

Holcim Sterling Finance (Netherlands) B.V.

Amsterdam, the Netherlands

ANNUAL REPORT 2024

Holcim Sterling Finance (Netherlands) B.V.

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Holcim Sterling Finance (Netherlands) B.V.

Report of the Board of Directors

The Board of Directors herewith presents its annual report for the year ended 31 December 2024.

Company structure

Holcim Sterling Finance (Netherlands) B.V. ("the Company") is a fully owned subsidiary of Holcim Ltd, Zug, Switzerland (the "Ultimate Parent Company") with credit rating BBB+/Baa1 Outlook stable for the year 2024 (BBB+/Baa1 Outlook stable for year 2023).

Summary of activities

The principal object of Holcim Sterling Finance (Netherlands) B.V. ("the Company") is to act as a finance company.

During the year under review no significant transactions occurred.

The net result for 2024 is GBP 1 million (2023: GBP 821k). The result of the Company for the year 2024 has increased compared to the result for the year 2023 mainly due to the increase of interest income from surplus cash on deposit.

Summary of the financial activities

General and administrative expenses

The "General and administrative expenses" amounted to GBP 204k (2023: GBP 230k) and decreased by GBP 26k compared to 2023 due to partial cross over of audit fee expenses from the year 2022 in the figures of 2023 and also a reduction of the tax consultancy fees.

Interest income / (expenses)

The increase in interest income is mainly caused by the increase of interest income from surplus cash on deposit.

Cash flow

In 2024 the cash flow of the Investing activities is GBP 0 million (2023: GBP 0 million) and the cash flow of the financing activities is GBP (0.3) million (2023: GBP 0.3 million). The operational cash flow for 2024 amounts to GBP 1.8 million positive (2023: GBP 1.8 million).

Derivatives

Derivatives

The Company holds no derivatives during the year under review and at balance sheet date.

Holcim Sterling Finance (Netherlands) B.V.

Report of the Board of Directors

Risk

The Company is aware of the below mentioned risks and is willing to run these risks for business purposes. The mitigating action is described per risk if relevant.

Liquidity risk

The liquidity risk is low since at year-end of 2024 the net current assets were GBP 6.4 million (2023: GBP 4.6 million). The interest on the 250mGBP bond and the 300mGBP bond is due annually in April and May respectively which the Company can cover with the interest income earned on outstanding loans and available cash. On a net basis the Company has a cash inflow estimated at GBP 1.8 million annually and has built up a positive net current asset position over the years. The Company is responsible for its own cash balances and the raising of internal and external credit lines to cover the liquidity needs. The Company monitors its liquidity risk by using a recurring liquidity management process and by monitoring reserves of cash.

Credit risk

The Company is exposed to credit risk on its financing activity. Loans are granted to Holcim Participations (UK) Ltd and Holcim Ltd. The Company monitors the credit risk of the borrowers continuously.

There is no other credit exposure than the on-balance sheet exposures. The credit rating of the parent company is BBB+/Baa1 Outlook stable for the year 2024 (2023: BBB+/Baa1 Outlook stable).

Concentration risk

The Company is exposed to concentration risk due to the concentrated portfolio of its financing activity.

The company has a significant concentration risk on our parent company.

Interest rate risk

Interest rate risk normally arises from movements in market interest rates which could affect the Company's financial result and market values of its financial instruments. As at balance sheet date the Company's interest rate risk is limited because the interest of the issued bonds is at a fixed rate, granted to affiliated companies at a fixed rate in the total amount of GBP 544 million. The Financing of Holcim Participations (UK) Ltd of GBP 300 million has maturities that are expiring earlier than the issued Bond (GBP 100 million on 31st December 2027 and GBP 200 million on 20th July 2031 compared to the Bond of GBP 300 million maturing on 12th of May 2032. When this occurs Holcim Participations (UK) Ltd will seek for the possibility of a replacing loan receivable at a suitable interest rate.

Foreign currency risk

The Company manages its foreign currency risk continuously. The risk is limited to the bank account and various accruals of expenses of the Company in Euro's. Bank balances in foreign currency are kept as low as possible.

Holcim Sterling Finance (Netherlands) B.V.

Report of the Board of Directors

Laws and regulations

Management confirms to the best of our knowledge, that the Company, its management and committees operate according to the provisions of the applicable local corporate laws, company's articles of incorporation, bylaws, charters or other corporate governance regulations.

