

**LafargeHolcim Helvetia
Finance Ltd,
Zug**

Financial Statements
for the year ended 31 December 2020
and Report of the Statutory Auditor

Report of the Statutory Auditor

To the General Meeting of

LafargeHolcim Helvetia Finance Ltd, Zug

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of LafargeHolcim Helvetia Finance Ltd, which comprise the balance sheet as at 31 December 2020, 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 2020 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
Auditor in Charge

Matthias Huber
Licensed Audit Expert

Zurich, 25 February 2021

AD/MH/nib

Enclosures

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

LafargeHolcim Helvetia Finance Ltd

COMPANY HIGHLIGHTS

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

Statement of income LafargeHolcim Helvetia Finance Ltd

in CHF

	Notes	2020	2019
Dividend income - Group companies	2	-	92,210,682
Financial income - Parent company		4,907,826	1,478,042
Financial income - Group companies	3	26,677,827	19,672,900
Financial income - Third parties		3,794,106	-
Other income	4	1,004,848	1,970,067
Financial expenses - Parent company		(3,887,500)	(2,166,667)
Financial expenses - Group companies	5	(9,071,888)	(2,411,330)
Financial expenses - Third parties		(9,457,785)	(7,832,120)
Other expenses	6	(25,042,895)	(8,207,487)
Impairment of financial investments - Group companies	9	(15,912,503)	(2,551,156)
Depreciation		(116,382)	(17,905)
(Loss) / profit before tax		(27,104,346)	92,145,026
Direct taxes		(955,138)	(780,655)
Net (loss) / income		(28,059,484)	91,364,371

See notes to the financial statements

Statement of financial position LafargeHolcim Helvetia Finance Ltd
in CHF

Assets	Notes	31/12/2020	31/12/2019
Cash and cash equivalents		459,382,539	917,238,911
Current financial receivables - Group companies	7	967,729,619	-
Other current receivables - Parent company		3,950,245	129,255
Other current receivables - Group companies		766,618	7,121,652
Current assets		<u>1,431,829,021</u>	<u>924,489,818</u>
Non-current financial receivables - Parent company		1,236,917,500	659,000,000
Non-current financial receivables - Group companies	8	314,618,320	644,408,445
Financial investments - Group companies	9	7,197,951	23,110,454
Tangible fixed assets		-	116,382
Other assets		1,065,836	1,009,967
Non-current assets		<u>1,559,799,607</u>	<u>1,327,645,248</u>
Total assets		<u>2,991,628,628</u>	<u>2,252,135,065</u>
Liabilities and shareholder's equity			
Current financial liabilities - Parent company		104,315,387	162,343,043
Current financial liabilities - Group companies	10	1,472,607,681	903,596,015
Current financial liabilities - Third parties		102,010	102,025
Other current liabilities - Parent company		3,520,833	1,666,667
Other current liabilities - Group companies		616,763	600,867
Other current liabilities - Third parties		7,995,196	6,671,565
Current liabilities		<u>1,589,157,870</u>	<u>1,074,980,182</u>
Non-current financial liabilities - Group companies	11	119,897,277	116,476,923
Non-current financial liabilities - Third parties	12	450,000,000	200,000,000
Provisions		18,000	62,996
Non-current liabilities		<u>569,915,277</u>	<u>316,539,919</u>
Total liabilities		<u>2,159,073,147</u>	<u>1,391,520,101</u>
Share capital	13	10,100,000	10,100,000
Statutory retained earnings		2,020,000	12,367
Voluntary retained earnings			
Voluntary reserves		803,847,142	803,847,142
Retained earnings / (accumulated losses)		44,647,823	(44,708,915)
Net (loss) / income		(28,059,484)	91,364,371
Total shareholder's equity		<u>832,555,481</u>	<u>860,614,965</u>
Total liabilities and shareholder's equity		<u>2,991,628,628</u>	<u>2,252,135,065</u>

See notes to the financial statements

Notes to the financial statements of LafargeHolcim Helvetia Finance Ltd

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

The financial statements of LafargeHolcim Helvetia finance Ltd comply with the requirements of the Swiss accounting legislation of the Swiss Code of Obligations (SCO). LafargeHolcim Ltd, the ultimate mother entity of LafargeHolcim 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

LafargeHolcim Ltd is the sole shareholder of LafargeHolcim Helvetia Finance Ltd. Group companies includes affiliates, as well as our direct and indirect investments.

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

Current assets and current liabilities denominated in foreign currencies are converted 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 are deferred.

Financial receivables

Financial receivables are valued at acquisition cost less adjustments for foreign currency losses and any other impairment of value.

Financial investments

Financial investments are initially recognized at cost. Investments in LafargeHolcim 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.

