



FLSmidth Minerals Holding ApS

Vigerslev Allé 77

2500 Valby

CVR no. 27 92 09 34

Annual report for 2022

Adopted at the annual general
meeting on 27 April 2023

Camilla Winther
chair

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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 2022

Incorporated: 24 June 2004

Domicile: Copenhagen

Board of directors

Sander Fynboe, chair
Lisbet Kragelund
Camilla Winther

Executive Management

Camilla Winther

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Statement by management on the annual report

The Board of directors and Executive Management have today discussed and approved the annual report of FLSmidth Minerals Holding ApS for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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 by the company in general meeting.

Valby, 27 April 2023

Executive Management

Camilla Winther

Board of directors

Sander Fynboe
chair

Lisbet Kragelund

Camilla Winther

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 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 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 as to 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 note 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 the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 27 April 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kennet Hartmann
State Authorised Public Accountant
mne40036

Management's review

Business review

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

Its subsidiaries, within mining and cement industries, 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.

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of TDKK 97.275, and the balance sheet at 31. december 2022 shows equity of TDKK 1.324.805.

Significant events occurring after the end of the financial year

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 2022 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 sections §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 as earned. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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.

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 expenses related to audit fee and indirect administrative costs.

Accounting policies

Financial income and expenses

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, liabilities and foreign currency transactions and allowances under the Danish Tax Prepayment Scheme, etc.

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.

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 is measured at net realisable value.

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	2022 TDKK	2021 TDKK
Administration costs		-111	-23
Gross profit		-111	-23
Dividend from Subsidiaries		102.524	51.239
Financial income	1	3.368	748
Impairment and reversals of impairment of investments in subsidiaries	4	0	80.293
Financial costs	2	-9.606	-9.729
Profit/loss before tax		96.175	122.528
Tax for the year	3	1.100	2.145
Profit/loss for the year		97.275	124.673
Retained earnings		97.275	124.673
		97.275	124.673

Balance sheet at 31 December

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
Assets			
Investments in subsidiaries	4	<u>1.462.059</u>	<u>1.604.855</u>
Financial assets		<u>1.462.059</u>	<u>1.604.855</u>
Total non-current assets		<u>1.462.059</u>	<u>1.604.855</u>
Receivables from Group entities		0	23.843
Other receivables		129	13
Deferred tax asset		<u>5.035</u>	<u>4.064</u>
Receivables		<u>5.164</u>	<u>27.920</u>
Total current assets		<u>5.164</u>	<u>27.920</u>
Total assets		<u><u>1.467.223</u></u>	<u><u>1.632.775</u></u>

Balance sheet at 31 December

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
Equity and liabilities			
Share capital		200	200
Retained earnings		1.324.605	1.227.330
Equity		<u>1.324.805</u>	<u>1.227.530</u>
Payables to Group entities		142.396	405.236
Other payables		22	9
Total current liabilities		<u>142.418</u>	<u>405.245</u>
Total liabilities		<u>142.418</u>	<u>405.245</u>
Total equity and liabilities		<u><u>1.467.223</u></u>	<u><u>1.632.775</u></u>
Contingent assets and liabilities	5		
Related parties and ownership structure	6		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2022	200	1.227.330	1.227.530
Net profit/loss for the year	0	97.275	97.275
Equity at 31 December 2022	200	1.324.605	1.324.805

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2021	200	1.102.657	1.102.857
Net profit/loss for the year	0	124.673	124.673
Equity at 31 December 2021	200	1.227.330	1.227.530

Notes

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
1 Financial income		
Exchange gains	<u>3.368</u>	<u>748</u>
	<u>3.368</u>	<u>748</u>
2 Financial costs		
Financial expenses, group enterprises	<u>9.606</u>	<u>9.729</u>
	<u>9.606</u>	<u>9.729</u>
3 Tax for the year		
Deferred tax for the year	-1.397	-2.145
Adjustment of deferred tax concerning previous years	426	227
Joint taxation contribution	<u>-129</u>	<u>-227</u>
	<u>-1.100</u>	<u>-2.145</u>