This includes in particular that:

- Key corporate documents and records are maintained in accordance with applicable retention policies (local law and Group regulations)
- Meetings of the Company's Board of Directors are held at least as frequently as required by applicable local law
- Minutes are taken at the Board of Directors and Shareholders meetings, are approved and are maintained as part of the corporate records
- The Company's Shareholder's register is kept up-to-date
- Annual shareholders meetings occur, as required, according to the local Company's law
- Any other local legal requirements such as required filings with the Chamber of Commerce, Dutch Central Bank and Tax authorities.
- The Group Policies including code of conduct as well as anti-bribery and corruption policy.

All Members of the Board, the management and committees were informed that the Holcim Group issues various policies which all officers of the Company have to comply with. Those policies have been approved by the Board.

Subsequent events

No other significant events, that impact the financial statements as at 31 December 2024, occurred between the balance sheet date and the 27th February 2025.

Macroeconomic developments

The Company has a guarantee from Holcim Ltd and Holcim Ltd's major presence in developing markets exposes the Group to risks such as political, financial and social uncertainties and turmoil, terrorism, civil war and unrest.

Balanced Board of directors' members

As of 1 January 2022, the law 'More balanced ratio of men and women at the top of business' came into force. Under this law, "large" companies, including listed companies that can be regarded as large, will have to draw up appropriate and ambitious targets from 1 January 2022 and start with an action plan to achieve this.

The Company has 4 male directors and 1 female director. Therefore, the Company does not have at least 30% of female board of directors as at balance sheet date.

Holcim Sterling Finance (Netherlands) B.V.

Report of the Board of Directors

The reason for that being that most positions of the board of directors are already fulfilled to satisfaction by the current members who have assumed this role for several years already.

The goal is to have at least 30% female and 30% male directors in the Company.

We are looking to replace directors upon resignation with a suitable person in order to comply with the set goal.

Internal Control

Management declares that they maintain effective internal controls over the financial reporting.

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A continuous review is therefore of utmost importance.

Corporate governance statement

The Company has high standards of corporate governance, ensuring responsible and transparent company leadership and management that are geared to ensure full compliance and set the basis for a sustainable long-term performance.

Corporate governance puts the focus not only on business risks and the company's reputation, but also on corporate social responsibility towards all our stakeholders. As a responsible business, we recognize the significance of effective corporate governance. We show respect for society and the environment, communicate in an open and transparent manner, and act in accordance with legal, corporate and ethical guidelines. To underline this, a Code of Conduct binding for the entire Group has been added to the mission statement.

Holcim Sterling Finance (Netherlands) B.V.

Report of the Board of Directors

Complementary information concerning the corporate governance of the Group can be found under this link: <http://www.Holcim.com/corporate-governance>.

Shareholders meeting

The General Meeting of Shareholders (hereafter: The General Meeting) is held once a year to discuss the Annual report, including the Management report, the annual financial statements with explanatory notes, any proposal concerning dividends or other distributions and the (re-)appointments, suspension and dismissal of members of the Board of the Directors.

The shareholders are notified by letter or by use of electronics means of communication, at least 8 days prior to the General Meeting.

All outstanding shares carry voting rights. The main powers of the General Meeting are to adopt the annual accounts, declare dividends and to discharge the Board of Directors from responsibility for the performance of their respective duties for the previous financial year. Also the (re-)appointments, suspension and dismissal of members of the Board of Directors are the main powers of the General Meeting.

The Board of directors is required to provide the General Meeting with all requested information, unless this would be prejudicial to an overriding interest of the Company. If the Board of Directors invokes an overriding interest in the refusing to provide information, reasons must be given.

A resolution to dissolve the company or change its Articles of Association can be adopted at the General Meeting.

Audit committee

The Company is a so-called Public Interest Entity ("Organisatie van Openbaar Belang") which requires the establishment of an audit committee. The Company, however, makes use of an exemption regulation according to Article 41 (1) of Directive 2006/43/EC of the European Parliament and of the Council, whereby the Parent Company's audit committee fulfills the required tasks.

Independent auditors

As part of their auditing activity, the independent auditors inform the Board of Directors regularly about their findings and about proposals for improvement. The Company uses the audit committee as established at Group level. At Group level, the Audit Committee assesses the external auditors and monitors the results of the audit.

EY Accountants B.V. was elected as independent auditor.

Holcim Sterling Finance (Netherlands) B.V.

Report of the Board of Directors

Future outlook

It is expected that the activities of the Company will remain unchanged. No Investment activity is expected. The Company has, other than its directors, insourced staff to perform the activities necessary to operate this Company.

Research and Development

As the principal activity of the Company is to provide intercompany financing, it has no R&D activity.

