right by LafargeHolcim or to be utilised by the Company.

On 7 April 2021, the Company announced the acquisitions of the B-Mix and Casters Belgian concrete businesses from Groep Janssens N.V., for a combined cash consideration of €13 million. Following these acquisitions and the creation of the Granulats du Hainaut aggregates brand, the Company separated its European heavy-side materials operations into two separate platforms, with CDH continuing as a Europe-wide dimension stone platform, and the creation of a newly integrated concrete and construction aggregates platform including Granulats du Hainaut, Stone Holdings, B-Mix and Casters.

On 15 June 2021, the Company announced that it had entered into a joint venture agreement with major Calais based high grade limestone and construction materials company, Carrières du Boulonnais, which became a 25 per cent. shareholder in Granulats du Hainaut, with the aim of expanding as a supplier of limestone products across Benelux and Northern France. As part of the joint venture, Carrières du Boulonnais agreed to co-fund the new crushing and screening installations at the Existing Group's aggregates operations at CDH.

On 16 July 2021, the Company announced it had conditionally raised £260 million (before expenses) to help fund the acquisition of Nordkalk, a wholly-owned subsidiary of Rettig Group, for a total consideration of approximately €470 million (approximately £402 million) subject to certain adjustments including in respect of cash, debt and working capital. The consideration was satisfied by a combination of €270 million (approximately £231 million) from the proceeds of the placing, the drawdown of €150 million (approximately £128 million) under a new facility, and the issue of the €50 million (approximately £43 million) consideration shares to the Rettig Group at a price of 85 pence per share. The acquisition constituted a reverse takeover for the purposes of Rule 14 of the AIM Rules for Companies.

Nordkalk was established in 1898 as a limestone producer in Finland and subsequently expanded across Northern Europe to become, prior to the acquisition, the leading limestone company in the region. Nordkalk develops limestone-based solutions for agricultural, construction, metals, PPB and chemical industries and its main products are crushed limestone, limestone powder, lime and hydrated lime. Nordkalk delivers raw materials to numerous industries, and its solutions contribute to clean air and water, as well as the productivity of agricultural land. Nordkalk is a self-sustaining profitable business, with a long-term track record, operating in developed jurisdictions such as Finland, Sweden, and Poland. Nordkalk generated €365.3 million revenue and €72.5 million underlying EBITDA for the year ended 31 December 2022. Nordkalk has maintained EBITDA margins in excess of 15 per cent. for the previous 17 years, with an underlying FY22 EBITDA margin of 19.8 per cent.

On 10 September 2021, Marshalls PLC and SigmaRoc announced that they had entered into a strategic collaboration to develop ultralow carbon technology within the concrete building materials sector. The aim of this collaboration was to share learnings in the application of current technologies while working together to develop new low carbon methods of production.

On 1 February 2022, the Company announced the completion of the JQG acquisition. JQG is a high-quality producer of construction aggregates, building stone and agricultural lime across eight sites in England. The acquisition was for an initial cash consideration of £35.5 million and a deferred consideration of £11 million, subject to certain adjustments in respect of completion accounts and conditions relating to planning permissions.

On 12 September 2022, the Company announced the acquisition of RightCast Limited (a precast concrete producer specialising in the production of concrete stair flights and landings) for an initial consideration of £2.55 million, subject to adjustments made to the completion accounts, and a deferred consideration of £0.45 million.

On 12 September 2022, the Company announced it had entered a strategic joint venture with world steel leader ArcelorMittal which provided a framework for the expansion of the Group's lime business across continental Europe to create a new net-zero producer. Under the terms of the joint venture agreement, each of the Company and ArcelorMittal hold a 47.5 per cent. ownership stake in the new joint venture company. The new joint venture company aims to reuse heat recovered from the ArcelorMittal plant, and use biofuels in its production process to reduce its CO₂ emissions. The new joint venture will also leverage CCUS to produce green lime. The joint venture partners will leverage their materials and manufacturing expertise to produce 900,000 tonnes a year of material. In the first phase of roll out, the new joint venture company will be responsible for the construction of three new lime kilns in Dunkirk. Initial planning has commenced on permitting and kiln specification for these operations, with final permitting approval expected toward the end of 2024 and commissioning in 2025.

On 26 July 2022, the Company's subsidiary, Nordkalk, acquired 65 per cent. of the share capital of Canteras La Belonga SA, a high-quality producer of limestone registered and incorporated in Spain, with the remaining 35 per cent. acquired by Carrières du Boulonnais, for a cash consideration of £1.9 million and a deferred consideration of £1.1 million.

On 4 November 2022, the Company announced it had filed a patent on its Alfabloc Mark II retaining wall systems. With the acquisition of Poundfield in 2017, SigmaRoc also acquired a series of patents covering walling systems suitable for the construction, agriculture, sea defence and military applications. Over the years, the Group has continued to develop its product portfolio with further innovations including the evolution of its well-known Alfabloc system.

On 23 February 2023, the Company raised gross proceeds of approximately £30 million by way of a placing of 55,555,555 new Ordinary Shares at 54 pence per share. The proceeds were used to part fund six strategic acquisition opportunities across Europe for a total consideration of approximately £30 million and four organic growth and carbon footprint reduction projects for a total investment of approximately £8 million.

On 10 March 2023, the Company announced the acquisition of Goijens Concrete Group, a leading supplier of ready-mixed concrete and pumping solutions, located in the northeast of Belgium for an initial consideration of €13 million, and a deferred consideration of €1 million.

On 10 March 2023, the Company announced the acquisition of Juuan Dolomiittikalkki, a local agri-lime supplier in the North East Region. The acquisition was made on 20 January 2023 for a total consideration of €1.8 million, which is to be paid in 3 equal instalments of €0.61 million. The first payment was made at closing, and the other two are due on the first business day of 2024 and 2025 respectively.

On 25 April 2023, the Company announced the acquisition of Retaining Holdings Limited, a leading manufacturer of specialty retaining wall systems for an initial consideration of £2.5 million, subject to adjustments made to the completion accounts, and an earnout consideration which is conditional upon year 2 EBITDA reaching agreed thresholds up to a maximum amount of £3.1 million.

On 24 July 2023 the Company announced it had acquired Björka Mineral, a subsidiary of Swiss industrials materials group Omya. Björka Mineral is a leading supplier of high-grade limestone and dolomite powders. It operates three quarries that are synergistic to the Group's existing operations in Sweden. The transaction was completed during the first week in August.

On 24 July 2023 the Company announced the acquisition ST Investicija UAB and its subsidiaries, for a consideration of 3 times recurring EBITDA for the year 2022, and which operate three gravel and sand quarries in Lithuania, strengthening the Group's mineral position and aggregates business of its Baltics platform.

In September 2023 the Group acquired 4 concrete plants from Cube Beton, a subsidiary of leading limestone producer Groupe CB, for an initial consideration of 3.5 times recurring EBITDA for the year 2022. The

concrete plants located on the Belgian border with France which are being supplied from the Group's aggregates operation in Belgium, thereby securing a proportion of its output.

5. DESCRIPTION OF THE EXISTING GROUP

Business Model and Strategy

The Existing Group's business plan is to acquire high quality and well managed assets in the construction materials sector, providing the Existing Group with a strong operating platform, diversified income streams and stable cash flows in order to grow the Existing Group and advance its strategy further. The Existing Group is run as a commercially-minded business, seeking to return an increase on investment capital to Shareholders. Following each acquisition, the Existing Group seeks to implement operational efficiencies that improve safety, enhance productivity, increase profitability and ultimately create value for Shareholders.

The Company's business model has been founded on five simple principles:

Commodity market set apart by quality of product and service: A family approach of being local and personally known to the customer base, combined with the management skills and disciplined approach of a major construction materials producer.

Local products that do not travel: Construction materials are generally a local product, consumed and produced locally, due to their high mass to price ratio. This brings a particular dynamic to the sector, focused on local and fragmented demand trends.

Synergies are local not global: Each local market is different, with its own particularities, competitive pressures and history. This platform structure allows local synergies to be maximised that are best for each platform ensuring true cost savings and empowered businesses.

Agility and speed: Autonomous local managers fully understand requirements of local markets; each decentralised business can decide what is best for it at any moment in time, allowing nimble reactions to changing economic environments as well as major events such as COVID-19.

Decentralised approach: A decentralised approach that extracts maximum competitive value from each business; reducing unnecessary central costs and ensuring self-sustaining value driven businesses; by empowering high quality autonomous management. This decentralised model allows the Existing Group's platforms and businesses to focus on their delivery whilst a lean group level structure ensures governance and performance of the operations and the ability to engage in proactive investment activities.

The Company's current strategy is centred around four core principles:

Invest: The Company only invests in businesses with solid intrinsic value, where there is the potential for growth and improvement and the business can be acquired at an attractive valuation.

Improve: The Company appropriately motivates local management teams to drive growth and optimise each business offering to the local market and community, which in turn should improve the operational and financial performance of the business.

Integrate: Through the building and acquisition of complementary and compatible businesses, the Company aims to recognise and build on the value that previous owners have built, while improving efficiency and unlocking lower cost / high value synergies.

Innovate: As demonstrated by the introduction of the new Greenbloc product in February 2021, the Company strives to provide innovative product and service solutions to address current and future challenges facing the construction material industry, including utilising technological advances to improve the running of existing businesses and continuously challenging the status quo to seek to address expected social and environmental challenges.

Following the acquisition of Nordkalk, SigmaRoc became a sizeable lime operator which provided the Company with a leading position in the Finnish and Swedish markets. This position, combined with its expertise, enabled it to partner with ArcelorMittal, to be at the forefront of the development and production of net-zero lime. The Directors believe that the acquisition of the Targets will make SigmaRoc one of the leading players in the European lime industry.

As at the date of this document, the Existing Group comprises ten platforms across three regions. The Existing Group operates over 25 operating units across its platforms, with three core product streams, employing approximately 2,050 people.

Following the substantial expansion and development of SigmaRoc in 2021, with the acquisition of Nordkalk, the Board determined that the Existing Group's platform-based model could be enhanced through an overarching regional structure. The platform model has proven effective, ensuring the Existing Group remains locally focussed and agile, with the regional overlay supporting the Existing Group's new expanded footprint and providing a strong foundation for further growth and expansion:

<i>Region</i>	<i>Countries</i>	<i>Markets</i>	<i>Products</i>	<i>Platform</i>
North West	UK	Construction	Limestone and non-limestone aggregates	PPG
	Channel Islands	Agriculture	Dimension stone	England
			Pre-cast concrete products	Wales
			Ready mix concrete	Channel Islands
			Asphalt & contracting services	
			Cement trading and shipping	
West	Belgium	Construction	Dimension stone	Dimension Stone
	Netherlands		Limestone	Benelux
	Luxembourg		Ready mix concrete	
	Northern France			
North East	Finland	Construction	Lime	Quicklime
	Sweden	PPB	Limestone	Nordics
	Poland	Metals & mining	Limestone powders	Poland
	Norway	Environmental		Baltics
	Estonia	Chemicals		
	Latvia	Food		
	Lithuania			
	Spain			

Figure 1: Existing Group structure (material operating companies only, simplified structure)

End markets

In terms of end-markets, the Existing Group broadly fits into two primary categories, being construction materials and industrial minerals.

Industrial minerals

Industrial minerals include higher-grade limestone products, produced from quarried limestone material which is processed into an ore and then ground into powders and granulates or burnt into lime, which can then be further processed through re-carbonation. Industrial minerals also include other high-grade specialised minerals such as dolomite and wollastonite. Industrial mineral customers are typically large national or multinational corporates under fixed annual supply agreements over long-term contracts. Predominantly these contracts include dynamic pricing mechanisms to adjust for changes in the price of key input costs such as energy and logistics.

Lime and high-grade limestone materials have many industrial applications, ranging from fillers in the production of cardboard to reactive agents in the treatment of flue gas, soil, and water. The Existing Group's industrial mineral markets comprise:

- **Pulp, paper & board:** Lime is required in the closed chemical circulation of modern pulp mills, helping decrease environmental impact of the production process. Approximately 250 kg of lime is required to produce a tonne of pulp. Lime and limestone are also used as filler in the production of paper and cardboard and more broadly in effluent treatment.

- **Metals & mining:** Lime and limestone are used in various metal production applications, including steel and copper production and metal recycling. Lime is also an important chemical for regulating various processes in the mining industry.
- **Environmental:** Lime, slaked lime and limestone powders are used to remove acidic compounds such as sulphur, chlorine and fluorine from flue gas. Lime and slaked lime are also used to treat water, raising the pH level of drinking water and reducing toxicity of wastewater.
- **Food:** Lime is critical in achieving sustainable and more productive agriculture, both in terms of livestock and farming. Limestone is also used to increase soil pH and in animal feed.
- **Chemical:** Finely ground limestone powders are used as fillers in paint and adhesives. Wollastonite is also used to enhance properties of paint, plastics, and other unique applications.

Construction minerals

Construction minerals include quarried lower-grade limestone or granite products, crushed to various size specifications, and sold as aggregate or processed into value-added products such as concrete blocks, pre-cast concrete, ready-mix concrete, and asphalt. Construction mineral customers range from:

- Government Agencies (usually in a capacity as the promoter of projects) for construction and maintenance of vertical and horizontal infrastructure such as roads and sea defences.
- Large corporates for vertical and horizontal construction including commercial and residential infrastructure projects on behalf of Government Agencies as referred to above.
- Independent house builders and contractors.
- Merchants and resellers including shipping agencies and wholesalers.
- Individuals and small businesses undertaking small projects and home improvements.

Quarried limestone and granite minerals are used in the construction of roads, concrete, and other building materials. Construction materials markets are broadly categorised as either infrastructure or residential:

- **Infrastructure:** Uses quarried limestone or granite minerals in the construction of large infrastructure projects such as roads, railways, bridges, ports, airports and commercial buildings. Primary products include aggregates, asphalt and contract services, ready-mix concrete, pre-cast concrete and dimension stone.
- **Residential:** Uses quarried limestone or granite minerals in the construction of various forms of housing. Customers include large national housebuilders, developers, contractors and individuals. Primary products include aggregates, pre-cast concrete & concrete products, ready-mix concrete, and dimension stone.

Dimension stone

Dimension stone comprises natural limestone with unique characteristics (colour, texture, and pattern) which is quarried as large blocks, processed into slabs and then cut and finished to various specifications. Dimension stone is used in the construction market for infrastructure and residential projects such as tiles, skirtings, paving, cladding, walling and bespoke applications such as kitchen benches and swimming pools. Dimension stone customers include stone transformers and cutters, wholesalers, building merchants and contractors. Customer contracts range from multi-year development projects, structured supply arrangements and periodic or one-off orders.

Region: North West

The North West region covers England, Wales and the Channel Islands. It comprises four platforms which are detailed below. The North West is primarily focused on the construction industry, which accounts for 99 per cent. of revenue, and the core product group is therefore construction minerals, including pre-cast concrete & concrete products, ready-mix concrete, asphalt & surfacing, dimension stone and aggregates.

Financial information in respect of the North West region for financial years 2022 and 2021 (which is extracted from the historical financial information of the Existing Group which is incorporated by reference in this document as set out in Part 5 of this document) is set out below.

<i>Financial metrics</i>	<i>2022</i>	<i>2021</i>	<i>Change</i>
Revenue	£139.5m	£103.3m	+35%
Underlying EBITDA	£30.0m	£18.0m	+67%
Underlying EBITDA margin	21.5%	17.4%	+410bps
<i>Sales volume metrics</i>	<i>2022</i>	<i>2021</i>	<i>Change</i>
Construction mineral (tonnes)	3.3m	2.6m	+26%
Dimension stone (m ³)	3.2k	–	–
<i>Operational metrics</i>	<i>2022</i>	<i>2021</i>	<i>Change</i>
People	669	551	+21%
Reserves and resources (tonnes)	188.5m	101.3m	+86%
Sites	35	27	+30%

Region: West

The West region covers Belgium, the Netherlands, Luxembourg and Northern France. It comprises the dimension stone and Benelux platforms, which are detailed below. The West is solely focused on the construction industry and the core product groups are dimension stone and construction minerals.

Financial information in respect of the West region for financial years 2022 and 2021 (which is extracted from the historical financial information of the Existing Group which is incorporated by reference in this document as set out in Part 5 of this document) is set out below.

<i>Financial metrics</i>	<i>2022</i>	<i>2021</i>	<i>Change</i>
Revenue	€102.5m	€84.5m	+21%
Underlying EBITDA	€21.7m	€19.8m	+10%
Underlying EBITDA margin	21.2%	23.4%	–220bps
<i>Sales volume metrics</i>	<i>2022</i>	<i>2021</i>	<i>Change</i>
Industrial mineral (tonnes)	2.4m	2.1m	+15%
Dimension stone (m ²)	0.9m	0.9m	–
<i>Operational metrics</i>	<i>2022</i>	<i>2021</i>	<i>Change</i>
People	496	484	+2%
Reserves and resources (tonnes)	269.1m	271.7m	–1%
Sites	6	6	–

Region: North East

The North East region comprises the acquired Nordkalk business and is the leading company providing limestone-based products and solutions in Northern Europe. Delivering essential raw material to numerous industries and focusing on sustainable solutions, Nordkalk helps its customers reduce their environmental impact. The Company's solutions contribute to clean air and water as well as the productivity of agricultural land. With over 800 employees and a rich history spanning over a century, the North East region consists of more than 40 locations across 10 countries.

Financial information in respect of the North East region for financial years 2022 and 2021 (which is extracted from the historical financial information of the Existing Group which is incorporated by reference in this document as set out in Part 1 of this document) is set out below.

<i>Financial metrics</i>	<i>2022</i>	<i>2021¹</i>	<i>Change</i>
Revenue	€365.3m	€111.8m	+227%
Underlying EBITDA	€72.5m	€22.3m	+225%
Underlying EBITDA margin	19.8%	19.9%	–10bps
<i>Sales volume metrics</i>	<i>2022</i>	<i>2021</i>	<i>Change</i>
Industrial mineral (tonnes)	3.2m	1.2m	+172%
Construction mineral (tonnes)	11.0m	3.7m	+194%
<i>Operational metrics</i>	<i>2022</i>	<i>2021</i>	<i>Change</i>
People	827	821	+1%
Reserves and resources (tonnes)	1,142.0m	962.1m	+19%
Sites	43	43	–

Reserves and Resources of the Existing Group

SigmaRoc's Reserve and Resource estimates are generally prepared by external consultants. The Existing Group's mineral resources, which are set out in Table 1 below, are classified by jurisdiction in consideration of the above and follow, where practicable, the PERC classification system, which has been widely used and is internationally recognised as part of the CRIRSCO family of codes.

As at 31 December 2022, the Existing Group had the following estimated Reserves and Resources (tonnes):

<i>Reserves and resources by region</i>	<i>2022</i>	<i>2021</i>	<i>Change</i>
North West	188.5m	101.3m	+21%
West	269.1m	271.7m	–1%
North East	1,142.0m	962.1m	+19%
Total	1,599.6m	1,335.1	+20%

Summary of the Existing Group's estimated Reserves and Resources by region as at 31 December 2022.
Source: Annual Report

6. INFORMATION ON THE TARGETS

The Targets (being both the Deal 1 Targets and the Call Option Targets) are part of the CRH group, a leading provider of building material solutions with c. 75,800 employees based in 29 countries.

The Targets operate through local entities in Germany, Czech Republic and Ireland (the Deal 1 Targets) and the UK and Poland (the Call Option Targets). These businesses are largely stand-alone except for the UK Target and Polish Target, which require carving out of existing CRH businesses in order to be acquired (see the details on the Carve Out in paragraph 15 of Part I of this document).

The Targets are, when taken together, one of the leading lime producers in Europe by market position, behind Lhoist. The top five customers of the Targets averaged c. 50 per cent. of revenue from FY19 to FY22. Relationships tend to be stable (lime is generally an important but a relatively low value part of an end production value chain). Each Target has a well invested footprint close to its customer base and a strong track record of resilient growth, profitability, and successful pass through of cost increases to customers.

¹ Nordkalk was consolidated into the Existing Group effective from 1 September 2021

The Targets' operations include extracting limestone from quarries as well as further processing the limestone, creating for example, limestone flour or burning the limestone to produce lime. In total, the Targets operate 11 quarries and 14 production sites with kilns. Contracts with customers have formal price adjustment clauses ("PACs"), automatically passing through cost inflation. In addition, the Targets have long lifetime reserves from (predominantly) quarry ownership but also long-term supply deals. The Targets' plants in Germany, Czech Republic and Poland are rail connected and offer transport flexibility.

The Targets' products include: limestone which is crushed; limestone and limestone chippings of different grain sizes; limestone flour which is essentially washed, dried and ground limestone chippings (flours of <0.1mm); and lime encompassing lump/ground lime (burned (calcined), crushed, washed, and sized limestone can also be ground) and hydrated lime (washed, dried and ground limestone chippings (flours of <0.1 mm)).

Summary financial information on the Deal 1 Targets (the German Target, Czech Target and Irish Target) and the Call Option Targets (being the UK Target and the Polish Target) for the year ended 31 December 2022 is set out below:

	<i>Deal 1 Targets</i>			<i>Call Option Targets*</i>	
	<i>German Target</i>	<i>Czech Target</i>	<i>Irish Target</i>	<i>Polish Target</i>	<i>UK Target</i>
Revenue (€'m) (% of total)	303.0 (52.3%)	54.7 (9.4%)	22.5 (3.9%)	94.1 (16.2%)	105.4 (18.2%)

Source: unaudited management information

* Each of the UK Target and the Polish Target may be acquired by SigmaRoc subject to and conditional upon the exercise by the Company (in its sole discretion) of the relevant Call Option. Percentage references are of the Deal 1 Targets and Call Option Targets combined.

Volumes and ASP have historically been stable (limited disruption from COVID-19) and are supported by a lack of ready substitutes for lime product as an input, limited alternate suppliers within an economic distance to offset transport costs and due to lime as an input cost tending to be a low value relative to a customer's end product.

Limestone is c. 8 per cent. of the Targets' combined revenue (but c. 44 per cent. by volume) and the product is mainly crushed limestone and limestone chippings of different grain sizes. Other product offerings include mortar (in Germany and Czech Republic), as well as fertilizer and flours (Poland). All of the Targets' products are used across a range of industry segments, mainly as intermediary inputs as part of wider production processes. Industrial applications is the largest segment; this includes the steel industry (the largest end market across operating companies). This spread of applications and the (relative) low value has tended to limit any material fluctuations in demand, for instance during COVID-19.

History of the Targets

The Deal 1 Targets

The German Target operates predominantly as a holding company for Fels-Werke GmbH, which was founded in the late 1930s, and Fels Netz GmbH and Fels Vertriebs- und Service GmbH & Co. KG. Fels-Werke GmbH has been the official trading of the main operating company name since 1971. In 1991 it acquired Harz-Kalk GmbH, which included the Kaltes Tal, Rubeland, Hornberg, Schraplau and Oberrohn plants. A 1999 takeover of the Rudersdorf (near Berlin) and Saal plants made it the #2 lime producer in Germany. Eight production plants (and 39 kilns), comprising six lime plants, one dedicated dolomitic plant and one mortar plant. It is geographically well positioned to serve almost the entire country and it has #1 market position in the North and East regions.

The Czech Target has operated in the local lime market since 1872 and was acquired as part of Fels in August 2017. There is a legacy 25 per cent. minority interest (which are mainly private investors). The Czech Target shares a leading local market position with Lhoist. Its operations are run from a single production plant (3 kilns), based at Hrabova. Management of the Czech Target is also overseen by the German Target, an arrangement which pre-dates the CRH acquisition of Fels.

The Irish Target is the only lime producer in the Republic of Ireland and trades as a standalone entity which dates back to 1816 and operates from two sites, being Carlow and Toonagh.

Call Option Targets

The Polish Target was founded in 1910 and has two lime production plants (total of 11 kilns), in Kujawy and Sitkowka. Both were acquired by CRH in 2003 (as part of two separate transactions). The Sitkowka plant is located on a quarry site, with the country head office also on site. Kujawy is the only lime plant in Northern Poland. It is production only (no quarry). It holds a market-leading position in what is a consolidated lime market in Poland.

The business which will be acquired as part of the UK Target was founded in 1891. It is the leading producer of lime products in the UK. The business was acquired by CRH in 2015 as part of the Lafarge/Tarmac business. Its operations comprise two sites, one in Tunstead and one in Hindlow (with a total of 5 permitted kilns). It is a leading player in soil revitalisation (which is important for the civil engineering sector). Hindlow quarry and Tunstead quarries will be retained by CRH with material being sold to the Enlarged Group under long term supply agreements.

Structure of the Targets

The Targets operate through 5 separate business units:

	<i>Deal 1 Targets</i>			<i>Call Option Targets*</i>	
	<i>German Target</i>	<i>Czech Target</i>	<i>Irish Target</i>	<i>Polish Target</i>	<i>UK Target</i>
Founded	1930s	1872	1816	1910	1891
Lime v limestone	Both	Both	Both	Lime only	Lime only
Plants / kilns	8 / 39	1 / 3	2 / 2	2 / 11	2 / 5
Locations in country	Lower Saxony, Saxony Anhalt, Brandenburg, Bavaria	Moravia/, Olomouc Region Vitošov	HQ in Carlow, also a plant in Ennis	Two locations located in the Northwest and Southeast of the country	HQ in Buxton, plants in Tunstead and Hindlow

* Each of the UK Target and the Polish Target may be acquired by SigmaRoc subject to and conditional upon the exercise by the Company (in its sole discretion) of the relevant Call Option.

Reserves and Resources of the Targets

The Deal 1 Targets

	<i>Reserves (Mt)</i>	<i>Resources (Mt)</i>	<i>Total reserves and resources (Mt)</i>
Combined – Germany	274	749	1023
Vitošov – Czech Republic	21	21	42
Clogrennane – Ireland	4	0	4
Total	299	770	1069

The Deal 1 Targets have long lifetime reserves from (mainly) quarry ownership and long-term supply deals. Kilns and key plant are subject to scheduled maintenance cycles, with no material disruption to production noted in the three years to 31 December 2022. There are 6 active lime production plants in Germany which are supported by quarries.

Reserves can sustain over the long-term with average life reaching up to 100+ years in certain locations (e.g. Germany). The Targets are a leading supplier in key markets with a high-quality limestone reserve base.

The Call Option Targets

Neither the UK Target nor the Polish Target own any quarry sites and therefore do not have any reserves or resources attributed to them. The Call Option Targets currently purchase limestone inputs through either an inter-company basis from CRH or from third parties. In the event that the UK Call Option is exercised by the Company (and upon completion of the UK SPA), the UK Target will put in place a long-term supply agreement with the UK Seller for limestone supply to each of the Tunstead and Hindlow sites. The terms of such agreements have been agreed between the Company and the UK Seller. In connection with the Polish Call Option, the Polish Target will put in place a long-term limestone supply agreement with the CRH group on the terms that have been agreed between the Company and the Polish Seller.

7. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

SigmaRoc remains committed to leading its peers with respect to ESG. ESG encompasses a company's Environmental, Social and Governance aspects, however there is no global definition with each company and sector potentially having different focuses. SigmaRoc has extended its pledge by committing to SBTi which was submitted for validation in 2023.

The Existing Group's ESG reporting has been guided using the principles of TCFD and SASB. Whilst TCFD recommendations serve as a global foundation for effective climate-related disclosures, in terms of disclosure, the Existing Group has adopted, where possible, the SASB Construction Materials disclosure topics and accounting metrics. SASB standards represent a clear solution to TCFD implementation having rigorously developed TCFD-aligned reporting tools to promote disclosures in a way that is both cost-effective and useful for all stakeholders.

Science-based targets provide a clearly defined pathway for companies to reduce GHG emissions, helping prevent the worst impacts of climate change and future-proof business growth. They show organisations how much and how quickly they need to reduce their GHG emissions.

Through the 2015 Paris Agreement, world governments committed to curbing global temperature rise to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. In 2018, the Intergovernmental Panel on Climate Change warned that global warming must not exceed 1.5°C to avoid the impacts of climate change. To achieve this, global GHG emissions must halve by 2030 – and drop to Net Zero by 2050.

Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement.

As SigmaRoc continues its commitment to net zero, SBTi is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science.

There are 5 stages of implementation SBTi targets:

- **Commit:** Register online and submit a letter to commit to setting a science-based target, or to have existing targets independently verified.
- **Develop a target:** Develop target(s) in line with SBTi science-based criteria.
- **Submit target for validation:** review of targets by SBTi team of technical experts to validate it against SigmaRoc's science-based criteria.
- **Announce target and inform stakeholders:** SBTi will publish targets on their Companies Taking Action Page.
- **Disclose progress:** disclose a company's emissions annually and monitor progress on reaching its target.

As a business, SigmaRoc's overall aim is to ensure sustainable returns to its Shareholders. SigmaRoc is committed to ensuring this can be done in a manner where it minimises risks and seizes opportunities so that its business continues to be strong in the years to come.

Road Map to Zero

ESG (Environment)

Environment

	Subject	Target	Date	Progress to date
Carbon	All concrete products available in low carbon and ultra-low carbon.	2025		50% of concrete products available in low carbon and ultra-low carbon.
	Carbon capture storage and trial plant operational.	2025		First module commissioned and operational from June 2023.
	Alternative fuels used in mobile equipment.	2030		Trials with alternative fuels for fleet and electronic fleet and mobile equipment.
	Alternative fuels used in fixed equipment (e.g. lime and asphalt).	2032		Upgrade of fuel handling systems and burners underway in Nordkalk for the use of alternative fuels.
	All kilns are carbon neutral.	2038		Aqualung agreement signed that will look to have all kilns carbon neutral by 2030.
	Net-zero.	2040		
	Energy intensity and efficiency	2.5% reduction in energy intensity	2030	Site and Virtual PPA under review across each business with some businesses already expanding their renewable energy sources.
		100% third party energy sourced from renewable means.	2030	Site and Virtual PPA under review across each business with some businesses already expanding their renewable energy sources.
	Resource utilisation and circular economy	100% of all manufactured products can utilise waste / recycled materials.	2025	Products such as asphalt, concrete, and concrete products are already using, where specification allows, waste / recycled materials such as nappies, RAP, PFA, GGBS and recycled aggregates. The production of lime uses waste materials as fuel in the process of making lime.
		100% utilisation of all production materials.	2027	Set up of Baltic Aggregate enables the aggregates not suitable for industrial mineral application to be processed and supplied to construction markets.

The Targets and ESG

The Targets are aligned with the Company's net-zero roadmap. New ESG opportunities for the Enlarged Group include increased R&D primarily through German entities, opportunities to leverage new patent and collaboration with Peak cluster in the UK. The nature of the asset will support waste production and reduce emissions further with access to railway.

The German Target has operated an environmental management system for many years. All elements of this system are checked by regular audits and any necessary improvements are initiated. Before new processes and products are introduced, their impact on the environment is evaluated. The German Target is committed to constantly reducing the environmental impact of its production, processing and delivery activities. Recycling of raw materials makes an important contribution to the German Target's environmentally compatible operations, as is shown by the following example. The German Target's lime products are used to de-sulphurise flue gases of power plants. This process produces flue gas utilised on gypsum which Fels pre-processes in a special plant to stucco. The resulting purified gypsum is processed into high-quality Fermacell gypsum fibre boards.

Dealing with Carbon Dioxide

CO₂ Emissions

Lime production is a CO₂ intensive process. While CO₂ is emitted at all stages of production, most emissions are concentrated in calcination (where limestone is burnt in the kiln to transform into calcium oxide).

CO₂ emissions from calcination are required to be balanced via the European Trading System ("ETS"). The ETS was established by the European Commission in 2005 to help with the global decarbonisation efforts. The system provides a financial incentive to keep CO₂ emissions to a minimum, whereby a producer is assigned a free allocation of greenhouse gases it can emit, based on historic production levels. Emissions above the free allocation result in incremental costs. While, if emissions are below the free allocation, the surplus allowances can be held to cover future needs (or sold).

EU Emissions Trading System

The EUETS regulates GHG emissions of energy and energy-intensive industries as well as inner-European aviation. The EUETS puts a cap on the CO₂ emitted by business and creates a market and price for carbon allowances. It covers 45 per cent. of EU emissions, including energy intensive sectors and approximately 12,000 installations. The EUETS works on the 'cap and trade' principle. A 'cap', or limit, is set on the total amount of certain greenhouse gases that can be emitted by factories, power plants and other installations in the system within the cap, and companies receive or buy emission allowances which they can consume, or trade as needed.

An allowance gives the right to emit a tonne of CO₂, and any allowance surplus to requirement can be accumulated and used to offset future emissions or traded. The current surpluses were inherited from previous phases of the scheme where emissions were consistently below the system's cap. As such the value of these allowances was low and were traded at less than €10/tonne.

The directive concerning Phase IV (2021-2030) of the ETS entered into force on 8 April 2018. However, secondary legislation and guidance documents defining the legislative background of the Phase IV Trading Period are still ongoing. The new benchmark values (the value at which the free allowance is set) is below the actual emissions of the covered industries, and this deficit, along with market measures such as a stability reserve held by the EU and the faster reduction in year-on-year allowances has driven traded prices up to current values of €80-€100/tonne.

EUAs are given to primary industries such as iron & steel, aluminium, cement & lime, power, and fertiliser, where the volume of free allocation is based on the current phase of European benchmark and current operating capacity of plant. The ETS system expands to shipping in 2026 and in recent times CBAM has been applied to primary industries except for lime. CBAM will result in zero free allocation by 2035, with lime remaining on EUA based on a c. 4.4 per cent. year-on-year reduction, depending on actual production levels. In the UK, free allocation original benchmark changed to allow competitiveness of UK lime, thus a pseudo increase in free allocation.

The UK Emissions Trading Scheme (“UK ETS”) replaced the UK’s participation in the EUTS on 1 January 2021.

Lime Industry and CO₂

For lime there are sources of CO₂ along the production process, however there are two primary sources that make up the majority of CO₂ emissions: fuel and process emissions from the calcination part of the process. The calcination process is simply the formula of deriving CaO from CaCO₃ using heat.

The two main sources of CO₂ from the calcination part of the process are as follows:

- Combustion CO₂ (~25 per cent. to 35 per cent.) produced from the burning of fossil fuels; and
- Process CO₂ (~65 per cent. to 75 per cent.) produced from the actual calcination of limestone.

All the CO₂ sources have different mitigation solutions:

- **Power and energy CO₂** – can be reduced through energy efficiency, renewable electricity, fuel efficiency and renewable / alternative fuels. The Company is actively working on renewable energy solutions and power purchase agreements.
- **Combustion CO₂** – can be reduced by energy efficiency and fuel selection, as well as by CCUS. The Company is in the process of moving away from fossil fuels and has commissioned its first carbon capture module in 2023.
- **Process CO₂** – can only be addressed by CCUS, with the Company’s first module commissioned in April 2022.

Carbon Capture Usage and Storage

The emissions from lime kilns are well suited to technologies such as CCUS as they have a higher CO₂ content than most post-combustion gases and contain fewer contaminants due to using only limestone as feedstock and, due to product requirements, more stringent fuel quality requirements and typically lower gas filtration temperatures.

Post-combustion capture systems constitute a technically and economically viable solution to reduce emissions in a variety of sectors. Retrofitting existing plants with post-combustion capture units may be the only effective and economically viable way to reduce emissions at the stack, without affecting the process upstream.

The availability of a range of commercially ready technologies suitable for different types of CO₂ point sources is crucial for the wide deployment of CCUS systems. Given the wide ranges of plant sizes and flue gas specifications relevant to different emitting sources, it is unlikely that a single technology could fit best in all cases. Therefore, for effective process design, it is convenient to consider technologies and select the most efficient and economically viable option to serve the purpose.

In addition to the Aqualung membrane technology chosen by SigmaRoc, there are a few other options, each with their own opportunities and risks:

- Amine scrubbing is acknowledged as the most mature CCUS solution. Absorption-based processes for the separation of CO₂ from flue gases have been widely researched, and their effectiveness has been proven through testing on a variety of scales, from laboratory to commercial. For lime, this solution is both costly and requires a substantial footprint with significant energy consumption and issues with disposal of waste residues.
- Cryogenic capture and separation is a more recent development offered by industrial gas companies as an extension of their in-house process. For lime, this solution is both costly and requires a substantial footprint with significant energy consumption.

SigmaRoc believes that the aqualung membrane technology is optimally suited to its operations, in summary, due to the proven technology, small footprint, low capital and operating costs, and high efficiencies.

Membrane-based processes, on the one hand, are utilised by relatively simple process schemes (e.g., no flowing liquid phase, fewer auxiliary streams and fewer pieces of equipment), which make them cost-competitive at small scales. On the other hand, components like membrane modules are generally limited in their maximum size and benefit less from economies of scale but do offer a modularity that allows for smaller investments over time to follow market effects.

The choice to pursue membrane technology in SigmaRoc's lime production process was based upon several criteria – capital requirement, footprint, cost of operation, complexity of operation and overall environmental impact. Membrane technology is, as mentioned previously, limited in scale and suitable for modularity, allowing smaller capital investment to track, as an example, allowances in EUETS. The modules are small (within a sea container) and would require, in SigmaRoc's largest plant, four modules to cover process emissions. There are relatively few moving parts, no hazardous liquids or residues and, due to efficient kiln processes where SigmaRoc has little remaining waste heat which can be used in amine technologies, lower energy penalty to operate (typically less than 50 per cent. of competitive technologies). In addition, when the produced CO₂ is used in other processes, specific purity requirements could be met by the addition of another stage of separation within the existing modules.

Lime producers can deal with CO₂ footprint in the production process by either abating it (via longer-term actions, including actions currently underway across CRH) or paying for allowances. The latter is the accepted standard response in the short-term, with effective full cost passed to customers (through price adjustment clause ("PAC ") mechanisms in long-term contracts).

ETS put a cap on lime producer capabilities to emit CO₂ without paying extra CO₂ cost. With the introduction of Phase 4 from January 2021 allowances for the sector have been reduced (most lime producers are now in deficit and required to buy extra CO₂ allowances), though not as much as other primary industries due to CBAM.

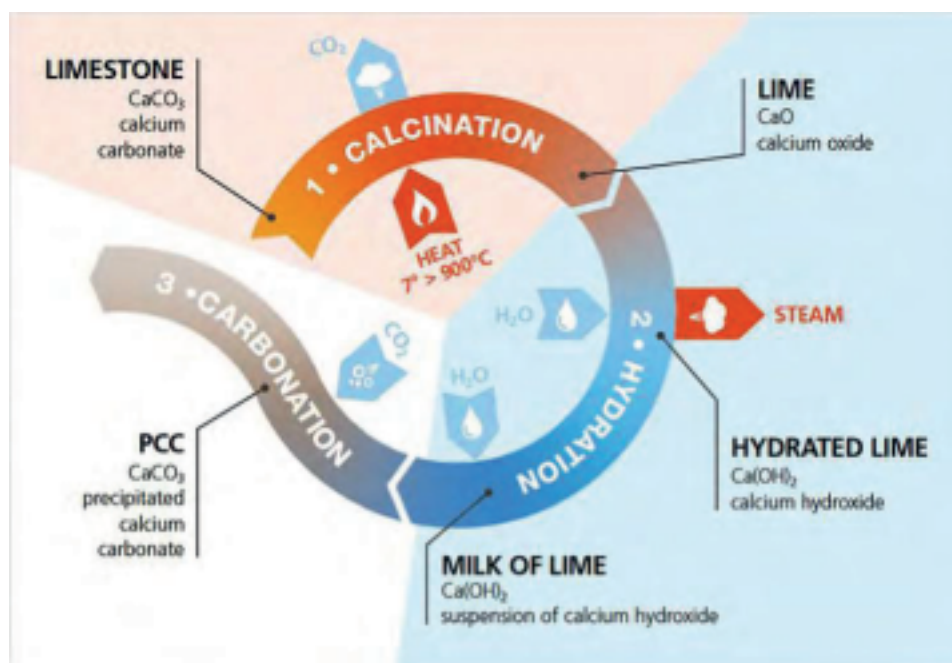
8. LIMESTONE AND THE LIMESTONE MARKET – OVERVIEW

Limestone, a carbonate rock, is predominantly a product of deposits from seawater, where it is formed by layers of minerals, fine sediment and skeletons of marine organisms being transformed through lithification. Carbonate rocks are found across every continent, having formed throughout geologic history and continuing to form through coral reefs and at the base of shallow seas.

Limestone is primarily composed of the calcite and aragonite minerals, both of which are formed from calcium carbonate with a chemical composition of CaCO₃. Calcium carbonate is a key raw material in the production of cement, concrete aggregates, lime and several other products.

Limestone products come in the form of unprocessed limestone (crushed rocks and powder), lime (calcium oxide produced through calcination), slaked lime (calcium hydroxide, in powder and granulated form through hydration of lime), and other naturally occurring minerals, such as Wollastonite (calcium silicate). Following extraction from quarries, limestone ore (CaCO₃) undergoes crushing and screening in order to separate the ore into different size fractions. The crushed ore can then be further treated by calcination, which comprises the thermal decomposition of the raw limestone in a kiln, leading to the removal of carbon dioxide (CO₂), to produce a lime (CaO) product (also known as quicklime). Lime can then be hydrated (or 'slaked') by adding water and producing a calcium hydroxide or slaked lime product (Ca(OH)₂).

Lime can go through a further processing stage of re-carbonation, whereby CO_2 released from the calcination process is injected back into the process to create PCC. In addition, re-carbonation naturally occurs in end use lime products, with the level of reabsorption varying by the industry application. Lime used in pulp and paper reabsorbs 93 per cent. within five years and 85 per cent. in the first year following the calcination process. The construction, steel and environmental industries reabsorb approximately 92 per cent., 56 per cent. and 66 per cent. of process emitted CO_2 , respectively within the first five years following calcination. A schematic showing the stages of the limestone processing cycle and is set out in the diagram below:



The limestone processing cycle (Source: EuLA – A Competitive and Efficient Lime Industry dated February 2019)

Limestone is a versatile commodity, used across a broad range of industries including paper & pulp, plastics, agriculture, water treatment, construction and steel manufacturing. The construction industry, including steel making, represents the largest proportion of the use of limestone. Its use in the construction industry is vital, playing a key role in road construction, infrastructure, concrete and other building materials. Some of the key characteristics of limestone include durability, weather resistance, heat conductivity and low cost, making it an ideal base material for the construction sector.

In the iron and steel industry, limestone products are used in various forms and applications, including as a fluxing material (to promote fluidity in smelting of ores and to remove impurities), as a de-sulphurising agent (limestone reacts with sulphur to form calcium sulphide which goes into slag), coating of moulds of pig casting machines, neutralising of acidic water, water treatment, waste water (effluent) treatment, flue gas treatment, and sludge and sewage treatment.

In the pulp & paper industry, limestone is a vital product used in the causticising cycle and paper pigmentation processes. Lime is used in the closed chemical circulation of a modern pulp mill, with approximately 250kg of lime being required to produce one tonne of pulp. The pulp industry also uses lime products (lime, slaked lime and limestone powder) in effluent treatment. In the paper and cardboard industries, lime-based coating pigments and fillers such as GCC (ground calcium carbonate), which is made from concentrated and fine-ground calcium carbonate, and PCC (precipitated calcium carbonate), which is made from lime and predominantly used as filler in fine paper such as copy paper, where brightness and opacity are important qualities.

In agriculture, limestone products are used in fertilisers to increase fertility, improving a plant's ability to absorb nutrients, and also for soil stabilisation by quickly raising pH levels in soil. Limestone fodder products, containing the high purity limestone, are used to provide a source of calcium to livestock.

Limestone has many varied applications in the treatment of water, including processing drinking water, purification of waste water and the neutralisation of industrial waste water. In drinking water and waste water treatment, lime products are used to raise the pH level of the water and to adjust alkalinity. In waste water treatment, lime is also used to precipitate phosphorus and metals and to stabilise the sludge build up.

Market Dynamics in the UK, Ireland, Germany, Czech Republic, Sweden, Finland and Poland

Both lime and limestone volumes in the Targets' markets have been largely stable over recent years. In terms of market value development, the limestone market has largely stable prospects in the short-term and the lime market is growing. Pricing within these markets is predominantly based on four cost groups comprising energy, CO₂, labour and other.

The overall lime and limestone market of the Enlarged Group is expected to grow at a CAGR of 2.7 per cent. from 2022 to 2031, reaching a market size of €2.8 billion in 2031. In addition to the surge in the construction sector, the market growth is anticipated to be driven by the replacement of blast furnaces by sustainable hydrogen based DRI+EA technology in the steel industry (which accounts for 44 per cent. of the total lime volume) as well as the increasing demand from new applications such as lithium battery production, hemp lime for building materials, ocean and lake liming.

Limestone demand is largely influenced by construction activity, most prominently in cement, building and steel manufacturing. In 2020, the global activity in the construction industry decreased due to the disruptions, labour shortages and closure of construction sites caused by the COVID-19 restrictions. The demand is expected to return to historical levels by 2025 with the housing shortage in Europe and the green deal renovation wave of the older housing stock. The increase in demand is expected to be most prominent in Germany, Poland and the UK.

Demand in pulp, paper and board, as well as the food sector is expected to remain stable with a slow increase. Slight decline is expected in the environment and other sectors, such as flue gas treatment. This is particularly the case for the flue gas treatment sector in Germany, which accounts for 5 per cent. of the total limestone market and 3 per cent. of the total lime market, as the country's 2020 coal exit law stipulates that the country phase out coal by 2038.

The Directors expect the value of the lime market to grow. This follows significant historical growth and will be driven by the underlying energy costs following a period of significant energy cost inflation, as well as the growth of carbon emissions costs and their share of the total lime production cost. Energy is returning to a new normal, despite average levels being above 2020/2021 prices, it is a significant reduction compared to the 2022 spike during the energy crisis.

As the limestone prices have remained largely stable, the limestone market value is also expected to remain largely stable whilst slowly increasing until 2031, assuming it will follow the RPI index.

Product and market upside opportunities:

New applications of lime are anticipated to create potential additional demand over the next five years and beyond:

- Battery production – Lithium batteries require lime at two stages of their lifetime:
 - Production: key input for lithium-ion battery production; and
 - Recycling: to reduce toxicity of hydrogen fluoride gases, lime is used to treat flue gases during hydrometallurgical processing, lime is used in the precipitation step.
- Construction
 - Port sludge stabilisation: stabilising dredged material in ports to transport easier; this will improve maintenance efficiency across ports due to easier removal;
 - Hemp lime in building: hemp lime for building materials for housing to increase CO₂ absorption;
 - Asphalt: to increase durability of roads through hydrated lime in asphalt mix; this reduces cracking, improved durability, etc.; and
 - New house building materials.

- Environmental
 - Shipping emissions (flue gas): to reduce emissions of vessels in 'Emission Control Areas'.

There is also further potential upside from environmental applications including ocean liming to change the property of water basins to allow carbonation with more CO₂ capture, lake liming to manage and protect pH level in lakes and Air Pollution Control Residues ('APCR') cleaning to reduce heavy metals. However, these uses are not expected to impact in the near term.

The lime market has demonstrated significant historical growth which is expected to continue, supported by the normalisation of energy costs following a period of significant price volatility. Carbon emission costs are expected to continue to grow, becoming a larger share of total lime production cost. Volume growth is also expected due to positive construction development and shifts in the steel industry to lime intensive EAF routes.

In terms of limestone value, the market outlook is largely stable. Overall prices are expected to grow 0.5 per cent. to 1.5 per cent. per annum between 2027 and 2031 and are assumed to follow the RPI index.

10. SUMMARY OF THE ENLARGED GROUP'S COMPETITION

Competitor overview

For both lime and limestone, the Targets have a strong and established reputation for delivering a high-quality product, with sufficient capacity to meet expected long-term demand, while maintaining good customer relationships.

A European Commission report notes that the majority of European limestone manufacturing enterprises are small, family-owned and operate at a local level, save for a few large companies, including Carmeuse and CRH, Lhoist and Nordkalk which are regarded as global-leaders in the industry. It has been reported that there is significant price competition in the limestone market. Following the acquisition of the Targets, the Enlarged Group will be one of the leading lime producers in Europe.

In recent years, the European limestone industry has become more concentrated, due to an increase in mergers and acquisitions, and businesses exiting the marketplace. Furthermore, operators have noted tightening environmental protections increasing costs and administrative burden for quarrying has resulted in smaller companies struggling to operate lime production facilities competitively in the market.

Including Nordkalk, the largest four companies in the European limestone market are set out below:

- Carmeuse is a family-owned company, operating primarily in the limestone and lime markets, which Nordkalk competes with primarily in the lime sector. However, its operations are more focused in Southern European countries.
- Lhoist is an international family-owned company developing limestone, dolomitic limestone and other minerals. Lhoist is Nordkalk's most significant competitor in Finland, which represents approximately half of Nordkalk's revenues.
- CRH is a public company, listed on the London and New York Stock Exchanges. CRH is a leading provider of building material solutions, which achieved total revenue of US\$32.7 billion in 2022 (of which US\$12.2 billion was derived from CRH's Europe Segment), and employs c. 75,800 people across 29 countries. It produces materials which support the manufacture and supply of aggregates, lime, cement, ready-mixed concrete, concrete products and asphalt.
- In Sweden, Nordkalk competes primarily with SMA Mineral, a Swedish family-owned company with limestone and lime operations, which does not have a significant presence in the wider European market.

11. SUMMARY FINANCIAL INFORMATION AND CURRENT TRADING OF THE TARGETS

Summary financials of the Deal 1 Targets

€'000	FY20	FY21	FY22	H1 2022	H1 2023	CAGR (FY20-FY22)
Revenue	273,263	308,131	380,220	177,807	208,159	18.0%
EBITDA	59,759	66,744	88,312	38,056	46,636	21.6%
Operating Profit	34,314	42,993	62,880	25,439	34,935	35.4%
Net assets	378,783	419,270	417,976	414,988	436,451	5.0%

Source: the historical financial information and interim financial information on the Deal 1 Targets set out in Part 6 of this document

Summary financials of the Call Option Targets

The UK Target

€'000	FY20	FY21	FY22	CAGR (FY20-FY22)
Revenue	51,129	70,472	105,352	43.5%
Operating Profit	4,557	7,502	19,550	107.1%

The Polish Target

€'000	FY20	FY21	FY22	CAGR (FY20-FY22)
Revenue	61,642	69,039	94,138	23.6%
Operating Profit	16,495	18,266	20,041	10.2%

Source: unaudited management information

12. SYNERGIES BETWEEN THE EXISTING GROUP AND THE TARGETS

The Directors believe there are clear synergy upsides through combining the Existing Group with the Targets and the following are expected to deliver EBITDA of at least €30 million per annum by 31 December 2027 with potential for further significant upside:

- synergy potential driven by identical business models of both entities which makes focused synergies identification possible;
- initial outside in synergies estimation focused on pricing, procurement, standalone plant optimisation, selling, general and administrative cost savings, and plant network optimisation;
- both entities are also expected to benefit from standalone optimisation since individual countries are not fully integrated;
- there are no dyssynergies expected due to no direct overlap in respective end markets/and geographies; and
- selling, general and administrative cost upsides are expected to be more limited.

The Directors believe improved EBITDA will be generated through operational improvement, material utilisation, commercial strategy, procurement synergies, restructuring and strategic capital investment.

<i>Type</i>	<i>Category</i>	<i>Opportunity description</i>
Top line growth	Adjacent market growth	New applications expected to create new volume demand
	New geographic expansion	Market entry into the Baltics
	Margin improvements	Effect on margins due to synergies
Cost synergies	Procurement	Leverage purchasing power of Enlarged Group
	Selling, general and administrative	Streamline cost structure
	Standalone operational	Fuel usage and costs reduction improvements
		Increase yield at Saal quarry
		Maintenance demand reduction
		Flowable lime loading in Germany
		Material flow optimisation
		Process flow rationalisation
		Review of shift patterns and equipment idle times
		Review pit designs and operating techniques for basic quarrying activities
	Site network optimisation	Site optimisation in Tytyri and in Köping
		Insource importation across network
		Direct supply to Swedish customer

13. PRINCIPAL TERMS AND CONDITIONS OF THE ACQUISITIONS

Deal 1 Targets

The Company has conditionally agreed to acquire the Deal 1 Targets pursuant to the Master Purchase Agreement. Details of the Deal 1 Targets are set out below:

<i>Target</i>	<i>Name</i>	<i>Seller</i>	<i>Percentage of share capital being acquired</i>
German Target	Fels Holding GmbH, including its fully owned (direct or indirect) subsidiaries:	CRH Zehnte Vermögensverwaltungs GmbH	100%
	● Fels-Werke GmbH,		
	● Fels Netz GmbH		
	● Fels Vertriebs und Service GmbH & Co KG		
Czech Target	Vápenka Vitošov s.r.o.	CRH Europe Investments B.V.	75%
Irish Target	Clogrennane Lime Limited	Irish Cement Limited	100%

The total consideration payable by the Company and the German Purchaser to the Deal 1 Sellers for the Deal 1 Targets is €745 million (approximately £645 million) subject to customary adjustments in respect of the target entities net debt and working capital position on 4 January 2024. This will be satisfied by a combination of proceeds of the Fundraising, the New Facilities, plus use of certain cash resources.

Due to its size, the acquisition of the Deal 1 Targets comprises a reverse takeover of the Company pursuant to Rule 14 of the AIM Rules for Companies and completion of the Deal 1 Acquisition is therefore conditional on, *inter alia*, the approval of Shareholders at the General Meeting.

Deal 1 Completion is also conditional upon, *inter alia*: (i) the passing of the Resolutions numbered 1 and 2; (ii) Admission; (iii) all conditions to SigmaRoc's equity and debt financing becoming unconditional or waived (with the exception of conditions relating to Admission occurring or the completion of the Master Purchase Agreement).

In the event that the Master Purchase Agreement is terminated by: (i) the Deal 1 Sellers or the Company because a final and non-appealable decision of a governmental authority or court prohibits the Deal 1 Completion; (ii) the Deal 1 Sellers or the Company because the closing conditions have not been fulfilled within four months after the date of the Master Purchase Agreement; or (iii) the Deal 1 Sellers because the Company has failed to take any action required to be taken by it to fulfill the closing conditions and closing actions, the Company shall pay a break fee in the amount of €12,500,000 to CRH Finance DAC.

In the event that the Master Purchase Agreement is terminated by the Company because: the Deal 1 Sellers has failed to take any action required to be taken by it to fulfill the closing actions fail (and such failure is not remedied within five business days), the Deal 1 Sellers' representative shall pay a break fee in the amount of €12,500,000 to the Company.

Deal 1 Completion shall occur and be conditional upon Admission.

A detailed summary of the Master Purchase Agreement is contained in Part 2 of this document.

Call Option Targets (Deal 2 Target and Deal 3 Target)

The Company and the Polish Purchaser have respectively also entered into the UK Call Option and the Polish Call Option pursuant to which they have been granted the right (but not the obligation) to separately acquire the UK Target and the Polish Target respectively. Details of the Call Option Targets are set out below:

<i>Target</i>	<i>Name</i>	<i>Seller</i>	<i>Percentage of share capital being acquired</i>
UK Target	Tarmac Shelfco Limited	Tarmac Cement and Lime Limited	100%
Polish Target	Ovetill Investments Sp. z o.o.	Trzuskawica S.A.	100%

The exercise of the UK Call Option is entirely at the Company's discretion and the exercise of the Polish Call Option is entirely at the Polish Purchaser's discretion.

