

Holcim Helvetia Finance Ltd, Zug

Financial Statements
for the year ended 31 December 2022
and Report of the Statutory Auditor

To the General Meeting of
Holcim Helvetia Finance Ltd, Zug

Zurich, 23 February 2023

Report of the statutory auditor

Report on the audit of the financial statements



Opinion

We have audited the financial statements of Holcim Helvetia Finance Ltd (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.



Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and 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 Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, 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.



Other matter

The financial statements of the Company for the year ended 31 December 2021 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 24 February 2022.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.



Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the 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 Board of Directors either intends to liquidate the Company or to cease operations, or has 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 Swiss law and SA-CH 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements



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

Furthermore, we 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.

Ernst & Young Ltd

Licensed audit expert
(Auditor in charge)

Enclosures

- ▶ Financial statements (statement of income, statement of financial position, 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:	Ernst & Young AG, Basel

Statement of income Holcim Helvetia Finance Ltd

in CHF

	Notes	2022	2021
Financial income		34,594,484	29,951,759
Dividend income	2	-	2,133,391
Other income	3	-	11,301,181
Financial expenses		(41,873,643)	(33,135,953)
Other expenses	4	(4,538,225)	(1,550,507)
Impairment of financial investments	2	-	(7,181,951)
(Loss) / profit before tax		(11,817,384)	1,517,919
Direct taxes		(583,217)	(359,761)
Net (loss) / profit		(12,400,601)	1,158,158

See notes to the financial statements

Statement of financial position Holcim Helvetia Finance Ltd
in CHF

Assets	Notes	31/12/2022	31/12/2021
Cash and cash equivalents		829,883,898	664,614,897
Current financial receivables - Parent company		7,528,484	265,369,177
Current financial receivables - Group companies	5	47,879,714	80,318,119
Current financial receivables - Third parties		101,379,556	3,777,616
Other current receivables - Parent company		4,105,541	5,262,002
Other current receivables - Group companies		376,481	86,592
Other current receivables - Third parties		26,628	354,928
Current assets		991,180,302	1,019,783,331
Non-current financial receivables - Parent company		2,055,644,506	1,620,886,234
Non-current financial receivables - Group companies	6	1,222,598,115	361,880,892
Non-current financial receivables - Third parties		58,572,991	1,658,796
Other non-current assets		884,393	930,460
Non-current assets		3,337,700,005	1,985,356,382
Total assets		4,328,880,307	3,005,139,713
Liabilities and shareholder's equity			
Current financial liabilities - Parent company		242,904,677	325,322,973
Current financial liabilities - Group companies	7	832,976,535	566,690,170
Current financial liabilities - Third parties	8	34,024,237	272,094,926
Other current liabilities - Parent company		4,917,777	5,884,444
Other current liabilities - Group companies		4,174,896	422,948
Other current liabilities - Third parties		8,437,374	8,636,711
Current liabilities		1,127,435,496	1,179,052,172
Non-current financial liabilities - Parent company		-	684,147
Non-current financial liabilities - Group companies	9	58,586,718	-
Non-current financial liabilities - Third parties	10	2,320,425,313	991,049,770
Provisions		1,119,742	639,985
Non-current liabilities		2,380,131,773	992,373,902
Total liabilities		3,507,567,269	2,171,426,074
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		17,746,497	16,588,339
Net (loss) / income		(12,400,601)	1,158,158
Total shareholder's equity		821,313,038	833,713,639
Total liabilities and shareholder's equity		4,328,880,307	3,005,139,713

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 (2021: 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. Except for interest rate swaps from fixed to floating, derivative financial instruments are stated at fair value. Derivate financial instruments with a positive fair value are classified as financial assets.

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. Except for interest rate swaps from fixed to floating, 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 foreign currency transactions are classified as other income or other expenses.

The unrealized income or expense related to interest rate swaps converting the company's own bonds with fixed interest rates into variable interest rates are disclosed as off balance sheet transactions. Only the related realized interest income or expense is recognized in the financial income or financial expense. The interest rate swaps have a negative replacement value of CHF 40,555,028 as of December 31, 2022. Their underlying amount and their maturity date is fully aligned to the underlying bonds (note 10). This is a change in the accounting policies, however applying the same accounting policy for the prior year would not have a material impact to the net income.

Provisions

Provisions are made to cover general business risks.

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

2022

2021

2) Dividend income and impairment of financial investments

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.

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.