The Board of Directors



M.L. Unternährer


V.C. Hartman (Feb 27, 2025 18:03 GMT+1)

V.C. Hartman


G. van Estrik (Feb 27, 2025 17:25 GMT+1)

G. van Estrik


H.C.H. Lokin (Feb 27, 2025 17:46 GMT+1)

H.C.H. Lokin



L.E.L. Jaques

Amsterdam, 27th February 2025

Holcim Sterling Finance (Netherlands) B.V.

Balance Sheet

(after appropriation of results and expressed in British Pounds)

	Notes	31 December 2024	31 December 2023
FIXED ASSETS			
Loans to affiliated companies	3	543,722,500	543,722,500
CURRENT ASSETS	4		
Receivable from affiliated companies		7,405,840	7,393,186
Receivable from third parties		49,456	15,911
Cash at bank	5	9,158,908	7,642,989
		<u>16,614,204</u>	<u>15,052,086</u>
CURRENT LIABILITIES	6		
Liabilities to affiliated companies		26,605	328,716
Tax liability	7	118,581	199,405
Other accounts payable and accrued expenses		10,021,777	9,967,030
		<u>10,166,963</u>	<u>10,495,151</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>6,447,241</u>	<u>4,556,935</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>550,169,741</u>	<u>548,279,435</u>
LONG-TERM LIABILITIES			
Loans facility from affiliated companies	8	0	0
Loans from third parties	9	542,503,418	541,620,329
CAPITAL AND RESERVES	10		
Share capital		1,000	1,000
Share premium		3,000,000	3,000,000
Other reserves		4,665,323	3,658,106
		<u>7,666,323</u>	<u>6,659,106</u>
<u>TOTAL LONG-TERM LIABILITIES PLUS CAPITAL AND RESERVES</u>		<u>550,169,741</u>	<u>548,279,435</u>

Holcim Sterling Finance (Netherlands) B.V.

Profit and Loss Account (expressed in British Pounds)

		31 December 2024	31 December 2023
NET TURNOVER			
Interest income - affiliated companies	3	16,800,911	16,746,714
Interest income - third parties		347,149	250,091
Total operating income		17,148,060	16,996,805
Interest expenses- affiliated companies		(161,438)	(163,540)
Interest expenses - third parties	9	(14,652,836)	(14,598,406)
Other interest and similar expenses - third parties		(883,986)	(880,132)
General and administrative expenses		(203,985)	(229,811)
Total operating expenses		(15,902,245)	(15,871,889)
FINANCIAL INCOME/(EXPENSES)			
Foreign exchange difference		(21,752)	(17,679)
Total financial income/(expenses)		(21,752)	(17,679)
RESULT BEFORE TAXATION		1,224,064	1,107,238
Taxation	7	(216,847)	(286,731)
RESULT AFTER TAXATION		1,007,217	820,507

Holcim Sterling Finance (Netherlands) B.V.

Cash flow statement (expressed in British Pounds)

	2024	2023
Receipt from customers	41,254	38,836
Payments to suppliers	(214,162)	(252,512)
Cash flow from operations	(172,908)	(213,676)
Financial income received	17,115,798	17,007,271
Financial expenses paid	(14,787,755)	(14,789,087)
Corporate income tax paid	(317,465)	(208,740)
	2,010,578	2,009,444
Cash flow from operating activities	1,837,670	1,795,768
De(In)crease short term receivables	0	0
Received/(Paid) long term receivables	0	0
Cash flow from investing activities	0	0
Equity capital paid in	0	0
Received short term financial liabilities	0	300,000
Decrease short term financial liabilities	(300,000)	0
Received long term financial liabilities	0	0
Paid long term financial liabilities	0	0
Cash flow from financing activities	(300,000)	300,000
Net Cash flow	1,537,670	2,095,768
Increase in cash and cash equivalents	1,537,670	2,095,768
Exchange and translations gains and losses on cash and cash equivalents	(21,752)	(17,679)
Cash and cash equivalents at the beginning of the year	7,642,990	5,564,900
Cash and cash equivalents at the end of the year	9,158,908	7,642,990

Holcim Sterling Finance (Netherlands) B.V.

Notes to financial statements as at 31 December 2024

1. General

Holcim Sterling Finance (Netherlands) B.V. ("the Company") has been incorporated with limited liability on 14 March 2016 in Amsterdam, The Netherlands. The address of the Company is Roemer Visscherstraat 41, 1054 EW, Amsterdam, the Netherlands. The Company's Chamber of Commerce registration number is 65563921. The main activity of the Company is to act as finance company in British pounds for the Holcim group. On 9 June 2021 the Company changed its name from LafargeHolcim Sterling Finance (Netherlands) B.V into Holcim Sterling Finance (Netherlands) B.V. The financial statements have been prepared by the management of the Company and are subject to approval at the Annual General Meeting (AGM) to be held on 27th February 2025. The finalization and establishment of the financial statements will be determined by the AGM.