The exercise of the UK Call Option is conditional upon (i) Deal 1 Completion having occurred; and (ii) the Company having received notice from the UK Seller that the UK Carve Out has completed. Once exercised, the Company will enter into the UK SPA (an agreed form of which is attached to the UK Call Option, subject to certain schedules being updated between the date of the UK Call Option and the date of the completion of the UK Call Option). The last day for the exercise of the UK Call Option is 23 March 2024 (unless extended by the UK Seller by notification to the Company no later than 20 March 2024) and the last day for the completion of the UK SPA is 28 March 2024 (unless extended by the UK Seller by notification to the Company no later than 25 March 2024).

In the event that the Company exercises its option to enter into the UK SPA and thereby to acquire the UK Target pursuant to the UK SPA, the total consideration payable by the Company to the UK Seller for the UK Target is €155 million (approximately £135 million) (subject to customary adjustment in respect of the UK Target's net debt and working capital position following completion of the UK SPA). The Company will have a unilateral right to elect to defer €15 million of the Deal 2 consideration until the earlier of: (i) 31 August 2024; or (ii) if the Polish Purchaser exercises the Polish Call Option, the date on which the Polish Purchaser acquires the Polish Target.

If the UK Call Option is terminated in the circumstances set out in Part 2 of this document, the Company shall pay a compensation fee in the amount of €25 million to CRH Finance DAC.

The exercise of the Polish Call Option is conditional upon (i) the Polish Purchaser having received notice from the Polish Seller that the Polish Carve Out has completed; and (ii) the Target operating the only burnt lime business of the Polish Seller and its Affiliates which is located in Europe. Once exercised, the Company will enter into the Polish SPA (an agreed form of which is attached to the Polish Call Option, subject to certain schedules being updated between the date of the Polish Call Option and the date of the completion of the Polish Call Option). Completion of the Polish SPA (if the Polish Call Option is exercised) is conditional upon the Polish Purchaser having received Polish Competition Office Clearance.

In the event that the Company exercises its option to enter into the Polish SPA and thereby to acquire the Polish Target pursuant to the Polish SPA, the total consideration payable by the Company to the Polish Seller for the Polish Target is €100 million (approximately £87 million) (subject to customary adjustment in respect of the Polish Target's net debt and working capital position at the time following completion of the Polish SPA).

If the Polish Call Option is terminated in the circumstances set out in Part 2 of this document, the Company shall pay a compensation fee in the amount of €25 million to CRH Finance DAC.

The exercise of the UK Call Option is entirely at the Company's discretion and the exercise of the Polish Call Option is entirely at the Polish Purchaser's discretion. The Call Options will, once exercised, require the Company and/or Polish Purchaser (as applicable) to acquire the UK Target and the Polish Target on the terms of the substantially agreed form SPAs to be attached to the relevant Call Option (subject to any changes to that agreed form as may be required to reflect the final terms of the Carve Outs). Other than certain contractual rights to ensure that the respective businesses are operated in the ordinary course, the Company and the Polish Purchaser (as applicable) shall have no control over either the Polish Target or the UK Targets nor their assets or businesses until the Call Options have been exercised and the sale and purchase under the associated SPA completed.

A detailed summary of each Call Option is contained in Part 2 of this document.

14. THE POLISH CALL OPTION – POLISH COMPETITION OFFICE CLEARANCE

The exercise by the Polish Purchaser of its option to enter into the Polish SPA (subject to and conditional upon, among other things, the Polish Carve Out being effected and the Polish Purchaser exercising the Polish Call Option) and thereby to acquire the Polish Target pursuant to the Polish SPA is conditional, *inter alia*, on the Polish Purchaser receiving Polish Competition Office Clearance, for which the Polish Purchaser will make the necessary filings with the Polish Competition Office once the Polish SPA is executed.

The exercise by the Company of its right to acquire the UK Target pursuant to the UK Call Option is not conditional upon the Company receiving Polish Competition Office Clearance.

15. THE CARVE-OUT OF THE CALL OPTION TARGETS

The Carve Out of the UK Target is required because the assets and businesses which will come to form the UK Target are not at present standalone entities and will need to be carved-out of existing CRH businesses such that they can be acquired pursuant to the UK SPA. The UK Carve-Out will include the transfer of contracts, information, employees, plant and equipment and other assets relating to the UK lime business of the UK Seller.

The Carve Out of the Polish Target is required because the assets and businesses which will come to form the Polish Target are not at present standalone entities and will need to be carved-out of existing CRH businesses, which can be acquired pursuant to the Polish SPA. The Polish Carve-Out shall be effected by way of a capital contribution, and shall involve the transfer of the assets and liabilities of the Polish Seller's burnt lime and lime powder business to the Polish Target.

16. THE FINANCIAL EFFECTS OF THE ACQUISITION

The share capital of the Company is admitted to trading on AIM. For the financial year ending 31 December 2022, the Company had revenues of £538 million, underlying EBITDA of £102 million, underlying profit after tax at £54 million, underlying earnings per share of 8.03 pence and an adjusted leverage ratio of 1.93 times.

As at 31 December 2022, the Company had total assets of £966.9 million, including tangible assets of £523.3 million, and net assets of £469 million.

Enlarged Group underlying pro-forma income statement:

Set out below is an unaudited pro forma underlying income statement of the Enlarged Group, which has been prepared for illustrative purposes only, to show the effect of the acquisition of the Deal 1 Targets and qualitative earnings adjustments as if they had occurred on 31 December 2022, which is in-line with the way the Company presents its key financial information. The pro forma underlying income statement has been prepared for illustrative purposes only, and because of its nature, it may not give a true reflection of the Enlarged Group's financial performance or results.

<i>Underlying £ millions</i>	<i>31 December 2022</i>			<i>6 Months To 30 June 2023</i>		
	<i>SigmaRoc</i>	<i>Deal 1 Targets</i>	<i>Enlarged Group</i>	<i>SigmaRoc</i>	<i>Deal 1 Targets</i>	<i>Enlarged Group</i>
Revenue	538	324	862	290	182	472
Cost of sales	(392)	(238)	(631)	(208)	(131)	(339)
Gross profit	146	86	232	82	51	133
Gross margin	27%	27%	27%	28%	28%	28%
EBITDA	102	74	175	55	41	95
EBITDA margin	19%	23%	20%	19%	22%	20%
Profit after interest and tax	54	36	75	28	18	41

An unaudited pro forma statement of net assets and income statement of the Enlarged Group is set out in Part 7 of this document and have been included to provide an overview of the financial effects of the acquisition of the Deal 1 Targets.

17. CURRENT TRADING AND FUTURE PROSPECTS

The Existing Group

The Company's historical financial information is set out in Part 5 of this document and has been incorporated by reference.

In the 9 months to 30 September 2023 SigmaRoc delivered LFL revenue growth of 7 per cent. in Q3 2023 to £435.9 million, reflecting the benefits of diversified market exposure together with effective pricing actions. LFL Group volumes declined by 4 per cent., reflecting softer demand in the residential construction sector which was largely offset by resilient conditions in infrastructure and industrial mineral markets. Underlying EBITDA was £87.1 million and underlying margin was 20 per cent.

Operations and trading

Q3 2023 saw continued robust trading in most markets, offsetting weakness in new build construction, some agricultural products, and the earlier weakness in paper. Overall pricing evolved favourably, while some of the higher pass-through costs abated, along with further operational improvements, translating into improved margins.

The Deal 1 Targets

For the six months ended 30 June 2023, the Deal 1 Targets generated revenues of €208.2 million and operating profit of €34.9 million, representing an increase of 17.1 per cent. and 37.3 per cent. respectively over the same first half period in the prior year.

The Directors are confident in the current business activities and future prospects of the Enlarged Group and believe that, following the Acquisitions, with the assistance of SigmaRoc, the existing management of the Targets will be able to continue their focus on maximising profitability through sales growth into higher margin value added products, production efficiencies and cost savings.

In summary the Directors believe that strong cash generation and disciplined capital allocation will be the key drivers for increasing shareholder returns.

18. FINANCING OF THE ACQUISITIONS

Deal 1 Targets

The total consideration payable to the Deal 1 Sellers under the Master Purchase Agreement for the Deal 1 Targets is €745 million (approximately £648 million) (including €211.5 million in connection with the assignment of the German Intercompany Loan Receivables) (subject to customary adjustments in respect of the target entities' net debt and working capital position at 1 January 2024).

The consideration for the Deal 1 Targets will be satisfied by the Company as follows:

- €230 million (approximately £200 million) from the Fundraising;
- €350 million (approximately £300 million) pursuant to the drawdown of the New Facilities; and
- deferred consideration of €75 million (approximately £65 million).

The Company and the German Purchaser may also elect to defer the payment of a further €10 million of the Deal 1 consideration to the earlier of: (i) 31 August 2024; and (ii) if the Polish Purchaser exercises the Polish Call Option, the date on which the Polish Purchaser acquires the Polish Target.

Deal 2 Target

In the event that the Company exercises its right under the UK Call Option and enters into the UK SPA, it will acquire the UK Target. The total consideration payable by the Company to the UK Seller for the UK Target is €155 million (subject to customary adjustment in respect of the UK Target's net debt and working capital position following completion of the UK SPA). This will be satisfied by the drawdown of €155 million (approximately £135 million) under the New Facilities. The Company will have a unilateral right to elect to defer €15 million of the Deal 2 consideration until the earlier of: (i) 31 August 2024; or (ii) if the Polish Purchaser exercises the Polish Call Option, the date on which the Polish Purchaser acquires the Polish Target.

Deal 3 Target

In the event that the Polish Purchaser exercises its right under the Polish Call Option (and if Polish Competition Office Clearance is obtained) and the Polish Purchaser enters into the Polish SPA, it will acquire the Polish Target. The total consideration payable by the Company to the Polish Seller for the Polish Target is €100 million (approximately £87 million) (subject to customary adjustment in respect of the Polish Target's net debt and working capital position following completion of the Polish SPA).

19. THE NEW FACILITIES

The New Facilities are being provided to the Company by Banco Santander S.A. London Branch and BNP Paribas (as mandated lead arrangers, underwriters and bookrunners), and comprises: (i) the Term Loan, which is a five year term loan of €600 million to part finance the Acquisitions, refinance the Existing Facility and to pay the financing costs; (ii) the Bridge Loan, which is a one year term loan of €125 million to part finance the Acquisitions; and (iii) the RCF, which is a revolving credit facility of €150 million to part finance the Acquisitions and for general corporate purposes. A €100 million uncommitted accordion can be exercised under the RCF.

The Term Loan has a 12 month capital repayment holiday and then €15 million is repayable by the Company on the date falling one year after the draw down of the Term Loan and each quarter following the first repayment date and on the final termination date on at which all other amounts outstanding (if any) under the Term Loan will be repaid.

Interest will be applied on amounts drawn down under the Term Loan and RCF at a rate of 2.75 per cent. plus EURIBOR (or, in the case of drawings in sterling, compounded SONIA and a credit adjustment spread) subject to the below margin grid:

<i>Adjusted Leverage</i>	<i>Term Loan and RCF Margin % per annum</i>
Greater than or equal to 3.25:1	3.50
Less than 3.25:1 but greater than or equal to 3.00:1	3.25
Less than 3.00:1 but greater than or equal to 2.50:1	3.00
Less than 2.50:1 but greater than or equal to 2.00:1	2.75
Less than 2.00:1 but greater than or equal to 1.50:1	2.50
Less than 1.50:1 but greater than or equal to 1.00:1	2.25
Less than 1.00:1	2.00

The Bridge Loan is repayable after 12 months and includes two 6 month extension options.

Interest will be applied on amounts drawn under the Bridge Loan based on the below margin grid, plus EURIBOR:

<i>Months</i>	<i>Bridge Loan Margin % per annum</i>
0-6	2.00
7-12	3.00
13-18	4.00
19-24	5.00

In consideration for the New Facilities, the Company and its material trading entities incorporated in England and Wales, Belgium, Finland, Sweden, Germany, Poland, Jersey and Guernsey will grant security, including, *inter alia*, share security and security over key assets in favor of Wilmington Trust, London Branch (as Security Trustee for the secured parties under the New Facilities). Following Deal 1 Completion, security shall also be taken from the Targets over:

- the entire issued share capital of the German Target; and
- the entire issued share capital of the Irish Target, being Clogrennane Lime Limited.

Pursuant to the New Facilities, the Company has also given certain financial covenants to the Lenders that its maximum Adjusted Leverage Ratio shall not exceed 3.95x, reducing to 3.75x for each relevant period expiring after 31 December 2024, 3.50x for each relevant period expiring after 31 December 2025 and 3.00x for each relevant period expiring after 31 December 2026 and minimum interest cover ratio of 3.50x while the Bridge Loan remains outstanding, increasing to 4.00x thereafter for the remaining period. It also includes a customary suite of corporate activities which would require the Lenders' consent.

20. DETAILS OF THE PLACING AND THE REX INTERMEDIARIES OFFER

Pursuant to the Placing, the Joint Bookrunners have conditionally raised £200 million (before expenses) for the Company, through the Fundraising of 421,052,565 new Ordinary Shares with investors at the Issue Price conditional, *inter alia*, upon the passing of Resolutions numbered 1 and 2, Deal 1 Completion and Admission. The Placing has been underwritten by the Joint Bookrunners.

Further details of the Placing Agreement are set out in paragraph 17.1(dd) of Part 8 of this document.

As part of the Placing, a member of CRH's group, has conditionally agreed to subscribe €93.7 million (approximately £81.5 million) for 171,578,948 Placing Shares in the Placing.

In addition to the Placing, the Company also carried out the REX Intermediaries Offer, pursuant to which it conditionally raised c. £1.2 million (before expenses) for the Company, through the issue of 2,588,066 REX Intermediaries Offer Shares with Intermediaries at the Issue Price conditional, *inter alia*, upon the passing of Resolutions numbered 1 and 2 and on Admission.

The Placing and the REX Intermediaries Offer are conditional upon, *inter alia*, Shareholders passing Resolutions numbered 1 and 2 at the General Meeting, Deal 1 Completion and Admission becoming effective by not later than 8 a.m. on 4 January 2024 (or such date as the Company, the Nominated Adviser and the Joint Bookrunners may agree being not later than 8.30 a.m. on 18 January 2024). The Fundraising Shares

will be issued as fully paid and will, upon issue, rank *pari passu* with the Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares after their date of issue, being the date of Admission.

Following Admission, the Fundraising Shares will collectively represent approximately 37.8 per cent. of the Enlarged Share Capital. Accordingly, Shareholders who did not participate in the Fundraising will suffer an immediate dilution on Admission of approximately 37.8 per cent.

21. REASONS FOR THE FUNDRAISING AND USE OF PROCEEDS

The estimated net proceeds after expenses in connection with the Fundraising are expected to be c. £193.2 million, which the Board expects to use to part satisfy the cash consideration due on Deal 1 Completion.

The estimate of expenses for the Proposals is set out at paragraph 23.1 of Part 8 of this document.

22. DIRECTORS' PARTICIPATION AND SIGNIFICANT SHAREHOLDERS

The following Directors have subscribed for an aggregate of 831,582 Placing Shares as set out below:

<i>Name</i>	<i>Existing shareholding</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Placing Shares subscribed for in the Placing</i>	<i>Resulting shareholding on Admission</i>	<i>Percentage of Enlarged Share Capital</i>
David Barrett	3,434,180	0.5%	421,054	3,855,234	0.3%
Max Vermorken	827,034	0.1%	210,527	1,037,561	0.1%
Garth Palmer	671,776	0.1%	157,895	829,666	0.1%
Tim Hall	400,176	0.1%	42,106	442,282	0.0%

In addition, senior management have subscribed for, in aggregate, 1,303,949 Placing Shares.

As part of the placing, a CRH Group company has conditionally subscribed for 171,578,948 Placing Shares. CRH's expected holding on Admission of the Placing Shares as a percentage of the Enlarged Share Capital is 15.4 per cent.

23. LOCK-IN AND ORDERLY MARKET AGREEMENTS

The Deal 1 Sellers have undertaken to the Company that whichever of their group companies shall participate in the Placing, will agree not to dispose of any interest in the Ordinary Shares held by them for a period of 9 months from the date of Admission and, for the 3 months following that period, that they will only dispose of their holdings through one or more of the Joint Bookrunners and in such manner as they may direct so as to maintain an orderly market in the Ordinary Shares. The Company has undertaken to the Nominated Adviser and Joint Bookrunners not to give any consent or waiver, or to modify the terms of the lock-in without the prior consent of the Nominated Adviser and Joint Bookrunners.

24. INFORMATION ON THE DIRECTORS AND SENIOR MANAGEMENT

Existing Directors

David Kenneth Barrett, aged 65 (*Executive Chairman*)

David co-founded SigmaRoc with Max Vermorken, Garth Palmer, Charles Trigg, and Alphons Vermorken. He was appointed to the Board as Executive Chairman in August 2016. During his tenure as Chairman, David has ensured effective board oversight of the Company's strategy, as well as key operational and financial issues, liaising between Shareholders, Board members and key management.

Prior to co-founding SigmaRoc, David co-founded London Concrete Limited in 1997, subsequently building the business from one concrete plant in London to over a dozen plants around the capital. London Concrete

was ultimately sold to Aggregate Industries and is currently the number one concrete supplier in London, with flagship projects including the London Olympic Park, the Shard, the new US Embassy and the new Bloomberg building. David retired from London Concrete at the end of 2014 and is widely considered an expert in the industry.

His focus as Chairman will be ensuring effective oversight of the Enlarged Group's strategy and key issues by the Board of Directors as well as maintaining efficient communications with Shareholders.

Maximilian (Max) Alphons Vermorken, aged 40 *(Chief Executive Officer)*

Max co-founded SigmaRoc with David Barrett, Garth Palmer, Charles Trigg and Alphons Vermorken. He was appointed to the Board as CEO in August 2016. During his tenure as CEO he has developed and implemented the "Invest, Improve, Integrate, Innovate" strategy and implemented SigmaRoc's platform-based business model. As a result, the Existing Group has grown both organically and through acquisition in several regional markets, building up a strong asset base and a strong financial performance.

Prior to SigmaRoc, Max built a career in M&A, operations and strategy working for private equity Luxembourg-headquartered Genii Group, where he reported directly to its founding principals. After, he moved to LafargeHolcim as strategic advisor to the Northern Europe CEO, where he successfully led the merger of Lafarge SA and Holcim Ltd in the region. Max holds a PhD in Financial Economics from University College London and Bachelor and Master degrees in both Civil Engineering and Financial Economics from University College London and the University of Brussels, respectively.

His focus as CEO will be on continuing the successful growth of SigmaRoc through both organic and acquired growth. He will be supported by his executive committee in working closely with company employees, customer and suppliers as well as Shareholders, investors and the communities in which the Enlarged Group operates.

Garth Mervyn Palmer, aged 43 *(Chief Financial Officer)*

Garth co-founded SigmaRoc with David Barrett, Max Vermorken, Charles Trigg and Alphons Vermorken. Garth was Finance Director of SigmaRoc from its inception and acted as an Executive Director from January 2017 until April 2020, after which he remained on the Board as a Non-Executive Director and, through his partnership at Westend Corporate LLP, continued to provide corporate financial and company secretarial services to the Company. Garth became CFO and an executive director of SigmaRoc on 31 August 2021.

Prior to joining SigmaRoc, Garth began his career providing audit and corporate services in Perth, qualifying at KPMG, before moving to London in 2005 where he provided compliance services across a range of industries. This led Garth to a Finance Manager role at Apple Inc. where he spent four years working on business process improvement, developing and implementing new and improved financial processes and systems before co-founding Westend Corporate LLP providing corporate and financial consulting services for AIM quoted companies, predominantly within the mining and resources industries. Garth holds a Bachelor of Commerce Degree and is a member of the Institute of Chartered Accountants in England and Wales.

Garth's focus as CFO is overseeing all financial aspects as well as internal auditing to ensure the continued good management and profitability of the Enlarged Group.

Simon Roy Chisholm, aged 54 *(Senior Independent Non-Executive Director)*

Simon was appointed to the Board in April 2020. Simon is the founder and managing director of Feros Advisers, having spent over 20 years working in the investment arena including as a fund manager with Henderson. Simon joined Berenberg Bank in 2003 and assisted in establishing an office in London. Over the next 10 years, Simon was one of the principal architects in building the business from three people in London to around 140 and establishing the bank as a recognised brand name in the global investment community, assuming the role of Co-Head of Equity Capital Markets in 2009. Before joining the sell-side, Simon was a fund manager investing in European equities first at Singer & Friedlander and then at Henderson Global Investors and ran European Smaller Companies investment products. In 2013, Simon left Berenberg and established Feros Advisers in response to the significant regulatory and technological changes that are impacting investment managers and quoted companies. After University, Simon joined Coopers and Lybrand and qualified as a Chartered Accountant. Simon is Head of Equity Capital Markets at Redburn (Europe) Limited.

Jacques Gaetan Emsens, aged 60 *(Independent Non-Executive Director)*

Jacques was appointed to the Board in April 2020. Jacques is a founding member of JPSeven and is a member of the Board of Société Financière de Transports et d'Entreprises Industrielles (Sofina), and numerous other companies. Jacques has a long history in defining and implementing strategies of industrial businesses including Sibelco. Jacques holds a degree in Business Administration from the European University of Antwerp, from the Université Libre de Bruxelles, and from the London Chamber of Commerce and Industry and speaks French, Dutch, and English.

Timothy (Tim) Conrad Langston Hall, aged 70 *(Non-Executive Director)*

Tim was appointed to the Board in April 2019. Tim has spent his entire career in the aggregates industry, most recently as CEO of Breedon South, a business he helped build from its inception. Prior to this, he was director of Tarmac Limited's Western Area and managing director of Tarmac Western Limited, the company formed by Anglo American from the former assets of Nash Rocks, Tilcon and Tarmac. He spent the previous 27 years with Nash Rocks, latterly as managing director. Tim brings a wealth of experience and knowledge of the industry to the Board and will be an asset in SigmaRoc's continued development, as he has been with Breedon. In particular, the Board believes Tim's knowledge and network within the industry will benefit SigmaRoc's growth in the aggregates and construction materials market in the UK. Tim is a Fellow of the Institute of Quarrying.

Axelle Henry, aged 51 *(Independent Non-Executive Director)*

Axelle was appointed to the Board in April 2022. Axelle has served as Chief Financial Officer for Verinvest Group, a Brussels-based international investment business since April 2014 and also serves on the board of directors for a number of private companies, as well as Nasdaq quoted Vita Coco. After graduating as a commercial engineer from Solvay Business School (Université Libre de Bruxelles – Belgium) in 1994. She has held a variety of senior executive positions, including as Deputy Chief Financial Officer of Group Bruxelles Lambert. Ms Henry has over 20 years' experience in Private Equity and Investment Sector, starting her career with KPMG as a senior auditor.

Senior management/technical team on Admission

Charles Edmund Trigg *(CTO – Chief Technical Officer)*

Charles co-founded SigmaRoc together with David Barrett, Max Vermorken, Garth Palmer, and Alphons Vermorken in August 2016. He has served as its Technical Director since that date. Key focus areas have included M&A, CAPEX and special projects as well as overseeing operational excellence, health and safety, ESG, Risk and Insurance.

Prior to SigmaRoc, Charles built his career in construction and construction materials across the world. He started his career with Holcim before moving to Qatar working for a government company charged with the country's strategic construction materials supply and then New Zealand on the strategic planning of the reconstruction of Christchurch after the earthquake. He returned to Holcim as Group Head of Capex Northern Europe as well as heading up the operations and supply chain streams for the LafargeHolcim merger for the Northern European region. He holds a degree in Chemical Engineering and Minerals Processing from the University of Birmingham and is a Fellow of the Institute of Quarrying.

His focus as CTO is on M&A and integration, CAPEX and projects and operational excellence, as well as overseeing health and safety, ESG, Risk and Insurance. He is assisted by a small team of three operating across all of SigmaRoc's platforms.

Alphons (Fons) Theodoor Vermorken *(CIO – Chief Information Officer)*

Fons co-founded SigmaRoc together with David Barrett, Max Vermorken, Garth Palmer, and Charles Trigg. Fons joined the Company at its founding in 2016 as a consultant, assisting with the acquisitions of Ronez and several other companies, while also focusing on all matters related with IT, Enterprise Resource Management implementations, analytics, and digital innovation. As the Company grew, the need for further increased M&A support, specialist systems and IT risk management was required, and Fons gradually increased his involvement to full time as CIO.

Prior to joining SigmaRoc, Fons built a career in big data analytics and programming, developing software solutions and applications to analyse vast data sets for risk management, trading, investing and accounting

purposes. He started his career with Société Générale S.A., on the Hedge Fund risk desk, assisted with the restructuring of Apollo Global Management held portfolio companies, and built trading software packages for hedge fund Altana Wealth. He holds degrees in Financial Economics and in Computational Econometrics from ESCP Business School, Université Libre de Bruxelles and Ghent University, and published several peer-reviewed papers on big data analytics.

His focus as CIO is on Enterprise Resource Management systems integration, data analytics for performance optimisation, digital marketing/innovation and targeted M&A work. He is assisted by a small team of three based in London.

Anthony Lionel Brockbank *(General Counsel)*

Anthony was appointed to SigmaRoc in May 2020 and acts as General Counsel for the Existing Group. He was admitted as a solicitor in England and Wales in 1986 and has over 35 years of experience as a lawyer, specialising in corporate finance.

Anthony qualified as a solicitor with Linklaters & Paines in London where he worked from 1984 to 1989. He moved to Hobson Audley in 1989 where he became a partner in 1993, before moving moved to Fieldfisher LLP in 2000 where he was a partner in the corporate group. Anthony obtained a degree in Modern History in 1982 from Christ Church, Oxford. He obtained his Common Professional Examination in 1983 and Solicitors' Finals in 1984 from the College of Law, Chancery Lane.

Emmanuel Pierre Maes *(Managing Director – West region)*

Emmanuel joined SigmaRoc in 2019, where he oversees and steers the running and expansion of the European platforms. Previously Emmanuel served as CEO of Group De Cloedt (2004-2018), building the business from €40 million to €240 million turnover through organic growth and acquisitions. Emmanuel brings extensive knowledge of the European markets and will help build a European footprint with a focus on countries around the North Sea, targeting European aggregates producers. Emmanuel holds degrees in law and economics with a career spanning three decades in private equity and the construction materials industry. Emmanuel holds Master in Applied Economics and in Law from the Catholic University of Leuven.

Michael (Mick) Ignatius Roddy *(Managing Director – North West region)*

Mick has been the managing director of SigmaRoc's Precast Products Group platform since December 2017 and he has been working within the building materials and products sector for 16 years. Most recently, Michael worked as Group Commercial Director for U Value Insulation, a multi-site, international building product distributor. Prior to working with U Value Michael held various senior management positions, across a number of countries within the Hilti Group. He played a pivotal role in the creation and implementation of the standalone Energy and Industry organisation within Hilti. Before this, Michael worked at Lagan Building Solutions, where he led the sales function and had responsibility for driving new product development within the company. With considerable international experience and a demonstrated track record of developing people and building great teams, Michael has delivered sustainable profitable growth within each organisation he has worked. Michael holds an MBA from Robert Gordon University and a Bachelor's degree in business from Dublin Institute of Technology.

Marcel Gestranus *(Managing Director – North East region)*

Marcel joined Nordkalk in January 1998 and has over 20 years of experience in various leadership positions. Marcel began as an ICT coordinator and has held the position of division controller, financial director, group controller, acting initially as CEO and currently as CFO. Marcel holds a master's degree in Information Processing.

It is intended that following the acquisition of the Deal 1 Targets, the key management team of the Deal 1 Targets will continue. Key members of such management teams include:

Burkhard Naffin

Burkhard has been the CEO of Fels-Werke since 2016. He previously spent 18 years at Lhoist.

Christian Schafer

Christian has been the CFO of Fels-Werke since 2009. He has 20 years of industry experience.

Henning Weber

Henning has been the CTO of Fels-Werke since 2021. He has over 25 years of industry experience.

25. NEW OPTION PLAN

The Company currently operates The Option Plan, the RTO Option Plan, the SIP and the LTIP.

The Option Plan and the RTO Option Plan

On 14 December 2016, the Company adopted two share option plans, being the “RTO Option Plan” and the “Option Plan”, pursuant to which the Company may grant options to any Director, officer, employee, Non-Executive Director or consultant of the Company. The Company has granted a total of 29,112,784 options over Ordinary Shares pursuant to the Option Plan and the RTO Option Plan. No more than a total of 40,583,361 Ordinary Shares may be issued under the RTO Option Plan and the Option Plan. Further details of the Option Plan and the RTO Option Plan are set out in paragraph 11 of Part 8 of this document.

The SIP

In April 2021, the Company adopted the share incentive plan (the “SIP”), which is a share incentive plan for the purposes of Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 (“Schedule 2”).

Further details of the SIP are set out in paragraph 11 of Part 9 of this document.

The LTIP

On 31 August 2021, following approval by the Shareholders and re-admission of the Company’s share capital to trading on AIM following the acquisition of Nordkalk, the Company adopted the LTIP, which is known as the SigmaRoc plc Performance Share Plan.

Further details of the LTIP are set out in paragraph 12 of Part 8 of this document.

The Proposed New Option Plan

On account of there being limited further headroom in the existing Option Plans, in connection with the Proposals, the Company is intending to adopt the New Option Plan (to be known as the “Sigmaroc plc Share Option Plan 2023”) in order to incentivise the executives and senior management and align their interests with those of the Shareholders.

In line with the recommendations of the QCA Code, the Company believes it is a matter of good corporate governance to seek Shareholder approval to adopt the rules of the New Option Plan. Accordingly, a detailed summary of the principal terms of the New Option Plan is set out in paragraph 13 of Part 8 of this document. The Company will ask Shareholders to approve Resolution 3 set out in the Notice of General Meeting. The New Option Plan will also be conditional upon Admission occurring – such that if Admission does not occur and the Proposals do not complete, the New Option Plan will not be adopted.

Subject to Admission and Shareholder approval of the New Option Plan, it is proposed that a one-off grant of options (the “**New Options**”) will be made to selected participants comprising the executive directors and approximately 30 members of the senior management team.

The exercise price per New Option will be equal to 60 pence.

The decision to grant the New Options as market value options was made to ensure that the participants only receive a pay-out in respect of the New Options if value is delivered to the Shareholders through an increase in the share price over the three-year vesting period determined to be the appropriate period for the executives to deliver Shareholder value in connection with the Proposals. They vest after a three-year vesting period, subject to the participant’s continued employment throughout the period. They will remain exercisable until the tenth anniversary subject to the terms of the New Option Plan.

Directors and other participants who receive New Options will not receive awards under the Company's existing LTIP during the three-year vesting period.

The Option Plan will operate within the Company's existing 10 per cent. dilution limits. Accordingly, in any ten-year period, the Company may not issue (or grant rights to issue) more than 10 per cent. of the issued ordinary share capital of the Company under the New Option Plan and any other (executive or otherwise) share incentive plan adopted by the Company.

The Remuneration Committee will administer the operation of the New Option Plan. Under the New Option Plan rules, any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the New Option Plan at the discretion of the Remuneration Committee. Additional eligibility requirements apply in respect of tax-qualified options.

It is proposed that the new Option Plan will only be operated once and that the New Options are granted conditional on Admission. The New Options granted will comprise a one-off grant in connection with the Proposals and it is not expected that participants in the New Option Plan will be considered for further grants of options under the New Option Plan in the future, unless the Remuneration Committee determines otherwise in exceptional circumstances.

It is proposed that New Options will be granted to the Executive Directors in respect of approximately 44.8 per cent. of the total New Options to be granted and the 55.2 per cent. balance of the New Options will be granted to selected senior management as determined by the Remuneration Committee. The relevant number of Ordinary Shares subject to the New Options is set out below.

Max Vermorken	12,360,283
David Barrett	5,692,235
Garth Palmer	5,085,580
Total New Options proposed to be granted to Executive Directors	23,138,098
Total New Options	51,630,253

It is proposed that New Options will be granted in respect of a total of 51,630,253 Ordinary Shares representing 4.6 per cent. of the Company's issued share capital on Admission.

26. CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance. As a company whose shares are quoted on AIM, the Board has decided to comply with the QCA Code. In addition, the Directors have adopted a code of conduct for dealings in the shares of the Company by Directors and employees and are committed to maintaining the highest standards of corporate governance. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its Shareholders and that Shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

Further details of how the Board applies the principles of the QCA Code is set out in Part 3 of this document.

The Board is responsible for formulating, reviewing and approving the Existing Group's strategy, budgets and corporate actions. The Company holds Board meetings at least four times each financial year and at other times as and when required.

The Board is supported by the Audit Committee, the Remuneration Committee, an AIM and UK MAR Compliance Committee and the Nominations Committee. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties.

Audit Committee

The Company has an established framework of internal control, the effectiveness of which is regularly reviewed by the Audit Committee in light of an ongoing assessment of significant risks facing the Company and the Existing Group. The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational

and financial controls. The Audit Committee is made up of independent, Non-Executive Directors and shall meet not less than twice in each financial year. During financial year 2022, the Audit Committee met formally once and discussed the external audit tender process, audit planning, auditor's fees and independence, auditor's effectiveness, the interim and annual reports, internal audit, internal controls and risk management, taxation, the going concern and viability statement, significant accounting matters, plans for transition to new accounting standards, whistleblowing as well as the Audit Committee's terms of reference. The Audit Committee is chaired by Simon Chisholm and its other member is Jacques Emsens.

Remuneration Committee

The Remuneration Committee is responsible for determining and agreeing with the Board the framework or broad policy for the remuneration of the executive offices and other senior managers, taking into account all factors which it deems necessary including the level of the Company's remuneration relative to other companies to ensure that members of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions to the success of the Company, and determining each year whether awards will be made, and if so, the overall amounts of such awards, the individual awards to Executive Directors and other senior executives and the performance targets to be used. During the financial year 2022, the Remuneration Committee met once formally and discussed executive salaries, annual bonuses, pay and benefit levels across the Existing Group, as well as the Directors' Remuneration report. The remuneration committee is chaired by Simon Chisholm and its other member as at the date of this document is Tim Hall.

AIM and UK MAR Compliance Committee

The AIM Rules and UK MAR Compliance Committee monitors the Company's compliance with the AIM Rules for Companies and UK MAR and seek to ensure that the Nominated Adviser is maintaining contact with the Company on a regular basis and *vice versa*. The committee ensures that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules for Companies and UK MAR. The committee also ensures that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Nominated Adviser and other advisers) whether the Directors are aware of their AIM responsibilities from time to time and, if not, to ensure they are appropriately updated on their AIM responsibilities and obligations. The AIM Rules and UK MAR Compliance Committee is chaired by Simon Chisholm and its other members are Garth Palmer and Axelle Henry.

Nominations Committee

The Nominations Committee reviews the composition and efficacy of the Board and where appropriate recommend nominees as new directors to the Board. It evaluates the balance of skills, knowledge and experience on the Board and keeps up-to-date and fully informed about strategic issues and commercial changes affecting the Existing Group and the market in which it operates. It keeps under review the leadership needs of the organisation, both executive and non- executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace. The Nominations Committee is chaired by Simon Chisholm and its other member is David Barrett.

Share Dealing Code

The Company has adopted a share dealing policy which sets out the requirements and procedures for the Board and applicable employees' dealings in any of its AIM securities in accordance with the provisions of UK MAR and of the AIM Rules.

Bribery and anti-corruption policy

The Company has adopted an anti-corruption and bribery policy which applies to the Board and employees of the Company and will apply to management and employees of the Targets following completion of the Acquisitions. It generally sets out their responsibilities in observing and upholding a zero tolerance position on bribery and corruption in all the jurisdictions in which the Enlarged Group operates as well as providing guidance to those working for the Enlarged Group on how to recognise and deal with bribery and corruption issues and the potential consequences. The Company expects all employees, suppliers, contractors and consultants to conduct their day-to-day business activities in a fair, honest and ethical manner, be aware of

and refer to this policy in all of their business activities worldwide and to conduct business on the Company's behalf in compliance with it. Management at all levels are responsible for ensuring that those reporting to them, internally and externally, are made aware of and understand this policy.

27. HEALTH AND SAFETY

The Enlarged Group will integrate the existing Targets' health and safety policy and practices into the SigmaRoc's existing framework to ensure that best practice is captured at all times. Health and Safety will be an area of ongoing focus and continual improvements. The Group strives to commit to the health, mental wellbeing and safety of its staff, contractors, customers and communities.

28. DIVIDEND POLICY

It is currently proposed that the Board will, subject to the circumstances of the Enlarged Group at the time and subject to their statutory duties, consider paying dividends once leverage falls below 1.5x. The declaration and payment of dividends and the quantum of such dividends will, in any event, be dependent upon the Company's financial condition, cash requirements and future prospects, the level of profits available for distribution and other factors regarded by the Board as relevant at the time.

29. TAXATION

Information regarding certain taxation considerations for corporate, individual and trustee Shareholders in the UK with regard to Admission is set out in paragraph 22 of Part 8 of this document.

30. GENERAL MEETING

The notice convening the General Meeting is set out at the end of this document. The General Meeting has been convened for 11 a.m. on 11 December 2023 at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT where the following Resolutions will be proposed:

- (a) **Resolution 1:** an ordinary resolution to approve the acquisition of the Deal 1 Targets as a reverse takeover for the purposes of Rule 14 of the AIM Rules for Companies. Resolution 1 will be proposed as an ordinary resolution and will therefore require more than 50 per cent. of the votes cast, whether in person or by proxy, to be in favour. This Resolution is conditional upon the passing of Resolution 2.
- (b) **Resolution 2:** a special resolution to authorise the Directors to allot the Fundraising Shares to do so for cash and to dis-apply statutory pre-emption rights in respect of the same. Resolution 2 will be proposed as a special resolution and will therefore require not less than 75 per cent. of the votes cast, whether in person or by proxy, to be in favour. This Resolution is conditional upon the passing of Resolution 1.
- (c) **Resolution 3:** an ordinary resolution to authorise the Board to adopt the New Option Plan and to make the grants of the New Options thereunder. Resolution 3 will be proposed as an ordinary resolution and will therefore require more than 50 per cent. of the votes cast, whether in person or by proxy, to be in favour. This Resolution is conditional upon the passing of Resolution 1 and 2.

Resolutions 1 and 2 are inter-conditional upon each other as they are both required in order for the acquisition of the Deal 1 Targets, the Fundraising and Admission to have effect. This means that should one of them not be passed then neither of them will.

Resolution 3 is conditional upon Resolutions 1 and 2 being passed, with the effect that the New Option Plan will not be adopted nor the grants made under it unless the Deal 1 Acquisition and Admission go ahead.

31. IRREVOCABLE UNDERTAKINGS

The Company has received irrevocable undertakings from the Directors that they will, or will procure that the legal Shareholders will, vote in favour of the Resolutions at the General Meeting in respect of 5,333,166 Ordinary Shares, representing, in aggregate, approximately 0.77 per cent. of the Existing Ordinary Shares.

32. ACTION TO BE TAKEN

A Form of Proxy is enclosed with this document for use by Shareholders in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, Shareholders are asked to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, as soon as possible and in any event so as to arrive not later than 11.00 a.m. on 7 December 2023, being 48 hours (excluding weekends and public holidays) before the time appointed for the holding of the General Meeting. The completion and return of the form of proxy will not preclude Shareholders from attending the General Meeting and voting in person should they wish to do so and subject to the matters set out below. Accordingly, Shareholders are urged to complete and return the form of proxy as soon as possible. Alternatively, you can appoint a proxy through CREST or Proxymity (please refer to the notes to the Notice of General Meeting).

33. APPLICABILITY OF THE CITY CODE

The Company is a public limited company incorporated in England & Wales and the Enlarged Share Capital will be admitted to trading on AIM. Accordingly, the City Code will apply to the Company.

Under Rule 9 of the City Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all the remaining shareholders of that company to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company and not more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, a general offer will normally be required in accordance with Rule 9.

An offer under Rule 9 must be made in cash (or be accompanied by a cash alternative) and at not less than the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the City Code a concert party (as defined therein) arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the City Code. Control means an interest or interests in shares carrying an aggregate of 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

34. ADMISSION, SETTLEMENT AND DEALINGS

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. Admission of the Fundraising Shares is conditional, *inter alia*, on the Resolutions numbered 1 and 2 being approved by Shareholders. It is expected that Deal 1 Completion and Admission will become effective and that trading in the Enlarged Share Capital will commence on AIM on or around 4 January 2024. An appropriate announcement will be made by the Company once the Polish Competition Office Clearance has been obtained.

If either of the Resolutions numbered 1 and 2 are not passed at the General Meeting, the Proposals will not proceed and the Directors will consider alternative options for the Company.

35. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The Ordinary Shares are eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

For more information concerning CREST, Shareholders should contact their stockbroker.

36. RISK FACTORS AND ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Parts 2 to 8 (inclusive) of this document. You are recommended to read all the information contained in this document and not just rely on the key or summarised information. In particular Shareholders should read in full the Risk Factors set out in Part 4 of this document.

37. DIRECTORS' RECOMMENDATION AND VOTING INTENTION

The Directors consider that the Proposals are in the best interests of the Shareholders and the Company as a whole and, accordingly, the Directors recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their own beneficial holdings of 5,333,166 Ordinary Shares, representing approximately 0.77 per cent. of the Company's Existing Ordinary Shares.

Yours faithfully

Max Vermorken

Chief Executive Officer

PART 2

SUMMARY OF THE MASTER PURCHASE AGREEMENT AND CALL OPTIONS

1. Summary terms of the Master Purchase Agreement

Sellers: CRH Zehnte Vermögensverwaltungs GmbH, CRH Europe Investments B.V. and Irish Cement Limited (each a “**Seller**” and together the “**Sellers**”)

Buyers: SigmaRoc plc (for 75 per cent. of the issued share capital in VAPENKA VITOSOV s.r.o. and the entire issued share capital in Clogrennane Lime Limited) and SigmaCEN GmbH (for the entire issued share capital in Fels Holding GmbH) (each a “**Purchaser**” and together the “**Purchasers**”)

Targets: the entire issued share capital in Fels Holding GmbH, 75 per cent. of the issued share capital in VAPENKA VITOSOV s.r.o., and the entire issued share capital in Clogrennane Lime Limited (each a “**Deal 1 Target**” and together the “**Deal 1 Targets**”) and certain German intercompany loans.

Purchase Price and Payments

The purchase price for the Deal 1 Targets is based on an enterprise value of the Deal 1 Targets of €745 million (c. £645 million) adjusted for cash, debt and working capital items. The purchase price for the German intercompany loans owed by certain German group entities to the Sellers and their affiliates shall be an amount equal to their nominal amount as outstanding on 1 January 2024 (the “**Effective Date**”) (including interest until the Effective Date).

The Sellers good faith estimate of the total purchase price (minus the Deferred Purchase Price Portion) shall be paid in cash within three business days of the Closing Date. The estimated purchase price payable shall be subject to a cash, debt and working capital adjustment for the difference between the estimated cash, debt and net working capital items and the actual final amounts of cash, debt and net working capital items shown in the closing accounts for each of the Targets no later than 90 business days after the Closing Date (or as otherwise agreed between the respective Seller and Buyer).

Should the Purchasers fail to pay the estimated purchase price when due, the Sellers may claim interest at a rate of nine per cent per annum.

Part of the purchase price allocated to the shares in the German Target (€75 million) shall be deferred for a maximum of five years plus five business days after the Closing Date (the “**Deferred Purchase Price Portion**”). The Deferred Purchase Price Portion may be paid by the German Purchaser at any time prior to the deadline, however, if the Deferred Purchase Price Portion is not paid within five business days of the Closing Date, an additional surcharge shall be payable by the German Purchaser. The amount of the surcharge increases with each year following Completion. If the Deferred Purchase Price Portion is deferred for the full term, the surcharge shall be €12.5 million. The Company and the German Purchaser may also elect to defer the payment of a further €10 million of the Deal 1 consideration to the earlier of: (i) 31 August 2024; and (ii) if the Polish Purchaser exercises the Polish Call Option, the date on which the Polish Purchaser acquires the Polish Target.

Conditions to completion

Completion of the Master Purchase Agreement shall occur subject to the fulfilment of the following conditions:

- receipt of shareholder approval by the Shareholders of SigmaRoc plc pursuant to Rule 14 of the AIM Rules;
- receipt of shareholder approval by the Shareholders of SigmaRoc plc to grant the Directors authority to issue new shares in SigmaRoc plc;
- Admission; and
- equity and debt financing of SigmaRoc plc becoming unconditional (with the exception of conditions relating to Admission occurring or the Completion of the Master Purchase Agreement).

Completion

Completion of the sale and purchase of the Deal 1 Targets and the German intercompany loans will occur upon fulfilment of the conditions to closing (including Admission) and certain other closing actions (e.g. execution of share transfer deeds and intercompany loan receivables assignment agreement), which shall occur simultaneously ("**Completion**").

If the conditions to Completion have not been fulfilled within four months after the signing date of the Master Purchase Agreement, either party may withdraw from the agreement, provided that no party is entitled to withdraw to the extent it has caused the non-fulfilment of the conditions or actions to Completion.

The Master Purchase Agreement contains a reciprocal break fee in the amount of €12.5 million payable by either SigmaRoc plc or the Sellers' joint representatives (depending on which party has breached or terminated the agreement) for certain reasons of withdrawal from the agreement. The break fee is the exclusive remedy if paid.

During the period between the signing of the Master Purchase Agreement and Completion, the Sellers shall cause the Targets to operate in the ordinary course of business consistent with past practice and not take specified actions without the approval of the Purchasers.

Warranties of Sellers

Each Seller is giving customary warranties on (i) their capacity and (ii) the Deal 1 Targets and their subsidiaries for the following areas: existence and authorisation of Sellers, legal organisation of the Deal 1 Targets and their subsidiaries in scope of the transaction, ownership of shares and shareholdings, existence and ownership of the German intercompany loans, financial statements, properties and assets, affiliate transactions, intellectual property, IT, data protection, permits, compliance with laws, litigation, material agreements, employment and labour matters, insurance coverage, conduct of business since 1 January 2023, environmental matters, public grants, product recalls and taxes.

The warranties are given as at signing and are repeated at Completion, with the right for the Sellers to make discharging disclosures at Completion for items that are discovered in the period between signing and Completion.

The warranties on existence and authorisation of the Sellers, legal organisation of the Deal 1 Targets and their subsidiaries in scope of the transaction, ownership of shares and shareholdings, existence and ownership of the German intercompany loans are fundamental warranties.

Warranties of Purchasers

Each Purchaser is giving customary warranties as at signing and Completion for the following areas: existence and authority, financial capability for closing payments, information to regulatory filings and compliance.

Remedies of Purchasers

Subject to the limitations of liability set out in the Master Purchase Agreement, the Purchasers are entitled to claim compensation on a Euro-for-Euro basis for warranty breaches resulting in actual losses for a Purchaser, a Target or its subsidiaries. Actual losses include direct damages but excludes in particular reductions in value, indirect or consequential damages, lost profits, frustrated expenses and internal costs. Sellers are jointly and severally liable under the agreement.

Limitations of Liability

The Sellers' aggregate liability for fundamental and tax warranty breaches under the Master Purchase Agreement is limited to the total purchase price actually received by them. For breaches of other warranties, the Sellers' liability is capped at 15 per cent. of the total purchase price actually received by them and the Sellers are further only liable for losses which, with respect to an individual matter exceeds an amount of

0.1 per cent. of the purchase price, and to the extent that all losses exceed an aggregate amount of 1.0 per cent. of the purchase price in which case the entire amount shall be recoverable.

Claims under business warranties and covenants become time-barred 18 months after Completion and claims under the fundamental warranties become time-barred five years after Completion. Tax claims become time-barred six months after the relevant tax assessment has become binding and non-appealable, but in any event on the sixth anniversary of Completion. All other claims shall become time-barred 2 years after Completion.

The Master Purchase Agreement also includes certain customary limitations to the Sellers' liability (e.g. for disclosed and known matters). No limitations of liability apply in case of fraud or willful misconduct of the Sellers.

SigmaRoc plc assumes joint and several liability for the obligations of SigmaCEN GmbH under the agreement. In case SigmaRoc exercises its right under the agreement to assign the right to acquire Clogrennane Lime Limited to an affiliate prior to Completion, SigmaRoc shall assume joint and several liability for such entity's obligations under the agreement.

Certain undertakings

The Master Purchase Agreement contains customary mutual confidentiality obligations on the parties. The agreement includes certain exceptions to the obligation, including disclosures required in connection to Admission. The agreement also contains non-compete and non-solicit undertakings of the Sellers for a period of 24 months following Completion.

Governing law

The Master Purchase Agreement is subject to German law. Disputes shall be settled by recourse to arbitration of the German arbitration institute and the seat of the arbitration shall be Frankfurt am Main, Germany.

2. Summary terms of the UK Call Option

Seller: Tarmac Cement and Lime Limited

Purchaser: SigmaRoc plc (the Company)

Option: The Company has the option to buy the UK Seller's share (being 100 per cent. of the share capital) in Tarmac Shelfco Limited on the terms of the SPA attached to the UK Call Option

Conditions to exercising call option:

The Company may only exercise the UK Call Option if: (i) the Company has received notice from the UK Seller that the UK Carve Out has been completed in accordance with the UK Call Option; and (ii) the transaction under the Master Purchase Agreement has closed (the "**Conditions to the UK Call Option**"). The Company may only exercise the UK Call Option within 30 calendar days after the date on which the last of the Conditions to the UK Call Option is satisfied, unless the UK Seller has unilaterally granted an extension to such acceptance period. This 30 calendar period will be reduced or extended in the following circumstances: (1) it will be reduced to (i) ten (10) calendar days if the date on which the last of the Conditions to the UK Call Option is satisfied is between 1 and 13 March 2024 and (ii) five (5) calendar days if the date on which the last of the Conditions to the UK Call Option is satisfied is on or after 14 March 2024; or (2) extended by up to ten (10) calendar days if the announcement of the Company's annual results falls within ten (10) business days of the expiry of the 30 calendar day period (but to no later than the date that is ten (10) business days following the date of such announcement).

Completion:

Completion of the UK Call Option will take place on the last business day of the month in which the UK Seller has received notice that such call option is to be exercised (or if such notice is not received until the

twenty-second (22nd) business day of such month, completion will take place on the last business day of the following month). The parties may mutually agree for completion to take place at any other time. Notwithstanding this, the last day for the completion of the UK Call Option is 28 March 2024, unless extended by the UK Seller at least three (3) calendar days before such date.

The UK Call Option will terminate: (i) if the Conditions to the UK Call Option have not been satisfied by 23 March 2024 (unless this deadline is extended at the discretion of the UK Seller) or such later time as the parties may mutually agree in writing; (ii) upon expiry of the UK Call Option Acceptance Period if the UK Seller has not received notice from the Company of its intention to exercise the UK Call Option in this period; (iii) if the Company exercises the UK Call Option but does not sign or fails to deliver the signed UK SPA to the UK Seller at completion of the UK Call Option; or (iv) upon the termination of the Master Purchase Agreement (the “**Expiry of the UK Call Option**”).

Compensation fee:

In the event that the UK Call Option is terminated (i) upon expiry of the UK Call Option Acceptance Period where the UK Seller has not received notice from the Company of its intention to exercise the UK Call Option in this period; or (ii) where the Company has not signed or has failed to deliver the signed UK SPA to the UK Seller at completion of the UK Call Option, the Company shall be obligated to pay a compensation fee in the amount of €25,000,000 to CRH Finance DAC.

Post-Completion Events:

Upon and with effect from completion under the UK SPA, the UK Seller and the UK Target shall enter into a limestone supply agreement (in the agreed form attached to the UK Call Option).

Warranties of the UK Seller:

The UK Seller has given certain warranties to the Company pursuant to the UK Call Option Agreement, including as to real property, employees, permits, intellectual property rights and litigation.

Warranties of the Company:

The Company has given warranties to the UK Seller in relation to incorporation; power and authority; compliance with laws; and litigations and proceedings.

Limitations of Liability

The UK Seller's aggregate liability for fundamental warranty breaches under the UK Call Option is limited to the total purchase price actually received by them. For breaches of other warranties, the UK Seller's liability is capped at 15 per cent. of the total purchase price actually received by them and the UK Seller is further only liable for losses which, with respect to an individual matter exceed an amount of 0.1 per cent. of the purchase price in the UK SPA, and to the extent that all losses exceed an aggregate amount of 1.0 per cent. of the purchase price in the UK SPA, in which case the entire amount shall be recoverable.

Claims under warranties and covenants become time-barred 18 months after completion of the UK SPA and claims under the fundamental warranties become time-barred five (5) years after completion of the UK SPA. All other claims shall become time-barred two (2) years after completion of the UK SPA.

The UK Call Option also includes certain customary limitations to the UK Seller's liability (e.g. for disclosed and known matters). No limitations of liability apply in case of fraud or willful misconduct of the UK Seller.

Governing law and arbitration

The UK Call Option is governed by and construed in accordance with the laws of England and Wales. Disputes arising out of or relating to the UK Call Option shall be resolved by arbitration in London, England.

3. Summary terms of the Polish Call Option

Seller: Trzuskawica S.A.

Purchaser: Polish Purchaser

Option: The Polish Purchaser has the option to enter into the terms of a sale and purchase agreement to buy all of the Polish Seller's shares in Ovetill Investments Sp. z o.o. on the terms of the SPA attached to the Polish Call Option

Polish Purchaser

The Company has entered into the Polish Call Option with the Polish Seller. Once the Company has incorporated the Polish SPV, the Polish SPV will promptly enter into a deed of adherence and assume the rights and obligations of the purchaser under the Polish Call Option.

Joint and several liability:

Once the Polish SPV has acceded as a party to the Polish Call Option, the Polish SPV and the Company will be jointly and severally liable for all obligations of the purchaser under the Polish Call Option.

Conditions to exercising call option:

The Polish Purchaser may only exercise the Polish Call Option if: (i) the Polish Purchaser has received notice from the Polish Seller that the Polish Carve Out has been completed in accordance with the Polish Call Option; and (ii) the Target operating the only burnt lime business of the Polish Seller and its Affiliates which is located in Europe (the "**Conditions to the Polish Call Option**"). The Polish Purchaser may only exercise the Polish Call Option within 30 calendar days after the date on which the last of the Conditions to the Polish Call Option is satisfied, unless the Polish Seller has unilaterally granted an extension to such acceptance period (the "**Polish Call Option Acceptance Period**"). On exercise, the Polish Purchaser will enter into the Polish SPA which will entitle it to acquire the Polish Target subject to the satisfaction of the conditions in the Polish SPA, being amongst others, the approval of the President of the Office of Competition and Consumer Protection of Poland (UOKiK).

Completion:

Completion of the Polish Call Option will take place within five (5) business days after the Polish Seller has received notice that such call option is to be exercised. The parties may mutually agree for completion to take place at any other time.

The Polish Call Option will terminate: (i) if the Conditions to the Polish Call Option have not been satisfied by 30 June 2024 or such later time as the parties may mutually agree in writing; (ii) upon expiry of the Polish Call Option Acceptance Period if the Polish Seller has not received notice from the Company of its intention to exercise the Polish Call Option in this relevant period; or (iii) if the Polish Purchaser exercises the Call Option but the Company and/or the Polish Purchaser does not sign or fails to deliver the signed Polish SPA to the Polish Seller at completion of the Polish Call Option ("**Expiry of the Polish Call Option**").