3) Other Income

Other fees	-	315,842
Foreign exchange gain (net)	-	10,985,339
Total	-	11,301,181

4) Other expenses

Foreign exchange loss (net)	(1,381,273)	-
Administration expenses and other fees	(3,156,952)	(1,550,507)
Total	(4,538,225)	(1,550,507)

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

	2022	2021
5) Current financial receivables - Group companies		
Holcim International Services Singapore Pte. Ltd	716,085	1,761,211
Holcim Participations (UK) Limited	-	54,861,411
Holcim Solutions and Products EMEA BV (former: Firestone Buildings Products EMEA BV)	-	2,542,943
Holdertrade Ltd	22,166,752	101,390
Holcim (Schweiz) AG	1,205,040	489,215
Holcim Kies und Beton AG	153,895	242,140
Aggregate Industries Limited	6,738,349	658,482
Heracles General Cement Co	-	156,273
Holcim Trading Ltd	-	15,690,207
Holcim Shipping Pte. Ltd	-	241
Holcim Technology Ltd	2,120,623	3,697,336
Holcim (Romania) S.A.	793,870	84,191
Holcim (US) Inc	4,474,482	33,079
Caricement B.V.	7	-
Heracles Shipping S.A.	212,909	-
Holcim (Belgique) S.A.	250,180	-
Holcim España, S.A.U.	80,247	-
Holcim WestZement GmbH	836,278	-
KOSD Przedsiębiorstwo Produkcyjne PP	130,668	-
Beton Saint Andre S.A.S.	366,716	-
Lafarge Canada Inc.	1,900,238	-
Lafarge Canada Inc. (East)	432,334	-
Lafarge Cement M.G.K.K.F.T.	90,825	-
Lafarge Cement SA	71,280	-
Lafarge Ciments S.A.	1,172,502	-
Lafarge Granulats S.A.S.	508,198	-
Lafarge Krusywa i Beton Ltd	197,251	-
Lafarge Zementwerke GmbH	485,706	-
Holcim (Deutschland) GmbH	1,529,806	-
Holcim El Salvador S.A. de C.V.	1,245,473	-
Total	<u>47,879,714</u>	<u>80,318,119</u>

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

	2022	2021
6) Non-current financial receivables - Group companies		
Holcim (Schweiz) AG	200,722,301	198,951,000
Caricement B.V.	27,145,000	11,512,736
Holcim Continental Finance Ltd	971,476,078	151,417,156
Aggregate Industries Limited	6,779,435	-
Heracles Shipping S.A.	78,248	-
Holcim (Belgique) S.A.	79,135	-
Holcim España, S.A.U.	103,367	-
Holcim Kies und Beton AG	61,131	-
KOSD Przedsiębiorstwo Produkcyjne PP	62,132	-
Beton Saint Andre S.A.S.	155,384	-
Lafarge Canada Inc.	1,535,429	-
Lafarge Canada Inc. (East)	195,139	-
Lafarge Caudon Limited	801,831	-
Lafarge Ciments S.A.	174,168	-
Lafarge Granulats S.A.S.	213,626	-
Lafarge Krusywa i Beton Ltd	163,387	-
Lafarge Zementwerke GmbH	295,431	-
Holcim (Deutschland) GmbH	1,323,244	-
Holcim WestZement GmbH	389,148	-
Lafarge Cement M.G.K.K.F.T.	360,850	-
Concretos Apasco S.A. de C.V.	2,323,934	-
Holcim (Romania) S.A.	1,663,401	-
Holcim El Salvador S.A. de C.V.	299,179	-
Holcim (US) Inc	6,197,137	-
Total	<u>1,222,598,115</u>	<u>361,880,892</u>