2. Summary of principal accounting policies

General

The accompanying accounts have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. The Company considers the GBP as its functional currency since a significant part of the Company's transactions are denominated in GBP.

Group structure

The Company is a fully owned subsidiary of Holcim Ltd, Zug, Switzerland (the "Ultimate Parent Company"). The financial statements of the Parent Company consolidate the results of the Company in a manner, which is equivalent to the requirements of the EU Directive 2013/43. A copy of the accounts of the Parent Company has been filed with the Chamber of Commerce separately in Amsterdam, the Netherlands or can be acquired at the Swiss stock exchange.

Entities that are controlled by the Holcim group are referred to as "affiliated companies".

Going concern

These financial statements have been prepared based on the going concern assumption.

Financial Assets and Liabilities

Long term and current assets

Financial assets are recognised initially at fair value plus directly attributable transaction costs. All purchases and sales of financial assets based on normal market conventions are recognised on the transaction date, i.e. the date the Group enters into a binding agreement. Loans granted and other receivables are primary financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these loans and receivables are carried at amortised cost based on the effective interest method, less

2. Summary of principal accounting policies (continued)

impairments. Gains and losses are taken to the profit and loss account when the investments are transferred to a third party or impaired, as well as through the amortisation process.

Impairment of financial assets

The Company assesses at the reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset is considered impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the statement of financial position date, and that loss event has had an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Long-term and short-term liabilities

When financial liabilities are recognised initially, they are measured at fair value, plus, directly attributable transaction costs. After initial measurement, other financial liabilities are carried at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when the liabilities are derecognised, as well as through the amortisation process. The same treatment is applied to loans from affiliated companies.

Foreign currencies

All monetary assets and liabilities expressed in currencies other than GBP have been translated at the rates of exchange prevailing at the balance sheet date, unless indicated otherwise. Foreign currency transactions have been converted into GBP at the approximate rate of exchange prevailing at the date of transaction. Exchange differences, arising in the accounts, are recognised in the profit and loss account.

Interest income and interest expenses

Interest income is recognised on accrual basis in the profit and loss account, taking into account the effective interest rate for the asset concerned, provided the income can be measured and the income is probable to be received. Interest is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognised in the profit and loss account, with the amortised cost of the liabilities being recognised in the balance sheet. Period interest charges and similar charges are recognised in the year in which they fall due.

Recognition of other income and expenses

Other income is taken into account in the period to which it is related. Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognised if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

Holcim Sterling Finance (Netherlands) B.V.

Notes to financial statements as at 31 December 2024

2. Summary of principal accounting policies (continued)

Income tax

Tax assets and liabilities are netted off if the general conditions for netting off are met. Taxes are calculated on the result disclosed in the profit and loss account, taking account of tax-exempt items and partly or completely non-deductible expenses.

Cash flow statement

The cash flow statement has been prepared in accordance with the direct method.

Cash and cash equivalents consists of cash at bank and in hand.

Cash flows in foreign currencies are translated at estimated average rates. Cash exchange differences are presented separately in the statement of cash flows.

Interest received and paid, profits tax are included under cash flows from operating activities.

Transactions for which no cash or cash equivalents are exchanged are not included in the cash flow statement.

Risks

Liquidity risk

The liquidity risk is low since at year-end the Net Current Assets were GBP 6.4 million (2023: GBP 4.9 million). The interest on the 250mGBP bond and the 300mGBP bond is due annually in April and May respectively which the Company can cover with the interest income earned on outstanding loans and available cash. On a net basis the Company has a cash inflow estimated at GBP 1.8 million annually and has built up a positive net current asset position over the years. The Company is responsible for its own cash balances and the raising of internal and external credit lines to cover the liquidity needs. The Company monitors its liquidity risk by using a recurring liquidity management process and by monitoring reserves of cash.

Credit risk

The Company is exposed to credit risk on its financing activity. Loans are granted to Holcim Participations (UK) Ltd and Holcim Ltd. The Company monitors the credit risk of the borrowers continuously.

There is no other credit exposure than the on-balance sheet exposures. The credit rating of the parent company is BBB+/Baa1 Outlook stable for the year 2024 (2023: BBB+/Baa1 Outlook stable).

Concentration risk

The Company is exposed to concentration risk due to the concentrated portfolio of its financing activity.