Compensation fee:

In the event that the Polish Call Option is terminated: (i) upon expiry of the Polish Call Option Acceptance Period where the Polish Seller has not received notice from the Polish Purchaser of its intention to exercise the Polish Call Option in this period; or (ii) where the Company and/or the Polish Purchaser have not signed or have failed to deliver the signed SPA to the Polish Seller at completion of the Polish Call Option, the Company shall be obligated to pay a break fee in the amount of €25,000,000 to CRH Finance DAC.

Deferred consideration security:

The Polish Purchaser and the Polish Seller agree that the Polish Seller shall have recourse against certain security if the deferred consideration is not paid per the terms of the Polish SPA. This security shall comprise of security over certain assets and all of the shares in the Polish Target, effected through the security

agreements attached to the Polish Call Option (subject to changes that may be requested by the financing banks).

Post-Completion Events:

Upon and with effect from completion, the Polish Seller and the Polish Target shall enter into a limestone supply agreement (in the agreed form attached to the Polish Call Option).

Warranties of the Polish Seller:

The Polish Seller has given certain warranties to the Company pursuant to the Polish Call Option Agreement, including as to real property, employees, permits, intellectual property rights and litigation.

Warranties of the Polish Purchaser:

The Company has undertaken to procure that the Polish SPV shall give warranties to the Polish Seller, at the time of entering into the deed of adherence, in relation to incorporation; power and authority; compliance with laws; and litigations and proceedings.

Warranties of the Company:

The Company has given warranties to the Polish Seller in relation to incorporation; power and authority; compliance with laws; and litigations and proceedings.

Limitations of Liability

The Polish Seller's aggregate liability for fundamental warranty breaches under the Polish Call Option where the Polish Purchaser exercises the option and acquires the Polish Target is limited to the total purchase price. For breaches of other warranties in such circumstances, the Polish Seller's liability is capped at 15 per cent. of the total purchase price and the Polish Seller is further only liable for losses which, with respect to an individual matter exceed an amount of 0.1 per cent. of the purchase price in the Polish SPA, and to the extent that all losses exceed an aggregate amount of 1.0 per cent. of the purchase price in the Polish SPA, in which case the entire amount shall be recoverable.

Claims under warranties and covenants become time-barred 18 months after completion of the Polish SPA and claims under the fundamental warranties become time-barred five (5) years after completion of the UK Polish. All other claims shall become time-barred two (2) years after completion of the Polish SPA.

The Polish Call Option also includes certain customary limitations to the Polish Seller's liability (e.g. for disclosed and known matters). No limitations of liability apply in case of fraud or willful misconduct of the Polish Seller.

Certain undertakings

The Polish Call Option includes a customary mutual confidentiality obligation. The parties have agreed to negotiate in good faith and to use all reasonable endeavours to settle, as soon as practicable after the date of the Polish Call Option certain long-form agreements relating to supply, sharing, maintenance, easements, leases, railway siding, transportation and vehicle weighbridges in connection with the Polish Target's business. The parties have also agreed for the long-form documentation in respect of these agreements to be based upon the key commercial terms set out in certain heads of terms attached to the Polish Call Option.

Governing law and arbitration

The Polish Call Option is governed by and construed in accordance with the laws of England and Wales. Disputes arising out of or relating to the Polish Call Option shall be resolved by arbitration in London, England.

PART 3

CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance. As a company whose shares are traded on AIM, the Board has decided to comply with the QCA Code. In addition, the Directors have adopted a code of conduct for dealings in the shares of the Company by Directors and employees and are committed to maintaining the highest standards of corporate governance. Garth Palmer, in his capacity as CFO, has assumed responsibility for ensuring that the Company has appropriate corporate governance standards in place and that these requirements are followed and applied within the Company as a whole.

The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long-term value to its Shareholders and that Shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does.

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles

Principle 1 – Establish a strategy and business model which promote long-term value for shareholders

Strategy & purpose: The Company invests in and acquires businesses in the construction materials sector. The principal activity of the Group is the production of high quality aggregates and supply of value-added construction materials. The Group's aim is to create value for shareholders through the successful execution of its buy and build strategy in the construction materials sector.

Business model: The Group's business plan is to acquire high quality and well managed assets in the construction materials sector, providing the Existing Group with a strong operating platform, diversified income streams and stable cash flows in order to grow the Existing Group and execute on its strategy further. The Existing Group is run as a commercially-minded business, seeking to return an increase in investment capital to Shareholders. Proven methods of raising capital through recognised means available to publicly-listed companies are relied on to fund growth acquisitions. Following each acquisition, the Existing Group seeks to implement operational efficiencies that improve safety, enhance productivity, increase profitability and ultimately create value for Shareholders.

Principle 2 – Seek to understand and meet shareholder needs and expectations

Shareholder dialogue: The Company remains committed to listening and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts and investors think about the Company, and in turn, helping these audiences understand the Company's business, is a key part of driving the business forward and the Company actively seeks dialogue with the market. The Company does so via investor roadshows, attending investor conferences, hosting capital markets days and through regular reporting.

Private Shareholders: The Company's annual general meeting is the main forum for dialogue between retail Shareholders and the Company. The Directors routinely attend the AGM and are available to answer questions raised by Shareholders. The results of the AGM are subsequently published on the Company's corporate website. Private Shareholder events are intended to be held periodically.

Institutional Shareholders: The Company actively seeks to build relationships with institutional Shareholders through calls, presentations, and visits. Shareholder relations are managed primarily by the CEO, but the Executive Chairman and Senior Independent Non-Executive Director are also available to meet with major shareholders to discuss issues of importance.

Principle 3 – Take into account wider stakeholder and social responsibilities and their implications for long-term success

Engagement: Engaging with stakeholders strengthens relationships and helps the Board make better business decisions to deliver on commitments. The Company is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and the Existing Group's business and to enable the Board to understand and consider these issues in decision-making. With Shareholders, suppliers and customers, employees are one of the most important stakeholder groups and employees' engagement surveys and feedback are closely monitored.

Employees, contractors & suppliers: The Existing Group has established a safe and healthy work environment, which complies with the relevant occupational health & safety laws. The Existing Group ensures that the workforce is provided with sufficient training to develop the appropriate skills and knowledge to complete the tasks requested of them. For the sake of occupational health & safety, all contractors and sub-contractors are treated in exactly the same manner as employees.

Communities: The Existing Group has supported and given back to the community by participating in a selection of projects in recent years. Further details of the Existing Group's environmental, social and governance related initiatives are set out in Part 1 of this document and in the relevant annual reports.

Modern slavery: As part of the Company's mission to "do the right thing" SigmaRoc opposes modern slavery in all its forms and works to prevent it by any means that it can. The Board expects anyone who has any suspicions of modern slavery in the business or the Existing Group's supply chain to raise their concerns without delay.

Principle 4 – Embed effective risk management, considering both opportunities and threats, throughout the organisation

Risk register: To assist the Board with effectively managing risk across the Existing Group the Company has established a risk register which is reviewed periodically.

Internal control: The Company has an established framework of internal control, the effectiveness of which is regularly reviewed by executive management, the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the Company and the Existing Group. The Company recognises that maintaining sound controls and discipline is critical to managing the downside risks to its business plan.

The Board has ultimate responsibility for the Existing Group's system of internal control and for reviewing its effectiveness. The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls. The Board presently considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Existing Group.

Principle 5 – Maintain the board as a well-functioning, balanced team led by the chair

Board composition: The Board comprises the Executive Chairman, two Executive Directors, two Independent Non-Executive Directors and two Non-Executive Directors. The Board considers, after careful review, that the Independent Non-Executive Directors bring an independent judgement to bear. The biographies of the members of the Board can be found in Part I of this document. The Board is satisfied that it has a suitable balance between independence and knowledge of the Existing Group and its operations to discharge its duties and responsibilities effectively. The Board receives periodic updates from the management team. All directors are encouraged to use their independent judgement and to challenge all matters, whether strategic, operational or financial. Membership of the Board, its activities, performance and composition are subject to periodic review.

Conflicts of interest: The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to, and, where appropriate, agreed with the rest of the Board.

Principle 6 – ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

Suitability: The Board guides and monitors the business and affairs of the Company on behalf of the Shareholders by whom they are elected and to whom they are accountable. The Board is satisfied that given its size and stage of development, between the Directors, it has an effective and appropriate balance of skills and experience across technical, commercial and financial disciplines. The Company complies with the QCA Code and full biographical details of the Directors and their skills and experience can be found in Part 1 of this document.

Appointment, removal & re-election: The Nominations Committee makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments.

Independent advice: All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and Chief Financial Officer.

Principle 7 – Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Appraisal: The Chairman assesses the individual contributions of each member of the Board to ensure that their contribution is relevant and effective; they are committed; and where relevant, they have maintained their independence.

An evaluation of the Board will be carried out annually and on a three-yearly cycle the evaluations may be facilitated by an independent evaluator.

The Remuneration Committee will compare the performance of the Board with the requirements of its charter, the Company vision and KPIs.

Succession planning is considered by the Board as a whole. The Board will annually review and make recommendations relating to talent management and succession planning for the Board and the CEO.

Principle 8 – Promote a corporate culture that is based on ethical values and behaviours

Code of conduct: The Board has adopted a code of conduct which provides a framework for ethical decision-making and actions across the Existing Group. The code of conduct reiterates the Existing Group's commitment to integrity and fair dealing in its business affairs and its duty of care to all employees, contractors and stakeholders.

Each Board member's adherence to the Existing Group's code of conduct is assessed as part of the annual Board review & appraisal.

Anti-corruption and bribery: The Board has adopted an anti-corruption and bribery policy to further ensure the honest and ethical conduct of employees. The Company also provides periodic training to employees to ensure they are aware of their responsibilities in relation to bribery and corruption. The Company has a zero-tolerance approach to bribery and corruption. The Company's General Counsel is responsible for monitoring compliance with and maintaining the anticorruption and bribery policy.

Principle 9 – Maintain governance structures and processes that are fit for purpose and support good decision making by the board

Board programme: The Board is responsible for approving the Company strategy and policies, for safeguarding the assets of the Company, and is the ultimate decision-making body of the Company in all matters except those that are reserved for specific shareholder approval.

The Board meets at least four times each year in accordance with its scheduled meeting calendar and maintains regular dialogue between Board members, in particular between the CEO, the Chairman and the non-executive Board members.

The Board and its Committees receive appropriate and timely information prior to each meeting, with a formal agenda being produced for each meeting, and Board and Committee papers distributed several days before meetings take place.

Roles & responsibilities: There is a clear division of responsibility at the head of the Company between the Chairman and the CEO.

The Board is supported by the Audit, Remuneration, AIM and MAR Compliance and Nominations committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties.

As the Existing Group grows and develops the Board will periodically review its corporate governance framework to ensure it remains appropriate for the size, complexity and risk profile of the Group as it stands at that time.

Principle 10 – Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Communication: The Company attaches great importance to providing shareholders with clear and transparent information on the Company's activities, strategy and financial position through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders.

The Company announces significant developments via various outlets including the London Stock Exchange's Regulatory News Service (RNS).

The Board receives regular updates on the views of shareholders through briefings and reports from the CEO and the Company's brokers. The Company communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.

PART 4

RISK FACTORS

Investing in and holding Ordinary Shares involves financial risk. Prospective investors in the Ordinary Shares should carefully review all of the information contained in this document and should pay particular attention to the following risks associated with an investment in the Ordinary Shares, the Enlarged Group's business and the industry in which it participates prior to making an investment decision.

The risk factors set out below apply to the Enlarged Group as at the date of this document.

The risks and uncertainties described below are not an exhaustive list, are not set out in any order of priority and do not necessarily comprise all, or explain all, of the risks associated with the Enlarged Group and the industry in which it participates or an investment in the Ordinary Shares. They comprise the material risks and uncertainties in this regard that are known to the Existing Group and should be used as guidance only. Additional risks and uncertainties relating to the Enlarged Group and/or the Ordinary Shares that are not currently known to the Existing Group, or which the Existing Group currently deems immaterial, may arise or become (individually or collectively) material in the future, and may have a material adverse effect on the Enlarged Group's business, results of operations, financial condition and prospects. If any such risk or risks should occur, the price of the Ordinary Shares may decline and investors could lose part or all of their investment. There can be no certainty that the Enlarged Group will be able to implement successfully its growth strategy as is detailed in this document. No representation is or can be made as to the future performance of the Enlarged Group and there can be no assurance that the Enlarged Group will achieve its objectives.

Prospective investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in the light of the information in this document and their personal circumstances. Prospective investors should consult a legal adviser, an independent financial adviser or a tax adviser for legal, financial or tax advice if they do not understand any part of this document.

RISKS RELATING TO THE ACQUISITIONS AND THE TARGETS

The due diligence carried out in respect of the Targets may not have revealed all relevant facts or uncovered significant liabilities

Whilst the Company conducted due diligence, such as legal, tax, financial and technical, in respect of the Acquisitions with the objective of identifying any material issues that may affect its decision to proceed with the Acquisitions, there can be no assurance that all such issues have been identified. The Company also used information revealed during the due diligence process to formulate its business and operational planning. During the due diligence process, the Company is only able to rely on the information that was made available to it. Any information that was provided or obtained from available sources may not have been accurate at the time of delivery and/or remained accurate during the due diligence process and in the run-up to the Acquisitions and not all information requested has been provided. Notwithstanding the aforesaid, the Company believes its diligence is reasonable and appropriate based on the facts and information made available to it. Whilst the Company is of the opinion that sufficient information has been made available for its purposes based upon its current knowledge of the Targets, there can be no assurance that the due diligence revealed all relevant facts or uncovered all significant liabilities. If the due diligence investigation failed to identify key information in respect of the Targets, or if the Company considered certain material risks to be commercially acceptable, the Company may be forced to write-down or write-off assets in respect of the Targets, which may have a material adverse effect on the Enlarged Group's business, financial condition or results of operations. In addition, following the Acquisitions, the Company may be subject to significant, previously undisclosed liabilities in respect of the Targets that were not known or identified during due diligence and which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

Furthermore, as is customary when investigating companies for the purposes of an acquisition, as part of its due diligence the Company has uncovered a variety of matters in the Targets which could be improved

upon (which span a variety of areas including but not limited to contractual terms, employment terms, property, land and real estate title, planning consents and use, compliance with planning law and regulation, environmental liabilities, permitting and regulatory issues, data protection and IP and domain name protection). The Company and the Board assess these matters as relatively minor in the context of the Acquisitions and their intention is to address these post Admission to the extent it is considered prudent to do so in the context of the Enlarged Group.

Whilst the Company has received a form of contractual comfort pursuant to the warranties and indemnities contained in the Master Purchase Agreement, there is no guarantee that such arrangements will provide adequate compensation for the Company for any loss or liability arising from any undisclosed liabilities, issues or defects that may arise in relation to the Targets. This could have a material adverse effect on the financial position of the Enlarged Group.

There are limitations to the protection afforded to the Company pursuant to the warranties and indemnities contained in the Master Purchase Agreement

Warranties under the Master Purchase Agreement are subject to certain limitations and are limited in scope (as described in more detail in Part 2 of this document).

In relation to the business warranties, should the relevant breaches fall below the individual and aggregate thresholds noted in Part 2 above, the liability in relation to such breaches will sit with the Existing Group. Additionally, the aggregate liability for all breaches of business warranties is capped.

Accordingly, the Company may incur substantial losses if a breach of a business warranty occurs which falls below the thresholds or exceeds the liability cap, or a matter arises which is not protected by warranties under the Master Purchase Agreement. This could have a material adverse effect on the Enlarged Group's business results of operations and financial condition.

The Targets' results may not match the Board's expectations

If the results and cash flows generated by the Targets are not in line with the Company's expectations, it may materially impact on the financial performance of the Enlarged Group which could have an adverse effect on the Enlarged Group's financial position and share price. Demand for the Targets products are influenced by multiple factors, including global and national economic circumstances, monetary policy, consumer sentiment, variations in fuel and other input costs amongst other factors. The Target's results may be adversely impacted by negative trends in these factors. In addition, any goodwill that arises on the Acquisitions may be required to be written down, which, while having no cash impact, could have an adverse effect on the Enlarged Group's financial position and share price.

There can be no assurance that the Enlarged Group will realise the anticipated benefits and synergies of the Acquisitions

The Enlarged Group may not realise the anticipated benefits and synergies of the Acquisitions or may encounter difficulties in achieving the same. The Enlarged Group is subject to all of the risks set forth in this "Risk Factors" section which may impact the Enlarged Group's ability to realise the benefits and synergies its Directors believe will result from the Acquisitions. In addition, if the future financial performance and cash flows generated by the Enlarged Group are not in line with the Directors' expectations, or the mineral resource is not of the quality, or is not present in the volumes that the Directors expect, it may significantly affect the financial performance of the Enlarged Group. This could reduce the potential benefits and synergies arising from the Acquisitions, adversely affect the market price of the Ordinary Shares, or have a material adverse effect on the Enlarged Group's business, financial condition, operating results and prospects.

The German Target is currently in negotiations with a key customer in Germany

The German Target is currently negotiating a new supply agreement with a significant customer. The new supply agreement is required by the customer as, going forward, it intends to manufacture its products increasingly with the use of renewable energy, and in order for the customer to reorganise its production chain accordingly, it will require the supply of differently composed products.

In order to offer the products required and secure exclusivity under the new supply agreement, capital expenditures of the German Target in an amount of approximately one fourth of the annual revenue generated with the customer is necessary. The German Target and the customer are currently negotiating the new framework agreement with a first phase of delivery of new products to take effect in 2026. A full transfer of delivery of new products (and final phase-out of delivery of existing products) is expected with implementation of the third phase by the customer in 2033.

Written agreements between members of the Targets and key customers and key suppliers have expired or are on unwritten terms

Certain material suppliers and customers of the Targets are doing business with the Targets without legally binding written agreements. Whilst these suppliers and customers have been operating in this way for some time, there is a risk that in the absence of written terms there may be disagreements as to the terms of business or the services may be terminated or discontinued without notice. In addition, certain agreements have expired. It has been confirmed during due diligence in most respects that services have continued. Following completion of the Acquisitions, the Company will be taking steps to seek to ensure that all key suppliers and customers are legally bound by written agreements.

Certain contractual arrangements have onerous terms, including change of control provisions and unilateral termination rights

The Targets contract with a variety of counterparties, including customers and suppliers, in relation to its products. Certain contracts, including with key customers and suppliers, contain provisions which might ordinarily be regarded as unusual or onerous, including without limitation termination rights at short notice, change of control provisions, uncapped liability for the Targets and financial penalties.

To the extent that the Company wishes to keep these arrangements in place following completion of the Acquisitions, the Company may require the consent of third parties, which may not be forthcoming. In addition, counterparties may exercise their unilateral right of termination (or threaten to do so) in order to obtain more advantageous commercial and legal terms for themselves, putting the Targets in a commercially worse position than they were prior to the Acquisitions. In the event that contracts are terminated or are renegotiated to the counterparty's advantage, the operations and revenues of the Enlarged Group may be affected commensurately.

There are inherent environmental risks in the sector that the Enlarged Group operates

Quarrying operations and the production of the Enlarged Group's products have inherent risks and liabilities associated with damage to the environment and the disposal of waste products occurring as a result of exploration and production. Environmental and safety legislation and regulation (e.g. in relation to reclamation, disposal of waste products, pollution and protection of the environment, protection of wildlife and otherwise relating to environmental protection) is frequently changing and is generally becoming more restrictive with a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. Future changes could impose significant costs and burdens on the Enlarged Group (the extent of which cannot be predicted) both in terms of compliance and potential penalties, liabilities and remediation. Investor sentiment may also change and there is a risk that investors turn away from sectors which have potentially negative environmental impacts. Breach of any environmental obligations could result in penalties and civil liabilities and/or suspension of operations, any of which could adversely affect the Enlarged Group. Further, approval may be required for any material plant modifications or additional land clearing and for ground disturbing activities. Delays in obtaining such approvals could result in the delay to anticipated exploration programmes or mining activities.

The Enlarged Group will need to apply for new permits to maintain or increase the level of future production at several of its sites of operation. In addition, following the Acquisitions, certain of the Targets will need to apply for entirely new environmental, planning and other licences. There is no guarantee that these new permits or requested changes to existing permits will be granted. For example, the permitting application processes may be adversely affected or ultimately fail due to environmental concerns, including greenhouse gases, protected species and complaints from local inhabitants. Any environmental issues encountered will likely increase the expense and timeline for the permitting process and decrease the ultimate likelihood of success. Ultimately if they are not granted, the current or intended use of the site and the operations may not be able to be continued.

There may also be unforeseen environmental liabilities resulting from quarrying and other activities, which may be costly to remedy. If the Enlarged Group is unable to fully remedy an environmental problem, it may be required to stop or suspend relevant operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Enlarged Group. The Enlarged Group is currently evaluating the costs of insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production).

Whilst the Company has carried out legal, financial and technical due diligence on the Targets, it has not been able to fully assess certain aspects of the Targets' businesses, or visit every site of operation, including a full assessment of the Targets' compliance with applicable environmental laws and regulations or visit every site of operation. Where possible, warranties and other comfort has been sought from the Sellers in the Master Purchase Agreement but there can be no guarantee that a Target is not later found to be in breach of applicable law and regulation and may be requested to remedy any such breaches at its own cost or else may incur additional liabilities (including fines and censures) in respect of the same or else be forced to discontinue operations.

In particular, a number of sites in Sweden have been registered as contaminated properties in the national register of contaminated properties, including the Storugns and Köping ports and there is therefore a potential financial liability attached to this registration. In Sweden, registration is automatic for any site with operations that contaminate or could potentially contaminate the land.

Environmental hazards may exist on the properties in which the Enlarged Group holds interests that are unknown to the Company and that have been caused by previous or existing owners or operators of the properties. To the extent the Enlarged Group is subject to environmental liabilities, the payment of any liabilities or the costs that may be incurred to remedy environmental impacts would reduce funds otherwise available for operations. However, compensation can often be claimed from previous landowners if they were the polluters.

The Enlarged Group may assume responsibility for restoration and decommissioning costs

Upon cessation of any quarrying operations, the Enlarged Group may assume responsibility for costs associated with restoring the operational sites by taking reasonable and necessary steps in accordance with generally accepted environmental practices. Any environmental permits held by the Enlarged Group may also specify commitments to specific restoration activities on a site. However, some restoration provisions can be advantageous to the company, such as restoring excavations as inert landfill sites or tourist/commercial attractions such as water parks or nature reserves.

The remediation works at one landfill in Germany are required to be concluded by 2035, with certain parts to be concluded by May 2030. The operation cannot be fully undertaken as part of the land affected is not currently owned by the Targets. The Enlarged Group will take steps to seek to acquire the required properties following completion of the Acquisitions. If the required properties are not purchased, the Enlarged Group may need to seek amendments to the existing remediation plans which may be cost intensive and consume significant operational and financial resources.

There are risks and uncertainties relating to title to land and properties held by the Targets

While the Company has to the extent possible investigated the Targets' title to, and rights and interests in, the land and properties held by the Targets this should not be construed as a guarantee that they are all in good title. Title to the land and properties may be subject to undetected defects, including third party rights and covenants. If a defect does exist and it is successfully challenged, it is possible that the Enlarged Group may lose all or part of its interest in the relevant land. In addition, there are patches of landlocked sites (i.e. land not owned by the Targets) or possible ransom strips within the area of operations which the Targets may need access to. Some parcels of land in the Targets' demise are encumbered with a limited personal easement waiving mining damage. The encumbrance of real property with mining damage waivers could lead to issues for the financing of the real property (especially with non-regional banks that are not familiar with the subject). Should title to any real estate be challenged or revoked, it may have a significant effect on the operations and therefore of the financial results of the Enlarged Group.

There is no guarantee that the Targets will be integrated successfully

How the acquired Targets' businesses will perform as part of the wider Enlarged Group is difficult to predict and may not meet predictions and expectations. Though businesses within the Enlarged Group are expected to continue to operate under existing management in line with the Existing Group's decentralised strategy, the integration of the Targets will be essential to ensure that efficiencies can be achieved, and the success of such integration cannot be guaranteed. The acquisition of the Targets will expose the Enlarged Group to potential risks associated with the assimilation of new technologies and personnel, unforeseen or hidden liabilities, the diversion of management attention and resources from the Enlarged Group's existing businesses and the inability to generate sufficient revenues to offset the costs and expenses associated with such acquisitions.

Customer concentration of the Targets

The Targets' largest customers represent a significant proportion of the Targets' revenues across the period covered by the historical financial information. Accordingly, there is a significant level of customer concentration, for example the top 10 customers in a jurisdiction contribute over 60 per cent. of product revenue over a number of years. While the majority of these are longstanding relationships of over 5 years, the loss of a key customer could have a material effect on the relevant Target's business, results of operations, financial condition and/or growth prospects and, potentially in turn, those of the Enlarged Group.

Hedging arrangements in relation to CO₂

The Targets and CRH have historically entered into forward-hedging contracts for the purchase of CO₂ allowances in order to mitigate potential increases in the market rate of CO₂ allowances and any lag between the Targets' input costs and price negotiations with customers. CO₂ allowances are used to fund the net CO₂ emission deficit, and the Targets are required to acquire sufficient allowances to cover this net deficit.

Throughout the period covered by the historical financial information, the Targets benefited from their hedging arrangements following a period of sustained increases in the market price of CO₂ allowances and during which there was a lag in raising the Targets' ASP to reflect this movement. Going forward the Enlarged Group intends to continue with its existing hedging strategy to also incorporate the Targets. However, there is no guarantee that the Enlarged Group's hedging strategy will continue to be effective or fully offset any increase in input costs or that the Targets will be able to factor increased CO₂ price increases into customer pricing negotiations and the Targets' ASP. This may impact future performance and ability to fund longer term capex requirements which are required to accommodate the continued decline in free carbon allowances from the EU and UK ETS.

There was a level of groupwide energy cost hedging up to the end of FY21 and hedging in selected markets in FY22. Since then, and given high market cost inflation, each of the Targets has largely made its own local arrangements with suppliers. Hedging has not been a focus in FY23 given softening energy indices and passthrough mechanisms in place. The Targets management has decided not to hedge in FY24, reflecting the fact that the spot price is lower than hedging, and the ability to pass through energy costs to customers via the energy surcharge. There is a risk that deciding not to implement groupwide energy cost hedging has a negative financial effect on the Enlarged Group.

Intellectual property rights and domain names

The Company has identified a portfolio of intellectual property and domain names relevant to the business of the Targets. The portfolio is comprised of patents, trade marks, trade mark applications and domain names. There is no assurance that the intellectual property identified constitutes all of the intellectual property relevant to the business of the Targets. Furthermore, some intellectual property rights and domain names are not registered in the name of the Targets. As such, these will need to be transferred or assigned to the Targets prior to completion of the Acquisitions. If the Targets do not acquire ownership or the right to use all of the intellectual property and domain names considered relevant to their business, it may result in a material adverse effect on the Enlarged Group's business, financial condition and prospects. There is also no guarantee that any of the trade mark applications identified as relevant to the Targets will proceed to grant.

Employees of the Targets are members of trade unions

The Enlarged Group may be limited in its flexibility in dealing with its staff, including those of the Targets, due to wide ranging trade union membership amongst employees. If there is a material disagreement between the Enlarged Group and its staff belonging to trade unions, the Enlarged Group's operations could suffer an interruption or shutdown that could have a material adverse effect on its business, results of operations or financial condition. Trade unions and/or other employee representatives must also be notified of, and consulted with in relation to, all proposed changes to terms or working conditions of employees of the Enlarged Group.

There is no guarantee that either of the Call Options will be exercised and therefore there is no guarantee that the acquisition of the Deal 2 Target or the Deal 3 Target will complete. In the event that either of the Call Options is not exercised a significant break fee may become payable by the Company

The exercise of the UK Call Option and the Polish Call Option is entirely at the Company's and Polish Purchaser's (as applicable) discretion if the relevant conditions are met. The exercise of the relevant Call Option is subject to the Conditions to the UK Call Option and the Conditions to the Polish Call Option. There is therefore no guarantee that either the Deal 2 Acquisition or Deal 3 Acquisition or both acquisitions will go ahead, or they may complete later than expected or not complete at all.

Investors should note that in a significant break fee of £25 million per Call Option may become payable in the circumstances set out in Part 2 of this document should a Call Option not be exercised.

The implications of either or both of Deal 2 or Deal 3 not completing could also potentially weaken the strategic rationale for the Acquisitions and the Enlarged Group's position in the Northern Europe.

The exercise of the Polish Call Option is subject to Polish Competition Office Clearance

The exercise by the Polish Purchaser of its option to enter into the Polish SPA (subject to and conditional upon, among other things, the Polish Carve Out being effected and the Polish Purchaser exercising the Polish Call Option) and thereby to acquire the Polish Target pursuant to the Polish SPA is conditional, *inter alia*, receiving Polish Competition Office Clearance, for which the Polish Purchaser will make the necessary filings with the Polish Competition Office once the Polish Call Option is exercised and the Polish SPA is executed. The Polish Competition Office will have one month (provided it does not open Phase II review) to issue a decision concerning the initial filings. However, the Polish Competition Authority usually asks questions in respect of submitted documentation (generally twice or more – depending on the scope of information provided and on the person who is the case handler) and such questions suspend the deadline to issue the decision. The Company has not identified any overlapping markets in Poland, therefore, the Board would expect competition clearance in Poland to take approximately 60 to 90 days from filing. There is no guarantee that the Polish Competition Office Clearance will be forthcoming or be granted. In the event that Polish Competition Office Clearance is not received the Polish Purchaser will not be able to acquire the Polish Target.

There are risks associated with the UK Carve Out and the Polish Carve Out

The Company and/or the Polish Purchaser shall not be entitled to exercise its option to enter into the UK SPA and/or the Polish SPA if the relevant Carve Out is not completed. If the relevant Carve Out is not completed, the Deal 2 Acquisition and/or the Deal 3 Acquisition (as applicable) cannot be completed.

As part of the Carve Out, a variety of assets, including contracts, employees and real estate need to transfer to the Deal 2 Target and the Deal 3 Target. As part of the due diligence process conducted by the Company, the following particular risks have been noted:

UK Carve Out

- Certain contracts which are currently in place may contain onerous terms and there can be no guarantee that all existing contracts will transition to the Deal 2 Target.
- A relatively substantial portion of the revenue attributable to the top customers of the Deal 2 Target is derived from arrangements that are undocumented and/or on a spot basis. There is no guarantee that those customers will continue to purchase goods after the UK Carve Out, on the same terms or at all.

- The Company has not been able to ascertain if there any title restrictions on the properties included in the UK Carve Out. Title restrictions could affect the transferability of properties intended to be included in the UK Carve Out.

Polish Carve Out

- Several material contracts to be include in the Polish Carve Out are subject to public procurement laws which may not accommodate novation. As a result, there is a risk that such contracts cannot be carved out and transferred to Deal 3 Target.
- A property in Poland, intended to be included in the Polish Carve Out, is subject to plot division proceedings. Until the completion of the plot division proceedings and issuance of a final division decision the property cannot be included in the Polish Carve Out.

Further, whilst the Company conducted due diligence, such as legal, tax, financial and technical, with the objective of identifying any material issues that may affect the completion of a successful Carve Out, there can be no assurance that all such issues have been identified.

Any failure to effectively manage environmental impact could expose the Group to disruption, financial liabilities and reputational damage which could have a material adverse effect on its business, operating results, financial condition or prospects

With a growing regulatory and wider stakeholder focus on reducing the environmental impact of the Group's operations, the Directors have set targets to improve the Group's impact in respect of energy, carbon, water, waste and biodiversity. The Group closely monitors compliance and seeks continued improvement. However, the Group may fail, or be perceived as having failed, to meet those targets, which could expose the Group to regulatory breaches, financial penalties, disruption, clean-up costs and reputational risk, any of which could have a material adverse effect on its business, operating results, financial condition or prospects.

The Targets may be subject to legacy defined benefit pension scheme liabilities

The German Target may be liable for legacy defined benefit pension scheme liabilities due to changes in pensions legislation and differing actuarial assumptions and accounting standards being used to calculate pensions liabilities. Such changes could impose significant costs and burdens on the Enlarged Group (the extent of which cannot be predicted) both in terms of compliance and potential penalties, liabilities and remediation.

RISKS RELATING TO THE ENLARGED GROUP AND ITS BUSINESS

The Enlarged Group's business may be adversely affected by general economic, political and financial market conditions.

The Enlarged Group is dependent on the level of activity in its end markets. Accordingly, the Enlarged Group will be susceptible to any deterioration in UK, Ireland, Sweden, Finland, Norway, Germany, Czech Republic and Polish economic conditions. This may be driven from a deterioration in construction activity, the impact of Government policy, increased interest rates, exchange rate fluctuations, geopolitical conditions, volatility and/or price increases in the global energy markets. Such changes in macroeconomic and political conditions may substantially and adversely affect the business, financial and operating performance of the Enlarged Group or its key customers and suppliers.

Several macroeconomic factors influence the levels and growth of construction and infrastructure spending activity, including economic growth, demographic trends, the state of the housing market, mortgage availability, mortgage interest rates, changes in household income, inflation and Government policy.

Any potential adverse changes in the macroeconomic or political climate, including short-term downturns, may result in the Enlarged Group facing a decrease in demand for its products which may result in reduces sales volumes and/or pressure on average selling prices which may lead to declining revenue and/or margins. Furthermore, any failure to adequately utilise the Enlarged Group's production capacity as a result of low levels of demand could adversely affect its profitability. These factors, if they materialize, or if difficult macroeconomic conditions occur, could have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects.

The operations of the Enlarged Group require permits, licences and authorisations, in particular relating to environmental, health and safety and planning permissions

The operations of the Enlarged Group require licences, permits, planning permissions and consents and in some cases renewals of existing licences and permits from various governmental authorities. Certain Targets, and in particular the Irish Target, will also require permits, licences and authorisations (including in relation to environmental, planning and greenhouse gases) following the change of control following the Acquisitions. There is no guarantee that such authorisations will be forthcoming. In this event, there is no guarantee that the Enlarged group will be able to carry on the activities of the relevant Target Company as currently carried on (if at all).

The Enlarged Group also requires appropriate planning permissions to apply to the area of the Enlarged Group's operations. Planning consents are required in order to extract the Enlarged Group's mineral reserves and build and update the construction and operation of plants. Planning applications can take years to be determined and, consequently, planning permissions can be costly to obtain and may ultimately not be successful. They may also be challenged at a later date. The granting of planning permissions normally attaches conditions on operating hours, emissions, discharges, extraction limits, restoration etc which members of the Enlarged Group must adhere to. They can be subject to appeal from organisations, individuals and both national and local lobby groups and ultimately to the public enquiry. There are risks that applications are unsuccessful or are delayed at sites where reserves become critical. Further the Enlarged Group's ability to obtain, sustain or renew licences and permits and other licences and permits that are required by it on applicable terms is subject to changes in regulations and policies and to the discretion of the applicable governmental authorities.

There is no guarantee that the Enlarged Group will obtain or be granted or retain the requisite planning or permits and other authorisations or be able to continue to comply with any ongoing conditions or will not have enforcement action initiated against it by a relevant government authority and therefore to carry on its planned operations, which failure could have a material adverse effect on parts of the Enlarged Group's business.

The Enlarged Group is subject to a broad range of laws, regulations and standards

The Enlarged Group will be subject to a broad range of laws, regulations and standards, including those relating to employment, pensions, data protection, land and water use, planning, pollution, greenhouse gases, protection of the public, protection of the environment and the handling of waste materials, mineral production, exports, taxes and other matters.

Future changes in applicable laws, regulations, standards and changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits or agreements applicable to the Enlarged Group or its properties, which could have a material adverse impact on the Enlarged Group's current operations and future projects. Any changes in the laws of the countries in which the Targets and wider Enlarged Group operates could materially affect not only the rights and title to the interests held there but also their use and operations. No assurance can be given that the governments of such countries will not revoke or significantly alter the conditions of the applicable permitting or authorisations, nor that such authorisations will not be challenged or impugned by third parties. In addition, such approvals are subject to change in various circumstances and further authorisations may be required.

In particular, environmental regulations and standards are becoming increasingly stringent. Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the Enlarged Group's activities, the extent of which cannot be predicted and which may well be beyond the capacity of the Enlarged Group to fund.

It is the Enlarged Group's policy to require that all of its subsidiary undertakings, employees, suppliers and sub-contractors comply with applicable laws, regulations and standards. However, violations of such laws, regulations and standards, in particular environmental laws, could result in restrictions on the operations of the Enlarged Group's sites, damages, fines or other sanctions, increased costs of compliance with potential reputational damage and potential loss of future contracts.

The Enlarged Group is subject to wide ranging privacy and data protection laws

The Enlarged Group is subject to laws relating to privacy rights and data protection. Such laws govern the Enlarged Group's ability to collect, use and transfer information relating to its employees and business partners (both customers and suppliers). The Enlarged Group must comply with strict data protection and privacy laws in the European Union and certain other jurisdictions in which the Enlarged Group operates. The Company has identified some potential minor deficiencies in compliance by the Targets with applicable data protection and privacy laws. There is therefore a risk that data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of privacy or data protection laws. As a result, the Targets may be subject to claims from third parties relating to the infringement of privacy rights or data protection laws. The Targets could also be subject to investigative or enforcement action by the Information Commissioner's Office in the UK or similar regulatory authorities in other jurisdictions which it operates. Any perceived or actual failure to comply with privacy or data protection laws could therefore harm the Company's reputation and deter new customers. Following completion of the Acquisitions, the Company will be taking steps to address potential areas of non-compliance and update its policies and procedures.

Mineral Resource and Mineral Reserve estimates and Nordkalk's use of the United Nations Framework Classification (UNFC) Mineral Resource and Mineral Reserve categorisation

The Enlarged Group's reported Resources are estimates based on external geologist review of sites and geological data and consider a range of assumptions. In addition, Resource estimates can be based on limited sampling and consequently may be uncertain because the samples may not be representative. There are numerous uncertainties inherent in estimating Resources and Reserves, including factors beyond the control of the Enlarged Group. The estimation of Resources is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, material testing, production, evaluation of mine plans and exploration activities subsequent to the date of any estimate may justify revision (up or down) of such estimates. There is no assurance that the entirety of the Resources can be economically quarried. Mineral Reserves have more certainty and consider non geological factors such as permitting, feasibility assessments, yield, social and environmental factors. Lower market prices, increased production costs, reduced recovery rates and other factors may render parts of the Enlarged Group's Resources unviable to exploit and may result in revision of its estimates from time to time. Reserve data is not indicative of future results of operations. If in the future, the Enlarged Group's actual Resources and Reserves prove to be less than the current estimates, other than as a result of depletion through production, the Enlarged Group's results of operations and financial condition may be materially and adversely affected. The Company and the Directors cannot give any assurance that the estimated Reserves will be recovered as the Enlarged Group proceeds through production or that they will be recovered at the volume, grade and rates estimated.

Furthermore, Nordkalk uses the United Nations Framework Classification (UNFC) mineral Resource and mineral Reserve categorisation and reporting standard over the more commonly-used Committee for Mineral Reserves International Reporting Standards (CRIRSCO) based disclosure standard for mineral Resource and mineral Reserve estimates. The UNFC is a public domain standard that has gained traction with European governments. The UNFC is typically used for public reporting of national mineral inventories and as a generic classification framework. If estimates of mineral Reserves and mineral Resources are to be reclassified using the more technically detailed CRIRSCO standard in the future, revised modelling and planning will be required and may affect the assessment of the minerals which may result in the downward adjustment of available mineral Reserves.

The Enlarged Group is reliant on mineral Reserves to extract limestone and any reduction to Reserves is likely to reduce the economic life of a quarry until such time as additional Reserves can be accessed, which could materially impact the longevity of the Enlarged Group's operations at quarrying sites where there is both a low level of Reserves and significant planned extraction rates.

There is a put option in NKD Holding Oy's Shareholders' Agreement

The shareholders' agreement relating to NKD Holding Oy, details of which are contained in paragraph 17.1(b) of Part 8 of this document contain a put option on Nordkalk. At any time after 12 October 2032 (being the fifteenth anniversary of the agreement's effective date of 12 October 2017) NKD Holding Oy's other shareholder, an Estonian company named Debalma OÜ (which holds 49 per cent. of the issued share capital of NKD Holding Oy) has the right to demand that Nordkalk acquires the shares in NKD Holding Oy owned by Debalma OÜ, at an option price which will be calculated pursuant to a mechanism set out in the shareholders agreement.

Nordkalk AB is involved in a dispute with the Swedish state which is ongoing

Nordkalk AB, Nordkalk's main operating subsidiary in Sweden, is involved in a dispute with the Swedish state as claimant, in which Nordkalk AB has claimed damages from the Swedish state in the amount of SEK 2,368,379,000 (approximately £198 million). On 1 April 2020, Nordkalk AB filed a claim for compensation for economic loss due to land use restrictions as a result of the Swedish government's designation of a piece of land as environmentally protected pursuant to a Natura 2000 decision (Nacka District Court case no. M2296-20). The counterparty is the Swedish State, which is represented by the Legal, Financial and Public Procurement Agency. In June 2014, Nordkalk AB was granted a permit for limestone quarrying on the company-owned property known as Bunge Ducker 1:64 (case no. M 366-13) by the Land and Environmental Court. The permit allowed a maximum quarrying of 2.5Mtpa of limestone until the limestone deposit on the property ends, which was expected to take about 25 years. The permit decision was appealed. On 31 August 2015, before the Land and Environmental Court of Appeal had ruled in the appealed case, the Government designated Bunge Ducker 1:64 (including the limestone deposit) as a Natura 2000 area. Within a Natura 2000 area, biodiversity is considered worthy of protection and no environmentally damaging interventions can be made. In a judgment on 11 September 2018, the Land and Environment Court of Appeal revoked the June 2014 permit with direct reference to the fact that the alleged limestone quarry now was designated as a Natura 2000 area according to the Government decision.

On 14 March 2023, the court made an award to Nordkalk in compensation for the economic loss, of which a sum of c. SEK 188 million (c. £17 million) that is to be adjusted for inflation and interest until payment is made, is receivable by the Existing Group as its share. As announced on 6 April 2023, by the Company, the State appealed the verdict and subsequently the Existing Group also appealed. The Existing Group remains confident in the merits of its case and will keep the markets informed of any further developments.

There is uncertainty as to the impact on the Enlarged Group of government spending

The Enlarged Group will be largely dependent on government spending on improving public infrastructure, buildings and services. Governments may decide to reduce present or future investment in transport, health or other construction projects or other areas in which the Enlarged Group can compete for work to supply building materials to contractors. Any reduction in such investment and funding may have an adverse effect on the Enlarged Group's future revenues and profitability.

The Enlarged Group is active in a competitive industry

The industry in which the Enlarged Group operates is competitive. The Enlarged Group will compete with other local and international companies, including potentially larger competitors with access to greater financial, technical and other resources than the Company, which may give them a competitive advantage. In addition, actual or potential competitors may be strengthened through the acquisition of additional assets and interests and competition could adversely affect the Company's ability to acquire suitable additional assets in the future.

Many of the Enlarged Group's products are commodities that face strong volume and price competition. Such products may also face competition from substitute products, including new products, that the Enlarged Group does not produce. A number of existing competitors compete on range, price, quality and service and potential new low-cost competitors may be attracted into the market through increased demand. Increase in costs or prices; reliance on key suppliers and key customers, including national merchants, could impact supply and profitability. Competitive pressures from local competitors in new markets the Enlarged Group is active in post the Acquisitions could impact profitability and market share. The Enlarged Group will have an expanded geographic footprint and must maintain strong customer relationships to remain competitive

The Enlarged Group is subject to changes in energy prices and costs of raw materials

Raw materials such as cement, bitumen, fuel, utilities and explosives are sourced from other third party suppliers. Raw material can be subject to limited availability and price fluctuation. Factors such as currency fluctuations, production prices, logistics, adverse weather conditions, social instability, and force majeure events have the potential to disrupt, raw material supplies and impact prices of the Enlarged Group's principal sources of raw materials. Energy cost changes might have an impact on average selling prices dependent upon inter alia the Enlarged Group's ability to pass these changes on to customers. Further certain businesses will continue to operate without the benefit of internal hedging on CO₂ costs.

Numerous factors could affect product prices, including supply and demand

Market prices of the Enlarged Group's products and services could be affected by numerous factors which are beyond the control of the Enlarged Group, including local demand, national economic and political events, international economic trends, inflation and deflation, currency exchange fluctuation, speculative activity and the political and economic conditions of the jurisdictions in which SigmaRoc operates. The combined effect of these factors is difficult to predict and an investment in the Company could be affected adversely by changes in economic, political, administrative, taxation or other regulatory factors, in any jurisdiction in which the Enlarged Group may operate.

The Enlarged Group is reliant on third parties who may default

The Enlarged Group is reliant on its supply chain, particularly in relation to the supply energy, raw materials and delivery of products to customers. If a contractor or supplier failed financially or was responsible for late or inadequate delivery or poor quality of materials then it could damage the relevant part of the Enlarged Group's reputation and/or cause downtime and/or delays; potentially incurring financial losses to the extent not covered by the Enlarged Group's insurance or the suppliers insurance.

The Board may be unable to find appropriate acquisition targets and/or integrate future acquisitions

The Enlarged Group may acquire other assets if suitable opportunities become available. Any future acquisition poses integration and other risks which may affect the Enlarged Group's results or operations. To the extent that suitable opportunities arise, the Company may seek to expand its business through the identification and acquisition of, or significant investments in, complementary companies, assets, products and services. There can be no assurance that the Company will identify suitable acquisitions or opportunities, obtain the financing necessary to complete and support such acquisitions or acquire businesses on satisfactory terms, or that any business acquired will prove to be profitable. In addition, the acquisition and integration of independent companies can be complex, costly and time-consuming involving a number of possible problems and risks, including possible adverse effects on the Enlarged Group's operating results, diversion of management's attention, failure to retain personnel, failure to maintain customer service levels, disruption to relationships with customers and other third parties, risks associated with unanticipated events or liabilities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired companies. No assurance can be given that the Enlarged Group will be able to manage future acquisitions profitably or to integrate such acquisitions successfully without additional costs, delays or other problems and any failure to achieve successful integration of such acquisitions could have a material adverse effect on the results of operations or financial condition of the Enlarged Group. If the Enlarged Group is unable to attract and retain key officers, managers and technical personnel to adequately effect any such acquisitions and integration, the Enlarged Group's ability to execute its business strategy successfully could be materially and adversely affected. The current Directors and Management team have experience of integration since inception and operate a decentralised model, where often intensive and risky integration of aspects such as IT systems into a single global solution are not required.

The Enlarged Group is dependent on key and skilled personnel

The Enlarged Group's future success is substantially dependent on the continued services and continuing contributions of its Directors, senior management and other key personnel. In particular the Enlarged Group is dependent on the continued employment and performance of the Enlarged Group's management team. The loss of the services of any of the Company's executive officers or other key employees could have a material adverse effect on the Enlarged Group's business.

The Enlarged Group's operations require individuals with a high degree of technical and/or professional skills and experienced equipment and quarrying trade professionals. The Enlarged Group may encounter significant competition for qualified management and skilled workers and will be in competition with other quarry operations and other local industries. If the Enlarged Group is unable to attract and retain an adequate number of skilled workers, a decrease in productivity or an increase in costs may have an adverse effect on the Enlarged Group's operations, results and its financial condition.

The Enlarged Group may incur significant costs in the event of unsuccessful transactions

There is a risk that the Enlarged Group may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal, accounting, operational and other due diligence.

The Company may require future financing

The Company may need to seek additional sources of financing to implement its growth strategy. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all. Given that the Enlarged Group operates in a sector which has potentially negative impacts upon the environment, investment may be less readily available. If further financing is obtained by issuing new equity securities other than on a *pro rata* basis to existing Shareholders, the existing Shareholders may be diluted and the new securities may carry rights, privileges and preferences superior to the Ordinary Shares. The Company may seek further debt finance to fund all or part of any future acquisition. There can be no assurance that the Company will be able to raise those debt funds, whether on acceptable terms or at all. If debt financing is obtained, the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions.

Following completion of the Acquisitions, the Enlarged Group will have additional indebtedness. The Enlarged Group accordingly will be required to service interest payments in respect of the increased indebtedness. While not expected in the foreseeable future, any failure to make payments when due could result in a default under the relevant financing arrangement which could in turn have a material adverse effect on the Enlarged Group's business, financial condition, results of operation and prospects.

The Company is subject to the risks and liabilities associated with possible accidents, injuries or deaths on its properties

Quarrying, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licences and permits, affect the reputation of the Company and its ability to obtain further licences, damage community relations and reduce the perceived appeal of the Company as an employer. There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any non-compliance therewith may adversely affect the Company's operations, financial condition and results of operations. Amendments to current laws, regulations and permits governing operations and activities of companies in this sector, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenses, capital expenditures or production costs, reduction in levels of production at producing properties, delays in the development of new quarrying properties, or increases in abandonment costs.

The Enlarged Group may become involved in litigation

There can be no guarantee that the current or future actions of the Enlarged Group will not result in litigation. The quarrying industry, as with all industries, is subject to legal claims, both with and without merit, in particular in relation to environmental and health and safety liability and alleged product defects. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have an adverse effect on the Enlarged Group's financial position or results of operations.

The Enlarged Group may have to make claims under its insurance and any insurance cover in place may not be adequate

CRH is of such a size that it operates a captive insurance program. Accordingly the Directors have engaged the Company's insurance broker to ensure placing of suitable insurance for the Enlarged Group. After completion, the Directors believe that the Enlarged Group will have a robust and suitable insurance cover but recognise that a claim could be made against a group company which exceeds the limits of insurance cover or is in respect of a matter that is uninsurable. In those circumstances the Enlarged Group could suffer financial loss.

The payment by the Enlarged Group's insurers of any insurance claims may result in increases in the premiums payable by the Enlarged Group for its insurance cover and adversely affect the Enlarged Group's financial performance. In the future, some or all of the Enlarged Group's insurance coverage may become unavailable or prohibitively expensive.

Loss of IT systems

The Enlarged Group will be dependent on IT systems for the delivery of its business which will be vulnerable to damage or interruption from flood, fire, power loss, telecommunications failure, cyber attacks and similar events. Failure of these systems could cause financial loss to the Enlarged Group as well as damage to its brand and reputation. In addition, certain IT services are currently provided to certain of the Targets, and in particular the Irish Target, by entities in the wider CRH group – as such the Company will need to source an appropriate third party supplier once the Acquisitions are complete.

There may be exchange rate risks

The Fundraising Shares are priced in Sterling and will be quoted and traded in Sterling. In addition, any dividends the Company may pay will be declared and paid in sterling. Accordingly, Shareholders resident in non-UK jurisdictions are subject to risks arising from adverse movements in the value of their local currencies against Sterling, which may reduce the value of the Fundraising Shares, as well as that of any dividend paid.

A large proportion of the Group's revenue and costs is denominated in foreign currency, principally the Euro, and the Group's reporting currently is pound sterling. The Group is, therefore, exposed to the risk that adverse exchange rate movements could cause its revenues to reduce or costs to increase (relative to its reporting currency) on translation which could result in reduced profitability.

GENERAL RISKS

Investment in AIM-listed securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their initial investment.

Liquidity

There may not be sufficient liquidity in the market for the Ordinary Shares in order for investors to sell their Ordinary Shares.

The Ordinary Shares will be traded on AIM rather than the Official List. It may be more difficult for an investor to realise his or her investment in an AIM-quoted company than a company whose securities are listed on the Official List. Whilst the Company is applying for the admission of the Enlarged Share Capital to trading on AIM, there can be no assurance that an active trading market will develop, or if developed, that it will be maintained.

AIM is a market for emerging or smaller, growing companies and may not provide the liquidity normally associated with the Official List or other exchanges. The future success of AIM and liquidity in the market for the Ordinary Shares cannot be guaranteed. In particular, the market for the Ordinary Shares may be, or may become, relatively illiquid and therefore the Ordinary Shares may be or may become difficult to sell.

An investment in the Company may not be suitable for all readers of this document. Accordingly, investors are strongly advised to consult an independent financial adviser authorised for the purposes of FSMA.

Share price volatility

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a range of events and factors, such as variations in operating results, announcements of technological innovations or new products and services by the Enlarged Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Enlarged Group, the general market perception of construction and materials companies, news reports relating to trends in the Enlarged Group's markets, legislative changes in the Enlarged Group's sector, ESG-related investment trends, and other factors outside of the Enlarged Group's control. Such events and factors may adversely affect the trading price of the Ordinary Shares, regardless of the performance of the Enlarged Group. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity.

Dividends

The payment of dividends will depend on the Enlarged Group's future acquisition strategy and available cash resources. The Company does not have any current intentions to pay out dividends in the short to medium term. The dividend policy set out in paragraph 27 of Part 1 of this document should not be construed as a dividend forecast. The Company's ability to pay dividends will depend on the level of distributions, if any, received from its operating subsidiaries. There can be no guarantee that the Enlarged Group's objectives will be achieved, and it will depend on the earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the Directors consider appropriate. The Company's subsidiaries may also, from time to time, be subject to restrictions on their ability to make distributions, including any regulatory, fiscal and other restrictions. If a dividend is paid in the future, any change in the tax treatment of dividends or interest received by the Company may reduce the level of yield received by Shareholders.

Share options

As detailed in paragraphs 9 to 13 of Part 8 of this document, the Company has issued share options to, amongst others, certain Directors and employees. The Company may, in the future, issue further share options to subscribe for new Ordinary Shares to certain employees, Directors, senior management and consultants of the Enlarged Group, including pursuant to the New Option Plan. The exercise of any such share options and any warrants (should any be granted in the future) would result in a dilution of the shareholdings of other investors.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Forward looking statements

Historical facts, information gained from historical performance, present facts, circumstances and information and assumptions from all or any of these are not a guide to the future. Statements as to the Enlarged Group's aims, targets, plans and intentions and any other forward looking statement referred to or contained herein are no more than that and do not comprise forecasts. Any such forward looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, outcome, financial condition, performance, achievements or findings of the Enlarged Group to be materially different from any future results, performances or achievements expressed or implied by such forward looking statements.

It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Enlarged Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Enlarged Group.

If any of the risks referred to in this Part 4 crystallise, the Enlarged Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Ordinary Shares could decline and investors may lose all or part of their investment.

PART 5

HISTORICAL FINANCIAL INFORMATION ON THE COMPANY INCORPORATED BY REFERENCE

The Company's audited financial information for the financial year ended 31 December 2022, the financial year ended 31 December 2021 and the financial year ended 31 December 2020, together with the unaudited interim results for the half year ended 30 June 2023 can be viewed on the Company's website at the links below and is incorporated by reference in this document.

<i>Financial information</i>	<i>Link</i>
The Company's unaudited interim results for the half year ended 30 June 2023	https://www.sigmaroc.com/investors/results-presentations
The Company's audited results for the year ended 31 December 2022	https://www.sigmaroc.com/investors/results-presentations
The Company's audited results for the year ended 31 December 2021	https://www.sigmaroc.com/investors/results-presentations
The Company's audited results for the year ended 31 December 2020	https://www.sigmaroc.com/investors/results-presentations

Shareholders or other recipients of this document may request a hard copy of the above information incorporated by reference from the Company by emailing ir@sigmaroc.com.

