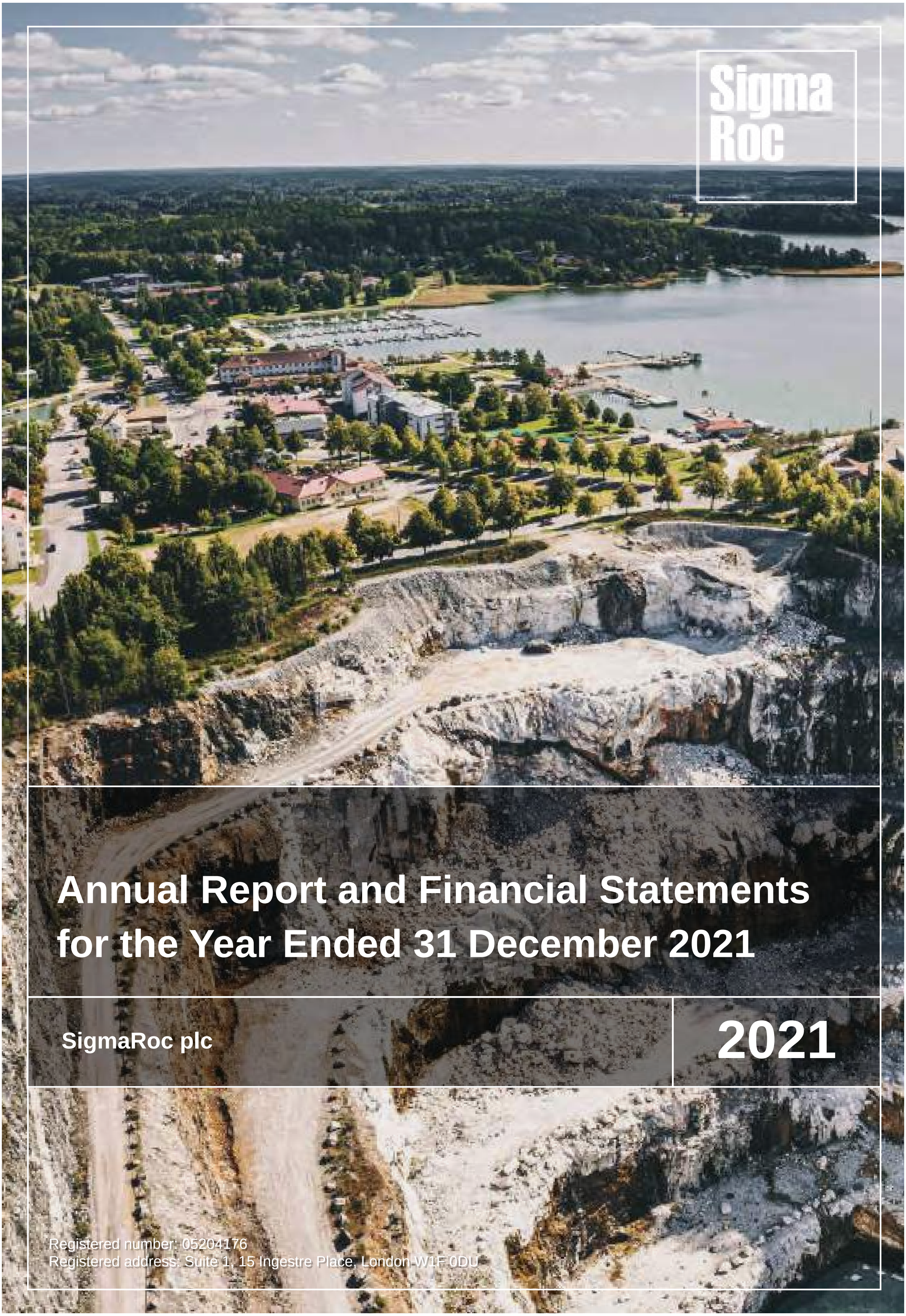

Sigma Roc

Annual Report and Financial Statements for the Year Ended 31 December 2021

SigmaRoc plc

2021

Registered number: 05204176
Registered address: Suite 1, 15 Ingestre Place, London W1F 0DU

Nordkalk, Pargas

Sigma Roc

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

Contents

Highlights

FINANCIAL HIGHLIGHTS[1]

REVENUE

£272.0m

+118.9% 31 December 2020: £124.2m

UNDERLYING[1] EBITDA

£49.3m

+106.1% 31 December 2020: £23.9m

UNDERLYING[1] PROFIT BEFORE TAX

£26.8m

+120.4% 31 December 2020: £12.2m

UNDERLYING[1] EPS

5.4p

+19.4% 31 December 2020: 4.5p

ADJUSTED LEVERAGE RATIO[2]

1.88x

+11.2% 31 December 2020: 1.69x

[1] Underlying results are stated before acquisition related expenses, certain finance costs, redundancy and reorganisation costs, impairments, amortisation of acquisition intangibles and share option expense. References to an Underlying profit measure throughout this Annual Report are defined on this basis.

[2] Adjusted leverage ratio compares net debt to Underlying EBITDA for the last twelve months adjusted for pre-acquisition earnings of subsidiaries acquired during the year.

These definitions are included as part of a list of defined terms used throughout these Accounts in Definitions section on page 130.

OPERATIONAL HIGHLIGHTS

Invest

- Significant new North European materials platform established through the acquisition of Nordkalk for €470 million
- Acquisitions of B-Mix and Casters together with establishment of new Benelux aggregates platform
- Johnston Quarry Group acquisition completed post year-end, further strenghtening the Group's UK offering

Improve

- System: New ERP systems implemented in South Wales and PPG overhauling legacy setup
- Operational efficiency: successful efficiency initiatives implemented at Casters, GduH and Harries.
- Corporate governance: Proposed appointment of new independent non-executive director

Integrate

- Integration of Nordkalk with > 800 people across 10 countries
- Group banking facilities refinanced to consolidate debt footprint across the Group in conjunction with acquisition of Nordkalk

Innovate

- Launch of Greenbloc cement free ultra-low carbon concrete block technology, to be made available across the entire PPG product portfolio
- Partnership established with Marshalls to develop ultra-low carbon solutions

Company Information

DIRECTORS

David Barrett (Executive Chairman)
Max Vermorken (Chief Executive Officer)
Garth Palmer (Chief Financial Officer)
Tim Hall (Non-Executive Director)
Simon Chisholm (Non-Executive Director)
Jacques Emsens (Non-Executive Director)

COMPANY SECRETARY

Westend Corporate LLP

REGISTERED OFFICE

Suite 1, 15 Ingestre Place
London
W1F 0DU

COMPANY NUMBER

05204176

BANKERS

Santander UK plc
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NW1 3AN

NOMINATED & FINANCIAL ADVISER

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JOINT BROKERS

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London
EC2Y 9LY

Peel Hunt LLP
120 London Wall
London
EC2Y 5ET

INDEPENDENT AUDITOR

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Canary Wharf
London
E14 4HD

SOLICITORS

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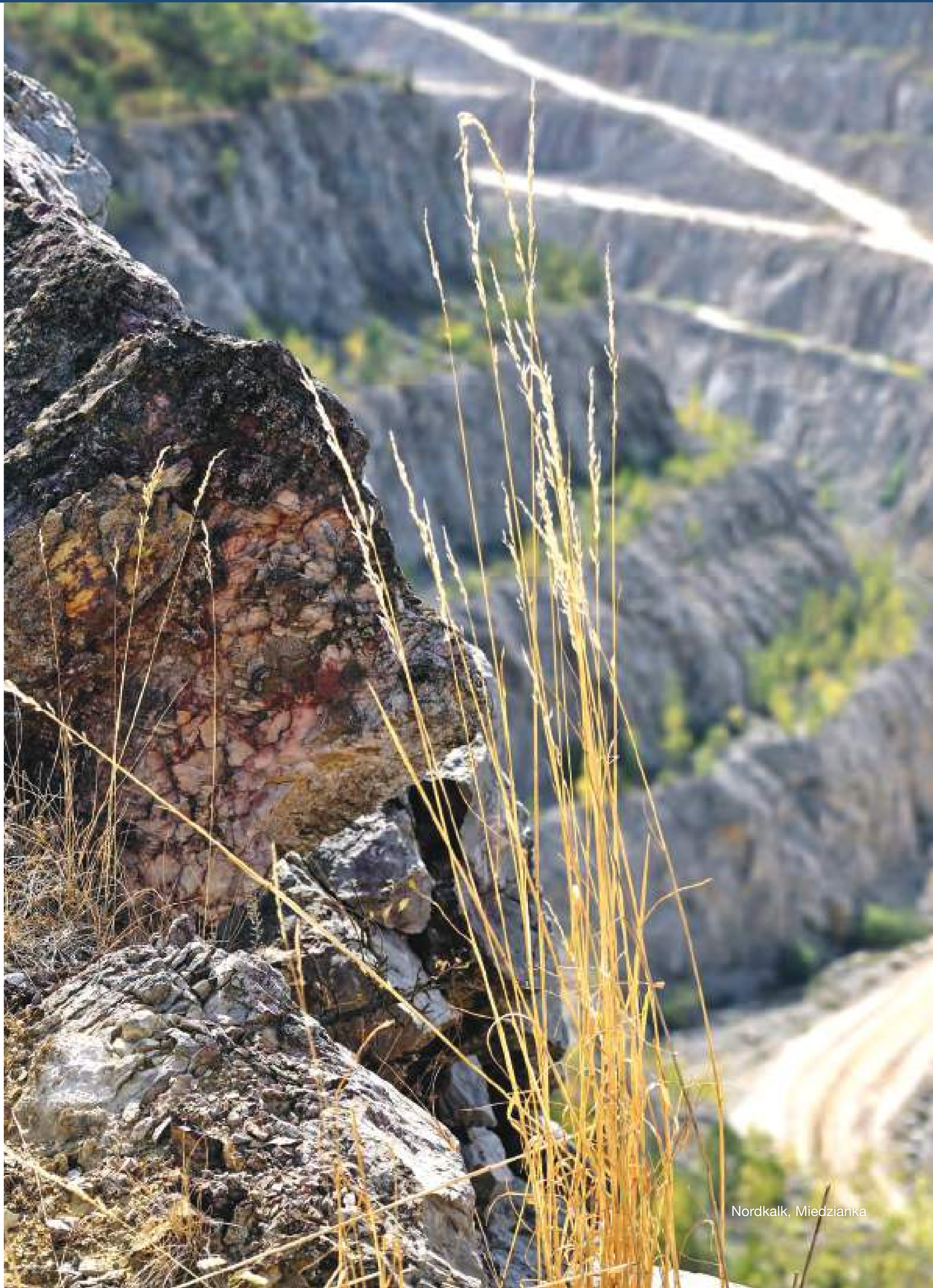
Riverbank House
2 Swan Lane
London
EC4R 3TT

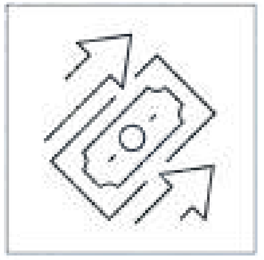
REGISTRARS

Link Market Services Limited
The Registry
34 Beckenham Road
Beckenham, Kent
BR3 4TU



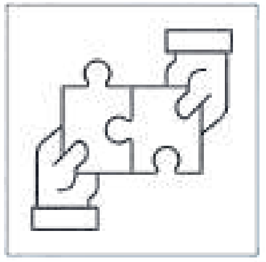
Nordkalk, Miedzianka

Core Principles



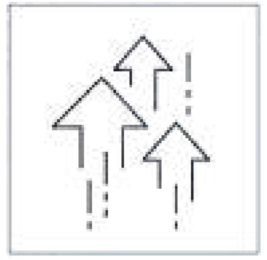
INVEST

- Only in businesses with solid intrinsic value;
- Only in businesses with the potential to be improved and grown;
- Only in businesses which can be bought at an attractive valuation.



INTEGRATE

- By building platforms of compatible businesses;
- By unlocking those synergies which do not come at a significant cost;
- By recognising the value of what previous owners built.



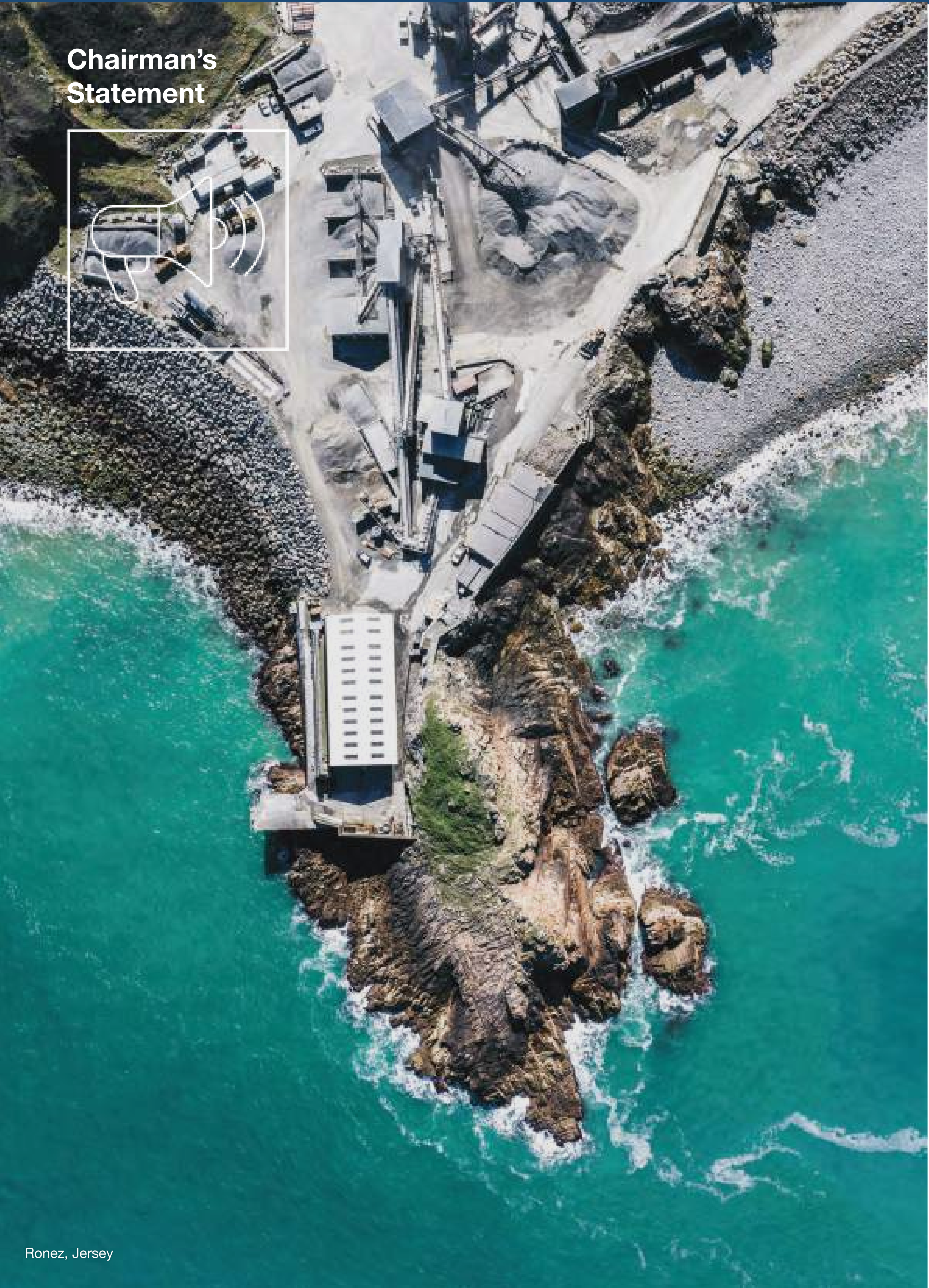
IMPROVE

- The motivation of management to drive growth;
- The ultimate offering to the local market and community;
- The operational and financial performance of the business.

INNOVATE

- By providing product and service solutions to current and future problems;
- By embracing technological advance within the running of our businesses;
- By challenging the status quo to drive our businesses and industry forward to meet social and environmental challenges ahead.

Image: Nordkalk, Miedzianka



Ronez, Jersey

Chairman's Statement

Dear Shareholders,

On the fifth of January this year, we marked the fifth anniversary of the Ronez acquisition and the start of our SigmaRoc journey. In that short time, we have built a great business and one with even greater potential. The success of this has undoubtedly been due to the drive and determination of our staff and the continued support of our shareholders.

Our staff's determination is evident in the commitment I see towards growth, safety, profitability and sustainability, in an environment which has clear and existing opportunities. In the following report we present, therefore, not only an account of SigmaRoc's 2021 performance but also of our ambitions for future growth and sustainability targets, as well as our proposals for managing the challenges ahead.

One of these challenges has undoubtedly been the tragedy unfolding in Ukraine. We have three employees based there and staff have rallied to assist them. At the time of writing, we have ensured accommodation in Poland for their family members. Whilst the men have had to remain, we have transferred them to safe accommodation near the Polish border. It is a tragedy that military action was chosen over a diplomatic resolution. As a business we will continue to support the Ukrainian people where we can.

Growth

2021 was a year of both growth and development for SigmaRoc. Whilst acquisition activity was significant during the year, the Group also made substantial progress in enhancing operational performance. This further cemented the Group's leading position in local niche markets, while driving innovation in its product range. Financially, we exceeded all our targets and market expectations; we more than doubled our turnover to £272.0 million and Underlying EBITDA to £49.3 million, growing our Underlying earnings per share by 19.4%.

David Barrett

Executive Chairman

Chairman's Statement CONTINUED

We have done considerable work to develop a strategy that will enable us to take a leadership position on ESG matters and ambitious targets were set, as will be discussed further below. Our governance, safety reporting and management capabilities were all improved further and each of these aspects will be detailed below and in the various sections of this Annual Report.

Regarding strategic growth opportunities, 2021 was certainly one of the most active years since SigmaRoc's inception. We started the year with the creation of a new platform in Benelux, focusing exclusively on heavy construction materials. This is an embryonic platform, but one with significant potential given its strategic positioning in key markets. We also joined forces with Carrières du Boulonnais in the creation of a dedicated partnership addressing Belgium and Northern France for aggregates and concrete.

Most significantly, however, we expanded the Group in a new region: Scandinavia, Poland and the Baltics. Furthermore, we obtained additional products for our quarried materials through the acquisition of Nordkalk, a market leader in limestone products. This was a unique opportunity, allowing the Group to establish immediate scale and market leadership in a strategically important new region, diversifying our end customer base, whilst using the same upstream products and production processes.

As a result of these developments, the Group is now well positioned for its next chapter - to make use of its strong position across a range of attractive markets to grow, innovate, consolidate and improve its product portfolio, market access and operational efficiency. This is in line with the ambitions set at the acquisition of Nordkalk.

Operations, Safety and COVID-19

Throughout 2021, the Group delivered a solid operating performance, despite challenging conditions, with volumes of all materials sold across the Group in line, or ahead of, 2020. Deliveries to residential construction and certain industrial applications at Nordkalk saw good year on year volume growth. Infrastructure demand remained strong in Benelux and Poland and we saw a good increase in the UK, with more projects coming online as the year progressed. Additionally, plant availability and efficiency were maintained consistently, limiting the impact of unplanned production stops.

Much progress was again made on safety reporting and management. The total safety events frequency rate recorded dropped by 25%, while the harm incidents frequency rate dropped by over 30% versus the previous years. Positive reporting, including Near Hits and Hazard and Risk Identification increased by more than 200%. While this progress is encouraging, work still needs to be done at several sites, in particular in Belgium, where the level of the safety culture remains behind that of other parts of the Group.

The overall operational and safety performance is pleasing in light of the challenging environment created by COVID-19 and the restrictions imposed. Across the Group, which is now operating in several countries across Europe, we have ensured compliance with local regulation. We continue to manage this at a local level, ensuring that we are rapid in implementing any policy changes. As a result, we have been effective in managing the health challenges posed by COVID-19, with no transmission within the workplace observed.

We thank all our colleagues for their support as these restrictions often make working conditions more challenging both physically and mentally.

Governance

In 2021 we made significant progress in further strengthening the Group's governance. With the appointment of a General Counsel in 2020, we reviewed all governance and compliance policies to ensure we are in line with QCA guidelines. We revised our Board composition, focussing on the independence of directors. We have now made a further step with the proposed appointment of Axelle Henry as a third Independent Non-Executive Director and fourth NED overall, as part of a board of seven, following publication of these Accounts. Ms Henry is CFO of Verlinvest, a private investment firm specialised in investments with a focus on consumer goods, where strong branding and innovation is key and where revenue and profitability models are very different to our Group. She also has significant understanding of our sector through her previous role as deputy-CFO at Groupe Bruxelles Lambert, a major shareholder in large operators in our sector.

With the acquisition of Nordkalk, we also took significant time to define our long term ESG strategy and net-zero targets. As a Group, we are well positioned in terms of our product portfolio. Most products we make are low in carbon intensity and form a positive alternative to competing products from an ESG perspective. We are working hard to mitigate the impact of the product streams that are higher in CO_2 intensity. In addition, it is not often known that lime, our most CO_2 intensive product, naturally reabsorbs nearly all the CO_2 emitted from its production within five years. As a result, our overall product portfolio is well balanced and presents us with the opportunity to set and reach ambitious net-zero targets.

Outlook

Looking forward, the Group is well positioned for its next phase of growth and evolution. The first five years allowed us to build an efficient operation dedicated to investment and improvement of acquired businesses into locally focussed platforms. Nordkalk now gives the Group significant additional reach and scale, thereby multiplying the opportunities for continued development. The significantly enhanced cashflow generation capability of the Group provides the capacity for continued growth investment, supporting of our strategic objectives, whilst retaining a flexible and efficient capital structure.

Considering these various points independently, there are a few aspects worth noting. While the Group has continually grown its earnings, the cashflow generated from its own operations historically has only provided limited capacity for investment.

The substantial change in the Group's cash generation potential is a significant development for the business, allowing for more dynamic opportunities. Firm discipline will be maintained regarding capital expenditure and setting returns targets on investments.

The Group also benefits from an expanded set of credit facilities, leaving it with headroom of £200m in total at the end of the year. As above, there is a strong disciplined focus within the Group to manage leverage and not exceed self-imposed leverage limits, save for short periods to take advantage of unique opportunities and where they are worked down quickly.

As a result of the above, I believe we are in a good position to continue on the path of growth we have followed to date and build a safer, stronger and more attractive business for shareholders, staff and the communities where we operate. It is evident that the Group will face challenges along the way - such is the nature of business. However, if the past five years can be a guide, it is clear that the Group and its structure is built to deal with the challenges it encounters, whilst continuing to create value for all its stakeholders.

David Barrett
Executive Chairman
22 March 2022

Image: Nordkalk, Wolica

Nordkalk, Slawno

CEO's Statement

Dear Shareholders,

Whilst 2021 saw the Group take a transformational strategic step with the acquisition of Nordkalk, it also saw the wider business deliver continued operational and financial progress in what were very challenging conditions. This is testament both to our people and the clear strategy that we put in place at the outset of our journey and against which we are constantly measuring ourselves.

We are proud of our progress, however, we recognise that it all fades into deep irrelevance when a war is fought in Europe, when families are separated, children lose parents and parents lose children. We will do our utmost to support our colleagues in Ukraine who, at the time of writing, are safe in western Ukraine or in Poland. We will continue to support those who flee the Ukrainian warzone and remain astonished war can ever be considered a justifiable outcome.

Our journey started five years ago as a cash shell with an ambitious business model, "the power of the platform". Integrating vertically, when the end markets are very localised, product specific and fragmented, is counter-intuitive. Decentralising and making managers and staff accountable, is not. This became the backbone of our decentralised business model which, in 2020, showed its agility and in 2021 its relentlessness. It also resonated with the Rettig Group who understood how one of their companies, Nordkalk, could fit within our organisation and prosper. Delivering transactions of this scale and ambition is only possible with the support of our shareholders and this support has never been taken for granted. We hope that the progress we have made in the past five years and the vision we are articulating within this report for our future, will convince you in continuing your support for our journey.

CEO's Statement CONTINUED

2021 was a year of both significant strategic and financial progress. With four acquisitions in the year, including our largest to date, the creation of a strategically important JV with Carrières du Boulonnais and the launch of our Greenbloc technology, we have laid the foundations for the next phase of the Group's evolution. These actions helped to deliver significant increases in: revenue to £272.0 million, up 119% year on year; Underlying EBITDA to £49.3 million, up 106% year on year; and Underlying EPS to 5.37 pence, up 19% year on year.

2021 also saw the business commit to ESG targets which are industry leading and we believe more aggressive than any of our peers. The ESG section of this report presents them in detail and a dedicated ESG Report, to be published in April 2022, will provide further context. By 2040, we aim to reach net-zero and well before that, we intend to be free of fossil fuel usage. No other lime producer has set targets of this level of ambition and no other building materials producer has made progress in its ultra-low carbon offering that we have. It is a part of our development we are very proud of and will continue to pursue.

As 2021 was very busy, and to give sufficient context, I will provide a summarised account of the key strategic developments across the year before entering the detail of operational performance on a platform-by-platform basis.

Strategic development

In 2020 we had laid the foundations for a busy 2021, with our UK and Benelux platforms performing well and ready to be developed further.

Re-organising our Benelux based operations involved several separate actions. The first of these was to separate the dimension stone and aggregates businesses at Carrières du Hainaut given the distinct end market profiles and drivers of each. With the split and appointment of a dedicated Managing Director for Dimension Stone we set out to develop both platforms further. This included the creation of Granulats du Hainaut and its combination with our other quarrying assets in Belgium, as well as the acquisition of B-Mix with four concrete plants in highly strategic locations in the region. As a result of these efforts, our Benelux construction materials platform was established, the start of a highly concentrated and strategically located supplier of construction materials in Belgium and the Netherlands.

Having established a broader, marketable platform in Belgium we saw significant opportunity in extending our presence into the attractive and adjacent French Market. A joint venture with Group Boulonnais, France's most respected independent quarried materials supplier, presented an optimal entry point into this market with the Group able to benefit from our partner's deep knowledge of the sector, scale and customer standing.

Alongside operational development, our innovation and product development activities yielded significant success in 2021 with the launch of the UK's first ultra-low carbon concrete products technology, Greenbloc. This technology has been the product of over 18 months' development focus and we are delighted that, following successful testing, we are able to offer this across our concrete product range making SigmaRoc a clear leader in ultra-low carbon concrete across both the UK and Europe.

2021 also presented us with the opportunity to meaningfully extend our geographic footprint in Europe. The Northern Europe region has, since inception, been a very key target market for the Group, benefiting from strong demographic, regulatory and market drives for the use of our materials. Nordkalk presented a unique route to the Group achieving credible scale in this territory, with over 100 years of history and a leading market position in quarried products for most of Scandinavia, Poland and the Baltics. Nordkalk also shared a similar operational structure to SigmaRoc, focussed on local quarried products for local markets in a decentralised way, which made it culturally an ideal fit for our business.

Operations and trading

Trading performance:

The Group's trading and operational performance for 2021 was solid. Overall, on a like-for-like basis, the value of upstream quarried materials sold increased by 2%. Value added product sales increased by 14%, with value added services increasing by 16%. These figures include the Nordkalk business and considering SigmaRoc pre-Nordkalk acquisition, the evolution is similar with total revenue increasing by 15% on a like-for-like basis.

For the Ronez platform, trading in both islands was solid and in line with expectations, with the impact of a lockdown in the first quarter recovered through strong demand as the year progressed.

Several significant projects in both Jersey and Guernsey, including Admiral's Park in Guernsey and large residential developments in Jersey (both the public and private), as well as further demand for road maintenance helped deliver £28.9 million in turnover, which was slightly ahead of budget. The shipping business had an excellent year, with very high ship utilisation and a total of 51 cargoes carried. Operational plant and machinery investments of the past years has shown its worth with the renewed ready-mix fleet, ready-mix plant and further plant upgrades.

The three businesses which constitute our PPG platform, with seven sites across the UK, have developed well. Block production increased year over year, as did volumes for landscaping and flooring products. Bespoke project work was slow in the early part of the year, but accelerated in the second half with larger scale infrastructure and commercial projects such as car parks and traffic barriers coming online. The most exciting developments were, however, Greenbloc and our launch into ultra-low concrete products, leading to a strategic partnership with Marshall's. Cost pressures, particularly in cement and logistics, were managed via pass-through mechanisms and further searches for efficiency initiatives.

With our third platform in the southwest of the UK, we took the opportunity to expand our integrated aggregates and construction materials business in the region, starting in South Wales, with the Harries business. The business was fully integrated into the Group in September 2020 and much has developed since. Closing the year with £29.9 million in turnover the South Wales business performed in line with expectations. Work on further development of the entity is being undertaken currently with a view to extend our product offering. A complete review of the structure of the business will lead to a more efficiently organised business.

With the creation of a dedicated dimension stone business, with Carrières du Hainaut as its base, we ensured full focus on the production and delivery of a high value-add product, Belgian Bluestone. Demand for Bluestone was strong throughout the year across RMI, new build and infrastructure markets. We developed new sales regions by expanding the sales teams in Germany and focussing on commercial strategies for Austria and Switzerland. Focus on Scandinavia and the UK was achieved through dedicated partnerships with off takers and representatives. As a result, the combination of existing markets in the Benelux, France and Italy as well as new markets helped grow sales and volumes to reach 1 million square meters in the year. Further efforts are now being made on the commercial positioning of the product, helped by a new digital strategy and website, as well as operational changes to allow for further production efficiencies at higher volumes. The significant extension of the Bluestone quarry, currently underway, is central to that strategy and represents a substantial enhancement to the production set up.

As a consequence of the focus on Bluestone, all construction aggregate production at Carrieres du Hainaut was split off into a new business, Granulats du Hainaut, which now forms the base of a Benelux platform also including Cuvelier and B-Mix. The creation of GduH coincided with the take-over of the Holcim production plant in April and the creation of a joint venture with Carrières du Boulonnais to best serve the Benelux and French markets, in anticipation of the installation of new production infrastructure in 2024. The Cuvelier business had a good full year, despite sales being impacted in the first half by road closures limiting access. B-Mix, the concrete business in northeast Belgium had an excellent year with volumes of 177 thousand cubic meters and the integration of the Casters concrete business, acquired simultaneously. Combined the three businesses form a solid base for further development and growth in the Benelux market.

In September, a sixth platform joined the Group through the acquisition of Nordkalk, consisting of three operating divisions. In the north, its Finnish and Swedish operations had a good year overall, driven by strong demand from the pulp and paper industry as well as strong demand from steel producers in the region. Rationalisation of capacity by customers benefited the group through sustained volumes. As a result, volumes of lime and limestone were higher than anticipated. While this improved overall turnover and net profits, it also posed the challenge of dealing with very sharp rises in energy costs, exceeding 200% in many cases toward the end of the year. Efficient pass-through mechanism and hedging have allowed for protection of the net profitability of the business, but inevitably increased turnover more than anticipated as can be seen from the detailed analysis in page 50 of this report. Further efficiency initiatives will target margin protection and improvement in 2022.

The second region consisting of the Polish and German operations had an equally good year driven by a highly effective local management team maximising efficiency of the operations. Demand was

CEO's Statement CONTINUED

driven by infrastructure works in particular as well as deliveries to steelworks and the agricultural sectors. Energy cost pressures were managed through hedging and contractual mechanisms protecting profitability of the division. Further development of the division, in particular the extension of reserves at the key sites is underway to ensure future delivery to key sectors of the Polish economy.

The third operation within the Nordkalk platform consists of several joint ventures, including operations in Norway and Sweden in partnership with fellow minerals companies and steelworks. Trends seen in other parts of the business were also present here, where the main challenges were posed by supplying sustained volumes throughout periods of high energy costs. The business performed well and managed to improve its competitive position in the period.

The overall trend for the year 2021 was therefore similar across the Group with good demand for products in all main sectors of supply, be it private construction, infrastructure, steel, pulp and chemical or environmental applications of our quarried products. Managing rising energy costs and other supply chain disruptions was done effectively and led to good protection of the Group's bottom line.

Inflationary pressures and supply chain backdrop:

As was highlighted within the review above, the third and fourth quarter of 2021 saw several challenges to the business from a supply chain and cost inflation perspective. In both cases the businesses reacted well to ensure profitability was protected.

Supply chain issues have been well publicised in the sector, particularly in the UK. While these challenges were certainly real, the Group dealt with them effectively. Driver and logistical shortages were tackled through active fleet management and benefited from good long term relationships with haulage suppliers. Additional capacity was successfully secured where necessary in areas where demand was particularly strong.

Cost inflation, in some cases significant, was evident across a number of areas but the Group did well to substantially mitigate this through strong contractual pass-through arrangements and further internal efficiency gains. Cementitious products remained both in short supply and at higher-than-average prices. Existing supply arrangements and management of productivity allowed continued production at good volumes even when placed on allocation. In-house delivery capabilities for these products helped further.

Energy, gas and electricity supplies were the other area of significant and sudden price increases. Hedging strategies were already in place converging normalised base load consumption across the network of plants and operations. As energy price movements were very significant, further price movement was captured in contractual pass-through arrangements as part of long term supply structures allowing the Group to manage the inflationary environment.

As a result, while the environment was challenging, the strategies adopted allowed for the protection of the business and the continued supply and delivery of product to our customers without interruption.

Financial performance

The Group delivered an excellent financial performance for the year, which was ahead of analysts' expectations. Reported revenues were £272.0 million, delivering Underlying EBITDA of £49.3 million, with demand and pricing pass through driving significant top line growth which, combined with continued efficiency gains realised across the business, enabled a strong margin performance in what was a challenging backdrop. This performance is a testament to effective local management taking the right decisions to protect their businesses without hesitation, whilst retaining focus on supporting their local markets.

From a balance sheet perspective, the Group dramatically changed across the year with completion of the various acquisitions. As at 31 December 2021, gross assets were £769.3 million, underpinned by over 1 billion tonnes of reserves and resources, land, plant and machinery in strategic locations. Net assets were £411.2 million following a refinancing of our debt facilities led by Santander. At year-end the Group had access to a further £200 million in RCF and credit facilities which will support the Group's further evolution. We maintain leverage targets at two times Underlying EBITDA with a significant down trend, giving the Group the ability to reinvest generated cashflows as the Group reduces its gearing. At the year-end our leverage ratio stood at 1.88 times Underlying EBITDA with cash at £70 million.

ESG, Safety and Innovation

ESG:

All topics captured under a broad heading of ESG equally saw incredible progress throughout the year. In April 2022 the Group will publish its first dedicated ESG report, giving ample detail on all the initiatives we are undertaking. In anticipation of that report, we can already announce several exciting points in relation to our net-zero targets, our Environmental and Social initiatives and our Governance improvements.

As part of our ESG reporting, we publish detailed statistics and reductions targets under TCFD and SASB norms. These targets are aggressive and industry leading. We aim to:

— provide option for 100% of manufactured products to utilise waste/recycled materials by 2025 ;

— utilise 100% of production materials by 2027;

— be free of fossil fuel use by 2032; and

— achieve net-zero by 2040.

No other operator in the lime sector has committed to these targets and no other building materials producer is presently able to offer certified products with ultra-low carbon credentials totally free of cement, across the entire range of its products.

We are also very focussed on supporting the communities where we work and several initiatives have been realised in 2021 to ensure we are a good neighbour with our operations. In Belgium, we have donated a large section of land to the city of Soignies and will assist in its development into a zone for recreation and sports. In Finland, we have built a large wooden exercise staircase alongside our operations to promote physical activity. In Poland, the business continues to support the mayor of Slawno who developed a museum next to our operations to preserve fossilised marine creatures found in our quarries. These are a few of the initiatives implemented this year, more of which will be detailed in our Sustainability report.

From a governance perspective, we continue to develop the leadership of the Group and are proud of the proposed appointment of Axelle Henry as an independent NED. Ms Henry brings significant financial skill to the Group given her role as CFO of a major investment fund. She also brings knowledge of sectors which are much more brand and innovation dependent, therefore providing fresh perspective and diversity of opinion to the Board, augmenting its specialist sector experience. The Board will therefore consist of a majority of independent Directors, with very complimentary skills and backgrounds.

On a more operational level, the Group has continued to maintain and increase its accreditation levels, both ISO and product specific, as well as conducting surveys to assess staff and management perception and engagement. In all cases, the results were extremely positive with areas identified where cross-learning could be obtained. As a result, regional advisory boards were set up to ensure the various platforms in similar legal jurisdictions would share best practices.

Safety and COVID-19:

Considering safety, the Group has also continued to progress with a year on year reduction of 25% in incident frequency rate; a year on year reduction of over 30% in harm frequency rate and a year on year increase of 200% for near hit, hazard and risk reporting. The safety culture of the Group is steadily improving which is a challenge as every year many new businesses with differing approaches to safety join SigmaRoc. Still, through the use of adequate tools, including our safety management tool Highvizz we are able to increase reporting, decrease harm and improve the awareness and culture that promotes a safe business.

2021 started with a lockdown and ended with a lockdown in many of the regions we operate in. As in 2020, the year was dominated by the COVID-19 pandemic and the restrictions it brought with it. As in 2020, we aimed to be proactive in implementing the required local restrictions to keep the business compliant and operating. As a result, our COVID-19 response continued to be managed at a local level, to remain quick and agile as local realities changed. We were effective in managing the pandemic and its impact on our business, having to date no evidence of any transmission of COVID-19 at work.

Innovation:

A key part of our focus on becoming an improved and sustainable business is innovation. Having begun development 18 or so months ago with the idea to create a carbon neutral concrete product we are now the leading supplier of ultra-low carbon concrete products in the UK through our Greenbloc technology.

CEO's Statement CONTINUED

In addition to Greenbloc, we continue to innovate across the Group. In Belgium, with support from the Nordic region, we commenced work on utilising saw sediment waste material from CDH production as additives and fillers for the chemical, construction and agriculture industries. In the UK, we supplied concrete products coated with pollution absorbing paint for a school playground. At Nordkalk, we launched several new products all developed in house, one of them being an ultra-white paint without the use a the TiO2 pigments making it significantly less harmful.

Our efforts in innovation were also noticed by others. Marshalls, the leading UK supplier of landscaping products, joined the Group in a JV to develop ultra-low carbon solutions. In Belgium, we continue to develop our Bluestone business in order to propose new finishes and applications while promoting 100% material use from all our operations.

Our journey on the path of innovation is not very long, but we have already made an impact and good progress. It has become a key area of focus as we aim to provide solutions that are innovative and low carbon.

Post period announcements

The Group completed the acquisition of Johnston Quarry Group on 31 January 2022. This acquisition significantly enhances the Group's presence in the UK from a quarrying perspective, with Johnston Quarry Group and Harries forming part of the expanded Southern platform covering Southern England and Wales. A new ExCo member will be appointed to lead these two divisions.

The expanded platform offers a range of products and services covering a footprint from Pembroke to Lincoln, in aggregates, concrete, asphalt, surfacing, agricultural lime and dimensions stone. It is the base for a highly focussed and specialised platform along the main road axis of the UK and focussed on niche product and product delivery. It has the potential to deliver more and grow both in offering and region.

Forward look

The 2022 financial year has started well across the Group. Early January saw some disruption from COVID-19 restrictions and absenteeism, but the Group has responded well with performance strengthening through the first quarter. The overall trading situation has been challenging, but the agility of the Group has facilitated the right responses. Unprecedented energy price and input cost inflation continues from the second half of 2021, but the Group remains focused on mitigating these through a combination of hedging, contractual structures and dynamic pricing. A strike at UPM, one of our key customers in Finland, has slowed demand for several higher end products in Q1'22, but once resolved we expect increased volumes as the customer seeks to recover lost production. Operations in the Belgium, Channel Islands and the UK also traded in line with expectations with only some minor delays in project starts in Jersey.

