

**HOLCIM HELVETIA FINANCE LTD,
ZUG**

Financial Statements for the year ended
31 December 2021 and Report of the
Statutory Auditor

Report of the Statutory Auditor

To the General Meeting of
HOLCIM HELVETIA FINANCE LTD, ZUG

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Holcim Helvetia Finance Ltd, which comprise the balance sheet as at 31 December 2021, the income statement and notes for the year then ended.

Board of Directors' Responsibility

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

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

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

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

Deloitte AG

Alexandre Dubi
Licensed Audit Expert

Polymnia Stavrakidou

Zurich, 24 February 2022
ADU/PST/nmn

Enclosures

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings

Holcim Helvetia Finance Ltd

KEY INFORMATION

Formation:	November 25, 2015
Registered Office:	Grafenauweg 10 6300 Zug
Purpose:	Financing Company
Authorized capital:	10'100 registered shares with transfer limitation of CHF 1'000 each
Shareholder:	Holcim Ltd 100%
Directors:	L. Jaques R. Gächter M. Unternährer
Auditors:	Deloitte AG, Zürich

Statement of income Holcim Helvetia Finance Ltd
in CHF

	Notes	2021	2020
Financial income		29'951'759	35'379'759
Dividend income	6	2'133'391	-
Other income	2	11'301'181	1'004'848
Financial expenses		(33'135'953)	(22'417'173)
Other expenses	3	(1'550'507)	(25'042'895)
Impairment of financial investments	6	(7'181'951)	(15'912'503)
Depreciation		-	(116'382)
Profit / (loss) before tax		1'517'919	(27'104'346)
Direct taxes		(359'761)	(955'138)
Net income / (loss)		1'158'158	(28'059'484)

See notes to the financial statements

Statement of financial position Holcim Helvetia Finance Ltd
in CHF

Assets	Notes	31.12.2021	31.12.2020
Cash and cash equivalents		664'614'897	459'382'539
Current financial receivables - Parent company		265'369'177	-
Current financial receivables - Group companies	4	80'318'119	967'729'619
Current financial receivables - Third parties		3'777'616	-
Other current receivables - Parent company		5'262'002	3'950'245
Other current receivables - Group companies		86'592	766'618
Other current receivables - Third parties		354'928	-
Current assets		1'019'783'331	1'431'829'021
Non-current financial receivables - Parent company		1'620'886'234	1'236'917'500
Non-current financial receivables - Group companies	5	361'880'892	314'618'320
Non-current financial receivables - Third parties		1'658'796	-
Financial investments - Group companies	6	-	7'197'951
Other non-current assets		930'460	1'065'836
Non-current assets		1'985'356'382	1'559'799'607
Total assets		3'005'139'713	2'991'628'628
Liabilities and shareholder's equity			
Current financial liabilities - Parent company		325'322'973	104'315'387
Current financial liabilities - Group companies	7	566'690'170	1'472'607'681
Current financial liabilities - Third parties	8	272'094'926	102'010
Other current liabilities - Parent company		5'884'444	3'520'833
Other current liabilities - Group companies		422'948	616'763
Other current liabilities - Third parties		8'636'711	7'995'196
Current liabilities		1'179'052'172	1'589'157'870
Non-current financial liabilities - Parent company		684'147	-
Non-current financial liabilities - Group companies	9	-	119'897'277
Non-current financial liabilities - Third parties	10	991'049'770	450'000'000
Provisions		639'985	18'000
Non-current liabilities		992'373'902	569'915'277
Total liabilities		2'171'426'074	2'159'073'147
Share capital	11	10'100'000	10'100'000
Statutory retained earnings		2'020'000	2'020'000
Voluntary retained earnings			
Voluntary reserves		803'847'142	803'847'142
Retained earnings		16'588'339	44'647'823
Net income / (loss)		1'158'158	(28'059'484)
Total shareholder's equity		833'713'639	832'555'481
Total liabilities and shareholder's equity		3'005'139'713	2'991'628'628

See notes to the financial statements

Notes to the financial statements of Holcim Helvetia Finance Ltd

Holcim Helvetia Finance Ltd with registered office in Zug, was founded on November 25, 2015. The company provides financing to entities of the Holcim group. During the reporting period Holcim Helvetia Finance Ltd employed fewer than ten employees (previous year: fewer than ten employees).