The company has a significant concentration risk on the parent company.

Notes to financial statements as at 31 December 2024

2. Summary of principal accounting policies (continued)

Interest rate risk

Interest rate risk normally arises from movements in market interest rates which could affect the Company's financial result and market values of its financial instruments. As at balance sheet date the Company's interest rate risk is limited because the interest of the issued bonds is at a fixed rate, granted to affiliated companies at a fixed rate in the total amount of GBP 544 million. The Financing of Holcim Participations (UK) Ltd of GBP 300 million has maturities that are expiring earlier than the issued Bond (GBP 100 million on 31st December 2027 and GBP 200 million on 20th July 2031 compared to the Bond of GBP 300 million maturing on 12th of May 2032. When this occurs Holcim Participations (UK) Ltd will seek for the possibility of a replacing loan receivable at a suitable interest rate.

Foreign currency risk

The Company manages its foreign currency risk continuously. The risk is limited to the bank account and various accruals of expenses of the Company in Euro's.

Fair value estimation

The fair value of publicly traded financial instruments is based on quoted (unadjusted) market prices at the end of the reporting period.

For non-publicly traded financial instruments, the fair value is determined by using a variety of methods, such as the discounted cash flow method and option pricing models. The valuation methods seek to maximize the use of observable market data existing at the end of the reporting period.

The fair value of current financial assets and liabilities at amortized cost are assumed to approximate their carrying amounts due to the short-term nature of these financial instruments.

The levels of fair value hierarchy used are defined as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The types of assets carried at level 1 fair value are equity and debt securities listed in active markets.

Level 2 fair value measurements are those derived from valuation techniques using inputs for the asset or liability that are observable market data, either directly or indirectly. Such valuation techniques include the discounted cash flow method. For example, the fair value of interest rates is determined by discounting estimated future cash flows.

Level 3 fair value measurements are those derived from valuation techniques using inputs for the asset or liability that are not based on observable market data. In 2024 there were no financial assets and liabilities allocated to level 3.

Holcim Sterling Finance (Netherlands) B.V.

Notes to financial statements as at 31 December 2024

3. Loans to affiliated companies

The Company has a GBP 200 million long term loan, a GBP 100 million long term loan note with Holcim Participations (UK) Ltd and a GBP 243.8 million long term loan with Holcim Ltd. The long term loan note of GBP 100 million has a maturity date on 31.12.2027, the long term loan of GBP 200 million has its maturity on 20.07.2031 and the long term loan of GBP 243.8 million has its maturity on 04.04.2034.

The fair values of loans to affiliated companies as per 31.12.2024 amount to GBP 510,186,213 (2023: GBP 533,239,302) are classified as level 2.

As the loans provided to group companies are related to Bond notes issued, but with a higher interest, it is expected that the fair value as per 31 December 2024 of the assets is in a range between the fair value of the Bond notes (approximately 82% of book value) and the fair value of the loans to affiliates calculated based on risk free curves (approximately 94%) and per 31 December 2024 is in a range between 82% (of book value) and 94 % (fair value calculated based on risk free curves).

No impairment triggers were identified with respect to receivables from group companies in the year.

The movements on loans to affiliated companies can be summarized as followed:

	2024	2023
Balance at the beginning of the year	543,722,500	543,722,500
Additional loans	0	0
Redemption of loan	0	0
Balance at the end of the year	<u>543,722,500</u>	<u>543,722,500</u>

The interest income from affiliated companies can be summarized as follows:

	2024	2023
Holcim Ltd	6,227,578	6,202,270
HolcimParticipation (UK) Ltd	10,573,333	10,544,444
	<u>16,800,911</u>	<u>16,746,714</u>

4. Current assets

The items as presented under current assets are all collectable within one year.

Holcim Sterling Finance (Netherlands) B.V.

Notes to financial statements as at 31 December 2024

5. Cash at bank

The Cash at bank consists of bank balances available on demand.

6. Current liabilities

Liabilities with a remaining period up to one year are presented under current liabilities. All current liabilities are stated against fair value. An overview of the liabilities against affiliated parties is shown in note 12.

7. Corporate income tax

The company is taxed on the basis of its income and expenses.

The movements on the balance position of corporate income tax can be summarized as follows:

	2024	2023
Tax payable (receivable) beginning of the year	199,405	121,414
Income taxation current year	301,004	305,000
Corrections income taxation previous years	(64,402)	(18,269)
Payments to tax authorities	(338,529)	(223,535)
Foreign exchange	21,102	14,795
Balance at the end of the year	<u>118,581</u>	<u>199,405</u>

The effective tax rate for the year 2024 is 17.72% (2023: 25.94%). The nominal tax rate for the year 2024 is 15% - 25.8% (2023: 15% - 25.8%).