Following the ongoing situation in Ukraine, the Group's historical sales to Russia were de minimis on Group revenue level and have now ceased completely, with no historical sales in the Ukraine. We are fully complying with all UK and EU trading sanctions and are monitoring the situation closely.

Looking further ahead in the year, we are focussed on a number of important strategic projects. Firstly, we have set very ambitious targets in respect of our ESG commitments. We aim to be sector leaders and we believe have both teams and plans in place to achieve these targets. In particular, when it comes to lime and limestone related products as well as ultralow carbon concrete, we are uniquely positioned to achieve our ambitions. The partnerships we have developed with several key organisations in the last 12 months, such as Carrières du Boulonnais and Marshalls, are important enablers of this and the potential strategic environmental value of the projects being considered and developed are significant.
In addition to these partnerships, several internal innovation projects will contribute both to our bottom line and our ESG credentials.

In parallel, we are extremely active on the investment front, having considered over 140 acquisition targets to date. We will continue to be highly disciplined and selective in our consideration of these, only progressing with potential acquisitions where there is clear path to meeting our financial and commercial criteria.

There also remains significant potential for the Group to achieve further organic growth and margin improvement. Expansion of our markets and growth of our sales networks will help deliver further top line improvement in each of our platforms and we will continue to build the local capability that enables our businesses to capitalise on growth and efficiency opportunities.

Taking all these developments and initiatives, I remain convinced the Group is very well placed to develop further, deliver growth and take on a leadership position when it comes to ESG. None of these targets will be easily met, however, nothing easy is worth the effort. I am certain the entire organisation shares the same commitment.

This report was approved by the Board on 22 March 2022.

Max Vermorken
Chief Executive Officer
22 March 2022

Image: Carrières du Hainaut, Soignies

Our Locations

2021 Timeline of Key Events

JANUARY

Active behind the scenes development of the Group's M&A pipeline and administrative completion of new expanded £125 million banking facility entered into end of December 2020.

FEBRUARY

Launch of Greenbloc, UK's first cement free ultra-low carbon concrete block.

MARCH

Creation of Granulats du Hainaut and expansion of the Group's Belgian aggregates operations through an agreement whereby the Group assumes control of LafargeHolcim's quarrying operations which are co-located at the Group's CDH site.

APRIL

Acquisition of Belgian concrete assets, B-Mix and Casters, for a total consideration of €13 million and establishment of new Belgian aggregates platform.

MAY

AGM held and trading statement issued highlighting positive year-on-year performance of the Group.

JUNE

Greenbloc to be expanded across entire PPG product range by January 2022 and joint venture agreement with Carrieres du Boulannais in relation to Benelux platform.

JULY

Proposed reverse takeover of Nordkalk, subject to Shareholder approval and Polish competition clearance, together with £260 million fundraise and £305 million new syndicated banking facility.

AUGUST

General meeting approves Nordkalk reverse takeover. Polish competition clearance approval obtained and successful completion of Nordkalk acquisition on 31 August 2021.

SEPTEMBER

Strategic collaboration with Marshalls PLC to develop ultra-low carbon solutions within the concrete building materials sector.

OCTOBER

Trading update highlighting continued strong performance in Q3 with revenues of £73 million.

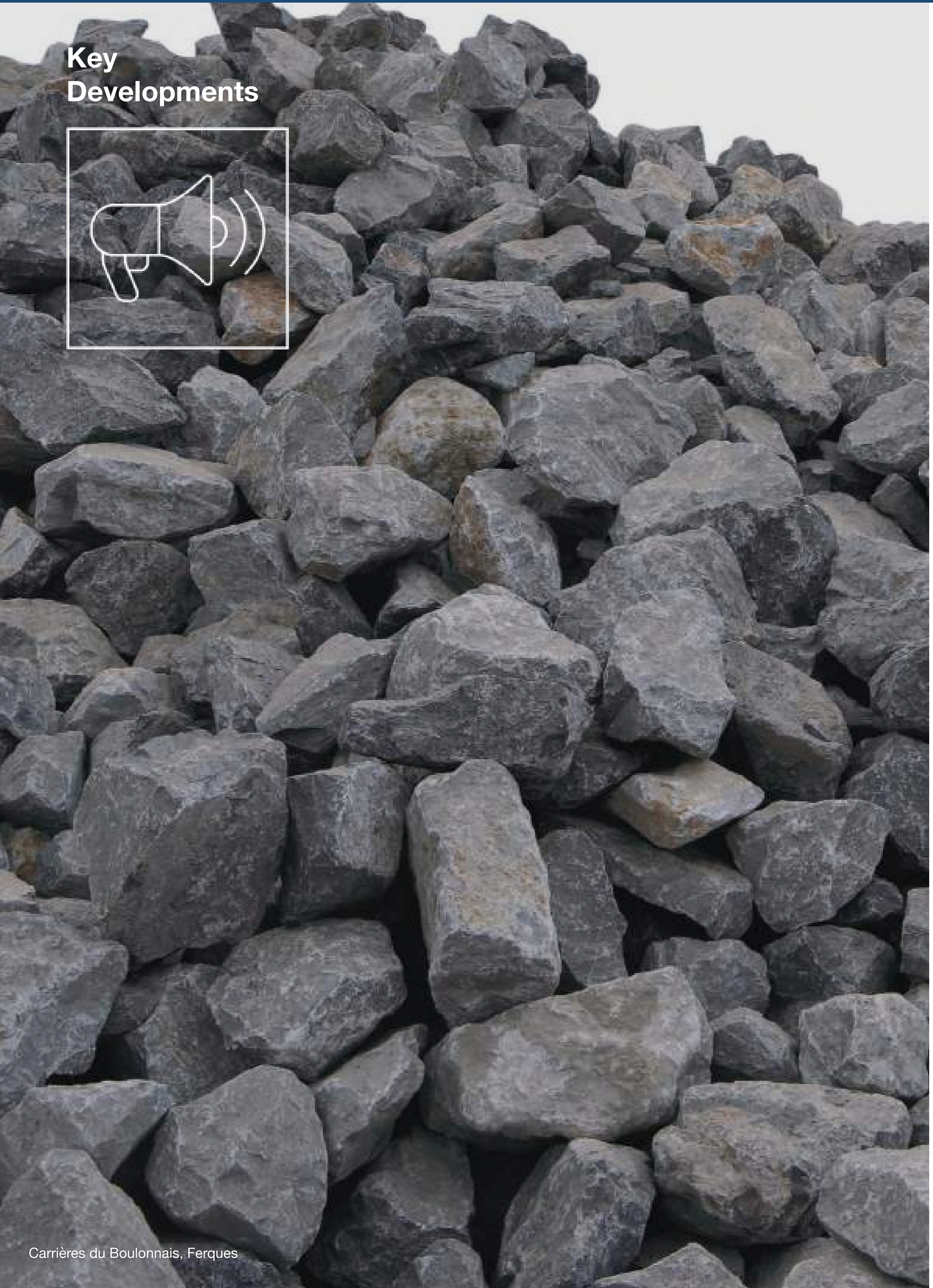
NOVEMBER

Greenbloc achieves Environmental Product Declaration, becoming first EPD certified UK cement-free concrete block.

DECEMBER

Completion of due diligence on Johnston Quarry Group and agreement of key terms.

Key Developments



Carrières du Boulonnais, Ferques

Joint-Venture with Carrières du Boulonnais

Image: Carrières du Boulonnais, Ferques

In June 2021, SigmaRoc signed a joint venture with major France based high grade limestone and construction materials company, Carrières du Boulonnais. CdB is part of Group Boulonnais, which has become a 25% shareholder in Granulats du Hainaut, with the aim of expanding GduH into a Benelux and Northern France wide supplier of limestone products.

Joint venture focussed on aggregates markets in Benelux and Northern France.

As a shareholder, CdB will assist in the development of GduH from a financial and technical perspective and materially increase GduH's market presence in these target markets. As a result, it is expected the target footprint for GduH's activities will reach beyond Belgium and into Northern France. GduH is the Group's Benelux production and distribution subsidiary and SigmaRoc will continue to wholly own its quarrying assets in Belgium.

As part of the Joint Venture agreement, CdB has agreed to co-fund the new crushing and screening installations planned to be built by 2024 at GduH's aggregates operations at Carrières du Hainaut. CdBwill also lend its vast technical expertise in the sector to optimally set up the new installations and their product offering. As a result, GduH will be able to commence servicing the Benelux and Northern French markets and, following the expiry of its existing agreement to supply LafargeHolcim in 2024, supply over two million tonnes of virgin construction aggregates per year, making it one of the largest suppliers in the region.

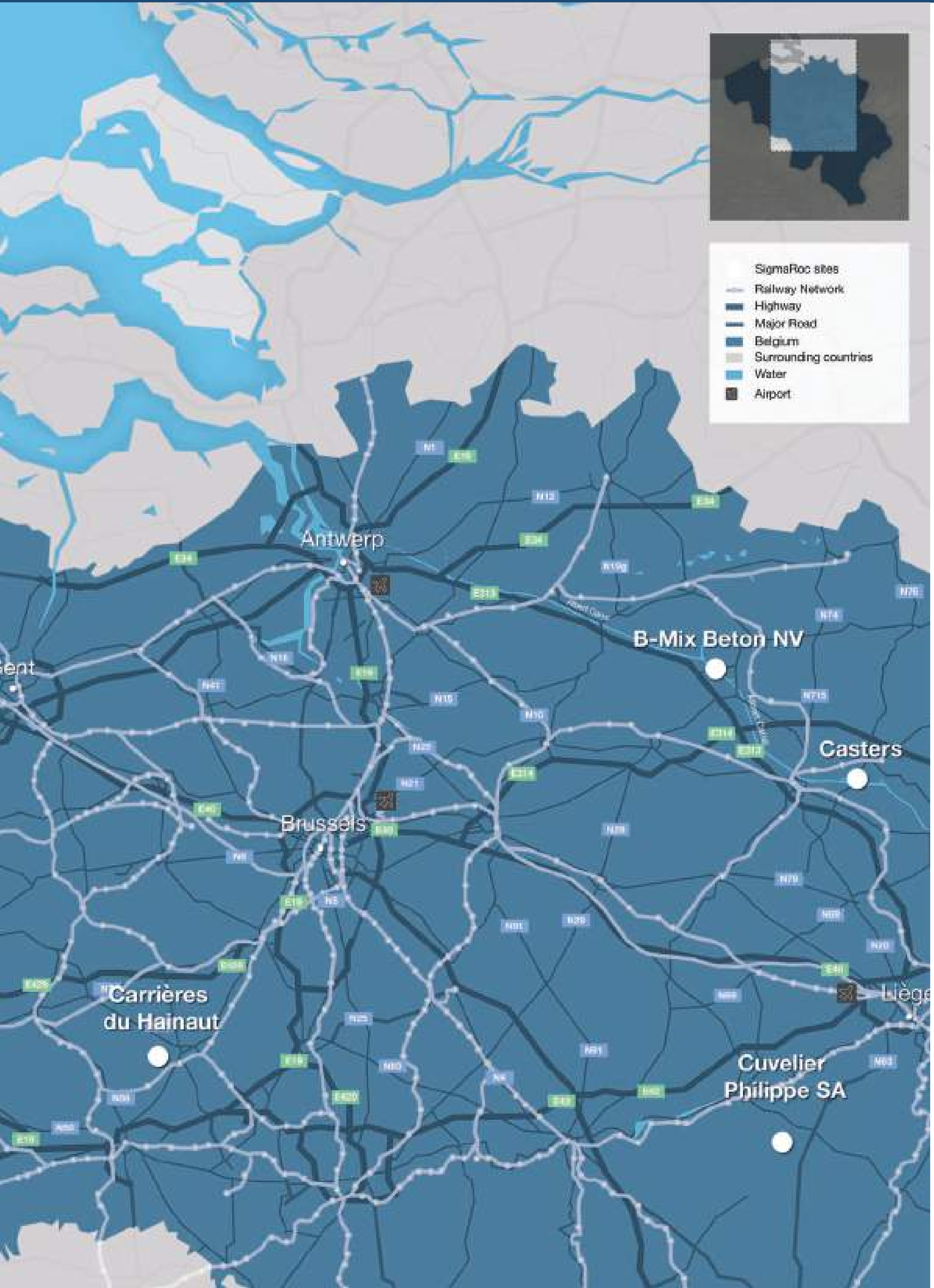
EMMANUEL MAES
ExCo Europe

"It was a real privilege to sign a Joint Venture agreement with a quarried materials group of the renown of Groupe Boulonnais. Our collaboration is strategically, technically and financially a major step forward as we build our footprint in the Benelux and North French markets. We thank Groupe Boulonnais for their confidence in SigmaRoc and aim to make our collaboration a real success.

We are confident that this JV will not remain the only cooperation between SigmaRoc and Groupe Boulonnais as we share the same vision and values."

STRATEGIC REPORT

Acquisition of Belgian Concrete Assets and Establishment of Two Separate European Heavy Side Materials Platforms



In line with its stated strategy, in April 2021 the Group has completed the acquisitions of B-Mix Beton NV, J&G Overslag en Kraanbedrijf BV and Top Pomping NV, as well as Casters Beton NV from Groep Janssens N.V. for a combined cash consideration of €13m.

B-Mix, located in Tessenderlo, and Casters, located in Genk, operate four concrete plants, producing around 250,000 cubic meters annually. In addition, the B-Mix business include quayside operations along the Albert Canal which links the cities of Antwerp and Liege and the rivers Scheldt and Meuse.
In total, the businesses generated a turnover of €22m, EBITDA of €3.3m and a net profit of €1.6m in the year ended 31 December 2020 and net assets of €5.9m. The Acquisitions will be immediately enhancing to the Group's underlying earnings and will be funded from cash raised in December 2020.

Creation of new European Platforms

Following the Acquisitions and the creation of the GDH aggregates brand, as announced on 26 March 2021, SigmaRoc has decided to separate its European heavyside materials operations into two separate platforms. CDH will continue as a Europe wide dimension stone platform under Managing Director Christophe Huyghebaert, turning over approximately €44m per year. A new integrated concrete and construction aggregates platform will be created to include GDH, Stone Holdings, B-Mix and Casters. The new platform will be managed by Emmanuel Maes and Pascal Lesoinne, with initial annual sales of around €36m per year.

Option to acquire 11ha of quayside industrial land

Alongside the Acquisitions, SigmaRoc is also pleased to announce it has entered into an option agreement with Jabo N.V., granting it the right to acquire 11 hectares of quayside industrial land in Tessenderlo, for a consideration of €9m. The land subject to the Option includes approximately 260m of quayside along the Albert Canal, one of the busiest national shipping lanes in Belgium, and houses the B-Mix concrete business, as well as a significant unutilised area. Should the Option be exercised, SigmaRoc estimates it would utilise approximately 4 hectares for the B-Mix business and is exploring opportunities to utilise the remaining land as part of its strategy for further expansion in the Belgian market. Should opportunities not be identified which meet the Group's investment criteria, the sale or development of the land would be considered.

Image: B-Mix, Tessenderlo

Greenbloc

In February 2021 SigmaRoc pioneered the construction market with the launch of the UK's first Cement Free Ultra-low Carbon Concrete Building Block under a new brand, Greenbloc.

Concrete blocks are used extensively in the construction of real estate and infrastructure across all sectors. SigmaRoc's new Greenbloc range materially reduces the carbon footprint of these blocks when compared to a traditional product.

Greenbloc is completely cement free, making it unique in the UK market and provides on average a significant net reduction in eCO2 of 77% per concrete block, resulting in the following specific decreases:

- an average reduction of 1.1kg of eCO2 per concrete block;
- an average reduction of 2.7 tonnes of eCO2 per average semi-detached house;
- these average reductions are equivalent to the CO2 emitted by an average household's electricity consumption for four years.

The product is produced by SigmaRoc's PPG platform at its various production facilities. Following extensive research & development and initial trials throughout 2020, the product has been well received by the market with strong interest from several leading national building materials merchants, including Marshalls PLC with whom PPG entered into a strategic collaboration in September 2021 in relation to Greenbloc and low-carbon building material solutions.

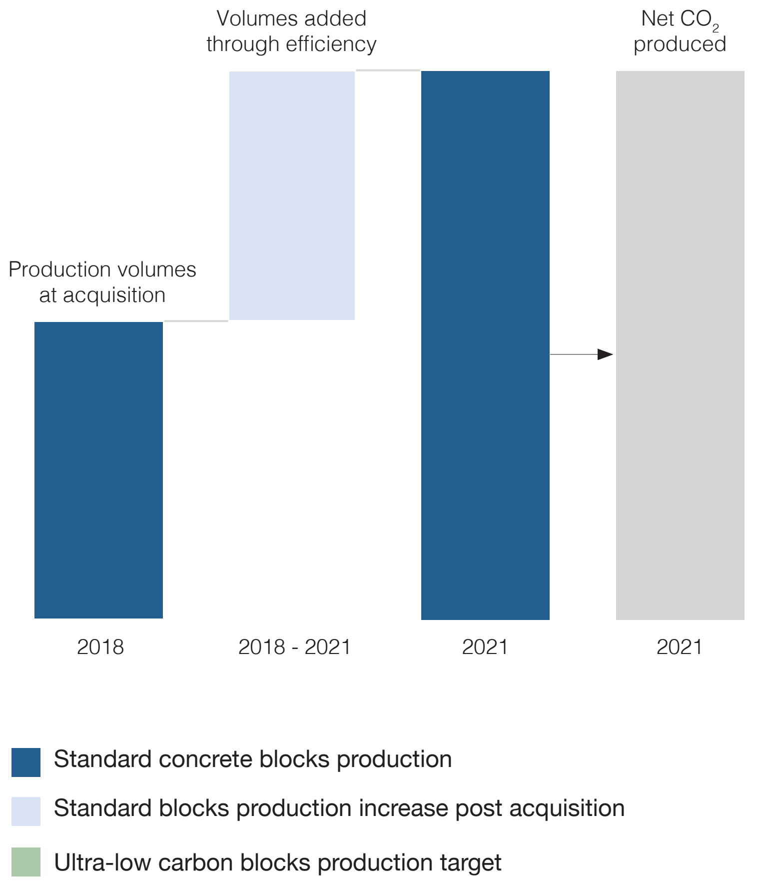
In November 2021 SigmaRoc obtained Environmental Product Declaration (EPD) status for its Greenbloc product range. The EPD is classed as a type III environmental declaration with ISO 14025, and provides transparent and credible information about the environmental impact of a product throughout its lifecycle – from material extraction, through to manufacturing, usage and end of life.

In January 2022 PPG extended Greenbloc across its entire product portfolio, becoming the first precast products producer in the UK to provide a suite of ultra-low carbon alternatives.

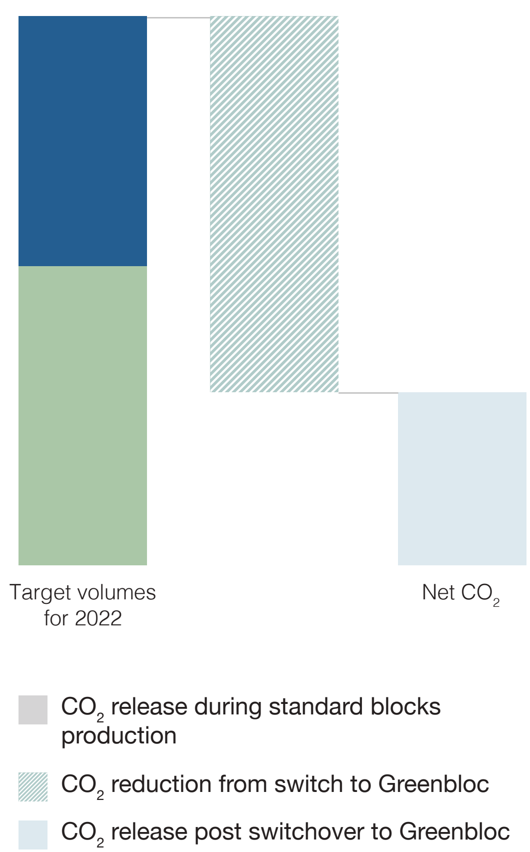
Image: Greenbloc, Poundfield

Image: Greenbloc, CCP

CONCRETE BLOCKS VOLUMES BY PPG



CO_2 REDUCTION FROM GREENBLOC SWITCH



Acquisition of Nordkalk

Image: Nordkalk, Pargas

On 15 July 2021, the Company announced that it had entered into an agreement to conditionally acquire the entire issued capital of Nordkalk for a total consideration of approximately €470 million (approximately £402 million) subject to certain adjustments 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 a placing of Company shares, the drawdown of €150 million (approximately £128 million) from new debt facility and the issue of €50 million (approximately £43 million) consideration shares.

Due to its size, the acquisition of Nordkalk constituted a reverse takeover pursuant to Rule 14 of the AIM Rules for Companies and completion was therefore conditional on Shareholder approval, which was granted at a general meeting of the Company held on 2 August 2021. The acquisition was also subject to merger clearance from the Polish Office of Competition and Consumer Protection, which was received on 16 August 2021.

Following approval from Shareholders and competition clearance, the reverse takeover of Nordkalk was completed on 31 August 2021 and the Company was readmitted to trading on AIM.

Nordkalk was established in 1898 as a limestone developer in Finland and has since expanded across Northern Europe to become the leading limestone company in the region. Nordkalk develops limestone based solutions for agricultural, construction and chemical industries and its main products are crushed limestone, limestone powder, quicklime 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 operates at more than 30 different locations across Finland, Sweden, Norway, Poland, Estonia and Russia, with its main sites and the majority of revenue for the year ended December 2020 being derived from Finland (49 per cent.), Sweden (23 per cent.) and Poland (22 per cent.).

For the year ended 31 December 2021, Nordkalk recorded revenue of €304.0 million (2020: €280.8 million), Underlying EBITDA of €69.4 million (2020: €68.1 million) and Underlying profit before tax of €46.8 million (€42.3 million).

The acquisition of Nordkalk is expected to be significantly earnings enhancing in its first full year of ownership by SigmaRoc and the Directors believe that there is the potential for increased efficiencies in the existing Nordkalk business to further drive earnings growth as well as the opportunity to sell its products via the existing Group's existing sales channels.

Nordkalk is a high quality and well managed business, providing the Group with an additional strong operating platform and stable cash flows, which SigmaRoc will use to further execute on its growth strategy, both organically and via further acquisitions.

Nordkalk Integration, Synergies and Improvements

The last quarter of 2021 was spent understanding Nordkalk, in order to launch integrations programmes during the first quarter of 2022. €1.5m cost synergies have been implemented on a like-for-like full year basis with further synergies targeted for the second half of H2'22/Q1'23.

INITIATIVES	
Full financial reporting integration into SigmaRoc structure	COMPLETED
Review of management and reporting structure:	COMPLETED
- Third reporting region (Baltics) with further reviews considered	COMPLETED
- Creation of "rapid intervention team" delivering synergies	COMPLETED
Reducing subcontractor needs through insourcing	COMPLETED
Utilising "waste aggregates" at Pargas	COMPLETED
Live trial of alternative fiels for kiln operations	COMPLETED
Review of ERP to optimise process	ONGOING
Improve alignment of sales & production	ONGOING
Review of customer contracts w.r.t dynamic pricing, commercial offering, positioning, energy	ONGOING
Review of energy hedging and purchasing strategies against cost swings, availability, CO_2	ONGOING
Review of kiln operations in context to ESG agenda with interesting results to follow	ONGOING
Reducing plant and machinery needs through better utilisation	ONGOING
Target of 100% material utilisation on all sites e.g Wollastonite tailings, Bluestone saw dust, aggregates	ONGOING

Image: Nordkalk, Lappeenranta

Acquisition of Johnston Quarry Group

In January 2022, the Company completed the acquisition of Johnston Quarry Group for an initial cash consideration of £35.5m.

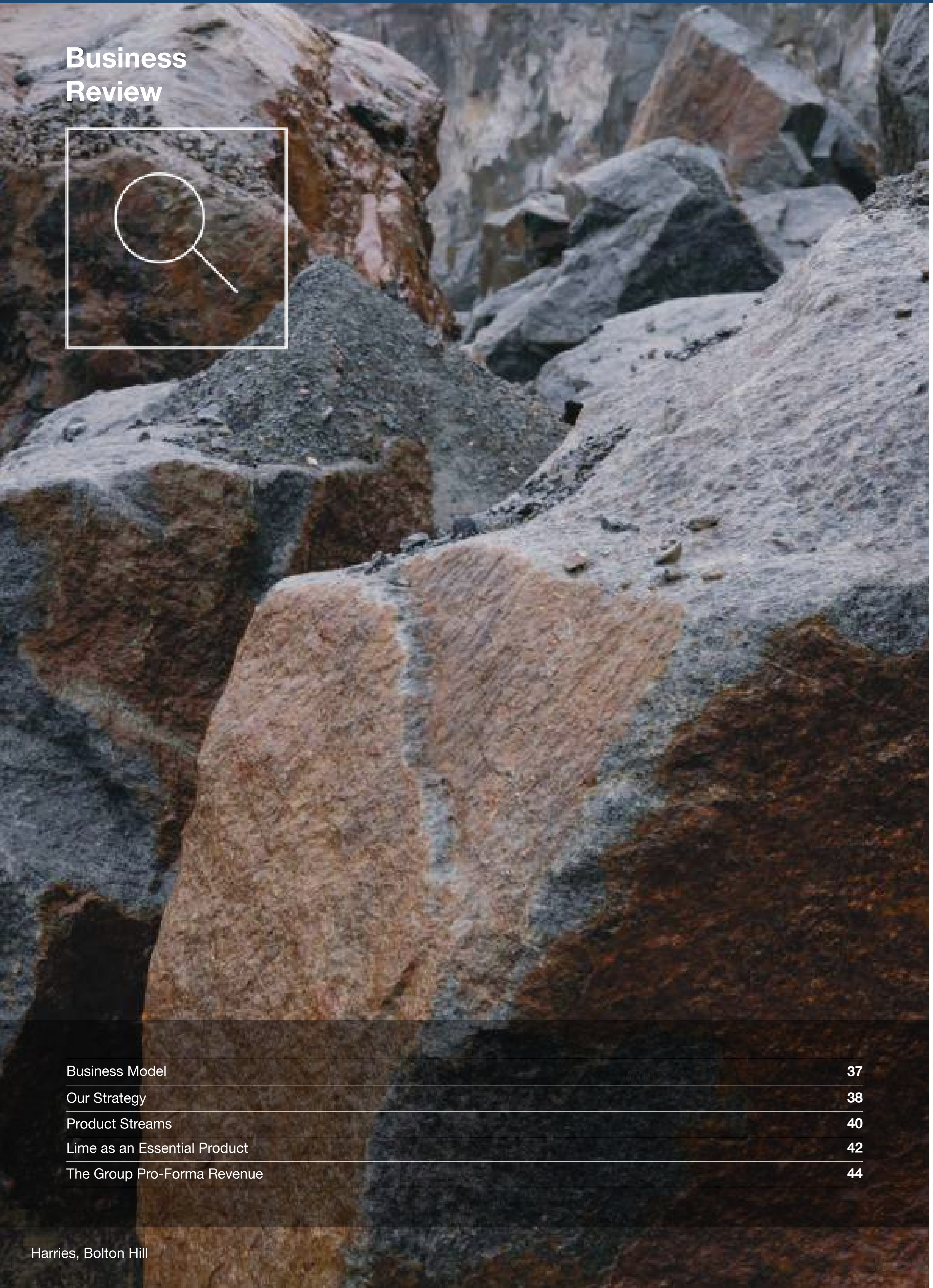
JQG is a specialist quarried materials supplier producing construction aggregates and premium quality building stone, as well as agricultural lime for soil improvement. Its aggregate products are typically used in infrastructure projects, with unique Cotswolds, Ironstone and Bath Stone used in specified high end housing applications. The business has eight quarries and two separate processing sites located across the South West, Oxfordshire and Lincolnshire. JQG has access to 86 million tonnes of freehold and leasehold reserves and resources giving JQG an average life of mine of over 40 years.

For the 12 months to 30 September 2021, JQG reported revenue of £14.7m, generating EBITDA of £5.9m and £3.6m profit before tax. As at 30 September 2021, JQG had gross assets of £22.1m and net assets of £6.9m primarily in land, mineral reserves and plant and machines.

As part of the acquisition of JQG, SigmaRoc also conditionally agreed to purchase from the Sellers two further quarries, together with additional mineral reserves, for a total potential consideration of £14.5m. These additional sites have a strategically attractive location relative to JQG and will increase the business' footprint and market access. The consideration for the acquisition of these additional sites is payable in three phases, upon the delivery of each of the two quarries and the delivery of the mineral reserves with planning permission. The Group expects these additional transactions to complete between H2 - 2022 and H2 - 2024.

Image: Johnston Quarry Group, Oathill

Johnston Quarry Group, Creeton



Business Review

Harries, Bolton Hill

Business Model

Every acquisition is made on the basis that it can stand on its own two feet and not just be a route to market. Historically in our industry, standalone businesses have been purchased due to their individual success, often to only become routes to market and have their value eroded.

Our decentralised business model allows us to ensure that all our product and service offerings perform the best they can, leveraging group opportunities where it is in their best interest. This has allowed us to build a competitive construction materials group focussed on the long term benefits our industry has to offer.

The ability to extract the maximum value of every product and service we offer has been conceived on five simple statements:

Commodity market set apart by quality of product and service

A family approach of being local and personally known to the customer base, with the management skill and approach of a Major allows our business to compete with anyone.

Local products that do not travel

Construction materials are a local product, consumed and produced locally, due to their high mass to price ratio. This brings a particular dynamic to the sector, focussed on local and fragmented.

Synergies are local not global

Each local market is different, with its own particularities, competitive pressures and local history. Our 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 the COVID-19 pandemic.

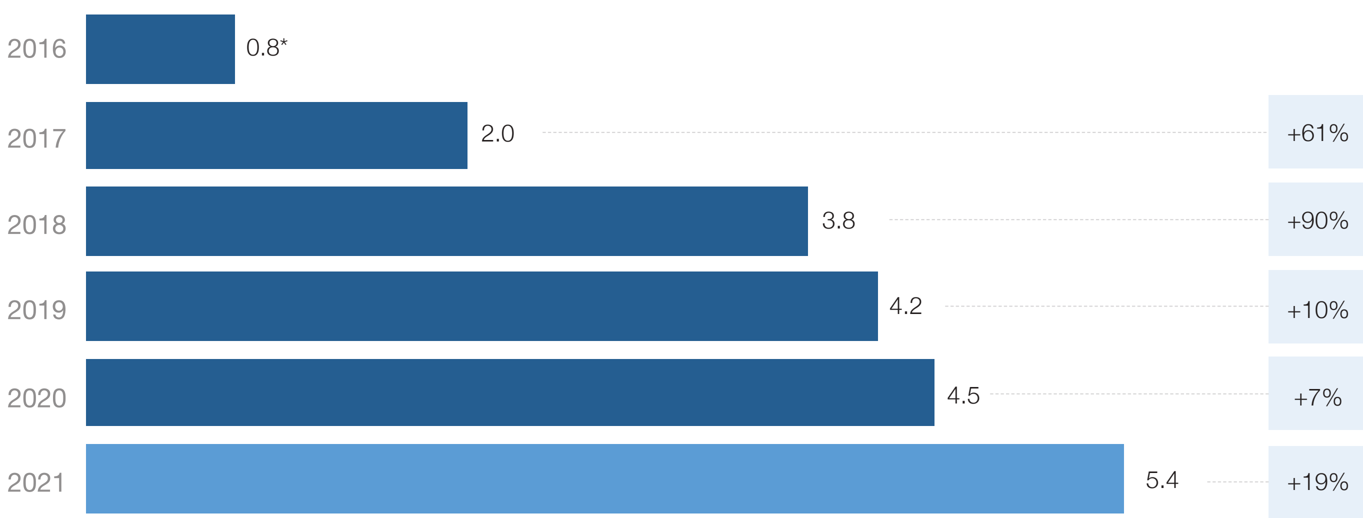
Decentralised approach

A decentralised approach that extracts maximum competitive value from each business; reducing unnecessary central costs and ensuring self-sustaining value driven businesses; by empowering autonomous management.

Our decentralised model allows our 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.

UNDERLYING EPS

(£p)



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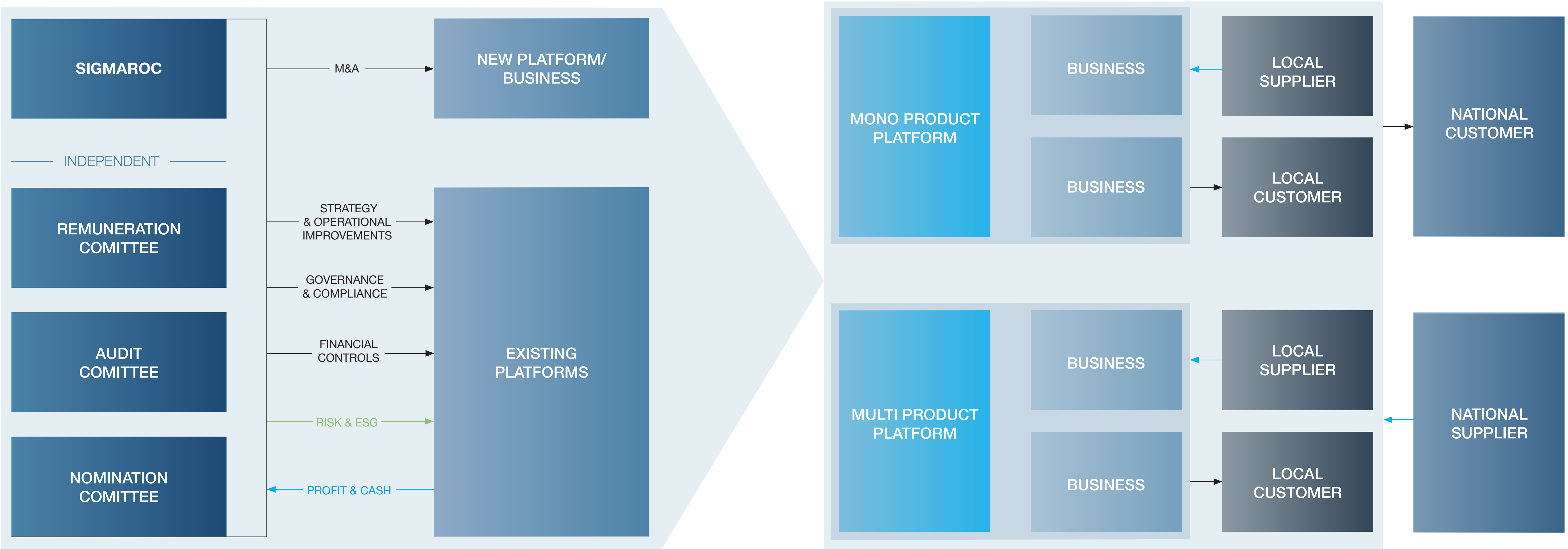
Business Model CONTINUED



Our Strategy

During the year we continued to **Invest**; expanding further into Belgium with the acquisition of B-Mix & Casters and then completing the substantial acquisition of Nordkalk in August 2021, providing the Group with a unique footprint in the Northern European construction materials market.

Our platforms continue to focus on **Improving** their businesses, including our greatest assets; our people. We were able to ensure provision of improved employee benefits for existing employees as well as offering jobs to many who had found themselves recently made redundant by others. We will continue to responsibly drive maximum value of all our assets with focus on our newly acquired business such as Nordkalk and B-Mix & Casters.

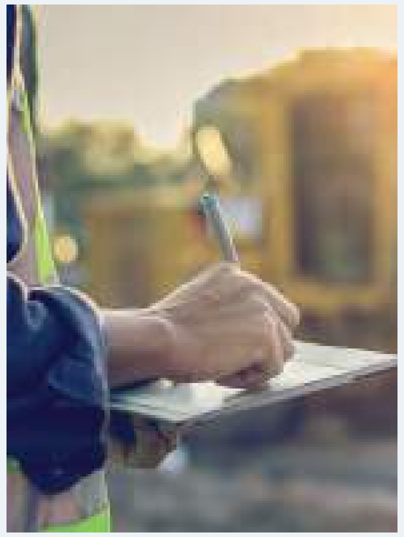
Recently acquired business, such as B-Mix, Casters and Nordkalk, continue to be **Integrated** into the wider Group network. As we have done consistently to date, we will look to integrate our newly acquired business and continue to unlock synergies where appropriate.

Having introduced the **Innovation** part of our strategy, we are pleased to have made meaningful progress in this area by bringing to market Greenbloc, a significant product in our proactive approach to sustainability. With a suitability roadmap under development, Innovation will become an area of opportunity and greater focus.

Based on our strategy, since inception and during 2021, we have been able to continue to grow through acquisition and organic growth.

With each business, by adhering to our investment principles and applying our Improvement and Integration programs, we have ensured both improved performance and value.

Product Streams



Construction

Products: Aggregates, Cement, Ready-Mix Concrete & Concrete Products, Asphalt, Building Stone, Dimension Stone

Our aggregates are used as raw materials for concrete, masonry and asphalt and as base materials for roads, landfills and buildings. As such, they are a key component of construction.

Customers value the quality and consistency of our ready-mix concrete products, the breadth of our portfolio, our expertise in large projects, and our flexibility and reliability. We also offer a range of innovative concretes including Greenbloc, our ultra-low carbon concrete blocks.

Chemical Industry

Products: Quicklime, Slaked Lime

The chemical industry uses limestone-based products in the neutralisation and cleaning of process and waste waters, and as raw material and filler in various chemical processes. For example, both limestone products and slaked lime are needed in order to produce the calcium chloride spread on roads to reduce dust and slipperiness.

The fertility of a soil is directly proportional to its lime content. Most field and garden plants need lime as nutrition as well as an absorbent of other nutrients. By improving plants' ability to absorb nutrients, Nordkalk products efficiently reduce the nutrient discharge into the water systems.

Metal & Mining

Products: Quicklime, Slaked Lime

To remove impurities from ores, quicklime is added and the mixture is melted at high temperatures. The silicates bond with the lime to form a liquid called slag, which is immiscible with the molten metal. This slag, which is full of impurities, can be easily drained out, leaving behind the purified metal.
It is used to make calcium supplements. Inside the human body, calcium oxide reacts with water to form calcium hydroxide which later breaks down into calcium and hydroxyl ions to be absorbed by the body.

Lime products are used e.g. at steel mills and treatment plants for the neutralisation of different acid baths and the precipitation of metals. When the precipitation is done right at the start of the process, harmful heavy metals will not end up in the water ways or in the municipal water treatment plant's sludge to impede the recycling of the sludge.

Pulp, paper & board

Products: GCC, PCC, Quicklime, slaked lime, limestone powder

Quicklime plays a central role in the closed chemical circulation of a modern pulp mill. Thanks to lime, the chemicals used in the cooking process can be circulated in a pulp mill's recycling line, which decreases the environmental impact.
Pure and homogeneous lime and reliable deliveries are expected from lime suppliers as momentary peaks in the volume requirement can be significant.

The paper and cardboard industries use lime-based coating pigments and fillers such as GCC (Ground Calcium Carbonate). GCC is made from concentrated and fine-ground calcium carbonate and used to make fine paper, cardboard packaging and pulp-based paper.

Environment

Products: Quicklime, Slaked Lime, Limestone Powder

Calcium Carbonate, quicklime and hydrated lime can all be used to adjust the pH of soils to give optimum growing conditions and hence improve crop yields. The use of quicklime, hydrated lime and/or blends of these with Calcium Carbonate will help to speed pH adjustment which can help to treat conditions.