A hard copy of the information incorporated by reference will not be sent to Shareholders or other recipients of this document unless requested.

There is no other information incorporated in the document by reference.

PART 6 A

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION OF THE DEAL 1 TARGETS

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6 Heddon Street
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Liberum Capital Limited
Ropemaker Place Level 12
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United Kingdom

23 November 2023

Dear Sirs/Mesdames

In relation to the proposed acquisition of the Czech Target, the German Target and the Irish Target (together, the “Deal 1 Targets”) (the “Acquisition”) by SigmaRoc PLC (the “Company”)

We report on the financial information of the Deal 1 Targets for the three years ending on 31 December 2022 (the “financial information”) set out in Part 6 B of the AIM admission document relating to the acquisition of the Deal 1 Targets by the Company (the “Admission Document”). This report is required by Annex 1 item 18.3.1 of the UK version of the Commission delegated regulation (EU) No 2019/980 (the “Prospectus Regulation Rules”) as applied by Paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that requirement and for no other purpose.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Admission Document dated 23 November 2023, a true and fair view of the combined state of affairs of the Deal 1 Targets as at 31 December 2020, 2021 and 2022 and of the combined profits, cash flows and statement of comprehensive income for the years ending 31 December 2020, 2021 and 2022, in accordance with the basis of preparation set out in Note 2 to the financial information.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Note 2 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given

solely for the purposes of complying with Annex 1 item 1.3 of the Prospectus Delegated Regulation as applied by Paragraph (a) of Schedule Two to the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of preparation

This financial information has been prepared for inclusion in the Admission Document dated 23 November 2023 on the basis of preparation set out in Note 2 to the financial information.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council ("FRC") in the United Kingdom. We are independent of the Company and the Deal 1 Targets in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusions Relating to Going Concern

In performing this engagement on the financial information, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial information is appropriate.

Based on the work we have performed, we have not identified any material uncertainties related to events or conditions that, individually or collectively, may cast significant doubt on the Deal 1 Targets' ability to continue as a going concern for a period of at least twelve months from 23 November 2023.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that to the best of our knowledge the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two to the AIM Rules for Companies and for no other purpose.

Yours sincerely

Ian Whitefoot

Partner

For and on behalf of
Deloitte Ireland LLP

Deloitte Ireland LLP is a limited liability partnership registered in Northern Ireland with registered number NC001499 and its registered office at 27-45 Great Victoria Street, Lincoln Building, Belfast, BT2 7SL, Northern Ireland. Deloitte Ireland LLP is the Ireland affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients.

PART 6 B

HISTORICAL FINANCIAL INFORMATION ON THE DEAL 1 TARGETS

COMBINED INCOME STATEMENT

		<i>Financial year ended 31 December</i>		
	<i>Notes</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
		<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Revenue	4	380,220	308,131	273,263
Cost of sales	5	(303,808)	(241,830)	(225,407)
Gross profit		<u>76,412</u>	<u>66,301</u>	<u>47,856</u>
Administrative expenses	5,6	(13,532)	(23,308)	(13,542)
Profit from operations		<u>62,880</u>	<u>42,993</u>	<u>34,314</u>
Loss on disposals		(98)	(201)	(40)
Net finance expense	8	(5,359)	(5,625)	(5,696)
Profit before tax		<u>57,423</u>	<u>37,167</u>	<u>28,578</u>
Income tax (expense)/credit	9	(15,436)	(10,609)	4,390
Profit for the financial year		<u><u>41,987</u></u>	<u><u>26,558</u></u>	<u><u>32,968</u></u>
<i>Profit attributable to:</i>				
The Business		40,022	25,141	31,446
Non-controlling interests		<u>1,965</u>	<u>1,417</u>	<u>1,522</u>
Profit for the financial year		<u><u>41,987</u></u>	<u><u>26,558</u></u>	<u><u>32,968</u></u>

COMBINED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Financial year ended 31 December		
		2022 €'000	2021 €'000	2020 €'000
Profit for the financial year		41,987	26,558	32,968
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss in subsequent years:</i>				
Translation of foreign operations		2,804	4,789	(2,849)
<i>Items that will not be reclassified to profit or loss in subsequent years</i>				
Remeasurement of retirement benefit obligations	22	14,921	90	(2,671)
Tax relating to retirement benefit obligations	9	(3,821)	10	633
Total other comprehensive income/(loss) for the financial year		<u>13,904</u>	<u>4,889</u>	<u>(4,887)</u>
Total comprehensive income for the financial year		<u><u>55,891</u></u>	<u><u>31,447</u></u>	<u><u>28,081</u></u>
<i>Attributable to:</i>				
The Business		53,346	29,047	27,129
Non-controlling interests		<u>2,545</u>	<u>2,400</u>	<u>952</u>
Total comprehensive income for the financial year		<u><u>55,891</u></u>	<u><u>31,447</u></u>	<u><u>28,081</u></u>

COMBINED STATEMENT OF FINANCIAL POSITION

		As at 31 December		
	Notes	2022 €'000	2021 €'000	2020 €'000
Non-current assets				
Property, plant and equipment	10	620,160	622,057	617,273
Intangible assets	11	158,616	158,428	157,957
Retirement benefit assets	22	444	–	–
Total non-current assets		<u>779,220</u>	<u>780,485</u>	<u>775,230</u>
Current assets				
Inventories	12	35,701	25,058	26,257
Trade and other receivables	13	47,795	40,133	34,437
Related party receivables	24	85,910	96,442	70,843
Current income tax recoverable		–	378	–
Cash and cash equivalents	18	5,564	10,614	12,055
Total current assets		<u>174,970</u>	<u>172,625</u>	<u>143,592</u>
TOTAL ASSETS		<u><u>954,190</u></u>	<u><u>953,110</u></u>	<u><u>918,822</u></u>
Current liabilities				
Lease liabilities	15	571	552	446
Trade and other payables	14	70,711	42,891	36,525
Related party payables	24	12,090	6,836	13,563
Current income tax liabilities		5,551	4,620	4,961
Provisions for liabilities	19	5,607	5,718	5,681
Total current liabilities		<u>94,530</u>	<u>60,617</u>	<u>61,176</u>
Non-current liabilities				
Lease liabilities	15	545	774	618
Related party borrowings	24	231,500	242,000	252,000
Deferred income tax liabilities	21	125,534	118,591	115,181
Other payables	14	1,047	874	856
Retirement benefit obligations and other long-term employee benefits	22	38,775	55,716	58,178
Provisions for liabilities	19	44,283	55,268	52,030
Total non-current liabilities		<u>441,684</u>	<u>473,223</u>	<u>478,863</u>
TOTAL LIABILITIES		<u>536,214</u>	<u>533,840</u>	<u>540,039</u>
NET ASSETS		<u><u>417,976</u></u>	<u><u>419,270</u></u>	<u><u>378,783</u></u>
Invested capital		393,621	398,453	362,466
Foreign currency translation reserve		4,496	2,272	(1,534)
Total invested capital attributable to the Business		<u>398,117</u>	<u>400,725</u>	<u>360,932</u>
Non-controlling interests	23	19,859	18,545	17,851
TOTAL INVESTED CAPITAL		<u><u>417,976</u></u>	<u><u>419,270</u></u>	<u><u>378,783</u></u>

COMBINED STATEMENT OF CHANGES IN INVESTED CAPITAL

		<i>Attributable to the Business</i>			
				<i>Total invested capital attributable to the Business</i>	
	<i>Notes</i>	<i>Invested capital €'000</i>	<i>Foreign currency translation reserve €'000</i>	<i>€'000</i>	<i>Non- controlling interests €'000</i>
					<i>Total invested capital €'000</i>
<i>For the financial year ended</i>					
<i>31 December 2022</i>					
At 1 January 2022		398,453	2,272	400,725	18,545
Profit for the financial year		40,022	–	40,022	1,965
Other comprehensive income		11,100	2,224	13,324	580
Total comprehensive income		51,122	2,224	53,346	2,545
Share-based payment expense	7	413	–	413	–
Dividends to non-controlling interests	23	–	–	–	(1,231)
Decrease in invested capital	24	(56,367)	–	(56,367)	–
At 31 December 2022		<u>393,621</u>	<u>4,496</u>	<u>398,117</u>	<u>19,859</u>
<i>For the financial year ended</i>					
<i>31 December 2021</i>					
At 1 January 2021		362,466	(1,534)	360,932	17,851
Profit for the financial year		25,141	–	25,141	1,417
Other comprehensive income		100	3,806	3,906	983
Total comprehensive income		25,241	3,806	29,047	2,400
Share-based payment expense	7	393	–	393	–
Dividends to non-controlling interests	23	–	–	–	(1,706)
Increase in invested capital	24	10,353	–	10,353	–
At 31 December 2021		<u>398,453</u>	<u>2,272</u>	<u>400,725</u>	<u>18,545</u>
<i>For the financial year ended</i>					
<i>31 December 2020</i>					
At 1 January 2020		461,254	745	461,999	18,033
Profit for the financial year		31,446	–	31,446	1,522
Other comprehensive loss		(2,038)	(2,279)	(4,317)	(570)
Total comprehensive income/(loss)		29,408	(2,279)	27,129	952
Share-based payment expense	7	349	–	349	–
Dividends to non-controlling interests	23	–	–	–	(1,134)
Decrease in invested capital	24	(128,545)	–	(128,545)	–
At 31 December 2020		<u>362,466</u>	<u>(1,534)</u>	<u>360,932</u>	<u>17,851</u>

COMBINED STATEMENT OF CASH FLOWS

	Notes	Financial year ended 31 December		
		2022 €'000	2021 €'000	2020 €'000
Cash flows from operating activities				
Profit for the financial year		41,987	26,558	32,968
Net finance expense	8	5,359	5,625	5,696
Income tax expense/(credit)	9	15,436	10,609	(4,390)
Loss on disposals		98	201	40
Depreciation charge	5,10,15	25,251	23,617	23,234
Amortisation charge	5,11	279	335	2,251
Share-based payment expense	7	413	393	349
Other non-cash items (primarily pensions)		(2,931)	(2,885)	(3,040)
(Increase)/decrease in inventories		(10,558)	1,282	1,354
(Increase)/decrease in trade and other receivables		(7,461)	(5,435)	2,839
Increase in related party receivables		(67,372)	(44,457)	(30,060)
Increase/(decrease) in trade and other payables		27,752	5,682	(20,465)
Increase/(decrease) in related party payables		213	(1,068)	535
Increase/(decrease) in provisions		(10,837)	3,517	1,117
Cash generated from operations		17,629	23,974	12,428
Income tax paid		(1,164)	(2,974)	(2,719)
Net cash flow from operating activities		16,465	21,000	9,709
Cash flows used in investing activities				
Proceeds on disposal of property, plant and equipment		174	159	317
Purchase of property, plant and equipment	10	(20,911)	(23,578)	(10,496)
Interest received	8	229	11	614
Net cash flow used in investing activities		(20,508)	(23,408)	(9,565)
Cash flows used in financing activities				
Interest paid		(121)	(150)	(99)
Repayment of lease liabilities	15	(633)	(556)	(545)
Dividends paid to non-controlling interests	23	(1,231)	(1,706)	(1,134)
Cash remitted from CRH		751	2,774	3,124
Net cash flow (used in)/from financing activities		(1,234)	362	1,346
(Decrease)/increase in cash and cash equivalents		(5,277)	(2,046)	1,490
Reconciliation of opening to closing cash and cash equivalents				
Cash and cash equivalents as at 1 January		10,614	12,055	10,900
Translation adjustment		227	605	(335)
(Decrease)/increase in cash and cash equivalents		(5,277)	(2,046)	1,490
Cash and cash equivalents as at 31 December	18	5,564	10,614	12,055

NOTES TO THE COMBINED HISTORICAL FINANCIAL INFORMATION

1. General information

The Czech Republic, German and Irish operations of the European Lime Business of CRH plc (the “Deal 1 Targets” or the “Business”) is a leading producer of lime for use across a range of industries. The Business also produces other products, including mortar, fertilisers and flour products, which comprise a smaller portion of the Business’s production. The Business operates separate dedicated legal entities in the Czech Republic, Germany and Ireland.

Throughout the periods presented the Business was owned by CRH plc and its subsidiaries (“CRH” or the “Parent”), except for a non-controlling interest relating to the Czech Republic entity, Vapenka Vitošov s.r.o of which the non-controlling interest held is 25 per cent. The Business is operated as part of CRH’s Europe Materials operating segment and not as a stand-alone legal entity or group.

The principal accounting policies of the Business that have been applied to the combined historical financial information are described in note 2 below.

2. Summary of significant accounting policies

Basis of Preparation

The combined historical financial information for the three years ended 31 December 2022 (the “Historical Financial Information”) has been prepared specifically for the purposes of this Admission Document in accordance with the AIM Rules for Companies and in accordance with this basis of preparation.

The Business has prepared this Historical Financial Information in accordance with UK adopted International Accounting Standards (“UK-IAS”) except as described below. The terms “UK-IAS” and International Financial Reporting Standards (“IFRS”) will be used interchangeably throughout the historical financial information. The financial information was prepared using the principles of IFRS 1 *First-time Adoption of International Financial Reporting Standards* and the principles and the conventions permitted by SIR 2000 as outlined below, commencing on 1 January 2019.

UK-IAS does not provide for the preparation of combined financial information and accordingly in preparing the Historical Financial Information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to Standards for Investment Reporting 2000 – *Standards for Investment Reporting Applicable to Public Reporting Engagements on Historical Financial Information* issued by the Financial Reporting Council of the United Kingdom (“SIR 2000”) have been applied.

The accounting policies applied in preparing this Historical Financial Information are consistent with those to be used by SigmaRoc PLC (“SigmaRoc”) in the preparation of its next set of consolidated financial statements.

The Historical Financial Information of the Business has been prepared on a carve-out basis and is derived from the consolidated financial statements of CRH. The Historical Financial Information represents the financial position and performance of the Business as if the Business had existed on a stand-alone basis with the CRH Group for each of the financial years ended 31 December 2022, 2021 and 2020 for the Combined Income Statements, Statements of Comprehensive Income, Statements of Cash Flows and as at 31 December 2022, 2021 and 2020 for the Combined Statements of Financial Position and Combined Statements of Changes in Invested Capital. The Historical Financial Information is not necessarily indicative of the results that would have occurred if the Business had been a stand-alone entity during the periods presented.

The Historical Financial Information is presented in euro, rounded to the nearest thousand, and has been prepared under the historical cost convention except for the following:

- share-based payments are measured at fair value on grant date; and
- retirement benefit obligations are measured at the present value of the future estimated cash flows related to benefits earned and pension assets valued at fair value.

The Historical Financial Information includes all revenues and costs that are directly attributable and/or reasonably allocable to the Business. The Historical Financial Information has been prepared by aggregating the financial information from the legal entities comprising the Business together with assets, liabilities, income and expenses that are specifically attributable to the Business including direct and indirect costs related to the operations of the Business that were recorded by CRH at the corporate level. As explained above, due to the nature of combined financial statements, the Historical Financial Information is based on IFRS, however, exceptions based on SIR 2000 have been applied. The following summarises the principles and the conventions permitted by SIR 2000, applied in preparing the Historical Financial Information:

- The Historical Financial Information of the Business is not prepared on a consolidated basis and therefore does not comply with the requirements of IFRS 10 *Consolidated Financial Statements* (“IFRS 10”). The Historical Financial Information has been prepared on a basis that combines the results and assets and liabilities of the entities that constitute the Business, derived from the accounting records of CRH, by applying the principles underlying the consolidation procedures of IFRS 10. Controlled companies that are part of the Business have been included in the Historical Financial Information, as further described in note 24. Goodwill, intangible assets and fair value adjustments directly attributable to the acquisition of the controlled companies that are part of the Business have been included in the Historical Financial Information;
- As the Historical Financial Information has been prepared on a combined basis and the Business has no historical capital structure, it is not possible to measure or disclose earnings per share in accordance with IAS 33, ‘*Earnings per Share*’;
- The Historical Financial Information does not represent general-purpose financial statements under IAS 1 *Presentation of Financial Statements* (“IAS 1”) and therefore the Business does not make an explicit and unreserved statement of compliance with IFRS as required by IAS 1;
- Purchased emissions rights under the European Union Emissions Trading Scheme (“EU ETS”) are recognised in inventory as they are an essential input into the production process.
- CRH provides certain services to the Business such as human resources, finance, treasury, tax, internal audit, regulatory and compliance and information technology (refer to note 24). The costs of these services were charged based on direct usage where specifically identifiable, with the remainder allocated based on the Business’s average operating profit margin relative to that of CRH plc, CRH Europe Materials or European operations, (depending on whether the costs related to CRH corporate or European services) across a rolling three year period. For the purpose of preparing the Historical Financial Information, the costs allocated by CRH and reported within the Combined Income Statement as “administrative expenses” were 2022: €6,409,000, 2021: €5,524,000 and 2020: €5,191,000. SigmaRoc management (“Management”) considers these allocations to be a reasonable reflection of the Business utilisation of services or the benefit received. However, the allocations may not be indicative of the actual expenses that the Business would have incurred had it operated historically as an independent, standalone entity or group, nor are they indicative of the Business’s future expenses. Actual costs that may have been incurred if the Business had been a stand-alone group would depend on a number of factors, including the chosen organisational structure, functions outsourced or performed by employees and strategic decisions made;
- Goodwill has been attributed for CRH group reporting purposes to groups of cash generating units (“CGUs”) that are expected to benefit from synergies arising from that specific business combination and would include non-Deal 1 Target businesses. For the purpose of allocating Goodwill to the Business, a total of two CGUs have been identified. One of these CGUs (Ireland) correspond to a single geography within which the Business operates while the other CGU (Fels) corresponds to the business unit level and includes the Czech Republic and Germany Deal 1 Target businesses. This represents the lowest level at which goodwill is monitored for internal purposes. The identified CGUs to which goodwill has been allocated were unchanged throughout the periods presented in the Historical Financial Information;
- For the Ireland CGU, goodwill not specifically attributable to the Business as at 1 January 2019 has been attributed using a relative value allocation. This was based on the proportion of 2018 EBITDA (defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges and profit on disposals) of the Business operation to the corresponding EBITDA for the CRH CGU for Ireland. The Fels goodwill is consistent with the existing CGU allocation basis and therefore no relative value exercise was required. There was no further goodwill from business acquisitions to be allocated

to the Business post 1 January 2019 nor were any impairments recognised, therefore the movement year on year is attributable to foreign exchange translation only;

- The Business did not operate as a separate legal group or as separate legal entities and therefore it is not possible to present issued share capital or a full analysis of reserves. The net assets of the Business are represented by the cumulative investment of CRH in the Business, shown as invested capital. Transactions between the Business and CRH are presented as related party transactions in this Historical Financial Information. See note 24 for related party receivables and payables in respect of sales and purchases to/from CRH by the Business;
- All intracompany balances, investments in subsidiaries and share capital within the Business have been eliminated upon combination in the Historical Financial Information;
- All retirement benefit obligations are directly attributable to the Business and are obligations of the entities described in note 22;
- Tax charges and credits and balances in the Historical Financial Information have been calculated as if the Business was a separate taxable entity using the separate return method. The tax treatment of certain items reflected in the Historical Financial Information may not be reflected in the consolidated financial statements and tax returns of CRH. As such, tax charges and credits recorded in the Combined Income Statement and tax balances recorded in the Combined Statement of Financial Position may not be indicative of the income taxes that the Business will generate in the future. Certain differences between the tax charges and credits and balances in the Historical Financial Information, and the tax charges and credits and balances in the historical records of the Business are included in invested capital;
- CRH utilises a centralised approach to cash management and financing of its operations and the Business participates in cash pooling arrangements with CRH. Cash and cash equivalent balances held by CRH under the cash pooling arrangement have been presented in the Combined Statement of Financial Position, as related party receivables representing the balances owed by CRH to the Business under the terms of the cash pooling arrangement (see note 24). Cash and cash equivalent balances held by CRH under the cash pooling arrangement were attributed to the Business and classified as related party receivables for all dedicated legal entities. Movements in related party cash pooling receivables, excluding non-cash movements in respect of distributions to/from CRH, are reflected as operating cash flows in the Combined Statement of Cash Flows. Any cash and cash equivalent balances reflected in the Historical Financial Information are third party bank accounts and legally owned by the Business; and
- Related party borrowings represent amounts owed to CRH and are legal obligations of the Business. Such borrowings and related interest expenses are included in the Historical Financial Information. Other than such related party debt, none of CRH's third party borrowings or interest expense have been attributed or allocated to the Historical Financial Information, given such borrowings are neither related to the Business nor are a legal obligation of the Business.

After considering the Business's future projections, the directors of SigmaRoc PLC (the "Directors") have formed the view that the Business has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the Historical Financial Information. For this reason, the Historical Financial Information has been prepared on a going concern basis.

Segment Reporting (note 3)

Historically, the performance of the Business and decisions regarding the allocation of resources to/within the Business were never assessed /made at the level of the Business' perimeter. Each component of the Business formed part of CRH's Europe Materials operating segment without a Chief Operating Decision Maker (CODM) within the Business perimeter. Upon completion of the current transaction between SigmaRoc PLC and CRH, the Directors intend to revisit the segment reporting in order to incorporate the trading of the Business. This is yet to be completed and therefore a single segment has been presented for the purpose of the Historical Financial Information.

Adoption of UK-IAS and IFRS Interpretations Committee (IFRSIC) interpretations

The following standard amendments became effective for the Business as of 1 January 2020 but did not result in a material impact on the results of the Business:

- IFRS 3 *Business Combinations* – Definition of a business
- Amendments to IAS 1 *Presentation of Financial Statements* and to IAS 8 *Accounting Estimates* – Definition of material
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* – Interest Rate Benchmark Reform
- Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases* – Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 16 – COVID-19-Related Rent Concessions
- Amendments to IFRS 3 *Business Combinations* – Reference to the *Conceptual Framework*
- Amendments to IAS 16 *Property, Plant and Equipment* – Proceeds before Intended Use
- Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* – Onerous Contracts – Costs of Fulfilling a Contract
- Annual Improvements 2018 – 2020 Cycle

UK-IAS and IFRSIC interpretations in issue but not yet effective nor early adopted

Standards, amendments and interpretations that are not yet effective for the Historical Financial Information and have not been early adopted by the Business are as follows:

<i>Standard</i>	<i>Impact on Initial Application</i>	<i>Effective Date</i>
IAS 12	Income Taxes	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023
IAS 8	Accounting Estimates	1 January 2023
IAS 1	Presentation of Financial Statements	1 January 2023
IFRS 16	Leases	1 January 2024
IAS 7	Statement of Cash Flows	1 January 2024
IFRS 7	Financial Instruments	1 January 2024
IAS 21	The Effects of Changes in Foreign Exchange Rates	1 January 2025

The Business is evaluating the impact of the new and amended standards above which are not expected to have a material impact on the results or Combined Statement of Financial Position of the Business.

Key accounting policies involving critical accounting estimates, assumptions and judgements

The preparation of Historical Financial Information requires the use of certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates, assumptions and judgements are believed to be reasonable based on historical experience and other factors available at the time that those estimates, assumptions and judgements were made, including expectations of future events. The Directors consider that their use of estimates, assumptions and judgements in the application of accounting policies are inter-related and therefore they are discussed together below with the major sources of estimation uncertainty and significant judgements separately identified. 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 accounting policies which involve key sources of estimation uncertainty and/or significant judgements, the actual impact of which could have a material impact on the Business's results and financial position, are as follows:

Impairment of goodwill and property, plant and equipment (notes 10 and 11)

Goodwill

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an impairment indicator exists. Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down goodwill to its recoverable amount.

Methodology used for allocating goodwill on 1 January 2019

Consistent with the methodology used for allocating goodwill on 1 January 2019, the recoverable amount of the Ireland CGU has been allocated on a relative value approach. This was based on the proportion of EBITDA of the Business operation to the corresponding EBITDA for the Irish CGU for the prior year reporting period (the Trailing Method Approach). In summary, the FY22, FY21 & FY20 recoverable amounts have been allocated based on FY21, FY20 & FY19 actual EBITDA respectively. The Fels goodwill is consistent with the existing CGU allocation basis.

Key source of estimation uncertainty: projected EBITDA margin, long-term growth rates, pre-tax discount rates

Fels FY20 & FY22 only

The expected future cash flows used in determining the recoverable amount of a CGU are inherently uncertain and are therefore liable to material change over time. The key assumptions employed in arriving at the estimates of future cash flows factored into impairment testing are subjective and include projected EBITDA margins, long-term growth and pre-tax discount rates. Significant under-performance in any of the Business's CGUs may give rise to a material write-down of goodwill which would have a substantial impact on the Business's income and invested capital. Refer to note 11 where sensitivity analysis is presented.

Property, plant and equipment

The carrying values of items of property, plant and equipment are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

Property, plant and equipment assets are reviewed for potential impairment by applying a series of external and internal indicators specific to the assets under consideration. These indicators encompass macroeconomic issues including the inherent cyclicity of the building materials sector, actual obsolescence or physical damage, a deterioration in forecast performance in the internal reporting cycle and restructuring and rationalisation programmes. Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the assets to their recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined by reference to the CGU to which the asset belongs. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax.

Retirement benefit obligations (note 22)

Costs arising in respect of the Business's defined contribution pension schemes are charged to the Combined Income Statement in the period in which they are incurred. The Business has no legal or constructive obligation to pay further contributions in the event that the fund does not hold sufficient assets to meet its benefit commitments.

The deficit arising on each of the Business's defined benefit pension schemes, are shown within non-current liabilities in the Combined Statement of Financial Position. The deferred tax impact of pension scheme deficits is disclosed separately within deferred taxes. Re-measurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest), are recognised immediately in the Combined Statement of Financial Position with a corresponding debit or credit to invested capital through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The defined benefit pension asset or liability in the Combined Statement of Financial Position comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and, in the case of published quoted securities; it is the published bid price. The value of any defined benefit asset is limited to the present value of any economic benefits available in the form of refunds from the plan and reductions in the future contributions to the plan.

The Business's obligation in respect of post employment benefits represents the amount of future benefit that employees have earned in return for service in the current and prior periods. The obligation is computed on the basis of the projected unit credit method by professionally qualified actuaries and is discounted to present value using a discount rate equating to the market yield at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and estimated term of the post-employment obligations.

Key source of estimation uncertainty: discount rates

The assumptions underlying the actuarial valuations (including discount rates, rates of increase in future compensation levels, mortality rates) from which the amounts recognised in the Historical Financial Information are determined, are updated annually based on current economic conditions and for any relevant changes to the terms and conditions of the pension and post-retirement plans. These assumptions can be affected by (i) for the discount rate, changes in the rates of return on high-quality corporate bonds; (ii) for future compensation levels, future labour market conditions. The weighted average actuarial assumptions used and sensitivity analysis in relation to the significant assumptions employed in the determination of pension and other post retirement liabilities are contained in note 22 to the Historical Financial Information. The assumptions that are the most significant to the measurement of retirement benefit obligations, and constitute a key source of estimation uncertainty, are the discount rates. The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. Whilst Management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the obligations and expenses recognised in future accounting periods. The assets and liabilities of defined benefit pension schemes may exhibit significant period-on-period volatility attributable primarily to changes in bond yields and longevity. In addition to future service contributions, significant cash contributions may be required to remediate past service deficits.

Provisions (note 19)

A provision is recognised when the Business has a present obligation (either legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Business anticipates that a provision will be reimbursed, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will arise. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to the passage of time is recognised as an interest expense. Provisions are not recognised for future operating losses. Management is not aware of any potential changes to key assumptions that have a significant risk of causing a material adjustment to the carrying value of provisions within the next financial year; however due to the nature of some of our provisions, estimates may depend on the outcome of future events and need to be revised as circumstances change in future accounting periods. Refer to note 19 for the expected timing of outflows by provisions category.

Environmental and remediation provisions

The measurement of environmental and remediation provisions is based on an evaluation of currently available facts with respect to each individual site and considers factors such as existing technology, currently enacted laws and regulations and prior experience in remediation of sites. Inherent uncertainties exist in such evaluations primarily due to unknown conditions, changing governmental regulations and legal standards regarding liability, the protracted length of the clean-up periods and evolving technologies. The environmental and remediation liabilities provided for in the Historical Financial Information reflect the judgement applied by Management in respect of information available at the time of determining the liability

and are adjusted periodically as remediation efforts progress or as additional technical or legal information becomes available.

The impact of climate change and policy risks and uncertainties on environmental and remediation provisions has been considered, specifically the impact on timing and extent of costs and cash outflows. Changes to legislation, including those relating to climate change, are factored into the assessment of provisions when the legislation is virtually certain to be enacted. The measurement of our provisions is based on reasonable and supportable assumptions that represent Management's current best estimate of the range of economic conditions that will exist in the foreseeable future. These assumptions do not have a significant risk of resulting in a material adjustment to the carrying value of these provisions within the next financial year and therefore do not represent a major source of estimation uncertainty. Due to the inherent uncertainties described above, many of which are not under Management's control, actual costs and cash outflows could differ if Management used different assumptions or if different conditions occur in future accounting periods.

Significant judgement

Judgement is required in determining whether the Business has a present obligation and whether it is probable that an outflow of economic benefits will be required to settle this obligation. This judgement is applied to information available at the time of determining the liability including but not limited to judgements around interpretations of legislation, regulations and case law depending on the nature of the provision.

Other significant accounting policies

Basis of combination

i. Controlled companies

The legal entities within the perimeter of the Business were under the common control of CRH for the periods presented in the Historical Financial Information. A party controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is used to account for the acquisition of controlled companies by the Business. The cost of an acquisition is the aggregate of the consideration given in exchange for control of the identifiable assets, liabilities and contingent liabilities of the acquired legal entities and the amount of any non-controlling interest in the acquiree. Directly attributable transaction costs are expensed as incurred. The acquired net assets are initially measured at fair value. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill.

ii. Transactions eliminated on combination

Transactions, balances and unrealised gains or losses on transactions between the controlled companies of the Business are eliminated on combination. Transactions between the Business and CRH have been included in the Historical Financial Information and are considered related party transactions (refer to note 24).

The accounting policies of the controlled companies have been changed where necessary to ensure consistency with the policies adopted by the Business.

Revenue recognition (note 4)

The Business manufactures and supplies lime and limestone products. Recognition of revenue from the sale of goods is at the point in time when control is deemed to pass to the customer upon leaving the Business's premises or upon delivery to a customer depending on the terms of the sale. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, net of discounts and value added tax/sales tax. Contracts do not contain multiple performance obligations (as defined by IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15")).

Across the Business goods are often sold with discounts or rebates based on cumulative sales over a period. This variable consideration is only recognised when it is highly probable that it will not be subsequently reversed and is recognised using the most likely amount or expected value methods, depending on the individual contract terms. In the application of appropriate revenue recognition, judgement is exercised by Management in the determination of the likelihood and quantum of such items based on

experience and historical trading patterns. The Business is deemed to be a principal to an arrangement when it controls a promised good or service before transferring them to a customer and accordingly recognises revenue on a gross basis.

No element of financing is deemed present as transactions are all made with average credit terms (usually 90 days), consistent with market practice.

The Business's contracts generally are for a duration of less than one year and therefore the Business does not capitalise incremental contract costs; instead expensing as incurred, as permitted by the practical expedient under IFRS 15.

Onerous contracts and warranties

When a contract is identified as being onerous (i.e., its unavoidable cost exceeds the economic benefit of the contract), a provision is created; being the lower of costs to complete the contract and the cost of exiting the contract. The Business recognises a provision for assurance-type (standard) warranties offered across the Business under its terms and conditions in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37"). The Business provides assurance-type warranties for general repairs and does not typically provide service-type (extended) warranties.

Share-based payments expense (note 7)

Employees of the legal entities within the Business participate in a number of equity settled share-based payment arrangements established by CRH. The Business recognises a share-based payment expense in the Combined Income Statement, based on the allocation of the expense recognised in the CRH consolidated financial statements to the legal entities in the Business together with a corresponding increase in invested capital as a contribution from CRH. The key features of the share-based payment plans in which employees of the legal entities of the Business participate are disclosed in note 7.

Income Taxes – current and deferred (notes 9 and 21)

The income tax provision for purposes of the Historical Financial Information is based on the separate return method. Under this method, current and deferred income taxes are allocated by applying IAS 12 *Income Taxes* ("IAS 12") to each legal entity as if it were a separate taxpayer. In addition, under this method the Business follows the same rules in calculating its income tax as if filing a separate return with the tax authority. Where local country law permits a tax consolidation or loss sharing, the separate return method will be applied to the Business's activities within the jurisdiction.

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Combined Income Statement except to the extent that it relates to items recognised in other comprehensive income or directly in invested capital as appropriate.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. Current obligations for taxes in certain jurisdictions where the Business files a consolidated tax return with CRH are recorded as related party payables. In jurisdictions where the Business historically received group relief, current obligations are deemed settled with CRH for purposes of the Historical Financial Information and are reflected in invested capital. Current obligations for tax in jurisdictions where the Business does not file a consolidated tax return with CRH are recorded as current tax liabilities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. In addition, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised in respect of all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent

that it is probable that taxable profits will be available against which the temporary differences can be utilised. The carrying amounts of deferred tax assets are subject to review at each balance sheet date and are reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Property, plant and equipment (note 10)

Property, plant and equipment are stated at cost less any accumulated depreciation and impairment losses. Repair and maintenance expenditure is included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Business and the cost of the item can be measured reliably. All other repair and maintenance expenditure is charged to the Combined Income Statement during the financial period in which it is incurred.

In the application of the Business's accounting policy, judgement is exercised by Management in the determination of residual values and useful lives. Depreciation methods, useful lives and residual values are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate on a prospective basis. Capital expenditure will continue to be required for ongoing projects and the useful lives of future capital expenditure may differ from current assumptions. Future developments in technology may also result in a risk of obsolescence for the Business's current portfolio of plant and machinery assets.

Depreciation and depletion is calculated to write off the book value of each item of property, plant and equipment over its useful economic life on a straight-line basis at the following rates:

Land and buildings

The book value of mineral-bearing land, less an estimate of its residual value, is depleted over the period of the mineral extraction in the proportion which production for the year bears to the latest estimates of proven and probable mineral reserves. Land, other than mineral-bearing land, is not depreciated. In general, buildings are depreciated at 3.1 per cent. per annum (p.a.).

Plant and machinery

These are depreciated at rates ranging from 4.2 per cent. to 15.6 per cent. p.a. depending on the type of asset. Plant and machinery include transport vehicles which are, on average, depreciated at 16.1 per cent. p.a.

Goodwill (note 11)

Goodwill is initially measured at cost, being the excess of the cost of an acquisition over the fair value of the identifiable net assets acquired and liabilities assumed at the date of acquisition. It relates to the future economic benefits arising from assets which are not capable of being individually identified and separately recognised. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is allocated to those groups of CGUs that are expected to benefit from the business combination in which the goodwill arose for the purpose of assessing impairment.

Intangible assets (other than goodwill) (note 11)

An intangible asset is capitalised separately from goodwill as part of a business combination at cost (fair value at date of acquisition).

Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The carrying values of definite-lived intangible assets (the Business

does not currently have any indefinite-lived intangible assets other than goodwill) are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

Intangible assets are amortised on a straight-line basis. In general, based on the current composition of definite-lived intangible assets, the useful lives for customer-related intangible assets range from two to five years.

Amortisation periods, useful lives, expected patterns of consumption and residual values are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method as appropriate on a prospective basis.

Leases (note 15)

The Business enters into leases for a range of assets, principally relating to motor vehicles, equipment and plant and machinery. Certain property leases have varying terms, renewal rights and escalation clauses, including periodic rent reviews linked with a consumer price index and/or other indices. The terms and conditions of these leases do not impose significant financial restrictions on the Business.

The Business has applied the recognition exemption for both short-term and low-value leases.

The Business did not avail of the options allowing leases ending within 12 months of the date of adoption to be accounted for as short-term leases.

A contract contains a lease if it is enforceable and conveys the right to control the use of a specified asset for a period of time in exchange for consideration, which is assessed at inception. A right-of-use asset and lease liability are recognised at the commencement date for contracts containing a lease, with the exception of leases with a term of 12 months or less which do not contain a purchase option, leases where the underlying asset is of low value and leases with associated payments that vary directly in line with usage or sales. The commencement date is the date at which the asset is made available for use by the Business.

The lease liability is initially measured at the present value of the future lease payments, discounted using the incremental borrowing rate or the interest rate implicit in the lease, if this is readily determinable, over the remaining lease term. Lease payments include fixed payments less any lease incentives receivable, variable payments that are dependent on a rate or index known at the commencement date, amounts expected to be paid under residual value guarantees and any payments for an optional renewal period and purchase and termination option payments, if the Business is reasonably certain to exercise those options. The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate and rentals relating to low value or short-term leases are recognised as an expense in the period in which they are incurred. Judgement is applied in determining whether it is reasonably certain that a renewal, termination or purchase option will be exercised.

Incremental borrowing rates are calculated using a portfolio approach, based on the risk profile of the entity holding the lease and the term and currency of the lease.

After initial recognition, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or when the Business changes its assessment of whether it is reasonably certain to exercise an option within the contract. A corresponding adjustment is made to the carrying amount of the right-of-use asset.

The right-of-use asset is initially measured at cost, which comprises the lease liability adjusted for any payments made at or before the commencement date, initial direct costs incurred, lease incentives received and an estimate of the cost to dismantle or restore the underlying asset or the site on which it is located at the end of the lease term. The right-of-use asset is depreciated over the lease term or, where a purchase option is reasonably certain to be exercised, over the useful economic life of the asset in line with depreciation rates for owned property, plant and equipment. The right-of-use asset is tested periodically for impairment if an impairment indicator is considered to exist.

Non-lease components in a contract such as maintenance and other service charges are separated from lease payments and are expensed as incurred.

Inventories (note 12)

Inventories are measured at the lower of cost and net realisable value. Cost is based on the first-in/ first-out principle and includes all expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Raw materials are valued on the basis of purchase cost on a first-in/ first-out basis. In the case of finished goods and work-in-progress, cost includes direct materials, direct labour and attributable overheads based on normal operating capacity and excludes borrowing costs.

Net realisable value is the estimated proceeds of sale less all further costs to completion, and less all costs to be incurred in marketing, selling and distribution. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, taking into consideration fluctuations of price or cost directly relating to events occurring after the end of the period, the likelihood of short-term changes in buyer preferences, product obsolescence or perishability (all of which are generally low given the nature of the Business's products) and the purpose for which the inventory is held.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished goods, in which they will be incorporated, are expected to be sold at or above cost. Stripping costs incurred during the production phase are expensed as incurred as variable production costs and included in the standard cost of inventory unless they relate to development of a greenfield site and removal of overburden.

Emission rights are carbon allowances purchased by the Business where the carbon emissions exceed or are expected to exceed the free allowances it is granted under a relevant scheme. The Business acquires emission rights under EU Emissions Trading Scheme. The emission rights are classified as intangible assets and measured at cost less amortisation and impairment. Given the rights are an essential input of the production process they are presented as inventories. The emission rights are amortised when surrendered. Cost associated with excess emissions above the allowances available by the relevant jurisdiction during the financial year are recognised as an accrual.

Trade and other receivables (note 13)

The Business's principal financial assets are its trade and other receivables. Trade and other receivables are recognised when the Business becomes a party to the contract and has a legal right to receive cash. Trade receivables are carried at original invoice amount, which is equivalent to amortised cost, less an expected credit loss provision or loss allowance, in accordance with the held to collect business model.

The Business uses the simplified approach to providing for expected credit losses ("ECL") permitted by IFRS 9 Financial Instruments ("IFRS 9") which requires expected credit lifetime losses to be recognised from initial recognition of the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Business. Where recoveries are made, these are recognised in the Combined Income Statement.

Cash and cash equivalents (note 18)

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.

Related party receivables (note 24)

Related party receivables represent trade receivables from CRH, and balances owed by CRH to the Business under the terms of the cash pooling arrangement. Related party receivables are recognised initially at the amount of consideration that is unconditional and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade payables (note 14)

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method

Related party payables (note 24)

Related party payables represent trade payables to CRH, the portion of the related party borrowings owed by the Business to CRH within one year relating to unpaid interest at the financial year end and related party payables to CRH in respect of current obligations for taxes in certain jurisdictions where the Business files a consolidated tax return with CRH. Related party payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Related party borrowings (note 24)

All loans and borrowings are initially recorded at the fair value of the consideration received net of directly attributable transaction costs. Subsequent to initial recognition, current and non-current interest-bearing loans and borrowings are measured at amortised cost employing the effective interest method.

Borrowings are classified as current liabilities unless the Business has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowing costs arising on financial instruments are recognised as an expense in the period in which they are incurred (unless capitalised as part of the cost of property, plant and equipment).

Foreign currency translation*i. Presentation currency*

The Historical Financial Information is presented in euro which is the presentation currency of the Business.

Foreign currency transactions

Items included in the financial statements of each of the entities included in the Business are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Combined Income Statement.

ii. Financial statements of foreign operations

The assets and liabilities of foreign operations held by the Business are translated into euro at foreign exchange rates ruling at the balance sheet date. The revenues, expenses and cash-flows of foreign operations are translated to euro at average exchange rates for the year. Foreign exchange differences arising on translation of the results, assets and liabilities of foreign operations to euro are recognised in other comprehensive income and a separate foreign currency translation reserve within invested capital in the Historical Financial Information. Gains or losses accumulated in foreign currency translation reserve are recycled to the Combined Income Statement when the foreign operation is disposed of.

The exchange rates used for the translation of results, cash flows and statements of financial position from Czech Koruna into euro in this Historical Financial Information were as follows:

	2022	Average 2021	2020	2022	As at 31 December 2021	2020
Czech Koruna	24.5641	25.6377	26.4582	24.1286	24.8633	26.2428

3. Segment information

As outlined in note 2, the Business has one operating segment.

Refer to note 4 for revenue disaggregated by the primary geographic markets by origination of sale and revenue by significant customers.

The total of non-current assets, other than retirement benefit assets, are broken down by location of the assets in the following table:

	2022	As at 31 December 2021	2020
	€'000	€'000	€'000
Czech Republic	96,844	93,928	87,033
Germany	668,628	671,873	672,395
Ireland	13,304	14,684	15,802
Total	778,776	780,485	775,230

4. Revenue

Disaggregated revenue

In the following table revenue is disaggregated by the primary geographic markets by origination of sale.

	2022	Financial year ended 31 December 2021	2020
	€'000	€'000	€'000
Czech Republic	54,716	36,923	34,725
Germany	302,957	252,145	222,093
Ireland	22,547	19,063	16,445
Total	380,220	308,131	273,263

Revenues of approximately €64,986,000 and €42,755,000 are derived from two external customers respectively. (2021: €51,703,000 and €40,460,000 respectively and 2020: €37,645,000 and €39,019,000 respectively).

5. Cost analysis

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Cost of sales analysis			
Raw materials and production	27,457	21,263	18,628
Employment costs (note 6)	54,597	52,183	51,209
Energy conversion costs	124,992	75,397	64,988
Maintenance expense	15,328	14,500	11,957
Depreciation and amortisation (i)	24,449	22,858	22,522
Change in inventories of finished goods and work in progress	(10,558)	1,282	1,354
Distribution & selling expenses (excluding depreciation and employment cost)	45,447	38,786	38,331
Other production expenses (primarily sub-contractor costs)	22,096	15,561	16,418
Total	<u>303,808</u>	<u>241,830</u>	<u>225,407</u>

(i) Depreciation and amortisation analysis

	<i>Cost of sales</i>			<i>Administrative expenses</i>			<i>Total</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Depreciation and depletion	24,449	22,858	22,522	802	759	712	25,251	23,617	23,234
Amortisation of intangible assets	–	–	–	279	335	2,251	279	335	2,251
Total	<u>24,449</u>	<u>22,858</u>	<u>22,522</u>	<u>1,081</u>	<u>1,094</u>	<u>2,963</u>	<u>25,530</u>	<u>23,952</u>	<u>25,485</u>

6. Employment costs

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Wages and salaries	53,486	46,741	47,215
Social security costs	9,992	11,400	11,223
Redundancy, healthcare and other employment benefit costs	1,915	3,326	2,362
Share-based payment expense (note 7)	413	393	349
Total retirement benefits expense (note 22)	2,358	2,208	2,371
Total	<u>68,164</u>	<u>64,068</u>	<u>63,520</u>

The total employment charge above has been analysed between:

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Cost of sales	54,597	52,183	51,209
Administrative expenses	12,813	11,261	11,526
Finance costs (net) – applicable to retirement benefit obligations (notes 8 and 22)	754	624	785
Total	<u>68,164</u>	<u>64,068</u>	<u>63,520</u>

7. Share-based payment expense

Certain employees of the legal entities comprising the Business were members of the following equity-settled CRH share-based payment plans during each of the three financial years ended 31 December 2022:

- i. 2014 Performance Share Plan; and
- ii. Savings-related Share Option Schemes

The share-based payment expense recognised in the Historical Financial Information is based on the allocation of the IFRS 2 *Share-Based Payment* ("IFRS 2") expense recognised in the CRH consolidated financial statements to the legal entities in the Business. The Business recognises and measures its equity-settled share-based payment expense, with a corresponding increase in invested capital, as the Business is not liable to settle the awards which are settled by CRH. The schemes are accounted for as equity-settled in the Historical Financial Information.

The charge recorded within administrative expenses in the Historical Financial Information for each of the three years is as follows:

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Total share-based payment expense	<u>413</u>	<u>393</u>	<u>349</u>

The key features of the share-based payment plans relating to the Business are described below.

2014 Performance Share Plan

20 per cent. of the awards under the 2014 Performance Share Plan are subject to a Total Shareholder Return (and hence market based) vesting condition measured against a tailored sector peer group of CRH (2020 and 2021: 25 per cent.). Accordingly, the fair value assigned to the related equity instruments at the grant date is derived using a Monte Carlo simulation technique to model the combination of market-based performance conditions; and is adjusted to reflect the anticipated likelihood as at the grant date of achieving the vesting condition. Awards are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The remaining awards granted under the 2014 Performance Share Plan are subject to non-market based vesting conditions; 45 per cent. are subject to a cumulative cash flow target (2020 and 2021: 50 per cent.) and 20 per cent. are subject to a Return on Net Assets ("RONA") metric (2020 and 2021: 25 per cent.). In 2022 a new sustainability and diversity scorecard metric of 15 per cent. was introduced for awards made in 2022 (a non-market-based vesting condition). The fair value of the awards is calculated as the market price of the shares at the date of grant. No expense is recognised for awards that do not ultimately vest.

Savings-related Share Option Schemes

CRH operates Savings-related Share Option Schemes. Participants may save up to €500 per month from their net salaries for a fixed term of three or five years and at the end of the savings period they have the option to buy CRH shares at a discount of up to 15 per cent. of the market price on the date of invitation of each savings contract.

The fair values assigned to options under the Savings-related Share Option Schemes are derived in accordance with the trinomial valuation methodology on the basis that the services to be rendered by employees as consideration for the granting of share options will be received over the vesting period, which is assessed as at the grant date. Where an award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

8. Finance costs and finance income

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Finance costs and other financial expenses			
Interest on related party borrowings (note 24)	5,182	5,110	5,754
Net loss/(gain) on non-derivative financial instruments	7	20	(82)
Interest payable on cash and cash equivalents and other	87	121	72
Unwinding of discount element of lease liabilities (note 15)	36	28	27
Remeasurement of employee benefit plan	(205)	–	–
Unwinding of discount element of provisions for liabilities (note 19)	(273)	(267)	(246)
Pension-related finance cost (net) (note 22)	754	624	785
Total finance costs and other financial expenses	<u>5,588</u>	<u>5,636</u>	<u>6,310</u>
<i>Finance income</i>			
Interest receivable on related party receivables	(85)	–	–
Interest receivable on cash and cash equivalents	(144)	(11)	(614)
Total finance income	<u>(229)</u>	<u>(11)</u>	<u>(614)</u>
Total net finance expense	<u><u>5,359</u></u>	<u><u>5,625</u></u>	<u><u>5,696</u></u>

9. Income tax expense

Recognised within the Combined Income Statement

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
(a) Total current tax expense	<u>12,715</u>	<u>7,899</u>	<u>1,692</u>
(b) Deferred Tax			
<i>Origination and reversal of temporary differences</i>			
Retirement benefit obligations	790	249	218
Tax depreciation and amortisation	(1,886)	(791)	(2,602)
Provisions for liabilities and working capital	2,154	3,595	(1,433)
Other items and tax rate changes	1,663	(343)	(2,265)
Total deferred tax expense/(credit)	<u>2,721</u>	<u>2,710</u>	<u>(6,082)</u>
Income tax expense/(credit) reported in Combined Income Statement	<u><u>15,436</u></u>	<u><u>10,609</u></u>	<u><u>(4,390)</u></u>

Recognised outside the Combined Income Statement

	Financial year ended 31 December		
	2022	2021	2020
	€'000	€'000	€'000
(a) Recognised within the Combined Statement of Comprehensive Income			
Deferred tax – retirement benefit obligations (note 21)	3,821	(10)	(633)
	<u>3,821</u>	<u>(10)</u>	<u>(633)</u>
(b) Recognised within the Combined Statement of Changes in Invested Capital			
Deferred tax – other (note 21)	–	–	(46)
	<u>–</u>	<u>–</u>	<u>(46)</u>
Income tax income/(loss) recognised outside the Combined Income Statement	<u>3,821</u>	<u>(10)</u>	<u>(679)</u>

Reconciliation of applicable tax rate to effective tax rate

The following table reconciles the applicable Republic of Ireland statutory tax rate to the effective tax rate (current and deferred) of the Business:

	Financial year ended 31 December		
	2022	2021	2020
Profit before tax (€'000)	57,423	37,167	28,578
Irish corporation tax rate	12.5%	12.5%	12.5%
Higher taxes on overseas earnings	13.7%	13.4%	12.9%
Uncertain tax positions	0.6%	2.7%	–34.3%
Non-deductible and other items	0.1%	–0.1%	–6.5%
Total effective tax rate	<u>26.9%</u>	<u>28.5%</u>	<u>–15.4%</u>

As the Business is subject to the tax rates of more than one country, it has chosen to present its reconciliation of the tax charge using the Irish corporation tax rates. The current tax expense expressed as a percentage of profit before tax was: 22.1 per cent. (2021: 21.3 per cent. and 2020: 5.9 per cent.).

10. Property, plant and equipment

	<i>Mineral bearing land €'000</i>	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Assets in the course of construction €'000</i>	<i>Total €'000</i>
As at 31 December 2022					
Owned					
Cost	350,365	74,196	314,275	14,794	753,630
Accumulated depreciation	(38,688)	(10,168)	(85,720)	–	(134,576)
Net carrying amount	<u>311,677</u>	<u>64,028</u>	<u>228,555</u>	<u>14,794</u>	<u>619,054</u>
As at 1 January 2022, net carrying amount	318,489	63,751	227,503	10,994	620,737
Translation adjustment	922	211	1,086	75	2,294
Reclassifications	1	35	5,934	(5,970)	–
Additions at cost	–	1,428	9,788	9,695	20,911
Disposals at net carrying amount	(107)	–	(165)	–	(272)
Depreciation charge for year	(7,628)	(1,397)	(15,591)	–	(24,616)
As at 31 December 2022, net carrying amount	<u>311,677</u>	<u>64,028</u>	<u>228,555</u>	<u>14,794</u>	<u>619,054</u>
		<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Other €'000</i>	<i>Total €'000</i>
Leased right of use assets					
As at 31 December 2022, net carrying amount (note 15)		<u>180</u>	<u>225</u>	<u>701</u>	<u>1,106</u>
Total property, plant and equipment					<u>620,160</u>
	<i>Mineral bearing land €'000</i>	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Assets in the course of construction €'000</i>	<i>Total €'000</i>
As at 31 December 2021					
Owned					
Cost	349,332	72,500	297,438	10,994	730,264
Accumulated depreciation	(30,843)	(8,749)	(69,935)	–	(109,527)
Net carrying amount	<u>318,489</u>	<u>63,751</u>	<u>227,503</u>	<u>10,994</u>	<u>620,737</u>
As at 1 January 2021, net carrying amount	324,514	62,075	223,688	5,941	616,218
Translation adjustment	1,659	351	1,812	118	3,940
Reclassifications	–	(487)	2,563	(1,651)	425
Additions at cost	–	3,222	13,770	6,586	23,578
Disposals at net carrying amount	(94)	–	(266)	–	(360)
Depreciation charge for year	(7,590)	(1,410)	(14,064)	–	(23,064)
As at 31 December 2021, net carrying amount	<u>318,489</u>	<u>63,751</u>	<u>227,503</u>	<u>10,994</u>	<u>620,737</u>

	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Other €'000</i>	<i>Total €'000</i>
Leased right of use assets				
As at 31 December 2021, net carrying amount (note 15)	230	321	769	1,320
Total property, plant and equipment				<u>622,057</u>

	<i>Mineral bearing land €'000</i>	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Assets in the course of construction €'000</i>	<i>Total €'000</i>
As at 31 December 2020					
Owned					
Cost	347,454	69,384	279,308	5,941	702,087
Accumulated depreciation	(22,940)	(7,309)	(55,620)	–	(85,869)
Net carrying amount	<u>324,514</u>	<u>62,075</u>	<u>223,688</u>	<u>5,941</u>	<u>616,218</u>
As at 1 January 2020, net carrying amount	333,206	67,498	224,528	5,929	631,161
Translation adjustment	(1,072)	(212)	(1,089)	(27)	(2,400)
Reclassifications	(35)	(3,747)	7,114	(3,332)	–
Additions at cost	–	205	6,920	3,371	10,496
Disposals at net carrying amount	(311)	(28)	(18)	–	(357)
Depreciation charge for year	(7,274)	(1,641)	(13,767)	–	(22,682)
As at 31 December 2020, net carrying amount	<u>324,514</u>	<u>62,075</u>	<u>223,688</u>	<u>5,941</u>	<u>616,218</u>

	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Other €'000</i>	<i>Total €'000</i>
Leased right of use assets				
As at 31 December 2020, net carrying amount (note 15)	236	413	406	1,055
Total property, plant and equipment				<u>617,273</u>

- (i) The gross carrying value and accumulated depreciation of owned property, plant and equipment as at 1 January 2020 was as follows:

	<i>Mineral bearing land €'000</i>	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Assets in the course of construction €'000</i>	<i>Total €'000</i>
As at 1 January 2020					
Owned					
Cost	348,967	73,176	266,459	5,929	694,531
Accumulated depreciation	(15,761)	(5,678)	(41,931)	–	(63,370)
Net carrying amount	<u>333,206</u>	<u>67,498</u>	<u>224,528</u>	<u>5,929</u>	<u>631,161</u>

Future purchase commitments for property, plant and equipment

	As at 31 December		
	2022	2021	2020
	€'000	€'000	€'000
Contracted for but not provided in the financial statements	21,157	14,879	11,400
Authorised but not yet contracted for	1,192	52	98

11. Intangible assets

	Goodwill €'000	Customer related intangible assets €'000	Total €'000
As at 31 December 2022			
Cost	158,616	10,207	168,823
Accumulated amortisation	–	(10,207)	(10,207)
Net carrying amount	158,616	–	158,616
As at 1 January 2022, net carrying amount	158,149	279	158,428
Translation adjustment	467	–	467
Amortisation charge for year	–	(279)	(279)
As at 31 December 2022, net carrying amount	158,616	–	158,616
	Goodwill €'000	Customer related intangible assets €'000	Total €'000
As at 31 December 2021			
Cost	158,149	10,207	168,356
Accumulated amortisation	–	(9,928)	(9,928)
Net carrying amount	158,149	279	158,428
As at 1 January 2021, net carrying amount	157,343	614	157,957
Translation adjustment	806	–	806
Amortisation charge for year	–	(335)	(335)
As at 31 December 2021, net carrying amount	158,149	279	158,428

	<i>Goodwill</i> €'000	<i>Customer related intangible assets</i> €'000	<i>Total</i> €'000
As at 31 December 2020			
Cost	157,343	10,207	167,550
Accumulated amortisation	–	(9,593)	(9,593)
Net carrying amount	<u>157,343</u>	<u>614</u>	<u>157,957</u>
As at 1 January 2020, net carrying amount	157,821	2,865	160,686
Translation adjustment	(478)	–	(478)
Amortisation charge for year	–	(2,251)	(2,251)
As at 31 December 2020, net carrying amount	<u>157,343</u>	<u>614</u>	<u>157,957</u>

	<i>Goodwill</i> €'000	<i>Customer related intangible assets</i> €'000	<i>Total</i> €'000
As at 1 January 2020			
Cost	157,821	10,207	168,028
Accumulated amortisation	–	(7,342)	(7,342)
Net carrying amount	<u>157,821</u>	<u>2,865</u>	<u>160,686</u>

Allocation of goodwill

Goodwill acquired through business combination activity has been allocated to CGUs that are expected to benefit from synergies arising from that combination. All combinations occurred prior to 1 January 2019 (being the date at which the principles of IFRS 1 were applied). Goodwill has been allocated to CGUs for the purpose of impairment testing. The CGUs represent the lowest level at which the related goodwill is monitored for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 Operating Segments. A total of two (2021: two and 2020: two) CGUs have been identified. One of these CGUs (Ireland) correspond to a single geography within which the Business operates while the other CGU (Fels) corresponds to the business unit level and incorporates operations in the Czech Republic and Germany.