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

	2022	2021
7) Current financial liabilities - Group companies		
Holcim (Australia) Pty Ltd	55,009,999	48,404,567
Holderfin B.V.	72,579,103	162,887,065
Holcim Mexico Operaciones, S.A. de C.V.	60,046,395	47,440,019
Holcim (New Zealand) Ltd	29,202,764	25,988,553
Holcim (US) Inc	5,219,069	207,888,680
Lafarge Cement A.S.	18,456,602	14,361,759
Caricement B.V.	-	109,170
Holcim Solutions and Products EMEA BV (former: Firestone Buildings Products EMEA BV)	964,071	1,355,492
Holcim Solutions and Products Spain, S.L.U. (former: Firestone Buildings Products Spain S.L.U.)	3,151,798	4,718,323
Holcim Investments (Spain) S.L.U.	590,972	140,607
Atlantic RE	15,841,293	22,868,764
Lafarge S.A.	3,278,458	1,169,378
Lafarge Redland Readymix Limited	-	58,027
Holcim Trading Pte. Ltd.	107,796	41,014
Holcim Trading Inc.	4,194,691	2,190,576
Lafarge Cement M.G.K.K.F.T.	187,438	193,068
Lafarge Cement S.A.	72,804	60,689
Mountain Prairie Insurance Company, Inc.	14,505,839	26,805,299
Holcim Shipping Pte. Ltd.	32,014	3,420
Holcim Trading AG	26,784,843	-
Holcim Solutions and Products EMEA BV (Branch Germany)	1,883,350	-
Aggregate Industries Limited	38,823,597	-
Heracles General Cement Co	403,041	-
Holcim Participations (UK) Limited	125,054,486	-
Holcim Participations (US) Inc.	291,167,566	-
Holcim (Romania) S.A.	31,571,119	-
Holcim (Belgique) S.A.	3,685,331	-
Holcim (Deutschland) GmbH	695,368	-
Holcim (Schweiz) AG	991,186	-
Lafarge Canada Inc.	4,145,574	-
Lafarge Canada Inc. (East)	1,198,685	-
Holcim Kies und Beton AG	340,683	-
Holcim España, S.A.U.	126,845	-
Holcim El Salvador S.A. de C.V.	117,289	-
Holcim WestZement GmbH	201,151	-
Beton Saint Andre S.A.S.	1,324,881	-
Lafarge Ciments S.A.	1,938,749	-
Lafarge Granulats S.A.S.	2,097,726	-
Lafarge Cauldon Limited	12,191,216	-
Heracles Shipping S.A.	606,339	-
Holcim (Italia) S.p.a.	1,800,719	-
Holcim Philippines Inc.	1,563,234	-
KOSD Przedsiębiorstwo Produkcyjne PP	247,015	-
Lafarge Cement SA	190,201	-
Lafarge Krusywa i Beton Ltd	197,251	-
Lafarge Zementwerke GmbH	187,984	-
Other	-	5,700
Total	832,976,535	566,690,170

8) Current financial liabilities - Third Parties

1.05% fixed, Bond, 2020-2022	-	250,000,000
Other derivative liability	33,922,227	21,992,916
Other current debt	102,010	102,010
Total	34,024,237	272,094,926

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

	2022	2021
9) Non-current financial liabilities - Group companies		
Lafarge Zementwerke GmbH	6,084,876	-
Holcim (Belgique) S.A.	13,360,684	-
Lafarge Canada Inc.	1,546,321	-
Lafarge Canada Inc. (East)	300,031	-
Holcim Kies und Beton AG	77,458	-
Lafarge Cement, a.s.	3,236,603	-
Holcim España, S.A.U.	8,837,384	-
Beton Saint Andre S.A.S.	196,884	-
Lafarge Ciments S.A.	220,684	-
Lafarge Granulats S.A.S.	270,680	-
Aggregate Industries Limited	12,054,544	-
Lafarge Caudon Limited	1,337,894	-
Heracles Shipping S.A.	99,146	-
Holcim (Italia) S.p.a.	5,749,172	-
Lafarge Krusywa i Beton Ltd	163,387	-
Lafarge Cement SA	46,361	-
KOSD Przedsiębiorstwo Produkcyjne PP	78,725	-
Holcim (US) Inc	4,925,884	-
Total	<u>58,586,718</u>	<u>-</u>

10) Non-current financial liabilities - Third parties

3.50% fixed, Hybrid Bond, 2018-2024	200,000,000	200,000,000
0.25% fixed, Bond, 2021-2027	300,000,000	300,000,000
0.13% fixed, Bond, 2021-2027	145,000,000	145,000,000
0.50% fixed (swapped into floating), Bond, 2021-2031	185,000,000	185,000,000
0.38% fixed (swapped into floating), sustainability-linked Bond, 2022-2026	325,000,000	-
1.00% fixed, sustainability-linked Bond, 2022-2032	100,000,000	-
Other derivative liability	1,065,425,313	161,049,770
Total	<u>2,320,425,313</u>	<u>991,049,770</u>

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	2022		2021	
	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 31, 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.

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

Appropriation of available earnings	2022
Voluntary reserves	803,847,142
Retained earnings brought forward	17,746,497
Net loss	(12,400,601)
Reserves and retained earnings available	<u>809,193,038</u>
Balance to be carried forward	<u>809,193,038</u>

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