Lime has a beneficial effect on soil; it neutralizes harmful acids and restores the humus, making the soil more fertile. Both calcium carbonate and quicklime are used as soil quality enhancers. The forestry sector relies on lime to combat the effects of acid rain.

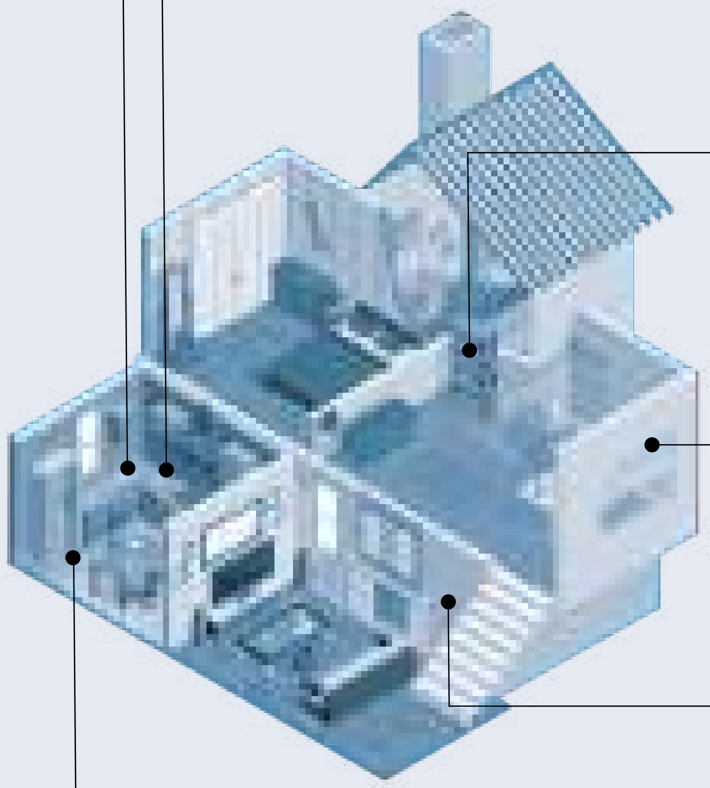
Agriculture

Products: Agrilime, Fodder, Quicklime

Although widely known as Soil Stabilisation, there are a number of distinct processes which can be carried out by the addition of quicklime to waterlogged, clay bearing or contaminated land. Improvement is the first process step, which is the drying out of water bearing material by the heat generating reaction with quicklime, this also converts some of the free water to hydrated lime. Using this process, it is possible to convert an unworkable site into a solid working platform providing a base for construction development, or alternatively as a potential area for agricultural use.

Lime as an Essential Product

DID YOU KNOW?



Sugar

Sugar manufacturers use lime in order to precipitate out impurities from beet and sugar cane extracts. It is also used to neutralise the odours which are generated from washing and transport.

Plastics

Lime improves plastic strength and appearance, and is also used during the manufacturing process.

Paper

Used in the manufacturing process of pulp and paper, lime helps produce high quality paper by improving whiteness, opacity and texture.

Glass

Limestone and lime are widely used as raw materials in the glass industry as it provides strength and transparency while being cost effective.

Plaster

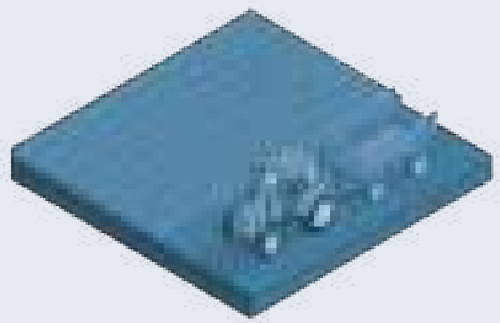
Thanks to their physical structure and vapour permeability, lime based plasters help to provide a comfortable and healthy indoor climate.

Aluminium

Lime can be used as a lubricant in continuous casting, a production process used for materials based on different types of metals, such as aluminium.

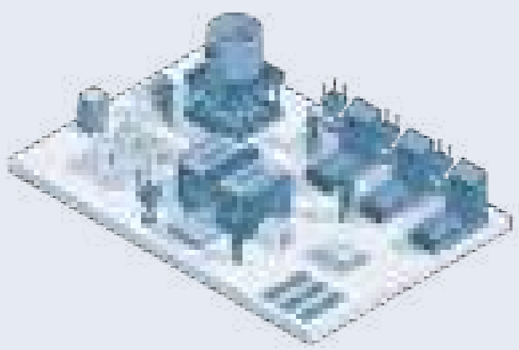
Soil stabilisation

Using lime in soil stabilisation is very resource efficient, as it allows to transform unsuitable soils into solid working platforms and creates a sustainable base for roads and civil engineering projects.



Agriculture

Lime is used to adjust the pH of soils to give optimum growing conditions and hence improve crop yields. Lime also has a beneficial effect on soil; it neutralises harmful acids and restores the humus, making the soil more fertile.



Iron & Steel

Lime is used as fluxing agent in iron ore preparation, and to remove impurities in Blast Furnaces, Basic Oxygen Furnaces and Electric Arc Furnaces, as well as in the secondary refining. Lime helps to protect the refractory materials in the furnaces.

Asphalt

Using lime in asphalt mixes extends pavement life as it increases the resistance to moisture damage, frost impact, fatigue, rutting, and chemical ageing.

Process Water Treatment

Lime is used for the neutralisation and purification of industrial water by adjusting the pH and removing heavy metals, so that the water can return to circulation. Lime is used to treat process water for power plants, paper mills and steel plants.

Flue Gas Purification

Lime is essential to the purification of flue gases from combustion and industrial processes. Lime products neutralise acidic gases and allow them to be captured and recycled. Every year thanks to lime, millions of tonnes of acidic pollutants are removed from exhaust gases of power plants, waste-to-energy plants and industrials plants, helping to improve air quality.

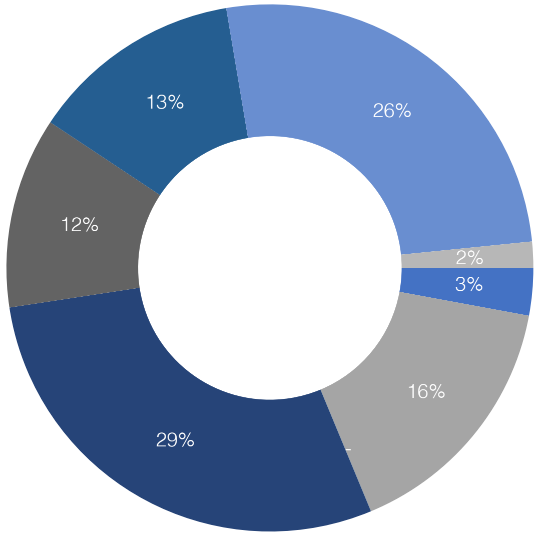
LIME VS. LIMESTONE

Limestone is a sedimentary rock that formed millions of years ago as the result of the accumulation of shell, coral, algae, and other ocean debris. Lime is produced when limestone is subjected to extreme heat, changing calcium carbonate to calcium oxide.

The Group 2021 Proforma Revenue

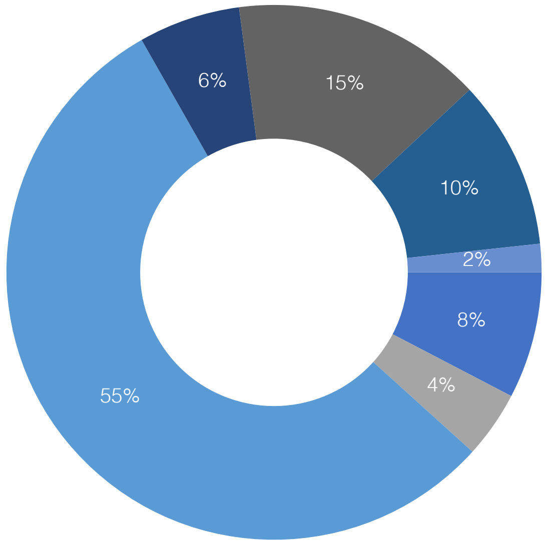
BY GEOGRAPHY

- Finland....29%
- UK & Channel Islands....26%
- Benelux....16%
- Sweden....13%
- Poland....12%
- Baltics....3%
- Others....2%



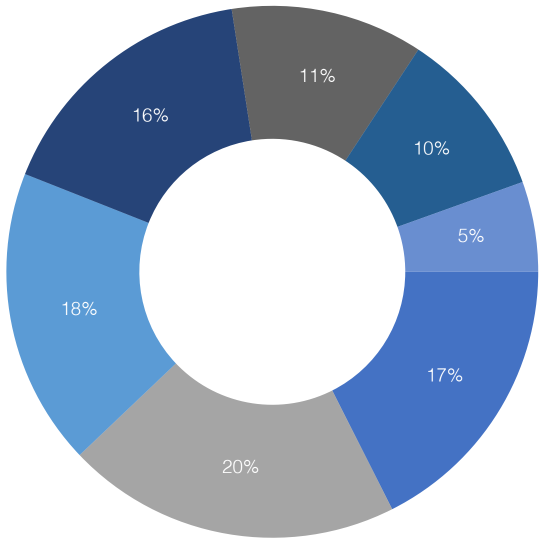
BY INDUSTRY

- Construction....55%
- Pulp, paper & board....15%
- Metals & Mining....10%
- Agriculture....8%
- Environment....6%
- Chemical....4%
- Other....2%

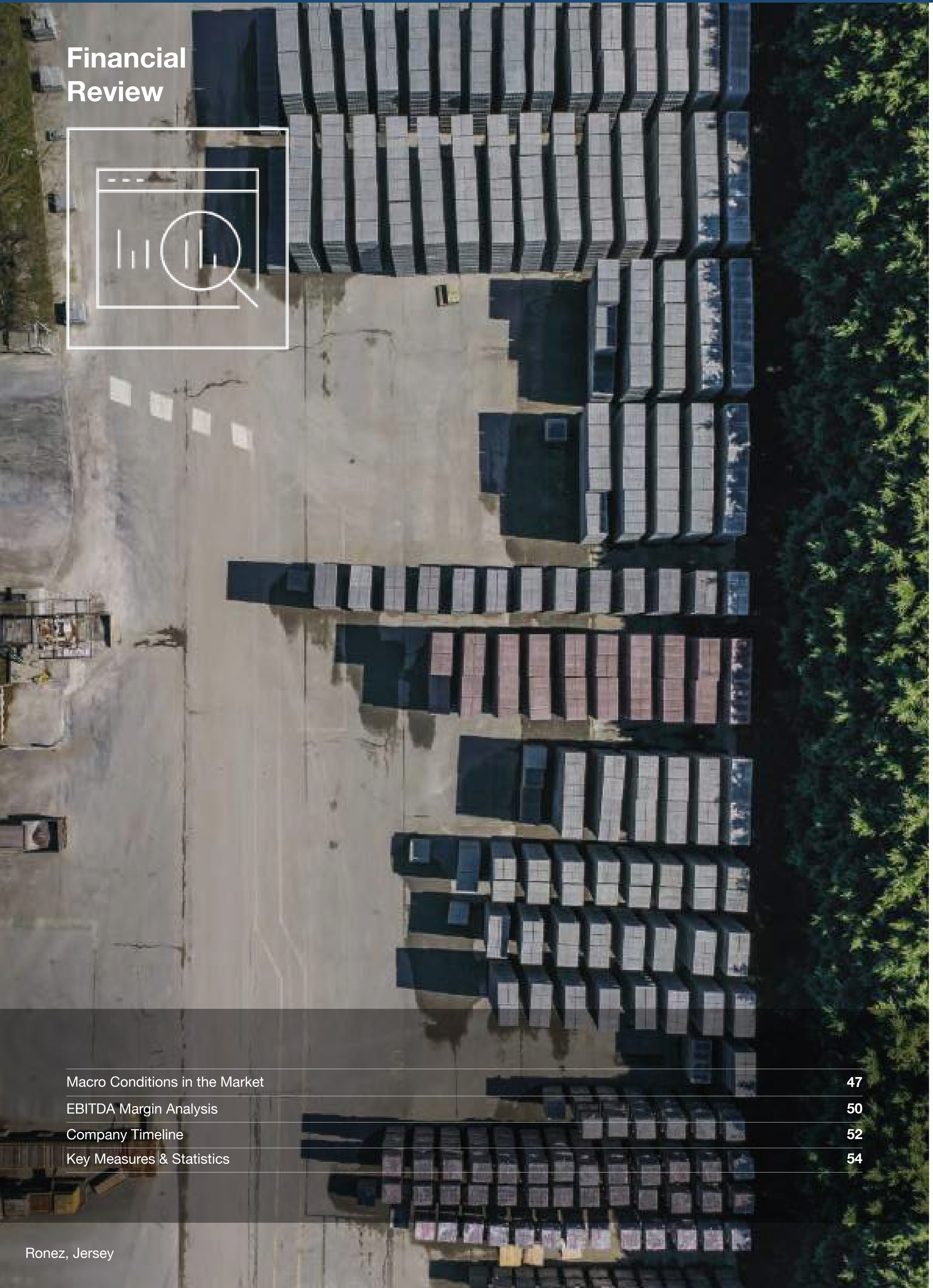


BY PRODUCT TYPE

- High-grade Limestone....20%
- Quicklime....18%
- Aggregates....17%
- R-Mix & Concrete Products....16%
- Dimension Stone....11%
- Contract Services....10%
- Other....5%



Nordkalk, Pargas



Financial Review

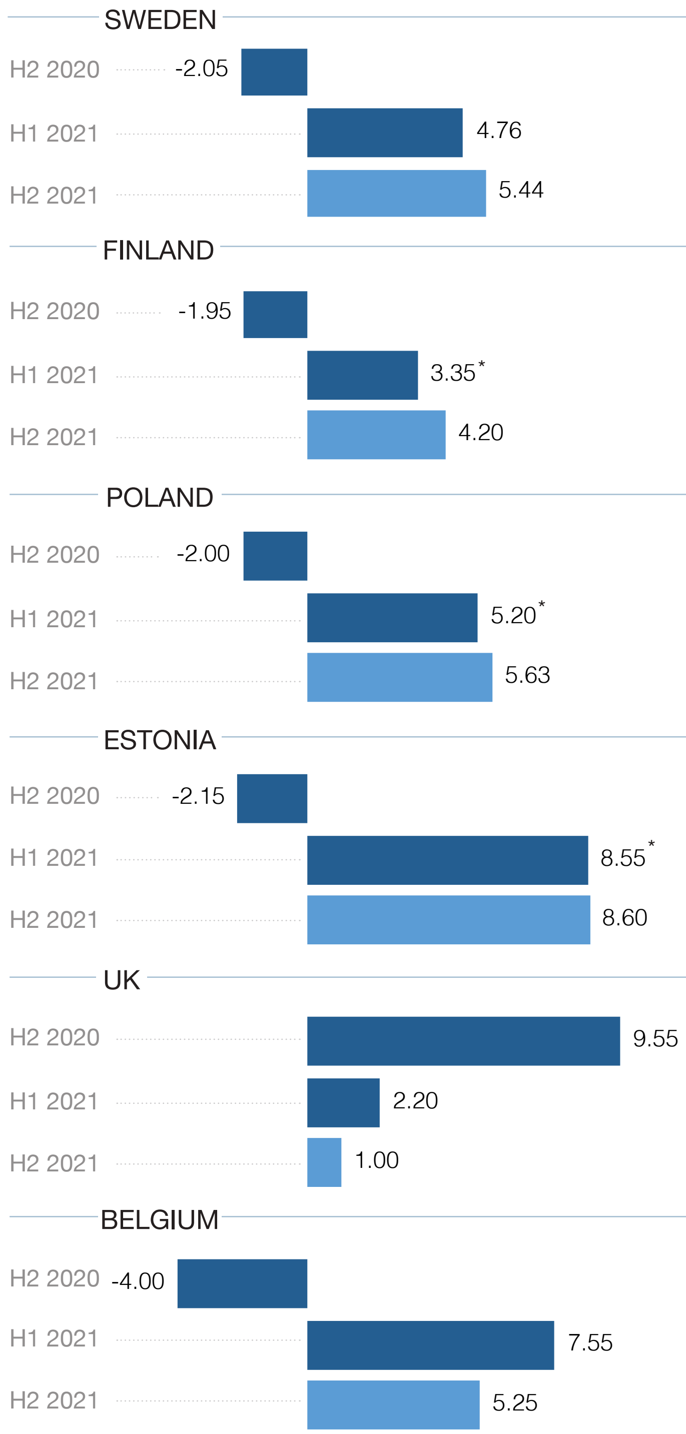
Ronez, Jersey

Macro Conditions in the Market

Over the next two pages, we give you a perspective on some of the macro conditions in the jurisdiction the Group operates in. The last half of 2021 has generated unprecendented moves in all key statistics; moves are increases that have worsened since. The Group is extremely focused on managing these cost increases through contractual mechanism, hedging strategies and dynamic pricing.

GDP GROWTH

GDP Growth Rate per semester per Country (%)

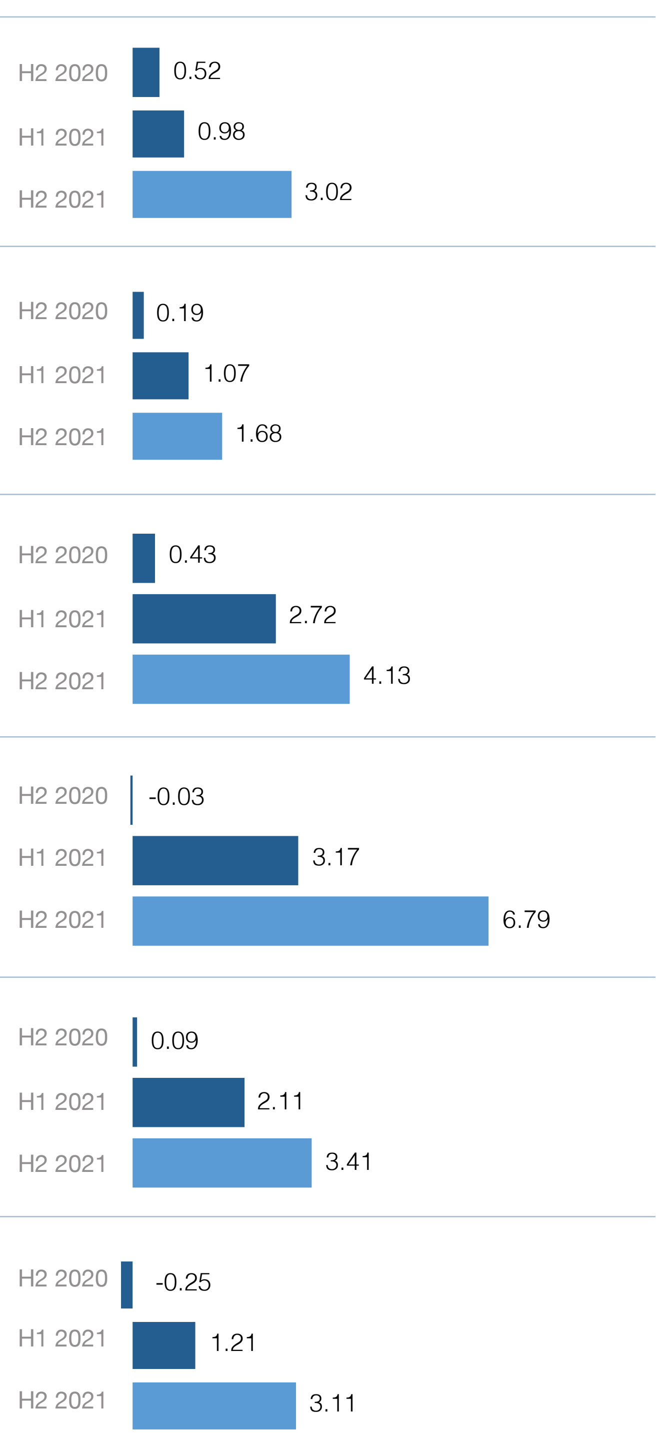


*GDP Growth Rate as of Q3 2021

Sources: The Gobal Economy; National Banks of Belgium Statistics

INFLATION

Inflation Rate per semester per Country (%)

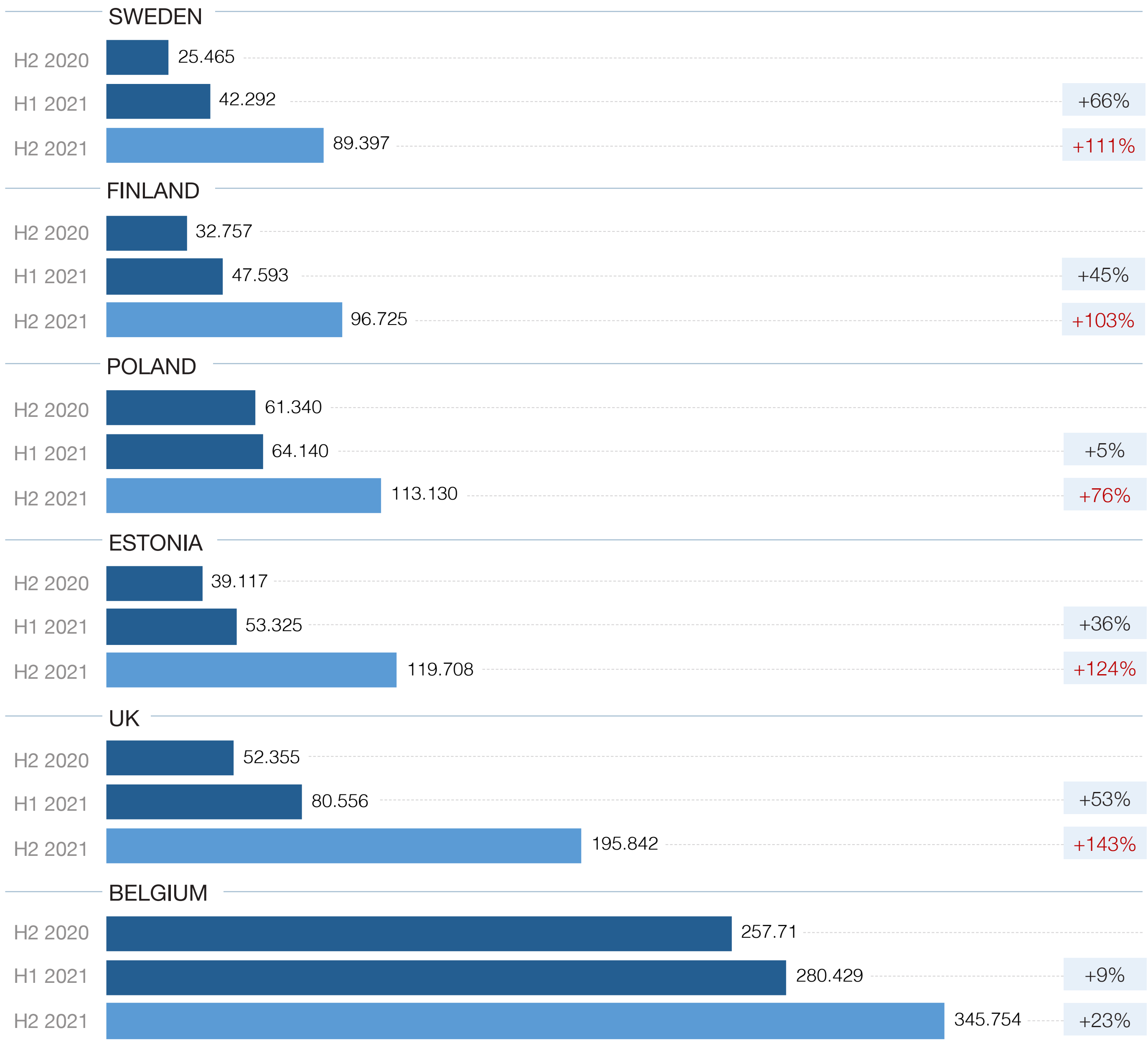


Sources: Statistics Sweden; Statista; Inflation.eu; ONS; Trading Economics

Macro Conditions in the Market CONTINUED

ELECTRICITY

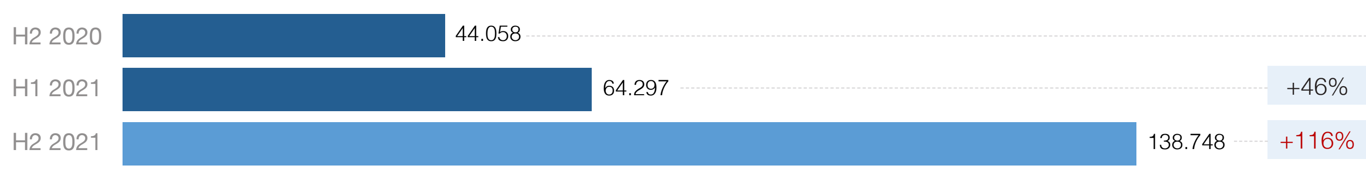
Monthly electricity prices on average per semester (€/MWh)



Sources: Ember; CWAPE

COAL

Average Coal Price (ATWMc1) per semester (€/ton)



[1]In Q1'2022, coal price (ATWMc1) reached 334.425€.

Source: The Ice

NATURAL GAS

Average Natural Gas Price (TFAc1) per semester (€)[1]

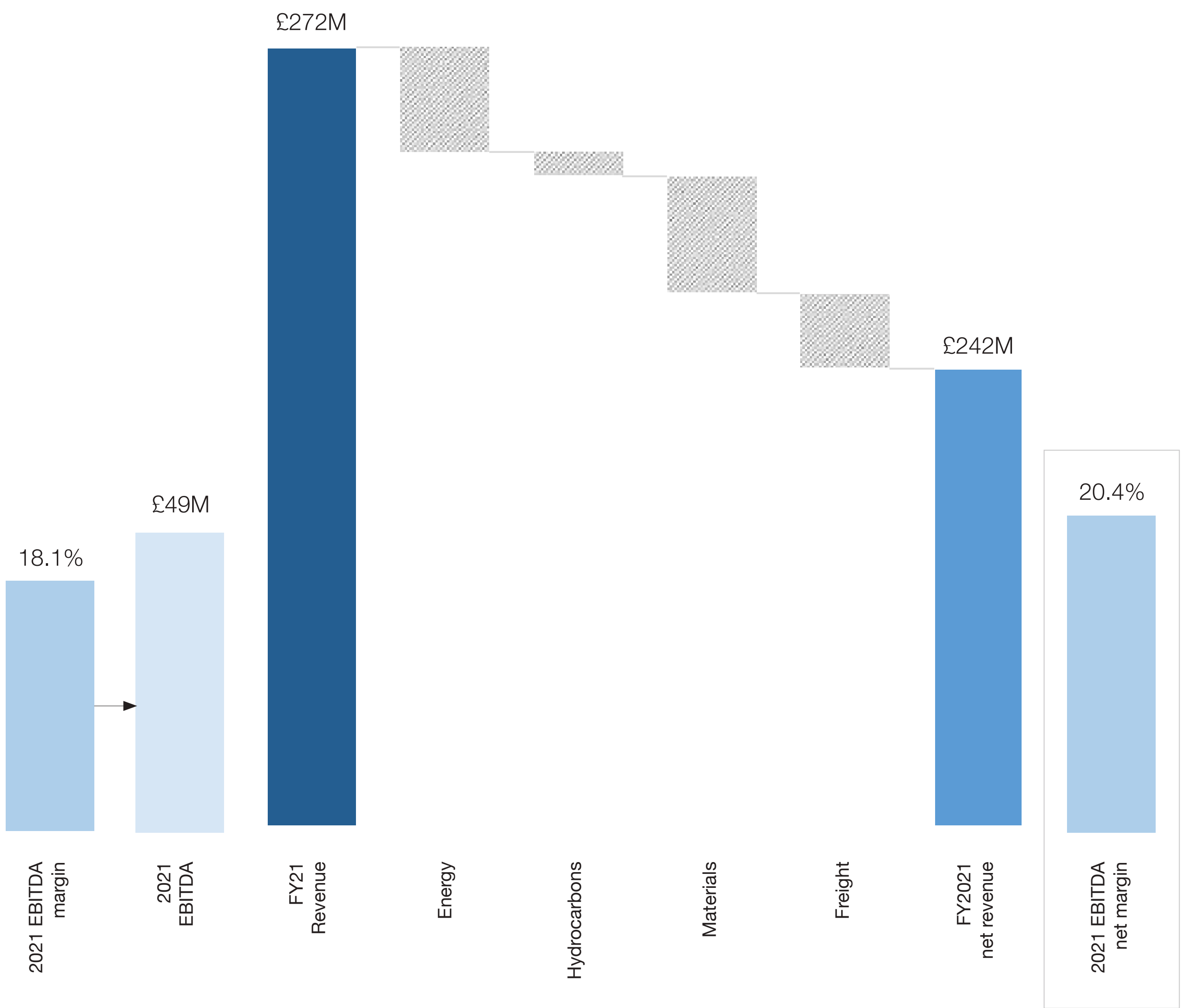
[1]In Q1'2022, Natural Gas price (TFAc1) reached 87.49€.

Source: The Ice

Image: Nordkalk, Lohja

EBITDA Margin Analysis

IMPACT OF COST PASS-THROUGH ON MARGINS



INFLATION OF OUR TOP-LINE DUE TO:

- Significant increase in electricity, coal and gas prices in Q4 across Europe & the UK which were dealt with through 3 methods: hedging, contractual mechanism and dynamic pricing.
- Substantial freight & distribution cost pressures, particularly in the UK where driver availability was an issue.
- Higher prices paid for production materials such as cementitious products.
- Increased cost of bitumen and carbon credits.

Ronez, Jersey

Company Timeline

Q3 2016
SIGMAROC CREATION

Q1 2017
RONEZ & SIGMAGSY
9.0x

Q4 2017
ALLEN CONCRETE
6.25x

Q4 2017
POUNDFIELD
6.8x

Q1 2019
CHESHIRE CONCRETE PRODUCTS
5.85x

Q4 2019
CUVELIER & CARRIERES DU HAINAUT
6.8x

Q3 2020
Harries
7.6x

Q1 2021
B-MIX & CASTERS
3.94x

Q3 2021
NORDKALK
7.4x

Q4 2021
JOHNSTON QUARRY GROUP
7.6x

UNDERLYING EBITDA
£3.65m
PRO FORMA FY 2016

£83.4m
PRO FORMA FY2020

87%
PRO FORMA CAGR

TURNOVER
£24m
RONEZ PRO FORMA FY 2016

£376m*
PRO FORMA FY2020

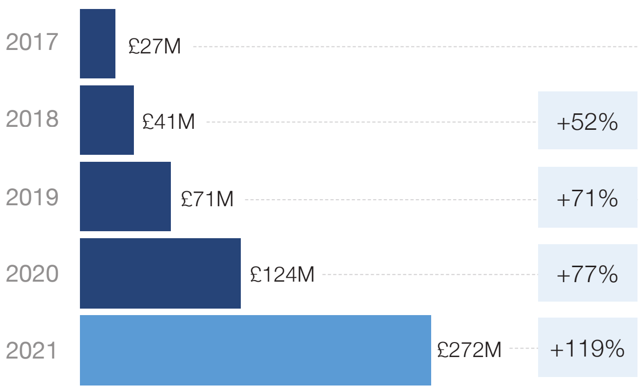
69%
PRO FORMA CAGR

*2020 SigmaRoc actual turnover and Nordkalk actual turnover (Note: Nordkalk was bought in Q3 2021)

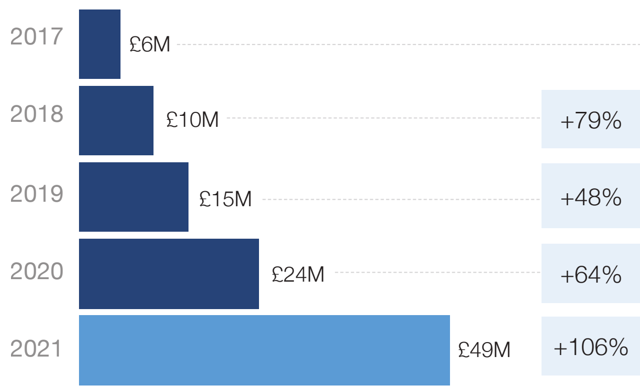
Key Measures and Statistics

FINANCIAL PERFORMANCE

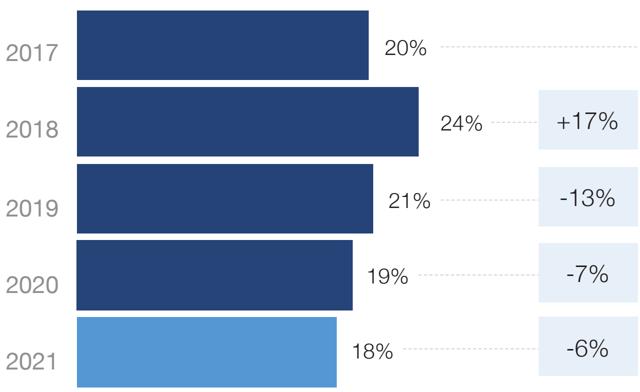
YoY REVENUE GROWTH
(million GBP)



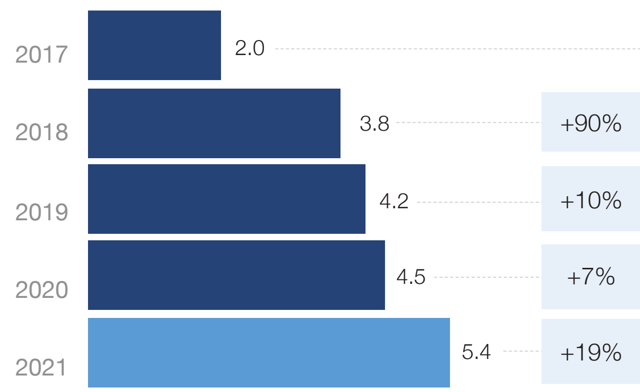
YoY EBITDA GROWTH
(million GBP)



YoY UNDERLYING EBITDA MARGIN
(%)



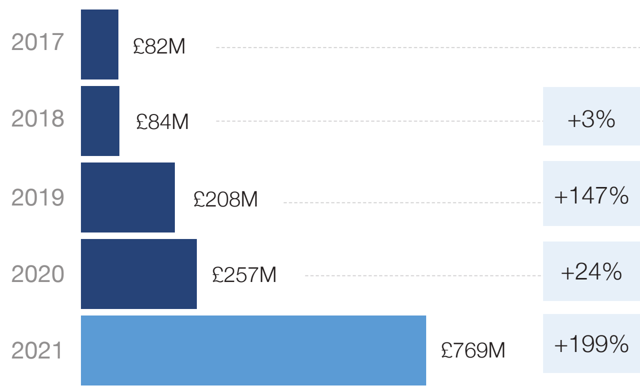
YoY EPS
(pence)



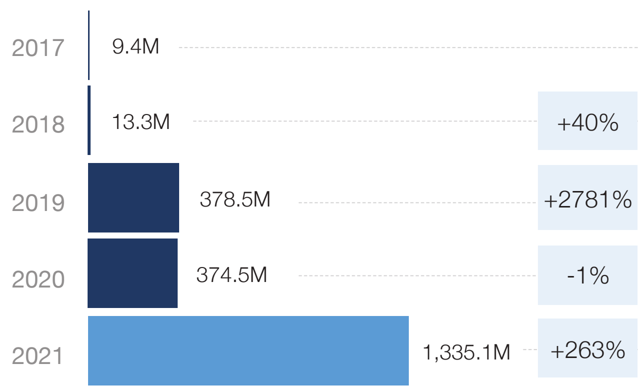
YoY ADJUSTED LEVERAGE RATIO

ASSETS

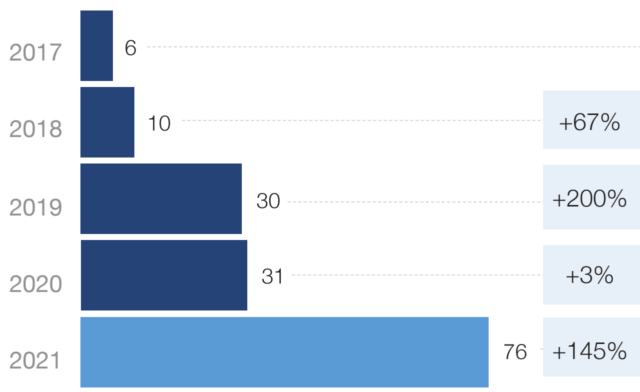
TOTAL ASSETS
(million GBP)



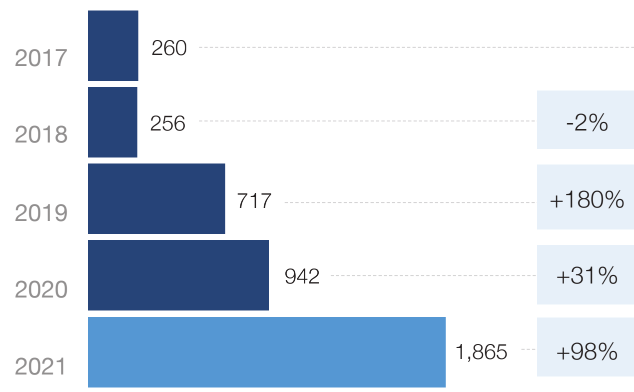
RESERVES AND RESOURCES
(tonnes)



OPERATIONAL SITES



PERSONNEL (average)



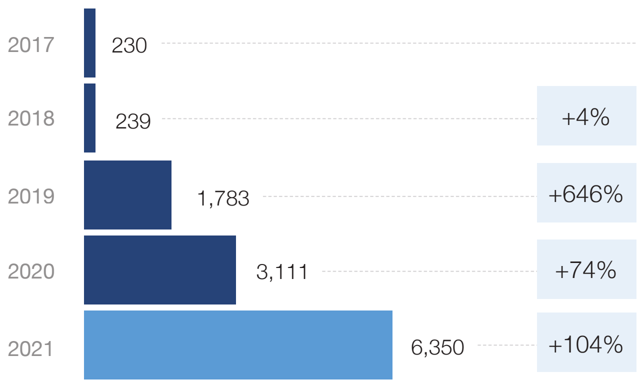
Throughout 2021, the Group delivered a very solid operating performance, despite challenging conditions, with volumes of all materials sold across the Group in line or ahead of 2020. Deliveries to residential construction and certain industrial applications at Nordkalk saw good year on year volume growth. Overall, on a like-for-like basis, the value of upstream quarried materials sold increased by 2%. Value added products sales increased by 14%, with value added services increasing by 16%. These figures include the Nordkalk business and considering SigmaRoc pre-Nordkalk acquisition, the evolution is similar with total revenue increasing by 15% on a like-for-like basis.

With four acquisitions in the year, including our largest to date, the creation of a strategically important JV with Carrières du Boulonnais and the launch of our Greenbloc technology, we have laid the foundations for the next phase of the Group's evolution. These actions helped to deliver significant increases in: revenue to £272.0 million, up 119% year on year; Underlying EBITDA to £49.3 million, up 106% year on year; and Underlying EPS to 5.37 pence, up 19% year on year.