All businesses within the various CGUs exhibit similar and/or consistent profit margin and asset intensity characteristics. Assets, liabilities, deferred tax and goodwill have been assigned to the CGUs on a reasonable and consistent basis.

The lowest level within the Business at which the goodwill is monitored for internal management purposes and consequently the CGUs to which goodwill is allocated, is set out below:

	<i>2022</i> €'000	<i>2021</i> €'000	<i>2020</i> €'000
Fels (comprising the Czech Republic and Germany)	157,228	156,761	155,955
Ireland	<u>1,388</u>	<u>1,388</u>	<u>1,388</u>
Total Goodwill	<u>158,616</u>	<u>158,149</u>	<u>157,343</u>

Annual goodwill impairment testing

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an impairment indicator exists. Where the carrying value exceeds the estimated recoverable amount (being the greater of

fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down goodwill to its recoverable amount.

Impairment testing methodology and results

Goodwill is subject to impairment testing on an annual basis. The recoverable amount of the two CGUs is determined based on a value-in-use computation. One of these CGUs (Ireland) had historically been tested for impairment at a CGU level that included cash flow forecasts from businesses that do not form part of the Deal 1 Targets' perimeter. Therefore, the value in use of this CGU related to the Business has been determined by applying reasonable and supportable allocation methodologies (using the Trailing Method Approach) to the cash flow forecasts included in the CRH plc annual impairment testing. The cash flow forecasts are primarily based on a five-year strategic plan document formally approved by the CRH Board of Directors and specifically exclude the impact of future development activity. To align with CRH's acquisition modelling methodology, these cash flows are projected forward for an additional five years to determine the basis for an annuity-based terminal value. The terminal value is based on a 30-year annuity for Deal 1 Target businesses assets. Projected cash flows beyond the initial 5-year evaluation period have been extrapolated using local nominal growth rates ranging from 2.9 per cent. to 3.8 per cent. (2021: 2.9 per cent. to 3.7 per cent. and 2020: 2.7 per cent. to 3.7 per cent.). Such nominal growth rates do not exceed the long-term average growth rates for the countries in which each business operates. The value-in-use represents the present value of the future cash flows, including the terminal value, discounted at a rate appropriate to each CGU. The pre-tax real discount rates used range from 7.5 per cent. to 8.6 per cent. (2021: 6.6 per cent. to 6.7 per cent. and 2020: 6.5 per cent. to 8.0 per cent.). These rates are in line with the Business' estimated weighted average cost of capital, arrived at using the Capital Asset Pricing Model. The annual goodwill impairment testing process resulted in no intangible asset impairments.

Key sources of estimation uncertainty

The expected future cash flows used in determining the recoverable amount of a CGU are inherently uncertain and are therefore liable to material change over time. The key assumptions employed in arriving at the estimates of future cash flows factored into impairment testing are subjective and include projected EBITDA margins, long-term growth and discount rates used. Significant under-performance in the Business' Fels CGU may give rise to a material write-down of goodwill which would have a substantial impact on its income and invested capital.

Sensitivity analysis

A qualitative and quantitative assessment has been performed for both CGUs and results in additional sensitivity disclosures for one of the CGUs as at 31 December 2022 and 31 December 2020 (Fels). No sensitivity disclosures were required for the year end 31 December 2021 as none of the CGUs were sensitive.

The key assumptions, methodology used, and values applied to each of the key assumptions for this CGU are in line with those outlined above. The Fels CGU had goodwill of €157,228,000 as at 31 December 2022 and €155,955,000 at 31 December 2020 (the date of testing). The table below identifies the amounts by which each of the following assumptions may either decline or increase to arrive at a zero excess of the present value of future cash flows over the book value of net assets in the CGU selected for sensitivity analysis disclosures:

<i>2022</i>	<i>Fels</i>
Reduction in projected EBITDA margin	2.60 percentage points
Reduction in long-term growth rate	3.15 percentage points
Increase in pre-tax discount rate	2.10 percentage points

The average EBITDA margin for this CGU over the initial five-year period was 19.4 per cent. The VIU (being the present value of the future cash flows) was €680,300,000 and its carrying amount was €554,200,000, resulting in an excess VIU over carrying amount of €126,100,000. The pre-tax real discount rate is 8.6 per cent. and the long-term growth rate is 2.9 per cent.

2021

The business is no longer sensitive as at 31 December 2021 and thus no sensitivity disclosures were required.

The average EBITDA margin for this CGU over the initial five-year period was 24.2 per cent. The VIU (being the present value of the future cash flows) was €782,600,000 and its carrying amount was €558,000,000, resulting in an excess VIU over carrying amount of €224,600,000. The pre-tax real discount rate is 6.7 per cent. and the long-term growth rate is 2.9 per cent.

2020

Fels

Reduction in projected EBITDA margin	1.09 percentage points
Reduction in long-term growth rate	0.87 percentage points
Increase in pre-tax discount rate	0.96 percentage points

The average EBITDA margin for this CGU over the initial five-year period was 22.8 per cent. The VIU (being the present value of the future cash flows) was €616,400,000 and its carrying amount was €562,500,000, resulting in an excess VIU over carrying amount of €53,900,000. The pre-tax real discount rate is 8.0 per cent. and the long-term growth rate is 2.7 per cent.

12. Inventories

	As at 31 December		
	2022	2021	2020
	€'000	€'000	€'000
Raw materials (i)	25,468	17,916	18,539
Work-in-progress	3,334	2,103	1,610
Finished goods	6,899	5,039	6,108
Total inventories at the lower of cost and net realisable value	35,701	25,058	26,257

- (i) Emission rights included within raw materials was €1,280,000 for 2022 (2021: €3,512,000 and 2020: €8,953,000).

An analysis of the cost of sales expense is provided in note 5.

Write-downs of inventories recognised as an expense within cost of sales were not material in any period.

13. Trade and other receivables

	As at 31 December		
	2022	2021	2020
	€'000	€'000	€'000
Current			
Gross trade receivables	44,155	36,278	30,794
Loss allowance	(129)	(167)	(558)
Total trade receivables, net	44,026	36,111	30,236
Prepayments	543	386	368
Other receivables	3,226	3,636	3,833
Total	47,795	40,133	34,437

Valuation and qualifying accounts (expected credit loss allowance)

The movements in the expected credit loss allowance for receivables were as follows:

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
As at 1 January	167	558	534
Translation adjustment	–	2	(1)
Written off during year	(70)	(392)	(477)
Net remeasurement of expected credit loss allowance	32	(1)	502
As at 31 December	<u>129</u>	<u>167</u>	<u>558</u>

Of 2022 gross trade receivables noted above, 24 per cent. is receivable from two customers (2021: 23 per cent. receivable from two customers and 2020: 29 per cent. receivable from two customers).

Customer credit risk is managed according to established policies, procedures and controls. Customer credit quality is assessed in line with strict credit rating criteria and credit limits are established where appropriate. Outstanding customer balances are regularly monitored for evidence of customer financial difficulties including payment default, breach of contract etc.

Significant balances are reviewed individually while smaller balances are grouped and assessed collectively. Receivables balances are in general unsecured and non-interest-bearing. Customer credit risk arising in the context of the Business's receivables is not significant and the total expected credit loss allowance for impairment of trade receivables amounts to 0.3 per cent. of the Business's gross trade receivables in 2022 (2021: 0.5 per cent. and 2020: 1.8 per cent.).

The Business considers the ageing of past due receivables a key factor in assessing credit risk with balances classified as "not past due" representing 85 per cent. of the total gross trade receivables at the balance sheet date in 2022 (2021: 97 per cent. and 2020: 87 per cent.). There have been no significant changes to the Business's credit risk parameters or to the composition of the Business's trade receivables portfolio during the financial periods presented.

The Business applies the simplified approach to providing for expected credit losses (ECL) permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the receivables. Receivables which fall under credit insurance are considered lower risk and would not attract a material ECL. Considering the economic outlook for the next 12 months, our ECL allowance adequately represents the risk of default on our receivables balances.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Business. Where recoveries are made, these are recognised in the Combined Income Statement.

Aged analysis

The aged analysis of net trade receivables at each balance sheet date was as follows:

	<i>As at 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Not past due	37,750	35,271	26,664
Past due:			
– less than 60 days	5,886	662	2,926
– 60 days or greater but less than 120 days	290	41	98
– 120 days or greater	100	137	548
Total trade receivables, net	<u>44,026</u>	<u>36,111</u>	<u>30,236</u>

Trade receivables are in general receivable within 90 days of the balance sheet date. The carrying amounts of trade receivables approximate their fair value largely due to the short-term maturities and nature of these instruments.

14. Trade and other payables

	<i>As at 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Current			
Trade payables	25,865	15,644	9,721
Accruals	32,392	14,047	15,818
Other payables	12,454	13,200	10,986
Total	<u>70,711</u>	<u>42,891</u>	<u>36,525</u>
Non-current			
Other payables	1,047	874	856
Total	<u>1,047</u>	<u>874</u>	<u>856</u>

The carrying amounts of trade payables and other payables approximate their fair value largely due to the short-term maturities and nature of these instruments.

15. Leases

Leased right-of-use assets

	Land and buildings €'000	Plant and machinery €'000	Other €'000	Total €'000
As at 31 December 2022				
Cost	678	634	2,016	3,328
Accumulated depreciation	(498)	(409)	(1,315)	(2,222)
Net carrying amount	180	225	701	1,106
As at 1 January 2022, net carrying amount	230	321	769	1,320
Translation adjustment	3	1	3	7
Additions at cost	–	–	235	235
Adjustment as a result of remeasurement of lease liability	94	–	85	179
Depreciation charge for year	(147)	(97)	(391)	(635)
As at 31 December 2022, net carrying amount	180	225	701	1,106
As at 31 December 2021				
Cost	577	632	1,689	2,898
Accumulated depreciation	(347)	(311)	(920)	(1,578)
Net carrying amount	230	321	769	1,320
As at 1 January 2021, net carrying amount	236	413	406	1,055
Translation adjustment	7	3	4	14
Additions at cost	128	–	500	628
Disposals at net carrying value	–	–	(26)	(26)
Adjustment as a result of remeasurement of lease liability	–	4	198	202
Depreciation charge for year	(141)	(99)	(313)	(553)
As at 31 December 2021, net carrying amount	230	321	769	1,320
As at 31 December 2020				
Cost	437	624	1,009	2,070
Accumulated depreciation	(201)	(211)	(603)	(1,015)
Net carrying amount	236	413	406	1,055
As at 1 January 2020, net carrying amount	563	102	600	1,265
Translation adjustment	(6)	(2)	(3)	(11)
Additions at cost	–	409	116	525
Adjustment as a result of remeasurement of lease liability	(187)	2	13	(172)
Depreciation charge for year	(134)	(98)	(320)	(552)
As at 31 December 2020, net carrying amount	236	413	406	1,055
As at 1 January 2020				
Cost	631	215	910	1,756
Accumulated depreciation	(68)	(113)	(310)	(491)
Net carrying amount	563	102	600	1,265

Lease liabilities

	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Other €'000</i>	<i>Total €'000</i>
As at 1 January 2022	231	326	769	1,326
Translation adjustment	3	1	5	9
Additions of right-of-use assets	–	–	235	235
Remeasurements	94	–	85	179
Payments	(154)	(100)	(415)	(669)
Discount unwinding (note 8)	7	6	23	36
As at 31 December 2022	<u>181</u>	<u>233</u>	<u>702</u>	<u>1,116</u>
As at 1 January 2021	243	416	405	1,064
Translation adjustment	6	3	5	14
Additions of right-of-use assets	128	–	500	628
Disposals	–	–	(26)	(26)
Remeasurements	–	4	198	202
Payments	(152)	(101)	(331)	(584)
Discount unwinding (note 8)	6	4	18	28
As at 31 December 2021	<u>231</u>	<u>326</u>	<u>769</u>	<u>1,326</u>
As at 1 January 2020	569	104	594	1,267
Translation adjustment	(6)	(2)	(3)	(11)
Additions of right-of-use assets	–	409	116	525
Remeasurements	(187)	2	13	(172)
Payments	(144)	(101)	(327)	(572)
Discount unwinding (note 8)	11	4	12	27
As at 31 December 2020	<u>243</u>	<u>416</u>	<u>405</u>	<u>1,064</u>

The analysis of lease liability between current and non-current presentation is as follows:

	<i>As at 31 December</i>		
	<i>2022 €'000</i>	<i>2021 €'000</i>	<i>2020 €'000</i>
Current	571	552	446
Non-current	545	774	618
Total	<u>1,116</u>	<u>1,326</u>	<u>1,064</u>

The Business avails of the exemption from capitalising lease costs for short-term leases where the relevant criteria are met. The following lease costs have been charged to the Combined Income Statement as incurred:

	<i>Financial year ended 31 December</i>		
	<i>2022 €'000</i>	<i>2021 €'000</i>	<i>2020 €'000</i>
Short-term leases	2,016	2,427	2,144
Total cash outflow for lease payments	<u>2,685</u>	<u>3,011</u>	<u>2,716</u>

Lease commitments for short-term leases are similar to the portfolio of short-term leases for which the costs, as above, were expensed to the Combined Income Statement. The effect of excluding future cash outflows arising from variable lease payments, termination options, residual value guarantees and leases

not yet commenced from lease liabilities was not material for the Business. The potential undiscounted future cash outflows arising from the exercise of renewal options that are not expected to be exercised (and are therefore not included in the lease term) are not material.

Income from subleasing and gains/losses on sale and leaseback transactions were not material for the Business.

16. Analysis of net debt

Net debt comprises cash and cash equivalents, related party borrowings, related party interest payable and lease liabilities.

	As at 31 December 2022		As at 31 December 2021		As at 31 December 2020	
	Book value €'000	Fair value €'000	Book value €'000	Fair value €'000	Book value €'000	Fair value €'000
Cash and cash equivalents (note 18)	5,564	5,564	10,614	10,614	12,055	12,055
Related party interest payable (note 24)	(883)	(883)	(502)	(502)	(1,969)	(1,969)
Related party borrowings (note 24)	(231,500)	(231,500)	(242,000)	(242,000)	(252,000)	(252,000)
Lease liabilities (note 15)	(1,116)	(1,116)	(1,326)	(1,326)	(1,064)	(1,064)
Total net debt	(227,935)	(227,935)	(233,214)	(233,214)	(242,978)	(242,978)

The fair value of the related party borrowing (Level 3 in the fair value hierarchy) approximates to its carrying value given the floating interest rates application to the financial liability.

Reconciliation of opening to closing net debt

	Financial year ended 31 December		
	2022 €'000	2021 €'000	2020 €'000
As at 1 January	(233,214)	(242,978)	(244,198)
<i>Movement in year</i>			
Net increase in lease liabilities	(414)	(804)	(353)
Repayment of lease liabilities, net of accrued interest	633	556	545
Decrease/(increase) in related party borrowing (note 24)	10,119	11,467	(138)
Translation adjustment on financing activities	(9)	(14)	11
Decrease in liabilities from financing activities	10,329	11,205	65
Translation adjustment on cash and cash equivalents	227	605	(335)
(Decrease)/increase in cash and cash equivalents	(5,277)	(2,046)	1,490
As at 31 December	(227,935)	(233,214)	(242,978)

Currency Profile

The currency profile of the Business's net debt and net worth (invested capital attributable to the Business) as at 31 December 2022, 31 December 2021 and 31 December 2020 is as follows:

	<i>Euro</i> €'000	<i>Czech Koruna</i> €'000	<i>Total</i> €'000
As at 31 December 2022			
Cash and cash equivalents (note 18)	732	4,832	5,564
Related party interest payable (note 24)	(883)	–	(883)
Related party borrowings (note 24)	(231,500)	–	(231,500)
Lease liabilities (note 15)	(854)	(262)	(1,116)
Net debt by major currency	<u>(232,505)</u>	<u>4,570</u>	<u>(227,935)</u>
<i>Non-debt assets and liabilities analysed as follows:</i>			
Non-current assets	682,376	96,844	779,220
Current assets	150,427	18,979	169,406
Non-current liabilities	(195,203)	(14,436)	(209,639)
Current liabilities	(82,491)	(10,585)	(93,076)
Non-controlling interest	–	(19,859)	(19,859)
Total invested capital attributable to the Business	<u>322,604</u>	<u>75,513</u>	<u>398,117</u>
	<i>Euro</i> €'000	<i>Czech Koruna</i> €'000	<i>Total</i> €'000
As at 31 December 2021			
Cash and cash equivalents (note 18)	472	10,142	10,614
Related party interest payable (note 24)	(502)	–	(502)
Related party borrowings (note 24)	(242,000)	–	(242,000)
Lease liabilities (note 15)	(1,050)	(276)	(1,326)
Net debt by major currency	<u>(243,080)</u>	<u>9,866</u>	<u>(233,214)</u>
<i>Non-debt assets and liabilities analysed as follows:</i>			
Non-current assets	686,557	93,928	780,485
Current assets	155,382	6,629	162,011
Non-current liabilities	(215,929)	(14,520)	(230,449)
Current liabilities	(53,515)	(6,048)	(59,563)
Non-controlling interest	–	(18,545)	(18,545)
Total invested capital attributable to the Business	<u>329,415</u>	<u>71,310</u>	<u>400,725</u>

	<i>Euro</i> €'000	<i>Czech Koruna</i> €'000	<i>Total</i> €'000
As at 31 December 2020			
Cash and cash equivalents (note 18)	322	11,733	12,055
Related party interest payable (note 24)	(1,969)	–	(1,969)
Related party borrowings (note 24)	(252,000)	–	(252,000)
Lease liabilities (note 15)	(802)	(262)	(1,064)
Net debt by major currency	(254,449)	11,471	(242,978)
<i>Non-debt assets and liabilities analysed as follows:</i>			
Non-current assets	688,197	87,033	775,230
Current assets	124,679	6,858	131,537
Non-current liabilities	(212,610)	(13,635)	(226,245)
Current liabilities	(53,768)	(4,993)	(58,761)
Non-controlling interest	–	(17,851)	(17,851)
Total invested capital attributable to the Business	292,049	68,883	360,932

Liquidity and capital resources

The following table provides certain information related to our cash generation and changes in our cash and cash equivalents position:

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	€'000	€'000	€'000
Net cash inflow from operating activities	16,465	21,000	9,709
Net cash outflow from investing activities	(20,508)	(23,408)	(9,565)
Net cash (outflow)/inflow from financing activities	(1,234)	362	1,346
(Decrease)/increase in cash and cash equivalents	(5,277)	(2,046)	1,490
Cash and cash equivalents at beginning of year (note 18)	10,614	12,055	10,900
Effect of exchange rate changes	227	605	(335)
Cash and cash equivalents at end of year (note 18)	5,564	10,614	12,055
Lease liabilities	(1,116)	(1,326)	(1,064)
Related party interest payable	(883)	(502)	(1,969)
Related party borrowings	(231,500)	(242,000)	(252,000)
Total liabilities from financing activities	(233,499)	(243,828)	(255,033)
Net debt at end of year	(227,935)	(233,214)	(242,978)

The Business believes that its financial resources (operating cash together with cash and cash equivalents of €5,564,000) is sufficient to cover its cash requirements.

17. Financial risk management

Financial risk management objectives and policies

The Business uses financial instruments throughout its businesses: related party borrowings, cash and cash equivalents and leases are used to finance the Business's operations; related party receivables, related party payables, trade and other receivables and trade and other payables arise directly from operations.

The Business uses the CRH corporate treasury function for treasury services including the co-ordination of access to domestic and international financial markets and monitoring and management of the financial risks relating to the operations of the Business.

The CRH Group Treasurer reports to the Head of Group Finance and the activities of the corporate treasury function are subject to regular internal audit. Systems and processes are in place to monitor and control CRH's liquidity risks.

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

Interest rate risk

The Business's exposure to market risk for changes in interest rates stems predominately from its related party borrowings obligations which have a floating interest rate of EURIBOR plus 2 per cent. per annum and where the EURIBOR rate is negative an interest rate of 2 per cent.

The following table demonstrates the impact on profit before tax of a range of possible changes in the interest rates applicable to related party borrowings, with all other variables held constant. These impacts are calculated based on the closing balance sheet related party borrowings for a full year and assume that all floating interest rates change by the same amount.

Percentage change in cost of related party borrowings (€'000):

		+/- 2%
Impact on profit before tax	2022	+/- 4,630
	2021	+/- 4,840
	2020	+/- 5,040

Foreign currency exchange risk

The Business's activities are conducted primarily in the local currency of the country of operation resulting in low levels of foreign currency transaction risk; variances arising in this regard are reflected in administrative expenses or cost of sales in the Combined Income Statement in the period in which they arise.

The Business presents its financial information in euro. Given the Business's presence in the Czech Republic, Germany and Ireland, the principal foreign exchange risk in the financial year ended 31 December 2022 arises from fluctuations in the Czech Koruna and such changes are reported separately within the Combined Statement of Comprehensive Income. A currency profile of the Business's net debt is presented in note 16.

The following table demonstrates the sensitivity of profit before tax and invested capital to selected separate movements in the relevant euro/ Czech Koruna exchange rate (with all other variables held constant); the Czech Koruna has been selected as the appropriate currency for this analysis given the materiality of the Business's activities in the Czech Republic. The impact on profit before tax is based on changing the euro/ Czech Koruna exchange rate used in calculating profit before tax for the period. The impact on invested capital is calculated by changing the euro/ Czech Koruna exchange rate used in measuring the closing statement of financial position. Any remaining foreign exchange rates do not materially impact the Business.

Percentage change in relevant exchange rate (€'000):

		<i>Change in euro/ Czech Koruna</i> +/- 10%
Impact on profit before tax	2022	+/- 1,115
	2021	+/- 792
	2020	+/- 863
Impact on invested capital	2022	+/- 7,891
	2021	+/- 7,723
	2020	+/- 7,860

Credit/counterparty risk

Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on its credit rating and by regular review of these ratings and internal treasury policies.

The maximum exposure arising in the event of default on the part of the counterparty (including insolvency) is the carrying value of the relevant financial instrument.

Customer credit risk arising in the context of the Business's receivables is not significant and the total expected credit loss allowance for impairment of trade receivables amounts to 0.3 per cent. of the Business's gross trade receivables in 2022 (2021: 0.5 per cent. and 2020: 1.8 per cent.). Information in relation to the Business's credit risk management of trade receivables is provided in note 13. In its worldwide insurance programme, the Business carries appropriate levels of insurance for typical business risks (including product liability) with various leading insurance companies. However, in the event of the failure of one or more of its insurance counterparties, the Business could be impacted by losses where recovery from such counterparties is not possible.

Liquidity risk

The CRH corporate treasury function ensures that sufficient resources are available to meet the Business's funding needs and liabilities as they fall due. The Business's liquidity risk is therefore managed centrally by CRH, and is provided to the Business through cash pooling, related party borrowings or equity contributions.

Commodity price risk

The Business is exposed to commodity price risks, including the price of emission rights under the EU ETS, where the annual free allowance under the scheme is not sufficient and the Business is required to purchase additional emission rights.

The CRH corporate treasury function operates a centralised purchase program for emission rights to neutralise the variability in the Combined Income Statement as a result of the change in the price of emission rights over a period of time. The Business participates in this program by purchasing emission rights where required from CRH. The Business also purchases emission rights on the market directly and has entered into forward purchasing contracts directly to neutralise the variability in the Combined Income Statement.

Maturity analysis – financial liabilities

The tables below show the projected contractual undiscounted total cash outflows (principal and interest) arising from the Business's trade and other payables, related party payables and gross debt. These projections are based on the interest and foreign exchange rates applying at the end of the relevant financial year:

	<i>Within 1 year €'000</i>	<i>Between 1 and 2 years €'000</i>	<i>Between 2 and 3 years €'000</i>	<i>Between 3 and 4 years €'000</i>	<i>Between 4 and 5 years €'000</i>	<i>After 5 years €'000</i>	<i>Total €'000</i>
As at 31 December 2022							
<i>Financial liabilities – cash outflows</i>							
Trade and other payables	70,711	86	66	60	61	774	71,758
Related party payables	12,090	–	–	–	–	–	12,090
Lease liabilities	580	377	139	35	8	14	1,153
Related party borrowings	–	–	81,500	–	150,000	–	231,500
Interest payments on related party borrowings	10,010	10,010	8,085	6,491	5,334	–	39,930
Gross projected cash flows	93,391	10,473	89,790	6,586	155,403	788	356,431

	<i>Within 1 year €'000</i>	<i>Between 1 and 2 years €'000</i>	<i>Between 2 and 3 years €'000</i>	<i>Between 3 and 4 years €'000</i>	<i>Between 4 and 5 years €'000</i>	<i>After 5 years €'000</i>	<i>Total €'000</i>
As at 31 December 2021							
<i>Financial liabilities – cash outflows</i>							
Trade and other payables	42,891	132	65	45	40	592	43,765
Related party payables	6,836	–	–	–	–	–	6,836
Lease liabilities	559	426	293	64	8	21	1,371
Related party borrowings	–	–	–	92,000	–	150,000	242,000
Interest payments on related party borrowings	4,840	4,840	4,840	3,968	3,000	2,475	23,963
Gross projected cash flows	55,126	5,398	5,198	96,077	3,048	153,088	317,935

	<i>Within 1 year €'000</i>	<i>Between 1 and 2 years €'000</i>	<i>Between 2 and 3 years €'000</i>	<i>Between 3 and 4 years €'000</i>	<i>Between 4 and 5 years €'000</i>	<i>After 5 years €'000</i>	<i>Total €'000</i>
As at 31 December 2020							
<i>Financial liabilities – cash outflows</i>							
Trade and other payables	36,525	138	120	52	31	515	37,381
Related party payables	13,563	–	–	–	–	–	13,563
Lease liabilities	453	286	183	141	13	27	1,103
Related party borrowings	–	–	–	–	102,000	150,000	252,000
Interest payments on related party borrowings	5,040	5,040	5,040	5,040	4,078	5,475	29,713
Gross projected cash flows	55,581	5,464	5,343	5,233	106,122	156,017	333,760

18. Cash and cash equivalents

Cash and cash equivalents balances are spread across highly-rated financial institutions.

Cash and cash equivalents are included in the statement of financial position at amortised cost and are analysed as follows:

	<i>As at 31 December</i>		
	<i>2022 €'000</i>	<i>2021 €'000</i>	<i>2020 €'000</i>
Cash at bank and in hand	5,564	10,614	12,055
Total	5,564	10,614	12,055

Cash at bank earns/pays interest at floating rates based on daily deposit bank rates.

19. Provisions for liabilities

	<i>As at 1 January €'000</i>	<i>Translation adjustment €'000</i>	<i>Provided during year €'000</i>	<i>Utilised during year €'000</i>	<i>Reversed unused €'000</i>	<i>Discount unwinding €'000</i>	<i>As at 31 December €'000</i>
31 December 2022							
Environmental and remediation ⁽ⁱ⁾	59,137	16	1,691	(240)	(11,726)	(273)	48,605
Rationalisation and redundancy ⁽ⁱⁱ⁾	617	–	361	(412)	(358)	–	208
Other ⁽ⁱⁱⁱ⁾	1,232	–	243	(395)	(3)	–	1,077
Total	<u>60,986</u>	<u>16</u>	<u>2,295</u>	<u>(1,047)</u>	<u>(12,087)</u>	<u>(273)</u>	<u>49,890</u>
Analysed as:							
Non-current liabilities	55,268						44,283
Current liabilities	<u>5,718</u>						<u>5,607</u>
Total	<u>60,986</u>						<u>49,890</u>
31 December 2021							
Environmental and remediation ⁽ⁱ⁾	54,940	26	5,260	(366)	(456)	(267)	59,137
Rationalisation and redundancy ⁽ⁱⁱ⁾	715	–	832	(817)	(113)	–	617
Other ⁽ⁱⁱⁱ⁾	2,056	–	572	(1,340)	(56)	–	1,232
Total	<u>57,711</u>	<u>26</u>	<u>6,664</u>	<u>(2,523)</u>	<u>(625)</u>	<u>(267)</u>	<u>60,986</u>
Analysed as:							
Non-current liabilities	52,030						55,268
Current liabilities	<u>5,681</u>						<u>5,718</u>
Total	<u>57,711</u>						<u>60,986</u>

	<i>As at 1 January</i>	<i>Translation adjustment</i>	<i>Provided during year</i>	<i>Utilised during year</i>	<i>Reversed unused</i>	<i>Discount unwinding</i>	<i>As at 31 December</i>
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
31 December 2020							
Environmental and remediation ⁽ⁱ⁾	54,137	(14)	1,456	(393)	–	(246)	54,940
Rationalisation and redundancy ⁽ⁱⁱ⁾	854	–	243	(375)	(7)	–	715
Other ⁽ⁱⁱⁱ⁾	1,864	–	420	(138)	(90)	–	2,056
Total	<u>56,855</u>	<u>(14)</u>	<u>2,119</u>	<u>(906)</u>	<u>(97)</u>	<u>(246)</u>	<u>57,711</u>
Analysed as:							
Non-current liabilities	51,479						52,030
Current liabilities	5,376						5,681
Total	<u>56,855</u>						<u>57,711</u>

- (i) This provision comprises obligations governing site remediation, restoration, environmental works to be incurred in compliance with either local or national environmental regulations together with constructive obligations stemming from established best practice. The value of current obligations is €48,605,000 (2021: €59,137,000 and 2020: €54,940,000), with the provision primarily expected to be utilised over a 12 to 40 year period (2021: 13 to 40 years and 2020: 14 to 40 years). In discounting the related obligations, expected future cash outflows have been determined with due regard to extraction status and anticipated remaining life. The discount rates used are consistent with the timing of the expected future cash outflows of the provision and the economic environment of the jurisdiction where the provision will be settled.
- (ii) These provisions relate to irrevocable commitments under various rationalisation and redundancy programmes. The value of current obligations is €208,000 (2021: €617,000 and 2020: €715,000) in respect of rationalisation and redundancy activities as a consequence of undertaking various cost reduction initiatives. The Business expects that these provisions will primarily be utilised within one to two years of the balance sheet date (2021: one to two years and 2020: one to two years).
- (iii) Other provisions primarily relate to employee related provisions other than those referred to in (ii). The Business expects the majority of these provisions will be utilised within one to five years of the balance sheet date (2021: one to five years and 2020: one to five years).

20. Contingencies and guarantees

Contingencies

In the ordinary course of business, the entity is involved in lawsuits, claims of various natures, investigations and proceedings, including commercial, environmental, health and safety matters, etc. As at 31 December 2022, the Business had no contingent liabilities (31 December 2021: no contingent liabilities and 31 December 2020: no contingent liabilities). There are no further single matters pending that the entity expects to be material in relation to the Business, financial position or results of operations.

Guarantees

As at 31 December 2022, guarantees issued in the ordinary course of business amounted to €4,467,000 (31 December 2021: €3,870,000 and 31 December 2020: €4,250,000). These consisted of performance guarantees (secured against CRH credit lines), environmental guarantees and employee loan guarantees.

21. Deferred tax

The deductible and taxable temporary differences in respect of which deferred tax has been recognised are as follows:

	<i>As at 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	€'000	€'000	€'000
Reported in the statement of financial position after offset			
Deferred tax liabilities	125,534	118,591	115,181
Net deferred income tax liability	<u>125,534</u>	<u>118,591</u>	<u>115,181</u>

Deferred income tax assets (deductible temporary differences)

	As at 31 December		
	2022	2021	2020
	€'000	€'000	€'000
Deficits on retirement benefit schemes	2,970	7,580	7,819
Provision for liabilities and working capital-related items	2,179	5,822	8,272
Lease liabilities	260	285	208
Total	5,409	13,687	16,299

Deferred income tax liabilities (taxable temporary differences)

	As at 31 December		
	2022	2021	2020
	€'000	€'000	€'000
Taxable temporary differences principally attributable to accelerated tax depreciation	130,682	131,994	131,274
Leased right-of-use assets	261	284	206
Total	130,943	132,278	131,480

There are no losses incurred by the Business or carry-forwards recorded in the periods.

Movement in net deferred income tax liability

	2022	2021	2020
	€'000	€'000	€'000
As at 1 January	118,591	115,181	122,374
Translation adjustment	401	710	(432)
Net expense/(income) for the year	2,721	2,710	(6,082)
Movement in deferred tax recognised in the Combined Statement of Comprehensive Income	3,821	(10)	(633)
Movement in deferred tax recognised in the Combined Statement of Changes in Invested Capital	–	–	(46)
As at 31 December	125,534	118,591	115,181

22. Retirement benefit obligations and other long-term employee benefits

The Business operates defined benefit schemes in Germany and Ireland and a defined contribution pension scheme in Ireland. Unfunded defined benefit pension and other long-term benefit plans exist in Germany and the Business has a funded defined benefit pension plan in Ireland.

The principal unfunded scheme is the Fels Pension Plan in Germany with a liability of €35,243,000 (2021: €47,653,000 and 2020: €48,850,000). In addition, the Business has three other unfunded long-term benefit obligations (i) Fels Death in-Service Benefit Plan (ii) the Germany Fels Jubilee Plan and (iii) Fels Deferred Compensation Plan.

The net balance of the funded plan (the “Clogrennane and Aerobord Pension Scheme”) was an asset of €444,000 (2021: liability of €3,450,000 and 2020: liability of €4,828,000).

The funding requirements in relation to the Business’s funded defined benefit schemes are assessed in accordance with the advice of independent and qualified actuaries and valuations are prepared in this regard either annually, where local requirements mandate that this be done, or at triennial intervals at a maximum in all other cases.

Characteristics and associated risks

The Business makes benefit payments from trustee-administered funds in Ireland; however, there are also a number of unfunded plans in Germany where the Business meets the benefit payment obligation as they fall due. Plan assets are held in a separately administered fund and are administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. The Business has agreed a funding plan with the trustee, whereby ordinary contributions are made into the plan based on a percentage of active employees' salary. Additional contributions are agreed with the trustee to reduce the funding deficit where necessary.

In Ireland the defined benefit pension scheme provides retirement benefits on the basis of members' final salary. In Germany, the defined benefit pension schemes and deferred compensation schemes provide benefits which are specific to each scheme and are based on different factors including years of service, fixed pension amounts and benefits based on final salary. Other long-term employee benefits provide benefits to all employees based on the number of years of service or a fixed amount for death in service.

Defined benefit pension schemes – principal risks

Through its defined benefit pension and jubilee schemes and long-term service commitments, the Business is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

Under IAS 19 *Employee Benefits (2011)* ("IAS 19") the assets of the Business's defined benefit pension schemes are reported at fair value (using bid prices, where relevant). The majority of the schemes' assets comprise equities, bonds and property, all of which may fluctuate significantly in value from period to period. Given that liabilities are discounted to present value based on bond yields and that bond prices are inversely related to yields, an increase in the liability discount rate (which would reduce liabilities) would reduce bond values, though not necessarily by an equal magnitude. Given the maturity of certain of the Business's funded defined benefit pension schemes, de-risking frameworks have been introduced to mitigate deficit volatility and enable better matching of investment returns with the cash outflows related to benefit obligations. These frameworks entail the usage of asset-liability matching techniques, whereby triggers are set for the conversion of equity holdings into bonds of similar average duration to the relevant liabilities.

Discount rates

The discount rates employed in determining the present value of the schemes' liabilities are determined by reference to market yields at the balance sheet date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations. Changes in discount rates impact the quantum of liabilities as discussed above.

Inflation risk

A significant amount of the Business's pension obligations is linked to inflation; higher inflation will lead to higher liabilities (although in most cases, caps on the level of inflationary increases are in place to protect the schemes against extreme inflation).

Longevity risk

In the majority of cases, the Business's defined benefit pension schemes provide benefits for life with spousal and dependent child reversionary provisions; increases in life expectancy (decreases in mortality assumptions) will therefore give rise to higher liabilities.

Assumptions and sensitivities

The principal pension assumptions used in the preparation of the Historical Financial Information take account of the different economic circumstances in the countries of operations and the different characteristics of the respective plans, including the duration of the obligations. The ranges of the principal assumptions applied in estimating defined and other long-term benefit obligations were:

	<i>Unfunded (Germany)</i>			<i>Funded (Ireland)</i>		
	2022	2021	2020	2022	2021	2020
	%	%	%	%	%	%
Rates of inflation	2.20%	1.90%	1.50%	2.30%	1.90%	1.50%
Rates of increase in salary	3.20%	2.90%	2.50%	3.30%	2.90%	2.50%
Rates of increase in pensions in payment	1.00%	1.00%	1.00%	2.30%		
	- 2.20%	- 1.90%	- 1.50%	- 2.50%	2.50%	1.50%
Discount rates	4.10%	1.30%	1.10%			
	- 4.20%	- 1.40%	- 1.25%	4.20%	1.45%	1.15%

Assumptions regarding future mortality experience are based on actuarial advice in accordance with published statistics and experience. These assumptions translate into the following average life expectancy in years for a pensioner retiring at age 65.

	<i>Unfunded (Germany)</i>			<i>Funded (Ireland)</i>		
	2022	2021	2020	2022	2021	2020
	%	%	%	%	%	%
Life expectancy						
Current pensioners						
Male	20.7	20.5	20.3	22.6	22.6	22.5
Female	24.1	23.9	23.8	24.5	24.5	24.4
Future pensioners						
Male	24.1	23.9	23.8	24.9	24.9	24.8
Female	26.8	26.7	26.6	26.8	26.8	26.7

Impact on Combined Income Statement

The total retirement (defined benefit and defined contribution) and other long-term benefit expense recognised in the Combined Income Statement is as follows:

	<i>Financial year ended 31 December</i>		
	2022	2021	2020
	€'000	€'000	€'000
Charged in arriving at profit before finance costs:			
Current service cost	1,503	1,481	1,484
Administration expenses	101	103	102
Subtotal	1,604	1,584	1,586
Included in finance income and finance costs respectively:			
Interest income on scheme assets	(518)	(403)	(458)
Interest expense on scheme liabilities	1,272	1,027	1,243
Net Interest expense (note 8)	754	624	785
Net expense to Combined Income Statement	2,358	2,208	2,371

The composition of remeasurements on plan assets and liabilities recognised in the Combined Statement of Comprehensive Income is as follows:

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Re-measurement adjustments on plan liabilities			
Actuarial (gain)/loss from changes in demographic assumptions	–	(69)	356
Actuarial (gain)/loss from changes in financial assumptions	(28,172)	(1,127)	4,122
Experience variations	2,664	585	291
Subtotal	<u>(25,508)</u>	<u>(611)</u>	<u>4,769</u>
Re-measurement adjustments on plan assets			
Return on scheme assets excluding interest income	<u>10,587</u>	<u>521</u>	<u>(2,098)</u>
Net (credit)/charge to Combined Statement of Comprehensive Income	<u><u>(14,921)</u></u>	<u><u>(90)</u></u>	<u><u>2,671</u></u>

The composition of the (obligation)/asset related to defined and other long-term benefit schemes included in the combined statement of financial position is as follows:

	<i>Unfunded Plans</i>			<i>Funded Plan Clogrennane and Aerobord Pension Scheme</i>		
	<i>Fels Pension Plan</i>	<i>Fels Death in Service Plan</i>	<i>Fels Jubilee Plan</i>	<i>Fels Deferred Compensation Plan</i>	<i>Aerobord Pension Scheme</i>	<i>Total</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
2022	(35,243)	(69)	(1,189)	(2,274)	444	(38,331)
2021	(47,653)	(84)	(1,430)	(3,099)	(3,450)	(55,716)
2020	(48,850)	(86)	(1,363)	(3,051)	(4,828)	(58,178)

Reconciliation of actuarial value of liabilities – Unfunded plans

	<i>Defined and other long-term benefit obligations</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
As at 1 January	(52,266)	(53,350)	(52,854)
Current service cost	(984)	(955)	(940)
Interest expense	(709)	(572)	(718)
Re-measurements	12,202	(307)	(1,839)
Benefits paid	2,982	2,918	3,001
As at 31 December	<u><u>(38,775)</u></u>	<u><u>(52,266)</u></u>	<u><u>(53,350)</u></u>

Reconciliation of plan assets and defined benefit obligation – Funded plan

	Plan assets			Defined benefit obligation			Total		
	2022 €'000	2021 €'000	2020 €'000	2022 €'000	2021 €'000	2020 €'000	2022 €'000	2021 €'000	2020 €'000
As at 1 January	35,811	35,081	31,628	(39,261)	(39,909)	(36,580)	(3,450)	(4,828)	(4,952)
Current service cost	–	–	–	(519)	(526)	(544)	(519)	(526)	(544)
Interest income/(expense)	518	403	458	(563)	(455)	(525)	(45)	(52)	(67)
Re-measurements	(10,587)	(521)	2,098	13,510	918	(2,930)	2,923	397	(832)
Employer contributions	1,636	1,662	1,669	–	–	–	1,636	1,662	1,669
Employee contributions	54	64	68	(54)	(64)	(68)	–	–	–
Benefits paid	(1,755)	(775)	(738)	1,755	775	738	–	–	–
Administration expenses	(101)	(103)	(102)	–	–	–	(101)	(103)	(102)
As at 31 December	<u>25,576</u>	<u>35,811</u>	<u>35,081</u>	<u>(25,132)</u>	<u>(39,261)</u>	<u>(39,909)</u>	<u>444</u>	<u>(3,450)</u>	<u>(4,828)</u>

The fair value of the Ireland plan assets comprises:

	2022 €'000	2022 %	2021 €'000	2021 %	2020 €'000	2020 %
Cash and cash equivalents	63	–	191	1%	196	1%
Equity instruments	2,388	9%	4,432	12%	6,958	19%
Bonds	23,122	91%	27,427	77%	27,890	80%
Property	–	–	3,751	10%	–	–
Other	3	–	10	–	37	–
Total	<u>25,576</u>	<u>100%</u>	<u>35,811</u>	<u>100%</u>	<u>35,081</u>	<u>100%</u>

Sensitivity analysis

The revised liabilities due to the impact of a reasonably possible change (as indicated below) in the principal actuarial assumptions would be as follows:

	Fels Pension Plan €'000	Fels Death in Service Plan €'000	Fels Jubilee Plan €'000	Fels Deferred Compensation Plan €'000	Clogrennane and Aerobord Pension Scheme €'000
Scheme liabilities as at 31 December 2022					
<i>Revised Liabilities</i>					
Discount rate					
Increase by 0.25%	(34,351)	(67)	(1,165)	(2,206)	(24,183)
Decrease by 0.25%	(36,172)	(70)	(1,215)	(2,344)	(26,135)
Inflation rate					
Increase by 0.25%	(36,052)	(70)	(1,215)	(2,274)	(25,395)
Decrease by 0.25%	(34,467)	(67)	(1,165)	(2,274)	(24,876)
Mortality assumption					
Increase by 1 year	(33,866)	(69)	(1,189)	(2,237)	(24,364)
Decrease by 1 year	(36,633)	(69)	(1,189)	(2,310)	(25,869)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the defined benefit liability recognised in the Combined Statement of Financial Position.

Actuarial valuations and future cash flows

The membership details of the various defined-benefit arrangements is set out below:

Percentage	<i>Fels Pension Plan</i>	<i>Fels Death in Service Plan</i>	<i>Fels Jubilee Plan</i>	<i>Fels Deferred Compensation Plan</i>	<i>Clogrennane and Aerobord Pension Scheme</i>
2022					
Active plan participants	28%	100%	100%	64%	13%
Deferred plan participants	14%	–	–	15%	49%
Retirees	58%	–	–	21%	38%
2021					
Active plan participants	28%	100%	100%	59%	13%
Deferred plan participants	14%	–	–	16%	49%
Retirees	58%	–	–	25%	38%
2020					
Active plan participants	28%	100%	100%	67%	15%
Deferred plan participants	14%	–	–	13%	50%
Retirees	58%	–	–	20%	35%

Average duration and scheme composition

	<i>Fels Pension Plan</i>	<i>Fels Death in Service Plan</i>	<i>Fels Jubilee Plan</i>	<i>Fels Deferred Compensation Plan</i>	<i>Clogrennane and Aerobord Pension Scheme</i>
Average duration of defined and other long-term benefit obligation (years)	10.3	7.2	8.5	12.1	15.5
<i>Allocation of defined and other long-term benefit obligation by participant</i>					
2022					
Active plan participants	6,014	69	1,189	1,270	7,082
Deferred plan participants	1,239	–	–	499	7,209
Retirees	27,990	–	–	505	10,841
2021					
Active plan participants	10,709	84	1,430	1,565	11,578
Deferred plan participants	2,451	–	–	773	12,542
Retirees	34,493	–	–	761	15,141
2020					
Active plan participants	10,190	86	1,363	1,592	10,918
Deferred plan participants	2,541	–	–	710	12,653
Retirees	36,119	–	–	749	16,338

The best estimate of contributions expected to be paid to funded defined schemes of the Business in 2023 is approximately €1,670,000.

The expected total benefit payments over the next five years are as follows:

	2023 €'000	2024 €'000	2025 €'000	2026 €'000	2027 €'000	<i>Subsequent five years €'000</i>
Benefits	3,887	3,836	3,786	3,761	3,901	19,186

23. Non-controlling interest

The total non-controlling interest as at 31 December 2022 is €19,859,000 (2021: €18,545,000 and 2020: €17,851,000) and relates entirely to the Czech Republic entity, Vapenka Vitošov s.r.o of which the non-controlling interest held is 25 per cent. The balance disclosed as non-controlling interest reflects the non-controlling parties' 25 per cent. share of the underlying entity's results and net assets. The summarised financial information in respect of Vapenka Vitošov s.r.o is prepared in accordance with IFRS 12 Disclosure of Interests in Other Entities and the profit or loss allocated to the non-controlling interest for each period is disclosed in the tables below. The following information is before intragroup eliminations with other companies within the Business.

Summarised financial information

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Revenue	55,032	36,923	34,725
Profit for the financial year	7,859	5,668	6,088
Profit allocated to non-controlling interest	1,965	1,417	1,522
Cash flows from operating activities	9,829	10,148	10,032
	<i>As at 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Current assets	23,811	17,243	18,913
Non-current assets	96,844	93,928	87,033
Current liabilities	(10,738)	(6,122)	(5,059)
Non-current liabilities	(14,597)	(14,709)	(13,825)
Net assets	95,320	90,340	87,062

Other disclosures

Dividends paid to non-controlling interests during the period were €1,231,000 (2021: €1,706,000 and 2020: €1,134,000).

24. Related party transactions

Pension schemes

The pension schemes are related parties. For details of all transactions during the periods presented, see note 22.

Other related party transactions

The Historical Financial Information reflects the following related party transactions recorded through invested capital:

- Services provided by CRH to the Business and the charges (and allocation basis) for those services allocated to the Business as described and disclosed in note 2; and
- Tax amounts offset to invested capital, represent the difference between tax charges and credits recorded in the Historical Financial Information and the amounts recorded in the historical records of the Business.

The analysis of the above transactions recorded through invested capital as disclosed in the Combined Statement of Changes in Invested Capital, is set out in the table below:

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Net, other transactions with CRH (i)	(62,961)	4,571	(133,919)
Costs allocated to the Business for services provided by CRH (note 2)	6,409	5,524	5,191
Tax offset in invested capital	185	258	183
(Decrease)/increase in invested capital	(56,367)	10,353	(128,545)

- (i) Of the net, other transactions with CRH, dividends paid to CRH were €50,884,000 during the period (2021: €16,337,000 and 2020: €128,172,000). Dividends paid to CRH settled through the related party cash pooling receivables are non-cash transactions and therefore not reflected in the Combined Statement of Cash Flows. Of the total dividends paid to CRH recognised in invested capital, the dividends recognised in the Combined Statement of Cash Flows in financing activities during the period were €3,694,000 (2021: €5,119,000 and 2020: €3,402,000). Further, see note 23.

Key management compensation

Key management are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Business. During the financial periods reported in this Historical Financial Information, the Business was managed as part of CRH's Europe Materials operating segment, which is where all decisions, control and key strategy choices were made. Therefore, the Business does not have any key management as a stand-alone entity. The finance management of the Business has an operative role in relation to the decisions taken at corporate level.

The key management personnel of CRH have controlled and directed the operations of the Business as it was not managed separately. Payments to these personnel are primarily made by subsidiaries of the CRH Group which do not form part of the Business. It is not possible to determine with certainty the charges that the Business received for the mentioned key personnel, although a portion of the key management remuneration is included in the corporate costs allocated (note 2).

Transactions between the Business and CRH

The following transactions occurred with CRH:

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Sales to CRH	3,801	2,871	2,157
Purchases from CRH	3,661	3,050	1,701

Related party borrowings from CRH to the Business

Related party borrowings from CRH as described in note 2 and the related interest payable, are set out in the table below:

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
As at 1 January	242,502	253,969	253,831
Loans advanced	–	–	102,000
Loan repayments	(10,500)	(10,000)	(99,982)
Interest charged (note 8)	5,182	5,110	5,754
Interest paid	(4,801)	(6,577)	(7,634)
As at 31 December	<u>232,383</u>	<u>242,502</u>	<u>253,969</u>
Related party borrowings	231,500	242,000	252,000
Related party interest payable	883	502	1,969
Total	<u>232,383</u>	<u>242,502</u>	<u>253,969</u>

Interest is payable on related party borrowings at a rate equal to EURIBOR plus 2 per cent. per annum. Where the EURIBOR rate is negative interest will accrue at 2 per cent. per annum. The related party borrowings from CRH are repayable in 2025 and 2027.

Related party receivables from CRH

Related party receivables from CRH related to the cash pooling arrangement as described in note 2 and trade receivables from sales to CRH, are set out in the table below.

	<i>As at 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Related party cash pool receivables	85,487	96,400	70,586
Related party trade receivables	423	42	257
Total related party receivables	<u>85,910</u>	<u>96,442</u>	<u>70,843</u>

The expected credit loss on related party receivables was not material in any period.

Amounts paid to or received from CRH settled through the related party cash pooling receivables are non-cash transactions and therefore not reflected in the Combined Statement of Cash Flows. This includes loan repayments and interest payments, as applicable.

Related party payables to CRH

Related party payables to CRH related to interest payable on related party borrowings, trade payables from purchases from CRH and related party tax payables for certain jurisdictions where the Business files a consolidated tax return with CRH, are set out in the table below.

	<i>As at 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Related party interest payable	883	502	1,969
Related party trade payables	950	762	1,839
Related party tax payables	10,257	5,572	9,755
Total related party payables	<u>12,090</u>	<u>6,836</u>	<u>13,563</u>

Controlled companies

The principal companies that comprise the Business are as follows:

	<i>Country of incorporation</i>	<i>Portion of shares held %</i>
Fels Holdings GmbH	Germany	100
Fels-Werke GmbH	Germany	100
Fels Vertriebs und Service GmbH & Co. KG	Germany	100
Fels Netz GmbH	Germany	100
Clogrennane Lime Limited	Ireland	100
Vapenka Vitošov s.r.o	Czech Republic	75

25. Events after the reporting period

Pending evaluation through the date that these financial statements are made available. Other than distributions to CRH by the legal entities comprising the Business of €9,792,000 and dividends paid to non-controlling interests of €1,921,000, there have been no significant post balance sheet date events.