The financial statements of Holcim Helvetia Finance Ltd comply with the requirements of the Swiss accounting legislation of the Swiss Code of Obligations (SCO). Holcim Ltd, the ultimate mother entity of Holcim Helvetia Finance Ltd, is presenting consolidated financial statements according to IFRS. As a result, these financial statements and notes do not include additional disclosures, cash flow statements or a management report and the company is exempted from preparing consolidated accounts.

Account definition

Holcim Ltd is the sole shareholder of Holcim Helvetia Finance Ltd. Group companies includes affiliates.

1) Accounting Policies

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

Accounting principles applied

Other income and expenses

Non-monetary assets and liabilities are carried at historical rates. Monetary assets and liabilities in foreign currencies are translated at year-end exchange rates. Realized exchange gains and losses, and all unrealized exchange losses arising from these as well as those from business transactions are recorded as other income or other expenses. Unrealized exchange gains on non-current assets and liabilities are deferred.

Financial receivables

Financial receivables are valued at acquisition cost less any impairment of value. Derivative financial instruments are stated at fair value. Derivate financial instruments with a positive fair value are classified as financial assets.

Financial investments

Financial investments are initially recognized at cost. Investments in Holcim Group subsidiaries are assessed annually and in case of an impairment adjusted to their recoverable amount.

Financial liabilities

Financial liabilities are valued at nominal value. Any bond premium is accrued over the duration of the bond so that at maturity the balance sheet amount will equal the amount that is due to be paid. Derivative financial instruments are stated at fair value. Derivate financial instruments with a negative fair value are classified financial liabilities.

Derivative instruments and hedging

The company mainly uses derivative financial instruments in order to reduce its exposure to changes in interest rates, foreign currency exchange rates and commodity prices and to provide financial services to affiliated companies.

Financial derivatives expected to be settled within twelve months after the end of the reporting period are classified as current financial assets or current financial liabilities. The result relating to the interest swap is recognized in the financial expenses or financial income and the result relating to foreign currency transactions are classified as other income or other expenses.

Provisions

Provisions are made to cover general business risks.

Notes to the financial statements of Holcim Helvetia Finance Ltd
in CHF

	2021	2020
2) Other Income		
Other fees	315'842	1'004'848
Foreign exchange gain (net)	10'985'339	-
Total	<u>11'301'181</u>	<u>1'004'848</u>
3) Other expenses		
Foreign exchange loss (net)	-	(22'784'045)
Administration expenses	(1'550'507)	(2'258'850)
Total	<u>(1'550'507)</u>	<u>(25'042'895)</u>

Notes to the financial statements of Holcim Helvetia Finance Ltd
in CHF

	2021	2020
4) Current financial receivables - Group companies		
Holcim International Services Singapore Pte. Ltd	1'761'211	1'354'644
Holcim International Finance Ltd	-	881'130'000
Holcim Participations (UK) Limited	54'861'411	85'244'975
Firestone Building Products GmbH	2'542'943	-
Holdertrade Ltd	101'390	-
Holcim (Schweiz) AG	489'215	-
Holcim Kies und Beton AG	242'140	-
Aggregate Industries Limited	658'482	-
Heracles General Cement Co	156'273	-
Holcim Trading Ltd	15'690'207	-
Holcim Shipping Pte. Ltd	241	-
Holcim Technology Ltd	3'697'336	-
Holcim (Romania) S.A.	84'191	-
Holcim (US) Inc.	33'079	-
Total	80'318'119	967'729'619

5) Non-current financial receivables - Group companies

Holcim (Schweiz) AG	198'951'000	198'951'000
Holcim Mexico Operaciones, S.A. de C.V.	-	104'154'585
Caricement B.V.	11'512'736	11'512'735
Holcim Continental Finance Ltd	151'417'156	-
Total	361'880'892	314'618'320

6) Financial investments - Group companies

Direct investments	Location	Ownership ¹⁾	Ownership ¹⁾
Holcim Overseas Finance Ltd.	Bermuda	n.a	100.00%

¹⁾ Ownership equals voting rights

The investment in Holcim Overseas Finance Ltd. has been liquidated during 2021. In 2021, Holcim Helvetia Finance Ltd received from the investment dividends of CHF 2,133,391 (2020: CHF 0).

The loss of the derecognition of the investment has been classified to impairment of financial investments - Group companies and amounts to CHF 7,181,951 in 2021 (2020: CHF 15,912,503).