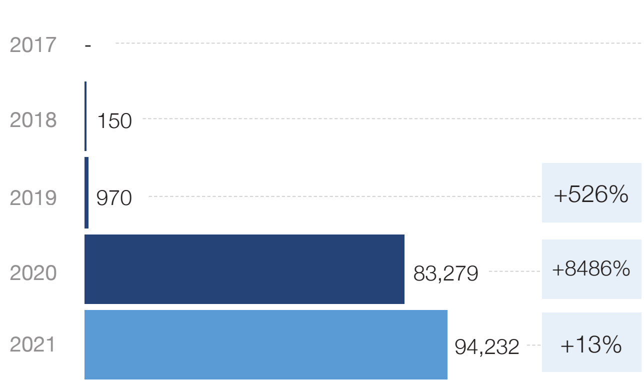
Key Measures and Statistics CONTINUED

VOLUMES

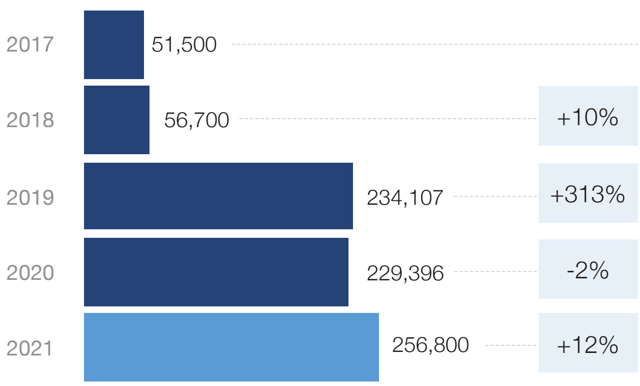
AGGREGATES
(thousand tonnes)



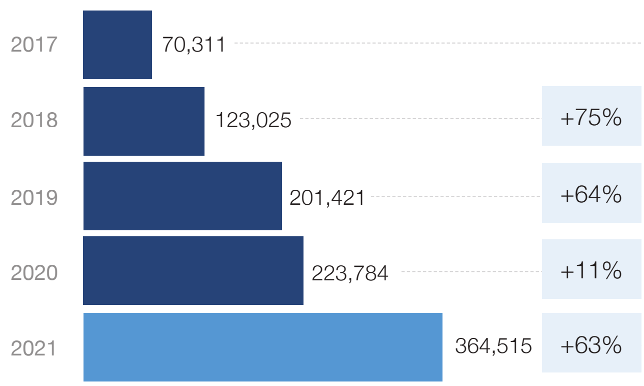
DIMENSION STONE
(cubic metres)



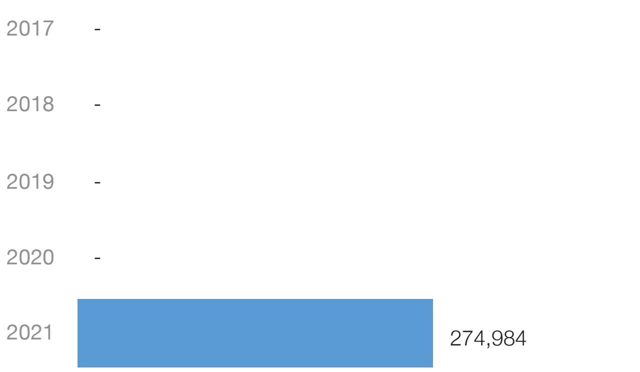
ASPHALT & ASPHALT LAID
(tonnes)



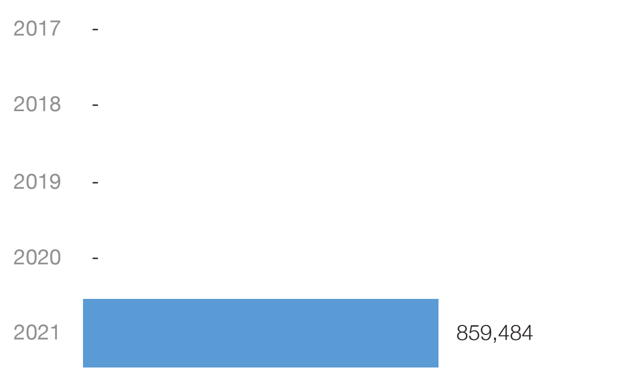
READY-MIX & CONCRETE PRODUCTS
(tonnes)



QUICKLIME
(tonnes)



HIGH-GRADE LIMESTONE
(tonnes)



Harries, Bolton Hill

Our Platforms

Nordkalk, Pargas

Platforms

NORDKALK

Nordkalk 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 our 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 820 employees and a rich history spanning over a century, the Nordkalk platform consists of more than 30 locations across 10 countries.

Limestone is found in many products: it is an essential input used in numerous industries including construction, agriculture, environmental protection, chemicals, metals & mining and pulp & paper. In addition to the traditional segments served since inception, the Company keeps opening new frontiers through innovative applications. Circular economy products comprise 13% of Nordkalk's sales volumes and the Company aims at increasing this number. Nordkalk has a long history of using its by-products which results in its material efficiency being more than 90% and rising.

Platform Highlights

- Continued improvement of the Health & Safety situation. 40% less accidents which resulted in sick leave.
- Acquisition by and integration into SigmaRoc.
- New permit extension for the Klinthagen quarry operation on Gotland, Sweden.
- Significant contract with Swedish cement producer Cementa to supply cement stone to their largest plant in Sweden.
- Continued productivity improvement.

PAUL GUSTAVSSON

ExCo Nordkalk

Paul joined Nordkalk as CEO in 2019. Prior to joining Nordkalk, Paul was CEO of Britax from 2015-2018. From 1999-2015 Paul held several senior management positions at Volvo Cars.

He holds a degree in Sc. Industrial Engineering & Management from Chalmers University of Technology in Gothenburg, Sweden.

Nordkalk, Lappeenranta

Platforms CONTINUED

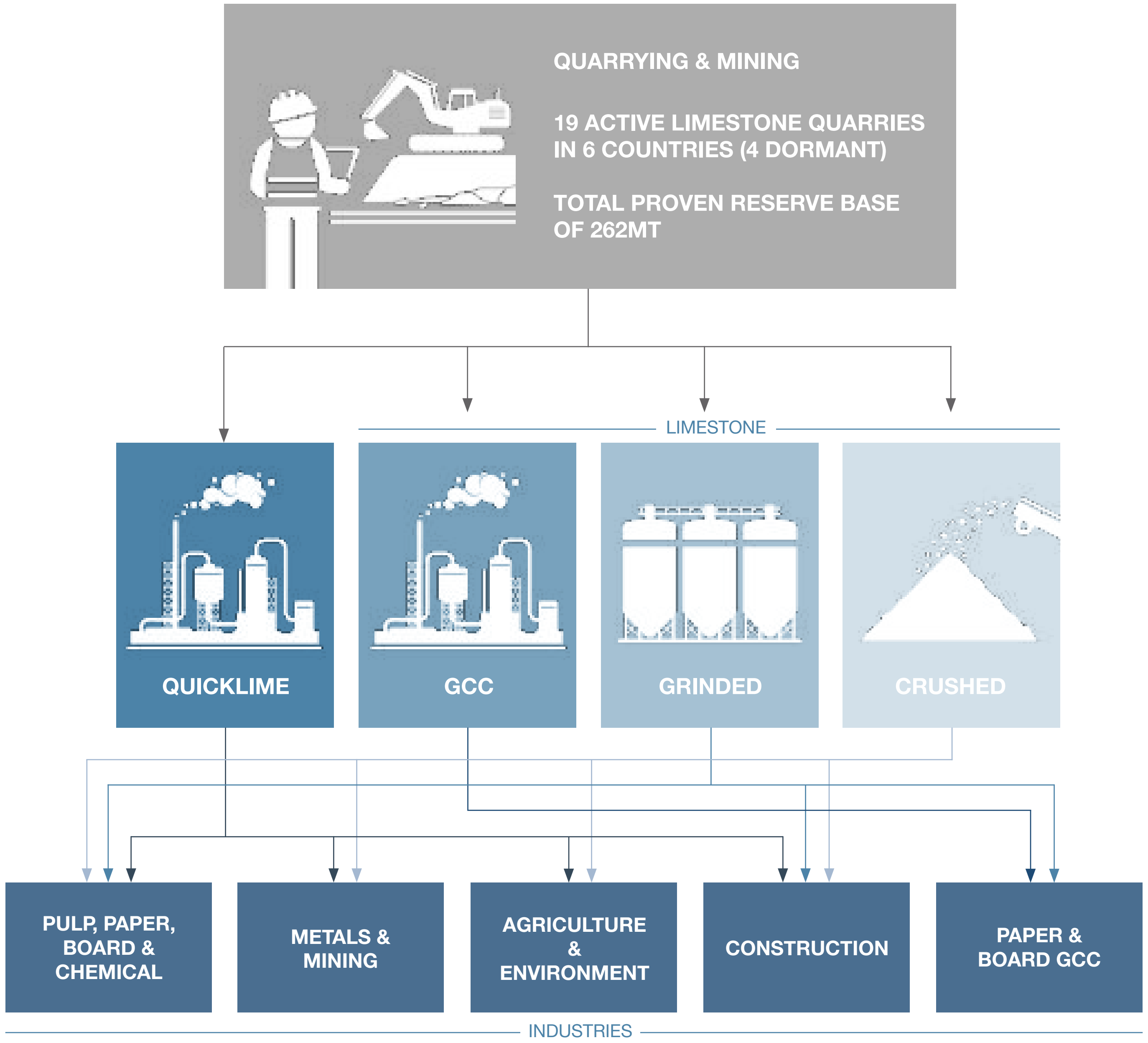


Image: Nordkalk, Limestone

Platforms CONTINUED

BLUESTONE | PREVIOUSLY DIMENSION STONE

CDH is the world's largest producer of Belgian blue limestone. CDH presently produces around 900,000 square metres of high quality Belgian Bluestone per year, a high-grade dimension stone produced exclusively in Belgium under European protected status. Belgian bluestone can be found in infrastructure and residential projects across the globe.

Our Dimension Stone platform is well positioned with reserves and resources of over 150 million tonnes of construction aggregates and over 28,000,000M³ of high quality Belgian Bluestone. The business employs over 420 people and has a proud history, dating back 130 years.

Due to its high quality and distinctive characteristics, Bluestone is a Global Heritage Resource and a sought after product that travels worldwide (unlike most aggregate products). Bluestone can be used in residential, commercial and infrastructure projects, as well as for architectural and cosmetic applications.

CHRISTOPHE HUYGHEBAERT

ExCo Bluestone

The Managing Director of CDH is Christophe Huyghebaert, who joined SigmaRoc in 2021 to manage the Existing Group's dimension stone platform. Prior to joining SigmaRoc, Christophe worked for Heidelbergcement Benelux. He has held different management positions in cement, aggregates and concrete operations.

Platform Highlights

Safety: High focus has been put on training and sensibilisation of line management concerning risk awareness, safety procedures implementation, leadership and safety conversations with the objective of increasing safety awareness on worksites and improving safety behaviour of our workforce.

Environment: Increased our solar energy capacity to 4 million kWh per year which equates to approximately 30% of CDH annual energy consumption.

Performance: CDH managed to maintain sales volumes at historically high levels. Increased volumes applied to all product segments and main geographic markets. Bluestone was specifically used for the BNP Paribas Fortis headquarters in Brussels, KaDeWe store in Berlin, Intensa Sao Paolo bank in Luxembourg and modernisation project for the city centre of Charleroi.

Operations: In April 2021 we took control of aggregates production activities from Holcim in Soignies and created the new Benelux platform with shared service centre for administrative and support activities across both platforms. In August 2021 the extraction permit to operate in the extended area of the quarry was granted by the Walloon region. The permit allows CDH to extract limestone in an additional area of 116 hectares, build a new aggregates plant and associated operational buildings. The permit enables CDH to quarry an extra 15 million cubic metres of dimension stone and 140 million cubic metres of aggregate and guarantees further production activity for an estimated additional 60 year period.

Carrières du Hainaut, Soignies

HARRIES & JOHNSTON QUARRY GROUP

Harries is the cornerstone for SigmaRoc's South Wales platform. With 100% ownership completed in September 2020, we now have a significant footprint in the region with opportunities to expand the businesses organically and acquisitively. Nick Cleary has been appointed as General Manager of Harries; Nick was previously MD of Galliford Try Highways and Operations Director Alun Griffiths.

Harries is one of Wales' largest independent suppliers of aggregates. Based in West Wales, it operates out of six granite and limestone quarries; incorporating three asphalt plants, eight concrete plants, and a wharf operation, as well as a civil engineering division delivering significant infrastructure projects.

Together with Johnston Quarry Group, Harries will be part of a new platform, where a new ExCo member will be appointed.

Platform Highlight

- Increased sales by 12% and improved EBITDA margin by 31%.
- Committed to investment of circa £1.8M on new equipment and site improvements.
- Developed a self-compacting concrete mix and commenced supply of the new product.
- Became one of the first companies approved to produce and lay the new Welsh Government Dragon Mix, SMA surfacing material.

DEAN MASEFIELD
Deputy CFO/Director of IR

"With the acquisition of JQG, it only made sense to create a new platform together with Harries. We are confident that this expanded offering across Southern England will deliver further synergies and growth, and we look forward to the prospect of appointing a new ExCo member."

Harries, Bolton Hill

Platforms CONTINUED

CHANNEL ISLANDS

Ronez's operations supply the Channel Islands with aggregates, ready-mixed concrete, asphalt and precast concrete products and services. Operating out of multiple sites across Jersey and Guernsey with satellite offerings on other islands, Ronez offers a full range of high-quality construction products and services. The creation of a shipping division, SigmaGsy, by SigmaRoc upon acquisition of Ronez has helped with transporting dry-bulk materials to and from our own sites as well as third party sites in the UK and Europe, resulting in higher profits and operational efficiency.

MIKE OSBORNE

ExCo Channel Island

Mike Osborne is the Managing Director of the Channel Islands platform, having previously been Managing Director from 2007 until the company was acquired by SigmaRoc in 2017, and has been responsible for Ronez's strategic direction and operational management.

Platform Highlights

The 2021 performance of the Channel Islands Platform was again very strong, with the consistent annual growth in EBITDA and net profit that has been the uninterrupted trend since the SigmaRoc acquisition, once again being delivered. Our markets in Jersey were very strong coming into 2021, with both housing and infrastructure projects underpinning demand. In Guernsey our business benefited from improved confidence in housing and commercial sectors, which stimulated investment as the Island emerged from the restrictions of COVID-19.

The benefits of recent capital investment in plant & equipment were consolidated into the financial performance, with improved operational efficiency and reduced operating costs being particularly strong in quarrying activities and Ready-mixed Concrete production and distribution. There was also a significant contribution from our cement carrier, the MV Ronez, where the flexible nature of the ship allowed benefits to be gained from a strong cement import market in the UK.

The long-term outlook for Ronez was strengthened by the approval for the Jersey quarry extension, which will give over 2 million tonnes of additional reserves. Development of the new working area commenced in Q4 with extraction starting in 2022. The quarry reserve outlook in Guernsey is also improved, with the Government of the Island approving a strategy for local mineral exploitation for the long term, rather than importation, which paves the way for the planning application to develop our new quarry with reserves and resources of 4 million tonnes.

With population growth and ageing housing stock fuelling strong demand for both social and private housing developments, the outlook for this sector remains very positive. There is also an encouraging pipeline of infrastructure, commercial and educational projects, which Ronez is well placed to benefit from.

Ronez, Jersey

Platforms CONTINUED

PPG

PPG is a platform of companies managed by Michael Roddy specialising in manufacturing precast concrete products and blocks. The platform includes Allen Concrete, Poundfield Products and Cheshire Concrete Products. With a triangulation of bases in London, on the East Coast and in the North West, PPG supply a wide and diverse range of industries ranging from house builders and farmers to national sea defence projects and international contractors, both directly and through merchants. The PPG companies are some of the most experienced and innovative in their industry; some operating for over 70 years, while others own a significant number of patents and licences.

MICHAEL RODDY

ExCo PPG

With over 20 years' experience working within the construction supply chain, Michael has been ExCo of SigmaRoc's Precast Products Group (PPG) platform since December 2017, during which time he has overseen the acquisition and integration of all platform entities.

Leading the development of the Greenbloc portfolio of ultra-low carbon concrete products, expanding the UK footprint of businesses and penetrating the European market are key objectives within his role.

Michael holds an MBA from Robert Gordon University and a bachelor's degree in Business from Dublin Institute of Technology.

Platform Highlights

2021 saw PPG launch Greenbloc, an ultra-low carbon concrete (ULCC) alternative to traditional cement-based concrete products, which was designed to help reduce the construction industry's dependency upon cement – the world's third highest source of man-made CO_2 – a key ingredient in concrete manufacturing.

In May 2021 we announced our intention to offer a Greenbloc alternative for every product within our portfolio which followed the first ever cement-free alternative to Ordinary Portland Cement (OPC) blocks which we launched in February 2021.

Our aim is simple. The market is changing and understands the need to acknowledge, address and action a tangible approach to decarbonisation within the build environment. We want to give architects, contractors and specifiers the choice of using a Greenbloc alternative to traditional concrete products.

In the autumn we unveiled a strategic collaboration with hard landscaping and construction materials manufacturer, Marshalls PLC, to work on ultra-low carbon technology. Sharing learnings to date and utilising both current technologies while working together to develop new methods of production is the shared goal of this new collaboration.

The development of Greenbloc has reaffirmed our commitment to invest, improve, integrate & innovate to help create a sustainable future for construction industry.

CCP, Llay

Platforms CONTINUED

BENELUX

Following the Group taking-over of all of LafargeHolcim's production installations located at CDH during April 2021, shortly followed by the acquisitions of the B-Mix and Casters businesses in Belgium, SigmaRoc created the Granulats du Hainaut aggregates brand and separated its European heavy-side materials (dimension stone) operations into two separate platforms. CDH continued as a Europe wide dimension stone platform and a new, integrated, concrete and construction aggregates Benelux platform was created, including the GduH, Stone Holdings, B-Mix and Casters businesses. There are 199.9Mt of aggregate reserves and 15.3Mt of aggregate resources attributable to the Benelux platform, in addition to the CDH bluestone reserves & resources.

The Benelux platform produces over 2 million tonnes of aggregates and over 250,000 m3 of concrete, servicing the Hainaut, Liege and Limburg Market. Our aggregate products supply a range of partners and construction companies with products for concrete, sea defence work and riverbank fortification.

The Benelux platform is overseen by Emmanuel Maes, who joined SigmaRoc in 2019. Previously Emmanuel served as CEO of Group De Cloedt a Belgian company specialising in dredging, production and commercialisation of sand, gravel and hardstone (2004-2018), building the business from €40 million to €240 million annual turnover, through organic growth and acquisitions.

Platform Highlights

In addition to formally establishing the Benelux platform in March 2021 and then expanding its footprint via the acquisitions of B-Mix & Casters shortly thereafter, the highlight for Benelux was signing of the joint venture agreement with CdB in June 2021 whereby CdB became a 25% shareholder in GduH. This strategic partnership will support GduH from a financial and technical perspective and materially increase GduH's market presence in Benelux and Northern France.

More specifically as part of the joint venture agreement, CdB agreed to co-fund the new crushing and screening installations planned to be built by 2024 at GduH's aggregates operations at CDH. CdB will also lend its vast technical expertise in the sector to optimally setup the new installations and their product offerings.

A further highlight for the newly established Benelux platform was the integration of the Genk (ex Casters) site into B-Mix, now operating from two sites under the B-Mix brand thereby creating the market leader in the Limburg region.

DIRK DE LEUS

ExCo Benelux as of April 2022

Dirk De Leus has over 30 years of experience in the construction industry in the aggregates, ready-mix concrete (General Manager Interbeton) and cement markets in Belgium. (General manager of Cemminerals).

Dirk will join SigmaRoc as of April 19th 2022 as ExCo of the Benelux platform. He will oversee, integrate, and streamline all the ready-mix and aggregate businesses in the Benelux, actual and future.

His main priorities are to grow the business, to professionalize and to make our Benelux business more sustainable.

Dirk holds a degree of commercial engineer of the University of Leuven.

Granulats du Hainaut, Soignies

Risk

When identifying and assessing risks including ESG and climate-related risks, the Group's risk appetite is reviewed annually and approved by the Board in order to guide management. The Board defines the level of risk the Group is willing to accept in pursuit of its strategy which also incorporates ESG risks.

Risks are identified and assessed both at a platform level and at a group level. Directors and Senior Management teams identify and assess risks and opportunities for each of their respective businesses and areas. This ensures each platform can focus on what is important to them, thereby capturing nuances so they are not lost in a global overview. This information is then reported and discussed with the CTO, and then assimilated and reviewed at monthly group management meetings where local risks and overarching group risks can continue to be identified and assessed. The CTO also coordinates with key subject matter experts on Investor Relations, Legal, Safety, Carbon & Energy, Environment, and Systems.

Risks identified are assessed based on aspects such as consequence, impact, likelihood, inter dependencies, and associated timeframes (short-, medium-, and long-term time horizons) as well as their drivers such as Political, Operational, Economic, Technical.

When assessing the potential size and scope of risks and opportunities; input from industry governing bodies (who are in regular contact with government and associated agencies) as well inputs from our large shareholders and other stakeholders are used in addition to our usual assessment and prioritisation techniques. These included analysis of probability and impact, risk frequency, and risk urgency. Where necessary these are then modelled with scenario and sensitivity parameters to help assess both size and scope.

Board

The Board is responsible for the risk management and internal control and for reviewing effectiveness, with specific oversight of Code of Conduct, ESG risks and climate-related matters. These have a dedicated agenda item at Board meetings with the Board meeting at least four times per year. The Executive Board members also ensure these topics have a dedicated agenda item at the monthly management meetings. The Executive members are charged with overall delivery whilst the Non-Executives challenge and give oversight and governance.

Audit Committee

The Audit Committee ensures independent oversight of the Board who considers risks and opportunities when setting and reviewing strategy, major plans of action, policies, annual budgets, and business plans. It further considers matters when setting performance objectives, monitoring Group performance, and reviewing and approving major projects, capital expenditures and acquisitions.

Risk Representative

To ensure the Board can monitor and oversee progress against goals and targets, Charles Trigg (CTO) has been appointed to lead risk at a group level. He works with each platform with regards to ongoing identification of risks, opportunities and potential impacts on the business as well as reviewing performance metrics and targets and ensuring overall continual improvement. Charles will then liaise with the Board and any relevant committees so that the Board is continually updated with regards to climate-related risks and opportunities as well as overall ESG matters.

Senior Management Team

The Group is set up as discrete operational platforms with each platform having its own management team. As such each platform Managing Director is responsible for assessing and managing risks and opportunities for their respective platform. Platform Managing Directors and Chief Officers meet monthly to ensure that Group objectives are met as well as ensuring local risks and opportunities are recognised and managed.

RISK	DESCRIPTION	MITIGATION
Competition & Margins	Increase in costs or prices; reliance on key suppliers and key customers, including national merchants, could impact supply and profitability. A number of existing competitors compete on range, price, quality and service. Potential new low-cost competitors may be attracted into the market through increased demand.	Operate a strategic purchasing plan to minimise key supplier risks, notably in cement and bitumen. Seek to offset rising commodity prices through our product pricing strategy and hedging programmes. Maintain a diverse customer and project base focuses on quality, service, reliability continuing focus on new product development. Operate a decentralised model matching focus of independents and new entrants.
Economic and political	The Group is dependent on the level of activity in its end markets. Accordingly, it is susceptible to economic downturn, the impact of Government policy, interest rates and any political and economic uncertainty, such as COVID-19. Difficult economic conditions could also increase our exposure to credit risk from our customers.	The Group has a strong focus on operational gearing, allowing it to be flexible during economically disruptive events. The Group has a diverse product portfolio across multiple end markets and jurisdictions. The Group's relationship with suppliers and customers allow for management of risk including credit risk and where necessary credit risk insurance is sourced.

Risk CONTINUED

RISK	DESCRIPTION	MITIGATION
Environment & Climate Change	Operational impact on the environment or the effects of climate change could expose the Group to regulatory breaches, significant disruption, reputational risk or a reduction in demand for our products.	Committed to reducing level of carbon emissions, reuse and recycling schemes and implementation of sustainability initiatives. Under SECR the Group has committed to monitoring all of its operations, not just the UK, through an independent external organisation. Management, training and control systems are in place to prevent environmental incidents. Promotion of EMS and ISO14001 accreditation of which currently 50% of our businesses have and 75% will have by H1 2022.
Finance, Liquidity and Currency	**Foreign exchange risk:** As the Group transacts in currencies other than Sterling, exchange rate fluctuations may adversely impact the Group's results. **Credit risk:** Through its customers, the Group is exposed to a counterparty risk that accounts receivable will not be settled leading to a financial loss to the Group. **Liquidity risk:** Insufficient funds could result in the Group being unable to fund its operations or to continue to invest organically or to undertake acquisitions. **Interest rate risk:** Movements in interest rates could adversely impact the Group and result in higher financing payments to service debt.	**Foreign exchange risk:** The Group undertakes limited foreign exchange transactions as it sells domestically or in domestic currency with largely local input costs. Some M&A, Opex and Capex requires foreign exchange purchases and management considers foreign exchange hedging strategies where significant exposures may arise. **Credit risk:** Customer credit risk is managed by each subsidiary. The Group principally manages credit risk through management of customer credit limits. The credit limits are set for each customer based on the creditworthiness of the customer and the anticipated levels of business activity. These limits are initially determined when the customer account is first set up and are regularly monitored thereafter. **Liquidity risk:** Ensure sufficient funding and facilities in place to meet any foreseeable peak in borrowing requirements and liabilities by maintaining strong relationships with our banks and shareholders. Internal, we continuously monitor forecasts and cash flows to ensure that we maintain significant headroom and have self-imposed 2 times leverage, which is only exceeded temporarily and worked down as quickly as possible. **Interest rate risk:** The Group finances its operations through a mixture of retained profits and bank borrowings, based on floating rates. Interest rate fixing has been reviewed but none have been entered into during the year or at the year end.
Health & Safety	Failure to manage health and safety risks could cause harm to our employees or those around us and expose the Group to significant potential disruption, regulatory breaches, liabilities and reputational damage.	We safeguard the health and safety of employees, contractors and others working on behalf of the Group, with experienced health and safety professionals who provide relevant training and help develop a strong culture alongside the management teams; all of which is overseen and audited by our group HSEQ director and the support of consultants where necessary. We are constantly improving communication and reporting across the Group through simple and effective systems and processes such as our HS Engagement & Monitoring software, Visible Felt Leadership, HS Committees, back to work and pitstops.

RISK	DESCRIPTION	MITIGATION
IT & Cyber	Disruption to the IT environment could affect our operational performance and lead to reputational damage, regulatory penalties or significant financial loss. Failure to keep up to date with advances in technology could impact demand and our ability to access the market.	IT support teams and service providers continue to monitor and respond to new and expanding cyber risks by implementing best practice in IT security management, back-up systems and risk management software courtesy of our cyber insurance providers. Outdated software and hardware are updated and cloud solutions embraced to minimise negative impacts and allow continual operations.
Legal & Regulatory	Exposure to developments that lead to political, legal and regulatory changes requiring significant changes to Group operations which could impact the Group's financial results, together with any associated negative reputational damage. Inadvertent failure to comply with elements of a significantly increased governance, legislative and regulatory business environment. A legal or regulatory breach could result in disruption to operations, financial consequence and reputational damage.	Group general counsel and engagement of external specialists to monitor legislative changes and conduct ongoing training. Hold appropriate business accreditations and insurances and ensure there are compliance procedures, policies, ISO standards and independent audit processes which seek to ensure that regulatory and compliance procedures are fully complied with.
M&A	Overpay; fail to integrate; fail to deliver the expected returns from an acquisition. Failure to identify potential acquisitions to sustain our growth strategy or not be an acquirer of choice	Strong acquisition track record supported by our specialist advisers and rigorous due diligence processes. All acquisitions are approved by the Board and all acquisitions are subject to detailed due diligence processes which are executed by project teams, with progress monitored by the Board. We have developed a management structure which facilitates our growth strategy and, where appropriate, we make arrangements to retain acquired senior management and minimise negative change upon acquiring businesses. The Board uses its networks and reputation to review wider acquisition opportunities and our businesses are all tasked with bringing forward potential acquisition targets for review at Group level.
Operational disruption and key equipment failure	A material disruption at one of the Group's operational sites or at one of the Group's suppliers' facilities, could prevent the Group from meeting customer demand.	The Group has the ability to transfer some of its production across its network of plants and is able to engage subcontractors to reduce the impact of certain production disruptions. In relation to supplier disruption or failure, further third-party suppliers have been identified who can maintain service in the event of a disruption. The Group's wide geographical spread mitigates this risk to some extent and allows it to manage its production facilities to mitigate the impact of such disruption.

Risk CONTINUED

RISK	DESCRIPTION	MITIGATION
Quality	The nature of the Group's business may expose it to warranty claims and to claims for product liability, construction defects, project delay, property damage, personal injury and other damages. Any damage to the Group's brands, including through actual or alleged issues with its products, could harm our business, reputation and the Group's financial results.	The Group operates comprehensive quality control procedures across its sites with both internal and external audit reviews of product quality completed to ensure conformance with internationally recognised standards. All accredited staff undergo rigorous training programmes on quality and the technical teams carry out regular testing of all of our products to provide full technical data on our product range.
Raw Materials sourcing & internal resources	The Group is susceptible to significant increases in the price of raw materials, utilities, fuel oil and haulage costs and decreases in availability. Risks exist around our ability to pass on increased costs through price increases to our customers.	Resource expansion plans developed at all sites to ensure timely access to future materials. The Group focuses on its multiple supplier relationships, flexible contracts and the use of hedging instruments. Ensure businesses are self-sufficient with ability to increase resources through subcontractors during peak demands.
Recruitment and retention	Failure to recruit, develop and retain the right people. Failing to create a corporate culture that is based upon ethical values and behaviours.	The Board, Nomination Committee, and senior management teams conduct reviews and plan succession for key roles. The Board and the Remuneration Committee review all key aspects of remuneration to ensure appropriate packages are in place to assist in the attraction and retention of key employees. Each business has a grading and employee benefit structure with review of incentive plans underway to give help support long term employee commitment. A focus on identifying internal talent and recruitment of upcoming talent is under review to ensure succession planning and maintain a dynamic talent pool which is supported with development plans.
Technology & New Business Models	Reduction in demand for traditional products. Risk of new competitors and new substitute products appearing. Failure to react to market developments, including digital and technological advances.	Digital and product development groups that work local and cross business reviewing both our industry and external offerings and opportunities.

Poundfield, Ipswich

Systems and Digital Innovation Report

SigmaRoc is committed to digital transformation and going forward will have a dedicated section in the Annual Report on systems and digital innovation. With digital technologies reshaping industry after industry, we are pursuing large-scale changes in an effort to improve the overall performance of the Group.

2021 was a year devoted to the implementation of a new ERP system across the PPG platform and Harries, where digital transformations were most needed. This challenging yet necessary change provides real time visibility over the financial performance of the various operations as well as standardising and streamlining processes in the different businesses. The product-mix and remote locations of Harries provided the most challenges during this implementation. As the entire Group now runs on modern ERP systems, Group performance reporting has become a lot easier to track on a daily, weekly and monthly basis.

The data availability and digitalisation of parts of the business enables SigmaRoc to develop a DataCube at Group level aggregating all financial data to provide senior management and the Board with bespoke analytics. For this reason, we have started with the design of a DataWarehouse and DataCube to be completed in 2022. This data will be overlayed with analytics solutions and innovative predictions models to provide accurate and timely reporting of the Group's financial performance.

All of these changes and updates are part of the innovation program we are implementing, where new technology is being used not only in the different production sites to make more competitive products, but at every level in the Group. To date many tools have been implemented and where not available developed internally to make sure it is tailored to the Group's needs. A prime example of this is HighVizz, a health and safety solution that recorded its first full year of data collection over 2021. Further work is conducted on cyber security and resilience of the systems in place. As a result the Group made progress on its journey to generate further efficiency from its digitalisation and innovation.

This report was approved by the Board on 22 March 2022 and signed on its behalf.

Fons Vermorken
Chief Information Officer

Poundfield, Ipswich

Nordkalk, Gotland

Chief Financial Officer's Report

I am very pleased to report a strong year financially for the Group, during which we exceeded our own expectations while significantly expanding our business during a persisting global health crisis. We formed a new platform in Benelux, acquired Nordkalk via a reverse takeover, raised £260 million in equity and obtained access to £305 million in debt via a newly syndicated banking facility.

In our 2021 financial year, the Group generated revenue of £272.0 million (2020: £124.2 million) and Underlying EBITDA of £49.3 million (2020: £23.9 million). The Underlying profit before taxation for the Group for the year ended 31 December 2021 was £26.8 million (2020: £12.2 million).

The statutory loss for the Company for the year ended 31 December 2021 before taxation amounts to £26.3 million (2020: loss £5.8 million), which includes £22.2 million of non-underlying expenses primarily pertaining to extensive M&A activity undertaken by the Company during the year.

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the period to 31 December 2022.

	2021 £'000	2020 £'000
Cash and cash equivalents	**69,916**	27,452
Revenue	**271,986**	124,231
Underlying EBITDA	**49,262**	23,896
Capital expenditure	**22,555**	6,452

Garth Palmer

Chief Financial Officer

Chief Financial Officer's Report CONTINUED

Cash generated from operations was £29.5 million (2020: £28.5 million) with a net increase in cash of £42.9 million (2020 net increase of £17.5 million).

Revenue and Underlying EBITDA exceeded expectations and management forecasts.

Capital expenditure relates to purchase of new plant and machinery and improvements to existing infrastructure across the Group.

PPA

BDO UK undertook the PPA exercise required under IFRS 3 to allocate a fair value to the acquired assets of Harries.

The PPA process resulted in a reduction of goodwill recorded on the Statement of Financial Position of the Group for Harries from £6.1 million to £2 million. The reduction was to transfer the value of goodwill to tangible assets for land and buildings, land and mineral reserves, intangible assets for trade name and deferred tax assets.

Non-underlying items

The Company's loss after taxation for 2021 amounts to £26.3 million, of which £22.2 million relates to non-underlying items, while the Group's non-underlying items totalled £29.1 million for the year. These items relate to six categories:

1. £1.9 million amortisation of acquired assets and adjustments to acquired assets
2. £20.1 million in exclusivity, introducer, advisor, consulting, legal fees, accounting fees, stamp duty, insurance and other direct costs relating to acquisitions. During the year the Group acquired B-Mix, Casters, Nordkalk and undertook extensive due diligence on JQG which completed post year-end.
3. £3.1 million legal and restructuring expenses relating to the rebranding and alignment of all subsidiaries across the Group.
4. £2.3 million in share based payments relating to grants of options.
5. £0.7 million on unwinding of discounts on deferred consideration payments for CDH and CCP.
6. £1.0 million in other exceptional costs which primarily relate to non-cash balance sheet adjustments and COVID-19 costs.

Interest and tax

Net finance costs in the year totalled £7.0 million (2020: £2.7 million) including associated interest, bank finance facilities, as well as interest on finance leases (including IFRS 16 adjustments), hire purchase agreements.

A tax charge of £4.7 million (2020: £0.7 million) was recognised in the year, resulting in a tax charge on profitability generated from mineral extraction in the Channel Islands and profits generated through the Group's UK, Belgium and Nordic based operations.

Earnings per share

Basic EPS for the year was a loss of 1.89 pence (2020: profit of 2.55 pence) and Underlying basic EPS (adjusted for the non-underlying items mentioned above) for the year totalled 5.37 pence (2020: 4.50 pence).

Statement of financial position

Net assets at 31 December 2021 were £411.2 million (2020: £124 million). Net assets are underpinned by mineral resources, land & buildings and plant & machinery assets of the Group.

Cash flow

Cash generated by operations was £29.5 million (2020: £28.5 million). The Group spent £350.9 million on acquisitions net of cash acquired and £22.6 million on capital projects. The Group raised £255 million net of fees through the issue of equity and drew net borrowings of £138 million. The net result was a cash inflow for the year of £42.9 million.

Net debt

Net debt at 31 December 2021 was £164.0 million (2020: £43.8 million), and was refinanced on 15 July 2021.

Bank facilities

In July 2021 the Company entered a new Syndicated Senior Credit Facility of up to £305 million (the **Debt Facilities**) led by Santander UK and including several major UK and European banks. The Credit Facility, which comprises a £205 million committed term facility, £100 million revolving credit facility and a further £100 million accordion option, provides the Group with further capacity and flexibility to support its ongoing buy-and-build strategy, as well as reducing like-for-like borrowing costs.

The Group's new Debt Facilities have a maturity date of 15 July 2026 and are subject to a variable interest rate based on SONIA/LIBOR plus a margin depending on EBITDA. As at 31 December 2021, total undrawn facilities available to the Group via the new Debt Facilities amounted to approximately £200 million.

The Group's new Debt Facilities are subject to covenants which are tested monthly and certified quarterly. These covenants are:

— Group interest cover ratio set at a minimum of 4.5 times EBITDA; and

— A maximum adjusted leverage ratio, which is the ratio of total net debt, including further borrowings such as deferred consideration, to adjusted EBITDA, of 3.5x in 2021. As at 31 December 2021, the Group comfortably complied with its bank facility covenants.

Capital Allocations

We prioritise the maintenance of a strong balance sheet and deploy our capital responsibly, allowing us to commit significant organic investment to our business whilst continuing to pursue acquisitions to accelerate our strategic development. This conservative approach to financial management will enable us to continue pursuing capital growth for our shareholders.

Dividends

Subject to availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so. The focus of the Group at this stage of its development will be on delivering capital growth for shareholders. The Directors therefore do not recommend the payment of a dividend for the year (31 December 2020: nil).

Post Balance Sheet event

Post 2021 close we have conducted a series of activities worthy of mention in this annual report. Further information is set out in note 38.

Employee Benefits

All of our UK employees, almost 400, have been offered both Private Medical Insurance and Group Life Assurance. Our benefits provider commented that the uptake of this offering from our employees was unprecedented with many adding family members.

SigmaRoc has also engaged Link Group to set up a Share Incentive Plan for all UK employees, an offering we already have in the Channel Islands. We are continuing to investigate Share Plans for our European operations.

This report was approved by the Board on 22 March 2022 and signed on its behalf.

Garth Palmer
Chief Financial Officer
22 March 2022

ESG Report

Carrières du Hainaut, Soignies

Our Targets

TARGETS TO NET ZERO

1 | All concrete products available in low carbon and ultra-low carbon

2 | Carbon Capture Storage and utilisation trial plant operational

3 | 100% of all manufactured products can utilise waste / recycled materials*

4 | 100% utilisation of all production materials

5 | Alternative fuels used mobile equipment

6 | 2.5% reduction in energy intensity

7 | 100% third party energy sourced from renewable means

8 | Alternative fuels used fixed equipment (e.g lime and asphalt)

9 | All kilns are carbon neutral

Image: Nordkalk, Pargas

Road Map to Net Zero

As a business our overall aim is to ensure sustainable returns to our shareholders. As a Group we are committed to ensuring this can be done in a manner where we minimise risks, seize opportunities and so that our business continues to be strong in the years to come.

Our focus on returns to shareholders is through our 4i principles, all of which are underpinned by ESG.

Shareholder returns are an output of our inputs, which are our business model and ESG principles

2025

- All concrete products available in low carbon and ultra-low carbon
- Carbon Capture Storage and utilisation trial plant operational
- 100% of all manufactured products can utilise waste / recycled materials*

2027

- 100% utilisation of all production materials

2030

- Alternative fuels used in mobile equipment
- 2.5% reduction in energy intensity
- 100% third party energy sourced from renewable means

2032

- Alternative fuels used in fixed equipment (e.g lime and asphalt)

2038

- All kilns are carbon neutral

2040

NET ZERO

CO_2 CO_2 CO_2 CO_2 CO_2

CARBON

ENERGY INTENSITY AND EFFICIENCY

RESOURCE UTILISATION AND CIRCULAR ECONOMY

*where industry specifications allow for it

ESG Report

SigmaRoc has and will always be committed to the principles of ESG. As per our 2020 Annual report, following further work, we have formally aligned to both TCFD and SASB. Whilst TCFD recommendations serve as a global foundation for effective climate-related disclosures, the SASB standards will be used to collect, structure, and effectively disclose related performance data for the material, climate-related risks and opportunities identified. SASB standards represent a clear solution to TCFD implementation, and areas of future focus are well-established in the market. SASB rigorously developed TCFD-aligned reporting tools, and support the implementation of the recommendations and the 11 associated disclosures in a way that is both cost-effective and useful for all stakeholders.