The reconciliation between the effective tax rate and applicable tax rate is as follows:

	2024	2023
Applicable tax rate in The Netherlands	25.80%	25.80%
Differences relating to classification of Equity and loan		
Prior year adjustments	-6.88%	1.89%
Other effects - Difference	-1.21%	-1.76%
Effective tax rate	<u>17.72%</u>	<u>25.94%</u>

Holcim Sterling Finance (Netherlands) B.V.

Notes to financial statements as at 31 December 2024

8. Loans facility from affiliated parties

The company has a facility agreement with Holcim Ltd for an amount of GBP 15 million (2023: GBP 15 million). The facility which was in place till May 2021 and has been renewed with a new facility agreement of GBP 15 million which is in place till May 2024. The interest rate on the new facility agreement is fixed at 1.0665% (2023: 1.0665%) of the used amount of the facility.

During the year under review the Company did not make any use of this facility. In May 2024 the facility has ended.

The movements on loans from affiliated parties can be summarized as follows:

	2024	2023
Balance at the beginning of the year	0	0
Additional loan	0	300,000
Transferred to current liabilities	0	(300,000)
Early repayment of loan	0	0
Balance at the end of the year	0	0

9. Loans from third parties

Under the 15 billion Euro Medium Term Note Program, as entered into in 2016 by the Company and a few affiliated companies, the Company has issued Notes for a nominal value of GBP 300 million, which are quoted at the Luxembourg Stock Exchange. The actual amount, which is received, is GBP 294.3 million taking into account a discount and issuing costs. The amortization of costs during the year of review was GBP 0.5 million and is presented as other interest and similar expenses. The Notes have a term of 15 years and ends at May 2032 and for this period the interest is fixed at 3.00%. Holcim Ltd. acts as the guarantor of the Note program.

During 2021 the Company acquired financing by issuing a bond on the Luxembourg Stock Exchange with a nominal amount of GBP 250 million. The actual amount received is GBP 243.7 million taking into account a discount and issuing costs. The amortization of costs during the year of review was GBP 0.4 million and is presented as other interest and similar expenses. The Notes have a term of 13 years and ends at April 2034, for this period the interest rate is fixed at 2.25 %. Holcim Ltd. acts as the guarantor of the Note program.

The fair values of loans from third parties amount to GBP 451,982,000 (2023: GBP 450,097,000) are classified as level 1.

Holcim Sterling Finance (Netherlands) B.V.

Notes to financial statements as at 31 December 2024

9. Loans from third parties (continued)

The movements on loans from third parties can be summarized as follows:

	2024	2023
Balance at the beginning of the year	541,620,329	540,741,158
Additional loans	0	0
Amortization of costs	883,090	879,171
Balance at the end of the year	<u>542,503,418</u>	<u>541,620,329</u>

The interest expense from third parties can be summarized as follows:

	2024	2023
Interest expense - (GBP 300m Bond)	(9,015,765)	(8,984,235)
Interest expense - (GBP 250m Bond)	<u>(5,637,071)</u>	<u>(5,614,171)</u>
	<u>(14,652,835)</u>	<u>(14,598,406)</u>

Limited recourse

The Company has entered into a limited recourse agreement with Holcim Ltd. This agreement limits the Company's risk of Holcim Ltd's rights of recourse to 1% of the outstanding bonds. The annual fee charged covers the limited recourse as well as the Guarantee that Holcim Ltd has committed itself to towards the bond holders and amounts to 0.030% on the outstanding bond as per 31.12.2024 (31.12.2023: 0.029%). The fee is presented as interest expense.

10. Capital and reserves

The Company's authorized share capital consists of 100 shares of GBP 10 each. As at balance sheet date 100 shares were issued and fully paid-up.

The Company's share premium is GBP 3 million, there were no movements in 2024.

As subject to the provisions under Dutch law, that no dividends can be distributed until all losses have been recovered, retained earnings are at the disposal of the Annual General Meeting in accordance with Article 22 of the Articles of Association of the Company.

The management board proposes that the result generated during the year under review will be added to other reserves as reflected in the balance sheet.

Holcim Sterling Finance (Netherlands) B.V.