Provisions

Provisions are made to cover general business risks.

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

	2020	2019
2) Dividend income - Group companies		
Holcim Overseas Finance Ltd.	-	92,210,682
Total	-	92,210,682
3) Financial income - Group companies		
Lafarge Zementwerke GmbH	315,058	202,459
Lafarge Perlmooser GmbH	5,986,101	3,846,724
Holcim (Schweiz) AG	7,787,274	7,765,997
Holcim Mexico Operaciones, S.A. de C.V.	9,356,230	7,806,553
Holcim Reinsurance Ltd	-	51,167
Caricement B.V.	555,104	-
LafargeHolcim International Finance Ltd	2,478,741	-
Holcim (Australia) Pty Ltd	196,029	-
LafargeHolcim Energy Solutions	74	-
Lafarge International Services Singapore Pte Ltd	142	-
Holcim Participations (UK) Limited	3,074	-
Total	26,677,827	19,672,900
4) Other Income		
Other fees	1,004,848	1,970,067
Total	1,004,848	1,970,067
5) Financial expenses - Group companies		
LafargeHolcim International Finance Ltd	(3,391,719)	(2,130,933)
Holcim (US) Inc	(1,932,597)	(258,020)
Holderfin B.V.	-	(3,423)
Lafarge Canada Inc	(103,536)	(2,804)
Holcim Mexico Operaciones, S.A. de C.V.	(3,599,628)	(7,702)
Holcim (New Zealand) Limited	(9,416)	(2,318)
Lafarge Cement A.S.	(34,992)	-
Holcim (Australia) Pty Ltd	-	(6,130)
Total	(9,071,888)	(2,411,330)
6) Other expenses		
Foreign exchange loss (net)	(22,784,045)	(4,720,942)
Administration expenses	(2,258,850)	(3,486,545)
Total	(25,042,895)	(8,207,487)

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

	2020	2019	
7) Current financial receivables - Group companies			
Lafarge International Services Singapore Pte Ltd	1,354,644	-	
LafargeHolcim International Finance Ltd	881,130,000	-	
Holcim Participations (UK) Limited	85,244,975	-	
Total	967,729,619	-	
8) Non-current financial receivables - Group companies			
Lafarge Zementwerke GmbH	-	16,289,400	
Lafarge Perlmooser GmbH	-	309,498,600	
Holcim (Schweiz) AG	198,951,000	198,951,000	
Holcim Mexico Operaciones, S.A. de C.V.	104,154,585	119,669,445	
Caricement B.V.	11,512,735	-	
Total	314,618,320	644,408,445	
9) Financial investments - Group companies			
Direct investments	Location	Ownership ¹⁾	Ownership ¹⁾
Holcim Overseas Finance Ltd.	Bermuda	100.00%	100.00%
¹⁾ Ownership equals voting rights			
The investment in Holcim Overseas Finance Ltd has been impaired in 2020 for an amount of CHF 15,912,503 (2019: CHF 2,551,156). In 2019, Holcim Overseas Finance Ltd did a capital repayment of CHF 13,089,318.			
10) Current financial liabilities - Group companies			
Holcim (Australia) Pty Ltd	46,389,897	47,546,100	
Lafarge Canada Inc	252,306,250	59,432,000	
Holderfin B.V.	183,538,991	60,154,025	
Holcim Mexico Operaciones, S.A. de C.V.	75,947,095	17,935,860	
Holcim (New Zealand) Ltd	17,443,799	11,092,330	
Holcim (US) Inc	845,884,778	707,435,700	
LafargeHolcim Energy Solutions	12,028,853	-	
Lafarge International Services Singapore Pte Ltd	586,236	-	
Lafarge Cement A.S.	10,285,500	-	
Caricement B.V.	28,196,055	-	
Other	229	-	
Total	1,472,607,681	903,596,015	
11) Non-current financial liabilities - Group companies			
LafargeHolcim International Finance Ltd	119,897,277	116,476,923	
Total	119,897,277	116,476,923	
12) Non-current financial liabilities - Third parties			
3.50% fixed, Hybrid Bond, 2018-2024	200,000,000	200,000,000	
1.05% fixed, Bond, 2020-2022	250,000,000	-	
Total	450,000,000	200,000,000	

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

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

The public hybrid bond issued in 2018 by LafargeHolcim 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%

13) Share Capital

Shares	2020		2019	
	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

14) Contingent Liabilities

As of December 1, 2015 LafargeHolcim 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.

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

Appropriation of retained earnings	2020
Voluntary reserves	803,847,142
Retained earnings brought forward	44,647,823
Net loss	(28,059,484)
Reserves and retained earnings available	<u>820,435,481</u>
Balance to be carried forward	<u>820,435,481</u>

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