The TCFD standards set out recommended disclosures structured under four core elements of how companies operate:

- Governance – The organisation's governance around climate-related risks and opportunities
- Strategy – The actual and potential impacts of climate-related risks and opportunities for an organisation's businesses, strategy, and financial planning
- Risk Management – The processes used by the organisation to identify, assess, and manage climate-related risks; and
- Metrics and Targets – The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

These are supported by recommended disclosures that build on the framework with information intended to help investors and others understand how reporting companies assess climate-related risks and opportunities.

SASB provides industry-specific standards for disclosing performance on sustainability topics including, but not limited to climate in a comparable manner that are reasonably likely to have a material effect on financial performance of companies in each industry. They will be used when assessing the relevant disclosures under the Metrics and Targets Pillar of the TCFD and are among the most frequently cited tools in the TCFD's Implementation Annex.

TCFD PILLAR	RECOMMENDED DISCLOSURE	SIGMAROC SUMMARY
Governance	— board's oversight of climate-related risks and opportunities — management's role in assessing and managing climate related risks and opportunities	The Board has the highest level of responsibility for climate-related issues and is supported by various committees including the Audit Committee, which is responsible for monitoring ESG performance. In 2021, the board agreed a road map to developing ESG through TCFD, SASB and development of ESG targets.
Strategy	— Climate-related risks and opportunities identification — climate-related risks and opportunities impacts — resilience of the organisation's strategy	ESG is core in all of our key decision-making. Both the Board and management teams review where climate-related risks and opportunities might occur, as well as their significance and connection to other risks. This information allows us to challenge our strategy to ensure it is as resilient as possible.
Risk Management	— identifying and assessing climate-related risks — managing climate-related risks — integration into overall risk management	Climate-related risks and opportunities are identified and managed both locally and at Group level with our CTO coordinating all aspects. The identification, assessment and effective management of climate-related risks and opportunities are actively discussed during Board and management meetings.
Metrics and Targets	— climate-related metrics — Scope 1, Scope 2, and Scope 3 emissions. — climate-related targets	To ensure meaningful and appropriate metrics and targets for our stakeholders, we are adopting SASB recommended disclosures. We also comply with SECR, which is independently produced, and voluntarily expand the remit to include all our operations, not just the UK.

ESG Focus Areas

Environment	Social	Governance
KEY FOCUS AREA		
Sustainable use of reserves and resources	Ensure people leave work in the same or better condition than when they arrived	Promote QCA and Corporate Governance Codes
Responsible use key resources including raw material, mineral and water	Support the physical and mental health of our employees and their families	Ensure proactive Board oversight and independence of committees
Optimise energy use and minimise impact of our operations on the environment	Attract, train, retain and engage our workforce	Focus on Risk Management and mitigation, including cyber
Contribute to sustainable construction and address environmental aspects either through product production or use	Be a good neighbour; Source local, buy local, sell locall, invest local	Ensure transparency on reporting on Tax
TARGETS		
Achieve Net Zero road map targets	Total injury frequency rate and harm injury frequancy rate reduction year on year	Formalise and implement ESG framework and structure
	Increase board diversity	
HOW DID WE DO		
First publication of net zero road map	Achieved both total incident and harm incident reduction through continual engagement and support, especially during unprecedent global times	The Board agreed to adopt the TCFD and SASB framework and guidelines which been used in the creation and disclosure of this section
	Climate survey conducted that has allowed each business to focus on key areas UK Employee benefits reviewed and updated Increased female board diversity with the appointment of Axelle Henry	

ESG Focus Areas & Health and Safety Report

Environment	Social	Governance
FOCUS FOR 2022		
Development and implementation of solution to achieve our Net Zero targets	Focus on 3 key areas: 1. Structure & Compliance by ensuring corrective actions properly closed out and on time. 2. Proactive Prevention by focusing on each businesses' 3-5 core risks 3. Learn & Improve through thorough investigations and timely communication	Collection of data for ongoing disclosure
	Continue to increase diversity to achieve >25% diversity on the board Increase relationships with education to promote our industry at ages where career choices are being considered	

Group Health and Safety Report

2021 saw continued focus and commitments to Health and Safety in challenging environments created by COVID-19 and the restrictions imposed. Key statistics show year on year improvement; The total event and the Harm event frequency rates both improved 25% and 31% respectively. This was part aided by the significant increase in positive reporting, including Near Hits and Hazard and Risk Elimination by >200%.

As the Group continues to grow, and which is now operating in numerous countries across Europe, we continue to ensure compliance with local regulation, which is managed at a local level, whilst at the same time integrating these businesses to align with Group H&S standards.

As a group we have set three overarching principals as well core aspects such as increased reporting and event management through the use of our in-house H&S app, Health and Safety Committees and training through NEBOSH and IOSH:

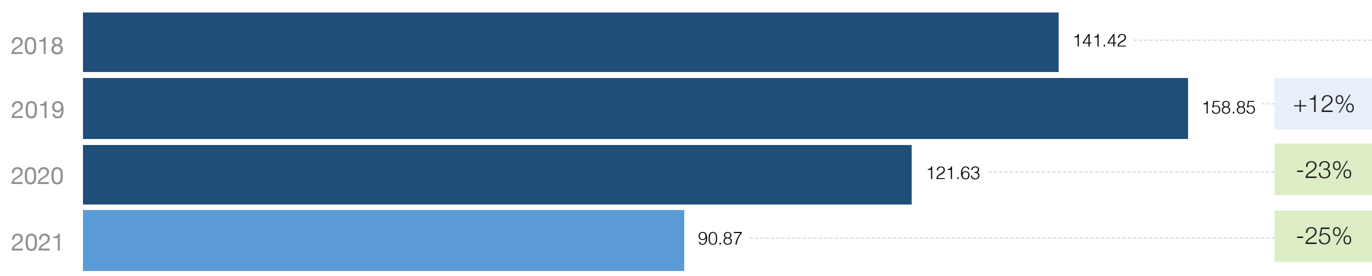
Structured & Compliant	Proactive Prevention	Learn & Improve
1. All sites audited with identified improvement actions. 2. All corrective actions properly closed out and on time.	1. 3-5 core risks with live action plan. 2. Uncontrolled Risks and hazards (HIRE) logged and actioned.	1. Detailed investigations on all MTI, LTI and HiPO events suing aspects such as ICAM 2. Performance and events communicated throughout the business in a timely manner

The safety culture of the Group continues to have strong focus as every new business comes with differing approaches to safety prior to joining SigmaRoc. Through the use of adequate tools, including our safety app Highvizz, site improvement and Annual Focus Plans, safety committee structures and climate surveys we are increasing worker engagement and delivering a positive safety culture as these businesses become integrated. An initiative based on football league tables has recently been successfully trialled and saw a five-fold increase in hazard reporting.

During 2021 we have been effective in managing the both physical and mental health challenges posed by COVID-19, with no apparent transmission within the workplace observed.

TIFR

The total event frequency rates improved by 25% in 2021



Streamlined Energy and Carbon Report (SECR)

This report is independently produced by Briar. The Group voluntarily expands the remit to include all operations, not just UK.

UK energy use and associated greenhouse gas emissions

Current UK based annual energy usage and associated annual GHG emissions are reported pursuant to the Companies and Limited Liability Partnerships Regulations 2018 that came into force 1 April 2019.

Organisational boundary

Energy use and associated GHG emissions are reported across the Group as defined by the operational control approach. This includes operations in the UK, Channel Islands, Belgium and across northern Europe (Estonia, Finland, Poland & Sweden). This exceeds the minimum mandatory requirements set out in the 2018 Regulations for 'large quoted companies', which only requires reporting of UK based energy use and emissions.

Reporting period

The annual reporting period is 1 January to 31 December each year and the energy and carbon emissions are aligned to this period. The subsidiary company, Nordkalk, was acquired in September 2021, meaning energy and emissions are only included for this subsidiary from this date.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. Emissions calculations were based on emission factors published in the 2021 UK Government GHG Conversion Factors for Company Reporting, Statistics Finland Fuel Classification 2021, Swedish Environmental Protection Agency Emission Factors 2022 and the latest available factors from the Association of Issuing Bodies (2020), Jersey Electricity (2020) and Guernsey Electricity (2020). The report has been reviewed independently by Briar Consulting Engineers Limited.

Electricity and gas consumption were based on invoice records with some pro-rata and benchmark estimations carried out to complete missing data. Transport usage was calculated from a combination of mileage and fuel records where possible. Transport

Breakdown of Energy Consumption and Emissions

is not reported separately outside the UK and Channel Islands as it is not recorded separately and is considered immaterial for grey fleet. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations. For large unquoted organisations, the 2018 Regulations define mandatory emissions as those originating in the UK coming from purchased electricity, gas combustion and purchased fuel for transport (including mileage expense claims). Reporting energy and emission sources outside of these sources is considered voluntary and reported separately.

The emissions are further divided into their relevant scopes as per the GHG Protocol. The scopes are defined as:

- Scope 1: Direct GHG emissions that occur from sources owned or controlled by the organisation.
- Scope 2: Indirect GHG emissions from the generation of acquired and consumed electricity, steam, heating or cooling.
- Scope 3: Other indirect GHG emissions that occur as a consequence of the organisations activities but occur from sources not owned or controlled by the organisation.
- Outside of scopes: Biogenic CO_2 emissions that scope 1 impact are determined to be 'net zero', since the fuel source itself absorbs an equivalent amount of CO_2 during the growth phase as the amount of CO_2 released through combustion. Therefore, the direct CO_2 emissions are reported separately.

Breakdown of energy consumption used to calculate emissions (kWh):

ENERGY TYPE	2020		2021	
	UK £	Group Total[1] £	UK £	Group Total[1] £
Mandatory Energy:				
Gas	274,854	716,644	453,856	104,338,875
Purchased electricity	2,611,414	17,271,765	5,113,311	80,401,077
Transport fuel	6,274,566	9,179,726	16,253,123	25,774,101
Total energy (mandatory)	**9,160,835**	**27,168,136**	**21,820,291**	**210,514,054**
Voluntary energy:				
Bioenergy	-	-	-	7,392,511
Coal	-	-	-	155,968,343
Oil	17,781,282	54,968,961	36,524,685	158,166,363
Generated electricity[2]	-	940,490	-	1,906,467
Total energy (voluntary)	17,781,282	**55,909,451**	**36,524,685**	**323,433,684**
Total energy (mandatory & voluntary)	**26,942,117**	**83,077,587**	**58,344,976**	**533,947,737**

[1] The Group total includes emissions from the UK, Channel Islands, Belgium, and Nordkalk (Estonia, Finland, Poland and Sweden from Sep 21 only).
[2] Electricity generated by solar photovoltaic panels. Reported energy includes any exported energy to the grid.

Breakdown of emissions associated with the reported energy use (tCO_2e):

EMISSION SOURCE	2020		2021	
	UK £	Group Total[1] £	UK £	Group Total[1] £
Mandatory emissions:				
Scope 1				
Gas	51	145	83	16,929
Transport (company owned vehicles	1,472	2,171	3,775	6,247
Scope 2				
Purchased electricity (location-based)	609	2,855	1,086	17,070
Scope 3				
Transport (grey fleet)	41	41	78	104
Total gross emissions (mandatory)	**2,173**	**5,212**	**5,022**	**40,349**
Voluntary emissions:				
Scope 1				
Bioenergy (CH4 & N2O)	-	-	-	0.5
Coal	-	-	-	52,657
Oil	4,514	14,054	9,259	41,179
Process emissions	-	-	-	135,461
Total gross emissions (voluntary)	4,514	**14,054**	**9,259**	**229,297**
Total gross emissions (mandatory & voluntary)	**6,687**	**19,226**	**14,281**	**269,647**
Outside of scopes (CO_2 only)				
Bioenergy	-	-	-	2,529
Petrol/diesel biofuel content	11	30	227	251
Intensity ratio: tCO_2e per million-pound turnover				
Mandatory emissions only	46.4	42.0	67.9	148.3
Mandatory & voluntary emissions	142.9	155.1	193.0	991.4

[1] The Group total includes emissions from the UK, Channel Islands, Belgium, and Nordkalk (Estonia, Finland, Poland and Sweden from Sep 21 only).

Breakdown of Energy Consumption and Emissions

EMISSION SOURCE					2021
	UK £	C.I. £	Belgium £	Nordkalk* £	Total £
Scope 1					
Bioenergy (CH4 & N2O)	-	-	-	0.5	0.5
Coal	-	-	-	52,657	52,657
Gas	83	-	110	16,737	16,929
Oil	9,259	2,012	6,820	23,087	41,179
Transport (company owned vehicles)	3,775	2,471	-	-	6,247
Process emissions	-	-	-	135,461	135,461
Scope 2					
Purchased electricity (location-based)	1,086	123	2,663	13,199	17,070
Scope 3					
Transport - Business travel in employee-owned vehicles	77	26	-	-	103
Total gross emissions	**14,281**	**4,631**	**9,593**	**240,959**	**269,647**
Outside of scopes					
Bioenergy (CO_2)	-	-	-	2,529	2,529
Petrol/diesel biofuel content	227	24	-	-	251
Intensity ratio					
tCO_2e per million-pound	193.0	159.7	131.4	2,511.9	991.4

*Nordkalk emissions are reported from September 2021 only and include sites within the operational control boundary in Estonia, Finland, Poland and Sweden.

Intensity Ratio

The intensity ratio is total gross emissions in metric tonnes CO_2e per total million-pound (£m) turnover. This is calculated separately for 'mandatory' emissions and 'mandatory & voluntary' emissions for the UK, Channel Islands, Belgium and Nordkalk. This financial metric is considered the most relevant to the Company's wide-ranging activities and allows a comparison of performance across other organisations and sectors.

The increase in the UK intensity ratio this year reflects a shift in production. In 2020, a large amount of production focused on a one-off project to deliver Road Zipper System highway barriers, which required relatively low energy intensive processes. From 2021, production has returned to typical projects that require higher energy intensity. Absolute UK emissions have also increased, primarily due to the inclusion of the subsidiary GD Harries & Sons Limited for a full 12 months this year, whereas in 2020 it was reported from September 2020 only (when the business joined the Group).

Group wide relative and absolute emissions have increased this year due to the acquisition of Nordkalk, a manufacturer of limestone-based products which have high process related CO_2 emissions associated with limestone calcination reactions. Absolute emissions will increase further next year when a full 12 months of emissions is reported for Nordkalk. This is because this year's figures are only quantified from September 21, when the company joined the Group.

Energy efficiency action during current financial year

In the period 1 January to 31 December 2021 for UK operations, energy efficiency action has focused on transport efficiency, with considerable work undertaken to optimise transport and logistics in CCP to reduce road miles covered by the haulage fleet.

On site renewable energy generation has increased following the completion of the third phase of the solar photovoltaic extension in Belgium. This has resulted in an increase in annual renewable electricity generation of 965,000 kWh this year compared to last year's generation; more than double the energy generation in 2020.

This year we have committed to going cement free in our precast portfolio from January 2022. This follows the launch of the CCP Greenbloc in February 2021; the UKs first cement-free ultra-low carbon dense concrete block. Compared to a dense concrete block manufactured with 100% Ordinary Portland Cement, Greenbloc has a 77% lower embodied CO_2. Operations at Ronez on the Channel Islands have increased the usage of GGBS in the low carbon product range, specifically for RMX and concrete blocks. 683 tonnes were switched from cement to GGBS this year compared to 2020, estimated to result in a CO_2e reduction of 478 tonnes. The launch of Greenbloc and increased use of GGBS at Ronez will primarily impact scope 3 (upstream and downstream) emissions; however, scope 3 emissions are not fully quantified in these tables.

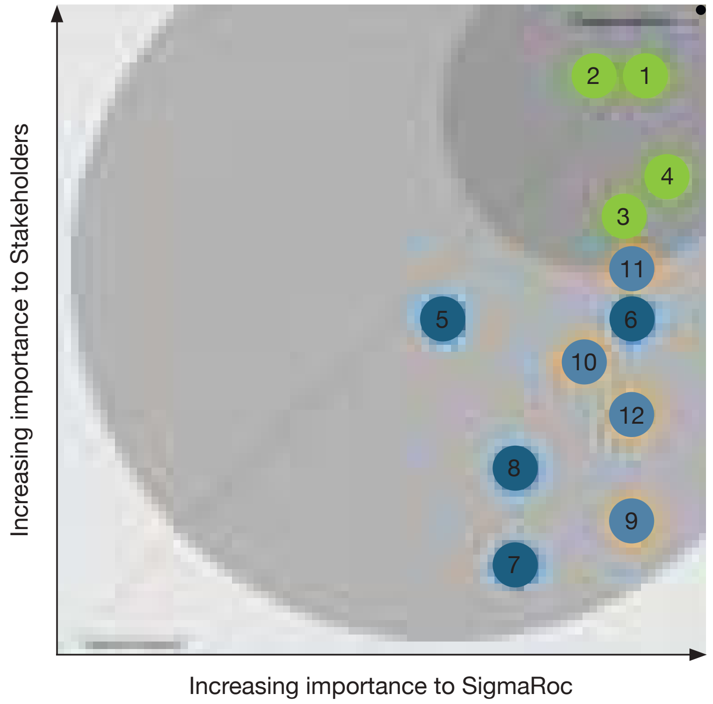
Image: Nordkalk, Miedzianka

Stakeholders Engagement

STAKEHOLDERS	DESCRIPTION	HOW WE ENGAGE
Colleagues	We have dedicated workforce of close to 2,000 across the Group. We recognise our dedicated workforce as a key driver of the value derived from the business. Our colleagues are experienced and continuously developed to fulfil their potential. All employees are offered a fair benefits and compensation package relative to their role and level in the organisation. We encourage share ownership where they are available and are working to set up where they are not currently in place.	Site presence and visual felt leadership. Employee groups and committees and unions. Focus on development training and succession planning. Decentralised approach with flat management allowing easy access to all staff. Employee benefit offerings that can also extend to family members.
Customers and suppliers	All our businesses are decentralised and locally focused so that we know the customers and suppliers areas like they do. We work alongside our customers to provide "Right first time" service and to seek proactive and innovative solutions to support requirements. "right first time" is key to success and ensuring customer loyalty as part of our long-term success. We recognise the huge role our suppliers play in its long-term success. We strive to ensure timely payments, maximise value to support the delivery of our customers' needs. We balance economic requirements with sustainability considerations over the whole supply chain.	Prioritise a local focus on both customers and suppliers. Engage directly from our sites so that the customer and supplier deal directly with the site they are supplying or buying from. Ensure timely payments are made to suppliers. Functional and intuitive websites and digital solutions focused on the customer. Ensure adequate checks and due diligence are done on customers and suppliers.
Communities	By being decentralised and local we are at the heart of the communities in which we operate allowing us to be knowledgeable, good, supportive and engaging neighbours.	Proactive approach and active participation in community and industry working groups, forums and committees.
Investors	All our Shareholders play an important role in the continued success of our business. We maintain purposeful and close relationships with them either directly or via wider mediums such as Q&A webinars and when allowed, conferences. We seek to be transparent and give clear and consistent messages across all communication channels.	Dedicated forums such as AGM, Annual and Interim Webinar Q&As. Annual and interim reports, trading statements and RNS. Regular phone calls and dialogues. Broker and NED contacts. Site visits, investor roadshows, investor conferences.
Regulators / local Government	We look to develop and sustain good relationships with many regulators who govern our businesses to ensure the success of our business and maintaining our license to operate. We are committed to adherence of legal and regulatory requirements. We are committed to have independent review / oversight be it internally or externally. We are committed to a sustainability framework following review of international standards.	Regular dialogue with Governments, Government agencies, regulators, and industry groups. Active membership of the industry bodies such Mineral Products Associatio, Federation Industries Extractives and European Lime Association. Effective and clear policies to ensure governance. Education and training of staff to reinforce compliance with regulations.

MATERIALITY MATRIX

Increasing importance to Stakeholder vs. increasing importance to SigmaRoc



1. Sustainable use of reserves and resources
2. Responsible use of key resources
3. Optimal energy use and minimal impact on the environment
4. Contributing to sustainable construction and addressing environmental aspects
5. Ensure people leave work in the same or better condition than when they arrived
6. Supporting the physical and mental health of our employees and their families
7. Attract, train, retain and engage our workforce
8. Be a good neighbour, source local, buy local, sell local, invest local
9. Promote QCA and Corporate Governance
10. Ensure proactive Board oversight and independance of commitees
11. Focus on risk management and mitigation
12. Ensure transparency on reporting and tax

Statement by the directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The Director's believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172 of the Companies Act 2006. The requirements of s172 are for the Directors to:

— Consider the likely consequences of any decision in the long term;

— Act fairly between the members of the Company;

— Maintain a reputation for high standards of business conduct;

— Consider the interests of the Group's employees;

— Foster the Group's relationships with suppliers, customers and others; and

— Consider the impact of the Group's operations on the community and environment.

The application of the s172 requirements are demonstrated throughout this report and the Accounts as a whole, with the following examples representing some of the key decisions made in 2021 and up to the date of these Accounts:

— Continued pursuit of buy and build growth strategy: the Group has aggressively continued its buy and build growth strategy, completing two acquisitions during 2021, establishing two new platforms and entering into a strategic JV partnership. The acquisition of Nordkalk was transformational for the Group, giving scale to self fund further growth opportunities.

— Ongoing management of the COVID-19 pandemic: the Group continued to actively monitor and manage the various measures implemented in 2020 to ensure continued protection and wellbeing of its employees, maintenance of good working relationships with customers and suppliers, and the commercial viability of its business.

— Safety initiatives: safety and wellbeing of our colleagues is one of our top priorities and the Group continued to improve its health and safety standards.

Stakeholders

Further specific information as to how the Board has had regard to the s172:

Section 172 factor	Key examples	Page
Consequence of any decision in the long term	CEO's strategic report Business model Our strategy Risk report ESG report Governance report	14 37 38 72 84 104
Interests of employees	CEO's strategic report – ESG, Safety & Innovation Risk report – Health & safety Risk report – Recruitment & retention ESG report – Group health & safety ESG report – Stakeholders	19 74 76 90 96
Fostering business relationships with suppliers, customers and others	Risk report – Quality ESG report – Social Risk report – Operational disruption & key equipment failure ESG report – Stakeholders	76 89 75 96
Impact of operations on the community and environment	CEO's strategic report – ESG, Safety & Innovation Risk report – Environment & climate change ESG report – Social ESG report – Environment ESG report – Streamlined Energy & Carbon Report (SECR) ESG report – Stakeholders	19 74 89 89 91 96
Maintaining high standard of business conduct	Business model Our strategy ESG report Governance report	37 38 84 104
Acting fairly between members	ESG report – Governance ESG report - Stakeholders Governance Report	89 96 104

Membership

Membership to trade organisations, industry bodies and other agencies is critical to ensure continual improvement in all that we do and to help facilitate the ongoing changes our industry and our customers face. Across our platforms we both support and are supported by National and International bodies such as:

— Mineral Product Association (MPA): UK industry trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar and silica sand industries.

— Federation Industries Extractives (Fediex) of which we have representation on the Board.

— Benelux Natural Stone Association (BNSA) of which we have representation on the Board.

— European Lime Association (EuLA) of which we have representation on the Board.

— Industrial Minerals Association Europe (IMA Europe).

— European Calcium Carbonate Association (CCA).

— International Lime Association (ILA).

Further to these bodies, businesses in the Group also has ISO accreditation or equivalent in ISO 9001 Quality; ISO 14001 Environment and ISO 45001 Health & Safety. Currently 50% of our businesses have ISO with 75% in H1 2022. Currently Benelux is being reviewed as to what is the best form of accreditations to maintain in addition to their product and local accreditations.

Further information on ESG will be available via our dedicated ESG Report and at www.sigmaroc.com.

Image: Nordkalk, Miedzianka

Board Members

Our Board comprises an executive leadership team with extensive experience of the international aggregates industry, supported by experienced non-executive directors who bring strong governance disciplines and a valuable external perspective to our business.

David Barrett
Executive Chairman

Appointed to board: August 2016

Independent: No

Committees: Nominations Committee

Background: Co-founded London Concrete in 1997, subsequently building the business from one concrete plant in London to over a dozen plants around the capital. London Concrete was sold to Aggregate Industries and is currently the number one concrete supplier in London, with flagship projects such as the London Olympics, the Shard, the US embassy and the new Bloomberg building. Having previously worked with Pioneer, David retired from London Concrete in 2015 and is widely considered an expert in the industry.

Other Directorships: David also holds directorships in various London based Companies including Thames Aggregates Limited, Thames Recycling Limited and Capital Concrete Limited.

Max Vermorken
Chief Executive Officer

Appointed to board: August 2016

Independent: No

Committees: None

Background: Prior to SigmaRoc, Max was strategic advisor to the CEO of LafargeHolcim Ltd (LafargeHolcim) Northern Europe, the world's largest construction materials group. His role included responsibility for the merger of Lafarge SA and Holcim Ltd in the region involving the only Day 1 integration of the two businesses following the hive-down and integration of two large asset portfolios – a mix which included two cement plants and a multitude of down-stream aggregates and construction materials assets. Prior to working for LafargeHolcim, Max worked in private equity at Luxembourg-headquartered The Genii Group, where he reported directly to its founding principals. 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.

Other Directorships: Max is also a Director of a consulting company Skyeye Consulting Limited.

Garth Palmer
Chief Financial Officer

Appointed to board: January 2017

Independent: No

Committees: Member of the AIM and MAR Compliance Committee

Background: Garth was Finance Director of SigmaRoc from inception until April 2020, at which point he stepped down from his part-time executive role, but remained as a non-executive board member and Company Secretary. In August 2021, in conjunction with the acquisition of Nordkalk, Garth returned as a full-time executive and Chief Financial Officer. 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 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 listed 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.

Other Directorships: Garth holds directorships in multiple businesses including Sport:80 Limited, GT Corporate Limited and GT Corporate AB.

Simon Chisholm
Non-Executive Director

Appointed to board: April 2020

Independent: Yes

Committees: Chairman of Audit Committee; Chairman of the AIM and MAR Compliance Committee; Chairman of the Remuneration Committee; Chairman of the Nominations Committee

Background: Simon is the founder and managing director of Feros Advisers spending over 20 years working in the Investment arena including as a fund manager with Henderson. 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. Simon joined Berenberg in 2003 and established an office for them in London. Over the next 10 years Simon was one of the principle architects in building the business from 3 people in London to around 140 and establishing the bank as a recognised brand name in the global investment community. 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. After University Simon joined Coopers and Lybrand and qualified as a Chartered Accountant.

Other Directorships: Simon is currently an active director at Feros Advisers Ltd and Munnypot Ltd.

Jacques Emsens
Non-Executive Director

Appointed to board: April 2020

Independent: Yes

Committees: Member of the Audit Committee; Member of the Nominations Committee

Background: Jacques is a founding member of JPSeven and is a member of the Board of 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.

Other Directorships: Jacques holds directorships in multiple businesses including JPSeven, Sofina, Le Pain Quotidien.

Tim Hall
Non-Executive Officer

Appointed to board: April 2019

Independent: No

Committees: None

Background: Tim has spent his entire career in the aggregates industry, most recently as CEO of Breedon South, a business he helped build from inception. Prior to this he was director of Tarmac Limited's Western Area; 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, Tim's knowledge and network within the industry supports SigmaRoc's growth in the aggregates and construction materials market in the UK.

Other Directorships: Tim holds directorships in multiple businesses including Langsun Developments Limited and T G Concrete Bridgnorth Limited.

Axelle Henry
Non-Executive Director

Expected appointment to board: March 2022

Independent: Yes

Committees: AIM and MAR Compliance Committee

Background: Axelle Henry has served as Chief Financial Officer for Verlinvest Group, a Brussels-based international investment business, since April 2014 and also serves on the board of directors for a number of their private companies, as well as Nasdaq quoted Vita Coco. She has held a variety of senior executive positions, including as Deputy Chief Financial Officer of Groupe Bruxelles Lambert. Ms Henry has over 20 years' experience in the Private Equity and Investment Sector, starting her career with KPMG as senior auditor. She holds degrees in commercial engineering from the Solvay Business.

Other Directorships: Axelle holds directorships in multiple businesses including Vita Coco, Verlinvest, Cofintra SA, Beverage Holdco Inc. and STAK Armonea.

Corporate Governance's Report

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 key governance related matter that occurred during the financial year ended 31 December 2021 was the implementation of a comprehensive suite of corporate governance policies that were adopted across the Group with procedures for periodic employee training and awareness.

Corporate Governance Report

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 One

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 Group with a strong operating platform, diversified income streams and stable cash flows in order to grow the Group and execute on its strategy further.

The Group is run as a commercially-minded business, seeking to return an increase on 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 Group seeks to implement operational efficiencies that improve safety, enhance productivity, increase profitability and ultimately create value for Shareholders.

Principle Two

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 AGM 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 Three

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

Engagement: Engaging with stakeholders strengthens relationships and helps 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 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 Group has established a safe and healthy work environment, which complies with the relevant occupational health & safety laws. The 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 Group has supported and given back to the community by participating in a selection of projects in recent years. Further details of the Group's environmental, social and governance related initiatives are in the relevant annual reports.

Modern slavery: As part of our mission to "do the right thing" we oppose modern slavery in all its forms and work to prevent it by any means that we can. We expect anyone who has any suspicions of modern slavery in our business or our supply chain to raise their concerns without delay.

Principle Four

Risk Management

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

Risk register: To assist the Board with effectively managing risk across the 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 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 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 Group.

Principle Five

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

Board composition: The Board comprises the Executive Chairman, two Executive Directors, and three Non-Executive Directors, of which two are independent. 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 on the Company's website (https://www.sigmaroc.com/board/).

The Board is satisfied that it has a suitable balance between independence and knowledge of the 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

Coporate Governance's Report CONTINUED

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.

DIRECTOR	FORMAL QUARTERLY MEETINGS AND MEETINGS POST CHANGE TO ARTICLES	
	Attended	Eligible to attend
Max Vermorken	11	11
David Barrett	8	8
Garth Palmer	13	13
Simon Chisolm	10	10
Jacques Emsens	7	7
Tim Hall	5	7
Dean Masefield*	4	4

**Resigned on 31 August 2021*

Principle Six

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 on the Company's website (https://www.sigmaroc.com/board/)

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 Seven

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 Eight

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 Group. The code of conduct reiterates the 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 members adherence to the 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 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 anti-corruption and bribery policy.

Principle Nine

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 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.

Principle Ten

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 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 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.

Audit Committee Report

Nordkalk, Lappeenranta

Audit Committee Report

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 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.

My fellow member of the Audit Committee, Garth Palmer resigned when he was appointed as CFO and an executive director effective 31 August 2021.

Key activities carried out in 2021

During the year, the Committee met formally two times and discussed the following:

— External audit tender process
— Audit planning
— Auditor's fees and independence
— Auditor's effectiveness
— Interim report and annual report
— Internal audit
— Internal controls and risk management
— Taxation
— Going concern and viability statement
— Significant accounting matters
— Plans for transition to new accounting standards
— Whistleblowing
— The Audit Committee's terms of reference

Meeting Attendance

The Committee is made up of Independent, Non-Executive Directors and shall meet not less than twice in each financial year.

Director	Attended	Eligible to attend
Simon Chisolm	2	2
Jacques Emsens	2	2
Garth Palmer	1	1

Committee Duties

The Audit Committee carries out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate:

— Monitor integrity of the financial statements and financial performance;

— Review financial statements, significant financial returns to regulators and any financial information of a sensitive nature;

— Review and challenge internal financial controls and risk management systems including the review of matters of a non-financial nature;

— Review and challenge accounting policies, accounting methods and adherence to accounting standards;

— Review and make recommendation with regards to the external auditor, including appointment, independence, objectivity, effectiveness. Performance and renumeration;

— Consults with the external auditor on the scope of their work and reviews all major points arising from the audit;

— Ensure fully functional whistleblowing policy.

Chair Statement

The Audit Committee was chaired by myself and comprises of Jacques Emsens as the other member. The Committee has relevant financial experience at a senior level as set out in their biographies. The Audit Committee met two times formally in 2021 and also held informal discussions with the external auditor as appropriate. The principal activities of the Audit Committee in respect of the year ended 31 December 2021, and the manner in which it discharged its responsibilities, were as follows:

Financial Statements

The Audit Committee reviewed and agreed the external auditor's strategy and approach in advance of their audit for the year ended 31 December 2021, and reviewed reports on the outcome of the audit. The Audit Committee also reviewed the 2021 Preliminary Results Announcement, the 2020 Annual Report, the 2021 Interim Results Announcement and the 2021 Interim Report.

Audit Committee Report CONTINUED

Significant Accounting Matters

During the year, the Audit Committee considered key accounting issues, judgements and disclosures in relation to the Financial Statements. The most significant of which was the risk of the value of inventory, the carrying value of investments and carrying value of tangible and intangible assets. Alistair Roberts, the previous audit partner completed his 5 years as RI and rotated off on 31 December 2020 and was superseded by Zahir Khaki. The Audit Committee also received communications from management and the external auditor on a number of other accounting matters, including the valuation of mineral reserves and resources, revenue recognition and restoration provisions.

Going Concern and Viability

The Audit Committee reviews supporting papers from management to support the Going Concern and Viability statements set out on page 143. This includes sensitivity analysis over key assumptions. Following this review, the Audit Committee recommended to the Board the approval of both statements.

External Auditor

The external auditor, PKF Littlejohn LLP (PKF), attends meetings of the Audit Committee. The Audit Committee has the opportunity to meet with the external auditor without the executive directors being present to provide a forum to raise any matters of concern in confidence and together discusses and agrees the scope of the audit plan for the full year. The external auditor reports on the control environment in the Group, key accounting matters and mandatory communications. The Audit Committee also receives and reviews a report from the external auditor setting out to its satisfaction how its independence and objectivity is safeguarded when providing non-audit services. The value of non-audit services provided by PKF in respect of the year ending 31 December 2021 amounted to £325,000 for due diligence and transactional services (2020: £33,078, principally in respect of tax services and due diligence and transactional services). During the year there were no circumstances where PKF was engaged to provide services prohibited by the FRC's 2019 ethical standard or which might have led to a conflict of interest.

The Audit Committee continues to be satisfied with he work of PKF and that they continue to remain objective and independent. Zahir Khaki is serving his first year as Audit partner.

Internal Audit

The Group does not have a formal internal audit function, the CFO performs a number of activities that an internal audit function would perform. The Audit Committee receive regular formal updates covering planned activities, findings of reviews performed and updates on agreed actions from previous reviews. The Audit Committee considers this is appropriate given the close involvement of the executive directors and senior management on a day-to-day basis. However, the need for an internal audit function will be kept under review by the Audit Committee on behalf of the Board.

This report was approved by the Board on 22 March 2022.

Simon Chisholm
Independent Non-Executive Director

Nordkalk, Gotland

Remuneration Committee Report

The Remuneration Committee has been charged by the Board to ensure that the Group's pay and benefits practices are competitive, able to attract high calibre people and to ensure those people are suitably incentivised to perform and remain with the Group over the long term.

The Board is ultimately responsible for the Group's remuneration policy. The role of the Remuneration Committee is to determine the terms of employment for the executive directors and senior management of the Group within the framework established by the Board.

I chaired the Remuneration Committee throughout the year and my co-member was Garth Palmer until his appointment as CFO and executive director effective 31 August 2021, at which point David Barrett joined me as the other member of the Remuneration Committee.

Key Activities Carried out in 2021

During the year, the Remuneration Committee met formally twice and discussed the following:

- Executive salaries
- Annual bonuses
- Pay and benefit levels across the Group
- Remuneration review and shareholder consultation
- Long term incentives
- The Remuneration Committee Report

Meeting Attendance

Director	Attended	Eligible to attend
Simon Chisolm	2	2
David Barrett	1	1
Garth Palmer	1	1

Committee Duties

The Remuneration Committee shall be responsible for:

- Determining and agreeing with the Board the framework or broad policy for the remuneration of the executive offices and other senior managers;
- Take 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.

Chair Statement

I am pleased to present the Remuneration Committee report for the year ended 31 December 2021 and can confirm that all aspects of executive remuneration are in order.

I have reviewed our remuneration policy together with our advisers, and in consultation with certain Shareholders, to ensure it is appropriate given SigmaRoc's growth to date combined with the future growth & development ambition of the Group.

2021 was an extremely busy and successful year for the Group, highlighted by the transformative acquisition of Nordkalk via reverse takeover which was funded by a £260 million equity placing and £305 million syndicated banking facility. Additionally, the Group surpassed all financial targets, maintained its excellent health & safety standards, made further acquisitions in Benelux and introduced its Greenbloc cement free ultra-low carbon concrete block, all against the backdrop of a continuing global pandemic. With regards to remuneration, our success in 2021, as detailed in the Chairman, CEO and CFO reports on pages 10, 14 and 80 led to the annual cash bonus qualifying to be paid in full.

This report comprises two sections: the 'Policy Report' summarises our current remuneration policy; and the 'Annual Report on remuneration' shows the amounts earned by Directors in 2021, and how we proposed to apply the policy in the future.

Policy Report

Base salary

Our objective is to provide a competitive base salary reflective of the skills and experience of the relevant individual. These are reviewed annually or on a significant change of responsibilities or change in market practice or a change in the size or complexity of the business. The Remuneration Committee also takes into account external market data and pay and employment conditions elsewhere in the Group and industry when considering increases to base salary levels. There are no performance criteria associated with receiving this benefit.

Annual cash bonus

To incentivise the delivery of annual financial, strategic and safety objectives, Executive Directors and senior management may participate in the annual bonus scheme. The Remuneration Committee sets performance measures and targets at the start of the financial year, or later if appropriate and based on the performance, bonuses are paid in cash shortly after the completion of the audit of the annual results. For Executive Directors, the maximum opportunity is 125 of salary. This level of incentive opportunity reflects the Committee's desire to retain a high proportion of remuneration on variable pay (which is not pensionable). Performance is assessed against financial targets and may be reduced or eliminated if safety performance or accident records reach unacceptable levels.

Performance share plan

In conjunction with the acquisition of Nordkalk in July 2021, a performance based long term share incentive plan (Performance Share Plan) was proposed to drive performance of the Group and delivery of the Group's long-term objectives, aid retention of key personnel and align directors' interests with those of Shareholders.

The Performance Share Plan, together with any other share incentive plan(s), is limited to no more than 10%. of the issued ordinary share capital of the Company over a yen-calendar year period.

The initial awards under the Performance Share Plan were made to the executive directors and certain senior management, with the allocations determined by the Remuneration Committee. The Performance Share Plan is subject to meeting EPS growth and total Shareholder return criteria, with the first vesting attainable following the financial year ended 31 December 2023.

Subsequent awards may be granted by the Remuneration Committee 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%. of their annual base salary in that financial year.

As a general rule, an award will lapse upon a participant's termination of employment within the Group, with certain exceptions permissible solely at the discretion of the Remuneration Committee (death, injury, ill-health, redundancy etc).

The Performance Share Plan was approved by Shareholders at a general meeting of the Company on 2 August 2021.