Notes to financial statements as at 31 December 2024

10. Capital and reserves (continued)

The movements in the capital and reserves can be specified as follows:

	2024	2023
Share capital		
Balance at the beginning and end of the year	1,000	1,000
Share premium		
Balance at the beginning and end of the year	3,000,000	3,000,000
Other reserves		
Balance at the beginning of the year	3,658,106	2,837,599
Profit for the year	1,007,217	820,507
Balance at the end of the year	4,665,323	3,658,106
Total capital and reserves	7,666,323	6,659,106

11. Directors

During the year under review the Company has five (2023: five) managing directors. The total remuneration for the year under review amounted to EUR 10'000 / GBP 8'408 (2023: EUR 5'000 / GBP 4'276). The Company has no supervisory directors.

12. Related parties

The 2024 accounts include the following related party transactions:

	2024	2023
<u>Balance sheet</u>		
Interest receivable on Holcim Participation (UK) Ltd.	2,774,444	2,774,444
Interest receivable on Holcim Ltd	4,631,395	4,618,741
Long term loan (notes) to Holcim Participation (UK) Ltd.	300,000,000	300,000,000
Long term loan (notes) to Holcim Ltd	243,722,500	243,722,500
Interest payable to Holcim Ltd.	881	1,302
Account payable to Holderfin BV	25,362	27,414
Shor term liability to Holcim Ltd	0	300,000
<u>Profit and loss account</u>		
Interest income Holcim Participation (UK) Ltd.	10,573,333	10,544,444
Interest income Holcim Ltd.	6,227,578	6,202,270
Financial expenses Holcim Ltd.	161,438	136,540

The transactions as shown above are at arm's length.

See also note 11 for the payments to the directors of the company.

Holcim Sterling Finance (Netherlands) B.V.

Notes to financial statements as at 31 December 2024

13. Auditors fees

The agreed fee for auditing services and other services rendered by the auditor's firm EY Accountants B.V. (2023: Ernst & Young Accountants LLP) excluding VAT are booked on accrual basis and are as follows in EUR:

	2024	2023
Audit of financial statements	45,279	44,000
Total audit fees	45,279	44,000

14. Contingent assets / liabilities

The Company has entered into an annual lease obligation with a third party in respect of property for EUR 54'484 (2023: EUR 49'775) in total. The term of the lease contract is until the 30 June 2026.

15. Number of employees

The Company has no FTE's, but it has insourced personnel in order to perform the activities necessary to manage the company. The costs of this insourcing amounts to GBP 111k in 2024 (2023: GBP 108k).

16. Events after the balance sheet date

No other significant events, that impact the financial statements as at 31 December 2024, occurred between the balance sheet date and the 27th February 2025.

17. Other disclosures

The Company has, together with several other affiliated companies, credit facility agreements as well as syndicated loan with third parties for the amounts of CHF 550 million and EUR 4,270 million.

At the moment the Company makes a draw down on these credit facilities it is obliged to take in to consideration that:

The facilities are ranked pari passu with all other present and futures unsecured and unsubordinated obligations.

Not to pledge any positions, unless in any such case at the same time the obligations under the facility are secured equally and ratably by the same security as is created and outstanding.

During the year 2024 the Company did not make a draw down on these credit facilities.

Holcim Sterling Finance (Netherlands) B.V.

Notes to financial statements as at 31 December 2024

The Board of Directors


M.L. Unternährer


G. van Estrik


L.E.L. Jaques


V.C. Hartman (Feb 27, 2025 18:03 GMT+1)

V.C. Hartman


H.C.H. Lokin (Feb 27, 2025 17:46 GMT+1)

H.C.H. Lokin

Amsterdam, 27th February 2025

Holcim Sterling Finance (Netherlands) B.V.

Other information

Audit

The independent auditor's report is shown on the next pages.

Appropriation of result according to Articles of Association

Subject to the provisions under Dutch law, retained earnings are at the disposal of the Annual General Meeting in accordance with Article 22 of the Articles of Association of the Company. It will be proposed to the general meeting that the profit will be added to the reserves.

Independent auditor's report

To: the shareholder and board of directors of Holcim Sterling Finance (Netherlands) B.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the accompanying financial statements for the financial year ended 31 December 2024 of Holcim Sterling Finance (Netherlands) B.V. based in Amsterdam, the Netherlands.

In our opinion the financial statements give a true and fair view of the financial position of Holcim Sterling Finance (Netherlands) B.V. as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at 31 December 2024
- The profit and loss account for the year ended 31 December 2024
- The notes comprising a summary of the accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Holcim Sterling Finance (Netherlands) B.V. (the company) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (VIO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Holcim Sterling Finance (Netherlands) B.V. is incorporated as a wholly owned subsidiary of Holcim Ltd (the parent) to assist the parent in raising funds and on-lending money to companies within the Holcim Group. The parent is the holding company of the Holcim Group that is one of the largest global producers of cement and clinker in the world in terms of consolidated volume sold. Its other product lines include aggregates, ready-mix concrete and solutions & products. The main income of the company is the interest income on the loans to the affiliated companies.

