



# FLSmidth Minerals Holding ApS

Vigerslev Allé 77

2500 Valby

CVR no. 27 92 09 34

Annual report for 2018

Adopted at the annual general  
meeting on 31 May 2019

A handwritten signature in blue ink, appearing to be 'P. H. Jensen', written over a horizontal line.

Per Henrik Jensen  
chairman

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## Company details

<b>The company</b>	FLSmidth Minerals Holding ApS Vigerslev Allé 77 2500 Valby  CVR no.: 27 92 09 34  Reporting period: 1 January - 31 December 2018  Domicile: Copenhagen
<b>Board of directors</b>	Sander Fynboe, chairman Lars Vestergaard Per Henrik Jensen
<b>Executive Management</b>	Per Henrik Jensen
<b>Auditors</b>	ERNST & YOUNG Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 2000 Frederiksberg

## Statement by management on the annual report

The executive management and board of directors have today discussed and approved the annual report of FLSmidth Minerals Holding ApS for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.


Valby, 31 May 2019

### Executive Management



Per Henrik Jensen

### Board of directors



Sander Fynboe  
chairman



Lars Vestergaard



Per Henrik Jensen

## **Independent auditor's report**

### ***To the shareholder of FLSmidth Minerals Holding ApS***

#### **Opinion**

We have audited the financial statements of FLSmidth Minerals Holding ApS for the financial year 1 January - 31 December 2018, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## **Independent auditor's report**

### **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 ISAs and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. 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. 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 the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

## Independent auditor's report

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

### Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, 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 management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 31 May 2019

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Claus Tanggaard Jacobsen  
State Authorised Public Accountant  
mne23314



Kennet Hartmann  
State Authorised Public Accountant  
mne40036

## **Management's review**

### **Business activities**

FLSmidth Minerals Holding ApS is the parent company of a number of foreign subsidiaries, being the only activity of the company.

Its subsidiaries construct and deliver machinery, delivering spare parts and services to a number of industries such as for ore and mineral preparation and to the lime and cellulose industries.

### **Business review**

The company's income statement for the year ended 31 December shows a profit of TDKK 39,597, and the balance sheet at 31 December 2018 shows equity of TDKK 1,175,247.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## **Accounting policies**

The annual report of FLSmidth Minerals Holding ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with options from reporting class C companies.

The accounting policies applied are consistent with those of last year.

Pursuant to section§112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### **Basis of recognition and measurement**

Income is recognised in the income statement in the step with being earned, while costs are recognised at the amount related to the financial year.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

## **Income statement**

### **Administration costs**

Administration costs include audit fee and indirect administrative costs.

## **Accounting policies**

### **Dividend from Group enterprises**

Dividend from investments in subsidiaries, is recognised as income in the income statement in the financial year in which the dividend is declared. This will typically be at the time of the approval by the Annual General Meeting of the distribution from the company concerned.

### **Financial income and costs**

Financial income and costs are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses exchange gains and losses on foreign currency transactions and allowances under the advance-payment-of-tax scheme, etc.

### **Tax for the year**

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

## **Balance sheet**

### **Financial assets**

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Dividend from subsidiaries are recognised in full as income in profit and loss for the year, not considering if distributed dividends exceed the accumulated earnings after the acquisition date.

## **Accounting policies**

### **Receivables**

Receivables are measured at amortised cost. Usually equalling nominal value less write downs for bad and doubtful debts.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

### **Liabilities**

Payables to group entities are measured at amortised cost, which is usually equivalent to nominal value.

Other liabilities include audit accruals. Other payables are measured at net realisable value.

## Income statement 1 January - 31 December

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Administration costs		-20	-19
<b>Loss before impairment</b>		<b>-20</b>	<b>-19</b>
Impairment of Group enterprises		53,852	-53,852
<b>Profit before financial items</b>		<b>53,832</b>	<b>-53,871</b>
Dividend from Subsidiaries		29,265	156,205
Loss on sale of shares in subsidiaries		-32,483	0
Financial costs	1	-15,124	-3,949
<b>Profit before tax</b>		<b>35,490</b>	<b>98,385</b>
Tax for the year	2	4,107	-6,937
<b>Profit/loss for the year</b>		<b>39,597</b>	<b>91,448</b>
Retained earnings		39,597	91,448
		<b>39,597</b>	<b>91,448</b>

## Balance sheet 31 December

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
<b>Assets</b>			
Investments in Group entities	3	<u>1,604,855</u>	<u>1,727,199</u>
<b>Financial assets</b>		<u><b>1,604,855</b></u>	<u><b>1,727,199</b></u>
<b>Total non-current assets</b>		<u><b>1,604,855</b></u>	<u><b>1,727,199</b></u>
Other receivables		2	0
Corporation tax		<u>3,332</u>	<u>873</u>
<b>Receivables</b>		<u><b>3,334</b></u>	<u><b>873</b></u>
<b>Total current assets</b>		<u><b>3,334</b></u>	<u><b>873</b></u>
<b>Total assets</b>		<u><u><b>1,608,189</b></u></u>	<u><u><b>1,728,072</b></u></u>