PART 6 C

UNAUDITED INTERIM FINANCIAL INFORMATION ON THE DEAL 1 TARGETS CONDENSED COMBINED INCOME STATEMENT

		Six months ended 30 June (Unaudited)	
	Notes	2023 €'000	2022 €'000
Revenue	4	208,159	177,807
Cost of sales	5	(161,105)	(140,270)
Gross profit		<u>47,054</u>	<u>37,537</u>
Administrative expenses		(12,119)	(12,098)
Profit from operations		<u>34,935</u>	<u>25,439</u>
Profit on disposals		15	47
Net finance expense	6	(5,768)	(2,992)
Profit before tax		<u>29,182</u>	<u>22,494</u>
Income tax expense		(8,123)	(5,828)
Profit for the financial period		<u><u>21,059</u></u>	<u><u>16,666</u></u>
<i>Profit attributable to:</i>			
The Business		19,516	15,677
Non-controlling interests		<u>1,543</u>	<u>989</u>
Profit for the financial period		<u><u>21,059</u></u>	<u><u>16,666</u></u>

CONDENSED COMBINED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June (Unaudited)	
	Notes	2023 €'000	2022 €'000
Profit for the financial period		21,059	16,666
Other comprehensive income			
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Translation of foreign operations		1,516	430
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement of retirement benefit obligations	8	(486)	15,865
Tax relating to retirement benefit obligations		<u>93</u>	<u>(3,852)</u>
Total other comprehensive income for the financial period		<u>1,123</u>	<u>12,443</u>
Total comprehensive income for the financial period		<u><u>22,182</u></u>	<u><u>29,109</u></u>
<i>Attributable to:</i>			
The Business		20,325	28,032
Non-controlling interests		<u>1,857</u>	<u>1,077</u>
Total comprehensive income for the financial period		<u><u>22,182</u></u>	<u><u>29,109</u></u>

CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION

		As at 30 June (Unaudited)		As at
	Notes	2023	2022	31 December
		€'000	€'000	2022
				€'000
Non-current assets				
Property, plant and equipment	9	615,556	615,957	620,160
Intangible assets		158,865	158,337	158,616
Retirement benefit assets		92	692	444
Total non-current assets		<u>774,513</u>	<u>774,986</u>	<u>779,220</u>
Current assets				
Inventories		37,235	31,980	35,701
Trade and other receivables		44,935	49,712	47,795
Related party receivables	13	100,618	79,838	85,910
Cash and cash equivalents		5,074	3,683	5,564
Total current assets		<u>187,862</u>	<u>165,213</u>	<u>174,970</u>
TOTAL ASSETS		<u>962,375</u>	<u>940,199</u>	<u>954,190</u>
Current liabilities				
Lease liabilities		519	581	571
Trade and other payables		71,788	57,163	70,711
Related party payables	13	18,462	7,657	12,090
Current income tax liabilities		7,062	5,023	5,551
Provisions for liabilities		6,182	6,445	5,607
Total current liabilities		<u>104,013</u>	<u>76,869</u>	<u>94,530</u>
Non-current liabilities				
Lease liabilities		482	640	545
Related party borrowings	13	211,470	231,530	231,500
Deferred income tax liabilities		126,017	120,326	125,534
Other payables		1,024	786	1,047
Retirement benefit obligations and other long-term employee benefits		38,527	40,106	38,775
Provisions for liabilities		44,391	54,954	44,283
Total non-current liabilities		<u>421,911</u>	<u>448,342</u>	<u>441,684</u>
TOTAL LIABILITIES		<u>525,924</u>	<u>525,211</u>	<u>536,214</u>
NET ASSETS		<u>436,451</u>	<u>414,988</u>	<u>417,976</u>
Invested capital		410,958	392,752	393,621
Foreign currency translation reserve		5,698	2,614	4,496
Total invested capital attributable to the Business		<u>416,656</u>	<u>395,366</u>	<u>398,117</u>
Non-controlling interests		19,795	19,622	19,859
TOTAL INVESTED CAPITAL		<u>436,451</u>	<u>414,988</u>	<u>417,976</u>

CONDENSED COMBINED STATEMENT OF CHANGES IN INVESTED CAPITAL

		<i>Attributable to the Business</i>		<i>Total invested capital attributable to the Business</i>	<i>Non- controlling interests</i>	<i>Total invested capital</i>
	<i>Notes</i>	<i>Invested capital €'000</i>	<i>Foreign currency translation reserve €'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
<i>For the financial period ended 30 June 2023</i>						
At 1 January 2023		393,621	4,496	398,117	19,859	417,976
Profit for the financial period		19,516	–	19,516	1,543	21,059
Other comprehensive (loss)/income		(393)	1,202	809	314	1,123
Total comprehensive income		19,123	1,202	20,325	1,857	22,182
Share-based payment expense		230	–	230	–	230
Dividends to non-controlling interests	12	–	–	–	(1,921)	(1,921)
Decrease in invested capital	13	(2,016)	–	(2,016)	–	(2,016)
At 30 June 2023 unaudited		<u>410,958</u>	<u>5,698</u>	<u>416,656</u>	<u>19,795</u>	<u>436,451</u>
<i>For the financial year ended 31 December 2022</i>						
At 1 January 2022		398,453	2,272	400,725	18,545	419,270
Profit for the financial period		15,677	–	15,677	989	16,666
Other comprehensive income		12,013	342	12,355	88	12,443
Total comprehensive income		27,690	342	28,032	1,077	29,109
Share-based payment expense		204	–	204	–	204
Decrease in invested capital	13	(33,595)	–	(33,595)	–	(33,595)
At 30 June 2022 unaudited		<u>392,752</u>	<u>2,614</u>	<u>395,366</u>	<u>19,622</u>	<u>414,988</u>
At 1 July 2022 unaudited		392,752	2,614	395,366	19,622	414,988
Profit for the financial period		24,345	–	24,345	976	25,321
Other comprehensive (loss)/income		(913)	1,882	969	492	1,461
Total comprehensive income		23,432	1,882	25,314	1,468	26,782
Share-based payment expense		209	–	209	–	209
Dividends to non-controlling interests		–	–	–	(1,231)	(1,231)
Decrease in invested capital		(22,772)	–	(22,772)	–	(22,772)
At 31 December 2022		<u>393,621</u>	<u>4,496</u>	<u>398,117</u>	<u>19,859</u>	<u>417,976</u>

CONDENSED COMBINED STATEMENT OF CASH FLOWS

		Six months ended 30 June (Unaudited)	
	Notes	2023 €'000	2022 €'000
Cash flows used in operating activities			
Profit for the financial period		21,059	16,666
Net finance expense	6	5,768	2,992
Income tax expense		8,123	5,828
Profit on disposals		(15)	(47)
Depreciation charge		11,686	12,403
Amortisation charge		–	167
Share-based payment expense		230	204
Other non-cash items (primarily pensions)		(1,101)	(806)
Increase in inventories		(1,478)	(6,916)
Decrease/(increase) in trade and other receivables		2,987	(9,564)
Increase in related party receivables		(40,079)	(37,621)
Increase in trade and other payables		895	14,153
Increase in related party payables		1,064	44
Increase in provisions		814	211
Cash generated from/(used in) operations		9,953	(2,286)
Income tax paid		(946)	(676)
Net cash flow from/(used in) operating activities		9,007	(2,962)
Cash flows used in investing activities			
Proceeds from disposal of property, plant and equipment		15	47
Purchase of property, plant and equipment	9	(5,651)	(5,720)
Interest received	6	293	67
Net cash flow used in investing activities		(5,343)	(5,606)
Cash flows from financing activities			
Interest paid		(56)	(54)
Repayment of lease liabilities	10	(323)	(313)
Dividends paid to non-controlling interests		(1,921)	–
Cash remitted (to)/from CRH		(1,943)	1,925
Net cash flow (used in)from financing activities		(4,243)	1,558
Decrease in cash and cash equivalents		(579)	(7,010)
Reconciliation of opening to closing cash and cash equivalents			
Cash and cash equivalents as at 1 January		5,564	10,614
Translation adjustment		89	79
Decrease in cash and cash equivalents		(579)	(7,010)
Cash and cash equivalents as at 30 June		5,074	3,683

NOTES TO THE CONDENSED COMBINED INTERIM FINANCIAL INFORMATION

1. General information

The Czech Republic, German and Irish operations of the European Lime Business of CRH plc (the "Deal 1 Targets" or the "Business") is a leading producer of lime for use across a range of industries. The Business also produces other products, including mortar, fertilisers and flour products, which comprise a smaller portion of the Business's production. The Business operates separate dedicated legal entities in the Czech Republic, Germany and Ireland.

Throughout the periods presented the Business was owned by CRH plc and its subsidiaries ("CRH" or the "Parent"), except for a non-controlling interest relating to the Czech Republic entity, Vapenka Vitošov s.r.o of which the non-controlling interest held is 25 per cent. The Business is operated as part of CRH's Europe Materials Solutions operating segment and not as a stand-alone legal entity or group.

2. Basis of Preparation and Accounting Policies

Basis of preparation

The condensed combined interim financial information for the six months ended 30 June 2023 (the "Interim Financial Information") has been prepared specifically for the purposes of this Admission Document in accordance with the AIM Rules for Companies and in accordance with this basis of preparation.

The Business has prepared the Interim Financial Information in accordance with UK adopted International Accounting Standard 34 *Interim Financial Reporting* ("UK-IAS 34"), except as described below, and on a basis consistent with the basis applied in the preparation of the Business's Combined Historical Financial Information in respect of the three years ended 31 December 2022 (the "Historical Financial Information"), also presented in this Admission Document.

The terms UK adopted International Accounting Standards ("UK-IAS") and International Financial Reporting Standards ("IFRS") will be used interchangeably throughout the Interim Financial Information.

UK-IAS does not provide for the preparation of combined interim financial information and accordingly in preparing the Interim Financial Information accounting conventions commonly used for the preparation of financial information for inclusion in investment circulars as described in the Annexure to Standards for Investment Reporting 2000 – Standards for Investment Reporting Applicable to Public Reporting Engagements on Historical Financial Information issued by the Financial Reporting Council of the United Kingdom ("SIR 2000") have been applied.

The Interim Financial Information does not include all of the information required for full annual financial statements and should be read in conjunction with the Business's Historical Financial Information for the three years ended 31 December 2022.

The Interim Financial Information of the Business has been prepared on a carve-out basis and is derived from the consolidated interim financial information of CRH. The Interim Financial Information represents the financial position and performance of the Business as if the Business had existed on a stand-alone basis within the CRH Group for each of the half year periods ended 30 June 2023 and 30 June 2022 for the Condensed Combined Income Statement, the Condensed Combined Statement of Comprehensive Income and the Condensed Combined Statement of Cash Flows and as at 30 June 2023 and 30 June 2022 and 31 December 2022 for the Condensed Combined Statement of Financial Position and the Condensed Combined Statement of Changes in Invested Capital. The Interim Financial Information is not necessarily indicative of the results that would have occurred if the Business had been a stand-alone entity during the periods presented.

The Interim Financial Information is presented in euro, rounded to the nearest thousand, and has been prepared under the historical cost convention except for the following:

- share-based payments are measured at fair value on grant date; and
- retirement benefit obligations are measured at the present value of the future estimated cash flows related to benefits earned and pension assets valued at fair value.

The Interim Financial Information includes all revenues and costs that are directly attributable and/or reasonably allocable to the Business. The Interim Financial Information has been prepared by aggregating the financial information from the legal entities comprising the Business together with assets, liabilities, income and expenses that are specifically attributable to the Business including direct and indirect costs related to the operations of the Business that were recorded by CRH at the corporate level. The following summarises the principles and the conventions permitted by SIR 2000, applied in preparing the Interim Financial Information:

- The Interim Financial Information of the Business is not prepared on a consolidated basis and therefore does not comply with the requirements of IFRS 10 *Consolidated Financial Statements* ("IFRS 10"). The Interim Financial Information has been prepared on a basis that combines the results and assets and liabilities of the entities that constitute the Business, derived from the accounting records of CRH, by applying the principles underlying the consolidation procedures of IFRS 10. Controlled companies that are part of the Business have been included in the Interim Financial Information, Goodwill, intangible assets and fair value adjustments directly attributable to the acquisition of the controlled companies that are part of the Business have been included in the Interim Financial Information;
- As the Interim Financial Information has been prepared on a combined basis and the Business has no historical capital structure, it is not possible to measure or disclose earnings per share in accordance with UK-IAS 34;
- Purchased emissions rights under the European Union Emissions Trading Scheme ("EU ETS") are recognised in inventory as they are an essential input into the production process;
- Goodwill has been attributed for CRH group reporting purposes to groups of cash generating units ("CGUs") that are expected to benefit from synergies arising from that specific business combination and would include non-Deal 1 Target businesses. For the purpose of allocating Goodwill to the Business, a total of two CGUs have been identified. One of these CGUs (Ireland) correspond to a single geography within which the Business operates while the other CGU (Fels) corresponds to the business unit level and includes the Czech Republic and Germany Deal 1 Target businesses. This represents the lowest level at which goodwill is monitored for internal purposes. The identified CGUs to which goodwill has been allocated were unchanged throughout the periods presented in the Interim Financial Information;
- For the Ireland CGU, goodwill not specifically attributable to the Business as at 1 January 2019 has been attributed using a relative value allocation. This was based on the proportion of 2018 EBITDA (defined as earnings before interest, taxes, depreciation, amortisation, asset impairment charges and profit on disposals) of the Business operation to the corresponding EBITDA for the CRH CGU for Ireland. The Fels goodwill is consistent with the existing CGU allocation basis and therefore no relative value exercise was required. There was no further goodwill from business acquisitions to be allocated to the Business post 1 January 2019 nor were any impairments recognised, therefore the movement period on period is attributable to foreign exchange translation only;
- The Business did not operate as a separate legal group or as separate legal entities and therefore it is not possible to present issued share capital or a full analysis of reserves. The net assets of the Business are represented by the cumulative investment of CRH in the Business, shown as invested capital. Transactions between the Business and CRH are presented as related party transactions in this Interim Financial Information. See note 13 for related party receivables and payables in respect of sales and purchases to/from CRH by the Business;
- All intracompany balances, investments in subsidiaries and share capital within the Business have been eliminated upon combination in the Interim Financial Information;
- All retirement benefit obligations are directly attributable to the Business;
- Tax charges and credits and balances in the Interim Financial Information have been calculated as if the Business was a separate taxable entity using the separate return method. The tax treatment of certain items reflected in the Interim Financial Information may not be reflected in the consolidated financial statements and tax returns of CRH. As such, tax charges and credits recorded in the Condensed Combined Income Statement and tax balances recorded in the Condensed Combined Statement of Financial Position may not be indicative of the income taxes that the Business will generate in the future. Certain differences between the tax charges and credits and balances in the Interim Financial Information, and the tax charges and credits and balances in the historical records of the Business are included in invested capital;

- CRH utilises a centralised approach to cash management and financing of its operations and the Business participates in cash pooling arrangements with CRH. Cash and cash equivalent balances held by CRH under the cash pooling arrangement have been presented in the Condensed Combined Statement of Financial Position, as related party receivables representing the balances owed by CRH to the Business under the terms of the cash pooling arrangement (see note 13). Cash and cash equivalent balances held by CRH under the cash pooling arrangement were attributed to the Business and classified as related party receivables for all dedicated legal entities. Movements in related party cash pooling receivables, excluding non-cash movements in respect of distributions to/from CRH, are reflected as operating cash flows in the Condensed Combined Statement of Cash Flows. Any cash and cash equivalent balances reflected in the Interim Financial Information are third party bank accounts and legally owned by the Business; and
- Related party borrowings represent amounts owed to CRH and are legal obligations of the Business. Such borrowings and related interest expenses are included in the Interim Financial Information. Other than such related party debt, none of CRH's third party borrowings or interest expense have been attributed or allocated to the Interim Financial Information, given such borrowings are neither related to the Business nor are a legal obligation of the Business.

The accounting policies and methods of computation employed in the preparation of the Interim Financial Information are the same as those employed in the preparation of the Business's Historical Financial Information, unless stated otherwise below and are consistent with those to be used by SigmaRoc PLC ("SigmaRoc") in the preparation of its next set of consolidated financial statements.

Corporate Costs Allocation

CRH provides certain services to the Business such as human resources, finance, treasury, tax, internal audit, regulatory and compliance and information technology. The costs of these services were charged based on direct usage where specifically identifiable, with the remainder allocated based on the Business's average operating profit margin relative to that of CRH plc, CRH Europe Materials Solutions or European operations, (depending on whether the costs related to CRH corporate or European services) across a rolling three year period in the Historical Financial Information. For the purposes of the Interim Financial Information, the same percentage of non-specifically identifiable costs have been allocated to the Business for the interim financial periods, as was allocated in the most recent annual period. The costs allocated by CRH and reported within the Condensed Combined Income Statement as "administrative expenses" were €3,822,000 during the 6-month period to 30 June 2023 (6-month period to 30 June 2022: €3,954,000). SigmaRoc management ("Management") considers these allocations to be a reasonable reflection of the Business utilisation of services or the benefit received. However, the allocations may not be indicative of the actual expenses that the Business would have incurred had it operated historically as an independent, standalone entity or group, nor are they indicative of the Business's future expenses. Actual costs that may have been incurred if the Business had been a stand-alone group would depend on a number of factors, including the chosen organisational structure, functions outsourced or performed by employees and strategic decisions made.

Adoption of UK-IAS and IFRS interpretations committee (IFRSIC) interpretations

A number of new or amended standards became applicable for the current reporting period. These did not result in any material changes to the Interim Financial Information.

There are no other IFRS or IFRIC interpretations that are effective subsequent to 30 June 2023 that are expected to have a material impact on the results or financial position of the Business.

Going concern

The directors of SigmaRoc (the "Directors"), having made appropriate enquiries, consider that adequate resources exist for the Business to continue in operational existence for the foreseeable future being a period of at least 12 months from the date of approval of the Interim Financial Information and that, therefore, it is appropriate to adopt the going concern basis in preparing the Interim Financial Information for the period ended 30 June 2023.

Key accounting policies involving critical accounting estimates, assumptions and judgements

The preparation of the Interim Financial Information requires the use of certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates, assumptions and judgements are believed to be reasonable based on historical experience and other factors available at the time that those estimates, assumptions and judgements were made, including expectations of future events.

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 significant judgements, the key sources of estimation uncertainty and underlying assumptions applied in the preparation of the Interim Financial Information were the same as those applied in preparing the Business's Historical Financial Information in respect of the three years ended 31 December 2022.

Impairment

As at 30 June 2023, the Business performed a review for potential indicators of impairment relating to goodwill allocated to cash-generating units ("CGUs"). When reviewing for indicators of impairment in interim periods, the Business considers, amongst others, the results of the last annual impairment test, the level of headroom and financial performance in the first half of the year. The carrying values of items of property, plant and equipment were also reviewed for indicators of impairment. These reviews did not give rise to any impairment indicators at 30 June 2023 (30 June 2022: no impairment indicators) and the latest annual impairment review carried out for the year ended 31 December 2022 resulted in no impairment charge.

Foreign currency translation

i. Presentation currency

The Interim Financial Information is presented in euro which is the presentation currency of the Business.

ii. Foreign currency transactions

Items included in the financial statements of each of the entities included in the Business are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Condensed Combined Income Statement.

iii. Financial statements of foreign operations

The assets and liabilities of foreign operations held by the Business are translated into euro at foreign exchange rates ruling at the balance sheet date. The revenues, expenses and cash-flows of foreign operations are translated to euro at average exchange rates for the period. Foreign exchange differences arising on translation of the results, assets and liabilities of foreign operations to euro are recognised in other comprehensive income and a separate foreign currency translation reserve within invested capital in the Interim Financial Information. Gains or losses accumulated in foreign currency translation reserve are recycled to the Condensed Combined Income Statement when the foreign operation is disposed of.

The exchange rates used for the translation of results, cash flows and statements of financial position from Czech Koruna into euro in the Interim Financial Information were as follows:

	<i>Average</i>		<i>Period end</i>			
	<i>Six months</i>		<i>ended</i>		<i>Six months</i>	
	<i>ended</i>		<i>Year ended</i>		<i>ended</i>	
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>
Czech Koruna	23.6848	24.6488	24.5641	23.7541	24.7407	24.1286

3. Segment information

Historically, the performance of the Business and decisions regarding the allocation of resources to/within the Business were never assessed /made at the level of the Business's perimeter. Each component of the Business formed part of CRH's Europe Materials Solutions operating segment without a Chief Operating Decision Maker (CODM) within the Business perimeter. Upon completion of the current transaction between SigmaRoc PLC and CRH, the Directors intend to revisit the segment reporting in order to incorporate the trading of the Business. This is yet to be completed and therefore a single segment has been presented for the purpose of the Interim Financial Information.

4. Revenue

Disaggregated revenue

In the following table revenue is disaggregated by the primary geographic markets by origination of sale.

	<i>Six months ended</i>	
	<i>30 June (Unaudited)</i>	
	<i>2023</i>	<i>2022</i>
	<i>€'000</i>	<i>€'000</i>
Czech Republic	33,492	25,540
Germany	161,745	142,069
Ireland	12,922	10,198
Total	208,159	177,807

5. Cost analysis

	<i>Six months ended</i>	
	<i>30 June (Unaudited)</i>	
	<i>2023</i>	<i>2022</i>
	<i>€'000</i>	<i>€'000</i>
Cost of sales analysis		
Raw materials and production	11,382	12,315
Employment costs	28,409	26,545
Energy conversion costs	73,216	55,829
Maintenance expense	8,363	7,049
Depreciation and amortisation	11,286	12,007
Change in inventories of finished goods and work in progress	(1,478)	(6,916)
Distribution & selling expenses (excluding depreciation and employment cost)	20,801	20,398
Other production expenses (primarily sub-contractor costs)	9,126	13,043
Total	161,105	140,270

6. Finance costs and finance income

	<i>Six months ended 30 June (Unaudited)</i>	
	<i>2023</i>	<i>2022</i>
	<i>€'000</i>	<i>€'000</i>
Finance costs and other financial expenses		
Interest on related party borrowings	5,375	2,423
Net loss on non-derivative financial instruments	3	3
Interest payable on cash and cash equivalents and other	39	36
Unwinding of discount element of lease liabilities	16	18
Unwinding of discount element of provisions for liabilities	(139)	200
Pension-related finance cost (net)	767	379
Total finance costs and other financial expenses	6,061	3,059
Finance income		
Interest receivable on cash and cash equivalents	(293)	(67)
Total finance income	(293)	(67)
Total net finance expense	5,768	2,992

7. Taxation

The taxation expense for the interim period is an estimate based on the expected full year effective tax rate on full year profits. The effective tax rate used for the six months to 30 June 2023 is 27.8 per cent., compared to 25.9 per cent. for the six months ended 30 June 2022. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

8. Remeasurements on retirement benefit obligations and other long-term employee benefits

The discount rates applied by the Business's actuary in estimating the defined and other long-term benefit obligations are as follows:

	<i>Unfunded (Germany)</i>		<i>Funded (Ireland)</i>	
	<i>Six months ended 30 June (Unaudited)</i>		<i>Six months ended 30 June (Unaudited)</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Discount rates	4.10% – 4.15%	1.30% – 3.45%	4.05%	3.45%

The remeasurements on plan assets and liabilities in the Condensed Combined Statement of Comprehensive Income are as follows:

	<i>Six months ended 30 June (Unaudited)</i>	
	<i>2023</i>	<i>2022</i>
	<i>€'000</i>	<i>€'000</i>
Re-measurement adjustments on plan liabilities		
Actuarial loss/(gain) from changes in financial assumptions	792	(23,741)
Subtotal	792	(23,741)
Re-measurement adjustments on plan assets		
Return on scheme assets excluding interest income	(306)	7,876
Net charge/(credit) to Condensed Combined Statement of Comprehensive Income	486	(15,865)

9. Property, plant and equipment

	<i>Mineral bearing land €'000</i>	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Assets in the course of construction €'000</i>	<i>Total €'000</i>
As at 30 June 2023 (unaudited)					
Owned					
Cost	350,974	74,342	316,820	18,613	760,749
Accumulated depreciation	(42,140)	(10,889)	(93,157)	–	(146,186)
Net carrying amount	308,834	63,453	223,663	18,613	614,563
As at 1 January 2023, net carrying amount					
	311,677	64,028	228,555	14,794	619,054
Translation adjustment	487	115	588	34	1,224
Reclassifications	–	(8)	410	(402)	–
Additions at cost	–	26	1,438	4,187	5,651
Depreciation charge for the period	(3,330)	(708)	(7,328)	–	(11,366)
As at 30 June 2023, net carrying amount	308,834	63,453	223,663	18,613	614,563
Leased right of use assets					
		<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Other €'000</i>	
As at 30 June 2023, net carrying amount		107	185	701	993
Total property, plant and equipment					615,556
	<i>Mineral bearing land €'000</i>	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Assets in the course of construction €'000</i>	<i>Total €'000</i>
As at 30 June 2022 (unaudited)					
Owned					
Cost	349,515	72,587	300,921	13,394	736,417
Accumulated depreciation	(34,737)	(9,436)	(77,501)	–	(121,674)
Net carrying amount	314,778	63,151	223,420	13,394	614,743
As at 1 January 2022, net carrying amount					
	318,489	63,751	227,503	10,994	620,737
Translation adjustment	155	33	174	15	377
Reclassifications	–	34	1,923	(1,957)	–
Additions at cost	–	16	1,362	4,342	5,720
Depreciation charge for the period	(3,866)	(683)	(7,542)	–	(12,091)
As at 30 June 2022, net carrying amount	314,778	63,151	223,420	13,394	614,743

	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Other €'000</i>	
<i>Leased right of use assets</i>				
As at 30 June 2022, net carrying amount	205	272	737	1,214
Total property, plant and equipment				615,957

	<i>Mineral bearing land €'000</i>	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Assets in the course of construction €'000</i>	<i>Total €'000</i>
As at 31 December 2022					
Owned					
Cost	350,365	74,196	314,275	14,794	753,630
Accumulated depreciation	(38,688)	(10,168)	(85,720)	–	(134,576)
Net carrying amount	311,677	64,028	228,555	14,794	619,054
As at 1 July 2022,					
net carrying amount	314,778	63,151	223,420	13,394	614,743
Translation adjustment	767	178	912	60	1,917
Reclassifications	1	1	4,011	(4,013)	–
Additions at cost	–	1,412	8,426	5,353	15,191
Disposals at net carrying amount	(107)	–	(165)	–	(272)
Depreciation charge for the period	(3,762)	(714)	(8,049)	–	(12,525)
As at 31 December 2022,					
net carrying amount	311,677	64,028	228,555	14,794	619,054

	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Other €'000</i>	
Leased right of use assets				
As at 31 December 2022, net carrying amount	180	225	701	1,106
Total property, plant and equipment				620,160

- (i) The gross carrying value and accumulated depreciation of owned property, plant and equipment as at 1 January 2022 was as follows:

	<i>Mineral bearing land €'000</i>	<i>Land and buildings €'000</i>	<i>Plant and machinery €'000</i>	<i>Assets in the course of construction €'000</i>	<i>Total €'000</i>
As at 1 January 2022					
Owned					
Cost	349,332	72,500	297,438	10,994	730,264
Accumulated depreciation	(30,843)	(8,749)	(69,935)	–	(109,527)
Net carrying amount	318,489	63,751	227,503	10,994	620,737

Future purchase commitments for property, plant and equipment

	As at 30 June (Unaudited)		As at 31 December
	2023	2022	2022
	€'000	€'000	€'000
Contracted for but not provided in the financial statements	19,627	17,108	21,157
Authorised but not yet contracted for	66	547	1,192

10. Analysis of net debt

Net debt comprises cash and cash equivalents, related party interest payable, related party borrowings and lease liabilities.

	As at 30 June 2023 (Unaudited)		As at 30 June 2022 (Unaudited)		As at 31 December 2022	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
	€'000	€'000	€'000	€'000	€'000	€'000
Cash and cash equivalents	5,074	5,074	3,683	3,683	5,564	5,564
Related party interest payable (note 13)	(1,150)	(1,150)	(415)	(415)	(883)	(883)
Related party borrowings (note 13)	(211,470)	(211,470)	(231,530)	(231,530)	(231,500)	(231,500)
Lease liabilities	(1,001)	(1,001)	(1,221)	(1,221)	(1,116)	(1,116)
Total net debt	(208,547)	(208,547)	(229,483)	(229,483)	(227,935)	(227,935)

The fair value of the related party borrowing (Level 3 in the fair value hierarchy) approximates to its carrying value given the floating interest rates application to the financial liability.

Reconciliation of opening to closing net debt

	Six months ended 30 June (Unaudited)	
	2023	2022
	€'000	€'000
As at 1 January	(227,935)	(233,214)
<i>Movement in six month period</i>		
Net increase in lease liabilities	(203)	(206)
Repayment of lease liabilities, net of accrued interest	323	313
Decrease in related party borrowing (note 13)	19,763	10,557
Translation adjustment on financing activities	(5)	(2)
Decrease in liabilities from financing activities	19,878	10,662
Translation adjustment on cash and cash equivalents	89	79
Decrease in cash and cash equivalents	(579)	(7,010)
As at 30 June	(208,547)	(229,483)

11. Contingencies and guarantees

Contingencies

In the ordinary course of business, the entity is involved in lawsuits, claims of various natures, investigations and proceedings, including commercial, environmental, health and safety matters, etc. As at 30 June 2023, the Business had no contingent liabilities (30 June 2022: no contingent liabilities and 31 December 2022: no contingent liabilities). There are no further single matters pending that the entity expects to be material in relation to the Business, financial position or results of operations.

Guarantees

As at 30 June 2023, guarantees issued in the ordinary course of business amounted to €4,312,000 (30 June 2022: €3,472,000 and 31 December 2022: €4,467,000). These consisted of performance guarantees (secured against CRH credit lines), environmental guarantees and employee loan guarantees.

12. Dividends

Dividends paid to CRH recognised in invested capital were €5,763,000 during the 6-month period to 30 June 2023 (6-month period to 30 June 2022: €35,189,000). Dividends paid to CRH settled through the related party cash pooling receivables are non-cash transactions and therefore not reflected in the Condensed Combined Statement of Cash Flows. Of the total dividends paid to CRH recognised in invested capital, the dividends recognised in the Condensed Combined Statement of Cash Flows in financing activities during the 6-month period to 30 June 2023 were €5,763,000 (6-month period to 30 June 2022: €nil). Dividends paid to non-controlling interests during the 6-month period to 30 June 2023 were €1,921,000 (6-month period to 30 June 2022: €nil).

13. Related party transactions

Pension schemes

The pension schemes are related parties.

Other related party transactions

The Interim Financial Information reflects the following related party transactions recorded through invested capital:

- Services provided by CRH to the Business and the charges (and allocation basis) for those services allocated to the Business; and
- Tax amounts offset to invested capital, represent the difference between tax charges and credits recorded in the Interim Financial Information and the amounts recorded in the historical records of the Business.

The analysis of the above transactions recorded through invested capital as disclosed in the Condensed Combined Statement of Changes in Invested Capital, is set out in the table below:

	<i>Six months ended</i> <i>30 June (Unaudited)</i>	
	<i>2023</i>	<i>2022</i>
	<i>€'000</i>	<i>€'000</i>
Net, other transactions with CRH	(6,093)	(37,825)
Costs allocated to the Business for services provided by CRH	3,822	3,954
Tax offset in invested capital	255	276
Decrease in invested capital	(2,016)	(33,595)

Key management compensation

Key management are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Business. During the financial periods reported in the Interim Financial Information, the Business was managed as part of CRH's Europe Materials Solutions operating segment, which is where all decisions, control and key strategy choices were made. Therefore, the Business does not have any key management as a stand-alone entity. The finance management of the Business has an operative role in relation to the decisions taken at corporate level.

The key management personnel of CRH have controlled and directed the operations of the Business as it was not managed separately. Payments to these personnel are primarily made by subsidiaries of the CRH Group which do not form part of the Business. It is not possible to determine with certainty the charges that the Business received for the mentioned key personnel, although a portion of the key management remuneration is included in the corporate costs allocated.

Transactions between the Business and CRH

The following transactions occurred with CRH:

	Six months ended 30 June (Unaudited)	
	2023	2022
	€'000	€'000
Sales to CRH	3,937	1,836
Purchases from CRH	3,129	2,924

Related party borrowings from CRH to the business

Related party borrowings from CRH and the related interest payable, are set out in the tables below:

	Six months ended 30 June (Unaudited)	
	2023	2022
	€'000	€'000
As at 1 January	232,383	242,502
Loan repayments	(20,030)	(10,470)
Interest charged	5,375	2,423
Interest paid	(5,108)	(2,510)
As at 30 June	212,620	231,945

	As at 30 June (Unaudited)		As at 31 December
	2023	2022	2022
	€'000	€'000	€'000
Related party borrowings	211,470	231,530	231,500
Related party interest payable	1,150	415	883
Total	212,620	231,945	232,383

Interest is payable on related party borrowings at a rate equal to EURIBOR plus 2 per cent. per annum. Where the EURIBOR rate is negative interest will accrue at 2 per cent. per annum. The related party borrowings from CRH are repayable in 2025 and 2027.

Related party receivables from CRH

Related party receivables from CRH related to the cash pooling arrangement and trade receivables from sales to CRH, are set out in the table below.

	As at 30 June (Unaudited)		As at 31 December
	2023	2022	2022
	€'000	€'000	€'000
Related party cash pool receivables	99,320	79,474	85,487
Related party trade receivables	1,298	364	423
Total related party receivables	100,618	79,838	85,910

The expected credit loss on related party receivables was not material in any period.

Amounts paid to or received from CRH settled through the related party cash pooling receivables are non-cash transactions and therefore not reflected in the Condensed Combined Statement of Cash Flows. This includes loan repayments and interest payments, as applicable.

Related party payables to CRH

Related party payables to CRH related to interest payable on related party borrowings, trade payables from purchases from CRH and related party tax payables for certain jurisdictions where the Business files a consolidated tax return with CRH, are set out in the table below. Related party tax payables paid during the six months ended 30 June 2023 were €nil (six months ended 30 June 2022: €5,415,000).

	<i>As at 30 June</i> <i>(Unaudited)</i>		<i>As at</i> <i>31 December</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Related party interest payable	1,150	415	883
Related party trade payables	2,197	963	950
Related party tax payables	15,115	6,279	10,257
Total related party payables	18,462	7,657	12,090

14. Events after the reporting period

Other than distributions to CRH by the legal entities comprising the Business of €4,029,000, there have been no significant post balance sheet date events.

PART 7

UNAUDITED PROFORMA STATEMENT OF NET ASSETS AND INCOME STATEMENT OF THE ENLARGED GROUP

SECTION I

PRO FORMA NET ASSETS

Set out below is an unaudited pro forma statement of net assets of SigmaRoc plc ("the Company") and the Deal 1 Targets (together "the Enlarged Group"). The unaudited pro forma statement of net assets has been prepared on the basis set out in the notes below to illustrate the impact of the Fundraising, Deal 1 Acquisition and Admission as if it had occurred on 30 June 2023.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only, and by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group's actual financial position or results.

The unaudited pro forma statement of net assets is based on the unaudited net assets of the Company and Deal 1 Targets as at 30 June 2023 as shown in Part 5 and Part 6 C, respectively. No adjustments have been made to take account of trading, expenditure or other movements subsequent to 30 June 2023, being the date of the last published balance sheets of the Company and Deal 1 Targets.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Admission Document and not rely solely on the summarised financial information contained in this Part 7.

	<i>The Company Unaudited net assets as at 30 June 2023 (Note 1) £'000</i>	<i>Deal 1 Targets Unaudited net assets as at 30 June 2023 (Note 2) £'000</i>	<i>Deal 1 Acquisition adjustments (Note 3) £'000</i>	<i>(Note 4) £'000</i>	<i>(Note 5) £'000</i>	<i>Pro forma net assets at 30 June 2023 £'000</i>
Assets						
Non-current assets						
Property, plant & equipment	525,007	529,233	–	–	–	1,054,240
Intangible assets	182,191	136,586	–	–	170,428	489,205
Investments	250	–	545,673	–	(545,673)	250
Investments in associates	591	–	–	–	–	591
Investments in joint ventures	5,574	–	–	–	–	5,574
Derivative financial asset	3,904	–	–	–	–	3,904
Other receivables	4,134	–	–	–	–	4,134
Retirement benefit assets	–	79	–	–	–	79
Deferred tax assets	5,132	–	–	–	–	5,132
	<u>726,783</u>	<u>665,898</u>	<u>545,673</u>	<u>–</u>	<u>(375,245)</u>	<u>1,563,109</u>
Current assets						
Trade and other receivables	100,264	38,633	–	–	–	138,897
Related party receivables	–	86,508	–	(86,508)	–	–
Inventories	72,765	32,013	–	–	–	104,778
Cash and cash equivalents	62,526	4,362	(7,586)	–	–	59,303
Derivative financial asset	1,423	–	–	–	–	1,423
	<u>236,978</u>	<u>161,516</u>	<u>(7,586)</u>	<u>(86,508)</u>	<u>–</u>	<u>304,400</u>
Total assets	<u>963,761</u>	<u>827,414</u>	<u>553,259</u>	<u>(86,508)</u>	<u>(375,245)</u>	<u>1,867,509</u>
Liabilities						
Current liabilities						
Trade and other payables	130,053	61,721	–	–	–	191,774
Related party payables	–	15,873	–	(15,873)	–	–
Derivative financial liabilities	3,545	–	–	–	–	3,545
Provisions	6,373	5,315	–	–	–	11,688
Borrowings	35,540	446	–	–	–	35,986
Current tax payable	2,640	6,072	–	–	–	8,712
	<u>178,151</u>	<u>89,427</u>	<u>–</u>	<u>(15,873)</u>	<u>–</u>	<u>251,705</u>
Non-current liabilities						
Borrowings	210,254	414	300,105	–	–	510,774
Related party borrowings	–	181,814	–	(181,814)	–	–
Employee benefit liabilities	1,242	33,124	–	–	–	34,366
Deferred tax liabilities	65,468	108,345	–	–	–	173,812
Derivative financial liabilities	2,510	–	–	–	–	2,510
Provisions	3,810	38,166	–	–	–	41,976
Other payables	5,374	880	64,482	–	–	70,736
	<u>288,658</u>	<u>362,743</u>	<u>364,587</u>	<u>(181,814)</u>	<u>–</u>	<u>834,175</u>
Total liabilities	<u>466,809</u>	<u>452,170</u>	<u>364,587</u>	<u>(197,687)</u>	<u>–</u>	<u>1,085,879</u>
Total assets less total liabilities	<u>496,952</u>	<u>375,244</u>	<u>173,500</u>	<u>111,179</u>	<u>(375,245)</u>	<u>781,630</u>

Notes

The pro forma statement of net assets has been prepared on the following basis:

1. The unaudited net assets of the Company as at 30 June 2023 have been extracted without adjustment from the unaudited interim financial statements, as incorporated by reference in Part 5 of this document.
2. The unaudited net assets of the Deal 1 Targets as at 30 June 2023 have been extracted without adjustment from the unaudited interim financial information on the Deal 1 Targets included in Part 6 C of this document and converted to GBP at the closing rate on 30 June 2023 of 1.16.

3. Adjustments have been made to reflect:
 - 3.1. investment in the Deal 1 Targets of £546 million consisting of £482 million cash consideration and £64 million deferred consideration;
 - 3.2. £200 million gross cash proceeds from Placing Shares;
 - 3.3. £300 million net cash drawdown of term loan facilities after repayment of existing fees;
 - 3.4. payment in cash of estimated fundraise costs of approximately £4 million; and
 - 3.5. payment in cash of admission and associated transaction costs estimated at approximately £22.5 million.
4. Adjustments have been made to reflect the elimination of inter-company balances with the former parent of the Deal 1 Targets as follows:
 - 4.1. Elimination of £86.5 million of related party receivables as this will be settled at completion;
 - 4.2. Elimination of £181.8 million of related party borrowings which will be settled at completion or the Company will acquire the borrowings and it will become intra group borrowings which will be eliminated on consolidation; and
 - 4.3. Elimination of £15.9 million of related party payables as this will be settled at completion.
5. A pro forma adjustment has been made to reflect the initial accounting for the acquisition of the Deal 1 Targets by the Company, being the elimination of the investment in the Deal 1 Targets against the non-monetary assets acquired and recognition of goodwill. The Company will need to determine the fair value of the net assets acquired pursuant to the Acquisition within 12 months of the acquisition date in accordance with IFRS 3. This process, known as a Purchase Price Allocation exercise, may result in reduction of goodwill, which may be material. The Purchase Price Allocation process will require a valuation of identifiable intangible assets acquired. The approach adopted by the Directors of the Company is permissible and appropriate.
6. No adjustments have been made to reflect the trading or other transactions, other than described above of:
 - 6.1. the Company since 30 June 2023;
 - 6.2. the Deal 1 Targets since 30 June 2023.
7. The pro forma statement of net assets does not constitute financial statements.

SECTION II

PRO FORMA INCOME STATEMENT

Set out below is an unaudited pro forma income statement of SigmaRoc plc (“the Company”) and the Deal 1 Targets (together “the Enlarged Group”) which has been prepared for illustrative purposes only to show the effect of the Fundraising, Deal 1 Acquisition and Admission as if it had occurred on 1 January 2022.

The unaudited pro forma income statement has been prepared for illustrative purposes only, and by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group’s actual financial position or results.

The unaudited pro forma income statement is based on the audited results of the Company and Deal 1 Targets for the year ended 31 December 2022 as shown in Part 5 and Part 6 B, respectively. No adjustments have been made to take account of trading, expenditure or other movements subsequent to 31 December 2022, being the date of the last published balance sheets of the Company and the Deal 1 Targets.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Admission Document and not rely solely on the summarised financial information contained in this Part 7.

	<i>The Company Income statement for the year ended 31 December 2022 (Note 1) £'000</i>	<i>Deal 1 Targets Income statement for the year ended 31 December 2022 (Note 2) £'000</i>	<i>(Note 3) £'000</i>	<i>(Note 4) £'000</i>	<i>Pro forma income statement for the year ended 31 December 2022 £'000</i>
Continued operations					
Revenue	537,993	324,178	–	–	862,171
Cost of sales	(422,056)	(259,028)	(4,880)	–	(685,964)
Gross Profit	<u>115,937</u>	<u>65,150</u>	<u>(4,880)</u>	<u>–</u>	<u>176,207</u>
Administrative expenses	(65,270)	(11,537)	–	(23,625)	(100,432)
Profit from operations	<u>50,667</u>	<u>53,613</u>	<u>(4,880)</u>	<u>(23,625)</u>	<u>75,775</u>
Net finance expense	(10,438)	(4,569)	(18,410)	–	(33,417)
Other net gains/ (losses)	<u>2,494</u>	<u>(84)</u>	<u>–</u>	<u>–</u>	<u>2,410</u>
Profit before tax	<u>42,723</u>	<u>48,960</u>	<u>(23,290)</u>	<u>(23,625)</u>	<u>44,768</u>
Tax expense	(9,142)	(13,161)	4,603	281	(17,419)
Profit after tax	<u>33,581</u>	<u>35,799</u>	<u>(18,687)</u>	<u>(23,344)</u>	<u>27,349</u>
Profit attributable to:					
Owners of the parent	31,238	34,124	(18,687)	(23,344)	23,331
Non-controlling interests	<u>2,343</u>	<u>1,675</u>	<u>–</u>	<u>–</u>	<u>4,018</u>
	<u><u>33,581</u></u>	<u><u>35,799</u></u>	<u><u>(18,687)</u></u>	<u><u>(23,344)</u></u>	<u><u>27,349</u></u>

Notes

The pro forma income statement has been prepared on the following basis:

- The audited income statement of the Company for the year ended 31 December 2022 has been extracted without adjustment from the financial statements, as incorporated by reference in Part 5 of this document.
- The audited income statement of the Deal 1 Targets for the year ended 31 December 2022 has been extracted without adjustment from the audited Historical Financial Information on the Deal 1 Targets included in Part 6 B of this document and converted to GBP at the average rate for the year of 1.1729.
- Adjustments have been made to reflect:
 - 3.1. Elimination of the Deal 1 Targets finance costs of £4.2 million which arise from an intercompany loan from the existing parent company;

- 3.2. Amortising the remaining finance costs on the Existing Facility of £3 million in full;
- 3.3. Increase of amortisation on finance costs of £1.9 million on the New Facilities;
- 3.4. Additional finance costs for the Enlarged Group of £22.6 million on the New Facilities; and
- 3.5. Adjustments have been made to reflect additional corporate tax benefits estimated in the Enlarged Group of £4.6 million as a result of increased finance expenses.
- 4. An adjustment has been made to include £22.5 million transaction fees incurred as part of the Acquisition and increased central costs of £1.1 million in the Company. Adjustments have been made to reflect additional corporate tax benefits estimated in the Enlarged Group of £0.3 million as a result of increased central costs.
- 5. All adjustments above are one off with the exception of the finance costs on the New Facilities which will be recurring through the life of the facility. No adjustments have been made to reflect the trading or other transactions, other than described above of:
 - 5.1. the Company since 31 December 2022; and
 - 5.2. The Deal 1 Targets since 31 December 2022.
- 6. The pro forma income statement does not constitute financial statements.

PART 8

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

The Directors, whose names and functions are set out in paragraph 23 of Part 1 of this document, and the Company accept responsibility, both individually and collectively, for all the information contained in this document, and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 12 August 2004 under the Companies Act 1985 as a public limited company with the name RTI Eighteen plc and registered number 05204176. The Company changed its name to Telemessage International plc on 6 July 2005, to Messaging International plc on 12 July 2005 and subsequently to SigmaRoc plc on 23 August 2016.
- 2.2 The liability of the Company's members is limited to the amount, if any, unpaid on the Ordinary Shares.
- 2.3 The principal legislation under which the Company operates is the Act and regulations made thereunder. The Ordinary Shares have been created under the Act.
- 2.4 The Company's registered office is located at 6 Heddon Street, London W1B 4BT and its principal place of business is located at 38 Seymour Street, London, W1H 7BP United Kingdom. The telephone number of the Company's registered office and principal place of business is +44 207 129 78 28. The Company is domiciled in the UK.
- 2.5 Other than the Board, the Company has the Remuneration Committee, the Audit Committee, the Nominations Committee and the AIM and UK MAR Compliance Committee.
- 2.6 The Company's principal activity is currently to act as the holding company of the Existing Group. The Company's principal activity following Admission will be to act as the holding company of the Enlarged Group.

3. THE ENLARGED GROUP

- 3.1 As at the date of this document, the Company is the ultimate holding company of the following subsidiaries (held directly or indirectly) (not including dormant subsidiaries):

<i>Name</i>	<i>Country of Incorporation</i>	<i>Principal Activity</i>	<i>Ownership Interest</i>
SigmaFin Limited	England	Holding company	100 per cent. (direct)
Topcrete Limited	England	Pre-cast concrete producer	100 per cent. (indirect)
Allen (Concrete) Limited	England	Holding company	100 per cent. (indirect)
CCP Building Products Limited	England	Construction materials	100 per cent. (direct)
CCP Aggregates Limited	England	Construction materials	100 per cent. (indirect)
Poundfield Products (Group) Limited	England	Holding company	100 per cent. (direct)
Poundfield Products (Holdings) Limited	England	Holding company	100 per cent. (indirect)
Poundfield Precast Limited	England	Pre-cast concrete producer	100 per cent. (indirect)

<i>Name</i>	<i>Country of Incorporation</i>	<i>Principal Activity</i>	<i>Ownership Interest</i>
Poundfield Innovations Limited	England	Patents & licensing	100 per cent. (indirect)
Rightcast Limited	England	Concrete Manufacturer	100 per cent. (direct)
Retaining (Holdings) Limited	England	Other specialised construction activities not elsewhere classified	100 per cent. (direct)
Retaining (UK) Limited	England	Other specialised construction activities not elsewhere classified	100 per cent. (indirect)
Geocast Ltd	England	Manufacture of other articles of concrete, plaster and cement	100 per cent. (indirect)
Bath Stone Group Limited	England	Holding company	100 per cent. (indirect)
Bath Stone Company Limited	England	Minerals rights	100 per cent. (indirect)
The Bath Stone Company (BSC) Limited	England	Construction materials	100 per cent. (indirect)
Johnston Quarry Group Limited	England	Holding Company	100 per cent. (direct)
Nayles Barn Quarry Limited	England	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate	100 per cent. (indirect)
C B Collier Quarry Limited	England	Buying and selling of own real estate	100 per cent. (indirect)
Guiting Quarry Limited	England	Construction materials	100 per cent. (direct)
Building Stone Limited	England	Stone producing	100 per cent. (direct)
Foelfach Stone Limited	England	Construction materials	100 per cent. (indirect)
GDH (Holdings) Limited	Wales	Construction materials	100 per cent. (direct)
Gerald D Harries and Sons Limited	Wales	Construction materials	100 per cent. (direct)
Ronez Limited	Jersey	Construction materials	100 per cent. (indirect)
Pallot Tarmac (2002) Limited	Jersey	Road contracting services	100 per cent. (indirect)
Island Aggregates Limited	Guernsey	Waste recycling	67 per cent. (indirect)
SigmaGsy Limited	Guernsey	Shipping logistics	100 per cent. (indirect)
Stone Service Centre (formerly CDH Développement SA)	Belgium	Holding company	92.1 per cent. (direct) 7.9% indirect through CDH Management 2 SPRL
CDH Management 2 SPRL	Belgium	Holding company	100 per cent. (direct)
Carrières du Hainaut SCA	Belgium	Construction materials	100 per cent. (indirect)
Stone Holding Company SA	Belgium	Construction materials	100 per cent. (direct)
Cuvelier Philippe SA	Belgium	Construction materials	100 per cent. (indirect)
B-MIX Beton NV	Belgium	Concrete Producer	100 per cent. (direct)

<i>Name</i>	<i>Country of Incorporation</i>	<i>Principal Activity</i>	<i>Ownership Interest</i>
Gripeco BV	Belgium	Holding company	100 per cent. (indirect)
Goijsens Recycling NV	Belgium	Recycling construction materials	100 per cent. (indirect)
G&G Betonpompen BV	Belgium	Construction materials	
Granulats du Hainaut SA	Belgium	International Marketing	75 per cent. (indirect)
Nordkalk Oy Ab	Finland	Limestone quarrying and processing	100 per cent. (direct)
Nordkalk AB	Sweden	Limestone quarrying and processing	100 per cent. (indirect)
Bjorka Mineral AB	Sweden	Limestone quarrying and processing	100 per cent. (indirect)
Kalkproduktion Storugns Ab	Sweden	Limestone quarrying and processing	66.7 per cent. (indirect)
Nordkalk AS	Estonia	Limestone quarrying and processing	100 per cent. (indirect)
Nordkalk GmbH	Germany	Limestone quarrying and processing	100 per cent. (indirect)
Nordkalk Sp.Z o.o	Poland	Limestone quarrying and processing	100 per cent. (indirect)
Suomen Karbonaati Oy (joint venture)	Finland	Limestone quarrying and processing	51 per cent. (indirect)
Juuan Dolomiittikalkki Oy	Finland	Limestone quarrying and processing	70 per cent. (indirect)
Canteras La Belonga SA	Spain	Construction Materials	65 per cent. (indirect)
NK – East Oy	Finland	Holding Company	100 per cent. (indirect)
Nordkalk Ukraine TOV	Ukraine	Mining rights	91.7 per cent. (indirect)
NKD Holding Oy (joint venture)	Finland	Holding company	51 per cent. (indirect)
Nordeka Maden A.S (joint venture)	Turkey	Limestone quarrying and processing	51 per cent. (100 per cent. ownership by NKD Holding Oy)
Baltic Aggregates Oy	Finland	Crushing stone	100 per cent. (direct)
ST Investicija UAB	Lithuania	Rental and Leasing services	100 per cent. (direct)
Compus UAB	Lithuania	Limestone quarrying and processing	100 per cent. (indirect)
Draseikiu karjeras UAB	Lithuania	Limestone quarrying and processing	100 per cent. (indirect)
Baltijos karjerai UAB	Lithuania	Limestone quarrying and processing	100 per cent. (indirect)
Karjeru verslas UAB	Lithuania	Limestone quarrying and processing	100 per cent. (indirect)
Kvykliu karjeras UAB	Lithuania	Limestone quarrying and processing	100 per cent. (indirect)

3.2 In addition, the Company owns the following interests in the following joint ventures (held indirectly):

<i>Name</i>	<i>Country of Incorporation</i>	<i>Principal Activity</i>	<i>Ownership Interest</i>
Movab AB	Sweden	Specialising in environmental liming of lakes, wetlands, watercourses and after-treatment of opencast lakes and sand reservoirs in the mining industry	19.5 per cent. (indirect)
Movab-D GmbH ³⁰	Germany	End-to-end engineering services for treating inland waters	5.79 per cent. (indirect)
NorFraKalk AS	Norway	Quarrying and production of limestone and lime products	50 per cent. (indirect)
Verdalskalk AS	Norway	Quarrying and production of limestone and lime products	10 per cent. (indirect)

3.3 On Admission, and following Deal 1 Completion, the Company will be the holding company of the following additional subsidiaries (held directly or indirectly):

<i>Name</i>	<i>Country of Incorporation</i>	<i>Principal Activity</i>	<i>Ownership Interest</i>
Fels Holding GmbH	Germany	Lime and limestone derived products	100 per cent.
Fels-Werke GmbH	Germany	Lime and limestone derived products	100 per cent.
Fels Netz GmbH	Germany	Lime and limestone derived products	100 per cent.
Fels Vertriebs und Service GmbH & Co KG	Germany	Lime and limestone derived products	100 per cent.
Vápenka Vitošov s.r.o.	Czech Republic	Lime and limestone derived products	75 per cent.
Clogrennane Lime Limited	Republic of Ireland	Lime	100 per cent.

3.4 Subject to the Company exercising its right to acquire the UK Target pursuant to the UK Call Option, on UK Target Completion, the Company will be the holding company of the following additional subsidiaries (held directly or indirectly):

Tarmac Shelfco Limited	England and Wales	Lime and limestone derived products	100 per cent.
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3.5 Subject to the Company exercising its right to acquire the Polish Target pursuant to the Polish Call Option, on Polish Target Completion, the Company will be the holding company of the following additional subsidiaries (held directly or indirectly):

Ovetill Investments Sp. z o.o.	Poland	Lime and limestone derived products	100 per cent.
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³⁰ This is in the process of being liquidated

4. SHARE CAPITAL

- 4.1 The issued, fully paid, share capital of the Company as at 22 November 2023 (being the latest practicable date before publication of this document) was as follows:

	<i>Number</i>	<i>Nominal Value</i>
Ordinary Shares	693,801,899	£0.01

- 4.2 The Company does not hold any Ordinary Shares in treasury.

- 4.3 The changes to the issued share capital of the Company which occurred between 1 January 2020 and the date of this document are as follows:

- (a) on 9 December 2020, the Company issued 25,000,000 new Ordinary Shares pursuant to an institutional placing;
- (b) on 30 April 2021, the Company issued 1,059,346 new Ordinary Shares pursuant to warrant and option exercise notices;
- (c) on 13 April 2021, the Company issued 78,044 new Ordinary Shares pursuant to warrant exercise notices;
- (d) on 31 August 2021, the Company issued 358,039,174 new Ordinary Shares (comprising 305,882,352 shares issued pursuant to an institutional placing, 1,880,301 shares issued pursuant to a retail offer and 50,276,521 shares issued to the sellers of Nordkalk) pursuant to the acquisition by the Company of Nordkalk;
- (e) on 5 January 2022, the Company issued new 330,594 Ordinary Shares pursuant to the exercise of options by Directors and management;
- (f) on 22 February 2023, the Company issued new 55,555,555 Ordinary Shares pursuant to an institutional placing and retail offer; and
- (g) on 1 June 2023, the Company cancelled all of the then existing deferred shares of £0.001 each in the capital of the Company. No deferred shares are now in issue.

- 4.4 Save as disclosed in this Part 8:

- (a) other than the issue of the Fundraising Shares and the proposed grant of options under the New Option Plan, no share or loan capital of the Company has been issued or is proposed to be issued;
- (b) there are no Ordinary Shares in the Company not representing capital;
- (c) there are no shares in the Company held by or on behalf of the Company itself;
- (d) there are no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;
- (e) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital; and
- (f) no share or loan capital of the Company is under option and the Company has not agreed conditionally or unconditionally to put any share or loan capital of the Company under option.

5. SECURITIES BEING ADMITTED

- 5.1 The Ordinary Shares are ordinary shares of one penny each in the capital of the Company, issued in British Pounds Sterling.

- 5.2 The International Security Identification Number (ISIN) of the new Ordinary Shares is GB00BYX5K988 and the Stock Exchange Daily Official List (SEDOL) number is BYX5K98.

- 5.3 The Ordinary Shares are in registered form. They are capable of being held in certificated form or in uncertificated form in CREST. The Company's register of members will be kept by Euroclear, the operator of the CREST system and the Company's registrars, Link Group.