Notes

	<u>2022</u> TDKK	<u>2021</u> TDKK
4 Investments in subsidiaries		
Cost at 1 January	1.604.855	1.604.855
Disposals for the year	<u>-142.796</u>	<u>0</u>
Cost at 31 December	<u>1.462.059</u>	<u>1.604.855</u>
Revaluations at 1 January	0	-80.293
Reversal of impairments for the year	<u>0</u>	<u>80.293</u>
Revaluations at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>1.462.059</u>	<u>1.604.855</u>

Notes

Investments in subsidiaries are specified as follows:

Name		Registered office	Ownership interest	Equity	Profit/loss for the year
543	FLSmith (Pty.) Ltd.	South Africa	100	649.869	-6.684
838	FLSMIDTH-SOCIEDADE UNIPessoal, LDA	Angola	100	-322	0
736a	FLSmith Mozambique Limitada	Mozambique	100	-7.758	-1.004
989	FLSmith (Pty) Ltd.	Botswana	85	5.406	-518
639	FLSmith South Africa (Pty.) Ltd.	South Africa	75	-103.169	-53.461
311	FLSmith Ltd.	Canada	100	289.782	9.963
544	FLSmith Private Limited	India	100	333.130	-84.605
309	FLSmith Pty. Ltd.	Australia	100	907.062	-282.945
870	FLSmith Industrial Solutions (Australia) Pty. Ltd.	Australia	100	-39.602	-2.108
753	DMI Holdings Pty. Ltd. ****	Australia	100	0	0
754	DMI (Australia) Pty. Ltd. ****	Australia	100	0	0
991	ESSA Australia Limited ****	Australia	100	0	0
756	Fleet Rebuild Pty. Ltd. ****	Australia	100	0	-41.739
758	Mayer Bulk Group Pty. Ltd. ****	Australia	100	0	-28.157
757	FLSmith Mayer Pty. Ltd. ****	Australia	100	0	0
546	FLSmith ABON Pty. Ltd.	Australia	100	347.749	68.637
947	FLSmith Krebs Australia Pty. Ltd. ****	Australia	100	0	0
755	FLSmith M.I.E. Enterprises Pty. Ltd. ****	Australia	100	0	0
715	Ludowici Pty. Limited	Australia	100	0	-1.060.055
839	IMP Group Pty Ltd	Australia	100	0	-195.188
840	Intertek Robotic Laboratories Pty Ltd *	Australia	50	0	0
717	Ludowici Australia Pty. Ltd.	Australia	100	0	0
718	Ludowici China Pty Limited	Australia	100	0	0
719	Ludowici Hong Kong Limited ***	Hong Kong	100	0	-30.861
722	Rojan Advanced Ceramics Pty. Ltd. ****	Australia	100	0	0
744	Ludowici Hong Kong Investments Ltd. ***	Hong Kong	100	0	11.877
737	Ludowici Packaging Australia Pty. Ltd. ****	Australia	100	0	0
158a	FLSmith S.A.	Chile	100	763.948	62.634
532	FLSmith S.A. de C.V.	Mexico	100	180.061	76.470

Notes

296	FLS US Holdings, Inc.	United States	100	3.622.675	-14.731
299	FLSmidth Inc.	United States	100	0	0
304	Fuller Company	United States	100	0	0
924	FLSmidth Dorr-Oliver Eimco SLC Inc.	United States	100	0	0
925	FLSmidth Dorr-Oliver Inc.	United States	100	14.970	-7
927	FLSmidth Dorr-Oliver International Inc.	United States	100	-2	0
724	Ludowici Mineral Processing Equipment Inc.	United States	100	0	0
703	Phillips Kiln Services (India) Pvt. Ltd.*	India	50	0	0
322	SLS Corporation	United States	100	0	0
	Total			6.313.928	-1.565.800

* Associate

** Joint Venture

*** under Members voluntary winding up

****in Members voluntary liquidation

All other enterprises are Group enterprises

Notes

5 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.

6 Related parties 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 2022 is available on:

<https://www.flsmidth.com/en-gb/company/investors/reports-and-presentations>

The company has no employees.

FLSmidth & Co A/S has to provide liquidity and/or capital support to FLSmidth Minerals Holding ApS necessary to maintain continuous operating during 2023.