Pension

Pensions are provided to aid recruitment and retention by allowing the Executive Directors to make provision for long-term retirement benefits. These are comparable with similar roles in similar companies. Executive Directors currently receive 10 per cent of their base salary. There are no performance criteria associated with receiving this benefit.

Other Benefits

To Group also provides competitive and cost-effective benefits that may include private medical insurance, car allowance, employee benefits insurance and the reimbursement of certain travel costs. There are no performance criteria associated with receiving this benefit.

Performance measured benefits

Remuneration performance measures are selected to align with the Group's key performance indicators and the interests of Shareholders. Performance targets are set so that they are stretching to achieve maximum pay-out but also ensure excessive risk exposure is mitigated. The Remuneration Committee sets targets that are aligned with the Company's strategy as well as both external expectations and the economic environment.

If due to changing circumstance such as material acquisitions or changes in market conditions; the Committee retains the ability to adjust or amend

Remuneration Committee Report CONTINUED

performance measures and targets to ensure that they are relevant and to ensure they still incentivise whilst minimising excessive risk exposure.

Non-Executive Directors
Non-executive directors each receive a market rate basic fee, subject to time commitment requirements, for holding the office of non-executive director which is set by the board as a whole.

Service agreements / letters of appointment of Directors and loss of office
Each of the directors has a service agreement or letter of appointment with the Company as follows:

Director	Date joined	Notice Director	Notice Company
David Barrett	22 August 2016	12 months	12 months
Max Vermorken	22 August 2016	12 months	12 months
Simon Chisolm	20 April 2020	6 months	6 months
Jacques Emsens	20 April 2020	6 months	6 months
Garth Palmer	5 January 2017	6 months	6 months
Tim Hall	18 April 2019	6 months	6 months

When it comes to payments and loss of office, the Board will always look to act in the Shareholders' interest.

Notice periods and payments in lieu of notice
The maximum notice period for executive directors is 12 months, however the Committee retains the right to terminate an executive director's service agreement by making a payment in lieu of notice. The payment will include salary, cost of benefits and loss of pension provision for the notice period (or the unexpired portion of it).

Annual bonus
The payment of a bonus for the year in which the Executive Director leaves is determined by the Remuneration Committee, taking into consideration their contribution up to the leaving date and normal pro-rating for time in service during the year.

Other payments
In appropriate circumstances, other payments may also be made, such as in respect of accrued holiday and outplacement and legal fees.

Recruitment Remuneration
The Remuneration Committee will seek to ensure that when appointing a new executive director, their remuneration arrangements are in the best interests of the Company, and not more than is appropriate. The Committee will determine a new executive director's remuneration package in line with the policy set out above, however discretionary awards maybe made in appropriate circumstances, such as:

- An interim appointment to fill a role on a short-term basis;
- Provide relocation, travel and subsistence payments;
- Reflect remuneration arrangements provided by a previous employer; and
- Reimbursement of costs incurred as a consequence of resigning from their previous employment.

Annual Report on remuneration

The remuneration of the Executive Directors for the year ended 31 December 2021 was as shown in the table below:

EXECUTIVE DIRECTORS — **31 DECEMBER 2021**

	Directors' fees £	Bonus £	Taxable benefits £	Pension benefits £	Options issued[2] £	Total £
David Barrett	358	469	14	-	61	902
Dean Masefield[1]	120	-	6	8	-	134
Max Vermorken	456	594	14	30	129	1,223
Garth Palmer[1]	151	180	5	13	52	401
	1,085	**1,243**	**39**	**51**	**242**	**2,660**

(1)Dean Masefield was CFO until 31 August 2021 to which when he stepped down from his Board position and became the Deputy CFO of the Group. Garth Palmer transitioned from Non-Executive Director to Executive Director and CFO of the Group on this date.

(2) Options issued relate to options granted in the 2019 financial year and vesting in the 2021 financial year.

The 2021 annual bonus targets were linked to both Underlying EBITDA and EPS growth which tracks improvements in the profitability of the Group and returns to the shareholders. The health and safety of our workplace is fundamental to the Group and as such the annual bonus may be reduced or eliminated if safety performance or accident records reach unacceptable levels.

The remuneration of the Executive Directors for the year ended 31 December 2020 was as shown in the table

EXECUTIVE DIRECTORS	Directors' fees £	Bonus £	Taxable benefits £	Pension benefits £	Options issued £	Total £
David Barrett	305	280	14	-	46	645
Dean Masefield[1]	125	90	6	13	-	234
Max Vermorken	395	380	14	40	109	938
Garth Palmer[1]	55	25	-	5	30	115
	880	**775**	**34**	**58**	**185**	**1,932**

Remuneration policy review
The remuneration policy was reviewed during the year and major Shareholders were consulted. Furthermore, the Performance Share Plan was put forward at a general meeting of the Company which was approved by Shareholders on 2 August 2021.

Executive Directors' salaries
Following the acquisition of Nordkalk, executive base salaries were revised to £475,000 for the CEO and £375,000 for Chairman and CFO. Executives also receive a £15,000 car allowance and 10% pension on basic salary.

Remuneration Committee Report CONTINUED

Performance Share Plan
On 31 August 2021, awards over Ordinary Shares were granted under the Performance Share Plan (Long Term Incentive Plan) to the executive directors:

Executive Director	Position	Total no. of shares under Award
Max Vermorken	Chief Executive Officer	11,221,560
David Barrett	Executive Chairman	4,688,460
Garth Palmer	Chief Financial Officer	3,919,860

The vesting of the awards is subject to certain performance conditions, 75% of each award will be dependent on the Group's adjusted earnings per share performance for the year ending 31 December 2023, with a minimum target of 6 pence and a maximum target of 8 pence, and the remaining 25% will be dependent on the Group's total shareholder return performance over a three-year period commencing on 31 August 2021 relative to the FTSE AIM 100 All-Share Index excluding investment rules, with the minimum target being the median ranking and the maximum target being the upper quartile ranking.

Non-Executive Directors' Fees
The basic fee for the non-executive directors for 2021 is £50,000.

Executive Directors bonus opportunity
For 2022, the executive directors will continue to have the opportunity to earn a bonus of up to 125% of salary. The bonus will be subject to stretching performance conditions based on Underlying EBIT and EPS.

Directors' interest in share plans
Details of the Directors' interests in the Company's share-based incentive schemes are set out on page 115.

This report was approved by the Board on 22 March 2022.

Simon Chisholm
Independent Non-Executive Director

Image: Nordkalk, Miedzianka

Nomination Committee

A Nomination Committee was established in 2020 following significant growth of the Group. The Nomination Committee keeps the leadership of the Group under review, and ensures the Board is able to govern effectively now and in the future.

Key activities carried out in 2021

With the acquisition of Nordkalk in Q3 the Nomination Committee considered the appropriate board composition for the Group and concluded that three executive directors supported by four independent NED's would provide the right level of governance and oversight. The Nomination Committee thereafter conducted a search for an additional NED, identifying Ms Axelle Henry as a strong potential candidate, securing her appointment following release of these Financial Statements.

Committee Duties

The duties of the Nomination Committee are as follows:

- To be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- Evaluate the balance of skills, knowledge and experience on the Board;
- Keep up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates;
- Give full consideration to succession planning for both executive and non-executive directors and other senior management in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed on the Board in the future;
- Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- Keep 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 Nomination Committee shall make recommendations to the Board as regards plans for succession for both executive and non-executive directors.

Chair Statement

It is a pleasure to be the Chairman of the Nomination Committee in a business that is exponentially growing. I look forward to supporting the Group in ensuring that we have the best executive and senior management teams in place that suit the strategy, business model and culture of SigmaRoc.

This report was approved by the Board on 22 March 2022.

Simon Chisholm
Independent Non-Executive Director

Directors Report

The Directors present their report, together with the audited Financial Statements, for the year ended 31 December 2021.

Principal Activities

The principal activity of the Company is to make investments and/or acquire businesses and assets 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.

Board composition and head office

The Board comprises three Executive Directors and three Non-Executive Directors at year end. The Corporate Head Office of the Company is located in London, UK. Following the publication of these accounts, a fourth Non-Executive Director will be appointed.

Risk Management

The Board is responsible for the Group's risk management and continues to develop policies and procedures that reflect the nature and scale of the Group's business. Further details of the key areas of risk to the business identified by the Group are included on pages 72 to 76.

Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

Results and Dividends

For the year to 31 December 2021, the Group's Underlying profit before tax was £26.8 million (2020: £12.2 million) and Underlying profit after tax was £22.1 million (2020: £11.5 million). Recognising the Group's strategy, current position on its journey, the Directors are not proposing to adopt a dividend policy yet.

Stated Capital

Details of the Company's shares in issue are set out in note 28 to the Financial Statements.

Directors

The following Directors served during the year:

DIRECTOR	POSITION	NOTE
David Barrett	Chairman	
Max Vermorken	Chief Executive Officer	
Garth Palmer	Chief Financial Officer	
Dean Masefield	Chief Financial Officer	Resigned 31 August 2021
Tim Hall	Non-Executive Director	
Simon Chisolm	Independent Non-Executive Director	
Jacques Emsens	Independent Non-Executive Director	

Directors & Directors' interests

The Directors who served during the year ended 31 December 2021 are shown below and had, at that time, the following beneficial interests in the shares of the Company:

DIRECTOR	31 DECEMBER 2021		31 DECEMBER 2020	
	Ordinary Shares	Options	Ordinary Shares	Options
Max Vermorken	674,150	11,807,349	549,529	11,807,349
David Barrett	3,009,189	5,638,674	2,609,189	5,638,674
Garth Palmer	556,146	3,326,014	438,499	3,326,014
Dean Masefield[1]	45,748	500,000	28,101	30,000
Tim Hall	400,176	750,000	329,176	750,000
Simon Chisolm	-	-	-	-
Jacques Emsens	-	-	-	-

(1) Resigned on 31 August 2021

Further details on options can be found in Note 29 to the Financial Statements.

Details on the remuneration of the Directors can be found in Note 10 to the Financial Statements.

Substantial Shareholdings

The Company is aware that, as at 22 March 2022, other than the Directors, the interests of Shareholders holding three per cent or more of the issued share capital of the Company were as shown in the table below:

SHAREHOLDER	SHARES HELD	PERCENTAGE OF HOLDING
Blackrock Investment Mgt (UK)	82,943,051	13.00%
Rettig Group	50,276,521	7.88%
Ninety One	45,421,428	7.12%
M&G Investment Management	40,753,864	6.39%
Chelverton Asset Management	40,000,000	6.27%
BGF Investment LP	33,557,577	5.26%
Canaccord Genuity Wealth Management	32,972,287	5.17%
Janus Henderson Investors	32,338,004	5.07%
Polar Capital	25,983,914	4.07%
Premier Fund Managers	24,850,846	3.89%

Directors Report CONTINUED

Employees

By being responsible for their own businesses, that are aligned with the overall Group's strategy, employees are fully aware of their impact and contribution as they are inherently responsible for their own success. The Group and each business is committed to employing the best they can, not only in skills and competence but also in their softer skills, regardless of who they are or where they have come from. Once engaged, each employee is nurtured and developed locally with opportunities within each business and platform offered openly.

Political Contribution

The Group did not make any contributions to political parties during either the current or the previous year.

Annual General Meeting

The AGM will be held at the Washington Mayfair Hotel, 5 Curzon St, London W1J 5HE on 26 April 2022 at 3pm. The formal notice convening the AGM, together with explanatory notes on the resolutions contained therein, is included in the separate circular accompanying this document and is available on the Company's website at www.sigmaroc.com.

Viability Statement

The directors have assessed the viability of the Group over a period to December 2026. This is the same period over which financial projections were prepared for the Group's strategic financial plan. In making their assessment the directors have taken into account the Group's current position and the potential impact of the principal risks and uncertainties set out on pages 72 to 76 on its business model, future performance, solvency or liquidity. They also stress tested their analysis by running a number of credible scenarios and considered the availability of mitigating actions. Based on this assessment, the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2022. In making this statement, the directors have assumed that financing remains available and that mitigating actions are effective.

Corporate responsibility

Environmental

SigmaRoc undertakes its activities in a manner that minimises or eliminates negative environmental impacts and maximises positive impacts of an environmental nature.

Health and safety

SigmaRoc operates a comprehensive health and safety programme to ensure the wellness and security of its employees. The control and eventual elimination of all work related hazards requires a dedicated team effort involving the active participation of all employees. A comprehensive health and safety programme is the primary means for delivering best practices in health and safety management. This programme is regularly updated to incorporate employee suggestions, lessons learned from past incidents and new guidelines related to new projects, with the aim of identifying areas for further improvement of health and safety management. This results in continuous improvement of the health and safety programme. Employee involvement is regarded as fundamental in recognising and reporting unsafe conditions and avoiding events that may result in injuries and accidents.

Internal controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Further details of corporate governance can be found in the Corporate Governance Report on page 104.

Going concern

The Group meets its day-to-day working capital and other funding requirements through cash and banking facilities; which were renewed in July 2021 and of which more information can be found on page 83.

The impact of the COVID-19 pandemic on the Group's business, revenues and cash flow creates uncertainty. However, given the Group's robust balance sheet, solid performance through the COVID-19 pandemic to date and in conjunction with forecast projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern included in Note 2.3 to the Financial Statements.

Directors' and officers' indemnity insurance

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors and officers. These were made during the year and remain in force at the date of this Annual Report.

Events after the reporting period

Events after the reporting period are set out in Note 38 to the Financial Statements.

Policy and practice on payment of creditors

The Group agrees terms and conditions for its business transactions with suppliers. Payment is then made in accordance with these terms, subject to the terms and conditions being met by the supplier. As at 31 December 2021, the Company had an average of 58 days (2020: 9 days) purchases outstanding in trade payables and the Group had an average of 91 days (2020: 74 days).

Future developments

Details of future developments for the Group are disclosed in the Chairman's Statement on page 10 and the CEO's Strategic Report on page 14.

Provision of information to Auditor

So far as each of the Directors is aware at the time this report is approved:

— there is no relevant audit information of which the Group's auditor is unaware; and

— the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 22 March 2022.

Garth Palmer
Chief Financial Officer

Statement of Directors' Responsibilities

Image: Nordkalk, Miedzianka

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations, including the AIM Rules for Companies.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

— select suitable accounting policies and then apply them consistently;

— make judgments and accounting estimates that are reasonable and prudent;

— state whether applicable IFRSs in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and

— prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company, and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, www.sigmaroc.com. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

Independent Auditor's Report to the Members of SigmaRoc plc

Opinion

We have audited the financial statements of SigmaRoc PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Statements of Financial Position, Consolidated Statement of Change in Equity, Company Statement of Changes and the Consolidated and Parent Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

— the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group loss for the year then ended;
— the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
— the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
— the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included consideration of the inherent risks to the group's business model and analysis of how those risks might affect the group's financial resources or ability to continue operations over the period from the date of signing the financial statements to April 2023.

The risks that we considered most likely to affect the group's financial resources or ability to continue operations over this period were adverse circumstances impacting timely conversion of trade receivables to cash, industrial action reducing the group's production volumes, uncontrolled inflation in expenses and operating cash outflows and failure to achieve required revenue growth. We considered this through a review of the application of reasonably foreseeable downside scenarios.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

Materiality applied to the group financial statements was £2,720,000 (2020: £1,240,000) with performance materiality set at £1,904,000 (2020: £868,000). This amount has been determined based upon the group's revenue. We based the materiality on revenue because we consider this to be the most relevant performance indicator of the group and is a significant driver of profit or loss for the year.

Materiality applied to the parent company's financial statements was £1,450,000 (2020: £500,000). The benchmark for determining materiality of the parent company was 0.5% of gross assets owing to the investments held by the parent company in its subsidiaries.

Independent Auditor's Report to the Members of SigmaRoc plc

For each component in the scope of our group audit, we allocated a materiality that was less than our overall group materiality. Having regard to the mix of size and risk profile of components across the group, component materiality for significant and/or material subsidiary undertakings ranged from £1,450,000 to £150,000 (2020: £900,000 to £125,000).

We agreed with the audit committee that we would report all individual audit differences identified during the course of our audit in excess of £136,000 (2020: £62,000) together with any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds. For the parent company, this threshold was £72,500 (2020: £25,000).

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We note that the group have made a significant acquisition during the year and have also performed a purchase price allocation during the year on the goodwill asset recognised in the prior year. Both of these areas are inherently complicated and require a significant amount of judgement by management. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Of the 42 components of the group, a full scope audit was performed on the complete financial information of 8 components, and for the components not considered significant, we performed a limited scope analytical review together with substantive testing as appropriate on group audit risk areas applicable to those components based on their relative size, risks in the business and our knowledge of the entity appropriate to respond to the risk of material misstatement.

Of the 8 reporting components in the group, 1 was located in Finland, 1 was located in Sweden, 1 was located in Poland and 1 was located in Belgium. The components in these locations were audited by firms outside of the PKF network operating under our instruction. The remaining components were performed in London, conducted by PKF Littlejohn LLP using a team with specific experience of auditing mining companies and publicly listed entities. The audit team, including the Senior Statutory Auditor interacted regularly with the component audit teams during all stages of the audit and was responsible for the scope and direction of the audit process. Due to the global COVID-19 pandemic and the resulting travel restrictions, on-site meetings were limited. As a result, the Group audit team increased the frequency of phone and video calls with component auditors, and performed a virtual online programme of detailed reviews of the component audit teams' files.
For all in-scope components, the Group audit team was involved in the audit work performed by the component auditors through a combination of provision of instructions, regular interaction with the component teams during the year, review and challenge of related component reporting and of findings from their work (which included the audit procedures performed to respond to risks of material misstatement), and attendance during component audit closing conference calls. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and parent company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR SCOPE ADDRESSED THIS MATTER
Carrying value of investments (Company) – Note 18 and intangible assets (Group) – Note 17 Carrying value of investments, goodwill and intangible assets	
The Company carries material investments in its Statement of Financial Position related to its subsidiary undertaking (refer to note 18). There is a risk that the carrying value of these investments could be overstated. The group carries a material amount of goodwill and separately identifiable intangible assets relating to the subsidiary undertakings acquired in current and previous years (Note 17). There is a risk that the intangible asset balances may be impaired and not fully recoverable.	Our audit work on this matter included: — Obtaining and reviewing the impairment test performed by management to ensure it is in line with the requirements of IAS 36. Management's impairment models, and the assumptions used, were reviewed and challenged as appropriate. — For assets valued as part of the PPA assessment, we reviewed the key inputs and assumptions in PPA using our internal experts via the PKF Valuation team, to ensure this is in line with our understanding and whether they are reasonable. — Reviewing any movements in capitalised development costs and agreeing the movements to supporting documentation as well as the IAS 38 recognition criteria. — Consider the appropriateness of the accounting policies and disclosures included in the financial statements.
Inventory – Note 21	
The group holds a material amount of inventory (Note 21). There is the risk that the value of inventory is materially misstated, and that inventory is not accounted for in line with IAS 2 - Inventories, and specifically that; — Inventory is not valued using a consistent methodology across the group; — Inventory has been valued using judgements of the cost inputs and allocated overheads which may not be wholly attributable to its production; and — Inventory has become obsolete, by way of damage or falling resalable value.	Our audit work on this matter included: — We, and the component auditors, attended inventory counts performed at each subsidiary holding a material amount of inventory, ensuring accuracy of the count and subsequently reconciled the quantities, using sales and production reports, to the year-end listing. — We reviewed and corroborated the cost inputs and allocated overheads that underpin the inventory valuation. — We compared carrying values per the year-end inventory listing to post year-end sales, to ensure that inventory was not being held at more than its net realisable value. — We assessed slow moving and possibly obsolete inventory by reviewing the post year-end inventory sheets for evidence of post year end sale or usage.

Independent Auditor's Report to the Members of SigmaRoc plc

KEY AUDIT MATTER	HOW OUR SCOPE ADDRESSED THIS MATTER
Acquisition of Nordkalk Oy AB & B-Mix Beton NV – Note 34	
During the year, the group made two acquisitions: Nordkalk Oy AB group & B-Mix Beton group. Management judgement is involved in determining the appropriate accounting treatment, including whether the acquisition met the definition of a business combination, date of transfer of control and accounting for consideration. Management judgement is also required in the assessment of the fair values of assets and liabilities acquired, and their associated useful lives, and the use of estimates in the determination of these values and the resultant intangible assets and goodwill recognised. There is a risk that the acquisitions have been incorrectly accounted for in line with the requirements of IFRS 3.	Our audit work on this matter included: — We assessed management's assertion that these are regular business combinations under IFRS 3. — We agreed significant inputs used in the acquisition accounting to underlying purchase agreements and other supporting documentation. — We reviewed and corroborated the assets and liabilities within the ledgers of both groups at the date of acquisition to ensure that the correct opening position was used by management when calculating their initial goodwill figure prior to formal purchase price allocations being performed. — Consider the appropriateness of the accounting policies and disclosures included in the financial statements.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

— the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

— the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

— adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

— the parent company financial statements are not in agreement with the accounting records and returns; or

— certain disclosures of directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

— We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, review of accident logbooks, application of cumulative audit knowledge and experience of the sector.

— We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:

- Companies Act 2006
- British Standards Institution (BSI)
- AIM listing rules
- Quoted Companies Alliance
- Local laws and regulations
- General Data Protection Regulation
- Anti-bribery and anti-money laundering regulations

— We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:

- enquiries of management regarding potential non-compliance
- review of board minutes
- review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations
- regulatory news announcements
- discussions with component auditors with regards to any instances of local non-compliance noted during the component auditors work

Independent Auditor's Report to the Members of SigmaRoc plc

- discussions with component auditors with respect to their work regarding management override of controls and any instances of fraud noted from their work

— We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the impairment assessment of goodwill and intangible assets. We addressed this by challenging the assumptions and judgements made by management when evaluating any indicators of impairment.

— As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

— As part of the group audit, we have communicated with component auditors the fraud risks associated with the group and the need for the component auditors to address the risk of fraud in their testing. To ensure that this has been completed, we have reviewed component auditor working papers in this area and obtained responses to our group instructions from the component auditors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
22 March 2022

15 Westfery Circus
Canary Wharf
London E14 4HD


Nordkalk, Klinthagen

Definitions

'2018 Regulations'
The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 that came into force on 1 April 2019

'Accounts' or 'Annual Report'
the consolidated financial statements of the Group for the year ended 31 December 2020 together with the Chairman's Statement, CEO's Strategic Report, Directors' Report and additional reports contained therein

'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

'AGM'
an annual general meeting of the Company

'Allen' or 'Allen Concrete'
Topcrete Limited and its subsidiary undertakings, including Allen (Concrete) Limited

'Articles'
the Company's Articles of Association

'B-Mix'
group of companies acquired in March 2021 comprising B-Mix Beton NV, J&G Overslag en Kraanbedrijf BV and Top Pomping NV

'Benelux Platform'
the Group's concrete and construction aggregates platform covering the Benelux market including GduH, B-Mix and Stone

'Bluestone'
Belgian Blue Limestone local to the Hainaut region

'Board' or 'Directors'
The board directors of the Company, being the existing Directors (whose names are set out on page 6 of this document), proposed Directors or both, as the context may require

'Capex'
capital expenditure on property, plant and equipment

'Carrières du Hainaut' or 'CDH'
CDH Développement SA and its subsidiary undertakings, including Carrières du Hainaut SCA

'Casters'
Casters Beton NV

'CdB'
Carrières du Boulonnais which is part of Groupe Boulonnais

'CEO'
Chief Executive Officer of the Company occupied by Max Vermorken

'CFO'
Chief Financial Officer of the Company occupied by Garth Palmer

'Cheshire Concrete Products' or 'CCP'
CCP Building Products Limited and its subsidiary undertakings

'CO_2'
carbon dioxide

'CO_2e'
carbon dioxide emitted

'Company' or 'SigmaRoc'
SigmaRoc plc

'Coronavirus', 'COVID-19' or 'COVID'
coronavirus (COVID-19) infectious disease and its pandemic outbreak

'Cuvelier'
Philippe Cuvelier S.A

'Dimension Stone Platform'
the Group's dimension stone platform based in Belgium consisting of CDH

'EBITDA'
earnings before interest, tax, depreciation and amortisation

'eCO_2'
embodied CO_2

'EMS'
environmental management system

'EPS'
earnings per share

'ESG'
environment, social and governance

'Financial Statements'
the consolidated income statement, consolidated statement of comprehensive income, statements of financial position, consolidated statement of changes in equity, Company statement of changes in equity, consolidated and company cash flow statements and the accompanying notes to the financial statements

'Foelfach'
Foelfach Stone Limited

'FTSE Russell'
subsidiary of London Stock Exchange Group that produces, maintains, licenses, and markets stock market indices

'GduH' or 'Granulats du Hainaut'
Granulats du Hainaut SA

'GGBS'
ground-granulated blast-furnace slag

'GHG'
greenhouse gas

'Group'
the Company and its subsidiary undertakings

'Groupe Boulonnais'
Groupe Carrières du Boulonnais

'Harries'
GDH (Holdings) Limited and its subsidiary undertakings including Gerald D. Harries & Sons Limited

'HSEQ'
health, safety, environment and quality

'H&S'
health & safety

'IOSH'
Institution of Occupational Safety and Health

'ISO'
International Organisation for Standardisation

'ISO 14001'
international standard that specifies requirements for an effective EMS, provides a framework that an organisation can follow, rather than establishing environmental performance requirements

'ISO 45001'
standard for management systems of occupational health and safety focused on reduction of occupational injuries and diseases, including promoting and protecting physical and mental health

'JV'
joint venture

'JQG', 'Johnston' or 'Johnston Quarry Group'
Johnston Quarry Group Limited, Guiting Quarry Limited and its subsidiary undertakings

'kWh'
kilowatt-hour

'LIBOR'
London Interbank Offered Rate

'LTIFR'
lost time injury frequency rate

'M&A'
mergers & acquisitions

'MD'
Managing Director of business or platform

'NED'
Non-Executive Director

'NEBOSH'
The National Examination Board in Occupational Safety and Health

'Nordkalk'
Nordkalk Oy Ab and its subsidiary undertakings

'NO_x'
nitrogen oxides

'Ordinary Shares'
the ordinary shares of 1 penny each in the capital of the Company

'Opex'
operating expenditure

'PFA'
pulverished fuel ash

'Poundfield' or 'Poundfield Products'
Poundfield Products (Group) Limited and its subsidiary undertakings, including Poundfield Products Limited

'PPA'
purchase price allocation

'QCA Code'
Quoted Companies Alliance's Corporate Governance Code

Definitions CONTINUED

'RCF'
revolving credit facility

'RMI'
repair, maintenance and improvement

'RNS'
Regulatory News Service

'Ronez'
Ronez Limited and its subsidiary undertakings

'Ronez Platform'
the Group's construction materials platform covering the Channel Islands market including Ronez and SigmaGsy

'Santander'
Santander plc

'SASB'
sustainability accounting standards board

'SECR'
streamlined energy and carbon reporting

'Shareholder'
a holder of Ordinary Shares

'SigmaGsy'
SigmaGsy Limited

'SigmaPPG' or 'PPG Platform'
the Group's precast concrete products platform covering the UK market including Allen, Poundfield and CCP

'SO_x'
sulphur oxides

'South Wales Platform' or 'SW Platform'
the Group's construction materials platform covering the Southern Welsh market including Harries and Foelfach

'Sterling'
pound sterling currency of the UK and Channel Islands

'Stone' or 'Stone Holdings'
Stone Holdings S.A and its subsidiary Philippe Cuvelier S.A

'TCFD'
task force on climate-related financial disclosures

'tCO_2e'
tonnes of carbon dioxide equivalent

'TIFR'
total incident frequency rate

'UK'
United Kingdom

'Underlying'
Underlying results are stated before acquisition related expenses, certain finance costs, redundancy and reorganisation costs, impairments, amortisation of acquisition intangibles and share option expense. References to an underlying profit measure throughout this Interim Report are defined on this basis

'USA'
United States of America

** These measures are not defined by International Reporting Standards (IFRS) and therefore may not be directly comparable to similar measures adopted by other companies. These alternative performance measures should be considered in addition to and are not intended to be a substitute for, or superior to, IFRS measures but provide useful information on the performance of the group and underlying trends.*

Carrières du Hainaut, Soignies

Consolidated Income Statement

Continued operations	Note	YEAR ENDED 31 DECEMBER 2021 Underlying £'000	Non-underlying (Note 11) £'000	Total £'000	YEAR ENDED 31 DECEMBER 2020 Underlying £'000	Non-underlying* (Note 11) £'000	Total £'000
Revenue	7	**271,987**	**-**	**271,987**	**124,231**	**-**	**124,331**
Cost of sales	8	(210,068)	-	(210,068)	(90,028)	-	(90,028)
Profit from operations		**61,919**	**-**	**61,919**	**34,203**	**-**	**34,203**
Administrative expenses	8	(31,792)	(25,734)	(57,526)	(20,046)	(4,554)	(24,600)
Net finance (expense)/income	12	(5,317)	(1,682)	(6,999)	(2,379)	(360)	(2,739)
Other net (losses)/gains	13	1,978	(1,644)	334	374	(65)	309
Profit/(loss) before tax		**27,788**	**(29,060)**	**(2,272)**	**12,152**	**(4,979)**	**7,173**
Tax expense	15	(4,699)	-	(4,699)	(662)	-	(662)
Profit/(loss)		**22,089**	**(29,060)**	**(6,971)**	**11,490**	**(4,979)**	**6,511**
Profit/(loss) attributable to: Owners of the parents		22,499	(29,060)	(7,561)	11,490	(4,979)	6,511
Non-controlling interests		590	-	590	-	-	-
		22,089	**(29,060)**	**(6,971)**	**11,490**	**(4,979)**	**6,511**
Basic earnings per share attributable to owners of the parent (expressed in pence per share)	32	**5.37**	**(7.26)**	**(1.89)**	**4.50**	**(1.95)**	**2.55**
Diluted earnings per share attributable to owners of the parent (expressed in pence per share)	32	**5.02**	**(6.79)**	**(1.77)**	**4.15**	**(1.80)**	**2.35**

** Non-underlying items represent acquisition related expenses, restructuring costs, certain finance costs, share option expense and amortisation of acquired intangibles. See Note 11 for more information.*

Consolidated Statement of Comprehensive Income

	Note	6 months to 30 June 2021 Unaudited £	6 months to 30 June 2020 Unaudited £
Profit/(loss) for the year		**(6,971)**	**6,511**
Other comprehensive income: **Items that will or may be reclassified to profit or loss:**			
FX translation reserve		(15,806)	2,379
Cash flow hedges - effective portion of changes in fair value		882	-
Remeasurement of the net defined benefits liability		155	-
Other comprehensive income, net of tax		**(14,769)**	**2,379**
Total comprehensive income		**(21,740)**	**8,890**
Total comprehensive income attributable to: Owners of the parent		**(22,343)**	**8,890**
Non-controlling interests		603	-
Total comprehensive income for the period		**(21,740)**	**8,890**

Statements of Financial Position

Company number: 05204176

	Note	CONSOLIDATED 31 December 2021 £'000	CONSOLIDATED 31 December 2020 £'000	COMPANY 31 December 2021 £'000	COMPANY 31 December 2020 £'000
Non-current assets					
Property, plant and equipment	16	256,436	144,793	429	52
Intangible assets	17	306,436	48,804	-	-
Investment in subsidiary undertakings	18	-	-	554,195	101,249
Investment in equity-accounted associate	19	524	-	-	-
Investment in joint ventures		5,134	-	-	-
Derivative financial asset	33	870	-	-	-
Other receivables	20	4,759	21	-	-
Deferred tax assets	15	3,129	1,412	-	-
		577,288	**195,030**	**554,624**	**101,301**
Current assets					
Trade and other receivables	20	73,254	20,343	2,890	998
Inventories	21	44,530	14,247	-	-
Cash and cash equivalents	22	69,916	27,452	19,038	11,521
Derivative financial asset	33	4,327	152	302	152
		192,027	**62,194**	**22,230**	**12,671**
Total assets		**769,315**	**257,224**	**576,854**	**113,972**
Current liabilities					
Trade and other payables	23	98,213	**46,523**	5,567	14,216
Derivative financial liabilities	33	737	-	-	-
Provisions	25	4,024	-	-	-
Borrowings	24	21,723	3,611	8,102	21
Current tax payable		3,934	708	-	-
		128,631	**50,842**	**13,669**	**14,237**
Non-current liabilities					
Borrowings	24	212,199	67,688	192,068	22
Employee benefit liabilities		1,589	-	-	-
Deferred tax liabilities	15	5,190	3,871	-	-
Provisions	25	6,151	6,160	-	-
Other payables	23	4,401	5,100	4,401	5,100

	Note	CONSOLIDATED 31 December 2021 £'000	CONSOLIDATED 31 December 2020 £'000	COMPANY 31 December 2021 £'000	COMPANY 31 December 2020 £'000
		229,530	**82,819**	**196,469**	**5,122**
Total Liabilities		**358,161**	**133,661**	**210,138**	**19,359**
Net assets		**411,154**	**123,563**	**366,716**	**94,613**
Equity attributable to owners of the parent					
Share capital	28	6,739	2,787	6,379	2,787
Share premium	28	399,897	107,418	399,897	107,418
Share option reserve	29	3,104	847	3,104	847
Other reserves	30	(11,236)	3,293	1,362	1,362
Retained earnings		2,166	9,218	(44,026)	(17,801)
Equity attributable to owners of the parent		**400,260**	**123,563**	**366,716**	**94,613**
Non-controlling interest	31	10,894	-	-	-
Total equity		**411,154**	**123,563**	**366,716**	**94,613**

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Company's Income Statement and Statement of Comprehensive Income.

The loss for the Company for the year ended 31 December 2021 was £26.3 million (year ended 31 December 2020: £5.8 million).

The Financial Statements were approved and authorised for issue by the Board of Directors on 22 March 2022 and were signed on its behalf by:

Garth Palmer
Chief Financial Officer

Consolidated Statement of Changes in Equity

	Note	Share capital £'000	Share premium £'000	Share option reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total £'000
Balance as at 1 January 2020		**2,537**	**95,359**	**531**	**914**	**2,707**	**102,048**	**-**	**102,048**
Profit for the year		-	-	-	-	6,511	6,511	-	6,511
Currency translation differences		-	-	-	2,379	-	2,379	-	2,379
Total comprehensive income for the period		**-**	**-**	**-**	**2,379**	**6,511**	**8,890**	**-**	**8,890**
Contributions by and distributions to owners									
Issue of share capital		243	12,156	-	-	-	12,399	-	12,399
Issue costs	28	-	(441)	-	-	-	(441)	-	(441)
Share based payments		7	344	316	-	-	667	-	667
Total contributions by and distributions to owners		**250**	**12,059**	**316**	**-**	**-**	**12,625**	**-**	**12,625**
Balance as at 31 December 2020		**2,787**	**107,418**	**847**	**3,293**	**9,218**	**123,563**	**-**	**123,563**
Balance as at 1 January 2021		**2,787**	**107,418**	**847**	**3,293**	**9,218**	**123,563**	**-**	**123,563**
Profit for the year		-	-	-	-	(7,561)	(7,561)	590	(6,971)
Currency translation diffferences		-	-	-	(15,819)	-	(15,819)	13	(15,806)
Other comprehensive income		-	-	-	1,037	-	1,037	-	1,037
Total comprehensive income for the period		**-**	**-**	**-**	**(14,782)**	**(7,561)**	**(22,343)**	**603**	**(21,740)**
Contribution by and districutions to owners									
Acquired via acquisition		-	-	-	-	-	-	9,031	9,031
Issue of share capital		3,098	258,996	-	-	-	262,085	1,260	263,345
Issue costs	28	-	(8,748)	-	-	-	(8,748)	-	(8,748)
Share based payments		503	42,231	2,322	-	-	45,056	-	45,056
Exercise of share options		-	-	(65)		65	-	-	-
Other equity adjustments		-	-	-	253	394	**647**	-	647
Total contributions by and distributions to owners		**3,592**	**292,479**	**2,257**	**253**	**460**	**299,040**	**10,291**	**309,331**
Balance as at 31 December 2021		**6,379**	**399,897**	**3,104**	**(11,236)**	**2,116**	**400,260**	**10,894**	**411,154**

Company Statement of Changes in Equity

	Note	Share capital £'000	Share premium £'000	Share option reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance as at 1 January 2020		**2,537**	**95,359**	**531**	**1,362**	**(11,995)**	**87,794**
Profit/(Loss)		-	-	-	-	(5,806)	(5,806)
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**(5,806)**	**(5,806)**
Contributions by and distributions to owners							
Issue of share capital		243	12,156	-	-	-	12,399
Issue costs	28	-	(441)	-	-	-	(441)
Share based payments		7	344	316	-	-	667
Total contributions by and distributions to owners		**250**	**12,059**	**316**	**-**	**-**	**12,625**
Balance as at 31 December 2020		**2,787**	**107,418**	**847**	**1,362**	**(17,801)**	**94,613**
Balance as at 1 January 2021		**2,787**	**107,418**	**847**	**1,362**	**(17,801)**	**94,613**
Profit/(Loss)		-	-	-	-	(26,290)	(26,290)
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**(26,290)**	**(26,290)**
Contribution by and districutions to owners							
Acquired via acquisition		-	-	-	-	-	-
Issue of share capital		3,098	258,996	-	-	-	262,085
Issue costs	28	-	(8,748)	-	-	-	(8,748)
Share based payments		503	42,231	2,322	-	-	45,056
Exercise of share options		-	-	(65)		65	-
Total contributions by and distributions to owners		**3,592**	**292,479**	**2,257**	**-**	**65**	**298,393**
Balance as at 31 December 2021		**6,379**	**399,897**	**3,104**	**1,362**	**(44,026)**	**366,716**

Cash Flow Statements

	Note	CONSOLIDATED Year ended 31 December 2021 £'000	CONSOLIDATED Year ended 31 December 2020 £'000	COMPANY Year ended 31 December 2021 £'000	COMPANY Year ended 31 December 2020 £'000
Cash flows from operating activities					
Profit/(loss)		(6,971)	6,511	(26,290)	(5,484)
Adjustments for:					
Depreciation and amortisation	16 17	19,115	10,889	49	29
Impairments		2,006	-	-	-
Share option expense		2,321	316	2,321	316
Loss/(gain) on sale of PP&E		101	(373)	-	-
Net finance costs		7,360	2,739	2,705	203
Income tax expense		4,699	662	-	-
Share of earnings from joint ventures		(291)	(294)	-	-
Non-cash items		(1,103)	650	(275)	351
(Increase)/decrease in trade and other receivables		(1,178)	7,559	(1,142)	(211)
(Increase)/decrease in inventories		130	(1,008)	-	-
(Decrease)/increase in trade and other payables		9,142	2,714	2,348	(136)
Decrease in provisions		(1,339)	-	-	-
Income tax paid		(4,451)	(1,894)	-	-
Net cash inflows/(outflows) from operating activities		**29,541**	**28,471**	**(20,284)**	**(4,932)**
Investing activities					
Purchase of property, plant and equipment	16	(22,555)	(6,452)	(426)	(9)
Sale of property, plant and equipment		3,475	896	-	-
Purchase of intangible assets	17	(62)	(153)	-	-
Acquisition of businesses (net of cash acquired)		(350,940)	(8,383)	(379,854)	(10,117)
Financial derivative		(4,327)	(152)	(302)	(152)
Loans granted		(750)	-	(750)	-
Interest received		-	186	5	38
Net cash used in investing activities		**(375,159)**	**(14,058)**	**(381,327)**	**(10,240)**
Financing activities					
Proceeds from share issue		263,344	12,399	262,085	12,399
Cost of share issue		(8,748)	(441)	(8,748)	(441)
Proceeds from borrowings		155,734	67,646	167,020	-
Cost of borrowings		(5,425)	(859)	(5,425)	-
Repayment of borrowings		(12,253)	(73,148)	-	-
Net loans with subsidiaries		-	-	(3,927)	10,810
Interest paid		(3,511)	(2,487)	(1,858)	(0.7)
Repayment of finance lease obligations		(601)	-	(21)	(23)
Net cash used in financing activities		**388,540**	**3,110**	**409,126**	**22,744**

	Note	CONSOLIDATED Year ended 31 December 2021 £'000	CONSOLIDATED Year ended 31 December 2020 £'000	COMPANY Year ended 31 December 2021 £'000	COMPANY Year ended 31 December 2020 £'000
Net increase/(decrease) in cash and cash equivalents		**42,922**	**17,523**	**7,515**	**7,572**
Cash and cash equivalents at beginning of period		27,452	9,868	11,521	3,936
Exchange losses on cash		(458)	61	2	13
Cash and cash equivalents and end of period	22	**69,916**	**27,452**	**19,038**	**11,521**

Major non-cash transactions

During the year ended 31 December 2021 there were share based payments of £42.7 million as part of the Nordkalk acquisition. £0.8m is a non-cash gain on a liquidation of Coordination du Hainaut SCS and the remainder of non-cash movements are not considered material.

