



FLSmidth Minerals Holding ApS

Vigerslev Allé 77

2500 Valby

CVR no. 27 92 09 34

Annual report for 2020

Adopted at the annual general
meeting on 31 May 2021

A handwritten signature in blue ink, appearing to read 'S. Maclean'.

Scott Gregory Marshall Maclean
chairman

Table of contents

	Page
Statements	
Company details	1
Statement by management on the annual report	2
Independent auditor's report	3
Company details	
Management's review	6
Financial statements	
Accounting policies	7
Income statement 1 January - 31 December	10
Balance sheet 31 December	11
Statement of changes in equity	13
Notes to the annual report	14

Company details

The company

FLSmidth Minerals Holding ApS
Vigerslev Allé 77
2500 Valby

CVR no.: 27 92 09 34

Reporting period: 1 January - 31 December 2020

Domicile: Copenhagen

Board of directors

Sander Fynboe, chairman
Lisbet Kragelund
Scott Gregory Marshall Maclean

Executive Management

Scott Gregory Marshall Maclean

Auditors

EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
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 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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 2021

Executive Management



Scott Gregory Marshall
Maclean

Board of directors



Sander Fynboe
chairman



Lisbet Kragelund



Scott Gregory Marshall
Maclean

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 2020, 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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 2021

EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28
Kennet Hartmann

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 loss of TDKK 7.621, and the balance sheet at 31 December 2020 shows equity of TDKK 1.102.857.

Significant events occurring after end of reporting period

No significant 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 2020 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

	Note	2020 TDKK	2019 TDKK
Administration costs		-31	-32
Loss before impairment		-31	-32
Impairment and reversals of impairment of investments in subsidiaries		0	-80.293
Profit before financial items		-31	-80.325
Dividend from Subsidiaries		0	22.986
Financial costs	1	-9.724	-9.500
Profit before tax		-9.755	-66.839
Tax for the year	2	2.134	2.070
Profit/loss for the year		-7.621	-64.769
Retained earnings		-7.621	-64.769
		-7.621	-64.769

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Assets			
Investments in Group entities	3	<u>1.524.562</u>	<u>1.524.562</u>
Financial assets		<u>1.524.562</u>	<u>1.524.562</u>
Total non-current assets		<u>1.524.562</u>	<u>1.524.562</u>
Other receivables		8	5
Corporation tax		<u>2.146</u>	<u>2.097</u>
Receivables		<u>2.154</u>	<u>2.102</u>
Total current assets		<u>2.154</u>	<u>2.102</u>
Total assets		<u><u>1.526.716</u></u>	<u><u>1.526.664</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> TDKK	<u>2019</u> TDKK
Equity and liabilities			
Share capital		200	200
Retained earnings		<u>1.102.657</u>	<u>1.110.278</u>
Equity		<u>1.102.857</u>	<u>1.110.478</u>
Payables to Group entities		423.846	416.166
Other payables		<u>13</u>	<u>20</u>
Total current liabilities		<u>423.859</u>	<u>416.186</u>
Total liabilities		<u>423.859</u>	<u>416.186</u>
Total equity and liabilities		<u><u>1.526.716</u></u>	<u><u>1.526.664</u></u>
Contingent assets and liabilities	4		
Related parties, capital resources and ownership structure	5		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2020	200	1.110.278	1.110.478
Net profit/loss for the year	0	-7.621	-7.621
Equity at 31 December 2020	200	1.102.657	1.102.857

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.

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity 1. januar 2019	200	1.175.047	1.175.247
Net profit/loss for the year	0	-64.769	-64.769
Equity 31. december 2019	200	1.110.278	1.110.478

Notes

	<u>2020</u>	<u>2019</u>
	TDKK	TDKK
1 Financial costs		
Financial expenses, group enterprises	<u>9.724</u>	<u>9.500</u>
	<u>9.724</u>	<u>9.500</u>
2 Tax for the year		
Current tax for the year	-2.146	-2.097
Adjustment of tax concerning previous years	<u>12</u>	<u>27</u>
	<u>-2.134</u>	<u>-2.070</u>
3 Investments in Group entities		
Cost at 1 January 2020	<u>1.524.562</u>	<u>1.604.855</u>
Cost at 31 December 2020	<u>1.524.562</u>	<u>1.604.855</u>
Revaluations at 1 January 2020	0	0
Impairment changes for the year	<u>0</u>	<u>-80.293</u>
Revaluations at 31 December 2020	<u>0</u>	<u>-80.293</u>
Carrying amount at 31 December 2020	<u>1.524.562</u>	<u>1.524.562</u>

Notes

3 Investments in Group entities (continued)

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
FLSmidth (Pty.) Ltd.	South Africa	100%	625.716	45.490
Euroslot KDSS (South Africa) (Pty.) Ltd.	South Africa	100%	0	0
FLSMIDTH-SOCIEDADE UNIPessoal, LDA	Angola	100%	-214	-118
FLSmidth Mozambique Limitada	Mozambique	100%	0	0
FLSmidth Roymec (Pty) Ltd.	South Africa	100%	13.580	-357
FLSmidth (Pty) Ltd.	Botswana	100%	12.994	-2.411
FLSmidth South Africa (Pty.) Ltd.	South Africa	75%	-223.502	-49.860
FLSmidth Ltd.	Canada	100%	242.276	33.048
FLSmidth Private Limited	India	100%	588.804	-55.727
FLSmidth Pty. Ltd.	Australia	100%	776.271	35.552
DMI Holdings Pty. Ltd.	Australia	100%	80	0
DMI Australia Pty. Ltd.	Australia	100%	3.498	0
ESSA Australia Limited	Australia	100%	0	0
Fleet Rebuild Pty. Ltd.	Australia	100%	41.226	0
Mayer Bulk Group Pty. Ltd.	Australia	100%	39.566	0
FLSmidth Mayer Pty. Ltd.	Australia	100%	24.346	0
FLSmidth ABON Pty. Ltd.	Australia	100%	350.409	50.056
FLSmidth Krebs Australia Pty. Ltd.	Australia	100%	26.341	0
FLSmidth M.I.E. Enterprises Pty. Ltd.	Australia	100%	172.731	0
Ludowici Pty. Limited	Australia	100%	1.002.153	0
IMP Group Pty Ltd	Australia	100%	335.529	4.618
Intertek Robotic Laboratories Pty Ltd *	Australia	50%	0	0
Ludowici Australia Pty. Ltd.	Australia	100%	0	0
Ludowici China Pty Limited	Australia	100%	0	0
Ludowici Hong Kong Limited	Hong Kong	100%	43.567	18.757
Rojan Advanced Ceramics Pty. Ltd.	Australia	100%	0	0
Ludowici Hong Kong Investments Ltd.	Hong Kong	100%	-9.078	-1.439
Ludowici Packaging Australia Pty. Ltd.	Australia	100%	0	0
Ludowici Packaging Limited	New Zealand	100%	0	0
FLSmidth S.A.	Chile	100%	0	0
FLSmidth S.A. de C.V.	Mexico	100%	158.650	17.368
Total			4.224.942	94.976

All foreign subsidiaries are recognised and measured as separate entities.

*Associate

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 2020 is available on 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 2021.