

**LafargeHolcim Helvetia
Finance Ltd,
Rapperswil-Jona**

Financial Statements for the year ended
31 December 2019 and Report of the
Statutory Auditor

Report of the Statutory Auditor

To the General Meeting of

LafargeHolcim Helvetia Finance Ltd, Rapperswil-Jona

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 statement of financial position as at 31 December 2019, the statement of income 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 2019 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

Ezra Elzas
Licensed Audit Expert

Zurich, 18 February 2020
ADU/EEL/nib

Enclosures

- Financial statements (statement of financial position, statement of income and notes)
- Proposed appropriation of available earnings

LafargeHolcim Helvetia Finance Ltd

COMPANY HIGHLIGHTS

Formation:	November 25, 2015
Registered Office:	Neue Jonastrasse 60 8640 Rapperswil-Jona
Purpose:	Financing and Holding Company
Authorized capital:	10'100 registered shares of CHF 1'000.00 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	2019	2018
Dividend income - Group companies	2	92,210,682	-
Financial income - Parent company		1,478,042	2,504,291
Financial income - Group companies	3	19,672,900	4,764,984
Other income	4	1,970,067	39,894,847
Financial expenses - Parent company		(2,166,667)	-
Financial expenses - Group companies	5	(2,411,330)	(48,933,083)
Financial expenses - Third parties	11	(7,832,120)	(488,501)
Other expenses	6	(8,207,487)	(2,700,455)
Impairment of financial investments - Group companies	8	(2,551,156)	-
Depreciation		(17,905)	(17,905)
Profit / (loss) before tax		92,145,026	(4,975,822)
Direct taxes		(780,655)	-
Net income / (loss)		91,364,371	(4,975,822)

See notes to the financial statements

Statement of financial position LafargeHolcim Helvetia Finance Ltd

in CHF

Assets	Notes	31.12.2019	31.12.2018
Cash and cash equivalents		917,238,911	1,637,394
Trade receivables - Group companies		-	1,335
Other receivables - Parent company		129,255	233,076
Other receivables - Group companies		7,121,652	2,654,608
Current assets		924,489,818	4,526,413
Non-current financial receivables - Parent company		659,000,000	775,876,343
Non-current financial receivables - Group companies	7	644,408,445	198,951,000
Financial investments - Group companies	8	23,110,454	38,750,928
Tangible fixed assets		116,382	134,286
Other assets		1,009,967	1,249,470
Non-current assets		1,327,645,248	1,014,962,027
Total assets		2,252,135,065	1,019,488,440
Liabilities and shareholder's equity			
Current financial liabilities - Parent company		162,343,043	-
Current financial liabilities - Group companies	9	903,596,015	49,001,364
Current financial liabilities - Third parties		102,025	102,050
Other current liabilities - Parent company		1,666,667	-
Other current liabilities - Group companies		600,867	-
Other current liabilities - Third parties		6,671,565	1,031,929
Deferred income and accrued expenses		-	58,752
Current liabilities		1,074,980,182	50,194,095
Non-current financial liabilities - Group companies	10	116,476,923	-
Non-current financial liabilities - Third parties	11	200,000,000	200,000,000
Provisions		62,996	43,751
Non-current liabilities		316,539,919	200,043,751
Total liabilities		1,391,520,101	250,237,846
Share capital	12	10,100,000	10,100,000
Statutory retained earnings		12,367	12,367
Voluntary retained earnings			
Voluntary reserves		803,847,142	803,847,142
Accumulated losses prior year		(44,708,915)	(39,733,093)
Net income / (loss)		91,364,371	(4,975,822)
Total shareholder's equity		860,614,965	769,250,594
Total liabilities and shareholder's equity		2,252,135,065	1,019,488,440

See notes to the financial statements

Notes to the financial statements of LafargeHolcim Helvetia Finance Ltd

LafargeHolcim Helvetia Finance Ltd with registered office in Rapperswil-Jona 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.

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.

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

	2019	2018
2) Dividend income - Group companies		
Holcim Overseas Finance Ltd.	92,210,682	-
Total	<u>92,210,682</u>	<u>-</u>
3) Financial income - Group companies		
Lafarge Zementwerke GmbH	202,459	-
Lafarge Perlmooser GmbH	3,846,724	-
Holcim (Schweiz) AG	7,765,997	531,918
Holcim Mexico Operaciones S.A. de C.V.	7,806,553	-
Holcim Technology Ltd	-	3,861,864
Holcim Reinsurance Ltd	51,167	371,202
Total	<u>19,672,900</u>	<u>4,764,984</u>
4) Other Income		
Foreign exchange gains (net)	-	37,772,799
Other fees	1,970,067	2,122,048
Total	<u>1,970,067</u>	<u>39,894,847</u>
5) Financial expenses - Group companies		
LafargeHolcim International Finance Ltd	(2,130,933)	(11,160,153)
Holcim Overseas Finance Ltd	-	(37,772,930)
Holcim (US) Inc	(258,020)	-
Holderfin B.V.	(3,423)	-
Lafarge Canada Inc	(2,804)	-
Holcim Mexico Operaciones S.A. de C.V.	(7,702)	-
Holcim (New Zealand) Ltd	(2,318)	-
Holcim (Australia) Pty Ltd	(6,130)	-
Total	<u>(2,411,330)</u>	<u>(48,933,083)</u>
6) Other expenses		
Foreign exchange loss (net)	(4,720,942)	-
Administration expenses	(3,486,545)	(2,700,455)
Total	<u>(8,207,487)</u>	<u>(2,700,455)</u>

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

	2019	2018
7) 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	119,669,445	-
Total	<u>644,408,445</u>	<u>198,951,000</u>

8) 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 2019 for an amount of CHF 2,551,156 (2018: nil). In 2019, Holcim Overseas Finance Ltd did a capital repayment of CHF 13,089,318, whereas in 2018 LafargeHolcim Helvetia Finance Ltd did a capital increase of CHF 1,655,665 into Holcim Overseas Finance Ltd.

9) Current financial liabilities - Group companies

Holcim (Australia) Pty Ltd	47,546,100	-
Lafarge Canada Inc	59,432,000	-
Holderfin B.V.	60,154,025	-
Holcim Mexico Operaciones S.A. de C.V.	17,935,860	-
Holcim (New Zealand) Ltd	11,092,330	-
Holcim (US) Inc	707,435,700	-
Holcim Technology Ltd	-	18,463
Holcim Reinsurance Ltd	-	48,982,901
Total	<u>903,596,015</u>	<u>49,001,364</u>

10) Non-current financial liabilities - Group companies

LafargeHolcim International Finance Ltd	116,476,923	-
Total	<u>116,476,923</u>	<u>-</u>

11) Non-current financial liabilities - Third parties

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 2018	07.12.2018	200,000,000	3.50%

12) Share Capital

Shares	2019		2018	
	Number	Share capital	Number	Share capital
Registered shares 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

13) 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.

Since 2019, LafargeHolcim Helvetia Finance Ltd manages the cash of several group companies in a central notional cash pool. As master of the cash pooling a guarantee has been given by the entity, which is limited to the amount of cash in the pool. Per December 31, 2019 the guarantee amounts CHF 0.

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

Appropriation of retained earnings	2019
Voluntary reserves	803,847,142
Accumulated losses	(44,708,915)
Net income of the year	91,364,371
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Retained earnings available for annual meeting of shareholders	850,502,598
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Appropriation to statutory retained earnings	(2,007,633)
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Balance to be carried forward	848,494,965
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The board of directors proposes to the annual general meeting of shareholders to carry forward the balance to the new accounts.