- 5.4 The voting and dividend rights attaching to the Ordinary Shares are set out in paragraphs 8.2 and 8.13 of this Part 8.
- 5.5 Section 561 of the Act gives the Shareholders rights of pre-emption in respect of allotments of securities which are or are able to be paid up in cash (other than by way of allotments to employees pursuant to an employee share scheme as defined under section 1166 of the Act). Subject to limited exceptions and to the extent authorised pursuant to the Resolutions, unless Shareholders' approval is obtained in a general meeting of the Company, the Company must normally offer new Ordinary Shares to be issued for cash to existing Shareholders *pro rata* to their shareholdings.
- 5.6 The Ordinary Shares have no right to share in the profits of the Company other than through a dividend, distribution or return of capital.
- 5.7 Each Ordinary Share is entitled on a *pari passu* basis with all other issued Ordinary Shares to share in any surplus on a liquidation of the Company.
- 5.8 The Ordinary Shares have no redemption or conversion rights.
- 5.9 Resolution 2 proposed at the General Meeting will if passed, authorise the Directors for the purposes of section 551 of the Act to allot relevant securities of the Company, such authority being limited to the allotment of the Fundraising Shares and to do so for cash as if section 561(1) of the Act did not apply to this allotment, with such authorisation expiring on the earlier of the date falling 18 months after the date of the passing of such resolution and the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in a general meeting).

6. TAKEOVERS

- 6.1 The Company is subject to the Takeover Code. Brief details of the Takeover Panel and the Takeover Code are described below.
- 6.2 The obligation to make a mandatory bid is a requirement of the Takeover Code. The Takeover Panel is an independent body which issues and administers the Takeover Code. The Takeover Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers. Its statutory functions are set out in Part 28 of the Act.
- 6.3 The Takeover Code applies to the Company. The Takeover Code is designed principally to ensure that shareholders in an offeree company are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders in the offeree company of the same class are afforded equivalent treatment by an offeror.
- 6.4 The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. The General Principles are applied in accordance with their spirit in order to achieve the underlying purpose. In addition to the General Principles, the Takeover Code contains a series of rules. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. Rule 9 of the Takeover Code provides that, except with the consent of the Takeover Panel, when:
- (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carries 30 per cent. or more of the voting rights of a company to which the Takeover Code applies; or
 - (b) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested; then, that person and, depending on the circumstances, the persons acting in concert with him, must extend offers in cash to the holders of any class of equity share capital, whether voting or non-voting and also

to the holders of any other class of transferable securities carrying voting rights, to acquire the balance of the shares not held by him and his concert parties;

- (c) the offer must be in cash at not less than the highest price paid for any shares by the person required to make the offer or any person acting in concert with him for any interest in shares of that class during the preceding 12 months.

6.5 In addition to Rule 9 of the Takeover Code, the Act will also apply in the context of a takeover bid, further details of which are set out below.

- (a) **Squeeze-out:** Under the Act, if a “takeover offer” (as defined in section 974 of the Act) is made for the Enlarged Share Capital and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. of the Enlarged Share Capital to which the takeover offer relates (the “**Takeover Offer Shares**”) and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it is able to compulsorily acquire the remaining 10 per cent. In order to do so, it would send a notice to Shareholders who had not, at such time, accepted the takeover offer telling them that it will compulsorily acquire their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for those Shareholders in the event that they had not accepted the offer at such time. The consideration to the Shareholders whose Takeover Offer Shares were acquired compulsorily under the Act must, in general, be the same as the consideration that was available under the takeover offer.
- (b) **Sell-out:** The Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all of the Enlarged Share Capital and at any time before the end of the period within which the offer could be accepted the offeror held, or had agreed to acquire, not less than 90 per cent. of the Ordinary Shares to which the offer related, any Shareholder to which the offer related who had not accepted the offer could, by written communication to the offeror, require it to acquire those Ordinary Shares. The offeror is required to give any Shareholder notice of his right to be bought out within one month of that matter arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his or her rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

6.6 No person has made a public takeover bid for the Company's issued share capital in this financial year or the previous financial year.

7. CONTROL

- 7.1 To the best of the knowledge of the Company, there are no persons who at the date of this document directly or indirectly control the Company, where control means owning 30 per cent. or more of the voting rights attached to the share capital of the Company.
- 7.2 The Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

8. MEMORANDUM AND ARTICLES OF ASSOCIATION

The Articles in force at the date of this document include provisions to the following effect.

8.1 *Objects of the Company*

Under the Companies Act, the objects of the Company are unrestricted. The Articles do not specify any restrictions on the objects of the Company.

8.2 ***Voting Rights***

Subject to any rights or restrictions as to voting attached to any class of shares, at any general meeting, on a show of hands, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, has one vote and, in the case of a poll, every member present in person or by proxy has one vote for every share of which he is the holder. No member is entitled to vote at a general meeting either personally or by proxy if he or any person appearing to be interested in shares held by him has been duly served with a notice under section 793 of the Act and is in default for the prescribed period in supplying to the Company the information required thereby or, unless the Directors determine otherwise if any calls in respect of shares held by him have not been paid.

8.3 ***Notices of General Meetings***

An annual meeting of the Company shall be called on 21 clear days' notice, that is excluding the date of deemed receipt of such notice and the date of the meeting. Any general meeting of the Company shall be called on 14 clear days' notice, subject, in either case to the Companies Act. The Directors can call a general meeting at any time they think fit. The Company is required to send notice to members (except where the member is not entitled to such notice under the Articles or pursuant to any other restrictions imposed), the Company's Directors and Auditors. Notice will be sent to those registered in the register of members of the Company at such relevant time as is decided by the Directors in accordance with the Articles. The notice of annual general meeting or general meeting may include a time at which the member must be entered on such register in order to have the right to attend, vote or appoint a proxy to do so. The notice must include a statement as to whether the meeting will be held partly by means of electronic facility or facilities, the means of attendance, participation and communication thereat.

In the absence of a specific provision in the Articles, the quorum at meetings of the Shareholders of the Company will be two persons, in accordance with section 318 of the Companies Act.

8.4 ***Sanctions on Shareholders***

Any member representing 0.25 per cent. or more in nominal value of the issued shares of any class shall not be entitled to vote, receive payment of dividend or other distribution or transfer their shareholding (except in certain circumstances) if he, having been given a section 793 notice, has failed to give the information thereby required within 14 days of such notice. Such restrictions will cease to apply upon any arm's length sale or upon such information being provided.

8.5 ***Variation of Rights***

The Articles do not include any special rules for changing the rights attached to any of its shares. Therefore the rights attached to any class of shares may, in accordance with the Act be altered or cancelled with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class.

Subject to the provisions of the Act, the Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount and, as set out in the Act, by special resolution (and, with court approval where required) reduce its authorised or issued share capital or any capital redemption reserve and any share premium account in any way subject to authority required by law.

Subject to applicable law, the Company may purchase its own shares.

8.6 ***Lien and Forfeiture***

The Company has a first and paramount lien on every share which is not fully paid for all amounts payable to the Company whether called or payable at a fixed time in respect of that share. The Board may sell shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days of notice requiring the holder to do so.

Subject to the Articles and the terms on which the shares are allotted, the Board may make such calls on Shareholders in respect of any money unpaid on their shares. Each Shareholder shall (subject to receipt of at least 14 days' notice) pay to the Company the amount called on his shares. If a call

or any instalment of a call remains unpaid in whole or part the Board may give the member not less 14 days' notice requiring payment together with interest and expenses. The notice should also state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

8.7 **Directors**

A Director is not required to hold any qualification shares.

Board Powers

The Directors are responsible for the management of the Company's business and the Directors may exercise all the Company's powers and may do on its behalf anything that can be done by the Company. The Board may delegate any of its power to such persons or committees as it thinks fit. The members may, by special resolution, direct the Directors to take, or refrain from taking specified action.

Directors' Conflicts of Interest

The Directors must declare to the other Directors any situation in which he has or could have a direct or indirect interest that conflicts or possibly might conflict with the interests of the Company. Save in relation to permitted clauses, any Director so interested cannot count as part of a meeting of the Directors in relation to voting for quorum purposes.

The permitted clauses referred to above are:

- (a) the giving of any guarantee, security or indemnity to a Director in respect of money lent by him or obligations incurred by him at the request or for the benefit of the Company or any of its subsidiary undertakings;
- (b) any security given by the Company to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings which the Director has himself guaranteed or secured in whole or in part;
- (c) any contract or arrangement by a Director to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any shares, debentures or other securities of the Company;
- (d) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of or by the Company or by reason of any other interest in or through the Company;
- (e) any contract or arrangement in which he is interested directly or indirectly as a Shareholder holding less than 1 per cent. of any class of the equity share capital of, or the voting rights in such company as an officer, Shareholder, creditor or otherwise howsoever;
- (f) any proposal concerning the adoption, modification or operation of an employee's share scheme, a pension fund or retirement, death or disability benefits scheme which relates both to the Directors and employees of the Company or any of its subsidiaries and does not provide in respect of any Director any such privilege or advantage not accorded to the employees to which such scheme or fund relates;
- (g) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or advantage not accorded to the employees to whom such arrangement relates; and
- (h) any proposal, contract, transaction or arrangement concerning (a) the purchase or maintenance of insurance for the benefit of Directors or persons who include Directors, or (b) indemnities in favour of Directors, or (c) the funding of expenditure by one or more Directors in defending proceedings against him or them, or (d) doing anything to enable such Director or Directors to avoid incurring such expenditure.

The Directors shall have the power to authorise certain conflicts, provided that the relevant Director does not vote or count in the quorum in respect of any decision on such authorisation.

Subject to any applicable law, the Company may by ordinary resolution suspend or relax the provisions summarised under sub-paragraphs 8.7 (f) and 8.7 (g) above either generally or in relation to any particular matter, or ratify any transactions not duly authorised by reason of a contravention of such provision.

Borrowing powers

The Directors may exercise all the powers of the Company to borrow money, indemnify and guarantee, and to mortgage or charge all or any part of its undertaking, property, assets (present and future), and to create debenture and loan stock whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Directors' Meetings

The quorum for meeting of the Board is two Directors.

8.8 *Directors Remuneration and Expenses*

The Directors are entitled to such remuneration as the Board determines for their services to the Company as Directors. However, the aggregate of all fees payable to the Directors shall not exceed £250,000, unless otherwise approved by the Company in general meeting. Any fees payable are distinct from any salary, remuneration or other amounts payable to a Director.

The Directors are entitled to be repaid all reasonable expenses properly incurred by them respectively in connection with their attendance at meetings of Directors or committees of Directors, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers in relation to the Company.

8.9 *Retirement and Appointment of Directors*

The Company may from time to time by ordinary resolution appoint any person willing to act and who is permitted by law to do so, to be a Director. The Directors may also from time to time appoint Directors.

A Director will also automatically cease to be a Director if he becomes prohibited by law from holding such office and in certain other circumstances.

8.10 *Retirement by Rotation*

At every annual general meeting, any Directors appointed by the Board since the last general meeting and any Directors who were not appointed or re-appointed at one of the preceding two annual general meetings of the Company shall retire by rotation and stand for re-election.

8.11 *Directors' Indemnity and Insurance*

Subject to the Act the Company may indemnify any Director, and any Director of any associated company may be indemnified against any liability by him, including in connection with negligence, default, breach of duty and against any liability incurred by him in defending civil or criminal proceedings in which judgment is given in his favour.

Any Director or former Director may be provided with funds to meet his expenditure incurred or to be incurred by him in defending any criminal or civil proceeding which relate or are alleged to relate to his actions or omission as a Director.

In each case, officers shall not be indemnified in certain circumstances, including against liability owed to the Company or any associate of the Company, to pay a fine by way of penalty or where such indemnity would be prohibited or rendered void by the Act or any other provision of law.

The Company may also purchase and maintain for any Director or any Director of any associated company, insurance against any liability, which has or may be incurred by a relevant Director in connection with his duties or powers in relation to the Company or any associated company.

8.12 **Transfers**

All transfers of shares held in certificated form may be effected by transfer in any usual form or in any other form acceptable to the Directors and shall be executed by or on behalf of the transferor and if the share is partly paid, the transferee. The Directors may refuse to register the transfer of a certificated share if it is not fully paid, the transfer is not lodged at the Company's registered office or such other appointed place, it is not duly stamped or duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty (if this is required), it is not accompanied by the certificate or similar documents, it is in respect of more than one class of share or if it is in favour of more than four transferees. All transfers of shares held in uncertificated form will be effected by means of the relevant system. A transfer of shares held in uncertificated form must not be registered if the transfer is in favour of more than four transferees.

There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

8.13 **Dividends**

There are no fixed dates on which a dividend entitlement arises. The Company may by ordinary resolution from time to time declare dividends to be paid to Shareholders, although the amount of the dividend cannot exceed the amount recommended by the Directors. In addition, the Directors may pay interim dividends if justified by the profits of the Company available for distribution.

The dividend payment to each Shareholder shall be calculated proportionately to the amounts paid up on each issued Ordinary Share. All dividend payments shall be non-cumulative.

All unclaimed dividends may be used for the benefit of the Company until claimed and shall not attract interest. Any dividend which remains unclaimed twelve years after the date the dividend becomes due for payment shall be forfeited and shall cease to be owed by the Company.

There are no dividend restrictions attached to the Ordinary Shares, provided they are fully paid up. Payments of dividends may be made by any method the Directors consider appropriate and on a cash dividend there are no special arrangements for non-resident Shareholders. The Directors may make such arrangements as they consider expedient in connection with a dividend payment in shares to deal with any legal or other difficulties that may arise in any territory in which non-resident Shareholders are present. Subject to the passing of an ordinary resolution by the members, members may be offered the right to elect to receive Ordinary Shares, credited as fully paid, rather than cash.

The Ordinary Shares rank *pari passu* as a class in terms of preference, restriction and all other rights.

9. **INTERESTS OF THE DIRECTORS AND SIGNIFICANT SHAREHOLDINGS**

- 9.1 As at the date of this document and as expected to be immediately following completion of the Proposals, in addition to the interests in options which are set out in paragraph 9.2 of this Part 8, the interests of the Directors and persons connected to them (within the meaning of section 252 of the Act) in the share capital of the Company, the existence of which is known to or could with reasonable diligence be ascertained by the Directors, are (other than the rights set out in paragraphs 12 and 13 of this Part 8) as follows:

Name	As at the date of this document		On Admission	
	Number of Shares	Percentage of Existing Share Capital	Number of Shares	Percentage of Share Capital
Max Vermorken	827,034	0.1	1,037,561	0.1
David Barrett	3,434,180	0.5	3,855,234	0.3
Garth Palmer	671,776	0.1	829,666	0.1
Tim Hall	400,176	0.1	442,282	0.0

- 9.2 Other than the holdings of the Directors, which are set out in paragraph 9.1 of this Part 8 above, the Directors are aware of the following persons who, as at 22 November 2023 (being the most practicable date prior to the publication of this document), were interested, and as they are expected to be on Admission directly or indirectly, in 3 per cent. or more of the Company's share capital or voting rights:

<i>Name</i>	<i>As at the date of this document</i>		<i>On Admission</i>	
	<i>Number of Shares</i>	<i>Percentage of Existing Share Capital</i>	<i>Number of Shares</i>	<i>Percentage of Share Capital</i>
Blackrock Investment Mgt (UK)	71,286,121	10.27	86,767,038	7.8
Rettig Group	50,276,521	7.25	50,276,521	4.5
Janus Henderson Investors	46,831,223	6.75	46,831,223	4.2
BGF Investments LP	46,105,973	6.65	46,105,973	4.1
Chelverton Asset Management	44,340,000	6.39	44,340,000	4.0
Lombard Odier Investment Managers	36,610,423	5.28	56,610,423	5.1
Canaccord Genuity Wealth Management	36,000,000	5.19	48,632,000	4.4
M&G Investment Management	35,584,798	4.84	35,542,301	3.2
Polar Capital	33,192,021	4.78	35,297,284	3.2
Slater Investments	31,057,422	4.48	40,597,422	3.6
CRH	–	–	171,578,948	15.4
Conversant Capital LLC	–	–	58,947,368	5.3

The voting rights of the Shareholders set out in paragraphs 9.1 and this 9.2 of this Part 8 of the document do not differ from the voting rights held by other Shareholders.

- 9.3 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors. There are no outstanding loans or guarantees provided by the Directors to or for the benefit of the Company.
- 9.4 Save as disclosed in this paragraph 9, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Enlarged Group taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 9.5 Save as otherwise disclosed in this document, none of the Directors nor any member of their respective families nor any person connected with the Directors (within the meaning of section 252 of the Act) has any holding, whether beneficial or otherwise, in the share capital of the Company.
- 9.6 None of the Directors nor any member of their respective families is dealing in any related financial product (as defined in the AIM Rules) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for differences or a fixed odds bet.

10. OPTIONS

The following options exist in relation to the Ordinary Shares as at the date of this document and as at Admission.

10.1 *The RTO Option Plan and the Option Plan*

On 14 December 2016, the Company adopted two share option plans, being the “**RTO Option Plan**” and the “**Option Plan**”, pursuant to which the Company may grant options to any Director, officer, employee, Non-Executive Director or consultant of the Company. Under the rules of both the RTO Option Plan and the Option Plan, the following provisions apply:

Grant

- (a) the Board may select and grant options to, from time to time in its absolute discretion, any number of persons who are at the intended date of grant an employee (including an executive director) of the Existing Group (each an **"Eligible Employee"**);
- (b) the exercise of an option may be subject to the satisfaction of performance conditions specified by the Board at the date of grant of the option;
- (c) if the Board reasonably considers events have affected the viability of such performance conditions and that they no longer represent a fair measure of performance, the Board may waive or vary them so long as the variation does not result in more onerous performance conditions or remove performance as a requirement of the exercise of the option;
- (d) the Board determines (at the date of grant) the exercise period during which an option holder may exercise an option to end no later than the day prior to the tenth anniversary on the date of grant (the **"Exercise Period"**);
- (e) it is a condition of a grant of an option that each option holder indemnifies the Company and any member of the Existing Group (if permitted by law) against any income tax and/or employee national insurance contribution charges or any similar employment or withholding tax or costs arising in the territory of residence and/or employment of the option holder, resulting from the grant, exercise, disposal or release of an option;
- (f) no more than 40,583,361 Ordinary Shares may be issued under the RTO Option Plan; and
- (g) in any 10-year period, not more than 10 per cent. of the Company's issued share capital may be issued under the Option Plan and all other employees' share plans adopted by the Company from time to time. This limit does not include awards that lapse or are surrendered or any options granted under the RTO Plan.

Exercise

- (a) each option shall be exercisable only by the Eligible Employee to whom it is granted (or his personal representative) and may not be transferred, assigned or charged and the Option shall lapse on any assignment, charge, disposal or other dealing with the rights conveyed by it;
- (b) if an option holder dies at a time when they are an Eligible Employee, then the Board may at its absolute discretion specify the proportion of an unvested Option that the Board determines may be exercised within twelve months after death but within the Exercise Period;
- (c) if an option holder ceases to be an Eligible Employee by reason of serious illness, injury, disability, redundancy or retirement (in each case to the satisfaction of the Board) the Board may at its absolute discretion specify the proportion of an unvested Option that the Board determines may be exercised within 120 days of cessation, failing which the Option shall lapse;
- (d) if an option holder ceases to be an Eligible Employee for any other reason, including termination or repudiation of contract by the Company whether lawful or otherwise, then an unvested Option shall immediately cease to be exercisable unless the Board in exceptional cases determines in its absolute discretion that all or part of the Option may be exercised;
- (e) an option Holder who is on maternity leave, paternity leave or any similar parental leave shall not, for that reason alone, be treated as ceasing to be an Eligible Employee;
- (f) if an offer is made which may result in a change of control of the Company the Board is entitled to notify the option holders and allow them to exercise their Options within six months of the completion of the change of control;
- (g) if at any time while any Option remains unexercised notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary liquidation of the Company, every option which has not lapsed prior to such resolution shall be exercisable notwithstanding any performance condition; and
- (h) in the event of any increase or variation of the capital of the Company, by way of capitalisation or rights issued, or sub-division, consolidation or reduction, the Board may make such adjustments as they consider appropriate.

Amendments

- (a) the Board may amend the rules at any time, except that Shareholder approval is required to amend the limit of the relevant plan, and cannot make alterations which would materially increase the liability of an option holder or which may materially decrease the value of his subsisting rights attached to any Option without the option holder's written consent;

Miscellaneous

- (b) participation by an option holder shall not form part of his entitlement to remuneration or benefits pursuant to his contract of employment and rights granted to an option holder under the grant of an Option shall not afford him any rights or additional rights to compensation or damages in consequence of the loss, termination of his office or employment with the Company; and
- (c) Options are not pensionable.

10.2 As at the date of this document the Company has granted options over a total of 29,112,784 Ordinary Shares pursuant to the Option Plan and the RTO Option Plan. The interests of the Directors in such options are as follows:

Director	Aggregate number of Options over Ordinary Shares	Number of options over Ordinary Shares	Exercise Price (pence)	Expiry Date	Percentage of Existing Ordinary Shares (as at the date of this document)	Percentage of Enlarged Share Capital (as at Admission)
David Barrett	5,638,674	52,029	0.25	30/12/2026	0.01%	0.00%
		1,827,484	0.40	30/12/2026	0.26%	0.16%
		770,204	0.40	30/12/2026	0.11%	0.07%
		1,838,957	0.46	16/04/2026	0.27%	0.16%
		1,150,000	0.46	30/12/2026	0.17%	0.10%
Garth Palmer	3,326,014	26,014	0.25	30/12/2026	0.00%	0.00%
		462,122	0.40	30/12/2026	0.07%	0.04%
		2,137,878	0.46	16/04/2026	0.31%	0.19%
		700,000	0.46	30/12/2026	0.10%	0.06%
Max Vermorken	11,807,349	104,059	0.25	30/12/2026	0.01%	0.01%
		4,264,129	0.40	30/12/2026	0.61%	0.38%
		1,540,408	0.40	30/12/2026	0.22%	0.14%
		3,068,753	0.46	16/04/2026	0.44%	0.28%
		2,830,000	0.46	30/12/2026	0.41%	0.25%
Tim Hall	750,000	750,000	0.46	30/12/2026	0.11%	0.07%
Jacque Emsens	Nil	Nil	—	—	—	—
Simon Chisholm	Nil	Nil	—	—	—	—

11. SHARE INCENTIVE PLAN

11.1 In April 2021, the Company adopted the share incentive plan (the “**SIP**”), which is a share incentive plan for the purposes of Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 (“**Schedule 2**”). Details of the SIP are provided below.

Administration

- (a) The SIP is constituted by a trust deed and rules, the trustee of which (the “**Trustee**”) is currently Link Group. The SIP is administered by the Trustee in accordance with the trust deed and its rules. The Company may appoint and remove the Trustee. The SIP may be operated over new issues, treasury or market purchase Ordinary Shares. The SIP is currently operated over the market purchase of Ordinary Shares.

Eligible employees

- (b) All United Kingdom resident employees of participating group companies are eligible to participate in the SIP.

Awards

- (c) If the Company decides to operate the SIP, all eligible employees are entitled to participate in the SIP on similar terms. The SIP has four discrete elements, “Free Shares”, “Partnership Shares”, “Matching Shares” and “Dividend Shares”, details of which are provided below. The Company may decide which elements are to be offered under the SIP and it is currently intended that only Partnership Shares will be offered.

Participation

- (d) Employees are able to participate only if they enter into a contract with the Company and when the SIP is to operate over Partnership Shares with or without Matching Shares if they agree to the acquisition of Ordinary Shares with contributions from their gross salary by the Trustee on their behalf.

Free Shares

- (e) Eligible employees may be awarded Free Shares worth up to the maximum statutory limit which is currently £3,600 in each tax year.
- (f) An award may be linked to objective performance criteria determined by the Company. Free Shares must be held by the Trustee for a holding period of up to five years. Free Shares may be forfeited in certain circumstances up to five years from their appropriation if a participant ceases to be employed by the Existing Group.

Partnership Shares

- (g) Eligible employees may purchase Partnership Shares worth up to the maximum statutory limit which is currently £1,800 in any tax year using money deducted from their gross salary in one or more lump sums not exceeding 10 per cent. of salary in any year. Partnership Shares may be withdrawn from the SIP at any time and will not be subject to forfeiture.

Matching Shares

- (h) The Company may permit the Trustee to award up to two Matching Shares for each Partnership Share purchased. Matching Shares must be held by the Trustee for a holding period of up to five years.
- (i) Matching Shares may be forfeited in certain circumstances up to five years from their appropriation if a participant ceases to be employed by the Existing Group or the participant chooses to withdraw his or her Partnership Shares from the SIP within five years.

Dividend Shares

- (j) The Company may permit dividends received on shares held in the SIP to be reinvested in additional Ordinary Shares (“**Dividend Shares**”).
- (k) The Dividend Shares will not be subject to forfeiture and must be held for a minimum of three years before they can be sold.

Operation

- (l) In each year that the Company decides to operate the SIP over Free or Matching Shares, participating group companies will provide the Trustee with funds to enable the Trustee to buy Ordinary Shares in the market or to buy new or treasury shares from the Company by subscription to be appropriated as Free Shares and/or Matching Shares to eligible employees who agree to participate in the SIP.

Individual limits

- (m) The maximum value of Ordinary Shares which may be received by an employee under the SIP under Schedule 2 is:

- (i) Free Shares: currently £3,600 per tax year;
 - (ii) Partnership Shares: currently £150 per month or £1,800 per annum (and a maximum of 10 per cent. of salary); and
 - (iii) Matching Shares: two shares for each Partnership Share.
- (n) There is no limit under Schedule 2 on the number of Dividend Shares which may be purchased on behalf of participants.

Dividends and voting rights

- (o) Participants are the beneficial owners of the shares held by the Trustee on their behalf. All dividends and other distributions received in respect of the Shares will be passed on to participants by the Trustee as soon as practicable after receipt unless the Company decides to permit their reinvestment in Dividend Shares. The Trustee will vote in accordance with the wishes of the participants if the participants have given the Trustee prior voting directions in writing.

Amendments to the SIP

- (p) The Company, with the Trustee's consent, may amend the SIP at any time in any respect except that:
 - (i) no amendment may be made to the SIP which would materially adversely affect the beneficial interests of participants in shares held by the Trustee on their behalf; and
 - (ii) no amendment may be made which would affect the status of the SIP as a Schedule 2 share incentive plan.

Benefits not pensionable

- (q) Benefits under the SIP are not pensionable.

12. THE LTIP

Introduction

On 31 August 2021, following approval by the Shareholders and re-admission of the Company's share capital to trading on AIM following the acquisition of Nordkalk, the Company adopted the LTIP, which is known as the SigmaRoc PLC Performance Share Plan. Summary terms of the LTIP are set out below.

Operation and eligibility

The Remuneration Committee supervises the operation of the LTIP. Any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the LTIP at the discretion of the Remuneration Committee.

Structure of awards under the LTIP

The Remuneration Committee may grant awards to acquire Ordinary Shares as conditional share awards or as nil (or nominal) cost options. The Remuneration Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

Awards shall comprise a single part unless the Remuneration Committee determines that an award shall comprise a number of distinct parts in which case each part shall be treated as if it were a separate award for the purposes of the LTIP.

No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

Overall limits

The LTIP may operate over new issue Ordinary Shares, treasury Ordinary Shares or Ordinary Shares purchased in the market (not being treasury Ordinary Shares).

In any ten-calendar year period, the Company may not issue (or grant rights to issue) more than 10 per cent. of the issued ordinary share capital of the Company under the LTIP and any other (executive or otherwise) share incentive plan adopted by the Company.

Treasury Ordinary Shares will count as new issue Ordinary Shares for the purposes of this limit unless institutional investor guidelines cease to require them to count.

Ordinary Shares issued or to be issued under awards or options granted before the adoption of the LTIP and in respect of the Initial Awards will count towards these limits.

The relevant issued ordinary share capital of the Company for the purposes of the aforementioned limit shall be issued ordinary share capital from time to time and accordingly, post Admission would at that time be the Enlarged Share Capital.

Timing of awards

The Remuneration Committee may grant awards within six weeks following the Company's announcement of its financial results for any annual or six-month period. The Remuneration Committee may also grant awards at any other time when it considers there to be exceptional circumstances which justify the granting of awards (for example, in the case of recruitment).

An employee may not receive such subsequent awards in any financial year in respect of Ordinary Shares having a market value in excess of 150 per cent. of their annual base salary in that financial year.

Market value for the purposes of such cap shall be based on the market value of Ordinary Shares on the closing price for the dealing day immediately preceding the grant of an award (or by reference to the average of closing prices taken over a short averaging period ending on the dealing day immediately preceding the grant of an award).

Extent of vesting

The extent of the vesting of awards for Executive Directors will be subject to performance conditions set by the Remuneration Committee. Performance conditions may also apply in the case of awards to others but need not do so.

The Remuneration Committee may vary performance conditions applying to any award after it is granted if an event occurs that causes the Remuneration Committee to consider that it would be appropriate to amend the performance conditions, provided the Remuneration Committee acts fairly and reasonably in making the alteration and, in the case of awards to the Company's Executive Directors, the amended performance conditions are not materially more or less challenging than the original conditions would have been but for the event in question.

Vesting of awards

Awards shall ordinarily vest on such normal vesting date specified for the award or, if later, when the Remuneration Committee determines the extent to which any performance conditions and/or additional conditions have been satisfied.

The normal vesting date in respect of awards to Executive Directors shall not be earlier than the third anniversary of the grant of the award.

Where awards are granted in the form of options, once exercisable these will then remain exercisable up until the tenth anniversary of the grant (or such shorter period specified by the Remuneration Committee at the time of grant) unless they lapse earlier. Shorter exercise periods shall apply in the case of "good leavers" and/or vesting of awards in connection with corporate events.

Leaving employment

As a general rule, an award will lapse upon a participant's termination of employment within the Group.

However, if a participant ceases to be an employee of the Group because of death, injury, ill-health, disability, redundancy, or retirement with the agreement of the Remuneration Committee, their employing company or the business for which they work is sold out of the Group or in other circumstances at the discretion of the Remuneration Committee, then their award will vest on the normal timetable. The extent to which an award will vest in these situations will depend upon two factors: (i) the extent to which the relevant performance conditions/additional conditions (in each case, if any) have, in the opinion of the Remuneration Committee, been satisfied over the original performance measurement period, and (ii) ordinarily pro-rating of the award to reflect the period spent in service relative to the relevant normal vesting period. The Remuneration Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances.

Alternatively, in such "good leaver" circumstances specified above (including in the case of a discretionary good leaver), the Remuneration Committee can decide that the participant's award will vest when they leave, subject to: (i) the performance conditions/additional conditions (if any) measured at that time; and (ii) ordinarily pro-rating as described above (including the Remuneration Committee's discretion as described above in respect of pro-rating).

Any holding periods applicable to awards will normally continue to apply to a good leaver's awards, although the Remuneration Committee may choose to relax this requirement in compassionate cases.

Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that the performance conditions/additional conditions (in each case, if any) have been satisfied at that time; and (ii) pro-rating of the awards to reflect the period elapsed into the relevant normal vesting period. The Remuneration Committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances.

In the event of an internal corporate reorganisation awards will be replaced by equivalent new awards over shares in a new holding company.

In the event of a demerger, special dividend or other similar event which, in the opinion of the Remuneration Committee, would affect the market price of the Ordinary Shares to a material extent, the Remuneration Committee may decide that awards shall vest early or be adjusted on such basis as considered appropriate. The Remuneration Committee will also retain the ability to require awards to be rolled-over into new equivalent awards granted by an acquiring company if that is considered appropriate.

Holding periods

The terms of the LTIP include that Executive Directors will ordinarily be required to retain their net of tax number of vested Ordinary Shares (if any) delivered under the LTIP (or the full number of the vested Ordinary Shares whilst held under an unexercised nil (or nominal) cost option award, where relevant) until the fifth anniversary of the vesting of the grant of the award.

Override of formulaic outcomes

Notwithstanding any other provision of the LTIP, and irrespective of whether any performance conditions attached to an award have been satisfied, in line with the UK Corporate Governance Code, the Remuneration Committee retains discretion under the LTIP to adjust the level of vesting that would otherwise result (for example, that would otherwise result by reference to formulaic outcomes alone). Such discretion would only be used in exceptional circumstances and for example, may include regard to corporate and personal performance.

Dividend equivalents

The Remuneration Committee may decide that participants will receive a payment (in cash and/or Ordinary Shares) on or shortly following the vesting/exercise of their awards of an amount equivalent to the dividends that would have been paid on those Ordinary Shares between the time (or part of the time) when the awards

were granted and the time when they vest (or where an award is structured as an option and subject to a holding period, the date of expiry of the holding period or if earlier the exercise of such award). This amount may assume the reinvestment of dividends.

Malus and clawback

The Remuneration Committee may apply the LTIP's malus and clawback provisions if, at any point prior to the third anniversary of the date of vesting of an award, it is discovered that there has been a material misstatement of the Company's financial results, an error of calculation (including on account of inaccurate or misleading information) or in the event of serious misconduct, material reputational damage or corporate failure.

The malus and clawback may be satisfied by way of a reduction in the amount of any future bonus, existing award or future share awards and/or a requirement to make a cash payment.

Life of the LTIP

An award may not be granted more than 10 years after the date of adoption of the LTIP.

Participants' rights

Awards under the LTIP will not confer any shareholder rights until the awards have vested or the options have been exercised as relevant and the participants have received their Ordinary Shares.

Rights attaching to Ordinary Shares

Any Ordinary Shares allotted in respect of the LTIP will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of capital

In the event of any variation of the Company's share capital, a demerger, payment of a special dividend or similar event which materially affects the market price of the Ordinary Shares, the Remuneration Committee may make such adjustment as it considers appropriate to the number of Ordinary Shares subject to an award and/or the exercise price payable (if any).

Alterations

The Remuneration Committee may, at any time, amend the LTIP in any respect, provided that the prior approval of the Company's shareholders in general meeting is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares or cash to be acquired and the adjustment of awards.

The requirement to obtain the prior approval of the Company's shareholders in general meetings will not, however, apply to any minor alteration made to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Group. Shareholder approval will also not be required for any amendments to any performance condition applying to an award amended in line with its terms.

Overseas plans

The rules of LTIP will allow the Remuneration Committee to establish further plans for overseas territories, any such plan to be similar to the LTIP, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the LTIP.

Awards granted under the LTIP

As at the date of this document, the following awards have been granted under the LTIP:

<i>Person</i>	<i>Number of options over Ordinary Shares</i>	<i>Exercise Price (pence)</i>	<i>Expiry Date</i>	<i>Percentage of Existing Ordinary Shares (as at the date of this document)</i>	<i>Percentage of Enlarged Share Capital (as at Admission)</i>
Max Vermorken	11,221,560	1p	31/07/2031	1.62%	1.0%
David Barrett	4,688,460	1p	31/07/2031	0.68%	0.4%
Garth Palmer	3,919,860	1p	31/07/2031	0.56%	0.4%
Charles Trigg	3,535,560	1p	31/07/2031	0.51%	0.3%
Alphons (Fons) Vermorken	2,254,560	1p	31/07/2031	0.32%	0.2%

Each award granted above comprises three distinct parts (“Part I”, “Part II” and “Part III” each a “Part” and a nominal cost option award) relating to separate one thirds of the total number of shares under the relevant award.

The performance vesting of a distinct 75 per cent. of each award (the “EPS Part”) was dependent on the Company’s adjusted earnings per share performance for the Company’s financial year ending 31 December 2023 (“EPS 2023”). No portion of the EPS Part will performance vest unless EPS 2023 is at least 6 pence for which one quarter of the EPS Part will performance vest rising on a straight-line basis to full performance vesting of the EPS Part for EPS 2023 of 8 pence or higher.

The performance vesting of a distinct 25 per cent. of each award (the “TSR Part”) will be dependent on the Company’s total shareholder return (“TSR”) performance over a three-year period commencing on 31 August 2021 relative to the TSR performance over the same period of the constituents of the AIM 100 Index as at Admission. No portion of the TSR Part will performance vest unless the Company’s relative TSR performance is a median ranking performance for which one quarter of the TSR Part will performance vest rising on a straight-line basis to full performance vesting of the TSR Part for the Company’s relative TSR performance ranking upper quartile or better. The Company’s starting TSR for such purposes will be determined by reference to 85 pence (the Issue Price at the time of the acquisition of Nordkalk) and in the case of the comparator group members, the three months preceding 31 August 2021 (being the date of readmission of the enlarged share capital of the Company following the Nordkalk acquisition). The end TSRs for such purposes would be determined by reference to a three-month averaging period ending on the last day of the three-year measurement period.

Each Part of an award faces the same performance conditions as described above but the normal vesting dates are that Part I has a normal vesting date of the third anniversary of such admission, Part II the fourth anniversary of such admission and Part III the fifth anniversary of such admission.

The vesting of each Part is also contingent on continued service through to the applicable vesting date, save for good leaver cases.

The awards granted to Mr Max Vermorken, Mr David Barrett and Mr Garth Palmer are subject to a post vesting holding period (net of sales for tax) until the fifth anniversary of the grant of the awards.

13. THE NEW OPTION PLAN

In connection with the Proposals, the Company is intending to adopt the New Option Plan (to be known as the “Sigmaroc plc Share Option Plan 2023”) in order to incentivise the executives and senior management and align their interests with those of the Shareholders. Summary terms of the New Option Plan are set out below.

Administration and eligibility

The Remuneration Committee will administer the operation of the New Option Plan. Under the New Option Plan rules, any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the New Option Plan at the discretion of the Remuneration Committee. Additional eligibility requirements apply in respect of tax-qualified options.

Operation of the New Option Plan and terms of New Options

It is proposed that the New Option Plan will only be operated once and that the New Options will be granted conditional on Admission. The New Options granted will comprise a one-off grant in connection with the Proposals and it is not expected that participants in the New Option Plan will be considered for further grants of options under the New Option Plan in the future, unless the Remuneration Committee determines otherwise in exceptional circumstances.

No payment is required for the grant of the New Options. The New Options are not transferable, except on death or with the prior consent of the Remuneration Committee (subject to any terms the Remuneration Committee imposes).

It is proposed that New Options will be granted in respect of a total of 51,630,253 Ordinary Shares representing 4.6 per cent. of the Company's issued share capital on Admission.

The exercise price per New Option will be set at 60 pence. The New Options will vest and become exercisable on the third anniversary of grant and remain exercisable until the tenth anniversary subject to the terms of the New Option Plan.

A New Option will include a right for a participant to receive dividend equivalents, i.e. additional cash or Ordinary Shares on exercise of an amount equal to the dividends that would have been paid on the Ordinary Shares subject to the New Option between the date of grant and the time the New Options become exercisable. Due to statutory restrictions, dividend equivalents will not be paid in respect of an New Options that are tax-qualified.

Plan limit

The New Option Plan may operate over new issue Ordinary Shares, treasury Ordinary Shares or Ordinary Shares purchased in the market (not being treasury Ordinary Shares).

The New Option Plan will operate within the Company's existing 10 per cent. dilution limits. Accordingly, in any ten-year period, the Company may not issue (or grant rights to issue) more than 10 per cent. of the issued ordinary share capital of the Company under the New Option Plan and any other (executive or otherwise) share incentive plan adopted by the Company.

Treasury Ordinary Shares will count as new issue Ordinary Shares for the purposes of this limit unless institutional investor guidelines cease to require them to count.

The relevant issued ordinary share capital of the Company for the purposes of the New Option Plan limit shall be the issued ordinary share capital from time to time and, in respect of the grant of the New Options, shall be the Enlarged Share Capital on Admission.

Timing of grants

It is proposed that the New Options will be granted immediately following Admission. It is not intended that any further New Options will be granted under the New Option Plan. However, in the event that the Remuneration Committee decides exceptionally to grant subsequent New Options under the New Option Plan, such subsequent New Options would be subject to the New Option Plan limit above and may only be granted six weeks of the following: (i) the end of any closed period under the Market Abuse Regulation (EU) 596/2014; (ii) the date of the Company's annual general meeting or any general meeting; (iii) any day on which the Remuneration Committee resolves that exceptional circumstances exist which justify the grant of options (for example, in the case of recruitment); (iv) any day on which changes to the legislation or regulations affecting share plans are announced, effected or made; or (v) the lifting of dealing restrictions which prevented the granting of options during any period specified above.

Variation of share capital

In the event of any variation of the Company's share capital, a demerger, payment of a special dividend or other corporate event which materially affects the market price of the Ordinary Shares, the Remuneration Committee may make such adjustment as it considers appropriate to the number and/or class of Ordinary Shares subject to a New Option and/or the exercise price payable. Such adjustments are intended to preserve the value of New Options granted under the New Option Plan.

Leaving employment

Generally, a new Option which has not been exercised will lapse upon a participant's termination of employment with the Enlarged Group.

However, if a participant ceases to be an employee of the Enlarged Group due to their termination of employment by the Company (other than where the Company is entitled to terminate employment summarily), death, injury or disability (both as evidenced to the satisfaction of the Remuneration Committee), redundancy, retirement with the agreement of the Remuneration Committee, their employing company or the business for which they work being sold out of the Group or in other circumstances at the discretion of the Remuneration Committee, then their New Option will vest and may be exercised within six months from the date of leaving or, in the case of death, within one year of the date of death.

Corporate events

In the event of a change of control of the Company (not being an internal corporate reorganisation), all New Options will vest and become exercisable early.

In the event of an internal corporate reorganisation, the New Options will be replaced by equivalent new options over shares in a new holding company.

In the event of (i) a demerger, delisting, special dividend or other similar event which, in the opinion of the Remuneration Committee, would affect the market price of the Ordinary Shares to a material extent, or (ii) any reverse takeover, merger by way of a dual listed company or other significant corporate event, the Remuneration Committee may decide that New Options shall vest early or be adjusted on such basis as considered appropriate.

In any of the circumstances above, the Remuneration Committee and the participant may agree with an acquiring company that New Options will not vest in connection with the relevant corporate event but instead be exchanged for equivalent options over shares in the acquiring company.

Malus and clawback

The Remuneration Committee may reduce any unexercised New Options (malus) or require the repayment of Ordinary Shares received (clawback) any time prior to the third anniversary of the date a New Option becomes exercisable where it determines that there has been a material misstatement of the Company's financial results or an error of calculation (including on account of inaccurate or misleading information) or in the event of serious misconduct, corporate failure or material reputational damage.

A malus and clawback determination may be satisfied by way of a reduction in the amount of any future bonus, existing share award and/or a requirement to make a cash payment.

Participants' rights

New Options under the New Option Plan will not confer any Shareholder rights until the New Options have been exercised and the participants have received the Ordinary Shares.

The New Options will not form part of the participant's pensionable income.

Rights attaching to Ordinary Shares

Any Ordinary Shares allotted in respect of the New Option Plan will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Amendments and termination

The Remuneration Committee may, at any time, amend the New Option Plan in any respect, provided that:

- (a) no changes which are materially adverse to participants can be made without a majority consent (determined by reference to the number of Ordinary Shares under New Option) of the participants affected by the change;

- (b) the prior approval of the Company's Shareholders in general meeting must be obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, the terms of securities, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital;
- (c) no amendment is made which would mean that the New Option Plan would cease to be an "employees' share scheme" as defined in Section 1166 of the Companies Act 2006; and
- (d) certain requirements continue to be met in relation to amendments to CSOP Options.

The requirement to obtain the prior approval of the participants and the Company's Shareholders in general meeting will not, however, apply to any minor alteration made to benefit the administration of the New Option Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Enlarged Group.

No New Options may be granted more than ten years after the date of adoption of the New Option Plan.

14. DIRECTORS' SERVICE AGREEMENTS/LETTERS OF APPOINTMENT

- 14.1 The Company has entered into service agreements/letters of appointment with the Directors as follows:

Executive Directors

- (a) *David Barrett*

On 14 December 2016, David Barrett entered into a service agreement with the Company, pursuant to which he is employed as Executive Chairman and Executive Director. For the financial year ended 31 December 2022, Mr Barrett received a salary of £375,000. Mr Barrett is entitled to private medical insurance for himself and his immediate family. The contract of employment is terminable on 12 months' prior written notice by either party and Mr Barrett does not have the right to receive compensation upon termination of the appointment apart from in the event of a change of control. Mr Barrett is subject to the usual restrictive covenants for a period of 6 months following the termination of his appointment (apart from in the event of his termination as a result of a change of control).

- (b) *Max Vermorken*

On 14 December 2016, Max Vermorken entered into a service agreement with the Company, pursuant to which he is employed as Chief Executive Officer and Executive Director. He works full-time within his role. For the financial year ended 31 December 2022, Mr Vermorken received a salary of £475,000 per annum. Mr Vermorken receives an employer pension contribution of 10 per cent. of his basic salary and is entitled to private medical insurance for himself and his immediate family. The contract of employment is terminable on 12 months' prior written notice by either party and Mr Vermorken does not have the right to receive compensation upon termination of the appointment apart from in the event of a change of control. Mr Vermorken is subject to the usual restrictive covenants for a period of 6 months following the termination of his appointment (apart from in the event of his termination as a result of a change of control).

- (c) *Garth Palmer*

On 31 August 2021, Garth Palmer entered into a service agreement with the Company which was effective on admission of the enlarged share capital of the Company to trading on AIM becoming effective in connection with the acquisition of Nordkalk, pursuant to which he is employed as chief financial officer and Executive Director of the Company. He works full time within his role. Mr Palmer receives a salary of £375,000 per annum. Mr Palmer receives an employer pension contribution of 10 per cent. of his basic salary and is entitled to private medical insurance for himself and his immediate family. The contract of employment is terminable on 12 months' prior written notice by either party and Mr Palmer does not have the right to receive compensation upon termination of the appointment apart from in the event of a change of control. Mr Palmer is subject to the usual restrictive covenants for a period of 6 months following the termination of his appointment (apart from in the event of his termination as a result of a change of control).

Non-Executive Directors

(d) *Tim Hall*

On 18 April 2019, Tim Hall entered into a letter of appointment pursuant to which he was appointed to act as Non-Executive Director of the Company. Mr Hall is currently entitled to a director's fee of £35,000 per annum. The appointment was for an initial term of 12 months and will be terminable at any time on 6 months prior written notice by either party.

(e) *Jacques Emsens*

On 20 April 2020, Jacques Emsens was appointed to act as Non-Executive Director of the Company. Mr Emsens is currently entitled to a director's fee of £50,000 per annum. The appointment is for an initial term of 12 months and will be terminable at any time on 6 months prior written notice by either party.

(f) *Simon Chisholm*

On 20 April 2020, Simon Chisholm was appointed to act as Non-Executive Director of the Company. Mr Chisholm is currently entitled to a director's fee of £40,000 per annum. The appointment is for an initial term of 12 months and will be terminable at any time on 6 months prior written notice by either party.

(g) *Axelle Henry*

On 26 April 2022, Axelle Henry was appointed to act as Non-Executive Director of the Company. Ms Henry is currently entitled to a director's fee of £50,000 per annum. The appointment is for an initial term of 12 months and will be terminable at any time on 6 months prior written notice by either party.

Save as set out in this paragraph, none of the above service contracts or letters of appointment have been entered into or amended within six months of the date of this document.

15. ADDITIONAL INFORMATION ON THE DIRECTORS

15.1 In addition to directorships of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
David Barrett	Capital Concrete Limited GDH (Holdings) Limited Gerald D. Harries & Sons Limited Hough Estates (Management) Limited SigmaFin Limited Thames Aggregates Limited Thames Recycling Limited	A. Larkin (Concrete) Limited Allen (Concrete) Limited Greenbloc Limited Poundfield Innovations Limited Poundfield Precast Limited Poundfield Products (Group) Limited Poundfield Products (Holdings) Limited Topcrete Limited Chiltern Green Homes Limited Thames 101 Limited (dissolved) Thames 102 Limited (dissolved)
Max Vermorken	SigmaFin Limited Skyeye Consulting Limited Virivest Ltd	A. Larkin (Concrete) Limited Allen (Concrete) Limited Foelfach Stone Limited Greenbloc Limited Poundfield Innovations Limited Poundfield Precast Limited Poundfield Products (Group) Limited Poundfield Products (Holdings) Limited Limited Reel Raise Limited Topcrete Limited

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Garth Palmer	Wivern Digital Limited Sport:80 Limited Foelfach Stone Limited Sport:80 USA Inc SigmaGsy Limited GT Corporate Limited GT Corporate AB Neepsend Limited GD Harries & Sons Limited	Acesis Biomed LTD Bluejay Mining plc Corsair Petroleum Holdings Limited Dundas Titanium A/S Finland Investments Limited FinnAust Mining Finland Oy FinnAust Mining Northern Oy Genflow Biosciences Ltd GP Corporate Limited (dissolved) Remlap Corporate LLP (dissolved) Remlap Limited (dissolved) Stockholm Syndrome Limited (dissolved) Swallow Street Services Limited Disko Limited (dissolved) Formity Ltd Heytesbury Nominees Limited
Tim Hall	Bastion Mews Ltd HHD Developments Ltd Langsun Limited T G Concrete Bridgnorth Ltd Allstone Gloucester Allstone Sands Gravels Aggregates Trading Co. Ltd.	Almeley Management Company Limited Breedon Bow Highways Limited Breedon Bowen Limited Breedon Cement Limited Breedon Trading Limited H.V. Bowen & Sons (Quarry) Ltd H.V. Bowen & Sons (Transport) Limited Humberside Aggregates Limited Huntsman's Quarries Limited Nottingham Ready Mix Limited PSV (UK) Ltd Breedon Group Services Limited Pro Mini Mix Concrete Mortars And Screeds Limited
Jacques Emsens	Etaliex SPRL Eurinvest Partners SA JPK Real Estate SPRL JPSeven SA Le Pain Quotidien Bresil Mirochri SPRL Pajapa SPRL SLS Stalusa BVBA Stichting Administratiekantoor Sandrose Foundation Union Financière Boël SA Afrewise NV Portugal Real Estate Investments Company NV Kerdi SA Stevensvennen NV	Coll Earn SPRL Colour House International SA Consortium Maritime Trading Limited SCR-Sibelco NV Sibelco UK Limited Stone Holdings SA Warrior Equation SA Watts Blake Bearne and Company Limited Sofina SA
Simon Chisholm	Feros Advisers Limited	

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Past directorships and partnerships</i>
Axelle Henry	Verlinvest France SA Verlinvest Asia (HK) Limited Verlinvest Beverages SA Verlinvest UK Limited Verlinvest Asia Pte. Ltd Cofintra SA Verlinvest BV Verlinvest USA Inc Beverage Holdco Inc. STAK Armonea	CDH Developpement SA CDH Management SPRL CDH Management 2 SPRL Vita Coco

15.2 Save as disclosed in paragraph 15.3 below, none of the Directors have:

- (a) any unspent convictions in relation to indictable offences;
- (b) had any bankruptcy order made against him or entered into any voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- (g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

15.3 David Barrett is a director of Hough Estates (Management) Limited ("**HEML**") which is currently in administration. Thames Recycling Limited (a company of which David Barrett is also a director and shareholder) provided an initial loan to HEML on 22 September 2015 (with a further loan advanced on 22 March 2017) with an initial 12-month term on the basis that HEML would seek to refinance the loan and repay it in its entirety. The loan was extended for a further 18 months after the expiry of the initial 12-month period. In the absence of any refinancing, Thames Recycling Limited, as a creditor of HEML, decided to call-in the loan and demand repayment. As a result, an administrator was appointed on 19 March 2019.

16. EMPLOYEES

16.1 During each of the accounting reference periods ending on the dates set out below the Company and its subsidiaries had the following average number of employees:

<i>Year ended</i> <i>31 December</i> <i>2022</i>	<i>Year ended</i> <i>31 December</i> <i>2021</i>	<i>Year ended</i> <i>31 December</i> <i>2020</i>
2,045	1,865	942

16.2 The Company currently has 2,076 employees other than Directors.

16.3 During each of the accounting reference periods ending on the dates set out below the Deal 1 Targets had the following employees:

<i>Year ended</i> <i>31 December</i> <i>2022</i>	<i>Year ended</i> <i>31 December</i> <i>2021</i>	<i>Year ended</i> <i>31 December</i> <i>2020</i>
866	859	874

16.4 The Deal 1 Targets currently have 862 employees other than Directors.

17. MATERIAL CONTRACTS

17.1 None of the Deal 1 Targets have entered into any contracts outside of the ordinary course of business nor have they (i) entered into any contract within the two years immediately preceding the date of this document and which are, or may be, material; nor (ii) entered into any contract which contains any provision under which any of the Deal 1 Targets has any obligation or entitlement which is (or may be) material to the Deal 1 Targets as at the date of this document.

17.2. The following contracts, not being contracts entered into in the ordinary course of business, have been: (i) entered into by a member of the Enlarged Group within the two years immediately preceding the date of this document and are, or may be, material; or (ii) entered into by a member of the Enlarged Group and contain any provision under which any member of the Enlarged Group has any obligation or entitlement which is (or may be) material to the Enlarged Group as at the date of this document.

- (a) *Suomen Karbonaatti Oy's ("SKOY") Shareholders' Agreement dated 30 August 1988 (further amended on 1 November 2011) between Nordkalk Oy Ab with 51 per cent. ownership and Omya (Switzerland) Ltd with 49 per cent. Ownership.*

The purpose of SKOY is to maintain a manufacturing capacity in Eastern Finland for the ground micronized calcite marble slurry for paper-coating and filling purposes ("**Products**") and furthermore to produce and market the Products for paper-coating and filling purposes. SKOY will not engage in any other line of business without the approval of the shareholders. SKOY's primary market will be the paper industry in Finland. All decisions of the shareholders require unanimous agreement.

Financing: In the event that SKOY is unable to give sufficient security over its own assets that covers the liability, the shareholders will provide guarantees in proportion to their shareholdings.

SKOY's board of directors shall consist of three ordinary members along with three personal deputy members. Nordkalk Oy Ab has the right to nominate two members of the board and personal deputy members for them, and Omya (Switzerland) Ltd has the right to nominate one member of the board and a personal deputy member for him. The chairman of the board is appointed for each term by the shareholders, in turn, every year unless it has otherwise been agreed by a unanimous decision. The board makes its decisions in accordance with the views of its majority unless otherwise stated in the shareholders' agreement (the shareholders' agreement includes a list of matters that require unanimous decision by the board).

Prohibition of partial sale: each shareholder is prohibited from selling a proportion of their shares unless such sale is made to the other shareholder or with the prior written consent of the other shareholder.

The shareholders may dispose of their interests in SKOY in accordance with the following procedure: the shareholder wishing to sell or otherwise dispose of its shares must first offer such shares to the other shareholder and provide details of any third party sale terms. The other shareholder has ninety (90) days from the date of receipt of the offer to purchase all of the shares held by the other party. The purchase price shall be the book value of the shares as of the end of the month immediately preceding the month in which such notice is given, such value to be determined by the external auditor appointed under article 5.5 of the shareholder's agreement. The value determined by the external auditor shall be binding for the shareholders.

The shareholders' agreement contains a non-compete pursuant to which the parties may not directly or indirectly join any competing venture in Finland producing or marketing ground

micronized calcite marble slurry for paper coating and filling purposes as long as the shareholders' agreement is in force and for three years after its expiry.

The shareholders' agreement is governed by Finnish law and it includes customary terms relating to, *inter alia*, management, non-confidentiality, term and termination, arbitration, assignment, severability and waiver.