## Balance sheet 31 December

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
<b>Equity and liabilities</b>			
Share capital		200	200
Retained earnings		<u>1,175,047</u>	<u>1,135,450</u>
<b>Equity</b>		<b><u>1,175,247</u></b>	<b><u>1,135,650</u></b>
Payables to Group entities		432,925	592,403
Other payables		<u>17</u>	<u>19</u>
<b>Total current liabilities</b>		<b><u>432,942</u></b>	<b><u>592,422</u></b>
<b>Total liabilities</b>		<b><u>432,942</u></b>	<b><u>592,422</u></b>
<b>Total equity and liabilities</b>		<b><u><u>1,608,189</u></u></b>	<b><u><u>1,728,072</u></u></b>
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## Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2018	200	1,135,450	1,135,650
Net profit/loss for the year	0	39,597	39,597
<b>Equity at 31 December 2018</b>	<b>200</b>	<b>1,175,047</b>	<b>1,175,247</b>

The share capital consist of 1 share of a nominal value of TDKK 200. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## Notes

### 1 Financial costs

Financial expenses, group enterprises	15,124	3,949
	<u>15,124</u>	<u>3,949</u>

### 2 Tax for the year

Current tax for the year	-3,332	6,937
Adjustment of tax concerning previous years	-775	0
	<u>-4,107</u>	<u>6,937</u>

### 3 Investments in Group entities

Cost at 1 January 2018	1,781,052	1,781,051
Disposals for the year	-176,197	0
Cost at 31 December 2018	<u>1,604,855</u>	<u>1,781,051</u>
Revaluations at 1 January 2018	-53,852	0
Revaluations for the year, net	53,852	-53,852
Revaluations at 31 December 2018	<u>0</u>	<u>-53,852</u>
<b>Carrying amount at 31 December 2018</b>	<b><u>1,604,855</u></b>	<b><u>1,727,199</u></b>



## Notes

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
FLSmidth Ltd.	Canada	100%	208	21
FLSmidth Pty. Ltd.	Australia	100%	613	42
DMI Holdings Pty. Ltd.	Australia	100%	0	0
DMI Australia Pty. Ltd.	Australia	100%	3	0
ESSA Australia Limited	Australia	100%	0	0
Fleet Rebuild Pty. Ltd.	Australia	100%	41	0
Mayer Bulk Group Pty. Ltd.	Australia	100%	39	0
FLSmidth Mayer Pty. Ltd.	Australia	100%	24	0
Mayer International Machines South Africa Pty. Ltd.	South Africa	100%	0	0
FLSmidth ABON Pty. Ltd.	Australia	100%	294	58
FLSmidth Krebs Australia Pty. Ltd.	Australia	100%	26	0
FLSmidth M.I.E. Enterprices Pty. Ltd.	Australia	100%	171	0
Ludowici Pty. Ltd.	Australia	100%	994	0
Ludowici Australia Pty. Ltd.	Australia	100%	0	0
Ludowici China Pty. Ltd.	Australia	100%	0	0
Ludowici Beijing Ltd.	China	100%	0	0
Ludowici Hong Kong Ltd.	Hong Kong	100%	28	0
Yantai Ludowici Mineral Processing Equipment Ltd.	China	100%	19	0
Rojan Advanced Ceramics Pty. Ltd.	Australia	100%	0	0
Ludowici Hong Kong Investments Ltd.	Hong Kong	100%	-7	-1
Ludowici Packaging Australia Pty Ltd.	Australia	100%	0	0
Ludowici Packaging Ltd.	New Zealand	100%	13	0
FLSmidth S.A.	Chile	100%	0	0
FLSmidth S.A. de C.V.	Mexico	100%	138	37
FLSmidth Private Ltd.	India	100%	733	-23
FLSmidth (Pty.) Ltd.	South Africa	100%	624	146
FLSmidth Buffalo (Pty) Ltd.	South Africa	100%	2	0
FLSmidth Mozambique Limitada	Mozambique	100%	0	0
FLSmidth South Africa (Pty.) Ltd.	South Africa	75%	-61	-5
FLSmidth Sociedade Unipessoal Ltd.	Angola	100%	0	0
FLSmidth Roymec (Pty) Ltd.	Botswana	74%	21	1
FLSmidth (Pty) Ltd.	South Africa	100%	0	2
Euroslot KDSS (South Africa) (Pty)	South Africa	0%	0	0
			<u>3,923</u>	<u>278</u>

## Notes

### 4 Contingent assets and liabilities

The company is jointly taxed with its parent company, FLSmidth & Co. A/S (management company). The company is herefore jointly liable under the provisions of the Danish company taxation act for all tax obligations in the jointly taxed companies.

### 5 Related parties, capital resources and ownership structure

FLSmidth A/S, Denmark owns 100% of the shares of FLSmidth Minerals Holding A/S.

FLSmidth Minerals Holding A/S is a fully consolidated subsidiary in the consolidated financial statements (largest and smallest group), FLSmidth & Co A/S, Valby Copenhagen, CVR no. 58180912.

The Group Annual Report 2018 is available on [www.flsmidth.com](http://www.flsmidth.com):  
<https://www.flsmidth.com/en-gb/company/investors/downloads/reports-and-presentations>

FLSmidth & Co A/S has committed to provide liquidity and/or capital support to FLSmidth Minerals Holding ApS necessary maintain continuous operating during 2018.