Notes to the Financial Statements

1. General Information

The principal activity of SigmaRoc plc (the 'Company') is to make investments and/or acquire projects in the construction materials sector and through its subsidiaries (together the 'Group') is the production of high-quality aggregates and supply of value-added construction materials. The Company's shares are admitted to trading on the AIM Market of the London Stock Exchange ('AIM'). The Company is incorporated and domiciled in the United Kingdom.

The address of its registered office is Suite 1, 15 Ingestre Place, London, W1F 0DU.

2. Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparing the Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC Interpretations Committee ('IFRIC IC') in conformity with the requirements of the Companies Act 2006. The Financial Statements have also been prepared under the historical cost convention.

The Financial Statements are presented in UK Pounds Sterling rounded to the nearest thousand.

The preparation of Financial Statements in conformity with IFRS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4.

a) Changes in Accounting Policy

i) New standards and amendedments standards adopted by the Group

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 31 December 2021 but did not result in any material changes to the financial statements of the Group or Company.

ii) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

STANDARDS	IMPACT ON INITIAL APPLICATION	EFFECTIVE DATE
IFRS 3	Reference to Conceptual Framework	1 January 2022
IAS 37	Onerous contracts	1 January 2022
IAS 16	Proceeds before intended use	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2022
IAS 8	Accounting estimates	1 January 2022
IAS 1	Classification of Liabilities as Current or Non-Current.	1 January 2023

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on the Group's results or shareholders' funds

2.2 Basis of Consolidation

The Consolidated Financial Statements consolidate the Financial Statements of the Company and the accounts of all of its subsidiary undertakings for all periods presented.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group 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 over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred unless they result from the issuance of shares, in which case they are offset against the premium on those shares within equity.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Investments in subsidiaries are accounted for at cost less impairment.

Associates are entities over which the Group has significant influence but not control over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Accounting policies of equity–accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where considered appropriate, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intercompany transactions and balances between Group enterprises are eliminated on consolidation.

CDH, B-Mix, Stone and GduH use Belgian GAAP rules to prepare and report their financial statements. The Group reports using IFRS standards and in order to comply with the Group's reporting standards, management of CDH and B-Mix processed several adjustments to ensure the financial information included at a Group level complies with IFRS. CDH and B-Mix will continue to prepare their company financial statements in line with the Belgian GAAP rules.

Nordkalk entities use local GAAP rules to prepare and report their financial statements. The Group reports using IFRS standards and in order to comply with the Group's reporting standards, management of Nordkalk processed several adjustments to ensure the financial information included at a Group level complies with IFRS. Nordkalk will continue to prepare their company financial statements in line with the local GAAP rules.

The Employee Benefit Trust is considered to be a special purpose entity in which the substance of the relationship is that of control by the group in order that the group may benefit from its control. The assets held by the trust are consolidated into the group

2.3 Going Concern

Whilst COVID-19 is now endemic and is expected to have less of an impact in the future years, it still bears uncertainty. The executive management team believe that the Group has a sufficiently robust balance sheet to endure any further uncertainty around COVID-19.

The Financial Statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

2.4 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.5 Foreign Currencies

a) Functional and Presentation Currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Financial Statements are presented in Pounds Sterling, rounded to the nearest £000's, which is the Group's functional currency.

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs. All other foreign exchange gains and losses are presented in the Income Statement within 'Other net gains/(losses)'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

— assets and liabilities for each period end date presented are translated at the period-end closing rate;

— income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

— all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the Income Statement as part of the gain or loss on sale.

2.6 Intangible Assets

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred and the acquisition date fair value of any previous equity interest in the acquire over the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquire. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the Income Statement.

As reported within the CEO's strategic report, a PPA was carried out to assess the fair value of the assets acquired in Harries as at the completion date. As a result of this exercise, goodwill in Harries decreased from £6.1 million to £2 million with the corresponding movement being property and land and minerals. The current accounting policies regarding the subsequent treatment intangible assets will apply to fair value uplift attributable to the PPA.

Amortisation is provided on intangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Goodwill	0%
Customer relations	7% - 12.5%
Intellectual property	10% - 12%
Research and Development	10% - 20%
Branding	5% - 10%
Other intangibles	10% - 20%

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill is not amortised however impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use, discounted to present value using a pre-tax discount rate reflective of the time value of money and risks specific to the business unit. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Other intangibles consist of capitalised development costs for assets produced that assist in the operations of the Group and incur revenue. Impairment reviews are performed annually. Where the benefit of the intangible ceases or has been superseded, these are written off the Income Statement.

2.7 Property, Plant and Equipment

Property, plant and equipment is stated at cost, plus any purchase price allocation uplift, less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the 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 Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Office equipment	12.5% - 50%
Land and minerals	0% - 10%
Land and Buildings	0% - 10%
Plant and machinery	4% - 33%
Furniture and vehicles	7.5% - 33.3%
Construction in progress	0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other net gains/(losses)' in the Income Statement.

2.8 Land, Mineral Rights and Restoration Costs

Land, quarry development costs, which include directly attributable construction overheads and mineral rights are recorded at cost plus any purchase price allocation uplift. Land and quarry development are depreciated and amortised, respectively, using the units of production method, based on estimated recoverable tonnage.

Where the Group has a legal or constructive obligation for restoration of a site the costs of restoring this site is provided for. The initial cost of creating this provision is capitalised within property, plant and equipment and depreciated over the life of the site. The provisions are discounted to their present value at a rate which reflects the time value of money and risks specific to the liability. Changes in the measurement of a previously capitalized provision are accordingly added or deducted from the value of

Notes to the Financial Statements CONTINUED

the asset.

The depletion of mineral rights and depreciation of restoration costs are expensed by reference to the quarry activity during the period and remaining estimated amounts of mineral to be recovered over the expected life of the operation.

The process of removing overburden and other mine waste materials to access mineral deposits is referred to as stripping.

There are two types of stripping activity:

- Development stripping is the initial overburden removal during the development phase to obtain access to a mineral deposit that will be commercially produced.
- Production stripping relates to overburden removal during the normal course of production activities and commences after the first saleable minerals have been extracted from the component.

Development stripping costs are capitalised as a development stripping asset when:

- It is probable that future economic benefits associated with the asset will flow to the entity; and
- The costs can be measured reliably.

Production stripping can give rise to two benefits, the extraction of ore in the current period and improved access to the ore body component in future periods. To the extent that the benefit is the extraction of ore stripping costs are recognised as an inventory cost. To the extent that the benefit is improved access to future ore, stripping costs are recognised as a production stripping asset if the following criteria are met:

- It is probable that the future economic benefit (improved access to ore) will flow to the entity;
- The component of the ore body for which access has been improved can be identified; and
- The costs relating to the stripping activity can be measured reliably.

The development and production stripping assets are depreciated in accordance with units of production based on the proven and probable reserves of the relevant components. Stripping assets are classified as other minerals assets in property, plant and equipment.

2.9 Financial Assets

Classification
The Group's financial assets consist of loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Financial Assets at Fair Value through other comprehensive income

A financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is managed in a business model in which assets are held both for sale and to collect contractual cash flows, or if an investment in an equity instrument is elected to be measured at fair value through other comprehensive income. Derivatives eligible for hedge accounting are classified as financial assets at fair value through other comprehensive income.

(iii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents at the year-end.

Recognition and Measurement
Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchasing or selling the asset. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in the Income Statement within "Other (Losses)/Gains" in the period in which they arise.

Impairment of Financial Assets
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal repayments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; and
- it becomes probable that the borrower will enter bankruptcy or another financial reorganisation.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the loss is recognised in the Income Statement.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Income Statement.

2.10 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

2.11 Trade Receivables

Trade receivables are amounts due from third parties in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables – factoring
The carrying amounts of the trade receivables excludes receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash without recourse. Therefore, it doesn't recognise the transferred assets in their entirety in its balance sheet.

The value of factored receivables at each year end are as follows:

	31 December 2021 £'000	31 December 2020 £'000
Total factoring	2,960	-

2.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.13 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Reserves

Share Premium – the reserve for shares issued above the nominal value. This also includes the cost of share issues that occurred during the year.

Retained Earnings – the retained earnings reserve includes all current and prior periods retained profit and losses.

Share Option Reserve – represents share options awarded by the Company.

Other Reserves comprise the following:

Capital Redemption Reserve – the capital redemption reserve is the amount equivalent to the nominal value of shares redeemed by the Group.

Foreign Currency Translation Reserve - represents the translation differences arising from translating the financial statement items from functional currency to presentational currency.

Deferred Shares – are shares that effectively do not have any rights or entitlements.

Hedging Reserve – includes derivative instruments used for cash-flow hedging.

Fair-value Reserve – represents the changes of values in certain assets.

2.15 Trade Payables

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.

2.16 Provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future costs.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). The increase in provisions due to the passage of time is included in the Consolidated Statement of Profit or Loss and Comprehensive Loss.

2.17 Borrowings

Bank and Other Borrowings

Interest-bearing bank loans and overdrafts and other loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Income Statement over the period to redemption on an effective interest basis.

2.18 Taxation

Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.19 Non-Underlying Items

Non-underlying items are a non IFRS measure, but the Group have disclosed these separately in the financial statements, where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items that are not expected to be recurring or do not relate to the ongoing operations of the Group's business and non-cash items which distort the underlying performance of the business.

2.20 Revenue Recognition

Group revenue arises from the sale of goods and contracting services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services supplied in course of ordinary business, stated net of discounts, returns and value added taxes. The Group recognises revenue in accordance with IFRS 15, identifying performance obligations within its contracts with customers, determining the transaction price applicable to each of these performance obligations and selecting an appropriate method for the timing of revenue recognition, reflecting the substance of the performance obligation at either a point in time or over time.

Sale of goods

The majority of the Group's revenue is derived from the sale of physical goods to customers. Depending on whether the goods are delivered to or collected by the customer, the contract contains either one performance obligation which is satisfied at the point of collection, or two performance obligations which are satisfied simultaneously at the point of delivery. The performance obligation of products sold are transferred according to the specific terms that have been formally agreed with the customer, generally upon delivery when the bill of lading is signed as evidence that they have accepted the product delivered to them.

The transaction price for this revenue is the amount which can be invoiced to the customer once the performance obligations are fulfilled, reduced to reflect provisions recognised for returns, trade discounts and rebates. The Group does not routinely offer discounts or volume rebates, but where it does the variable element of revenue is based on the most likely amount of consideration that the Group believes it will receive. This value excludes items collected on behalf of third parties, such as sales and value added taxes.

For all sales of goods, revenue is recognised at a point in time, being the point that the goods are transferred to the customer.

Contracting services

The majority of contracting services revenue arises from contract surfacing work, which typically comprises short-term contracts with a performance obligation to supply and lay product. Other contracting services revenue can contain more than one performance obligation dependent on the nature of the contract.

The transaction price is calculated as consideration specified by the contract, adjusted to reflect provisions recognised for returns, remedial work arising in the normal course of business, trade discounts and rebates.

Where the contract provides for elements of variable consideration, these values are included in the calculation of the transaction price only to the extent that it is 'highly probable' that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Where the transaction price is allocated between multiple performance obligations on other contracts, this typically reflects the allocation of value to each performance obligation agreed with the end customer, unless this does not reflect the economic substance of the transaction.

As contracting services performance obligations are satisfied over time, revenue is recognised over time. Revenue is recognised on an output basis, being volume of product laid for contract surfacing.

2.21 Finance Income

Interest income is recognised using the effective interest method.

2.22 Employee Benefits - Defined contribution plans

The Group maintains defined contribution plans for which the Group pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis and will have no legal or constructive obligation to pay further amounts. The Group's contributions to defined contribution plans are charged to the Income Statement in the period to which the contributions relate.

2.23 Employee Benefits - Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting the amount and deducting the fair value of any plan assets.

Defined benefit obligations are calculated annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) for the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense relating to defined benefit plans are recognised in profit or loss in net financial items.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on the curtailment is recognised immediately in the profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.24 Share Based Payments

The Group operates a number of equity-settled, share-based schemes, under which the entity receives services from employees or third-party suppliers as consideration for equity instruments (options and warrants) of the Group. The fair value of the third-party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Statement of Comprehensive Income or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

2.25 Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. The Group operates several business units which are constantly reviewed to ensure profitability. During 2019 it was determined that the flagging & paving division at CCP's Bury site was loss making and therefore it was decided that the operations at this site be discontinued. For further information, refer to note 14.

2.26 Leases

The Group leases certain plant and equipment. Leases of plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases under IFRS 16. Finance leases are capitalised on the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Other leases are either small in value or cover a period of less than 12 months.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in long-term borrowings. The interest element of the finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Assets obtained under finance leases are depreciated over their useful lives. The lease liabilities are shown in note 24.

Rent payable under operating leases on which the short term exemption has been taken, less any lease incentives received, is charged to the income statement on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

3. Financial Risk Management

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the UK based management team under policies approved by the Board of Directors.

a) Market Risk

The Group is exposed to market risk, primarily relating to interest rate, foreign exchange and commodity prices. The Group has not sensitised the figures for fluctuations in interest rates, foreign exchange or commodity prices as the Directors are of the opinion that these fluctuations would not have a significant impact on the Financial Statements at the present time. The Directors will continue to assess the effect of movements in market risks on the Group's financial operations and initiate suitable risk management measures where necessary.

b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from cash and cash equivalents, derivative financial instruments and, principally, from the Group's receivables from customers.

Management monitors the exposure to credit risk on an ongoing basis and have credit insurance at a number of its subsidiaries. The Nordkalk entities don't hold credit insurance as they have a stable customer base with minimal credit losses. No credit limits were exceeded during the period, and management does not expect any losses from non-performance by these counterparties.

Notes to the Financial Statements CONTINUED

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 December 2021 £'000	31 December 2020 £'000
Trade and other receivales	70,013	20,364
Cash and cash equivalents	69,916	27, 452
	147,929	**47,816**

Credit risk associated with cash balances is managed and limited by transacting with financial institutions with high-quality credit ratings.

Trade and other receivables

The Group's exposure to credit risk stems mainly from the individual characteristics of each customer.

However, management also considers the factors that could influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness, before the Group's standard payment and delivery terms and conditions are offered to the customer. The Group's review includes external ratings, when available, and in some cases bank references.

Most of the Group's customers have been trading with the Group for years, and no major credit losses have occurred with these customers. Credit risk is monitored by grouping customers according to their credit characteristics, including whether they are individuals or legal entities and whether they are wholesale, retail or end-user customers, as well as by geographic location, industry and the existence of previous financial difficulties.

The maximum exposure to credit risk for trade and other receivables by reportable segment, was:

	31 December 2021 £'000	31 December 2020 £'000
United Kingdom	15,433	11,397
Channel Islands	3,928	3,059
Belgium	9,103	5,887
Northern Europe	50,179	-
	78,013	**20,343**

Impairment

At the reporting date the ageing of the of the trade receivables that were not impaired, were as follows.

	31 December 2021 £'000	31 December 2020 £'000
Total trade receivables	66,166	18,074
Not overdue	47,345	9,314
Overdue 1 - 30 days	14,211	6,272
Overdue 31 - 60 days	1,996	786
Overdue 61 - 90 days	815	480
More than 90 days	1,799	1,222
Impairment loss recognised	(182)	(63)

Provisions for impairment of trade and other receivables are calculated on a lifetime expected loss model in line with the simplified approach available under IFRS 9 for Trade Receivables. The key inputs in determining the level of provision are the historical level of bad debts experienced by the Group and ageing of outstanding amounts. Movements during the year were as follows:

	31 December 2021 £'000	31 December 2020 £'000
At January 1	**763**	**50**
Amounts arising from business combinations	571	510
Charged to the Consolidated income statement during the year	182	63
Movement in provision	(456)	140
	1,060	**763**

Derivatives

Subsidiary currency risks are hedged by the parent or ultimate parent acting as counterparty in currency forward deals. External currency hedging is performed by finance and treasury functions as appropriate. In such deals, the counterparty is a bank or financial institution with a rating at least Baa3 from Moody's rating agency. A comparable credit rating from a reputable credit rating agency is acceptable. Exceptions may be granted on an individual basis in rare cases where a bank is chosen for geographical reasons, but does not fulfil the stipulated rating criteria.

Items hedged against are CO_2 emission rights, forecast energy consumption, loans in foreign currency and forecast earnings.

c) Currency Risk

Following the Nordkalk acquisition, the Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Pound, the Euro, the Polish Zlothy (PLN) and the Swedish Krona (SEK). The currencies in which these transactions are primarily denominated are GBP, EUR, PLN and SEK. Additional exposures may arise from purchase of fuel in USD.

At any point in time, the Group hedges on average 60 to 100 per cent of its estimated foreign currency exposure in respect of forecast sales and purchases over the following 12-18 months. The Group uses forward exchange contracts to hedge its currency risk, with a maturity of up to 12 months from the reporting date.

Borrowings are, with a few exceptions, denominated in the subsidiaries domestic currencies.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure remains at an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

Currency risk sensitivity to a +/- 10 per cent change in the exchange rate is shown for the net currency position per currency. The summary of quantitative data relating to the Group's exposure to currency risk as reported to the Group management is as follows.

2021 *GBP thousand*	**EUR**	**SEK**	**USD**	**PLN**
Gross exposure	35,344	43,607	(4,660)	3,787
Hedged	(25,000)	(39,961)	5,260	(9,317)
Net exposure	10,344	3,646	600	(5,530)
Sensitivity Analysis (+/-10%)	1,034	365	60	(553)

d) Liquidity Risk

The Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations owing to the continued support of the lenders and a history of successful capital raises. Controls over expenditure are carefully managed.

2021 **Contractual cash flows**	**1-12 months £'000**	**1-2 years £'000**	**2-5 years £'000**	**More than 5 years £'000**
Non-derivative financial liabilities				
Loans	13,302	20,073	171,936	-
Trade payables	98,182	761	480	3,190
	111,484	**20,834**	**172,416**	**3,190**
Derivative financial liabilities				
Forward exchange contracts used for hedging	608	-	-	-
Electricity hedges	129	-	-	-
	737	**-**	**-**	**-**

The outflows disclosed in the above tables represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposed and which are not usually closed out before contractual maturity.
The interest payments on the variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change in line with changes in market interest rates. The future cash flows from derivative instruments may differ from the amount in the above table as interest rates and exchange rates change. With the exception of these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

3.2. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to enable the Group to continue its construction material investment activities, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

The Group defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned operational activities and the Company may issue new shares in order to raise further funds from time to time.

The gearing ratio at 31 December 2021 is as follows:

	CONSOLIDATED	
	31 December 2021 £'000	**31 December 2020 £'000**
Total borrowings (Note 24)	233, 923	71,300
Less: Cash and cash equivalents (Note 22)	(69,916)	(27,452)
Net debt	164,007	43,848
Total equity	411,154	123,563
Total capital	**575,161**	**167,411**
Gearing ration	**0.29**	**0.26**

4. Critical Accounting Estimates

The preparation of the Financial Statements, in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates and assumptions include, but are not limited to:

a) Land and Mineral Reserves

The determination of fair values of land and mineral reserves are carried out by appropriately qualified persons in accordance with the Appraisal and Valuation standards published by the Royal Institution of Chartered Surveyors. The estimation of recoverable reserves is based upon factors such as estimates of commodity prices, future capital requirements and production costs along with geological assumptions and judgements.

The PPAs included the revaluation of land and minerals based on the estimated remaining reserves within St John's, Les Vardes, Aberdo, Carrières du Hainaut and Harries quarries. These are then valued based on the estimated remaining life of the mines and the net present value for the price per tonnage.

b) Estimated Impairment of Goodwill

The determination of fair values of assets acquired and liabilities assumed in a business combination involves the use of estimates and assumptions such as discount rates used and valuation models applied as well as goodwill allocation.

Goodwill has a carrying value of £293 million as at 31 December 2021 (31 December 2020: £39.9 million). The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.6 to the Financial Statements.

Management has concluded that an impairment charge was not necessary to the carrying value of goodwill for the period ended 31 December 2021 (31 December 2020: £nil). See Note 2.6 to the Financial Statements.

c) Restoration Provision

The Group's provision for restoration costs has a carrying value at 31 December 2021 of £4.3 million (31 December 2020: £0.9 million) and relate to the removal of the plant and equipment held at quarries in the Channel Islands, United Kingdom and Northern Europe. The cost of removal was determined by management for the removal and disposal of the machinery at the point of which the reserves are no longer available for business use.

The restoration provision is a commitment to restore the site to a safe and secure environment. The provisions are reviewed annually.

d) Fair Value of Share Options

The Group has made awards of options and warrants over its unissued share capital to certain Directors and employees as part of their remuneration packages. Certain warrants have also been issued to suppliers for various services received.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 29 to the Financial Statements.

e) Valuation and timing of deferred consideration

As part of the acquisition of Harries, the Group has agreed to pay royalty payments over the next 10 years with a minimum total value of £10m. The estimated present value of these payments is £4.8m. In determining this value, management must make critical estimates as to the timing, value and cost of money of these payments.

f) Recognition of deferred tax assets

Uncertainty exists related to the availability of future taxable profit against which tax losses carried forward can be used, however deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. Further information on income taxes is disclosed in note 15.

g) Defined benefit obligations – actuarial assumptions

The present value of the pension obligations is subject to actuarial assumptions used by actuaries to calculate these obligations. Actuarial assumptions include the discount rate, the annual rate of increase in future compensation levels and inflation rate. Further details on assumptions used are disclosed in note 26.

h) Fair value of financial instruments

The fair values of financial instruments that cannot be determined based on quoted market prices and rates are established using different valuation techniques. The Group uses judgement to select methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. Factors regarding valuation techniques and their assumptions could affect the reported fair values.

5. Dividends

No dividend has been declared or paid by the Company during the year ended 31 December 2021 (2020: nil).

6. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the periods presented the Group had interests in four key geographical segments, being the United Kingdom, Channel Islands, Belgium and Northern Europe. The Northern Europe segment has been established with the acquisition of Nordkalk. Activities in the United Kingdom, Channel Islands, Belgium and Northern Europe relate to the production and sale of construction material products and services.

	31 DECEMBER 2021				
	United Kingdom £'000	Channel Islands £'000	Belgium £'000	Northern Europe £'000	Total £'000
Revenue	74,417	28,946	72,668	95,956	271,987
Profit from operations per reportable segment	14,275	9,819	20,050	17,775	61,919
Additions to non-current assets	(5,007)	(1,520)	10,611	378,174	382,258
Reportable segment assets	117,086	47,273	109,386	495,570	769,315
Reportable segment liabilities	235,443	5,471	27,714	89,533	358,161

	31 DECEMBER 2020			
	United Kingdom £'000	Channel Islands £'000	Belgium £'000	Total £'000
Revenue	46,790	27,325	50,116	124,231
Profit from operations per reportable segment	10,017	9,230	14,956	34,203
Additions to non-current assets	32,030	(1,891)	371	30,510
Reportable segment assets	107,559	49,214	100,451	257,224
Reportable segment liabilities	76,031	5,369	52,261	133,661

7. Revenue

	CONSOLIDATED	
	31 December 2021 £'000	31 December 2020 £'000
Upstream products	44,190	13,334
Value added products	198,107	105,428
Value added services	24,064	3,921
Other	5,626	1,548
	271,987	**124,231**

Upstream products revenue relates to the sale of aggregates and cement. Value added products is the sale of finished goods that have undertaken a manufacturing process within each of the subsidiaries. Value added services consists of the transportation, installation and contracting services provided.

Notes to the Financial Statements CONTINUED

All revenues from upstream and value added products relate to products for which revenue is recognised at a point in time as the product is transferred to the customer. Value added services revenues are accounted for as products and services for which revenue is recognised over time.

Whilst the Group has contract revenue, this amount is not deemed to be material under IFRS 15.

8. Expenses by Nature

	CONSOLIDATED	
	31 December 2021 £'000	31 December 2020 £'000
Cost of sales		
Changes in inventories of finished goods and work in progress	10,854	(1,758)
Raw materials & production	75,452	27,741
Distribution & selling expenses	18,662	6,541
Employee & contractors	48,698	29,508
Maintenance expense	12,556	4,865
Plant hire expense	5,374	3,079
Depreciation & amortisation expense	17,156	9,365
Other costs of sale	21,356	10,687
Total cost of sales	**210,068**	**90,028**
Administration expenses		
Operational admin expenses	30,175	17,270
Corporate admin expenses	27,351	7,330
Total administrative expenses	**57,526**	**24,600**

Corporate administrative expenses include £25.7 million of non-underlying expenses (refer to note 11).

During the year the Group (including its overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

	CONSOLIDATED	
	31 December 2021 £'000	31 December 2020 £'000
Fees payable to the Company's auditor and its associates for the audit of the Company and Consolidated Financial Statements	360	194
Fees payable to the Company's auditor and its associates for tax services	-	9
Fees paid or payable to the Company's auditor and its associates for due diligence and transactional services associated with the readmission of the Company trading on AIM	300	24
Fees paid to the Company's auditor for other services	-	-
	660	**227**

9. Employee Benefis Expense

	CONSOLIDATED		COMPANY	
STAFF COSTS (EXCLUDING DIRECTORS)	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Salaries and wages	54,071	31,639	2,104	1,424
Post-employment benefits	278	114	80	52
Social security contributions and similar taxes	1,679	432	386	212
Other employment costs	8,436	7,939	17	65
	64,464	**40,124**	**2,587**	**1,753**

	CONSOLIDATED		COMPANY	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Average number of FTE employees by function	#	#	#	#
Management	85	58	5	5
Operations	1,371	744	-	-
Administration	409	140	4	2
	1,885	**942**	**9**	**7**

10. Directors' Remuneration

	31 DECEMBER 2021					
	Directors' fees £'000	Bonus £'000	Taxable benefits £'000	Pension benefits £'000	Options Issued(3) £'000	Total £'000
Executive Directors						
David Barrett	358	469	14	-	61	902
Garth Palmer	151	180	5	13	52	401
Max Vermorken	456	594	14	30	129	1,223
Non-executive Directors						
Timothy Hall	43	-	-	-	22	65
Dean Masefield	120	-	6	8	-	134
Simon Chisholm	43	-	-	4	-	47
Jacques Emsens	43	-	-	-	-	43
	1,214	**1,243**	**39**	**55**	**264**	**2,815**

	31 DECEMBER 2021					
	Directors' fees £'000	Bonus £'000	Taxable benefits £'000	Pension benefits £'000	Options Issued(3) £'000	Total £'000
Executive Directors						
David Barrett	305	280	14	-	46	645
Dean Masefield	125	90	6	13	-	234
Max Vermorken	395	380	13	40	110	938
Non-executive Directors						
Dominic Traynor	40	-	-	5	5	50
Patrick Dolberg	40	-	-	-	4	44
Timothy Hall	40	-	-	-	27	67
Garth Palmer	55	25	-	5	30	115
Simon Chisholm	28	-	-	3	-	31
Jacques Emsens	28	-	-	-	-	28
	1,056	**775**	**-**	**66**	**222**	**2,152**

(1) Garth Palmer was reappointed as CFO on 31 August 2021. His bonus was performance based for the period 31 August 2021 to 31 December 2021.

(2) Resigned on 31 August 2021

(3) Options issued relate to options granted in the 2019 financial year and vesting in the 2021/2020 financial years.

The bonuses earned in the year by the Directors reflect the performance of the business, were based on industry standard criteria taking into account external market data, were recommended by the Remuneration Committee and approved by the Board. Details of fees paid to companies and partnerships of which the Directors are related have been disclosed in Note 36.

11. Non-underlying items

	CONSOLIDATED	
	31 December 2021 £'000	31 December 2020 £'000
Acquisition related expenses	20,125	1,372
Amortisation and remeasurement of acquired assets	1,888	1,409
Restructuring expenses	3,118	803
Equity & debt funding expenses	-	145
Discontinued operations	169	100
Share option expense	2,321	316
Unwinding of discount on deferred consideration	825	322
Net other non-underlying expenses & gains	614	512
	29,060	**4,979**

Under IFRS 3 – Business Combinations, acquisition costs have been expensed as incurred. Additionally, the Group incurred costs associated with obtaining debt financing, including advisory fees to restructure the Group to satisfy lender requirements.

Acquisition related expenses include costs relating to the due diligence of prospective pipeline acquisitions, stamp duty on completed acquisitions, warranty & indemnity insurance and other direct costs associated with merger & acquisition activity. During the year the Group acquired B-Mix, Nordkalk and undertook due diligence on various other prospective acquisitions including Johnston Quarry Group which was completed post year-end.

Amortisation and remeasurement of acquired assets are non-cash items which distort the underlying performance of the businesses acquired. Amortisation of acquired assets arise from certain fair value uplifts resulting from the PPA. Remeasurement of acquired assets arises from ensuring assets from acquisitions are depreciated in line with Group policy.

Restructuring expenses include advisory fees, redundancy costs and moving expenses. During the year these primarily related to the SigmaPPG and South Wales platform.

Equity & debt funding expenses relates to consulting fees for debt refinance.

Share option expense is the fair value of the share options issued during the year, refer to note 29 more information.

Unwinding of discount on deferred consideration is a non-cash adjustment relating to deferred consideration arising on acquisitions.

Discontinued operations include the trading expenses, stock adjustments and redundancies incurred at the Bury site for the period from January 2021 to December 2021. Refer to note 14 for more information.

Net other non-underlying expenses and gains include COVID-19 related costs, legal fees and other associated costs.

Notes to the Financial Statements CONTINUED

12. Net Finance (Expense)/Income

	CONSOLIDATED	
	31 December 2021 £'000	31 December 2020 £'000
Other interest (expense)/income	(5,029)	(2,291)
Other finance (expense)/income	(1,145)	(126)
Unwinding of discount on deferred consideration	(825)	(322)
	(6,999)	**(2,739)**

13. Other Net Gains/(Losses)

	CONSOLIDATED	
	31 December 2021 £'000	31 December 2020 £'000
Gain/(losses) on disposal of property, plant and equipment	(101)	373
Other gain/(loss)	730	(252)
Gains/(loss) on call options	632	(38)
Impairment	(2,006)	-
Share of earnings from associates	-	294
Share of earnings froom joint ventures	291	-
Loss on discontinued operations	-	(101)
Forex movement	788	33
	334	**276**

For more information on the loss on discontinued operations, please refer to note 14.

14. Discontinued Operations

From due diligence undertaken as part of the acquisition of CCP in January 2019, doubts existed over the viability of the flagging & paving division at its site in Bury. After a detailed review it was determined that the business unit was loss making and it was decided that the operations at this site be discontinued effective from 1 February 2019.

Financial information relating to the discontinued operation for the period is set out below.

	CONSOLIDATED	
INCOME STATEMENT	31 December 2021 £'000	31 December 2020 £'000
Revenue	-	-
Cost of sales	-	(150)
Gross profit	**-**	**(150)**
Administration	(169)	(56)
Other expenses	-	106
Loss from discounted operation	**(169)**	**(100)**
Basic earnings per share attributable owners of the parent (expressed in pence per share)	**(0.04)**	**(0.04)**

	CONSOLIDATED	
CASH MOVEMENT	31 December 2021 £'000	31 December 2020 £'000
Net cash outflow from operating activities	(62)	(94)
Net cash inflow from investing activities	-	288
Net cash inflow from financing activities	-	-
Net increase / (decrease) in cash generated by the subsidiary	**(62)**	**194**

15. Taxation

	CONSOLIDATED	
TAX RECOGNISED IN PROFIT OR LOSS	31 December 2021 £'000	31 December 2020 £'000
Current Tax	(4,529)	(790)
Deferred Tax	(170)	128
Total tax charge in the Income Statement	**(4,699)**	**(662)**

The tax on the Group's profit/(loss) before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits/(losses) of the consolidated entities as follows:

Notes to the Financial Statements CONTINUED

	CONSOLIDATED	
	31 December 2021 £'000	31 December 2020 £'000
Profit/(loss) on ordinary activities before tax	(2,272)	7,096
Tax on profit on ordinary activities at standard CT rate	**494**	**1,784**
Effects of:		
Expenditure not deductible for tax purposes	4,874	1,241
Deferred tax not recognised	1,268	(1,859)
Remeasurement of deferred tax for changes in tax rates	(120)	(436)
Income not taxable for tax purposes	(903)	(659)
Prior year adjustments	(864)	-
Depreciation in excess of/(less than) capital allowances	(61)	613
Tax losses	11	(22)
Tax charge	4,699	**662**

The weighted average applicable tax rate of 21.74% (2020: 25.14%) used is a combination of the standard rate of corporation tax rate for entities in the United Kingdom of 19% (2020: 19%), 20% on quarrying of minerals and rental property (2020: 20%) in Jersey and Guernsey, 20.6% (2020: 25%) in Belgium, 20% in Finland, 21.4% in

DEFERRED TAX ASSET	Tax losses	Temporary timing differences	Total
As 1 January 2021	402	1,010	1,412
Acquisition of subsidiary	-	2,530	2,530
Charged/(credited) directly to income statement	(402)	(411)	(813)
At 31 December 2021	**-**	**3,129**	**3,129**

DEFERRED TAX LIABILITY	Tax losses	Temporary timing differences	Total
As 1 January 2021	(128)	3,999	3,871
Acquisition of subsidiary	-	2,070	2,070
Charged/(credited) directly to income statement	-	(751)	(751)
At 31 December 2021	**(128)**	**5,318**	**5,190**

Deferred income tax assets of £3.1 million (2020: £1.4 million) are recognised to the extent that the realisation of related tax benefits through future taxable profits is probable. Deferred tax liabilities of £5.2 million (2020: 3.9 million) are recognised in full.

The UK Government announced the corporate tax rate from 1 April 2023 will be 25%. The UK deferred tax closing balances have been calculated using the new rate as it is assumed these are likely to become realised after the change in tax rates.

16. Property, Plant and Equipment

	CONSOLIDATED						
	Office Equipment £'000	Land and minerals £'000	Land and buildings £'000	Plant and machinery £'000	Furniture and vehicles £'000	Construction in progress £'000	Total £'000
Cost							
As at 1 January 2020	**3,692**	**49,764**	**38,373**	**77,111**	**17,677**	**846**	**187,463**
Acquired through acquisition	303	15,085	1,139	17,420	6,503	-	40,450
Transfer between classes	-	-	-	133	-	(133)	-
Fair value adjustment	-	35,954	5,322	(48)	-	-	41,228
Additions	67	2,937	570	1,473	871	(534)	6,452
Disposals	-	(192)	-	(581)	(780)	-	(1,553)
Forex	163	831	545	2,990	266	-	4,795
As at 31 December 2020	**4,225**	**104,379**	**45,949**	**98,498**	**24,537**	**1,247**	**278,835**
As at 1 January 2021	**4,225**	**104,379**	**45,949**	**98,498**	**24,537**	**1,247**	**278,835**
Acquired through acquisition	210	81,482	70,622	193,425	3,813	10,504	360,056
Transfer between classes	-	-	1,149	(122)	342	(1,369)	-
Fair value adjustment	-	3,433	1,539	-	-	-	4,972
Additions	364	3,324	3,768	9,944	2,294	2,861	22,555
Disposals	-	(190)	(592)	(7,764)	(6,008)	-	(14,554)
Forex	(206)	(2,461)	(1,202)	(4,063)	(383)	-	(8,315)
As at 31 December 2021	**4,593**	**189,967**	**121,233**	**289,918**	**24,595**	**13,243**	**643,549**
Depreciation							
As at 1 January 2020	**3,221**	**8,590**	**22,689**	**62,619**	**11,626**	**-**	**108,745**
Acquired though acquistion	198	1,164	39	8,062	3,246	-	12,709
Charge for the year	250	1579	1,905	3,899	2,404	-	10,037
Disposals	-	-	-	(497)	(531)	-	(1,028)
Forex	148	40	451	2,654	286	-	3,579
As at 31 December 2020	**3,817**	**11,373**	**25,084**	**76,737**	**17,031**	**-**	**134,042**
As at 1 January 2021	**3,817**	**11,373**	**25,084**	**76,737**	**17,031**	**-**	**134,042**
Transfer between classes	-	-	-	(309)	309	-	-
Acquired through acquisition	150	57,487	40,927	149,510	3,114	-	251,188
Charge for the year	267	2,396	3,423	10,038	1,635	-	17,759
Disposals	-	-	(592)	(7,298)	(3,087)	-	(10,977)
Impairment	-	-	380	684	-	-	1,064
Forex	(194)	(1,082)	(829)	(3,088)	(770)	-	(5,693)
As at 31 December 2021	**4,040**	**70,174**	**68,393**	**226,274**	**18,232**	**-**	**387,113**
Net book value							
As at 31 December 2020	**408**	**93,006**	**20,865**	**21,761**	**7,506**	**1,247**	**144,793**
As at 31 December 2021	**553**	**119,793**	**52,840**	**63,644**	**6,363**	**13,243**	**256,436**

The depreciation on the right of use assets for the year ended 31 December 2021 was £6 million (2020: £1.4 million) and the net book value is £16.5 million (2020: £5.5 million).

	COMPANY			
	Office Equipment	Land & Buildings	Motor Vehicle	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 January 2020	**21**	**54**	**25**	**100**
Additions	9	-	-	9
Disposals	-	-	-	-
Forex	-	-	-	-
As at 31 December 2020	**30**	**54**	**25**	**109**
As at 1 January 2021	**30**	**54**	**25**	**109**
Additions	215	211	-	426
Disposals	-	-	-	-
Forex	-	-	-	-
As at 31 December 2021	**245**	**265**	**25**	**535**
Depreciation				
As at 1 January 2020	**14**	**14**	**-**	**28**
Charge for the year	8	13	8	29
Disposals	-	-	-	-
As at 31 December 2020	**22**	**27**	**8**	**57**
As at 1 January 2021	**22**	**27**	**8**	**57**
Charge for the year	28	13	8	49
Disposals	-	-	-	-
As at 31 December 2021	**50**	**40**	**16**	**106**
Net book value				
As at 31 December 2020	**8**	**27**	**17**	**52**
As at 31 December 2021	**195**	**225**	**9**	**429**

The depreciation on the right of use assets for the year ended 31 December 2021 was £13,314 (2020: £13,313) and the net book value is £225,459 (2020: £27,737).