- (b) *NKD Holding Oy's ("NKD") Shareholders' Agreement dated 12 October 2017 between (i) Nordkalk Oy Ab with 51 per cent. ownership and (ii) Estonian company Debalma OÜ (49 per cent. ownership).*

NKD is the 100 per cent. owner of Nordeka Madan Anonim Sirket, a company duly organised and existing under the laws of Turkey ("**Nordeka**"). The purpose of the shareholders' agreement is to set out the rights and obligations of the parties as the shareholders of NKD, their rights and obligations in relation to the corporate governance of NKD as well as in relation to exercising control over Nordeka.

The shareholders' agreement includes restrictions on share transfers, pre-emption rights and tag-along rights.

Based on the NKD Articles of Association, there are G Class Shares in the NKD. The Company has issued one G Class Share and Debalma has subscribed for the G Class Share. Based on the Company Articles of Association, the G Class Share does not bear any administrative rights, such as voting rights, or the right to dividends.

If by 12 October 2027, it is resolved that Nordeka makes a lime kiln investment and Nordeka obtains the requisite permits in respect of the same, Nordkalk shall acquire the G Class Share held by Debalma on the following terms: (i) The purchase price of the G Class Share shall be one million and seven hundred thousand euros (€1,700,000) and (ii) The G Class Share shall be acquired and the purchase price shall be paid within fifteen (15) days as of the resolution regarding the lime kiln investment or the necessary permits being obtained, whichever is later. In the event that such investment is not resolved by 12 October 2027, the G Class Share shall be acquired for nil consideration.

The shareholders' agreement includes a call option and a put option. At any time after 12 October 2032 (being the fifteenth anniversary of the effective date), Debalma OÜ shall have the right to demand Nordkalk oy Ab acquire its shares in NKD at an option price calculated based on a mechanism included in the shareholders' agreement.

Whilst each party holds shares and for a period of two years following the disposal of their interest, each party shall undertake not to establish, acquire or otherwise be involved in, directly or indirectly, any business operations in relation to (a) burnt limestone in the Turkish provinces (il) of Canakkale, Balikesir, Bursa and Tekirdag and (b) unburnt limestone in the Turkish counties (ilge) of Biga, Lapseki, Gelibolu and Can within the Turkish province (il) of Canakkale and the Turkish counties (ilge) of Bandirma and Gönen within the Turkish province (il) of Balikesir that are identical or similar to or otherwise in competition with, the business activities conducted by Biga Maden and/or Debalma as of the 12 October 2017 and those to be conducted by Nordeka.

In the event, that a shareholder breaches any of its obligations under Section VI (Transfer of Shares and Exit Conditions), Section 8.1 (Non-Compete and Non-Solicitation) or, for a Defaulting Shareholder, Section 9.2.4 (Sale of Shares) of the agreement, the defaulting shareholder shall pay to the non-defaulting shareholder an amount of five hundred thousand euros (EUR 500,000) for each breach, as a penalty.

The shareholders' agreement includes clauses describing the procedure in case of a deadlock situation.

The shareholders' agreement is governed by Finnish law and it includes customary terms relating to, *inter alia*, the management of NKD and Nordeka, non-confidentiality, term and termination, arbitration assignment, severability and waiver.

- (c) *Investment Agreement dated 10 April 2017 between (i) Nordkalk (as seller) (ii) Debalma Oü (as purchaser) and (iii) NKD (as company) for the purchase and subscription of shares in NKD ("Investment Agreement")*

The Investment Agreement established a joint venture in Finland to operate and exploit a mining licence in Turkey owned by a Turkish company, Biga Maden Sanayi ve Ticaret Limited Sirketi. NKD owns 100 per cent. of the share capital of the Turkish company Nordeka Maden Anonim Sirketi ("**Nordeka**") to which the mining licence is to be transferred as part of the arrangement.

Pursuant to the terms of the Investment Agreement, Debalma Oü bought 49 per cent. of the A class shares in NKD from Nordkalk and subscribed for a sole G class share in NKD.

The purchase price for the A class shares was: (i) €1,225; plus (ii) an amount equal to Euro Licence Transfer Price minus €9,200,000 provided that this number is equal to or higher than zero.

Nordkalk entered into an Equity Investment Agreement dated 12 October 2017, made between Nordkalk and NKD by which Nordkalk converted a loan of 36 million Turkish Liras granted by a loan agreement of 19 April 2017 to NKD into a capital contribution to the equity of NKD.

- (d) *Shareholder loan facility agreements*

Loan Agreement dated 19 April 2017 between (i) NKD Holding (as lender) and (ii) Nordeka Maden A.S (as borrower). Pursuant to the agreement, NKD Holding made available to Nordeka Maden A.S. a loan equivalent to EUR 2,000,000 (7.9 million Turkish Liras). The loan is for the provision of working capital to the borrower. The repayment of the loan is stated to take place by five equal instalments of 1,580,000 Turkish Liras starting from the first anniversary of the first draw down of the loan and the last instalment being payable on the fifth anniversary of the draw down of the loan. Annual interest of the loan is 15 per cent.

Loan agreement dated 19 April 2017 between NKD Holding (as lender) and Nordeka Maden A.S (as borrower) for a loan of 36 million Turkish Liras. The loan is to facilitate the acquisition of a mining licence and payments necessary to implement the acquisition of the licence. The loan will be converted into equity once the acquisition of the licence has taken place. Annual interest of the loan is 0 per cent.

Amortising term loan agreement dated 31 January 2018 between NKD Holding (as lender) and Nordeka Maden A.S (as borrower) for a loan of 16 million Turkish Liras. The loan is for the provision of working capital to the borrower. The repayment of the loan is by four equal instalments of 4 million Turkish Liras starting from the second anniversary of the first draw down of the loan and the last instalment being payable on the fifth anniversary of the draw down of the loan. Annual interest of the loan is 15 per cent.

Loan agreement dated 12 January 2018 between NKD Holding (as borrower) and Depalma Oü (as lender) for EUR 1,682,400. The loan is for the provision of working capital to the borrower. The repayment of the loan is stated to take place by four equal instalments of EUR 420,600 starting from the second anniversary of the first draw down of the loan and the last instalment being payable on the fifth anniversary of the draw down of the loan. Annual interest of the loan is 5.6 per cent.

- (e) *Global Cash Pool Agreement*

Nordkalk has entered into a global cash pool arrangement between Nordkalk and Nordea Bank Abp, filial i Sverige. The cash pool arrangement comprises a cash pool agreement, together with an intra-day limit agreement and an agreement for multicurrency functionality with a credit facility. The purpose of the global cash pool arrangement is to: (i) enable the Nordkalk Group to spread its liquidity cross-border across multiple jurisdictions in order to reduce the requirement for external financing; (ii) provide Nordkalk with the ability to withdraw funds in one currency against funds held with Nordea by Nordkalk in another currency; and (iii) provide Nordkalk with credit facility to be used for general corporate purposes, which facilitates the management and administration of the aggregate liquidity of Nordkalk.

Any participation in the cash pool arrangement by an Authorised Operator/Participant may be terminated by Nordea given thirty (30) days' written notice or with immediate effect should the relevant entity cease to be a part of the Nordkalk Group. Should any party to the arrangements cease to be an Authorised Operator/Participant, the relevant transaction accounts may be terminated by Nordea. Further, both Nordea and Nordkalk may terminate the arrangements without cause by giving the other party no less than three (3) months' written notice.

The cash pool arrangement is governed by the laws of Sweden.

(f) *Joint venture agreement relating to Kalkproduktion Storugns AB ("KSAB")*

A joint venture agreement was made between CEMENTA AB, A/S Faxe Kalkbrud, and Oy Partek AB (the predecessor to Nordkalk) relating to the ownership of KSAB. Nordkalk AB is a party to the arrangements as owner, landlord and supplier to KSAB.

Pursuant to the terms of the JV arrangement, KSAB is obligated to construct a facility on Nordkalk AB's property. Further, KSAB shall rent land and services from Nordkalk AB in accordance with a separate service agreement. Nordkalk AB cannot terminate the service agreement while the JVA is still in force.

KSAB has entered into a separate supply agreement with Nordkalk AB under which Nordkalk AB shall supply KSAB with limestone. The supply agreement cannot be terminated by Nordkalk AB while the JVA is still in force. The termination date of the JVA was 31 December 2008 but is renewed five (5) years at a time if it is not terminated by two of the three parties.

(g) *Shareholders' agreement dated 20 January 2005 relating to Movab AB*

Nordkalk AB owns 975 shares (19.50 per cent.) in the issued share capital of Movab AB. The principal terms of the agreement are: (i) the parties cannot transfer their shares in Movab AB without the written consent of the other parties to the agreement; (ii) Nordkalk AB is permitted to transfer its shares intra-group, provided it notifies the other parties to the agreement; (iii) in the event that a shareholder wishes to transfer its shares to another party, it must first offer those shares to the existing shareholders of Movab AB; (iv) in the event that a shareholder commits a material breach of the agreement, the other shareholders have the right to redeem the shares of the defaulting party; (v) Nordkalk AB is entitled to appoint one (1) out of five (5) board directors and one (1) out of four (4) deputy board directors in Movab AB. The agreement terminated on 31 December 2014, however there is an agreement in principle to enter a new shareholders' agreement.

(h) *Distribution agreement dated 31 May 2006 between NorFraKalk and Nordkalk (the "Distribution Agreement")*

Pursuant to the terms of the Distribution Agreement, Nordkalk and any company to which Nordkalk holds more than 50 per cent. ownership interest in has a non-exclusive right to market and sell NorFraKalk's products.

Nordkalk undertakes and has a right to purchase at least 180,000 tonnes per year of NorFraKalk's products. If this volume is not purchased by Nordkalk, Nordkalk shall reimburse NorFraKalk's costs incurred to maintain capacity for the remaining volume of the yearly volume of 180,000 tons. In the event that Nordkalk does not take up its 180,000 tonnes allocation, Franzefoss Minerals SA has the ability to sell any remaining proportion, which will remove any liability on the part of Nordkalk to NorFraKalk. The pricing of the sale of products is subject to an agreed pricing model further described in the agreement.

NorFraKalk warrants that the quality of the products sold at all times under the Distribution Agreement complies with the quality specifications agreed between the parties.

The agreement is governed by Norwegian law.

(i) *Addendum to the Distribution Agreement dated 9 March 2021*

The addendum to the Distribution Agreement adjusts the take or pay volume in the Distribution Agreement between the parties. If Nordkalk does not purchase the requisite volume, Nordkalk will compensate NorFraKalk for the costs incurred to maintain a yearly capacity of 180,000 tons. The addendum contains further information on how any compensation shall be calculated and any adjustments to the take or pay volume in certain scenarios. The Distribution Agreement shall be valid for a minimum of 25 years from the production start in NorFraKalk, or as long as Nordkalk is a shareholder in NorFraKalk.

(j) *Shareholders' agreement for Norfrakalk dated 5 August 2004 between (i) Nordkalk and (ii) Franzefoss Minerals AS*

Pursuant to the agreement, the parties agree that the establishment and operations of NorFraKalk shall be based on deliveries of limestone from Verdalskalk. Franzefoss Minerals shall deliver all limestone to NorFraKalk's production unit from Verdalskalk through its subsidiary Franzefoss Miljøkalk in accordance with agreements in force with Verdalskalk. The limestone price is subject to an agreed pricing model, which is updated each year.

NorFraKalk's board consists of four directors with each shareholder appointing two directors. If the ownership interests of the shareholders change, the number of directors that each shareholder can appoint, shall to the extent possible reflect the new ownership interest. The right to appoint the chair of the board shall rotate between the shareholders yearly. The agreement contains provisions setting out which resolutions shall require a qualified majority vote. The chair does not have a decisive vote in case of a tie.

The shareholders' agreement stipulates that NorFraKalk is a production company for its shareholders and that separate distribution agreements with the shareholders shall be entered into. The pricing model for the products sold under the distribution agreements is described in the agreement.

If a shareholder wants to transfer its shares, each of the other shareholders have the right of first refusal and the shareholders' agreement contains customary provisions regarding the right of first refusal procedure.

The daily management, operations, EHS, quality assurance, accounting, and IT matters shall be the responsibility of the Franzefoss group, and the Franzefoss group shall receive compensation for the work carried out in this regard.

The agreement contains provisions regarding the handling of disagreements between the shareholders. The agreement is governed by Norwegian law.

(k) *Distribution agreement dated 27 November 2003 made between (i) Nordkalk and (ii) Verdalskalk*

Pursuant to the agreement, Nordkalk is granted a non-exclusive right to market and sell products manufactured by Verdalskalk. The prices payable by Nordkalk to Verdalskalk are set out in a separate price list, to be updated annually.

Verdalskalk undertakes and warrants that the quality of the products sold at all times under the agreement complies with the quality specifications agreed between the parties.

The agreement is in force as long as Nordkalk is a shareholder of Verdalskalk. Either party can terminate the agreement if the other party commits a material breach of the agreement, is unable to pay its debt and certain consequences thereof occur or seizes to carry out business. According to the agreement, written consent to any change of control in either party is required.

The agreement is governed by Norwegian law.

- (l) *Sale and Purchase Agreement dated 15 October 2019 between (i) the Company and (ii) Compagnie Benelux Participations (Cobepa) SA, Verlinvest SA, CDH Management SPRL*

Pursuant to the agreement, the Company agreed to purchase the entire issued share capital of CDH Management 2 SPRL and CDH Développement SA, holding companies of Carrières du Hainaut, from Compagnie Benelux Participations (Cobepa) SA Verlinvest SA and CDH Management SPRL for an enterprise value of €81.3 million, a multiple of 6.8x CDH's underlying EBITDA for the twelve-month period ended 30 June 2019. The consideration for the acquisition was in aggregate €45.1 million, comprising an initial consideration of €29.1 million and deferred consideration of €16.0 million in cash, with €2.0 million paid on the first anniversary of completion of the proposed acquisition and €14.0 million to be paid on the second anniversary of completion. The agreement is governed by Belgian law.

- (m) *Transaction Agreement and Sales Agreement dated 23 March 2021 between the Company and SA Holcim (Belgique) – Holcim (Belgie)*

Pursuant to the agreement, the Company assumed control of LafargeHolcim's quarrying operations, which were co-located at the Existing Group's Carrières du Hainaut Belgian business. On 1 April 2021, the Company took over all of LafargeHolcim's production installations located at Carrières du Hainaut for nil consideration. The Company agreed to supply LafargeHolcim Belgium with a minimum of 1.5 million tonnes of aggregates per year until 31 December 2024, under a take or pay agreement, for which the Company will charge a production margin. Additional volumes produced are subject to a pre-emption right by LafargeHolcim or to be utilised by SigmaRoc. The agreement is governed by the laws of Belgium.

- (n) *Joint venture agreement with Carrières du Boulonnais dated 11 June 2021*

The agreement made between Carrières du Boulonnais and CDH Développement SA ("**CDHD**") relating to Granulats du Hainaut SA (formerly CDH International) ("**GDH**"), relates to (i) the entry of CdB in the capital of GDH as (minority) shareholder (for a stake equivalent to 25.01 per cent.) and (ii) the relationship between CdB and CDHD in relation to the governance of GDH and (iii) certain service agreements with (a) Carrières du Hainaut ("**CDH**"), (b) CDHD, (c) Stone Holding Company SA ("**SHC**") and (d) CdB.

The share capital of GDH has been divided into two classes of shares (class A and B shares) and consists of a total of 10,000 shares (all having the same rights attached thereto). CDHD holds 7,499 class A shares (=74.99 per cent.), and CdB has been attributed 2,501 class B shares (=25.01 per cent.), in return for a capital increase for in total EUR 5 million. CdB benefits from a legal / blocking minority for structural decisions (any amendment to the articles of association, including change to the share capital, merger/ demerger, liquidation of the company, etc.). The agreement provides for limited transferability of class A and B shares. No shares may be pledged or encumbered.

CDHD may propose three directors (out of 5), CdB the remaining two (ensuring that CDHD holds the majority in the board of GDH). The directors appointed by CDHD have a casting vote.

The agreement contains a list of reserved matters (material decisions relating to the business) for which unanimous consent of the directors (re)present(ed) at the meeting is required, on the understanding that at least half of directors need to be present (including at least 2 CDHD directors). A deadlock mechanism is foreseen in the agreement in case no unanimous consent may be reached.

CDHD, with Mr. Pascal Lesoinne as representative, has been appointed as daily manager. SHC (through Mr. Benoît Vanolst) has been appointed as operational manager.

CDHD and CdB undertake to provide the necessary financing for the future needs of GDH, including through (i) shareholder loans and/or current accounts (EUR 3.75 million for CDHD and EUR 1.25 million for CdB) and (ii) bank loans up to EUR 10m (which CDHD and CdB will guarantee) and/or financial leases.

The joint venture will be in existence for an initial term of 20 years, renewable for another period of 10 years (unless such renewal has been refused by one of the parties, taking into account a 6 months notice). The agreement will however only remain in effect so long as CDHD, resp. CdB, remain shareholders of the Company to the extent of 74.99 per cent., resp. 25.01 per cent. In case of insolvency or a serious (non-remedied) breach of the agreement, the agreement may be terminated early.

The agreement is governed by Belgian law. The parties agree to attempt to resolve any disputes first through mediation (by application of CEPANI mediation rules, in Brussels, with French as the mediation language). In case the dispute cannot be settled, it will be settled through arbitration (CEPANI, three arbitrators, in Brussels, with French as the arbitration language).

(o) *Nordkalk Share Purchase Agreement dated 15 July 2021 between (i) the Company and (i) Rettig Group Oy Ab.*

Pursuant to the Nordkalk Share Purchase Agreement, the Company agreed to acquire the entire issued share capital and certain shareholder loans in, Nordkalk Oy Ab. The purchase price for the shares and the shareholder loans is an amount equal to the aggregate of: (i) the enterprise value of approximately €470 million (approximately £402 million); minus (ii) the estimated net debt of the Nordkalk Group; plus (iii) the amount by which the estimated net working capital exceeds or is less than the normalised net working capital of the Nordkalk Group; minus (iv) fifty percent (50 per cent.) of the insurance costs payable by the Company in connection with the W&I Insurance (the “Purchase Price”).

€50 million (approximately £43 million) of the Purchase Price was satisfied by the issue by the Company to Rettig Group Oy Ab of 50,276,521 new Ordinary Shares at the then Issue Price of 85 pence per shares. The remaining Purchase Price was paid in cash in accordance with the terms of the agreement. The cash purchase price shall be adjusted on a euro-for-euro basis by an amount equal to the aggregate of: (i) the difference between the estimated and actual net debt at the month end preceding the relevant date for admission of the enlarged group to trading on AIM (“Nordkalk Admission”); plus (ii) the difference between estimated and actual net working capital at the month end preceding Nordkalk Admission.

During a period beginning upon Nordkalk Admission and ending twelve (12) months thereafter, the Rettig Group undertakes not to dispose of the Consideration Shares in the Company it receives without the prior written consent of the Company, with certain customary exceptions and, for the 12 months following that period, that it will only dispose of its holdings through Peel Hunt LLP and Liberum Capital and in such a manner as they may direct so as to maintain an orderly market in the Ordinary Shares.

Rettig Group has given customary warranties to the Company as at the date of the Nordkalk Share Purchase Agreement and at Nordkalk Admission in relation to organisation; ownership, power and authority; capitalisation; subsidiaries, JV companies and corporate matters; accounts and financial records; management accounts; insolvency; connected persons; assets, real property, and leases; inventory; plant etc.; compliance with laws; authorisations and permits; contracts; arrangements with the Seller; employee matters and pensions; environmental, health and safety matters; insurance; litigations and proceedings; subsidies and grants; intellectual property; information technology; data protection; other business matters; absence of certain events; company law matters; and taxes. The warranties concerning organisation; ownership, power and authority; capitalisation; insolvency; arrangements with Rettig Group are considered fundamental warranties.

Subject to the limitations of liability set out in the Nordkalk Share Purchase Agreement, the Company is entitled to compensation on a euro-for-euro basis for the amount of any damage, loss or cost (including costs and expenses reasonably incurred in connection with the recovery thereof) actually incurred by the Company as a result of a breach of any of Rettig Group’s warranties or any other terms of the Nordkalk Share Purchase Agreement giving rise to a claim but excluding any indirect damage, loss and cost that is not a reasonably foreseeable consequence of such breach.

Rettig Group's aggregate liability under the Nordkalk Share Purchase Agreement is limited to the amount of the Purchase Price. Except for the fundamental warranties (as specified above), the Company's right to indemnification for a breach of warranty is limited to €125,000,000. The Company is not entitled to make a claim for a breach of warranty (except for certain specific warranties) unless the aggregate amount of losses for all claims exceeds €1,500,000. Except for certain specific warranties, no individual claim will count towards the above threshold unless such individual claim exceeds €500,000 (or €275,000 with respect to tax warranties). The Company shall make any claims against Rettig Group or to the insurer, as applicable, within sixty (60) days from the date the representatives of the Company or, after Nordkalk Admission, the Company became aware of the basis for such claim. In any event, the Company shall make (a) claims for breaches of warranties, not later than 36 months from Nordkalk Admission except for claims for breaches of the fundamental warranties or warranties relating to taxes for which a claim must be made no later than 84 months from Nordkalk Admission; or (b) claims for breaches of any Seller's covenant under the Nordkalk Share Purchase Agreement, not later than six (6) months after the last day of the effective period of such covenant. The Nordkalk Share Purchase Agreement includes certain other customary limitations of the Rettig Group's liability. No limitations of liability apply in respect of breaches of the Nordkalk Share Purchase Agreement arising due to fraud, wilful misconduct, or gross negligence.

The Nordkalk Share Purchase Agreement is governed by and construed in accordance with the laws of Finland. Disputes arising out of or relating to the agreement are finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.

- (p) *NK East Share Purchase Agreement dated 30 August 2021 between (i) the Company and (i) Nordkalk*

Pursuant to this agreement the Company acquired the entire issued share capital of NK East Oy for euro 1. The seller (being Nordkalk Oy Ab) did not give any representations or warranties regarding the shares or the company and the aggregate liability of the seller is euro 1. The agreement is governed by the laws of Finland.

- (q) *Placing Agreement dated 15 July 2021 between (i) the Company (ii) the Nominated Adviser and (iii) Peel Hunt LLP ("Peel Hunt") and Numis Securities Limited ("Numis")*

Pursuant to this agreement and in connection with the purchase of the entire issued share capital of the Nordkalk Group, the Nominated Adviser, Peel Hunt and Numis (the "**Brokers**") each agreed, subject to certain conditions including Nordkalk Admission, as agent for the Company, to use their reasonable endeavours to procure placees for certain placing shares at 85 pence per share.

The agreement contains certain customary representations and warranties from the Company in favour of the Brokers, as to the accuracy of the information in the admission document published by the Company on 16 July 2021 and certain other matters concerning the Company and an indemnity from the Company to the Brokers and their affiliates in respect of certain liabilities and claims that may arise or be made against them in connection with the then placing and Nordkalk Admission.

The Company agreed to pay the Brokers certain fees and commissions in connection with the then placing and certain costs and expenses related to the same, together with any applicable VAT.

- (r) *Share purchase agreement dated 3 January 2022 between (i) the Company; (ii) Giantflow Limited and Flowgiant Limited, and (iii) Nicholas Matthew Middlemass Johnston.*

Pursuant to the agreement, the Company acquired the entire issued share capital of Johnston Quarry Group Limited and Guiting Quarry Limited.

There are also several agreements with minority shareholders related to the acquisition:

- (i) Agreement for the sale and purchase of certain shares in the capital of Guiting Quarry Limited dated 31 January 2022 between (i) George William Bolsover and (ii) the Company;
- (ii) Agreement for the sale and purchase of certain shares in the capital of Bath Stone Group Limited dated 31 January 2022 between (i) Matthew John Hawker and (ii) the Company;
- (iii) Agreement for the sale and purchase of certain shares in the capital of Bath Stone Group Limited dated 31 January 2022 between (i) Nicholas Matthew Middlemass Johnston and (ii) the Company;
- (iv) Agreement for the sale and purchase of certain shares in the capital of Johnston Quarry Group Limited and Bath Stone Group Limited dated 31 January 2022 between (i) Paul Andrew Keyte and (ii) the Company; and
- (v) Agreement for the sale and purchase of certain shares in the capital of Johnston Quarry Group Limited and Bath Stone Group Limited dated 31 January 2022 between (i) Steven Timothy Johnson and (ii) the Company.

The acquisition was for an initial cash consideration of £35.5 million and contained a deferred consideration element of £11 million, subject to certain adjustments in respect of completion accounts and conditions relating to planning permissions.

The deferred consideration has not yet been satisfied in full at the date of this document.

The agreement is governed by English law.

The share purchase agreement contained various protections in favour of the Company in the form of warranties and indemnities and a tax covenant.

The share purchase agreement gave the Company a call option and gave the sellers a put option in respect of the acquisition of a lease pertaining to Nayles Barn Quarry and the entire issued share capital of CB Collier Quarry Limited. The put option was exercised by the Sellers on 10 January 2023 and was completed on 27 January 2023 for a consideration of £3.5 million.

- (s) *Share purchase agreement dated 27 April 2022 between (i) Paul Barrow, William Lamb, Andrew Kaye, (ii) Zoe Barrow, Sarah Harrison Lamb, Catherine Kaye, and (iii) the Company.*

Pursuant to the agreement, the Company acquired the entire issued share capital of RightCast Limited, a precast concrete producer specialising in the production of concrete stair flights and landings. RightCast Limited was purchased for an initial consideration of £2.94 million, subject to adjustments made to the completion accounts, and a conditional deferred consideration element of £450,000. The deferred consideration has now been satisfied in full and there are no outstanding liabilities owed by the Company or the Group. The share purchase agreement contained various protections in favour of the Company in the form of warranties and a tax covenant.

The agreement is governed by English law.

- (t) *Shareholders' agreement dated 26 July 2022 between (i) Nordkalk; (ii) and Carrières du Boulonnais ("**CdB**"), relating to the exercise of their rights in relation to the joint venture company called Canteras La Belonga SA ("**La Belonga**").*

Pursuant to a shareholders' agreement dated 26 July 2022, the Company, through its subsidiary Nordkalk, acquired 65 per cent. of the share capital of La Belonga, a producer of limestone registered and incorporated in Spain, with the remaining 35 per cent. acquired by CdB, for a cash consideration of £1.19 million and a deferred consideration element of £1.13 million.

The purpose of the joint venture company is the exploitation of quarries, as well as the transformation, manufacture, and sale of its limestone products for an initial term of twenty years, renewable by tacit agreement by a single non-reducible ten-year term.

Free transfers of La Belonga's shares may only be made to a legal entity directly or indirectly controlled by the Company or CdB. The shareholders' agreement contains change of control provisions.

The board of directors of La Belonga is composed of five members, for a term of six years, of whom three directors are appointed by Nordkalk provided that they hold at least 50 per cent. of the shares and voting rights of La Belonga, and two directors are appointed by CdB provided that they hold at least 34.996 per cent. of the shares and voting rights of La Belonga. The board of directors decides by absolute majority of the members attending the meeting with the directors appointed by Nordkalk therefore having a casting vote. Notwithstanding this, the vote in favour of at least four members of the board shall be required in respect of certain specified decisions.

Unless the parties jointly decide otherwise and implement this decision, La Belonga will seek to be financially self-supporting and will explore third party financing for any of its possible future financial needs which it is unable to cover by its own available means. If no such external financing is wished or obtained, and the shareholders decide to provide such financing themselves, such financial shareholder support shall always be made *pro rata* to their shareholding interest in La Belonga at that time.

The shareholders' agreement is governed by Spanish law.

- (u) *Joint venture agreement dated 11 September 2022 between (i) AM Global Holding S.R.L. ("AM"); (ii) CdB; and (iii) the Company.*

Pursuant to the joint venture agreement, the parties entered into a strategic joint venture and acquired certain rights in relation to the joint venture company called AMeLi Green Lime Solutions, (the "**JVC**"). The JVC was created to focus on lime production and aims to reuse heat recovered from the ArcelorMittal plant and use biofuels in its process to replace the use of natural gas in the production process and reduce CO2 emissions.

In the first phase of roll out, the JVC will be responsible for the construction of three new lime kilns in Dunkirk. Initial planning has commenced on permitting and kiln specification for these operations, with final permitting approval expected toward the end of 2023 and commissioning in 2025.

The JVC will endeavour to produce lime and dolime products and supply these products to AM Global Holdings and the Company at competitive market prices. AM and the Company shall endeavour to perform the offtake of such volumes. If they fail to comply with the agreed offtake, and if the JVC is not able to sell the untaken volumes to the other party or to third parties, and cannot reasonably adapt its production program and costs, the JVC is entitled to seek fair and reasonable compensation from the non-complying party.

The Company has the right to sell to third parties the volumes produced by the JVC which exceed the target offtake volumes. A right of first refusal is granted by the Company to AM for these exceeding volumes. In case AM exercises the right to offtake such volumes, the price to be paid shall be the same as that the Company would apply to the third parties. AM has the right to supply natural gas to the JVC.

CdB shall endeavour to perform the production of limestone and supply these products to the JVC at competitive market prices. The target volumes and conditions will be agreed in a multi-year business plan and a raw material supply agreement. The target volumes and conditions may be reviewed on a yearly basis by the JVC and CdB.

The JVC is incorporated as a 'société par actions simplifiée' in France. The registered capital of the JVC is 1000 ordinary shares of 1000 euros each, divided into 475 shares held by AM, 475 shares held by the Company and 50 shares held by CdB.

The JVC board consists of seven directors, three of whom are appointed by AM, three of whom are appointed by the Company and one of whom is appointed by CdB. A party may remove

the director it appointed. The post of chairman is held in alternate years by an AM Director or by a Director nominated by the Company.

The joint venture agreement contains a list of reserved matters (material decisions relating to the business) for which unanimous consent of all shareholders is required and a list of reserved matters for which the consent of at least 75 per cent. of the voting shares is required.

The JVC will be self-financed from the cash flow of the business. If additional finance is needed, it will be sourced from external sources as far as practicable. There is no obligation on the parties to provide any further finance to the JVC. If the parties do provide further finance, such financial shareholder support shall always be made *pro rata* to their shareholding interest at that time.

The agreement is governed by French law.

- (v) *Asset sale agreement dated 15 December 2022 between (i) Carrières du Hainaut (a Group Company) and (ii) Rium*

Pursuant to the asset sale agreement Carrières du Hainaut (“**CDH**”) disposed of a number of properties (land and buildings) that together form an inactive quarry in Scoufflény, Belgium. The disposal was made for a total consideration amount of €687,200.

The properties were sold ‘as seen’ and CDH gave no indemnities relating to the state of the properties. The properties were sold subject to all existing burdens in terms of joint ownership and easements.

Rium granted CDH the following rights:

- (i) certain restrictive covenants in favour of CDH for a period of 20 years;
- (ii) a right to repurchase the properties for a period of 15 years, which can be exercised subject to the terms of the asset purchase agreement; and
- (iii) a right of pre-emption in relation to the properties for the period of 20 years, if Rium decides to sell them onwards.

- (w) *Sale agreement dated 29 December 2022 between (i) B-Mix Beton (a Group Company) and (ii) JABO NV*

Pursuant to the sale agreement, B-Mix Beton (“**B-Mix**”) sold a parcel of land in Tessenderlo, Belgium, measuring 2.39 acres (96 ares and 93 centiares) to a Belgian company, JABO NV, for the sum of €5.4 million. The sold parcel became the property of B-Mix as part of a larger acquisition of lands accruing from the purchase of a building materials factory and its appurtenant real estate located in Teesenderlo dated 7 July 2022. The sale allowed for the recuperation of 60 per cent. of the real estate registration taxes under the Flemish Tax Code.

- (x) *Share purchase agreement and shareholders’ agreement, each dated 20 January 2023 between (i) Hannu Repo; (ii) Jukka Repo; and (iii) Nordkalk*

Pursuant to a share purchase agreement and shareholders’ agreement, each dated 20 January 2023, Nordkalk agreed to purchase 70 per cent. of the issued share capital of Juuan Dolomiittikalkki (“**JD**”), a local agri-lime supplier in the North East Region. The total consideration for the acquisition was €1.8 million, which will be paid in 3 equal instalments of €610 720. The first payment was made at closing, and the remaining two payments are due on the first business day of 2024 and 2025 respectively.

The share purchase agreement provides for a put and call option relating to the remaining 30 per cent. of the issued share capital not yet owned by Nordkalk. The option can be exercised by either Nordkalk or the sellers in January 2026. The share purchase agreement contained various protections in favour of Nordkalk in the form of warranties and indemnities. The shareholders’ agreement sets out the terms and conditions governing the ownership of the shares of JD, as well as containing provisions around share transfer restrictions and the management and operation of JD. The shares of JD rank *pari passu* and the board of JD shall consist of

3 members, a majority of whom shall be appointed by Nordkalk. Nordkalk may sell any of its shares to its affiliates or other Group Company but the sellers may not sell or otherwise transfer any shares to third parties and cannot pledge their shares without permission of the board of JD.

The share purchase agreement and the shareholders' agreement are governed by Finnish law.

Share purchase agreement dated 30 January 2023 between (i) Peter Goijens, Martine Goijens and Steffie Goijens and (ii) B-Mix

Pursuant to the share purchase agreement, B-Mix acquired the entire issued share capital of Goijens Concrete Group, a leading supplier of ready-mixed concrete and pumping solutions, located in the northeast of Belgium. The acquisition was made for an initial consideration of €13 million, with a deferred consideration element of € 1 million. The deferred consideration element has now been satisfied in full and there are no outstanding liabilities owed by the Group. The share purchase agreement contained various protections in favour of B-Mix in the form of warranties.

The agreement is governed by Belgian law.

- (y) *Share purchase agreement dated 6 April 2023 between (i) William Lamb and Donal James Hughes; and (ii) the Company.*

Pursuant to the share purchase agreement, the Company acquired the entire issued share capital of Retaining Holdings Limited, a leading manufacturer of specialty retaining wall systems. The acquisition was made for an initial consideration of £2.45 million, subject to adjustments made to the completion accounts, and an earnout consideration element, which is conditional upon year 2 EBITDA reaching certain agreed thresholds. The maximum amount possible total of the earnout consideration element is £3,090,625 million. The share purchase agreement contains various protections in favour of the Company in the form of warranties and a tax covenant, and contains a right of set-off against the earnout consideration element.

The agreement is governed by English law.

- (z) *Asset purchase agreement dated 6 July 2023 between (i) Granulats du Hainaut ("GDH") (a Group Company); and (ii) CuBe*

Pursuant to the asset purchase agreement, GDH agreed to purchase certain of the assets of CuBe, a French enterprise producing and distributing ready-mix concrete from its four sites located in the north of France (Bouchain, Bruay-sur-Escaut, Feignies, and Saint-Armand-les-Eaux). The acquisition was made for an initial consideration amount of €3.5 million and a conditional deferred payment of €1 million.

The agreement is governed by French law.

- (aa) *Share purchase agreement dated 12 July 2023 between (i) Nordkalk; and Omya AB*

Pursuant to the share purchase agreement, Nordkalk acquired the entire issued share capital of Björka Mineral AB. The share purchase agreement contains a right of set-off against the deferred consideration, as well as various other protections in favour of Nordkalk in the form of warranties, indemnities and some tax indemnities.

The agreement is governed by Swedish law.

- (bb) *Share purchase agreement dated 13 July 2023 between (i) ACME Grup UAB and (ii) the Company*

Pursuant to the share purchase agreement, the Company has acquired the entire issued share capital of ST Investicija UAB and its subsidiaries. The acquisition was made for an initial consideration of €4.2 million and a conditional deferred payment of €7.4 which is subject to certain conditions relating to permitting and other aspects of operating a quarry. There is no right of set-off in relation to the deferred consideration element. The share purchase agreement

contains various protections in favour of the Company in the form of representations, warranties, and indemnities, including tax indemnities.

The agreement is governed by Lithuanian law.

(cc) *Shareholders' agreement for Verdalskalk dated 16 October 2023 between (i) Nordkalk; (ii) Franzefoss Bruk AS and (iii) Faxekalk A/S*

Pursuant to the agreement, Verdalskalk shall have six directors with two directors appointed by Franzefoss Bruk AS. Faxekalk A/S and Nordkalk are entitled to appoint one director each, and the employees of Verdalskalk are entitled to appoint two directors. All directors have one vote each, and the chair (being a director appointed by Franzefoss Bruk AS) has the decisive votes in the event of a tie. The agreement contains a provision stating that if one shareholder has a requirement for lime or limestone products requiring investments exceeding NOK5 million, the other shareholders may require a profitability guarantee from such shareholder. If such a guarantee is provided, the other shareholders may not vote down the required investment.

The agreement further provides a right for the shareholders to distribute the products of Verdalskalk as long as they remain shareholders.

At the time when the shareholders' agreement was entered into, Franzefoss Bruk AS rendered management services to Verdalskalk based on a separate agreement, and each of the other shareholders may require the termination of the management agreement at any time.

If a shareholder wants to transfer its shares, each of the other shareholders have the right of first refusal and the shareholders' agreement contains customary provisions regarding the right of first refusal procedure, allocation of shares and pricing.

The agreement is governed by Norwegian law.

(dd) *The Placing Agreement*

Pursuant to the Placing Agreement, the Joint Bookrunners have each agreed, subject to certain conditions including the passing of Resolutions 1 and 2, Deal 1 Completion, the New Facilities becoming unconditional and Admission, as agent for the Company, to use their reasonable endeavours to procure Placees for the Placing Shares at the Issue Price. In the event that the Placees fail to subscribe for Placing Shares, the Joint Bookrunners will themselves subscribe for such Placing Shares.

The Placing Agreement is conditional on, *inter alia*, Admission. The Placing Agreement contains certain customary representations and warranties from the Company in favour of the Joint Bookrunners, as to the accuracy of the information in this document and certain other matters concerning the Company and an indemnity from the Company to the Joint Bookrunners and their affiliates in respect of certain liabilities and claims that may arise or be made against them in connection with the Placing and Admission.

The Company has agreed to pay the Joint Bookrunners certain fees and commissions in connection with the Placing and Admission and certain costs and expenses of the Placing and Admission, together with any applicable VAT.

The Nominated Adviser and the Joint Bookrunners have the right to terminate the Placing Agreement prior to Admission in certain circumstances, including, *inter alia*, any breach by the Company of its obligations or warranties in the Placing Agreement or in certain force majeure situations. If the Placing Agreement is terminated, the Placing will not proceed and no Placing Shares will be issued.

The Placing Agreement is governed by English law and is subject to the exclusive jurisdiction of the English courts

(ee) *The Master Purchase Agreement*

A summary of the Master Purchase Agreement is contained in Part 2 of this document.

(ff) *The UK Call Option*

A summary of the UK Call Option Agreement is contained in Part 2 of this document.

(gg) *The Polish Call Option*

A summary of the Polish Call Option Agreement is contained in Part 2 of this document.

(hh) *New Facilities*

A summary of the New Facilities is contained in Part 2 of this document.

18. RELATED PARTY TRANSACTIONS

18.1 During the period covered by the historical financial information and up to the date of this document, the Company entered into the following related party transactions:

(a) Financial year ending 31 December 2022;

- (i) Loans with Group Undertakings: Amounts receivable/(payable) as a result of loans granted to/(from) subsidiary undertakings are as follows:

<i>Company</i>	<i>As at 31 December 2022 (£)</i>
Ronez Limited	(22,763,992)
SigmaGsy Limited	(7,662,879)
SigmaFin Limited	20,549,249
Topcrete Limited	(10,345,948)
Poundfield Products (Group) Limited	5,356,435
Foelfach Stone Limited	557,402
CCP Building Products Limited	4,586,427
Carrières du Hainaut SCA	14,948,104
GDH (Holdings) Limited	10,035,060
BMix Beton NV	8,012,762
Stone Holding Company SA	383,582
Nordkalk Oy Ab	70,193,964
Johnston Quarry Group	7,746,641
RightCast Limited	(799,263)
	100,798,544

Loans granted to or from subsidiaries are unsecured, have interest charged at 2 per cent. and are repayable in Pounds Sterling on demand from the Company. All intra Group transactions are eliminated on consolidation.

(b) Financial year ending 31 December 2021:

- (i) Westend Corporate LLP, a limited liability partnership of which Garth Palmer was a partner but resigned effective 31 August 2021, invoiced a total fee of £326,821 (2020: £249,997) for the provision of corporate management and consulting services to the Company until 31 August 2021, which included £160,000 for services relating to the acquisition of Nordkalk Oy Ab.
- (ii) Loans with Group Undertakings: Amounts receivable/(payable) as a result of loans granted to/(from) subsidiary undertakings are as follows:

<i>Company</i>	<i>As at 31 December 2021 (£)</i>
Ronez Limited	(18,327,639)
SigmaGsy Limited	(5,705,066)
SigmaFin Limited	20,146,323
Topcrete Limited	(9,494,173)
Poundfield Products (Group) Limited	5,501,407
Foelfach Stone Limited	466,473
CCP Building Products Limited	5,646,497
Carrières du Hainaut SCA	18,251,262
GDH (Holdings) Limited	9,588,282
BMix Beton NV	1,294,565
Stone Holding Company SA	375,686
Nordkalk Oy Ab	91,366,587
	<hr/>
	(119,110,204)

Loans granted to or from subsidiaries are unsecured, have interest charged at 2 per cent. and repayable in Pounds Sterling on demand from the Company. All intra Group transactions are eliminated on consolidation.

(c) Financial year ending 31 December 2020:

- (i) Loans with Group Undertakings: Amounts receivable/(payable) as a result of loans granted to/(from) subsidiary undertakings are as follows:

<i>Company</i>	<i>As at 31 December 2020 (£)</i>
Ronez Limited	(12,878,274)
SigmaGsy Limited	(4,455,066)
SigmaFin Limited	(7,138,810)
Topcrete Limited	(8,178,013)
Poundfield Products (Group) Limited	6,363,536
Foelfach Stone Limited	457,326
CCP Building Products Limited	5,785,781
Carrières du Hainaut SCA	(6,186)
GDH (Holdings) Limited	1,233,517
Stone Holding Company SA	368,3210
	<hr/>
	(18,447,868)

Loans granted to or from subsidiaries are unsecured, have interest charged at 2 per cent. and are repayable in Pounds Sterling on demand from the Company. All intra-Group transactions are eliminated on consolidation.

- (ii) Westend Corporate LLP (formerly Heytesbury Corporate LLP), a limited liability partnership of which Garth Palmer is a partner, invoiced a total fee of £249,997 for the provision of corporate management and consulting services to the Company. No balance was outstanding at the year-end.
- (iii) Druces LLP, a limited liability partnership of which Dominic Traynor (a Non-Executive Director of the Company until 18 May 2020) is a partner, invoiced a fee of £65,542 for the provision of legal services for acquisitions. No balance was outstanding at the year-end.
- (iv) Julia Traynor, the wife of Non-Executive Director Dominic Traynor, invoiced a fee of £26,250 for the provision of administrative and legal services to the Company in relation to prospective acquisitions. No balance was outstanding at the year-end.
- (v) Patrick Dolberg (a Non-Executive Director of the Company until 18 May 2020) invoiced a fee of £45,000 for the provision of consulting services to the Company in relation to prospective acquisitions. No balance was outstanding at the year-end.

- 18.2 During the period covered by the historical financial information, the Deal 1 Targets entered into the following related party transactions:

(a) Transactions between the Deal 1 Targets and CRH

- (b) The following transactions occurred with CRH:

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Sales to CRH	3,801	2,871	2,157
Purchases from CRH	3,661	3,050	1,701

(c) Related party borrowings from CRH to the Deal 1 Targets

- (d) Related party borrowings by the Deal 1 Targets from CRH and the related interest payable, are set out in the table below:

	<i>Financial year ended 31 December</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
As at 1 January	242,502	253,969	253,831
Loans advanced	–	–	102,000
Loan repayments	(10,500)	(10,000)	(99,982)
Interest charged (note 8)	5,182	5,110	5,754
Interest paid	(4,801)	(6,577)	(7,634)
As at 31 December	<u>232,383</u>	<u>242,502</u>	<u>253,969</u>
Related party borrowings	231,500	242,000	252,000
Related party interest payable	883	502	1,969
Total	<u>232,383</u>	<u>242,502</u>	<u>253,969</u>

- (e) Interest is payable on related party borrowings at a rate equal to EURIBOR plus 2 per cent. per annum. Where the EURIBOR rate is negative interest will accrue at 2 per cent. per annum. The related party borrowings from CRH are repayable in 2025 and 2027.

19. LITIGATION

- 19.1 Other than as set out below, no member of the Enlarged Group is or has been involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any such proceedings pending or threatened by or against any member of the Enlarged Group, which may have or have had during the twelve months preceding the date of this document a significant effect on the financial position or profitability of the Enlarged Group.
- 19.2 The Existing Group is currently involved in litigation with the Swedish state (the “**State**”) in relation to the Existing Group’s claim to seek compensation from the State in respect of land use restrictions. On 1 April 2020, Nordkalk filed a claim for compensation for economic loss due to land use restrictions as a result of the Swedish government’s designation of a piece of land as environmentally protected pursuant to a Natura 2000 decision (Nacka District Court case no. M2296-20). The verdict, pronounced on 14 March 2023, made an award to Nordkalk in compensation for this economic loss, of which a sum of c. SEK 188 million (c. £17m) which is to be adjusted for inflation and interest until payment is made, is receivable by the Existing Group as its share. As announced on 6 April 2023 by the Company, the State appealed the verdict and subsequently the Existing Group also appealed. The Existing Group remains confident in the merits of its case and will keep the markets informed of any further developments.

20. NO SIGNIFICANT CHANGE

- 20.1 Save for matters disclosed in this document, and as announced by the Company and disclosed in the paragraph below of this Part 8, there has been no significant change in the financial or trading position of the Company since 30 June 2023, being the date to which the interim financial information included in this document was prepared.
- 20.2 Save for matters disclosed in this document, there has been no significant change in the financial or trading position of the Deal 1 Targets since 30 June 2023, being the date to which the interim financial information included in this document was prepared.

21. WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Enlarged Group will be sufficient for its present requirements, that is for at least twelve months from the date of Admission.

22. TAXATION

22.1 *Taxation in the UK*

The following information is based on UK tax law and HMRC practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only.

Any person who is in any doubt about his or her position should contact their professional advisor immediately. The tax legislation of an investor's Member State may have an impact on the income received from an investment in the Ordinary Shares.

22.2 *Tax treatment of UK investors*

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- (a) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- (b) who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- (c) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

22.3 *Dividends*

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends. UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

There is a dividend allowance of £1,000 per annum for individuals. Dividends falling within this allowance will effectively be taxed at 0 per cent. but such dividends will still count as taxable income when determining how much of the basic rate band or higher rate band has been used. If an individual receives dividends in excess of this allowance in a tax year, the excess will be taxed at 8.75 per cent., (for individuals not liable to tax at a rate above the basic rate), 33.75 per cent., (for individuals subject to the higher rate of income tax) and 39.35 per cent. (for individuals subject to the additional rate of income tax). The rate of tax paid on dividend income by trustees of discretionary trusts is 8.75 per cent. (for dividend income that falls within the standard rate band) and 39.35 per cent. (for dividend income that falls above the standard rate band). United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

22.4 ***Disposals of Ordinary Shares***

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

UK resident individual Shareholders will be subject to capital gains tax to the extent their net gains exceed the annual exempt amount of £6,000, after taking account of any other available reliefs. The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent., and 20 per cent. for upper rate and additional rate taxpayers.

22.5 ***Further information for Shareholders subject to UK income tax and capital gains tax***

(a) *“Transactions in securities”*

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

(b) *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No stamp duty or SDRT will generally be payable on the issue of Ordinary Shares. Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- (i) the Shares are admitted to trading on AIM but are not listed on any market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- (ii) AIM continues to be accepted as a “recognised growth market” as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances.

Any transfer of Sale Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or SDLT. The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

23. GENERAL

- 23.1 The estimated net proceeds after expenses in connection with the Fundraising are expected to be c. £193.2 million. The total costs and expenses relating to the Acquisitions and the Admission, excluding in relation to the Fundraising, are payable by the Company and are estimated to amount to approximately £42.2 million (excluding applicable VAT).
- 23.2 The Ordinary Shares have been admitted to trading on AIM since 3 August 2005. Apart from the application for Admission, no application will be made for dealings in the Ordinary Shares on any recognised investment exchange.
- 23.3 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Company.
- 23.4 Save as disclosed in this document, so far as the Directors are aware, there have not, in relation to the Company, been: any significant recent trends in production, sales, inventory, costs and selling prices between the end of the last financial year of the Company and the date of this document; or any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Company's prospects for at least the current financial year.
- 23.5 PKF Littlejohn LLP, which is a member of the ICAEW, has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 23.6 Deloitte Ireland LLP, which is a member of the Chartered Accountants Ireland (CAI), has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 23.7 Each of BNP Paribas, Santander, Liberum Capital, Peel Hunt and Redburn Atlantic has given and not withdrawn their respective written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 23.8 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 23.9 The accounting reference date of the Company is 31 December. The current accounting period will end on 31 December 2023.
- 23.10 The Issue Price of 47.5 pence represents a premium of 46.5 pence over the nominal value of £0.01 per Ordinary Share.
- 23.11 No person (other than the Company's professional advisers named in this document and trade suppliers) has at any time within the 12 months preceding the date of this document received, directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.

24. AVAILABILITY OF ADMISSION DOCUMENT

Copies of this Admission Document are available for download from the Company's website at www.sigmaroc.com and are available free of charge at the offices of Fieldfisher LLP of Riverbank House, 2 Swan Lane, London EC4R 3TT or by contacting ir@sigmaroc.com, and at the Company's registered office during normal business hours on any weekday (Saturdays and public holidays excepted), and shall remain available for at least one month after Admission.

Dated: 23 November 2023

PART 9

NOTICE OF GENERAL MEETING

SIGMAROC PLC

(Incorporated and registered in England and Wales under Company Number 05204176)

Notice is hereby given that a general meeting of the members of the Company will be held at the offices of Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT, at 11 a.m. on 11 December 2023 for the purposes of considering, and if thought fit, passing the resolutions set out below.

Resolutions 1 and 3 will be proposed as ordinary resolutions. Resolution 2 will be proposed as a special resolution.

In each of the resolutions below and the notes to this Notice of General Meeting, capitalised terms defined in the admission document published by the Company dated 23 November 2023, of which this Notice of General Meeting forms part (the “**Admission Document**”) shall bear the same meanings herein.

Resolution 1: Ordinary resolution to approve the acquisition of the Deal 1 Targets

THAT, subject to and conditional upon the passing of Resolution 2 below the acquisition of the Deal 1 Targets be approved as a reverse-takeover in accordance with Rule 14 of the AIM Rules for Companies.

Resolution 2: Special resolution to approve the allotment of the Fundraising Shares and to do so for cash free of pre-emption rights

THAT, subject to and conditional upon the passing of Resolution 1, and in addition to any other authorities granted to the Directors pursuant to section 551 and section 570 of the Act prior to the date of the passing of this resolution, the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (“**Rights**”) provided that this authority under section 551 of the Act shall be limited to the allotment of up to an aggregate nominal amount of £4,300,000 in connection with the issue of the Fundraising Shares only and furthermore to allot equity securities (within the meaning of section 560 of the Act) for cash as if section 561 of the Act did not apply to such allotment, provided that this power is limited to the allotment up to an aggregate nominal amount of £4,300,000 in connection with the issue of the Fundraising Shares only by the Company. This authorisation shall, unless previously revoked by resolution of the Company, expire on the earlier of the date falling 18 months after the date of the passing of this resolution or the conclusion of the annual general meeting of the Company to be held in 2024, and the Company may, at any time before such expiry, make offers or enter into agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant rights in pursuance of any such offer or agreement as if this authorisation had not expired.

Resolution 3: Ordinary resolution to approve the adoption of the New Option Plan

THAT, subject to and conditional upon the passing of Resolutions 1 and 2 and Admission, the New Option Plan (to be known as the “Sigmaroc plc Share Option Plan 2023”), the summary terms of which are described in the Admission Document, be and is hereby approved for adoption by the Board and the making of the grants thereunder pursuant to its terms.

The rules of the New Option Plan shall be available for inspection from the date of the Admission Document until the close of the General Meeting at the registered office of the Company, 6 Heddon Street London, W1B 4BT.

By Order of the Board

Julie Louise Kuenzel
Company Secretary

Dated: 23 November 2023

Registered office: 6 Heddon Street London, W1B 4BT

NOTES TO THE NOTICE OF GENERAL MEETING

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only shareholders entered on the register of members of the Company at close of business on 7 December 2023 (or in the event that this meeting is adjourned, on the register of members at the time which is 48 hours (excluding non-business days) before the time appointed for holding the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares of the Company registered in their name at that time. Changes to the register after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. A shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
3. The appointment of a proxy will not preclude a shareholder from attending in person at the meeting and voting if he or she wishes to do so. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting. Appointment of proxy using the accompanying proxy form.
4. A proxy form is enclosed. To appoint more than one proxy, please photocopy the form. Please state each proxy's name and the number of shares in relation to which each proxy is appointed (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the form. Please also indicate if the proxy form is one of multiple forms being returned. All proxy forms must be signed and should be returned together in the same envelope. In the case of joint shareholders, the signature of any one of them will suffice, but the names of all joint holders should be stated.
5. To be valid, a duly completed proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be delivered by hand or sent by post to the offices of the Company's registrars, Link Group at PXS, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received not less than 48 hours (excluding non-business days) before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be).

Appointment of proxy through CREST or Proxymity

6. CREST members who wish to appoint a proxy or proxies for the meeting, including any adjournments of the meeting, through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Link Group (ID RA10) no later than 48 hours (excluding non-business days) before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Group is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message.
9. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11.00 a.m. on 7 December 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

Changing proxy instructions

12. To change your proxy instructions, simply submit a new proxy appointment using one of the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If the Company receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

Termination of proxy appointments

13. In order to revoke a proxy appointment you must notify the Company of the termination at least three hours before the commencement of the meeting.

Joint shareholders

14. In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.

Corporate representatives

15. A corporation which is a shareholder may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative at the meeting. Corporate representatives should bring with them to the meeting: (i) an original or certified copy of the resolution authorising them; or (ii) an original letter on the shareholder's letterhead, signed by an authorised signatory, confirming that they are so authorised. Issued shares and total voting rights.
16. As at the date of this notice of general meeting, the Company's issued share capital comprised 693,801,899 ordinary shares of 1 penny each fully paid. The Company does not hold any shares in treasury. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice of general meeting is 693,801,899.

Communication

17. Shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - (a) via email at shareholderenquiries@linkgroup.co.uk or by calling Link Group's shareholder helpline on 0371 664 0300 (calls are charged at the standard geographic rate and will vary by provider) or from overseas on +44 (0) 371 664 0300 (charged at the applicable international rates). Lines are open from 9.00 a.m. to 5.00 p.m. on business days (i.e. Monday to Friday but excluding public holidays in England and Wales); or
 - (b) in writing to the Company at its registered address.
18. You may not use any electronic address provided in this notice of general meeting or in any related documents (including the accompanying proxy form) to communicate with the Company for any purposes other than those expressly stated.