We paid specific attention in our audit to a number of areas driven by the operations of the company and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	GBP 2.8 million.
Benchmark applied	0.50% (rounded) of total assets as at 31 December 2024.
Explanation	We determined materiality based on our understanding of the company's business and our perception of the financial information needs of users of the financial statements. We considered that total assets reflect the source of income and repayments to the holders of the bonds issued by the company. We determined materiality consistent with prior financial year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of directors that misstatements in excess of GBP 140 thousand which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Teaming and use of specialists

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a listed finance company. We have made use of specialists in the area of income taxes including transfer pricing.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and board of directors' process for responding to the risks of fraud and monitoring the system of internal control and how the board of directors' exercises oversight, as well as the outcomes. We refer to section Risk of the Management report for the board of directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the Holcim code of business conduct. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud and misappropriation of assets. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 2 to the financial statements.

Furthermore, we have used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions and transactions with related parties. We also evaluated whether transactions with related parties were accounted for at arm's length and in accordance with transfer pricing documentation.

We did not identify a risk of fraud in revenue recognition, other than the forementioned risks related to management override of controls.

We considered available information and made enquiries of relevant executives of the group, the auditor of the group and the company's board of directors.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We have been informed by the board of directors that there was no correspondence with regulatory authorities, enquired with the group auditor of Holcim group and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section Going concern in Note 2 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of directors made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional skepticism. We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern, including considerations relating to the financial position of the parent in cooperation with the group auditor. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our 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. We have communicated the key audit matter to the board of directors. The key audit matter is not a comprehensive reflection of all matters discussed.

In comparison with previous year, the nature of our key audit matter did not change.

Valuation of the loans issued to the group company

Risk

The company has issued notes to grant intercompany funding to Holcim Ltd. and Holcim Participations UK, part of the Holcim Group (affiliated companies). The company is exposed to the risk that affiliated companies default on meeting their obligations. As the loans to affiliated companies represent the most significant portion of the company's assets, any impairment may have a material impact on the company's financial position and results.

We consider the valuation of the loans to affiliated companies and the assessment whether there is any objective evidence that a financial asset is impaired, and, if any such evidence exists, determining the size of the impairment loss, a key audit matter because this is an area that requires significant judgment and determines the ability of the company to fulfil its obligations and to continue as a going concern.

Valuation of the loans issued to the group company

	<p>We refer to Note 2 to the financial statements, where the board of directors disclosed the policies and procedures in respect of valuation of financial assets and liabilities and the impairment of financial assets, as well as the credit risk. As disclosed in Note 3 to the financial statements, the board of directors did not identify any objective indicator triggering that the loans to affiliated companies might be impaired.</p>
Our audit approach	<p>Our audit procedures included, amongst others, evaluating the appropriateness of the company's accounting policy relating to the impairment of financial assets in accordance with Part 9 of the Book 2 of the Dutch Civil Code and Dutch Accounting Standard 290 "Financial Instruments" and the criteria set to determine that there is objective evidence of an impairment loss and whether these have been applied consistently. We also evaluated the design of internal controls of the processes underlying the identification and assessment of objective evidence for impairment as part of the financial statement closing process.</p> <p>Furthermore, we challenged the board of directors' assessment based on, amongst others, our analysis of the financial position of the affiliated companies and by identification of indicators of non-recoverability of the loans to affiliated companies. This includes an assessment on the fair value developments of the bonds issued and whether the affiliated companies met their financial obligations towards the company throughout the year and up to the date of our report, as well by reviewing publicly available information and by inquiring the group auditor of Holcim group. Also, we took the impact of events subsequent to 31 December 2024 into account.</p> <p>Finally, we evaluated the related disclosures in the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code.</p>
Key observations	<p>Based on our procedures performed, we concur with the board of directors' assessment that there is no objective evidence as at 31 December 2024 that any of the loans to affiliated companies are impaired.</p>

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720.

The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the general meeting as statutory auditor of Holcim Sterling Finance (Netherlands) B.V. on 23 April 2024 as of the audit for the year 2023 and have operated as statutory auditor since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements 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. The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit 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 company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

In this respect we also submit an additional report to the audit committee of the parent in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 28 February 2025

EY Accountants B.V.

signed by M. L. Milet de St Aubin