Notes to the financial statements of Holcim Helvetia Finance Ltd
in CHF

	2021	2020
7) Current financial liabilities - Group companies		
Holcim (Australia) Pty Ltd	48'404'567	46'389'897
Lafarge Canada Inc.	-	252'306'250
Holderfin B.V.	162'887'065	183'538'991
Holcim Mexico Operaciones, S.A. de C.V.	47'440'019	75'947'095
Holcim (New Zealand) Ltd	25'988'553	17'443'799
Holcim (US) Inc	207'888'680	845'884'778
Société Financière Immobilière et Mobilière (former LafargeHolcim Energy Solutions)	-	12'028'853
Holcim International Services Singapore Pte. Ltd.	-	586'236
Lafarge Cement A.S.	14'361'759	10'285'500
Caricement B.V.	109'170	28'196'055
Firestone Building Products EMEA BV	1'355'492	-
Firestone Building Products Spain S.L.U.	4'718'323	-
Holcim Investments (Spain) S.L.U.	140'607	-
Atlantic RE	22'868'764	-
Lafarge S.A.	1'169'378	-
Lafarge Redland Readymix Limited	58'027	-
Holcim Trading Pte. Ltd.	41'014	-
Holcim Trading Inc.	2'190'576	-
Lafarge Cement M.G.K.K.F.T.	193'068	-
Lafarge Cement S.A.	60'689	-
Mountain Prairie Insurance Company, Inc.	26'805'299	-
Other	9'120	229
Total	566'690'170	1'472'607'681
8) Current financial liabilities - Third Parties		
1.05% fixed, Bond, 2020-2022	250'000'000	-
Current financial instruments	21'992'916	-
Other current debt	102'010	102'010
Total	272'094'926	102'010
9) Non-current financial liabilities - Group companies		
Holcim International Finance Ltd	-	119'897'277
Total	-	119'897'277
10) Non-current financial liabilities - Third parties		
1.05% fixed, Bond, 2020-2022	-	250'000'000
3.50% fixed, Hybrid Bond, 2018-2024	200'000'000	200'000'000
0.25% fixed, Bond, 2021-2027	300'000'000	-
0.13% fixed, Bond, 2021-2027	145'000'000	-
0.50% fixed (swapped into floating), Bond, 2021-2031	185'000'000	-
Non-current financial instruments	161'049'770	-
Total	991'049'770	450'000'000

Notes to the financial statements of Holcim Helvetia Finance Ltd
in CHF

10) Non-current financial liabilities - Third parties (continued)

The public hybrid bond issued in 2018 by Holcim Helvetia Finance Ltd is a subordinated loan with an indefinite maturity and interests payments by coupon. The hybrid bond has a first call date on March 7, 2024.

	Issue date	Nominal value	Interest
Hybrid Bond	07.12.2018	200'000'000	3.50%

11) Share Capital

Shares	2021		2020	
	Number	Share capital	Number	Share capital
Registered shares with transfer limitations of CHF 1'000 par value	10'100	10'100'000	10'100	10'100'000
Total	10'100	10'100'000	10'100	10'100'000

12) Contingent Liabilities

As of December 1, 2015 Holcim Helvetia Finance Ltd is part of a value added tax group and therefore jointly liable to the federal tax department for the value added tax liabilities of the other members.

13) Events after the reporting period

On January the 19th, 2022, Holcim Helvetia Finance Ltd issued two sustainability-linked bonds. The bonds raised CHF 325 million, with a coupon of 0.375% and a maturity in 2026, and CHF 100 million, with a coupon of 1.00% and a maturity in 2032. The CHF 325 million bond has been swapped to floating interest rate.

In February 2022, the conflict between Russia and Ukraine worsened. The situation is changing rapidly creating high volatility in the energy markets, especially in Europe. Given the recent and rapid escalation of events and the imposition of additional sanctions, it is too early to determine the potential impact on the Group's operating results. The Group does not have any assets nor operations in Ukraine. The Group's Russian operations represented around one percent of the 2021 consolidated net sales.

Proposal of the board of directors regarding the appropriation of retained earnings
in CHF

Appropriation of retained earnings	2021
Voluntary reserves	803'847'142
Retained earnings brought forward	16'588'339
Net income	1'158'158
Reserves and retained earnings available	<u>821'593'639</u>
Balance to be carried forward	<u>821'593'639</u>

The board of directors proposes to the annual general meeting of shareholders to carry forward the balance to the new accounts.