17. Intangible Assets

	CONSOLIDATED						
	Goodwill £'000	Customer Relations £'000	Intellectual Property £'000	Research & Develop-ment £'000	Branding £'000	Other intan-gibles £'000	Total £'000
Cost & net book value							
As at 1 January 2020	**73,005**	**3,850**	**556**	**1,167**	**1,266**	**400**	**80,244**
Additions	-	-	-	153	-	-	153
Additions through business combinations	7,887	-	-	-	-	-	7,887
Price Purchase Allocation - CDH	(43,780)	-	-	-	2,292	-	(41,488)
Amortisation	-	(517)	(85)	(88)	(160)	-	(850)
Forex	2,854	-	-	5	-	-	2,859
As at 31 December 2020	**39,966**	**3,333**	**471**	**1,237**	**3,398**	**400**	**48,805**
As at 1 January 2021	**39,966**	**3,333**	**471**	**1,237**	**3,398**	**400**	**48,805**
Additions	-	-	-	-	-	62	62
Additions through business combination	260,944	-	-	331	-	6,387	267,663
Price Purchase Allocation - Harries	(4,098)	-	-	-	-	-	(4,098)
Amortisation	-	(517)	(85)	(594)	(160)	-	(1,356)
Impairment	-	-	-	(400)	-	(400)	(800)
Forex	(3,374)	-	-	(3)	-	(463)	(3,840)
As at 31 December 2021	**293,438**	**2,816**	**386**	**571**	**3,238**	**5,986**	**306,436**

An adjustment has been made to reflect the initial accounting for the acquisition of Harries by the Company, being the elimination of the investment in Harries against the non-monetary assets acquired and recognition of goodwill. In 2020, the Company determined the fair value of the net assets acquired pursuant to the acquisition of CDH, via a Purchase Price Allocation ('PPA') exercise. The PPA's determined a decrease of £4.1m of goodwill in Harries with the corresponding movement to uplift the value of the Land and Buildings and Land and Minerals.

It has been determined that the acquisition of Nordkalk is considered a reverse takeover under the AIM Rules definition but does not meet the requirements of the IFRS definition and therefore will be treated as a business combination under IFRS 3.

The goodwill total is made up of £254.6m for the Nordkalk platform, £21.2m for the PPG Platform, £7.6m for the Benelux platform, £5m for Dimension Stone, £2.1m for the South Wales platform and £3m for the Ronez platform.

The intangible asset classes are:

- Goodwill is the excess of the consideration transferred and the acquisition date fair value of any previous equity interest in the acquire over the fair value of the net identifiable assets.
- Customer relations is the value attributed to the key customer lists and relationships.
- Intellectual property is the patents owned by the Group.
- Research and development is the acquiring of new technical knowledge and trying to improve existing processes or products or; developing new processes or products.

Notes to the Financial Statements CONTINUED

- Branding is the value attributed to the established company brand.
- Other intangibles consist of capitalised development costs for assets produced that assist in the operations of the Group and incur revenue

Amortisation of intangible assets is included in cost of sales on the Income Statement. Development costs have been capitalised in accordance with the requirements of IAS 38 and are therefore not treated, for dividend purposes, as a realised loss.

Impairment tests for goodwill

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that the goodwill may be impaired. Goodwill is allocated to groups of cash generating units according to the level at which management monitor that goodwill, which is at the level of operating segments.

The ten operating segments are considered to be Ronez in the Channel Islands, Topcrete in the UK, Poundfield in the UK, CCP in the UK, Harries in the UK, CDH in Belgium, Stone in Belgium, GduH in Belgium, B-Mix in Belgium and Nordkalk in Northern Europe.

Key assumptions

The key assumptions used in performing the impairment review are set out below:

Cash flow projections

Cash flow projections for each operating segment are derived from the annual budget approved by the Board for 2022 and the five year plan to 2026. The key assumptions on which budgets and forecasts are based include sales volumes, product mix and operating costs. These cash flows are then extrapolated forward for a further 17 years, with the total period of 20 years reflecting the long-term nature of the underlying assets. Budgeted cash flows are based on past experience and forecast future trading conditions.

Long-term growth rates

Cash flow projections are prudently based on 2 per cent and therefore provides plenty of headroom.

Discount rate

Forecast cash flows for each operating segment have been discounted at rates of 8 per cent; which was calculated by an external expert based on market participants' cost of capital and adjusted to reflect factors specific to each operating segment.

Sensitivity

The Group has applied sensitivities to assess whether any reasonable possible changes in assumptions could cause an impairment that would be material to these consolidated Financial Statements. This demonstrated that a 1% increase in the discount rate would not cause an impairment and the annual growth rate is assumed to be 2%.

The Directors have therefore concluded that no impairment to goodwill is necessary.

18. Investment in Subsidiary Undertakings

	COMPANY	
	31 December 2021 £'000	31 December 2020 £'000
Shares in subsidiary undertakings		
At beginning of the year	**120,039**	**94,371**
Additions	315,046	25,668
Disposals	-	-
At period end	**435,085**	**120,039**
Loan to/(from) Group undertakings	119,110	(18,789)
Total	**554,195**	**101,250**

Investments in Group undertakings are stated at cost less impairment.

Details of subsidiaries at 31 December 2021 are as follows:

Name of subsidiary	Country of incorporation	Share capital held by Company	Share capital held by Group	Principal activities
SigmaFin Limited	England	£45,181,877		Holding company
Foelfach Stone Limited	England		£1	Construction materials
SigmaGsy Limited	Guernsey		£1	Shipping logistics
Ronez Limited	Jersey		£2,500,000	Construction materials
Pallot Tarmac (2002) Limited	Jersey		£2	Road contracting services
Island Aggregates Limited	Guernsey		£6,500	Waste recycling
Topcrete Limited	England		£926,828	Pre-cast concrete producer
A. Larkin (Concrete) Limited	England		£37,660	Dormant
Allen (Concrete) Limited	England		£100	Holding company
Poundfield Products (Group) Limited	England	£22,167		Holding company
Poundfield Products (Holdings) Limited	England		£651	Holding company
Poundfield Innovations Limited	England		£6,357	Patents & licencing
Poundfield Precast Limited	England		£63,568	Pre-cast concrete producer
Alfabloc Limited	England		£1	Dormant
CCP Building Products Limited	England	£50		Construction materials
Cheshire Concrete Products Limited	England		£1	Dormant
Clwyd Concrete Products Limited	England		£100	Dormant
Country Concrete Products Limited	England		£100	Dormant
CCP Trading Limited	England		£100	Dormant
CCP Aggregates Limited	England		£100,000	Construction materials
CDH Développement SA	Belgium	€23,660,763		Holding company
Carrières du Hainaut SCA	Belgium		€16,316,089	Construction materials
Granulats du Hainaut SA	Belgium		€62,000	International marketing
CDH Management 2 SPRL	Belgium		€760,000	Holding company
Harries (Holdings) Limited	England		£54,054	Construction materials
Gerald D. Harries & Sons Limited	England		£112	Construction materials
Stone Holding Company SA	Belgium		€100	Construction materials
Cuvelier Philippe SA	Belgium		€750	Construction materials
B-Mix Beton NV	Belgium		€680,600	Concrete producer
J&G Overslag en Kraanbedrijf BV	Belgium		€18,600	Concrete producer
Top Pomping NV	Belgium		€62,000	Concrete producer
Nordkalk Oy Ab	Finland		€1,000,000	Limestone quarrying and processing
Nordkalk AB	Sweden		€2,439,000	Limestone quarrying and processing
Kalkproduktion Storugns AB	Sweden		€293,000	Limestone quarrying and processing
Nordkalk AS	Estonia		€959,000	Limestone quarrying and processing
Nordkalk GmbH	Germany		€50,000	Limestone quarrying and processing
Nordkalk Sp.z o.o	Poland		€19,637,000	Limestone quarrying and processing
Suomen Karbonaatti Oy	Finland		€2,102,000	Limestone quarrying and processing
NKD Holding Oy Ab	Finland		€3,000	Holding company
Nordeka Maden A.S	Turkey		€1,020,000	Limestone quarrying and processing

Notes to the Financial Statements CONTINUED

Name of subsidiary	Registered office address
SigmaFin Limited	Suite 1, 15 Ingestre place, London, W1F 0DU
Foelfach Stone Limited	Suite 1, 15 Ingestre place, London, W1F 0DU
SigmaGsy Limited	Les Vardes Quarry, Route de Port Grat, St Sampson, Guernsey, GY2 4TF
Ronez Limited	Ronez Quarry, La Route Du Nord, St John, Jersey, JE3 4AR
Pallot Tarmac (2002) Limited	Ronez Quarry, La Route Du Nord, St John, Jersey, JE3 4AR
Island Aggregates Limited	Les Vardes Quarry, Route de Port Grat, St Sampson, Guernsey, GY2 4TF
Topcrete Limited	38 Willow Lane, Mitcham, Surrey, CR4 4NA
A. Larkin (Concrete) Limited	38 Willow Lane, Mitcham, Surrey, CR4 4NA
Allen (Concrete) Limited	38 Willow Lane, Mitcham, Surrey, CR4 4NA
Poundfield Products (Group) Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Poundfield Products (Holdings) Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Poundfield Innovations Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Poundfield Precast Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
Greenbloc Limited	The Grove, Creeting St. Peter, Ipswich, England, IP6 8QG
CCP Building Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
Cheshire Concrete Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
Clwyd Concrete Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
Country Concrete Products Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
CCP Trading Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
CCP Aggregates Limited	Llay Road, Llay, Wrexham, Clwyd, LL12 0TL
CDH Développement SA	Rue de Cognebeau 245, B-7060 Soignies, Belgium
Carrières du Hainaut SCA	Rue de Cognebeau 245, B-7060 Soignies, Belgium
Granulats du Hainaut SA	Rue de Cognebeau 245, B-7060 Soignies, Belgium
CDH Management 2 SPRL	Rue de Cognebeau 245, B-7060 Soignies, Belgium
Harries (Holdings) Limited	Rowlands View, Templeton, Narbeth, SA67 8RG
Gerald D. Harries & Sons Limited	Rowlands View, Templeton, Narbeth, SA67 8RG
Stone Holding Company SA	Avenue Louise 292, BE-1050 Ixelles, Belgium
Cuvelier Philippe SA	Avenue Louise 292, BE-1050 Ixelles, Belgium
B-Mix Beton NV	Kanaalweg 110, B-3980 Tessenderlo, Belgium
J&G Overslag en Kraanbedrijf BV	Kanaalweg 110, B-3980 Tessenderlo, Belgium
Top Pomping NV	Kanaalweg 110, B-3980 Tessenderlo, Belgium
Nordkalk Oy Ab	Skräbbölentie 18, FI-21600, Parainen, Finland
Nordkalk AB	Box 901, 731 29 Köping
Kalkproduktion Storugns AB	Strugns, 620 34 Lärbro
Nordkalk AS	Lääne-Viru maakond, Väike- Maarja vald, Rakke alevik, F.R Faehlmanni tee 11a, 46301
Nordkalk GmbH	Innungsstrabe 7, 21244 Buchholz in der Nordheide
Nordkalk Sp.z o.o	ul. Plac Na Groblach, nr 21, lok. Miejsc, Krakow, kod 31-101, poczta, Krakow, kraj Polska
Suomen Karbonaatti Oy	Ihalaisen teollisuusalue, 53500 Lappeenranta
NKD Holding Oy Ab	Skräbbölentie 18, 21600 Parainen
Nordeka Maden A.S	Levent MH.Cömert Sk. Yapi Kredi Blokl.c Blok no.1 c/17 Besiktas

For the year ended 31 December 2021 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 related to the following subsidiary companies:

- SigmaFin Limited
- Foelfach Stone Limited
- Topcrete Limited
- A. Larkin (Concrete) Limited
- Allen (Concrete) Limited
- Poundfield Products (Group) Limited
- Poundfield Products (Holdings) Limited
- Poundfield Innovations Limited
- Poundfield Precast Limited
- Greenbloc Limited
- CCP Building Products Limited
- Cheshire Concrete Products Limited
- Clwyd Concrete Products Limited
- Country Concrete Products Limited
- CCP Trading Limited
- CCP Aggregates Limited
- GDH (Holdings) Limited
- Gerald D. Harries & Sons Limited

Impairment review

The performance of all companies for the year ended 31 December 2021 are in line with forecasted expectations and as such there have been no indications of impairment.

19. Investment in Equity Accounted Associates & Joint Ventures

Nordkalk has a joint venture agreement with Franzefoss Minerals AS, to build a lime kiln located in Norway which was entered into on 5 August 2004. NorFraKalk AS is the only joint agreement in which the Group participates.

The Group has one non-material local associate in Pargas, Pargas Hyreshus Ab.

	31 December 2021 £'000
Interests in associates	524
Interest in joint venture	5,134
	5,658

Notes to the Financial Statements CONTINUED

	Proportion of ownership interest held		
NAME	**Country of Incorporation**	**31 December 2021**	**31 December 2020**
NorFrakalk AS	Norway	50%	-

Summarised financial information

NordFraKalk AS - Cost and net book value	31 December 2021 £'000	31 December 2020 £'000
Current assets	10,184	-
Non-current assets	6,507	-
Current liabilities	3,989	-
Non-current liabilities	2,621	-
	23,301	**-**

	For the period 1 September 2021 to 31 December 2021 £'000	For the period 1 January 2020 to 31 December 2020 £'000
Revenues	5,694	-
Profit after from tax from continuing operations	442	-

20. Trade and Other Receivables

	CONSOLIDATED		COMPANY	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Trade receivables	66,166	18,074	1,787	877
Prepayments	3,598	1,143	346	114
Other receivables	3,490	1,126	757	7
	73,254	**20,343**	**2,890**	**998**
Non-current				
Other receivables	4,759	21	-	-
	4,759	**21**	**-**	**-**

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	GROUP		COMPANY	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
UK pounds	18,731	14,367	2,890	998
Euros	38,435	5,997	-	-
Swedish krona	14,976	-	-	-
Zlotys	5,088	-	-	-
Ukrainian Hryvnia	7	-	-	-
Turkish Lira	666	-	-	-
Russian Ruble	110	-	-	-
	78,013	**20,364**	**2,890**	**998**

Other classes of financial assets included within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

21. Inventories

	CONSOLIDATED	
Cost and net book value	**31 December 2021 £'000**	**31 December 2020 £'000**
Raw materials and consumables	18,642	5,706
Finished and semi-finished goods	22,543	7,871
Work in progress	3,345	670
	44,530	**14,247**

The value of inventories recognised as a debit and included in cost of sales was £10.8 million (31 December 2020: (£1.7 million)).

22. Cash and Cash Equivalents

	CONSOLIDATED		COMPANY	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Cash at bank and on hand	69,916	27,452	19,038	11,521
	69,916	**27,452**	**19,038**	**11,521**

All of the Group's cash at bank is held with institutions with a credit rating of at least A-. Exceptions may be granted on an individual basis in rare cases where a bank is chosen for geographical reasons, but does not fulfil the stipulated rating criteria.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	CONSOLIDATED		COMPANY	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
UK pounds	25,555	19,929	14,704	11,521
Euros	43,163	7,523	4,334	-
Swedish krona	991	-	-	-
Zlotys	17	-	-	-
Ukrainian Hryvnia	64	-	-	-
Turkish Lira	112	-	-	-
Russian Ruble	14	-	-	-
	69,916	**27,452**	**19,038**	**11,521**

23. Trade and Other Payables

	CONSOLIDATED		COMPANY	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Current liabilities				
Trade payables	55,865	16,288	984	147
Wages Payable	11,910	4,308	-	-
Accruals	19,681	6,291	3,402	1,676
VAT payable/(receivable)	3,975	2,282	(223)	(39)
Deferred consideration	1,331	13,390	730	12,389
Other payables	5,451	3,964	674	43
	98,213	**46,523**	**5,567**	**14,216**
Non - Current liabilities				
Deferred consideration	4,401	5,100	4,401	5,100
	4,401	**5,100**	**4,401**	**5,100**

The carrying amounts of the Group and Company's trade and other payables are denominated in the following currencies:

	GROUP		COMPANY	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
UK pounds	30,073	38,548	9,539	19,316
Euros	46,161	13,075	429	-
Swedish krona	15,924	-	-	-
Zlotys	10,336	-	-	-
Ukrainian Hryvnia	9	-	-	-
Turkish Lira	96	-	-	-
Russian Ruble	15	-	-	-
	102,614	**51,623**	**9,968**	**19,316**

24. Borrowings

	CONSOLIDATED		COMPANY	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Non-current liabilities				
Syndicated Senior Credit Facility	191,937	61,235	191,937	-
Bank Loans	73	-	-	-
Finance lease liabilities	20,189	6,453	131	22
	212,199	**67,688**	**192,068**	**22**
Current liabilities				
Syndicated Senior Credit Facility	8,000	-	8,000	-
Finance lease liabilities	8,422	3,611	102	21
Bank Loans	5,301	-	-	-
	21,723	**3,611**	**8,102**	**21**

In July 2021, the Group entered into a new Syndicated Senior Credit Facility of up to £305 million (the 'Credit Facility') led by Santander UK and including several major UK and European banks. The Credit Facility, which comprises a £205 million committed term facility, a £100 million revolving facility commitment and a further £100 million accordion option. This new facility replaces all previously existing bank loans within the Group.

The Credit Facility is secured by a floating charge over the assets of SigmaFin Limited, Carrieres du Hainaut and Nordkalk and is secured by a combination of debentures, security interest agreements, pledges and floating rate charges over the assets of SigmaRoc plc, SigmaFin Limited, B-Mix, Carrieres du Hainaut and Nordkalk. Interest is charged at a rate between 1.85% and 3.35% above SONIA ('Interest Margin'), based on the calculation of the adjusted leverage ratio for the relevant period. For the period ending 31 December 2021 the Interest Margin was 2.35%.

Notes to the Financial Statements CONTINUED

The carrying amounts and fair value of the non-current borrowings are:

	CARRYING AMOUNT AND FAIR VALUE	
	31 December 2021 £'000	31 December 2020 £'000
Santander term facility	191,937	61,235
Bank loans	73	-
Finance lease liabilities	20,189	10,064
	212,199	**71,229**

Finance Lease Liabilities

Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default.

	CONSOLIDATED	
Finance less liabilities - minimum lease payments	31 December 2021 £'000	31 December 2020 £'000
Not later than one year	8,037	3,612
Later than one year and no later than five years	14,643	5,823
Later than five years	3,666	629
	26,346	**10,064**
Future finance charges on finance lease liabilities	2,265	681
Present value of finance lease liabilities	**28,611**	**10,745**

For the year ended 31 December 2021, the total finance charges were £1 million.

The contracted and planned lease commitments were discounted using a weighted average incremental borrowing rate of 3%.

The present value of finance lease liabilities is as follows:

	CONSOLIDATED	
	31 December 2021 £'000	31 December 2020 £'000
Not later than one year	8,278	3,720
Later than one year and no later than five years	15,082	5,998
Later than five years	3,776	648
Present value of finance lease liabilities	**27,136**	**10,366**

Reconciliation of liabilities arising from financing activities is as follows:

	CONSOLIDATED			
	Long-term borrowings £'000	Short-term borrowings £'000	Lease liabilities £'000	Liabilities arising from financing activities £'000
As at 1 January 2021	**61,235**	**-**	**10,064**	**71,299**
Increase/(decrease) through financing cash flows	(1,830)	(601)	607	(1,824)
Increase from refinancing	137,980	8,000	-	145,980
Cost of borrowings	(5,425)	-	-	(5,425)
Amortisation of finance arrangement fees	(784)	-	-	(784)
Increase through obtaining control of subsidiaries	834	5,903	17,940	24,677
As at 31 December 2021	**192,010**	**13,302**	**28,611**	**233,923**

25. Provisions

	CONSOLIDATED	
	31 December 2021 £'000	31 December 2020 £'000
As at 1 January	**6,160**	**6,937**
Acquired on business combination	5,721	172
Deduction	(1,706)	(949)
	10,175	**6,160**

The provision total is made up of £632,011 as a restoration provision for the St John's and Les Vardes sites; £86,812 for the Aberdo site, £172,303 for quarries in Wales and £3.5m for the Nordkalk sites which are all based on the removal costs of the plant and machinery at the sites and restoration of the land. Cost estimates in Jersey and Guernsey are not increased on an annual basis – there is no legal or planning obligation to enhance the sites through restoration. The commitment is to restore the site to a safe environment; thus the provision is reviewed on an annual basis. The estimated expiry on the quarries ranges between 5 – 35 years.

Of the remaining amount, £1.05m is to cover the loss on the Holcim contract in CDH, £160,000 for legal fees, £1.62m for other restructuring costs in the Nordkalk entities and £3m is the provision for early retirement in Belgium, where salaried workers can qualify for early retirement based on age.
The provision for early retirement consists of the estimated amount that will be paid by the employer to the "early retired workers" till the age of the full pension. Refer to note 26 for more information.

The future reclamation cost value is discounted by 7.07% (2020: 7.39%) which is the weighted average cost of capital within the Group.

26. Retirement benefit schemes

The Group sponsors various post-employment benefit plans. These include both defined contribution and defined benefit plans as defined by IAS 19 Employee Benefits.

Defined contribution plans

For defined contribution plans outside Belgium, the Group pays contributions to publicly or privately administered pension funds or insurance contracts.

Notes to the Financial Statements CONTINUED

Once the contributions have been paid, the Group has no further payment obligation. The contributions are expensed in the year in which they are due. For the year ended, contributions paid into defined contribution plans amounted to £220k.

Defined benefit plans

The Group has group insurance plans for some of its Belgian, Swedish and Polish employees funded through defined payments to insurance companies. The Belgian pension plans are by law subject to minimum guaranteed rates of return. In the past the minimum guaranteed rates were 3.25% on employer contributions and 3.75% on employee contributions. A law of December 2015 (enforced on 1 January 2016) modifies the minimum guaranteed rates of return applicable to the Group's Belgian pension plans. For insured plans, the rates of 3.25% on employer contributions and 3.75% on employee contributions will continue to apply to the contributions accumulated before 2016. For contributions paid on or after 1 January 2016, a variable minimum guaranteed rate of return with a floor of 1.75% applies. The Group obtained actuarial calculations for the periods reported based on the projected unit credit method.

The Swedish plan provides an old-age pension cover for plan members whereas plan members receive a lump sum payment upon retirement in the Polish plan. Both Swedish and Polish plans are based on collective labour agreements. Through its defined benefit plans, the Group is exposed to a number of risks. A decrease in bond yields will increase the plan liabilities. Some of the Group's pension obligations are linked to inflation and higher inflation will lead to higher liabilities. The majority of the plans obligations are to provide benefits for the life of the plan member, so increases in life expectancy will result in an increase in the plans liabilities.

Employee benefits amounts in the Statement of Financial Position	**2021 £'000**	**2020 £'000**
Assets	**-**	**-**
Liabilities	4,292	3,593
Net defined benefit liability at end of year	**4,292**	**3,593**

Amounts recognised in the Statement of Financial Position	**2021 £'000**	**2020 £'000**
Present value of funded defined benefit obligations	2,222	2,379
Fair value of plan assets	(2,068)	(2,214)
	154	**165**
Present value of unfunded defined benefit obligation	4,138	3,428
Unrecognised past service cost	-	-
Total	**4,292**	**3,593**

Amounts recognised in the Income Statement	**2021 £'000**	**2020 £'000**
Current service cost	32	128
Interest cost	26	19
Expected return on plan assets	227	(31)
Total pension expense	**285**	**116**

Changes in the present value of the defined benefit obligation	**2021 £'000**	**2020 £'000**
Defined benefit obligation at beginning of year	3,593	3,758
Current service cost	32	128
Interest cost	26	19
Benefits paid	(220)	(493)
Remeasurements	227	(31)
Acquired in business combination	1,524	-
Foreign exchange movement	(890)	212
Defined benefit obligation at end of year	**4,292**	**3,593**

Amounts recognised in the Statement of Changes in Equity	**2021 £'000**	**2020 £'000**
Prior year cumulative actuarial remeasurements	(75)	(46)
Remeasurements	227	(31)
Foreign exchange movement	-	3
Cumulative amount of actuarial gains and losses recognised in the Statement of recognised income / (expense)	**152**	**(74)**

Movements in the net liability/(asset) recognised in the Statement of Financial Position	**2021 £'000**	**2020 £'000**
Net liability in the balance sheet at beginning of year	3,593	3,758
Total expense recognised in the income statement	58	147
Contributions paid by the company		
	(220)	(493)
Amount recognised in the statement of recognised (income)/expense	227	(31)
Acquired in business combination	1,524	-
Foreign exchange movement	(890)	212
Defined benefit obligation at end of year	**4,292**	**3,593**

Principal actuarial assumptions as at 31 December 2021	
Discount rate	0.53%
Future salary increases	1.62%
Future inflation	1.65%

Notes to the Financial Statements CONTINUED

Post-retirement benefits

The Group operates both defined benefit and defined contribution pension plans.

Pension plans in Belgium are of the defined benefit type because of the minimum promised return on contributions required by law. The liability or asset recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Income Statement. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Statement of Financial Position.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

27. Financial Instruments by Category

Consolidated	31 December 2021	
Assets per Statement of Financial Performance	**Loans & receivables £'000**	**Total £'000**
Trade and other receivables (excluding prepayments)	69,656	69,656
Cash and cash equivalents	69,916	69,916
	139,572	**139,572**

Liabilities per Statement of Financial Performance	**At amortised cost £'000**	**Total £'000**
Borrowings (excluding finance leases)	205,312	205,312
Finance lease liabilities	28,611	28,611
Trade and other payables (excluding non-financial liabilities)	102,614	102,614
	336,537	**336,537**

Consolidated	31 December 2020	
Assets per Statement of Financial Performance	**Loans & receivables £'000**	**Total £'000**
Trade and other receivables (excluding prepayments)	19,179	19,179
Cash and cash equivalents	27,452	27,452
	46,631	**46,631**

Liabilities per Statement of Financial Performance	**At amortised cost £'000**	**Total £'000**
Borrowings (excluding finance leases)	61,235	61,235
Finance lease liabilities	10,064	10,064
Trade and other payables (excluding non-financial liabilities)	51,623	51,623
	122,922	**122,922**

Company	31 December 2021	
Assets per Statement of Financial Performance	**Loans & receivables £'000**	**Total £'000**
Trade and other receivables (excluding prepayments)	2,544	2,544
Cash and cash equivalents	19,038	19,038
	21,582	**21,582**

Liabilities per Statement of Financial Performance	**At amortised cost £'000**	**Total £'000**
Borrowings (excluding finance leases)	199,937	199,937
Finance lease liabilities	233	233
Trade and other payables (excluding non-financial liabilities)	9,968	9,968
	210,236	**210,238**

Company	31 December 2020	
Assets per Statement of Financial Performance	**Loans & receivables £'000**	**Total £'000**
Trade and other receivables (excluding prepayments)	884	884
Cash and cash equivalents	11,521	11,521
	12,405	**12,405**

Liabilities per Statement of Financial Performance	**At amortised cost £'000**	**Total £'000**
Borrowings (excluding finance leases)	-	-
Finance lease liabilities	43	43
Trade and other payables (excluding non-financial liabilities)	18,994	18,994
	19,037	**19,037**

Notes to the Financial Statements CONTINUED

28. Share Capital and Share premium

	Number of shares	Ordinary shares £'000	Share premium £'000	Total £'000
Issued and fully paid				
As at 1 January 2020	**253,739,186**	**2,537**	**95,359**	**97,896**
Issue of new shares – 9 December 2020 (1)	25,000,000	250	12,059	12,309
As at 31 December 2020	**278,739,186**	**2,787**	**107,418**	**110,205**
As at 1 January 2021	**278,739,186**	**2,787**	**107,418**	**110,205**
Exercise of options & warrants – 27 April 2021	1,059,346	11	456	467
Exercise of warrants – 7 May 2021	78,044	1	19	20
Issue of new shares – 31 August 2021 (2)	307,762,653	3,059	249,772	252,831
Issue of new shares – 31 August 2021	50,276,521	521	42,232	42,753
As at 31 December 2021	**637,915,750**	**6,379**	**399,897**	**406,276**

(1) Includes issue costs of £440,736
(2) Includes issue costs of £8,748,365

The authorised share capital consists of 914,345,908 ordinary shares at a par value of 1 penny.

On 27 April 2021 the Company issued and allotted 33,332 new Ordinary Shares at a price of 46 pence per share for options exercised. On the same day, the Company issued and allotted 1,026,014 new Ordinary Shares at a price of 46 pence per share for warrants exercised.

On 7 May 2021 the Company issued and allotted 78,044 new Ordinary Shares at a price of 46 pence per share for warrants exercised.

On 31 August 2021 the Company raised £252,849,890 net of issue costs via the issue and allotment of 307,762,653 new Ordinary Shares at a price of 85 pence per share. On the same day the Company issued and allotted 50,276,521 new Ordinary Shares at a price of 85 pence per share as shares issued as part of the Nordkalk acquisition.

29. Share Options

In 2021, the Company introduced a long term incentive plan ('LTIP') for senior management personnel. Shares are awarded in the Company and vest in 3 parts over the third, fourth and fifth anniversary to the extent the performance conditions are met.

Share options and warrants outstanding and exercisable at the end of the year have the following expiry dates and exercise prices:

			Options & Warrants	
			31 December 2021	31 December 2020
Grant date	**Expiry date**	**Exercise price in £ per share**	**#**	**#**
5 January 2017	4 January 2022	0.44	-	1,026,014
5 January 2017	22 August 2021	0.25	-	78,044
5 January 2017	5 January 2022	0.25	286,160	286,160
5 January 2017	5 January 2022	0.40	12,183,225	12,183,225
15 April 2019	15 April 2026	0.46	9,340,934	6,433,956
30 December 2019	30 December 2026	0.46	8,389,726	5,408,706
			30,200,045	**25,416,105**

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options and warrants was determined using the Black Scholes valuation model. The parameters used are detailed below:

	2017 Options A	2017 Options B	2019 Options C	2019 Options D
Vested on	5/1/2017	5/1/2017	15/4	30/12
Life (years)	5	5	7	7
Share price	0.425	0.425	0.465	0.525
Risk free rate	0.52%	0.52%	0.31%	0.55%
Expected volatility	24.81%	24.81%	4.69%	8.19%
Expected dividend yield	-	-	-	-
Marketability discount	-	50%	-	-
Total fair value	£56,039	£234,854	£419,130	£729,632

The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life.

The volatility is calculated by dividing the standard deviation of the closing share price from the prior six months by the average of the closing share price from the prior six months.

A 50% discount was applied to Options B due to the uncertainty surrounding the future performance of the Group. The Options A & B were issued in the first year of acquisitions which at the time had not had a significant impact on the Company's share price. Therefore a 50% discount was applied to reflect the fact the Company was still in an early stage with regards to acquiring niche company's and building value for the shareholders.

A reconciliation of options and warrants and LTIP awards granted over the year to 31 December 2021 is shown below:

	31 December 2021		31 December 2020	
		Weighted average exercise price		Weighted average exercise price
Options and Warrants	#	£	#	£
Outstanding at beginning of the year	**25,416,105**	**0.42**	**19,494,774**	**0.40**
Granted	-	-	-	-
Vested	5,921,330	0.46	5,921,331	0.46
Exercised	(1,137,390)	0.40	-	-
Outstanding as at year end	**30,200,045**	**0.45**	**31,337,434**	**0.44**
Exercisable at year end	**30,200,045**	**0.45**	**25,416,105**	**0.42**

	31 December 2021		31 December 2020	
		Weighted average valuation price		Weighted average valuation price
LTIP Awards	#	£	#	£
Outstanding at beginning of the year	**-**	**-**	**-**	**-**
Granted	25,620,000	0.69	-	-
Vested	-	-	-	-
Exercised	-	-	-	-
Outstanding as at year end	**25,620,000**	**0.69**	**-**	**-**
Exercisable at year end	**-**	**-**	**-**	**-**

30. Other Reserves

	COMPANY				
	Deferred shares	Capital redemption reserve	Revaluation reserve	Foreign currency translation reserve	Total
	£'000	£'000	£'000	£'000	£'000
As at 1 January 2020	**762**	**600**	**-**	**(448)**	**914**
Currency translation differences	-	-	-	2,379	2,379
As at 31 December 2020	**762**	**600**	**-**	**1,931**	**3,293**
As at 1 January 2021	**762**	**600**	**-**	**1,931**	**3,293**
Other comprehensive income	-	-	1,037	-	1,037
Currency translation differences	-	-	-	(15,566)	(15,566)
As at 31 December 2021	**762**	**600**	**1,037**	**(13,635)**	**(11,237)**

31. Non-controlling interests

As at 1 January 2021	**-**
Shares issued to non-controlling interest	1,260
Acquired in business combination	9,031
Non-controlling interests share of profit in the period	590
Foreign exchange movement	13
As at 31 December 2021	**10,894**

32. Earnings Per Share

The calculation of the total basic earnings per share of (1.89) pence (2020: 2.55 pence) is calculated by dividing the loss attributable to shareholders of £6,971 million (2020: profit of £6,511 million) by the weighted average number of ordinary shares of 400,170,256 (2020: 255,310,224) in issue during the period.

Diluted earnings per share of (1.77) pence (2020: 2.35 pence) is calculated by dividing the loss attributable to shareholders of £6,971 million (2020: £6,511 million) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of share options and warrants to subscribe for ordinary shares in the Company, which together total 427,854,251 (2020: 277,113,850). The weighted average number of shares is the opening balance of ordinary shares plus the weighted average of 2,290,811 shares.

Details of share options that could potentially dilute earnings per share in future periods are disclosed in Note 29.

33. Fair Value of Financial Assets and Liabilities Measured at Amortised Costs

The following table shows the carrying amounts and fair values of the financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measures at fair value if the carrying amount is a reasonable approximation of fair value.

Items where the carrying amount equates to the fair value are categorised to three levels:

— Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

— Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

— Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Financial Statements CONTINUED

	Fair value – Hedging instruments	Fair value through P&L	Fair value through OCI	Financial asset at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Total
					Carrying Amount			Fair value	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Forward exchange contracts	-	561	-	-	-	**561**	-	561	**561**
Co2 emission hedge	-	125	-	-	-	**125**	125	-	**125**
Electricity hedges	4,268	243	-	-	-	**4,511**	4,511	-	**4,511**
Financials assets not measure at fair value									
Trade and other receivables (excl. Derivatives)	-	-	-	78,013	-	**78,013**	-	-	**-**
Cash and cash equivalents	-	-	-	69,916	-	**69,916**	-	-	**-**
Financial liabilities measured at fair value									
Forward exchange contracts	608	-	-	-	-	**608**	-	608	**608**
Electricity hedges	129	-	-	-	-	**129**	129	-	**129**
Financial liabilities not measured at fair value									
Loans	-	-	-	-	205,312	**205,312**	-	-	**-**
Finance lease liability	-	-	-	-	28,611	**28,611**	-	-	**-**
Trade and other payables (excl. derivative)	-	-	-	-	102,613	**102,613**	-	-	**-**

34. Business Combinations

Nordkalk

On 31 August 2021, the Group acquired 100 per cent of the share capital of Nordkalk and its subsidiaries for a total consideration of €355 million (being €470 million less adjustments for various obligations assumed by the Group as part of the acquisition) which translates to £297.8 million. Nordkalk is registered and incorporated in Finland with subsidiaries across Northern Europe. Nordkalk develops limestone-based solutions for agricultural, construction and chemical industries.

The following table summarises the consideration paid for Nordkalk and the values of the assets and equity assumed at the acquisition date.

Total consideration	**£'000**
Cash consideration	348,225
Consideration paid in shares	41,982
Purchase of shareholder loans	(92,360)
	297,847

Recognised amounts of assets and liabilities acquired	**£'000**
Cash and cash equivalents	23,403
Trade and other receivables	49,281
Inventories	30,733
Derivative financial assets	3,737
Deferred tax	460
Property, plant & equipment	103,907
Intangible assets	6,965
Investment in associates	524
Investments in joint ventures	4,719
Trade and other payables	(50,330)
Derivative financial liabilities	(1,074)
Borrowings	(113,084)
Provisions	(5,720)
Income Tax	(1,483)
Non-controlling interests	(9,031)
Total identifiable net liabilities	**43,007**
Goodwill (refer to note 17)	**254,840**
Total consideration	**297,847**

B-Mix

On 7 April 2021, the Group acquired 100 per cent of the share capital of B-Mix and its subsidiaries for a cash consideration of €12.03 million (being €13 million less adjustments for various obligations assumed by the Group as part of the acquisition) which translates to £10.2 million. B-Mix is registered and incorporated in Belgium. The principal activity is the operation of concrete plants.

The following table summarises the consideration paid for B-Mix and the values of the assets and equity assumed at the acquisition date.

Total consideration	**£'000**
Cash consideration	10,105
	10,105

Notes to the Financial Statements CONTINUED

Recognised amounts of assets and liabilities acquired	£'000
Cash and cash equivalents	1,103
Trade and other receivables	3,002
Inventories	301
Property, plant & equipment	4,122
Trade and othe payables	(1,965)
Income tax payable	(296)
Borrowings	(2,161)
Deferred tax liability	(15)
Total identifiable net liabilities	**4,001**
Goodwill (refer to note 17)	**6,104**
Total consideration	**10,105**

35. Contingencies

The Group is not aware of any material personal injury or damage claims open against the Group.

36. Related party transactions

Loans with Group Undertakings
Amounts receivable/(payable) as a result of loans granted to/(from) subsidiary undertakings are as follows:

	COMPANY	
	31 December 2021	31 December 2020
	£'000	£'000
Ronez Limited	(18,328)	(12,878)
SigmaGsy Limited	(5,705)	(4,455)
SigmaFin Limited	20,146	(7,139)
Topcrete Limited	(9,494)	(8,178)
Poundfield Products (Group) Limited	5,501	6,364
Foelfach Stone Limited	466	457
CCP Building Products Limited	5,647	5,786
Carrières du Hainaut SCA	18,251	(6)
Harries (Holdings) Limited	9,588	1,234
B-Mix Beton NV	1,295	-
Stone Holdings SA	376	368
Nordkalk Oy Ab	91,367	-
	119,110	**(18,447)**

Loans granted to or from subsidiaries are unsecured, have interest charged at 2% and are repayable in Pounds Sterling on demand from the Company.

All intra Group transactions are eliminated on consolidation.

Other Transactions
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.

37. Ultimate Controlling Party

The Directors believe there is no ultimate controlling party.

38. Events After the Reporting Date

On 4 January 2022, the Company issued and allotted 26,014 new Ordinary Shares at a price of 25 pence per share and 304,580 new Ordinary Shares at a price of 40 pence per share for options exercised.

On 1 February 2022, the Group acquired 100 per cent. of the share capital of Johnston Quarry Group Limited ('JQG') for a cash consideration of £35.1 million (being £35.5 million less adjustments for various obligations assumed by the Group as part of the acquisition). JQG is registered and incorporated in the England. JQG is a high-quality producer of construction aggregates, building stone and agricultural lime.

The following table summarises the consideration paid for JQG and the values of the assets and equity assumed at the acquisition date.

Total consideration	£'000
Cash consideration	35,090
	35,090

Notes to the Financial Statements CONTINUED

Recognised amounts of assets and liabilities acquired	£'000
Cash and cash equivalents	1,587
Trade and other receivables	1,840
Inventories	1,463
Property, plant & equipment	16,908
Intangible assets	264
Trade and othe payables	(3,477)
Borrowings	(9,947)
Provisions	(325)
Deferred tax liability	(826)
Total identifiable net liabilities	**7,487**
Goodwill	**27,603**
Total consideration	**35,090**

Nordkalk's Pargas limestone quarry alongside the CRH cement plant on the left, and a newly finished walkway as seen at the bottom of the image

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